

BASE PROSPECTUS DATED MARCH 30, 2011

This document constitutes the base prospectus of the Issuer (as defined below) in respect of non-equity securities within the meaning of Art. 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of April 29, 2004 (the "**Base Prospectus**").



Koninklijke Ahold N.V.

(a public company with limited liability incorporated under the laws of the Netherlands, having its registered seat in Zaandam (municipality Zaanstad), the Netherlands and having its principal place of business at (1019 GM) Amsterdam, the Netherlands, Piet Heinkade 167-173)

Euro Medium Term Note Program

Under this Euro Medium Term Note Program (the "**Program**"), Koninklijke Ahold N.V. ("**Ahold**") and in its capacity as issuer (the "**Issuer**", which expression shall include any Substituted Debtor (as defined in Condition 17 in "Terms and Conditions of the Notes" below) may from time to time issue notes (the "**Notes**"), which expression shall include senior notes ("**Senior Notes**") and subordinated notes ("**Subordinated Notes**") (each as set out in the applicable Final Terms (as defined below)) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). In this Base Prospectus, "**we**," "**us**," "**our**," the "**Company**," and "**Ahold**" refers to Koninklijke Ahold N.V. together with its consolidated subsidiaries, unless the context indicates otherwise.

The Notes will be issued on a continuing basis to one or more of the Dealers specified below and any additional Dealer appointed under the Program from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). The Dealer or Dealers with whom the Issuer agrees or proposes to agree an issue of any Notes is or are referred to as the "**relevant Dealer**" in respect of those Notes. Notes may be distributed by way of a public offer or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each relevant series of Notes (a "**Series**") or tranche thereof (a "**Tranche**") will be stated in the applicable Final Terms (the "**Final Terms**").

The Notes of each Tranche will (unless otherwise specified in the applicable Final Terms) initially be represented by a global Note which will be deposited on or around the issue date thereof with a common depositary on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or any other agreed clearing system. See "Form of the Notes" herein.

The Issuer may agree with the relevant Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which case a supplemental prospectus, if required, will be made available which will describe the effect of the agreement reached in relation to such Notes and, where appropriate, which will be subject to the prior approval by the Netherlands Authority for the Financial Markets (*in Dutch: Stichting Autoriteit Financiële Markten*, the "**AFM**").

Application has been made to Euronext Amsterdam N.V. ("**Euronext Amsterdam**") for Notes to be issued under the Program up to the expiry of 12 months from the Publication Date (as defined below) to be admitted to listing and trading on Euronext Amsterdam by NYSE Euronext. In addition, Notes issued under the Program may be listed or admitted to trading, as the case may be, on any other stock exchange or market specified in the applicable Final Terms. The Issuer may also issue unlisted Notes under the Program. The Notes have not been registered under the United States Securities Act 1933, as amended.

The full terms and conditions of each Tranche of Notes are constituted by the Terms and Conditions as set out in full in this Base Prospectus in "Terms and conditions of the notes" which constitute the basis of all Notes to be offered under the Program, together with the Final Terms applicable to the relevant issue of Notes, which apply and/or do not apply, supplement and/or amend the Terms and Conditions in the manner required to reflect the particular terms and conditions applicable to the relevant Series of Notes (or Tranche thereof).

Senior Notes issued under the Program may be rated or unrated. Where an issue of Senior Notes is rated, its rating will not necessarily be the same as the rating applicable to the Program. Subordinated Notes issued under the Program may be rated on a case by case basis as specified in the applicable Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Each of Moody's Investors Service, Ltd. ("**Moody's**") and Standard & Poor's Credit Market Services France SAS, a division of The McGraw-Hill Companies, Inc. ("**S&P**") are credit rating agencies established and operating in the European Community prior to 7 June 2010 and have submitted an application for registration in accordance with the CRA Regulation and, as at the date of this Prospectus, such application for registration has not been refused. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

This Base Prospectus has been approved by and filed with the AFM as a Base Prospectus issued in compliance with the Prospective Directive (as defined below) and relevant implementing measures in the Netherlands for the purpose of giving information with regard to the issue of Notes under the Program during the period of twelve months after the Publication Date. The Issuer may request the AFM to provide competent authorities in additional countries which are parties to the Agreement on the European Economic Area of March 17, 2003 (the "**EEA Agreement**") with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Dutch Financial Markets Supervision Act (*in Dutch: Wet op het financieel toezicht*) and related regulations which implement the Prospectus Directive in Dutch law.

Arranger

THE ROYAL BANK OF SCOTLAND

Dealers

ABN AMRO

BARCLAYS CAPITAL

BNP PARIBAS

CITI

COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (RABOBANK
INTERNATIONAL)
GOLDMAN SACHS INTERNATIONAL
ING COMMERCIAL BANKING
J.P. MORGAN
MERRILL LYNCH INTERNATIONAL
MITSUBISHI UFJ SECURITIES INTERNATIONAL PLC
MIZUHO INTERNATIONAL PLC
THE ROYAL BANK OF SCOTLAND

This Base Prospectus will be published in electronic form on the website of Euronext Amsterdam and on March 30, 2011 (the "**Publication Date**") can be obtained by e-mail through investor.relations@ahold.com as of that same date. Provided that Notes are capable of being issued under the Program, copies of this Base Prospectus will be available, free of charge, during normal office hours from the registered office of the Issuer. This Base Prospectus is issued in replacement of a prospectus dated March 31, 2010 and accordingly supersedes that earlier prospectus. It is valid for a period of 12 months from the Publication Date.

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SUMMARY

The following constitutes the summary (the "**Summary**") of the essential characteristics and risks associated with the Issuer and the Notes to be issued under the Program. This Summary must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. No civil liability will attach to the Issuer in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area (the "**EEA**" and each such state, an "**EEA State**"), the plaintiff investor might, under the national legislation of a Member State where the claim is brought, be required to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.

Issuer: Koninklijke Ahold N.V.

Koninklijke Ahold N.V. ("**Ahold**") was established as a public limited liability company (*in Dutch: naamloze vennootschap*) for an unlimited term under the laws of the Netherlands on April 29, 1920, ratified by Royal Decree of April 23, 1920, number 4. It has its registered seat at Zaandam (municipality Zaanstad), the Netherlands, and its principal place of business at (1019 GM) Amsterdam, the Netherlands, Piet Heinkade 167-173. Ahold is registered in the Trade Register at the Chamber of Commerce and Industries for Amsterdam under number 35000363.

Description: Euro Medium Term Note Program

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfill its obligations under the Notes issued under the Program. These are set out under "Risk Factors" below and include risks relating to currency exchange and interest rate fluctuations, risks relating to strategy, risks relating to liquidity, risks relating to tax liabilities, risks relating to Ahold's industry and business and risks relating to ownership of Ahold's common shares and American Depositary Shares ("**ADSs**"). In addition, set out below, are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Program as well as factors which are material for the purpose of assessing market risks associated with Notes generally (see "Risk Factors").

Arranger: The Royal Bank of Scotland plc

Dealers:	<p> ABN AMRO Bank Barclays Bank plc BNP PARIBAS Citigroup Global Markets Limited Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International) Goldman Sachs International ING Bank N.V. J.P. Morgan Securities Ltd. Merrill Lynch International Mitsubishi UFJ Securities International plc Mizuho International plc The Royal Bank of Scotland plc </p> <p>and any other dealer appointed from time to time either in respect of a single Tranche or in respect of the whole Program.</p>
Regulatory Matters:	<p>Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale" in this Base Prospectus).</p>
Issuing and Principal Paying Agent:	Citibank N.A.
Listing Agent:	The Royal Bank of Scotland N.V.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, euro, Pounds Sterling, U.S. dollars and Japanese yen.
Redenomination:	The applicable Final Terms will specify whether Redenomination (as described in Condition 4) will apply to the Notes. Such provisions permit the redenomination into euro of Notes originally issued in a currency which becomes convertible into euro.

Maturities:	Subject to applicable laws, regulations and restrictions, Notes will have maturities from 12 months and more.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms) be in bearer form and initially be represented by a global Note which will be deposited on the relevant Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. The global Note will be exchangeable as described therein for either a permanent global Note or definitive Notes upon satisfaction of certain conditions including, in the case of a temporary global Note where the issue is subject to TEFRA D selling restrictions and such Notes have maturities in excess of 183 days, upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a permanent global Note is exchangeable for definitive Notes upon the occurrence of an Exchange Event, as described in "Form of the notes". Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system. Definitive Notes will be in Standard Euromarket form, as specified in the Final Terms.
Fixed Rate Notes:	Fixed interest will be payable on the date or dates specified in the applicable Final Terms and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).
Floating Rate Notes:	<p>Floating Rate Notes will bear interest either at a rate determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions or, if so specified in the applicable Final Terms, the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the issue date of the first Tranche of the Notes of the relevant Series) or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).</p> <p>The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms.</p>

Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the applicable Final Terms.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both (as indicated in the applicable Final Terms).</p> <p>Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).</p>
Dual Currency Interest Notes:	Payments (whether in respect of principal or interest and Interest Notes: whether at maturity or otherwise) in respect of Dual Currency Interest Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the applicable Final Terms.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount or at a premium to their nominal amount or at par and will not bear interest.
Redemption:	<p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified installments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.</p> <p>The applicable Final Terms may provide that Notes may be repayable in two or more installments of such amounts and on such dates as indicated in it.</p>
Denomination of Notes:	Notes will be issued in such denominations as may be specified in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or

regulations applicable to the relevant Specified Currency

Taxation:	<p>Payments in respect of the Notes will, as specified in the applicable Final Terms, be made either subject to withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands (in respect of an offering solely to investors in the Netherlands) or (in all other cases) without withholding or deduction of or for any taxes imposed, levied, withheld or assessed by the Relevant Jurisdiction as defined in Condition 7(b) subject to certain exceptions as provided in Condition 8. If the applicable Final Terms provides that payments are to be made subject to withholding or deduction of or for any taxes imposed, levied, withheld or assessed by the Netherlands, it will also specify that Condition 7(b) will not apply to the Notes. If the applicable Final Terms provides that payments are to be made without withholding or deduction of or for any taxes imposed, levied, withheld or assessed by the Relevant Jurisdiction, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.</p>
Negative Pledge:	<p>The Notes contain a negative pledge given by the Issuer as set out in Condition 3 of the Terms and Conditions of the Notes.</p>
Cross Default:	<p>The Notes contain a cross default as set out in Condition 10 of the Terms and Conditions of the Notes.</p>
Status of the Senior Notes:	<p>The Senior Notes will constitute unsecured and unsubordinated obligations of the Issuer and will rank pari passu without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.</p>
Status and other terms of Subordinated Notes:	<p>The status of each Tranche of Subordinated Notes and any negative pledge and events of default applicable to Subordinated Notes will be set out in the applicable Final Terms.</p>
Listing:	<p>Application has been made for Notes to be issued under the Program to be admitted to listing and trading on Euronext Amsterdam by NYSE Euronext. The Notes may also be listed on such other or further stock exchange or stock exchanges as may be agreed between the Issuer and the relevant Dealer in relation to each issue.</p> <p>Unlisted Notes may also be issued. The Final Terms relating to each issue will state whether or not the Notes are to be listed and, if so, on which stock exchange(s).</p>

Governing Law: The Notes will be governed by, and construed in accordance with, the laws of the Netherlands.

Selling Restrictions: There are selling restrictions in relation to the EEA, France, Italy, Japan, the Netherlands, the United Kingdom and the United States, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering materials, see "Subscription and Sale" in this Base Prospectus.

RISK FACTORS

The following discussion of risks relating to Ahold should be read carefully when evaluating our business, our prospects and the forward-looking statements contained in this Base Prospectus and in Ahold's annual report for the financial year ended January 2, 2011, as published on March 3, 2011, incorporated by reference herein (the "**Ahold 2010 Annual Report**"), with a view of a possible investment in the Notes.

The following constitute all risks known by Ahold and which could have a material adverse effect on Ahold's financial position, results of operations, liquidity or could cause actual results to differ materially from the results contemplated in the forward-looking statements contained herein and in the Ahold 2010 Annual Report and which may affect the Company's ability to fulfill its obligations under the Notes issued pursuant to the Program. Investors in the Notes may stand to lose the entire value of their investment or part thereof, as the case may be.

Ahold recognizes different strategic, operational, financial and legal compliance risk categories. The risks described below are not the only risks Ahold faces. There may be additional risks that the Company is currently unaware of or risks that Ahold's management believes are immaterial, but which may in the future have a material adverse effect on the Company's financial position, results of operations, liquidity and the actual outcome of matters referred to in the forward-looking statements contained in the Ahold 2010 Annual Report. For additional information regarding forward-looking statements, please refer to the section "Cautionary notice" on page 136 of the Ahold 2010 Annual Report.

RISK FACTORS RELATING TO AHOLD

Strategic risks

Ahold may not be able to successfully implement its strategy or may not achieve the anticipated benefits due to adverse macro-economic conditions and competitive pressures.

Our strategy for profitable and sustainable growth has several main areas of focus. We have realigned our portfolio to focus on our core retail businesses in Europe and the United States, building our individual retail banners into powerful local brands. We are using our continental organizational structures to ensure that management decisions are made at the most appropriate level and economies of scale and best practices can effectively be leveraged to support our local operating companies. In addition, we are working to meet our financial targets, including a € 350 million cost reduction program, and have brought a more focused and coordinated approach to our Corporate Responsibility program. For more information see our strategy as described on page 36 of this Base Prospectus. However, Ahold is subject to a number of risks, mainly macro-economic and competitive, that may impair our ability to effectively implement our strategy or realize the anticipated benefits. Such risks relate to macro-economic circumstances, acquisitions and integration and expansion and are described in further detail below.

Risks related to macro-economic circumstances

The global economic downturn that started in late 2007 has impacted all of the economies and markets in which we operate, and a recovery is slow to materialize. High unemployment, reduced consumer confidence and disposable incomes, and food and fuel price volatility can negatively affect customer demand and may negate the results of investments we have made through our value repositioning programs. The financial crisis has restricted the availability of credit in our markets and limits governments' abilities to implement further fiscal stimuli. This may result in sustained, sluggish growth in customer demand as shoppers remain price sensitive, cause the failure of key suppliers, or otherwise disrupt our supply chains, impacting the cost and availability of goods. As a result of the current economic climate, our competitors continue to take aggressive actions. These factors or other unforeseen effects of the current economic climate could impair

the effectiveness of Ahold's strategy, reduce the anticipated benefits of its price repositioning and cost savings programs or other strategic initiatives, and may have a material adverse effect on the Company's financial position, results of operations, and liquidity.

Risks related to acquisition and integration

As part of our strategy, Ahold is pursuing growth in existing and new markets and is looking to expand in non-food, e-commerce and other services. A lack of suitable acquisition targets at acceptable prices may limit Ahold's growth. When acquiring other businesses, Ahold also faces risks, for instance compliance and regulatory risks, related to the integration of these businesses. In addition, Ahold is replacing its current IT infrastructure to make it fully scalable and replicable to support Ahold's growth objectives. Anticipated IT synergies from newly acquired businesses will only materialize after the current and planned IT systems and infrastructure projects have been completed.

Risks related to expansion

One of our strategic objectives is to expand by opening new stores in Europe and the United States. Our ability to open new stores is dependent on whether we are able to purchase properties or enter into leases on commercially reasonable terms for properties that are suitable for our needs. If Ahold fails to secure property in a timely manner, its growth may be impaired.

Operational risks

Risk related to collective bargaining

A significant portion of Ahold's employees are represented by unions and are covered by collective bargaining agreements. As the collective bargaining agreements with those unions expire, Ahold might not be able to negotiate extensions or replacements on terms acceptable to the Company. Although we consider our relations with the relevant trade unions to be stable and have organized our human resource functions to support the Company's union relations and collective bargaining negotiations, any failure to effectively renegotiate these agreements could result in work stoppages or other organized labor actions. We may not be able to resolve any issues in a timely manner and our contingency plans may not be sufficient to avoid an impact on the business. A work stoppage due to the failure of one or more of Ahold's operating companies to renegotiate a collective bargaining agreement, or otherwise, could have a material adverse effect on the Company's financial position, results of operations, and liquidity.

Risks related to information security

Ahold's business operations generate and maintain confidential commercial and personal information concerning customers, employees, suppliers, and the Company. Our information security policy mandates that we implement and maintain controls, processes, and tools that ensure confidentiality, privacy, and integrity of confidential and sensitive information. We also manage and monitor compliance with our policy and with the various legal and regulatory requirements. However, disclosure of confidential information to unintended third parties may negatively impact Ahold's competitive position and corporate reputation or result in litigation or regulatory action. This could have a material adverse effect on Ahold's financial position, results of operations, and liquidity.

Risks related to business and IT continuity

A number of Ahold's critical business processes and functions are concentrated in a limited number of centralized facilities and / or are dependent on IT systems and infrastructure, key personnel, outsourcing providers, and other key suppliers for which Ahold has limited or no comparable back-up available. If any of these critical business processes or functions suffer a severe disruption that renders such facilities, critical IT systems or infrastructure, key suppliers, or key personnel unavailable, Ahold could experience disruption to its supply chain, store, and administrative operations. We continue to invest in recovery plans and

security initiatives for the facilities and technology systems that support critical business processes and take steps to mitigate the dependency risks associated with our key strategic suppliers. However, these measures cannot fully prevent business interruptions that could have a material adverse effect on Ahold's financial position, results of operations, and liquidity.

Risks related to food and non-food safety

The growing internationalization of the supply chain, the increasing sale of own-brand products, including vegetables and other non-branded products, in Ahold's stores, along with increased regulation, continue to make food and non-food safety one of the Company's most significant business risks. We have food and non-food safety policies and practices in place for our own-brand products, covering the supply chain from the final production stage through to our own operations. However, Ahold may face food and non-food safety problems, including disruptions to the supply chain caused by food-borne illnesses and negative consumer reaction to any incidents, which may have a material adverse effect on the Company's reputation, sales, financial position, results of operations, and liquidity.

Risks related to corporate responsibility

Increased regulatory demands, stakeholder awareness and the growing sentiment that large retailers must address sustainability issues across the entire supply chain mean that Ahold's brand and reputation may suffer if it does not adequately address relevant corporate responsibility issues affecting the food retail industry. Furthermore, if we fail to effectively increase the fuel and energy efficiency of our operations or to reduce waste, our operational and cost competitiveness may be adversely affected. We continue to develop a broad range of coordinated and focused programs to address issues such as climate change, energy efficiency, waste reduction, social accountability, healthy living, community engagement, and corporate responsibility reporting. If these programs are not successful or are otherwise inadequate, Ahold's reputation and competitive position could suffer.

Risks related to business transformation

Ahold has made changes in its European and U.S. businesses to create strong platforms for future growth. The reorganization in both continents has delineated areas of responsibility and further simplified and standardized processes and structures so that the Company can integrate acquisitions more easily. These projects were carefully planned and changes are being implemented with a high degree of ongoing attention from executive management. However, it is possible that some transformation initiatives will not be fully effective. These transformation activities could cause disruption as systems, processes and resource talent have recently changed, and this disruption could adversely affect Ahold's financial position, results of operations, and liquidity.

Risk related to large strategic projects

In order to achieve Ahold's strategic agenda and as a result of the way the Company is currently organized, activities will increasingly be undertaken in the form of projects. If Ahold is not able to execute and deliver major strategic projects, such as projects related to non-food, e-commerce, IT-systems, store formats and acquisitions in existing and new markets on time and within budget, the realization of key strategic objectives may be at risk, and unnecessary expenditure of financial and management resources incurred. This could have a material adverse effect on Ahold's financial position, results of operations, and liquidity.

Financial risks

Risks related to contingent liabilities associated with lease guarantees

Following the divestment of subsidiary businesses, such as BI-LO / Bruno's and Tops, and the closure of certain other facilities, Ahold has outstanding contingent liabilities to third parties relating to lease guarantees it has issued. Ahold may face financial exposure in the event that some of these divested businesses encounter financial difficulty or go into bankruptcy, which could have a material adverse effect

on Ahold's financial position, results of operations, and liquidity. For further information, see *Note 34* to Ahold's consolidated financial statements included in the Ahold 2010 Annual Report.

Risks associated with insurance programs

Ahold manages its insurable risks through a combination of self-insurance and commercial insurance coverage. Our U.S. operations are self-insured for workers' compensation, general liability, vehicle accident and certain health care-related claims. Self-insurance liabilities are estimated based on actuarial valuations. While we believe that the actuarial estimates are reasonable, they are subject to changes caused by claim reporting patterns, claim settlement patterns, and legislative and economic conditions. This makes it possible that the final resolution of some claims may require us to make significant expenditures in excess of our existing reserves. In addition, third-party insurance companies that provide the fronting insurance that is part of our self-insurance programs require us to provide certain collateral. We take measures to assess and monitor the financial strength and credit-worthiness of the commercial insurers from whom we purchase insurance. However, we remain exposed to a degree of counterparty credit risk with respect to such insurers. If conditions of economic distress were to cause the liquidity or solvency of our counterparties to deteriorate, we may not be able to recover collateral funds or be indemnified from the insurer in accordance with the terms and conditions of our policies.

Risks related to health care and pension funding requirements

Ahold has a number of defined benefit pension plans covering a large number of its employees in the Netherlands and in the United States. Falling stock market values and interest rates negatively affect Ahold's pension funds, which may lead to higher pension charges and contributions payable. In addition, a significant number of union employees in the United States are covered by multi-employer plans. The unfunded portion of the liabilities of these plans may result in increased future payments by Ahold and the other participating employers. Ahold's risk of such increased contributions may be greater if any of the participating employers in an underfunded multi-employer plan withdraws from the plan due to insolvency and is not able to contribute an amount sufficient to fund the unfunded liabilities associated with its participants of the plan. For additional information, see *Note 23* to Ahold's consolidated financial statements included in the Ahold 2010 Annual Report. If Ahold is unable at any time to meet any required funding obligations for some of its U.S. pension plans, or if the Pension Benefit Guaranty Corporation (the PBGC), as the insurer of certain U.S. plan benefits, concludes that its risk may increase unreasonably if the plans continue, the PBGC could terminate the plans and place liens on material amounts of the Company's assets, under the U.S. Employee Retirement Income Security Act of 1974 (ERISA).

Ahold's pension plans covering its Dutch operations are regulated by Dutch pension law. The pension fund is under the supervision of the Dutch Central Bank (De Nederlandsche Bank or DNB). According to the law and / or contractually agreed funding arrangements, Ahold may be required to make additional contributions to its pension plans in case minimum funding requirements are not met.

In addition, U.S. health care costs have risen significantly in recent years and this trend is expected to continue. Ahold may be required to pay significantly higher amounts to fund U.S. employee health care plans in the future. Significant increases in health care and pension funding requirements could have a material adverse effect on the Company's financial position, results of operations, and liquidity.

Other financial risks include:

- Foreign currency translation risk arising from various currency exposures, primarily with respect to the U.S. dollar, relating to cash flows, including loan and interest payments, lease payments, dividends and firm purchase commitments, and the value of assets and liabilities denominated in foreign currency

- Credit risk related to cash and cash equivalents, short-term deposits, and derivative financial instruments
- Interest rate risk, arising primarily from debt (the risk that volatility of market interest rate generates volatility in Ahold interest expense)

For further information relating to these financial risks, see Note 30 to Ahold's consolidated financial statements included in the Ahold 2010 Annual Report.

Compliance and regulatory risks

Risks related to unforeseen tax liabilities

Because Ahold operates in a number of countries, its income is subject to taxation in differing jurisdictions and at differing tax rates. Significant judgment is required in determining the consolidated income tax position. We seek to organize our affairs in a tax-efficient and balanced manner, taking into account the applicable regulations of the jurisdictions in which we operate. As a result of Ahold's multi-jurisdictional operations, it is exposed to a number of different tax risks including, but not limited to, changes in tax laws or interpretations of such tax laws. The tax authorities in the jurisdictions where Ahold operates may audit the Company's tax returns and may disagree with the positions taken in those returns. An adverse outcome resulting from any settlement or future examination of the Company's tax returns may result in additional tax liabilities and may adversely affect its effective tax rate, which could have a material adverse effect on Ahold's financial position, results of operations, and liquidity. In addition, any examination by the tax authorities could cause Ahold to incur significant legal expenses and divert management's attention from the operation of its business.

Risks related to the legislative and regulatory environment and litigation

Ahold is subject to federal, regional, state, and local laws and regulations in each country in which it operates relating to, among others, zoning, land use, antitrust restrictions, work place safety, public health including food and non-food safety, environmental protection, community right-to-know, alcoholic beverage sales, pharmaceutical sales, and information security.

A number of jurisdictions regulate the licensing of supermarkets, which may entail the restriction or prohibition of certain business operations. Employers are also subject to laws governing their relationship with employees, including but not limited to minimum wage, overtime, working conditions, health care, disabled access, and work permit requirements. The cost of compliance with, or changes in, these laws could reduce the profitability of Ahold's stores and could affect its business, financial condition or results of operations. Ahold is subject to a variety of antitrust and similar laws and regulations in the jurisdictions in which it operates. In a number of markets, Ahold has market positions that may make future significant acquisitions more difficult and may limit its ability to expand by acquisition or merger. Due to the wider scope of activity of various regulatory and governing bodies, and the litigious environment that Ahold may experience in the markets in which it operates, litigation may increase in frequency and materiality.

Legal proceedings

Ahold and certain of its subsidiaries are involved in a number of legal proceedings, which include litigation as a result of divestments, tax, employment, and other litigation and inquiries. The legal proceedings discussed below, whether pending, threatened or unasserted, if decided adversely or settled, may result in liability material to Ahold's financial condition, results of operations, or cash flows. Ahold may enter into discussions regarding settlement of these and other proceedings, and may enter into settlement agreements, if it believes settlement is in the best interests of Ahold's shareholders. In accordance with IAS

37 "Provisions, Contingent Liabilities, and Contingent Assets," Ahold has recognized provisions with respect to these proceedings, where appropriate, which are reflected on its balance sheet.

U.S. Foodservice - Waterbury litigation

In October 2006, a putative class action was filed against U.S. Foodservice by Waterbury Hospital and Cason, Inc. and Frankie's Franchise Systems Inc. with the United States District Court for the District of Connecticut in relation to certain U.S. Foodservice pricing practices (the Waterbury Litigation). Two additional putative class actions were filed in 2007 by customers of U.S. Foodservice, Catholic Healthcare West, and Thomas & King, Inc., in the U.S. District Courts for the Northern District of California and the Southern District of Illinois, respectively. These two new actions involved the same pricing practices as those in the Waterbury Litigation. The new actions also named Ahold and two individuals as defendants. In accordance with the decision of the Judicial Panel on Multidistrict Litigation, in 2008, the actions were consolidated with the Waterbury litigation before the Court in Connecticut. Ahold was (among other parties) named as defendant. Both Ahold and U.S. Foodservice filed a motion to dismiss against the complaint. In December 2009, the Court in Connecticut granted Ahold's motion to dismiss, as a result of which Ahold is no longer party in the proceedings. U.S. Foodservice's motion to dismiss was partially rejected by the Court, as a result of which U.S. Foodservice remains defendant in the ongoing proceedings. Ahold cannot at this time provide a reasonable estimate of any of its potential liability in connection with the indemnification obligation mentioned in the table included in *Note 34* to the consolidated financial statements included in the Ahold 2010 Annual Report.

U.S. Foodservice - Governmental / regulatory investigations

The Civil Division of the U.S. Department of Justice was conducting an investigation, which related to certain past pricing practices of U.S. Foodservice for sales made to the U.S. government prior to the date of completion of the disposal of U.S. Foodservice (July 3, 2007). In September 2010, a settlement was reached with the Department of Justice under which U.S. Foodservice was obliged to pay an amount of \$33 million (€24 million) to the U.S. government. Ahold paid under its indemnification agreement with U.S. Foodservice an amount of \$23 million (€17 million), of which \$12 million (€8 million) had already been provided for in 2009. Ahold cannot exclude the possibility of further indemnification obligations resulting from other governmental or regulatory actions.

U.S. Foodservice - Connecticut and New York state inquiries

Ahold has received inquiries from the Connecticut Attorney General's Office and the New York Attorney General's Office relating to certain past billing practices of U.S. Foodservice with respect to agreements with Connecticut and New York state agencies. As part of their inquiries, the respective Offices have requested certain sales information relating to those agreements. Ahold is fully cooperating with these inquiries. In view of the nature and the stage of the inquiries, we cannot predict at this point when they will be completed or what their outcome will be.

Uruguayan litigation

Ahold, together with Disco S.A. (Disco) and Disco Ahold International Holdings N.V. (DAIH), is a party to certain legal proceedings in Uruguay related to Ahold's 2002 acquisition of Velox Retail Holdings' shares in the capital of DAIH.

The proceedings are ongoing. The damages alleged by the plaintiffs, alleged creditors of certain Uruguayan and other banks, amount to approximately \$70 million (€52 million) plus interest and costs. As part of the sale of Disco to Cencosud in 2004, Ahold has indemnified Cencosud and Disco against the outcome of these legal proceedings. Ahold continues to believe that these legal proceedings are without merit and will continue to vigorously oppose the plaintiffs' claims.

D&S litigation

In April 2005, the public company Distribucion y Servicio D&S S.A. (D&S) initiated legal proceedings against Ahold in the Netherlands, in connection with Disco's acquisition in 2000 of Supermercados Ekono S.A., which owned supermarkets in Buenos Aires, Argentina. D&S sought payment of approximately \$47 million (€35 million) plus interest. In May 2007, the Court of First Instance decided against D&S in its judgment and dismissed its claim against Ahold. The Court of Appeals has confirmed this judgment. In November 2009, D&S filed an appeal against this decision with the Dutch Supreme Court on procedural grounds only. Ahold does not expect the matter before the Supreme Court to change the outcome of the material proceedings. A judgment by the Supreme Court is expected in 2011.

In relation to the above procedure, at the initiative of D&S, an arbitration panel was appointed in February 2008 in proceedings against Disco in Argentina. The parties made their final submissions in the proceedings before the arbitration panel in 2010. A judgment is expected in 2011. Disco believes it has meritorious defenses in these proceedings. As part of the sale of Disco to Cencosud in 2004, Ahold has indemnified Cencosud and Disco against this claim from D&S.

Stop & Shop Bradlees Lease Litigation with Vornado

In connection with the spin-off of Bradlees in May 1992, see Contingent Liabilities in *Note 34* to the consolidated financial statements included in the Ahold 2010 Annual Report, Stop & Shop, Bradlees, and Vornado (or certain of its affiliates, collectively Vornado) entered into a Master Agreement and Guaranty (the Master Agreement) relating to 18 leases for which Vornado was the landlord. Pursuant to the Bradlees Bankruptcies, Bradlees either rejected or assumed and assigned the leases subject to the Master Agreement. In 2002, Vornado sent a written demand to Stop & Shop to pay certain so-called "rental increases" allegedly due under the Master Agreement in connection with certain leases, comprised of \$5 million (€4 million) annually through 2012, and, if certain renewal options are exercised, \$6 million (€4 million) annually thereafter through the expiration of the last lease covered by the Master Agreement, which Vornado alleges could extend until 2031, depending upon whether renewal options are exercised. In 2002, Stop & Shop filed a Court claim that it is not obligated to pay the rental increases demanded by Vornado. In 2005, Vornado filed a counterclaim seeking damages and a declaration that Stop & Shop is obligated to pay rental increases. The proceedings are ongoing. Stop & Shop continues to believe that it is not obligated to pay the rental increases demanded by Vornado and continues to vigorously pursue the litigation and defend against Vornado's claims.

Other legal proceedings

In addition to the legal proceedings described above, Ahold and its subsidiaries are parties to a number of other legal proceedings arising out of their business operations. Ahold believes that the ultimate resolution of these other proceedings will not, in the aggregate, have a material adverse effect on Ahold's financial position, results of operations, or cash flows. Such other legal proceedings, however, are subject to inherent uncertainties and the outcome of individual matters is not predictable. It is possible that Ahold could be required to make expenditures, in excess of established provisions, in amounts that cannot reasonably be estimated.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUES UNDER THE PROGRAM

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Program. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, "**a Relevant Factor**"). In addition, the Issuer may issue Notes with principal or interest

payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one installments. Failure to pay any subsequent installment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favorable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-

bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

RISK FACTORS RELATING TO NOTES GENERALLY

Consequences of denomination of minimum Specified Denomination (as defined in the Form of Final Terms) plus higher integral multiple

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount; it is possible that the Notes may be traded in amounts that are not integral multiples of the minimum Specified Denomination (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Dependence on Payments from Subsidiaries to Fund Payments on the Notes

Ahold is a holding company and a substantial part of its operations is conducted through subsidiaries. Consequently, Ahold will depend on dividends and other payments from its subsidiaries to make payments on the Notes. Investors in the Notes will not have any direct claims on the cash flows or assets of Ahold's operating subsidiaries and such subsidiaries have no obligation, contingent or otherwise, to pay any amount due under the Notes or to make funds available to Ahold for these payments.

The ability of such subsidiaries to make dividends and other payments to Ahold will depend on their cash flows and operating income which, in turn, will be affected by, among other things, the factors discussed in these "Risk Factors". In addition, such subsidiaries may not be able to pay dividends due to legal or contractual restrictions. Consequently, if amounts that Ahold receives from its subsidiaries are not sufficient, Ahold may not be able to service its obligations under the Notes.

Structural Subordination

A substantial part of Ahold's assets are held, and operating income is generated, by its subsidiaries. In general, claims of the creditors of a subsidiary, including secured and unsecured creditors for indebtedness incurred and against any guarantee issued by such entity, will have priority with respect to the assets of that subsidiary over the claims of creditors of its parent company including holders of Notes issued by Ahold under this program, except to the extent that such parent company is also a valid creditor of that subsidiary under the laws of the relevant jurisdiction. Ahold's ability to service its payment obligations under the Notes substantially depends on the income generated by its subsidiaries. Since Noteholders are not a creditor to these subsidiaries their claims to the assets of the subsidiaries that generate Ahold's income are subordinated to the creditors of these subsidiaries.

Modification

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The conditions of the Notes also provide that the Agent (as defined in "Terms and Conditions of the Notes" below) may, without the consent of Noteholders, agree to (i) any

modification (not being a modification requiring the approval of a meeting of Noteholders) of any of the provisions of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders or (ii) any modification of the Notes which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the laws of the Netherlands.

RISKS RELATED TO THE MARKET GENERALLY

The Lack of a Secondary Market

There may not be an existing market for the Notes when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange Rate Risks and Exchange Controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest Rate Risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Any negative change in the credit rating of Ahold could adversely affect the value of the Notes.

OTHER IMPORTANT CONSIDERATIONS

Notes Held in Global Form

The Notes will initially be held by a common depository on behalf of Euroclear or Clearstream, Luxembourg in the form of a global Note which will be exchangeable for definitive Notes in limited circumstances as more fully described in "Form of the Notes" in this Base Prospectus. The bearer of the relevant global Note shall be treated by the Issuer and any Paying Agent (as defined in "Terms and Conditions of the Notes" below) as the sole holder of the relevant Notes represented by such global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes.

Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures of the agreed clearing system.

Nominee Arrangements

Where, in the case of an issue of Notes a nominee service provider is used by an investor to hold the relevant Notes or such investor holds interests in any Series of Notes through accounts with a clearing system, such investor will receive payments in respect of principal, interest, (if any) or any other amounts due, as applicable, solely on the basis of the arrangements entered into by the investor with the relevant nominee service provider or clearing system, as the case may be. Furthermore, such investor must rely on the relevant nominee service provider or clearing system to distribute all payments attributable to the relevant Notes which are received from the Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant nominee service provider or clearing system, as well as the Issuer.

For the purposes of (a) distributing any notices to Noteholders, and (b) recognizing Noteholders for the purposes of attending and/or voting at any meetings of Noteholders, the Issuer will recognize as Noteholders only those persons who are at any time shown as accountholders in the records of the agreed clearing system as persons holding a principal amount of the relevant Series of Notes. Accordingly, an investor must rely upon the nominee service provider which is the accountholder with the relevant clearing system through which the investor made arrangements to invest in the Notes (and, if applicable, the domestic clearing system through which the Notes are held), to forward notices received by it from the agreed clearing system and to return the investor's voting instructions or voting certificate application to the agreed clearing system. Accordingly, such an investor will be exposed to the risk that the relevant nominee service provider or clearing system may fail to pass on the relevant notice to, or fail to take relevant instructions from, the investor.

In addition, such a Noteholder will only be able to sell any Note held by it prior to its stated maturity date with the assistance of the relevant nominee service provider.

None of the Issuer, the Arranger, any Dealer to be appointed under the Program or the Agent (as defined in "Terms and Conditions of the Notes" below) shall be responsible for the acts or omissions of any relevant nominee service provider or clearing system nor makes any representation or warranty, express or implied, as to the services provided by any relevant nominee service provider or clearing system.

Change of Law and Jurisdiction

The conditions of the Notes are governed by Dutch law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to Dutch law or the application thereof after the date of this Base Prospectus.

Prospective investors should note that the courts of the Netherlands shall have jurisdiction in respect of any disputes involving any Series of Notes. Noteholders may take any suit, action or proceedings arising out of or in connection with the Notes against the Issuer in any court of competent jurisdiction. The laws of the Netherlands may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Notes.

Return on an Investment in Notes Will Be Affected by Charges Incurred by Investors

An investor's total return on an investment in any Notes will be affected by the level of fees charged by the nominee service provider and/or clearing system used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest, principal and other amounts. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Notes.

Legal Investment Considerations May Restrict Certain Investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Base Prospectus. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

NOTICE

This Base Prospectus should be read and understood together with any supplements as referred to in article 16.1 of the Prospectus Directive hereto and with any other documents incorporated by reference herein, including any Final Terms. Information regarding the Issuer and any Series or Tranche of Notes is only available by combining the information in this Base Prospectus with the information in the applicable Final Terms.

This Base Prospectus includes forward-looking statements (within the meaning of the U.S. federal securities laws) that involve risks and uncertainties that are discussed in more detail in the "Risk Factors"-section above and in the "Cautionary notice" section on page 136 of the Ahold 2010 Annual Report.

In the context of "an offer of Notes to the public", as defined below under "Subscription and Sale", and subject as provided in the applicable Final Terms, the only persons authorized to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealers or the Managers and the persons named in or identifiable following the applicable Final Terms as the financial intermediaries, as the case may be.

Any person intending to acquire or acquiring any Notes (an "**Investor**") from any other person (an "**Offeror**") should be aware that in the context of "an offer of Notes to the public", as defined below under "Subscription and Sale", the Issuer may be responsible to the Investor for the Base Prospectus only if the Issuer has authorized that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorized by the Issuer. If the Offeror is not authorized by the Issuer, the Investor should check with the Offeror whether anyone (other than the Issuer) is responsible for the prospectus used by that Offeror in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether the Issuer has authorized the Offeror to make the offer to the Investor it should take legal advice.

An Investor intending to acquire or acquiring any Notes from an Offeror will do so, and offers and sales of the Notes to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information and an Investor must obtain such information from the Offeror.

The Issuer has confirmed to the Dealers named under "Subscription and Sale" below that this Base Prospectus (including for this purpose, each applicable Final Terms) contains all information which is (in the context of the Program, the creation, issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Program, the creation, issue, offering

and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

The Issuer has undertaken to furnish a supplement to this Base Prospectus in the event of any significant new factor, material mistake or inaccuracy with respect to the information contained in this Base Prospectus which is capable of affecting the assessment of the Notes and which arises or is noticed between the time when this Base Prospectus has been approved and the final closing of any Tranche of Notes offered to investors or, as the case may be, when trading of any Tranche of Notes on a regulated market begins, in respect of Notes issued on the basis of this Base Prospectus.

No person has been authorized to give any information or to make any representation not contained in or not consistent with this Base Prospectus, any amendment or supplement thereto, any document incorporated by reference herein, or the applicable Final Terms, or any other information supplied in connection with the Program or the Notes and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer, the Arranger or any Dealer.

No representation or warranty is made or implied by the Arranger or any of the Dealers or any of their respective affiliates, and neither the Arranger nor any of the Dealers nor any of their respective affiliates make any representation or warranty or accept any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus.

This Base Prospectus is valid for 12 months following its Publication Date and this Base Prospectus and any amendment or supplement hereto, as well as any Final Terms, reflect the status as of their respective dates of issue. The delivery of this Base Prospectus or any Final Terms and the offering, sale or delivery of any Notes shall not in any circumstances imply that the information contained in such documents is correct at any time subsequent to their respective dates of issue or that there has been no adverse change in the financial situation of the Issuer since such dates or that any other information supplied in connection with the Program or the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the time indicated in the document containing the same. The Arranger and any Dealer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Program. Investors should review, inter alia, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes. Each recipient of this Base Prospectus and any Final Terms shall be taken to have made its own investigation and appraisal of the condition, financial and otherwise, of the Issuer.

Neither this Base Prospectus nor any other information supplied in connection with the Program or any Notes should be considered as a recommendation by the Issuer, the Arranger or any Dealer that any recipient of this Base Prospectus or any other information supplied in connection with the Program should subscribe for or purchase any Notes. Accordingly, no representation, warranty or undertaking, express or implied, is made by the Arranger or any Dealer in their capacity as such. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes (including an evaluation of the financial condition, creditworthiness and affairs of the Issuer) and the information contained or incorporated by reference in this Base Prospectus, the applicable Final Terms and any supplements;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks (including, without limitation, those described in "Risk Factors" in this Base Prospectus).

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. Instead, they purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes may perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment may have on the potential investor's overall investment portfolio.

The distribution of this Base Prospectus and any Final Terms and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Final Terms come must inform themselves about, and observe any such restrictions. See "Subscription and Sale" in this Base Prospectus.

In particular, Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and certain of the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "Subscription and Sale" below).

This Base Prospectus may only be used for the purpose for which it has been published.

This Base Prospectus and any Final Terms do not constitute an offer or an invitation to subscribe for or purchase any Notes.

This Base Prospectus and any Final Terms may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. None of the Issuer, the Arranger and the Dealers represent that this Base Prospectus may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction other than in certain EEA States of which the competent authorities have obtained a notification within the meaning of article 18 of the Prospectus Directive, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or any Dealer appointed under the Program which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required, other than in certain EEA States.

Internal Revenue Service Circular 230 Disclosure

Pursuant to Internal Revenue Service Circular 230, the description set forth herein with respect to U.S. federal tax issues was not intended or written to be used, and such description cannot be used, by any taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code. Such description was written to support the marketing of the

Notes. Such description is limited to the U.S. federal tax issues described herein. It is possible that additional issues may exist that could affect the U.S. federal tax treatment of the Notes, or the matter that is the subject of the description noted herein, and such description does not consider or provide any conclusions with respect to any such additional issues. Taxpayers should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

In this Base Prospectus, unless otherwise specified, references to a **"Member State"** are references to a country which is a party to the EEA Agreement, references to **"USD"**, **"\$"**, **"U.S. dollars"** or **"dollars"** are to United States dollars, references to **"¥"**, **"Japanese yen"** and **"yen"** refer to the currency of Japan and references to **"£"**, **"GBP"** or **"pounds sterling"** refer to the currency of the United Kingdom and references to **"€"**, **"EUR"** or **"euro"** are to the single currency introduced at the start of the third stage of European Economic and Monetary Union and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May, 1998 on the introduction of the Euro, as amended.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as **"Stabilizing Manager(s)"** (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure or the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilizing action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

KONINKLIJKE AHOLD N.V.

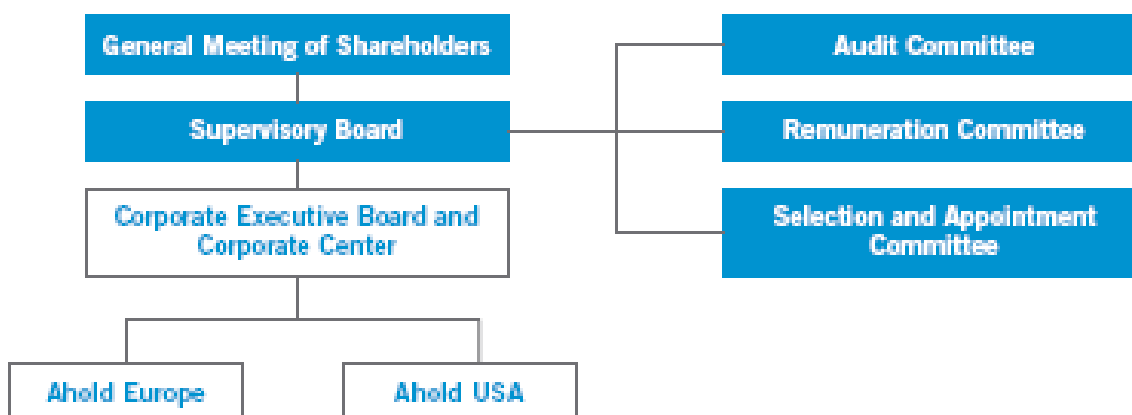
History and Development

The registered commercial names of Ahold are Koninklijke Ahold N.V., Royal Ahold and Ahold. Koninklijke Ahold N.V. is the parent company of the Ahold group. It was founded in 1887 and incorporated as a public company with limited liability (*in Dutch: naamloze vennootschap*) for an unlimited term under the laws of the Netherlands on April 29, 1920. Ahold has its registered seat in Zaandam (municipality Zaanstad), the Netherlands, and its principal place of business at (1019 GM) Amsterdam, the Netherlands, Piet Heinkade 167-173. Ahold is registered in the Trade Register at the Chamber of Commerce and Industries for Amsterdam under number 35000363 with listings of shares or depositary shares on the Amsterdam and New York stock exchanges. The telephone number of the Corporate Center is +31 (0)20 509 5100.

Organizational Structure

Koninklijke Ahold N.V. is a public company under Dutch law with a two-tier board structure. Ahold is managed by a Corporate Executive Board, which is supervised and advised by a Supervisory Board. The two boards are accountable to the General Meeting of Shareholders. The Company is structured to effectively execute its strategy and to balance local, continental, and global decision-making. It is comprised of a Corporate Center and two continental platforms, Ahold Europe and Ahold USA, each of which contains a number of companies.

The following diagram shows the governance structure of Ahold and its companies. A list of subsidiaries, joint ventures, and associates is included in Note 36 to the consolidated financial statements included in the Ahold 2010 Annual Report.



BOARD AND MANAGEMENT

CORPORATE EXECUTIVE BOARD (in Dutch: raad van bestuur)

The Corporate Executive Board is responsible for the management and the general affairs of Ahold. For a more detailed description of the responsibilities of the Corporate Executive Board, please refer to its charter in the corporate governance section of Ahold's public website at www.ahold.com.

Composition

According to Ahold's Articles of Association, the Corporate Executive Board must consist of at least three members. The current members of the Corporate Executive Board are: Dick Boer, Chief Executive Officer; Kimberly Ross, Executive Vice President and Chief Financial Officer; and Lodewijk Hijmans van den Bergh, Executive Vice President and Chief Corporate Governance Counsel.

Ahold's Corporate Executive Board consists of the following persons:

Dick Boer

President and Chief Executive Officer

Dick Boer (August 31, 1957) is a Dutch national. On September 29, 2010, the Supervisory Board appointed him Chief Executive Officer of Ahold, effective March 1, 2011. Prior to that date Dick served as Chief Operating Officer Ahold Europe, to which he was appointed on November 6, 2006.

Dick joined Ahold in 1998 as CEO of Ahold Czech Republic and was appointed President and CEO of Albert Heijn in 2000. In 2003, he became President and CEO of Ahold's Dutch operating companies. Ahold's shareholders appointed him to the Corporate Executive Board on May 3, 2007.

Prior to joining Ahold, Dick spent more than 17 years in various retail positions for SHV Holdings in the Netherlands and abroad, and for Unigro N.V.

Dick is chairman of Central Office Food Trade (CBL), president of the European Retail Round Table, and a member of the executive board of The Confederation of Netherlands Industry and Employers (VNO-NCW). He is also member of the advisory boards of G-star and the Red Cross Hospital Beverwijk, and a member of the supervisory board of AMS Sourcing B.V.

Kimberly Ross

Executive Vice President and Chief Financial Officer

Kimberly Ross (May 5, 1965) is a U.S. national. She was appointed to the position of Executive Vice President and Chief Financial Officer and acting member of the Corporate Executive Board on November 15, 2007, after having served as Deputy Chief Financial Officer since July 1, 2007. On April 23, 2008, Ahold's shareholders appointed Kimberly to the Corporate Executive Board.

Kimberly joined Ahold in September 2001 as Assistant Treasurer. In April 2002, she became Vice President and Group Treasurer and was promoted to Senior Vice President and Group Treasurer in January 2004. She was appointed Senior Vice President and Chief Treasury and Tax Officer in April 2005.

Prior to joining Ahold, Kimberly held the position of Senior Manager at Ernst & Young in New York and Director of Corporate Finance for the Americas at Joseph E. Seagram & Sons Inc. She also held a number of other management positions at Joseph E. Seagram & Sons Inc. from 1995 through 2001 as well as at Anchor Glass from 1992 to 1995.

Kimberly is a member of the advisory board of the Rotterdam School of Management, Erasmus University.

Lodewijk Hijmans van den Bergh

Executive Vice President and Chief Corporate Governance Counsel

Lodewijk Hijmans van den Bergh (September 16, 1963) is a Dutch national. Ahold's shareholders appointed him to the Corporate Executive Board on April 13, 2010. Lodewijk joined the Company on December 1, 2009, when he assumed his responsibilities as acting member of the Corporate Executive Board and Chief Corporate Governance Counsel.

Prior to joining Ahold, Lodewijk was a partner and member of the managing committee of Amsterdam-based law firm De Brauw Blackstone Westbroek, where he was head of the corporate practice group. He was the resident partner of De Brauw's London office from 1994 to 1998.

Lodewijk is the deputy chairman of the board of the Royal Concertgebouw Orchestra.

The business address of each member of Ahold's Corporate Executive Board is the address of Ahold's registered office.

Appointment, suspension and dismissal

The General Meeting of Shareholders can appoint, suspend, or dismiss a Corporate Executive Board member by an absolute majority of votes cast, upon a proposal made by the Supervisory Board. If another party makes the proposal, an absolute majority of votes cast, representing at least one-third of the issued share capital, is required. If this qualified majority is not achieved, but a majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only a majority of votes exercised, regardless of the number of shares represented at the meeting, is required to adopt the proposal.

Corporate Executive Board members are appointed for four-year terms and may be reappointed for additional terms not exceeding four years. The Supervisory Board may at any time suspend a Corporate Executive Board member.

Retirement and possible reappointment schedule

Name	Date of birth	Date of appointment	Date of possible reappointment
Dick Boer	August 31, 1957	May 3, 2007	2011
Kimberly Ross	May 5, 1965	April 23, 2008	2012
Lodewijk Hijmans van den Bergh	September 16, 1963	April 13, 2010	2014

SUPERVISORY BOARD *(in Dutch: raad van commissarissen)*

The Supervisory Board is an independent corporate body responsible for supervising and advising Ahold's Corporate Executive Board and overseeing the general course of affairs and strategy of the Company. The Supervisory Board is guided in its duties by Ahold's interests, taking into consideration the overall good of the enterprise and the relevant interests of all its stakeholders.

For a more detailed description of the responsibilities of the Supervisory Board, please refer to the "Supervisory Board report" on the pages 48 to 53 of the Ahold 2010 Annual Report.

Ahold's Supervisory Board consists of the following persons:

René Dahan, Chairman*Chairman of the Selection and Appointment Committee*

René Dahan (August 26, 1941) is a Dutch national. He was first appointed to the Supervisory Board on June 2, 2004, and his term runs until 2012. René is former Executive Vice President and Director of Exxon Mobil Corporation. He is a member of the international advisory board of the Instituto de Empresa, Madrid, Spain.

Tom de Swaan, Vice Chairman*Chairman of the Audit Committee*

Tom de Swaan (March 4, 1946) is a Dutch national. He was first appointed to the Supervisory Board on May 3, 2007, and his term runs until 2011. Tom is former CFO of ABN AMRO Bank N.V. He also held various executive positions at the Dutch Central Bank and was a non-executive director of the Financial Services Authority in London. Tom is a member of the board of GlaxoSmithKline Plc and chairman of its audit committee, and a member of the board of directors of Zurich Financial Services. He is chairman of the supervisory board of Van Lanschot Bankiers N.V. and a member of the supervisory board of Royal DSM and chairman of its audit committee. In addition, Tom is chairman of the advisory board of the Rotterdam School of Management, Erasmus University.

Karen de Segundo

Karen de Segundo (December 12, 1946) is a Dutch national. She was first appointed to the Supervisory Board on June 2, 2004. Karen will resign as member of the Supervisory Board as of April 20, 2011 - the day of the annual General Meeting of Shareholders. Karen is former CEO of Shell International Renewables and President of Shell Hydrogen and, prior to that, CEO of Shell International Gas & Power. She is a member of the supervisory board of E.ON AG, member of the board of Pöyry Oyj, and non-executive director of British American Tobacco Plc, Lonmin Plc and Ensus Holding Ltd. Karen is a former non-executive director of BlackRock New Energy Investment Trust Plc (2000 – 2009) and member of the eco advisory board of General Electric (2006 – 2009).

Derk C. Doijer*Chairman of the Remuneration Committee*

Derk Doijer (October 9, 1949) is a Dutch national. He was first appointed to the Supervisory Board on May 18, 2005, and his term runs until 2013. Derk is a former member of the executive board of directors of SHV Holdings N.V. and, prior to that, held several executive positions in the Netherlands and South America. He is chairman of the supervisory board of Lucas Bols B.V. and a member of the supervisory boards of Corio N.V., NSPB, Stihl Group and ZBG.

Stephanie M. Shern

Stephanie M. Shern (January 7, 1948) is a U.S. national. She was first appointed to the Supervisory Board on May 18, 2005, and her term runs until 2013. Stephanie was with Ernst & Young for over 30 years, most recently as Vice Chairman and Global Director of Retail and Consumer Products and a member of Ernst & Young's U.S. Management Committee. She is the Lead Director of GameStop. Stephanie is a member of the boards and chair of the audit committees of GameStop and Scotts Miracle-Gro. Stephanie is also a member of the accounting advisory board of Pennsylvania State University, Smeal School of Business.

Judith Sprieser

Judith Sprieser (August 3, 1953) is a U.S. national. She was first appointed to the Supervisory Board on May 18, 2006, and her term runs until 2014. Judith is former CEO of Transora, Inc, which she founded in 2000. Prior to this, she was Executive Vice President and CFO of Sara Lee Corporation. She is a director of Allstate Corporation, Reckitt Benckiser plc, Intercontinental Exchange, Inc., Adecco S.A., and Experian Plc.

Mark McGrath

Mark McGrath (August 10, 1946) is a U.S. national. He was appointed to the Supervisory Board on April 23, 2008, and his term runs until 2012. Mark is a former Director of McKinsey & Company. He led the firm's Americas' Consumer Goods Practice from 1998 until 2004 when he retired from the company. Mark is a director of GATX and Aware, Inc. He is chairman of the advisory board of the University of Notre Dame's Kellogg Institute of International Studies and a member of the advisory councils of the University of Chicago Booth Graduate School of Business and Notre Dame's Kroc International Peace Studies Institute. Mark is a senior advisor with Gleacher & Company.

Ben Noteboom

Ben Noteboom (July 4, 1958) is a Dutch national. He was appointed to the Supervisory Board on April 28, 2009, and his term runs until 2013. Mr. Noteboom currently holds the position of CEO and chairman of the executive board of Randstad Holding N.V., to which he was appointed in March 2003. He joined Randstad in 1993 and since then has held various senior management positions within the company. From 2000, he was responsible for in-house services Europe-wide, joining the executive board in 2001.

As Karen de Segundo will resign as member of the Supervisory Board as of April 20, 2011, the day of the annual General Meeting of Shareholders, the Supervisory Board will propose to appoint Mr. Rob van den Bergh as a member of the Supervisory Board

Rob van den Bergh

Rob van den Bergh (April 10, 1950) is a Dutch national. Mr. van den Bergh is former CEO of VNU N.V. Prior to that, Mr. van den Bergh held various other executive positions within VNU and was a member of the executive board from 1992 until his appointment as CEO in 2000. Currently, Mr. van den Bergh is chairman of the supervisory boards of N.V. Deli Maatschappij and VNU Media, and he is a member of the Supervisory Boards of TomTom N.V., Holding Nationale Goede Doelen Loterijen N.V. (Nationale Postcode Loterij) and Pon Holdings B.V. Also, Mr. van den Bergh is chairman of the supervisory board of Isala Klinieken Foundation and a member of the investment committee of NPM Capital N.V.

The business address of each member of Ahold's Supervisory Board is the address of Ahold's registered office.

Independence of Supervisory Board members

The Supervisory Board confirms that as of 30 March, 2011 all Supervisory Board members are independent within the meaning of provision III.2.2 of the Dutch Corporate Governance Code.

Committees of the Supervisory Board

The Supervisory Board has three permanent committees to which certain tasks are assigned. The committees provide the Supervisory Board with regular updates of their meetings. The composition of each committee is detailed in the following table.

	Audit Committee	Remuneration Committee	Selection and Appointment Committee
René Dahan, Chairman			Chairman
Tom de Swaan, Vice Chairman	Chairman		
Karen de Segundo	Member		Member
Derk Doijer		Chairman	Member
Stephanie Shern	Member	Member	
Judith Sprieser	Member	Member	
Mark McGrath		Member	Member
Ben Noteboom		Member	Member

For detailed information on these three permanent committees established by the Supervisory Board, please go to the section “Supervisory Board report – Committees of the Supervisory Board” on page 51 and 52 of the Ahold 2010 Annual Report.

CONFLICT OF INTEREST

Each member of the Corporate Executive Board is required to immediately report any potential conflict of interest to the Chairman of the Supervisory Board and to the other members of the Corporate Executive Board and provide them with all relevant information. Each Supervisory Board member is required to immediately report any potential conflict of interest to the Chairman of the Supervisory Board and provide him or her with all relevant information. The Chairman determines whether there is a conflict of interest.

If a member of the Supervisory Board or a member of the Corporate Executive Board has a conflict of interest with the Company, the member may not participate in the discussions and / or decision-making process on a subject or transaction relating to the conflict of interest. The Chairman of the Supervisory Board will arrange for such transactions to be disclosed in the Annual Report. There are no existing or potential conflicts of interest between the duties of each member of the Corporate Executive Board and the Supervisory Board and their private interest and/or other duties. In accordance with best practice provision III.6.4 of the Dutch Corporate Governance Code, Ahold reports that no transactions between the Company and legal or natural persons who hold at least 10 percent of the shares in the Company occurred in 2010.

CORPORATE GOVERNANCE

The Dutch Corporate Governance Code applies to stock listed companies. Ahold supports the Dutch Corporate Governance Code and complies with this Code wherever its application is possible. For detailed information on Ahold’s compliance with the Dutch Corporate Governance Code, see the section “Corporate Governance” on the pages 41 to 47 of the Ahold 2010 Annual Report.

SHARE CAPITAL

For details on the number of outstanding shares, see Note 20 to the consolidated financial statements included in the Ahold 2010 Annual Report. All outstanding shares have been fully paid up. For details on capital structure, listings, share performance, and dividend policy in relation to Ahold’s common shares, please refer to the section “Investors” on the pages 130 to 136 of the Ahold 2010 Annual Report.

Major shareholders

Ahold is not directly or indirectly owned or controlled by another corporation or by any government. The Company does not know of any arrangements that may, at a subsequent date, result in a change of control, except as described under “Cumulative preferred shares” below.

Significant ownership of voting shares

According to the Dutch Financial Markets Supervision Act, any person or legal entity who, directly or indirectly, acquires or disposes of an interest in Ahold’s capital or voting rights must immediately give written notice to the Netherlands Authority for the Financial Markets (*in Dutch: Autoriteit Financiële Markten* or *AFM*), if the acquisition or disposal causes the percentage of outstanding capital interest or voting rights held by that person or legal entity to reach, exceed or fall below any of the following thresholds:

5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

The obligation to notify the AFM also applies when such percentage of outstanding capital interest or voting rights held by any person or legal entity reaches, exceeds or falls below a threshold as a result of a change in the total outstanding capital or voting rights of Ahold.

In addition, local rules may apply to investors.

The following table lists the shareholders on record in the AFM register on March 2, 2011 that hold an interest of 5 percent or more in the share capital of the Company.

Shareholder	Date of disclosure	Capital interest ²	Voting rights ²
BlackRock, Inc.	December 1, 2009	0%	6.74%
Stichting Administratiekantoor Preferente Financieringsaandelen Ahold ¹	January 3, 2008	18.38%	5.87%
ING Groep N.V.	April 8, 2008	9.26%	4.92%
DeltaFort Beleggingen B.V.	August 23, 2007	11.23%	3.82%

1 All of the outstanding cumulative preferred financing shares are held by SAPFAA, for which SAPFAA issued corresponding depositary receipts to investors that filed under ING Groep N.V. and DeltaFort Beleggingen B.V.

2 In accordance with the filing requirements the percentages shown include both direct and indirect capital interests and voting rights and both real and potential capital interests and voting rights. Further details can be found at www.afm.nl.

Cumulative preferred shares

No cumulative preferred shares are currently outstanding. Ahold entered into an option agreement with the Dutch foundation Stichting Ahold Continuïteit (SAC) designed to exercise influence in the event of a potential change in control over the Company. The purpose of SAC, according to its articles of association, is to safeguard the interests of the Company and all stakeholders in the Company and to resist, to the best of its ability, influences that might conflict with those interests by affecting the Company's continuity, independence, or identity.

As of March 2, 2011, the members of the board of SAC are:

Name	Principal or former occupation
N.J. Westdijk, Chairman	Former CEO of Royal Pakhoed N.V.
M. Arentsen	Former CFO of CSM N.V.
G.H.N.L. van Woerkom	President & CEO of ANWB
W.G. van Hassel	Former lawyer and former chairman Dutch Bar Association

SAC is independent from the Company. For details on Ahold's cumulative preferred shares, see *Note 20* to the consolidated financial statements included in the Ahold 2010 Annual Report.

ARTICLES OF ASSOCIATION

Ahold's Articles of Association outline certain of the Company's basic principles relating to corporate governance and organization. The current text of the Articles of Association is available at the Trade Register of the Chamber of Commerce and Industry for Amsterdam and on Ahold's public website at (www.ahold.com).

The Articles of Association may be amended by the General Meeting of Shareholders. A resolution to amend the Articles of Association may be adopted by an absolute majority of the votes cast upon a proposal of the Corporate Executive Board. If another party makes the proposal, an absolute majority of votes cast, representing at least one-third of the issued share capital, is required. If this qualified majority is not achieved but a majority of the votes is in favor of the proposal, then a second meeting may be held. In the second meeting, only a majority of votes, regardless of the number of shares represented at the meeting, is required. The prior approval of a meeting of holders of a particular class of shares is required for a proposal to amend the Articles of Association that makes any change in the rights that vest in the holders of shares of that particular class.

Pursuant to article 2 of our Articles of Association, our objectives are "to promote or join others in promoting companies and enterprises, to participate in companies and enterprises, to finance companies and enterprises, including the giving of guarantees and acting as surety for the benefit of third parties as security

for liabilities of companies and enterprises with which the Company is joined in a group or in which the Company owns an interest or with which the Company collaborates in any other way, to conduct the management of and to operate companies engaged in the wholesale and retail trade in consumer and utility products and companies engaged in rendering public services, including all acts and things which relate or may be conducive thereto in the broadest sense, as well as to promote, to participate in, to conduct the management of and, as the case may be, to operate businesses of any other kind."

Pursuant to Article 37.1 of Ahold's Articles of Association, the fiscal year of Ahold ends on the Sunday nearest to December 31 of each calendar year. The quarters used by Ahold for interim financial reporting are determined as follows. The first quarter consists of the first 16 weeks of the fiscal year; the second, third and fourth quarters consist of the subsequent 12-week periods.

AUTHORIZATIONS

The update of the Program was duly authorized by a resolution of Ahold's Corporate Executive Board dated March 30, 2011. All consents, approvals, authorizations or other orders of all regulatory authorities required by the Issuer under the laws of the Netherlands have been or will be obtained for the issue of Notes and for the Issuer to undertake and perform its obligations under the Dealership Agreement, the Agency Agreement and the Notes.

TREND INFORMATION

There has been no material adverse change in the prospects of Ahold since January 2, 2011, being the date of its most recent published audited financial statements. All information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Ahold's prospects for the current financial year are disclosed in "Risk Factors" in this Base Prospectus.

NO SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION

There has been no significant change in the financial or trading position of Ahold since January 2, 2011, being the end of the last financial period for which financial information has been published.

LEGAL PROCEEDINGS

Save as disclosed on pages 15 to 17 of this Base Prospectus, Ahold is not or has not been involved in and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) in the 12 months preceding the date of this Base Prospectus, which may have, or have had in the recent past, significant effects on Ahold's financial position or profitability.

BUSINESS

PROFILE

Ahold is an international food retailing group based in the Netherlands. We operate leading supermarket companies in Europe and the United States. At the end of 2010, we had 2,970 stores, 213,000 employees and total sales of EUR 29.5 billion.

Our supermarkets are powerful local brands with a strong focus on the customer. We offer great value, a convenient and innovative shopping experience and a wide range of products and healthy choices.

We act responsibly and are committed to serving the interests of our customers, employees, suppliers and shareholders. Our companies are actively involved in the communities we serve.

We are working to simplify and streamline our businesses to build a strong platform for future growth. Our innovative products, services and store formats ensure we stay at the forefront of consumer trends and customer needs.

Our employees are the key to our success. Their unwavering focus on caring for the customer and their commitment to providing a great shopping experience continue to set us apart and contribute to the profitable growth of our company.

STRATEGY

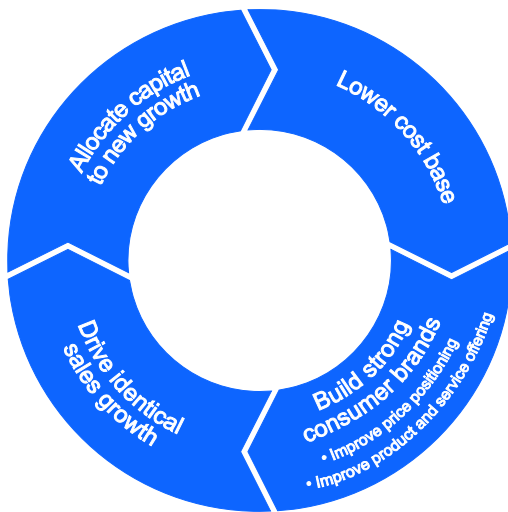
Our strategy for profitable growth is designed to accelerate identical sales growth, improve returns, and build on our strong foundation to create value for shareholders.

In 2010 we launched a new vision for the company, to offer all of our stakeholders better choice, better value, better life, every day. To achieve this vision, we have adopted a common strategic framework across Ahold.

We are looking to grow our operations in existing and new markets and to expand in non-food, e-commerce and other services. Our strategy focuses on five areas: our portfolio, growth, our organization, financial targets, and corporate responsibility.

Our business model

To drive our strategy, we have a company-wide business model. The model is a virtuous circle in which we continuously work to lower our cost base in order to invest in price, value, and the products and services we offer. This allows us to drive sales, win new customers, and allocate capital to further grow our business.



We continue to reduce costs by streamlining and standardizing processes and simplifying how we operate to improve efficiency. We are ahead of plan with our three-year €350 million cost reduction program (2010-2012) that will enable further investment to benefit our customers. The program focuses on all aspects of our business, including store expenses, supply chain, and overhead, and will also deliver additional sourcing cost savings over the same period.

We have built powerful consumer brands in each of our markets that provide value, an appealing offering of products and services, and a great shopping experience for our customers. We continue to find new ways to increase existing customer loyalty, win new customers, and further drive identical sales growth.

We allocate capital to improve our infrastructure, IT systems, and store formats, and for acquisitions in existing and new markets.

Our Group-wide strategy remains focused on five areas: our portfolio, growth, our organization, financial targets, and corporate responsibility.

Our portfolio

We operate retail businesses in Europe and the United States in markets where we have clear prospects for sustainable profitable growth. We are, or aim to be, number one or two in each market.

We continue to grow in both our existing markets and new ones. In 2010, we made the following acquisitions in the United States. In February, Giant Carlisle successfully completed the acquisition of 25 stores in Richmond, Virginia, from Ukrop's Super Markets. In April, Stop & Shop acquired five former Shaw's stores in Connecticut, a move that further strengthens our market-leading position there. In November, Giant Carlisle announced the acquisition of two former Genuardi's stores in Pennsylvania.

Growth strategy

Our strategy is to achieve sustainable profitable growth and grow our operations in existing and new markets. We are also working to expand in areas such as non-food, e-commerce, and other services. We have repositioned each of our local brands by improving the price, quality, and service we provide our customers.

Our strategy is aligned across Ahold and tailored to our local markets. We adapt the strategy to changing market developments and our insight into what our customers want.

We build our competitive advantage by understanding our customers better than the competition. This enables us to see changing patterns in consumer trends and behavior and develop targeted strategies in response.

Organizational structure

We have reorganized our businesses, further simplified and standardized processes, and aligned our structures in both Europe and the United States over the past four years to create a stronger platform for growth. Our structure today ensures a sharper focus on local customer needs, more efficient support functions, and a robust approach to business development.

We operate our businesses from two continental platforms, Ahold Europe and Ahold USA, each led by a Chief Operating Officer (COO) reporting to Ahold's CEO. This helps us balance local, continental, and global needs and leverage continental scale and talent effectively.

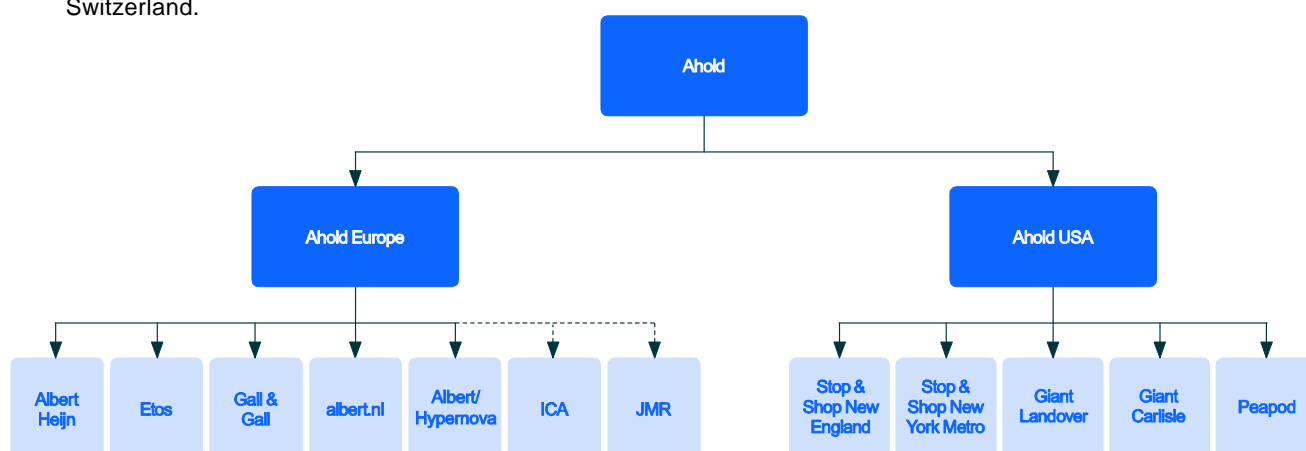
Ahold Europe comprises Albert Heijn, Etos, Gall & Gall, and albert.nl in the Netherlands and Albert / Hypernova in the Czech Republic and Slovakia. In Europe, each operating company has a general manager reporting to the COO of Ahold Europe.

Ahold USA is organized into four retail divisions: Stop & Shop New England, Stop & Shop New York Metro, Giant Landover, and Giant Carlisle. Each has a division president reporting to the COO of Ahold USA. Peapod is included within Ahold USA.

We also hold a 60 percent interest in ICA AB (ICA), and a 49 percent interest in JMR - Gestão de Empresas de Retalho, SGPS. S.A. (JMR).

Corporate Center

Ahold's global headquarters are based in Amsterdam, the Netherlands. The Corporate Center is responsible for the Group strategy and functions that support the business, including finance, internal audit, legal, compliance, insurance, human resources, communications, corporate responsibility, mergers & acquisitions, and information technology. We also have Corporate Center offices located in the United States and Switzerland.



Financial targets

Ahold is a holding company and depends on its subsidiaries for a substantial part of its income. Ahold's mid-term financial targets are to achieve a sustainable net sales growth of five percent (mainly from identical

sales growth) and a sustainable retail operating margin of five percent, while maintaining an investment grade credit rating.

Corporate responsibility

Acting responsibly is central to our business. We play a day-to-day role in the lives of millions of people. Our corporate responsibility strategy focuses on issues that are closely related to our business and where we can make a difference. This strategy, and our corporate responsibility goals and targets, are set globally by the Ahold Corporate Executive Board and implemented locally.

In 2010, we set a series of clear, measurable targets for each of our priority areas: healthy living, sustainable trade, climate action, community engagement and our people. We take our commitments seriously and are ambitious in our targets. We want to be the responsible retailer.

To find out more about our corporate responsibility strategy, activities, and performance, see Ahold's 2010 Corporate Responsibility Report. Our reporting approach continues to be based on the standards developed by the Global Reporting Initiative (GRI).

BUSINESS OVERVIEW AND PERFORMANCE

Market conditions remained challenging in 2010, with customers continuing to focus on value and with high levels of promotional activity. In addition, cost inflation increased, particularly in the second half of the year, and was not fully passed on to customers. Despite these conditions, we successfully managed the balance between sales and margins, and increased market share and volumes in the Netherlands and the United States.

In the Netherlands, Albert Heijn achieved another year of market share growth. Albert in the Czech Republic improved its performance as a result of an enhanced commercial position, and a lower cost structure. In the United States, we completed our reorganization of the businesses into four geographic divisions with one executive leadership team and support organization. Giant Carlisle acquired and integrated 25 former Ukrop's stores, Stop & Shop integrated five former Shaw's stores, and Giant Landover successfully completed Project Refresh, the three-year program to remodel approximately 100 of its stores.

Net sales in 2010 were €29.5 billion, up 5.7 percent compared to 2009. At constant exchange rates and excluding the impact of week 53 in 2009, net sales grew 4.4 percent. Our underlying retail operating margin was 4.9 percent; excluding the acquired Ukrop's stores, it was 5.1 percent, the same as in 2009.

We expect 2011 to remain challenging for the food retail industry. Although there are signs of a gradual economic recovery, we expect consumers to remain focused on value and cautious in their spending in an inflationary environment. We will continue to reduce costs so that we can invest in our offering to improve the value we provide, while managing the balance between sales and margin.

Reflecting the confidence we have in our strategy and our ability to generate cash, we propose a 26 percent increase in our dividend to €0.29 per common share. Our strong balance sheet enables us to launch a new €1 billion share buyback program for the next 18 months while continuing to actively pursue our growth strategy and taking advantage of opportunities as they arise.

At current exchange rates, we expect net interest expense for 2011 to be in the range of €230 million to €250 million and capital expenditures to be around €0.9 billion.

Results from operations

Ahold's 2010 and 2009 consolidated income statements are summarized as follows:

	2010 (52 weeks)		2009 (53 weeks)		% better / (worse)
	€million	% of net sales	€million	% of net sales	
Net sales	29,530	100.0	27,925	100.0	5.7%
Gross profit	7,920	26.8	7,587	27.2	4.4%
Retail operating expenses	(6,471)	(21.9)	(6,172)	(22.1)	(4.8)%
Underlying retail operating income	1,449	4.9	1,415	5.1	2.4%
Items excluded from underlying retail operating income:					
Impairments and impairment reversals – net	(27)		(39)		
Gains (losses) on the sale of assets – net	14		7		
Restructuring and related charges	(24)		(23)		
Retail operating income	1,412	4.8	1,360	4.9	3.8%
Corporate Center costs	(76)	(0.3)	(63)	(0.2)	(20.6)%
Operating income	1,336	4.5	1,297	4.6	3.0%
Net financial expense	(259)		(283)		8.5%
Income taxes	(271)		(148)		(83.1)%
Share in income of joint ventures	57		106		(46.2)%
Income from continuing operations	863		972		(11.2)%
Loss from discontinued operations	(10)		(78)		87.2%
Net income	853		894		(4.6)%

Week 53

Our financial year consists of 52 or 53 weeks and ends on the Sunday nearest to December 31. Financial year 2010 consisted of 52 weeks, while 2009 consisted of 53 weeks. Net sales in 2009 were positively impacted by the additional week, while the impact on operating margins for the year was negligible. In some of the discussions below, we have included comparisons of 2010 with 2009 excluding week 53 (referred to as adjusted 2009).

Net sales

Net sales in 2010 were €29.5 billion, up 5.7 percent compared to 2009. Compared to adjusted 2009 and at constant exchange rates, net sales growth in 2010 was 4.4 percent. We delivered strong sales performance in our major markets despite market conditions that remained challenging, particularly in the United States. Net sales growth was positively impacted by identical sales growth, store remodeling and expansion, new stores, and acquisitions, primarily the acquisition of 25 Ukrop's stores by Giant Carlisle in February 2010.

Our net sales consist of sales to consumers and sales to franchise stores. Franchise stores typically operate under the same format as Ahold-operated stores. Franchisees generally purchase merchandise from Ahold, pay a franchise fee, and receive support services, including management training, field support, and marketing and administrative assistance.

Operating income

In 2010, operating income was €1.3 billion, up €39 million or 3.0 percent compared to 2009. Underlying retail operating income (which excludes impairments, gains and losses on the sale of assets, and

restructuring and related charges) was €1.4 billion, or 4.9 percent of net sales, consistent with our mid-term target of 5 percent. Higher operating profits were primarily driven by significantly improved results in our Other Europe segment (Czech Republic and Slovakia). Lower results from Ahold USA, which were impacted by losses from the acquired Ukrop's stores, reorganization and IT integration costs, and a challenging economic environment, were a partial offset. You can read more about our operating companies' results in Performance by segment. Impairments, gains and losses on the sale of assets, and restructuring and related charges are listed below.

Corporate Center costs were €76 million, up €13 million compared to 2009. This increase was primarily caused by our self-insurance activities, which had a negative impact of €1 million on Corporate Center costs in 2010, while in 2009 they had a positive impact of €11 million (driven by increased interest rates). Core Corporate Center costs (as defined in Non-GAAP financial measures) were €78 million, up €2 million compared to 2009.

Impairment of assets

Ahold recorded the following impairments and reversals of impairments of assets in 2010 and 2009:

	2010 €million	2009 €million
Ahold USA	(17)	(16)
The Netherlands	(6)	(6)
Other Europe	(4)	(17)
Ahold Europe	(10)	(23)
Total	(27)	(39)

In 2010, impairments related primarily to underperforming stores. In 2009, impairments at Ahold USA were related to real estate and the closing of a number of in-store Starbucks locations. Other Europe impairments were due to store closures and underperforming stores.

Gains and losses on the sale of assets

Ahold recorded the following gains on the sale of non-current assets in 2010 and 2009:

	2010 €million	2009 €million
Ahold USA	9	—
The Netherlands	3	6
Other Europe	2	1
Ahold Europe	5	7
Total	14	7

Restructuring and related charges

Restructuring and related charges were as follows in 2010 and 2009:

	2010 € million	2009 € million
Ahold USA	(20)	1
The Netherlands	—	—
Other Europe	(4)	(24)
Ahold Europe	(4)	(24)
Total	(24)	(23)

In 2010, restructuring and related charges at Ahold USA primarily related to the organizational changes announced in November 2009. In 2009, restructuring and related charges primarily resulted from the closure of underperforming stores and the downsizing of large hypermarkets in the Czech Republic.

Net financial expense

Net financial expense decreased by €24 million compared to 2009, as a result of lower interest expense, partially offset by lower interest income following lower average yields on our outstanding cash balances. Interest expense, at €288 million, was down €28 million following significant debt reductions in 2009 (€0.5 billion) and 2010 (€0.4 billion), partially offset by a stronger U.S. dollar against the euro in 2010. Net interest expense was €270 million, at the mid-point of our guidance (at constant exchange rates, net interest was at the lower end of our guidance).

Income taxes

In 2010, income tax expense was €271 million compared to €148 million last year. The effective tax rate, calculated as a percentage of income before income taxes, was 25.2 percent (14.6 percent in 2009). The lower effective tax rate in 2009 was primarily the result of the recognition of €101 million in deferred tax assets primarily arising from U.S. net operating losses carried over from previous years.

Share in income of joint ventures

Ahold's share in income of joint ventures of €57 million decreased by €49 million compared to last year. These results primarily relate to our 60 percent shareholding in ICA and our 49 percent shareholding in JMR. Improved operating results at both ICA and JMR were more than offset by a tax provision recognized by ICA following an adverse court ruling (Ahold's share €47 million, for more information, see *Note 34* to the consolidated financial statements included in the Ahold 2010 Annual Report), and a provision against deferred tax assets at ICA Norway (Ahold's share €42 million). You can read more about ICA's and JMR's results in Performance by segment.

Loss from discontinued operations

Results from discontinued operations in 2010 and 2009 were most significantly impacted by Ahold's former subsidiaries, BI-LO and Bruno's, filing for protection under Chapter 11 of the U.S. Bankruptcy Code in 2009. This resulted in the recognition of a €62 million provision, after tax, in 2009, which represented our best estimate of our obligations under various lease guarantees.

In 2010, following various developments in the BI-LO and Bruno's bankruptcy proceedings (as further described in *Note 34* to the consolidated financial statements included in the Ahold 2010 Annual Report), we reduced our provision by €23 million, after tax.

In 2010 and 2009, results from discontinued operations were also impacted by various adjustments to the results of prior years' divestments (primarily U.S. Foodservice and Tops), as a consequence of warranties and indemnifications provided in the relevant sales agreements

Earnings per share

Diluted income from continuing operations per common share was €0.73, a decrease of 9.9 percent compared to 2009. Higher operating profits were more than offset by higher income taxes and lower results from joint ventures. The average number of outstanding common shares decreased as a result of the shares bought back under the €500 million, 12-month share buyback program, which started in April 2010. This was partially offset by shares that were issued under employee share-based compensation programs.

Financial position

Ahold's consolidated balance sheets as of January 2, 2011 and January 3, 2010 are summarized as follows:

	January 2, 2011		January 3, 2010	
	€million	%	€million	%
Property, plant and equipment	5,827	39.6	5,407	38.8
Other non-current assets	3,704	25.1	3,421	24.6
Cash, cash equivalents, and short-term deposits	2,824	19.2	2,983	21.4
Other current assets	2,370	16.1	2,122	15.2
Total assets	14,725	100.0	13,933	100.0
Equity	5,910	40.1	5,440	39.0
Non-current portion of long-term debt	3,444	23.4	3,242	23.3
Other non-current liabilities	1,279	8.7	1,226	8.8
Short-term borrowings and current portion of long-term debt	117	0.8	458	3.3
Other current liabilities	3,975	27.0	3,567	25.6
Total equity and liabilities	14,725	100.0	13,933	100.0

Property, plant and equipment increased by €420 million, primarily as a result of capital expenditures (including acquisitions) and the strengthening of the U.S. dollar against the euro.

The increase in other non-current assets primarily relates to goodwill paid on acquisitions (€111 million), mainly those of Ukrop's and Shaw's stores, and the improved financial position of our pension plans (€130 million). For the total group, our defined benefit plans showed a surplus of €81 million at year-end 2010 compared to a deficit of €78 million at year-end 2009. This improvement was due to positive investment results on the plan assets and cash contributions made to the plans, partially offset by the effect of lower interest rates in the United States.

A significant number of union employees in the United States are covered by multi-employer plans. With the help of external actuaries, we have adjusted the most recent available information that these plans have provided (largely related to financial years ending between July 1, 2009 and December 31, 2009) for market trends and conditions through the end of 2010. We estimate our proportionate share of the total deficit to be \$841 million (€628 million, pre-tax) at year-end 2010. While this is our best estimate based on the information available to us, it is imprecise and not necessarily reliable.

Equity increased by €470 million, mainly as a result of the addition of the current year's net income, partially offset by the dividend payment related to 2009 and the share buyback program that started in April 2010.

In 2010, gross debt decreased €139 million to €3.6 billion as a result of loan repayments of €0.4 billion, partially offset by the strengthening of the U.S. dollar against the euro. Ahold's net debt was €737 million as of January 2, 2011, virtually unchanged compared to last year. Net debt does not include our commitments under operating lease contracts, which, on an undiscounted basis, amount to €6.0 billion.

Liquidity and cash flows

Liquidity

Ahold relies on cash provided by operating activities as a primary source of liquidity, in addition to debt and equity issuances in the capital markets, letters of credit under credit facilities, and available cash balances. Based on our current operating performance and liquidity position, we believe that cash provided by operating activities and available cash balances (including short-term deposits) will be sufficient for working capital, capital expenditures, dividend payments, interest payments, and scheduled debt repayment requirements for the next 12 months and the foreseeable future. A total of €19 million in loans will mature in 2011, €0.5 billion in 2012 through 2015, and €1.4 billion after 2015.

Our strategy over the past several years has positively impacted the credit ratings assigned to Ahold by Moody's and Standard & Poor's (S&P). In June 2009, S&P upgraded Ahold's corporate credit rating to BBB with a stable outlook. Moody's affirmed Ahold's Baa3 issuer credit rating and changed its outlook from stable to positive in November 2009. Both ratings were unchanged in 2010. Maintaining investment grade credit ratings is a cornerstone of our strategy as they serve to lower the cost of funds and to facilitate access to a variety of lenders and markets.

Group credit facility

Ahold's €1.2 billion committed, unsecured, multi-currency, and syndicated credit facility has a base term of five years ending in August 2012. The credit facility may be used for working capital and for general corporate purposes and provides for the issuance of \$550 million (€411 million) in letters of credit. As of January 2, 2011, there were no outstanding borrowings under the credit facility other than letters of credit to an aggregate amount of \$392 million (€293 million).

	2010 € million	2009 € million
Operating cash flows from continuing operations	2,111	1,906
Purchase of non-current assets	(870)	(770)
Divestment of assets and disposal groups held for sale	32	22
Dividends from joint ventures	111	69
Interest received	15	31
Interest paid	(287)	(310)
Free cash flow	1,112	948
Repayments of loans	(419)	(524)
Dividends paid on common shares	(272)	(212)
Share buyback	(386)	—
Acquisition of businesses, net of cash acquired	(159)	(4)
(Investment in) / divestment of short-term deposits	85	(289)
Other	(118)	(88)
Net cash from operating, investing, and financing activities	(157)	(169)

Free cash flow, at €1.1 billion, increased by €164 million compared to 2009. Higher cash generated from operations, up €294 million, and a higher dividend received from ICA, were partially offset by a higher level of both capital expenditures and income taxes paid.

The free cash flow was used to return €658 million to shareholders (through our annual dividend and the share buyback program), for repayment of loans (€419 million), and for business acquisitions, primarily of 25 stores from Ukrop's by Giant Carlisle.

Properties

At the end of 2010, we operated 2,970 stores, a net increase of 61 stores. Total sales area increased by 3.6 percent to 4.5 million square meters. This includes franchise stores and excludes the stores operated by our joint ventures ICA and JMR.

January 2, 2011	Opened / Acquired	Closed / Sold	January 3, 2010
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Ahold USA	751	40	2	713
The Netherlands ¹	1,914	38	16	1,892
Other Europe	305	3	2	304
Total	2,970	81	20	2,909

¹ The number of stores as of January 2, 2011 includes 1,071 specialty stores (Etos and Gall & Gall).

Franchisees operated 782 Albert Heijn, Etos, and Gall & Gall stores, 465 of which were either owned by the franchisees or leased independently from Ahold. Of the 2,505 stores that Ahold leases or owns, 20 percent were company-owned and 80 percent were leased (67 percent under operating leases and 13 percent under finance leases and financings). Ahold's stores range in size from 20 to over 10,000 square meters: the average sales area of our stores in the United States is approximately 3,800 square meters and in Europe approximately 1,300 square meters (excluding Etos and Gall & Gall, which operate much smaller stores).

Our leased properties have terms of up to 25 years, with renewal options for additional periods. Store rentals are normally payable on a monthly basis at a stated amount or, in a limited number of cases, at a guaranteed minimum amount plus a percentage of sales over a defined base.

We also operated the following other properties as of January 2, 2011:

Warehouses / distribution centers / production facilities / offices	66
Properties under construction / development	48
Investment properties	725
Total	839

Of these other properties, 41 percent were company-owned and 59 percent were leased (52 percent under operating leases and 7 percent under finance leases and financings).

The 725 investment properties consist of buildings and land. Virtually all these properties were subleased to third parties. The majority were shopping centers containing one or more Ahold stores and third-party retail units generating rental income. In 2007, Ahold completed a review of its global real estate portfolio. The review concluded that the majority of Ahold's investment properties have strategic importance for operating purposes and will remain in the portfolio; the non-strategic assets were to be sold in subsequent years, with estimated cash proceeds of approximately €100 million. Most of this €100 million was realized in the course of 2008 and by the end of 2010 the program was completed.

Capital expenditures of €1.1 billion in 2010 and €0.8 billion in 2009 were primarily related to the construction, remodeling, and expansion of stores and supply chain infrastructure improvements. In 2010, capital expenditures also included the acquisition and subsequent remodeling of the Ukrop's and Shaw's stores. Both 2010 and 2009 included significant investments related to Project Refresh, the three-year investment plan announced in October 2007 to remodel or replace approximately 100 Giant Landover stores, which was completed in 2010.

PERFORMANCE BY SEGMENT

THE NETHERLANDS

Albert Heijn, Etos, Gall & Gall, and the online delivery service, albert.nl, comprise the segment called the Netherlands. The following table contains operational information, including net sales and operating income, for the Netherlands in 2010 and 2009:

	2010	2009
Net sales in € millions	10,087	9,843
Change in identical sales	3.6%	1.8%
Operating income in € millions	688	654
Operating income as a percentage of net sales	6.8%	6.6%
Underlying operating income as a percentage of net sales	6.9%	6.6%
Number of employees at year-end (headcount)	84,107	80,471
Number of employees at year-end (FTE)	28,425	27,399
Sales area of own operated stores (in thousands of square meters)	876	865

Net sales

Net sales increased to €10.1 billion in 2010, a rise of 4.7 percent adjusted for the additional week in 2009. Despite a competitive market, identical sales increased by 3.6 percent, largely due to customer loyalty strengthened by our successful value repositioning at Albert Heijn and Etos in recent years, as well as effective promotions at Albert Heijn, Etos, and Gall & Gall.

Operating income

In 2010, operating income increased €34 million, or 5.2 percent, to €688 million. The Netherlands achieved solid identical sales growth and continued to focus on efficiencies. Results included a total of €19 million in positive non-recurring items. Impairments of €6 million were partly offset by a €3 million gain on the sale of real estate, as discussed in Results from operations under Group performance.

Albert Heijn

Albert Heijn is the leading food retailer in the Netherlands and one of the country's best-known brands. At the end of 2010, Albert Heijn operated 843 stores - eight more than the previous year - and continued to grow sales and market share by providing value to its customers. In 2010, more than 80 stores were remodeled, relocated or expanded. The company further developed its innovative store formats, own-brand product range, and overall offering to meet changing customer needs and local preferences.

Albert Heijn also worked with the Dutch Ministry of Internal Affairs to help make certain neighborhoods that the government identified as in need of attention, and in which Albert Heijn operates more than 40 stores, better places to live. One way Albert Heijn did this was by encouraging schools in these neighborhoods to participate in the "Ik eet het beter" program that aims to teach children healthier eating habits. Ahold also sponsored the "Dam to Dam" run, a well-known and long-established 16.1 kilometer race from Amsterdam to Zaandam in the Netherlands. The 55,000 participants included 2,650 Ahold employees.



Established: 1887

Joined Ahold: The Ahold Group was established by Albert Heijn

Brands: Albert Heijn, Albert Heijn XL and AH to go

Market area: The Netherlands, in Europe

Store formats: Supermarkets, compact hypermarkets, convenience stores, and online shopping

Own brands include: AH Huismerk (house brand), AH Excellent, AH puur&eerlijk (responsible choice), and Euroshopper

Etos

Etos is one of the largest drugstore chains in the Netherlands. It offers customers a wide selection of quality health and beauty, body care, and baby care products at affordable prices, and friendly, knowledgeable service. At the end of 2010, Etos operated 523 stores - five more than the previous year - and continued to grow sales.

In 2010, customers voted Etos one of the most customer-friendly companies – and the most customer-friendly drugstore – in the Netherlands in the Most customer friendly company 2010 (*Klantvriendelijkste bedrijf 2010*) survey performed by MarketResponse Nederland B.V.



Established: 1918

Joined Ahold: 1974

Brands: Etos

Market area: The Netherlands, in Europe

Store formats: Drugstores, and online shopping

Own brands include: Etos Huismerk (house brand) and Etos Voordeelselectie (value selection)

Gall & Gall

Gall & Gall is the leading wine and liquor retailer in the Netherlands.

At the end of 2010, Gall & Gall operated 548 stores, an increase of nine over the previous year. The company remodeled its 100th store into its new wine and liquor format and continued to roll out small liquor stores adjacent to Albert Heijn supermarkets under the format, "Gall & Gall gemak" (Gall & Gall convenience). To inspire and attract customers, Gall & Gall introduced a new gift concept that offers wines in festive packaging and developed special events, including a contest for wine enthusiasts. It also continued its successful Wild Wine Days ("Wilde Wijn Dagen") promotional campaign, offering customers great deals on wine.



Established: 1884

Joined Ahold: 1989

Brands: Gall & Gall

Market area: The Netherlands, in Europe

Store formats: Wine and liquor stores, and online shopping

Own brands include: Gall & Gall huiswijn (range of selected own-brand wines)

albert.nl

The online delivery service of Albert Heijn, Etos, and Gall & Gall is the largest online grocery service in the Netherlands. It offers products from all three brands for delivery right into customers' kitchens. 2010 was another year of sales growth for the company, driven by an increased average order size.



Established: 2001

Joined Ahold: albert.nl was established by Ahold

Brands: albert.nl, Albert

Market area: The Netherlands, in Europe

Store formats: Online grocery ordering and delivery

OTHER EUROPE

Highlights of the year

- Albert in the Czech Republic successfully improved its commercial position through a new value campaign focused on competitive prices, and by investing in the quality and presentation of its assortment, particularly fresh food products
- Albert extended its store opening hours in the Czech Republic by more than 15 percent
- Albert began to benefit from a lower cost structure as a result of continuous improvements that simplified the business and lowered costs. In 2010, Albert / Hypernova completed the downsizing of all of its hypermarkets in Slovakia

Albert / Hypernova in the Czech Republic and Slovakia comprises the segment called Other Europe. The following table contains operational information, including net sales and operating income (loss), for Other Europe in 2010 and 2009:

	2010	2009
Net sales in € millions	1,660	1,683
Change in identical sales	0.8%	(1.2)%
Change in identical sales (excluding gasoline sales)	0.7%	(1.2)%
Operating income in € millions	10	(76)
Operating income as a percentage of net sales	0.6%	(4.5)%
Underlying operating income as a percentage of net sales	1.0%	(2.1)%
Number of employees at year-end (headcount)	12,140	12,927
Number of employees at year-end (FTE)	11,144	12,096
Sales area of own operated stores (in thousands of square meters)	452	462

Net sales

Net sales amounted to €1.7 billion in 2010, a decrease of 3.5 percent at constant exchange rates and adjusted for the additional week in 2009. The decline was due to last year's closing of 23 loss-making stores and downsizing of large hypermarkets. Identical sales increased 0.8 percent as a result of a successful second half of the year in the Czech Republic. This was impacted by improvements to Albert's commercial position, supported by a new campaign, promotions, and extended store opening hours.

Operating income

Other Europe reported an operating income of €10 million, an improvement over last year's operating loss of €76 million. 2009 was impacted by rebranding costs and significant restructuring charges related to the simplification of the business, reduction of its cost base, downsizing of large hypermarkets, and closure of 23 loss-making stores. The 2010 operating income included €8 million in restructuring and impairment charges and a €2 million gain on the sale of real estate

Albert / Hypernova

Albert and Hypernova are among the best-known food retail brands in the Czech Republic and Slovakia. At the end of 2010, the company operated 279 stores in the Czech Republic - one more than last year - and operated 26 stores in Slovakia. Last year the company completed the rebranding of all its Hypernova stores in the Czech Republic to one brand, Albert. Operating under a single brand has enabled the company to achieve a stronger position in the market. Albert / Hypernova downsized several hypermarkets in Slovakia in response to changing consumer preferences and trends.

In both the Czech Republic and Slovakia, Albert / Hypernova invested in lower prices and attractive promotions to improve customer perception and the company's value proposition. Albert, particularly in the Czech Republic, focused on further improving its fresh food assortment and own-brand product range to strengthen its commercial proposition.



Established: Ahold Czech Republic (1991), Ahold Retail Slovakia (2001)

Joined Ahold: Albert / Hypernova was established by Ahold

Brands: Albert, Hypernova

Market area: The Czech Republic and Slovakia, in Europe

Store formats: Hypermarkets, compact hypermarkets, and supermarkets

Own brands include: Albert Quality, Albert Excellent, Albert Bio, Euroshopper

AHOLD USA

Stop & Shop New England, Stop & Shop New York Metro, Giant Landover, Giant Carlisle, and Peapod comprise the segment called Ahold USA. The following table contains operational information, including net sales and operating income, for Ahold USA in 2010 and 2009:

	2010	2009
Net sales in € millions	17,783	16,399
Net sales in \$ millions	23,523	22,825
Change in identical sales	1.5%	1.7%
Change in identical sales (excluding gasoline sales)	0.4%	2.3%
Change in comparable sales (excluding gasoline sales)	0.8%	2.8%
Operating income in € millions	714	782
Operating income in \$ millions	941	1,087
Operating income as a percentage of net sales	4.0%	4.8%

Underlying operating income as a percentage of net sales	4.2%	4.9%
Number of employees at year-end (headcount)	115,993	112,602
Number of employees at year-end (FTE)	82,182	78,350
Sales area (in thousands of square meters)	2,838	2,689

Net sales

In 2010, net sales increased to \$23.5 billion, a 5.1 percent rise when adjusted for the additional week last year. Sales generated by the acquired Ukrop's stores amounted to \$0.5 billion. Identical sales, excluding gasoline, increased 0.4 percent in 2010, compared to 2.3 percent in 2009. Ahold USA continues to grow in a competitive market by offering quality products and services and running effective promotional activities. During 2010, the company succeeded in growing market share in most of its markets.

Operating income

In 2010, operating income decreased \$146 million or 13.4 percent to \$941 million, impacted by an additional week in 2009. Results were impacted by \$43 million in transition costs and \$26 million in restructuring and related charges, the majority of which resulted from the restructuring of Ahold USA into one organization. The acquired Ukrop's Super Market chain had a negative operating result of \$53 million. Impairment charges were \$23 million and gains on the sale of assets \$12 million, as discussed in *Results from operations* under *Group performance*. A positive release of \$20 million of insurance reserves was also recorded during the year. Gross profit margins across Ahold USA were impacted by product cost inflation that we did not fully pass through to our retail prices. Our U.S. banners continued to focus on promotions, in line with the rest of the market. Successful operational cost saving initiatives partially offset the lower margins.

Stop & Shop New England

Stop & Shop is a major supermarket brand in the northeastern United States. The Stop & Shop New England division operates 217 stores and 67 fuel stations in southern New England. In 2010, the division opened five new stores, three of which were acquired, relocated two stores, and remodeled 27.

Stop & Shop New England continued its strong commitment to supporting local charities and fundraising initiatives throughout the year. For example, customers and employees raised over \$1 million to support regional food banks. In recognition of Stop & Shop's efforts in raising \$50 million for cancer research and treatment over the last 20 years, the company received the prestigious "Sidney Farber Medical Research Award."

Stop & Shop New York Metro

Stop & Shop is a major supermarket brand in the northeastern United States. The Stop & Shop New York Metro division operates 175 stores and eight fuel stations in a competitive and diverse marketplace serving customers of many ethnic and socio-economic backgrounds.

In 2010, Stop & Shop New York Metro opened six new stores, including two that were acquired, and remodeled a further 16 stores. One of the new stores was considered the cornerstone of the revitalization of a neighborhood in the New York City borough of Queens.

The division continued its strong support of local communities; for example, customers, employees, and vendor partners raised \$1.25 million for Memorial Sloan Kettering Hospital.

Stop & Shop New York Metro is also the largest sponsor of local food banks throughout the region.



Established: 1914
Joined Ahold: 1996
Brands: Stop & Shop
Market area Stop & Shop New England: Connecticut (except Fairfield County), Massachusetts, New Hampshire, and Rhode Island, in the United States
Market area Stop & Shop New York Metro: Connecticut (Fairfield County), New York, and New Jersey, in the United States
Store formats: Supermarkets and superstores
Own brands include: Stop & Shop, Nature's Promise, Simply Enjoy, CareOne, and Guaranteed Value

Giant Landover

Giant Landover is a leading supermarket chain in the mid-Atlantic United States. It operates 179 stores in three states and the District of Columbia. Giant Landover also operates nine fuel stations. In 2010, the division successfully completed its three-year "Project Refresh" program launched in 2008 to remodel or replace approximately 100 of its stores. In addition, Giant Landover closed one store and completed two relocations. In May, Giant Landover launched a new gas rewards loyalty initiative, in partnership with Shell, enabling its customers to save on gasoline.

In 2010, Giant Landover was named Retailer of the year by Food For All, a non-profit organization based in Virginia, and also received the first "Gift of Life" award by The Children's Cancer Foundation, based in Maryland.



Established: 1936
Joined Ahold: 1998
Brands: Giant
Market area: Virginia, Maryland, Delaware and the District of Columbia, in the United States
Store formats: Supermarkets and super stores
Own brands include: Giant, Nature's Promise, Simply Enjoy, CareOne, and Guaranteed Value

Giant Carlisle

Giant Carlisle is a leading supermarket chain in the mid-Atlantic United States. It operates 180 grocery stores under the names of Giant Food Stores and Martin's Food Markets and 81 fuel stations in four states. In the first half of 2010, Giant Carlisle successfully remodeled 25 former Ukrop's stores, acquired in February 2010, under the Martin's banner, expanding its presence in Virginia. In addition, Giant Carlisle opened four stores - three new and one renovated - expanded three stores, and remodeled another three. In November, Giant announced the acquisition of two Genuardi's stores that will be rebranded as Giant and open in the first half of 2011.

Giant Carlisle continued to build on its extensive tradition of community engagement. Among other efforts, Giant's Bag Hunger campaign surpassed \$1 million in donations for the first time. The company received the Golden Grocer Award by the U.S. Department of Agriculture in recognition of its sustained commitment to the fight against hunger. Giant also raised more than \$1.1 million to benefit local United Way charities.



Established: 1923

Joined Ahold: 1981

Brands: Giant Food Stores and Martin's Food Markets

Market area: Pennsylvania, Virginia, Maryland, and West Virginia in the United States

Store formats: Supermarkets and super stores

Own brands include: Giant, Nature's Promise, Simply Enjoy, CareOne, and Guaranteed Value

Peapod

Peapod is the leading online grocery service in the United States. It works in partnership with Stop & Shop and Giant Landover to serve markets in 11 states and the District of Columbia. In 2010, Peapod was able to strongly grow sales in its existing markets. In addition, the company successfully entered Indianapolis, Indiana; Manhattan, New York; and southeastern Wisconsin.



Established: 1989

Joined Ahold: 2000

Brands: Peapod

Market area: Connecticut, District of Columbia, Illinois, Indiana, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Virginia and Wisconsin, in the United States

Store formats: Online grocery ordering and delivery

JOINT VENTURES

The information presented in this section relating to ICA and JMR (on a 100 percent basis) represents amounts that are not consolidated in the Company's financial statements since Ahold's investment in ICA and JMR is accounted for using the equity method.

ICA

Net sales

In 2010, net sales were €9.8 billion, an increase of 0.9 percent at constant exchange rates. The increase was due to a continuing solid performance in Sweden. Sales decreased in Norway, which is under pressure from fierce competition, and in the Baltic countries, which were heavily impacted by the economic downturn, but started to recover in the second half of the year.

Operating income

In 2010, operating income increased €52 million to €304 million and the operating margin was 3.1 percent. At constant exchange rates, operating profit increased €24 million. The increase was due to a strong performance in Sweden and improved, though still negative, operating income in the Baltics. It was partially offset by continued negative results in Norway.

Net income

In 2010, net income decreased €92 million to €54 million. Improved operating income and a positive impact from changes in exchange rates were offset by higher income taxes due to a provision related to a tax claim by the Swedish tax authorities and a provision against deferred tax assets in Norway.

JMR

Net Sales

In 2010, net sales increased by 10.5 percent to €3.0 billion, driven by identical sales growth and new stores. This strong identical growth reflected further improvements to the company's commercial proposition, with a continued emphasis on own brand and the quality of perishable products and increased commercial communications relating to its competitive pricing.

Operating income

In 2010, operating income increased to €100 million as a result of higher sales; the operating margin was 3.3 percent.

Net income

In 2010, net income increased €2 million to €47 million.

SELECTED FINANCIAL INFORMATION

Selected financial information

The selected financial information as set out on page 54 of this Base Prospectus for the years 2010 and 2009 has been derived from the financial statements of Ahold for the year ended January 2, 2011, as included on the page 134 of the Ahold 2010 Annual Report. The financial information as set out on page 54 of this Base Prospectus for the years 2008, 2007, and 2006 has not been audited.

Results, cash flow and other information

€ million, except per share data	2010	2009	2008	2007	2006
Net sales	29,530	27,925	25,648	24,824	24,584
Operating income	1,336	1,297	1,202	1,071	992
Net interest expense	(270)	(289)	(233)	(293)	(450)
Income (loss) from continuing operations	863	972	887	779	680
Income (loss) from discontinued operations	(10)	(78)	195	2,167	235
Net income	853	894	1,082	2,946	915
Net income per common share (basic)	0.73	0.76	0.92	2.03	0.58
Net income per common share (diluted)	0.72	0.74	0.90	2.01	0.58
Income (loss) per common share from continuing operations (diluted)	0.73	0.81	0.74	0.53	0.44
Dividend per common share	0.29	0.23	0.18	0.16	—
Free cash flow ¹	1,112	948	638	633	292
Net cash from operating, investing, and financing activities	(157)	(169)	(445)	1,487	(249)
Capital expenditures (including acquisitions) ²	1,117	788	1,094	807	1,234
Capital expenditures as % of net sales	3.8%	2.8%	4.3%	3.3%	5.0%
Average exchange rate (€ per \$)	0.7555	0.7194	0.6828	0.7307	0.7964

1 Operating cash flows from continuing operations minus net capital expenditures minus net interest paid plus dividends received. Free cash flow includes the settlement of the securities class action of €536 million in 2006 and €284 million in 2007.

2 The amounts represent additions to property, plant and equipment, investment property, and intangible assets. The amounts include assets acquired through business combinations and exclude discontinued operations.

Balance sheet and other information

€ million	January 2, 2011	January 3, 2010	December 28, 2008	December 30, 2007	December 31, 2006
Equity ¹	5,910	5,440	4,687	3,897	5,270
Gross debt ²	3,561	3,700	4,241	5,379	6,480
Cash, cash equivalents, and short-term deposits	2,824	2,983	2,863	3,263	1,844
Net debt ³	737	717	1,378	2,116	4,636
Net debt / equity ratio	12%	13%	29%	54%	88%
Total assets	14,725	13,933	13,603	13,953	18,442
Common shares outstanding (x 1,000) ¹	1,145,145	1,181,214	1,176,685	1,171,922	1,555,678
Year-end exchange rate (€ per \$)	0.7474	0.6980	0.7111	0.6795	0.7576

1 In 2010, €386 million was returned to shareholders through a share buyback. In 2007, €4 billion was returned to shareholders through a capital repayment and share buyback.

2 "Gross Debt" means the sum of the long term debt and the short term debt.

3 "Net Debt" means the difference between the gross debt and cash equivalents.

Independent auditor's report

To: the Board of Directors of Koninklijke Ahold N.V.

The accompanying selected financial information of Koninklijke Ahold N.V., for the years 2010 and 2009, as set out on page 54 of the Base Prospectus, is derived from the audited financial statements of Koninklijke Ahold N.V. for the year ended January 2, 2011. We expressed an unqualified audit opinion on those financial statements in our report dated March 2, 2011. Those financial statements, and the selected financial information, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The selected financial information does not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. Reading the selected financial information, therefore, is not a substitute for reading the audited financial statements of Koninklijke Ahold N.V.

Management's responsibility

Management is responsible for the preparation of the selected financial information on the basis described on page 54.

Auditor's responsibility

Our responsibility is to express an opinion on the selected financial information based on our procedures, which were conducted in accordance with Dutch Law, including the Dutch Standard on Auditing 810 "Engagements to report on summary financial statements".

Opinion

In our opinion, the selected financial information derived from the audited financial statements of Koninklijke Ahold N.V. for the year ended January 2, 2011 are consistent, in all material respects, with those financial statements, on the basis described on page 54.

Unaudited comparative financial information

The selected financial information for the years 2008, 2007 and 2006 has not been audited.

Amsterdam, March 30, 2011

Deloitte Accountants B.V.
P.J.M.A. van de Goor

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of Notes to be issued by Koninklijke Ahold N.V. (the "**Issuer**") which will be incorporated by reference into each global Note and which will be endorsed on (or, if permitted by the relevant stock exchange and agreed between the Issuer and the relevant Dealer, incorporated by reference into) each definitive Note in the standard euromarket form. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each global Note and definitive Note in the standard Euromarket form. Reference should be made to "Form of the Notes" above for a description of the content of Final Terms which includes the definition of certain terms used in the following Terms and Conditions.

This Note is one of a Series (as defined below) of Notes issued by the Issuer (which expression shall include any Substituted Debtor pursuant to Condition 17) pursuant to the Agency Agreement (as defined below). References herein to the "**Notes**" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note. The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an Amended and Restated Agency Agreement dated 30 March, 2011 (the "**Agency Agreement**") made between the Issuer and Citibank N.A. as issuing and principal paying agent and agent bank (in such capacity the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes in the standard Euromarket form (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Definitive Notes in the standard Euromarket form repayable in installments have receipts ("**Receipts**") for the payment of the installments of principal (other than the final installment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue. Any reference herein to "**Noteholders**" shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons.

The Final Terms for this Note is endorsed hereon or attached hereto or applicable hereto or incorporated by reference herein and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the "**applicable Final Terms**" are to the Final Terms for this Note.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) from the date on which such consolidation is expressed to take effect except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Agency Agreement and the applicable Final Terms are available at the specified offices of each of the Agent and the other Paying Agents save that a Final Terms relating to an unlisted Note will only be available for inspection by a Noteholder upon such Noteholder producing evidence as to identity satisfactory to the relevant Paying Agent. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and

the applicable Final Terms which are binding on them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated provided that in the event of any inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these Terms and Conditions, the terms set out below shall have the following meanings:

"Amsterdam Business Day" means the expression a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in Amsterdam.

"Borrowed Moneys" means any indebtedness for borrowed money with an original maturity of 12 months or more, the aggregate principal amount of which is greater than EUR 25,000,000 or the equivalent thereof in any other currency or currencies.

"Broken Amount" means specified as such in the applicable Final Terms.

"Business Day" means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Business Centre) or (2) in relation to any sum payable in euro, a day on which TARGET2 is open.

"Day Count Fraction" means in respect of the calculation of an amount of interest in accordance with Condition 5(a):

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with Condition 5(b):

- (i) if "Actual/365" or "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (b) the last day of the Interest Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (vi) if the 2006 ISDA definitions are stated as applicable in the relevant Final Terms and "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vii) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);
- (viii) if the 2006 ISDA definitions are stated as applicable in the relevant Final Terms and "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

- (ix) if the 2006 ISDA definitions are stated as applicable in the relevant Final Terms and "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

"Determination Period" means each period from and including a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to and ending on the first Determination Date falling after, such date);

"Established Rate" means the rate for conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty.

"euro" means the currency introduced from the start of the third stage of European economic and monetary union pursuant to the Treaty.

"Fixed Interest Period" means the period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first) Interest Payment Date.

"Interest Commencement Date" means the issue Date.

"IFRS" means the International Financial Reporting Standards as endorsed by the European Union.

"ISDA Rate" for the purposes of sub-paragraph 5(A) (ISDA Determination for Floating Rate Notes), for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions or, if so specified in the applicable Final

Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first tranche of the Notes (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; and

the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

"London Business Day" means the expression a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in London.

"Payment Day" means any day (subject to Condition 9) which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Financial Centre) or (2) in relation to any sum payable in euro, a day on which the TARGET2 is open.

"Principal Subsidiary" means any company or entity of which the Issuer directly or indirectly has control and of which the total assets exceed 10 per cent. of the Issuer's consolidated assets.

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Agent;

"Public Debt" means any loan, debt, guarantee, obligation repayable on demand and/or other obligation of the Issuer represented by bonds, notes, debentures or other publicly issued debt securities which are, or are capable of being, traded or listed on any stock exchange or other organized financial market. It is understood that if one financial indebtedness can be considered a financial indebtedness of both the Issuer and any Subsidiary or two Subsidiaries at the same time, it will be considered a financial indebtedness of the Issuer or one Subsidiary only.

"Redenomination Date" means (in the case of Interest Bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in a notice given to the Noteholders and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union.

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Agent or as specified in the applicable Final Terms;

"Relevant Date" means the date on which any payment with respect to any Note, Receipt or Coupon first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

"Subsidiary" means at any time, each entity, the financial statements of which are consolidated in the audited financial statements of the Issuer, as most recently made public.

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"Total Consolidated Fixed Assets" means at any time the total consolidated fixed assets of the Issuer and its Subsidiaries determined in accordance with generally accepted accounting principles as applied to the Issuer, including property, plant and equipment as well as investment property and as referred to in Note 11 and Note 12 respectively of the Ahold 2010 Annual Report incorporated by reference herein.

"Treaty" means the treaty establishing the European Communities, as amended.

1. Form, Denomination and Title

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency, the Specified Denomination(s) and the Specified Form(s).

This Note may be a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Installment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

Notes in definitive form are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Agent and any Paying Agent may deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a global Note held by a common depositary for Euroclear or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms. Any amendments to the Terms and Conditions required in connection with such additional or alternative clearing system shall be specified in the applicable Final Terms.

2. Status of the Notes

(a) Status of the Senior Notes

The Senior Notes and the relative Receipts and Coupons constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.

(b) Status and Subordination of the Subordinated Notes

The status and subordination of the Subordinated Notes is as set out in the applicable Final Terms.

3. Negative pledge

So long as any of the Senior Notes (or any relative Receipts or Coupons) remain outstanding, the Issuer will not secure any Public Debt in excess of 10% of the Total Consolidated Fixed Assets, then or thereafter existing, by any lien, pledge or other charge upon any of its present or future assets or revenues unless the Senior Notes (or any relative Receipts or Coupons) shall be secured by such lien, pledge, or other charge in the same manner.

The foregoing shall not apply to:

- (i) any security arising solely by mandatory operation of law;
- (ii) any security over assets existing at the time of acquisition thereof;
- (iii) any security comprised within the assets of any company acquired by or merged with the Issuer or any Subsidiary;
- (iv) any security over assets pursuant to the general terms and conditions of a bank, for example in the form of the General Banking Conditions (*Algemene Bankvoorwaarden*) prepared by the Dutch Bankers Association (*Nederlandse Vereniging van Banken*), if and in so far as applicable, approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders; and
- (v) any security arising out of contractual obligations entered into prior to the date of Issue.

4. Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

Subject to any applicable regulations, the election will have effect as follows:

- (i) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then prevailing market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market

practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to:
 - (i) in the case of Notes represented by a global Note, the aggregate outstanding nominal amount of the Notes; and
 - (ii) in the case of definitive Notes, the Calculation Amount,and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding;
- (vii) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (viii) such other changes shall be made to this Condition as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, to conform it to conventions applicable to instruments denominated in euro.

5. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year up to and including the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

- (A) the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the "**Floating Rate Convention**", such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis

mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
 - (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
 - (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.
- (ii) Rate of Interest

The Rate of Interest payable from time to time in respect of the Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.
- (3) if, in the case of (1) above, such rate does not appear on that page or, in the case of (2) above, fewer than three such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Agent will:
 - (A) request each of the Reference Banks to provide a quotation of the Reference Rate at 11.00 a.m. (London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR) on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

- (B) determine the arithmetic mean of such quotations; and
- (4) if fewer than two such quotations are provided as requested, the Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at 11.00 a.m. (London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Notes represented by such global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(v) Notification of Rate of Interest and Interest Amount

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day or London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the Notes are for the time being listed and to the Noteholders in accordance with Condition 14. If the Calculation Amount is less than the minimum Specified Denomination the Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(vi) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b), whether by the Agent or if applicable, the Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent, if applicable, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(d) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 or individually.

6. Payments

(a) Method of Payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and

- (ii) payments in euro will be made by credit or transfer to a euro account (or to any other account to which euro may be credited or transferred) specified by the payee, or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

(b) Presentation of Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of installments of principal (if any), other than the final installment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt. Payment of the final installment will be made in the manner provided in paragraph (a) above against surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note. Each Receipt must be presented for payment of the relevant installment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Notes and Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of five years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons in respect of any such Talons will be issued.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Interest Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Fixed Interest Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent outside the United States which expression, as used in this Condition, means the United States of America (including the States and District of Columbia and its possessions). A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note by such Paying Agent and such record shall be prima facie evidence that the payment in question has been made.

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note.

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due; and
 - (ii) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars;
- (c) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

(d) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Installment Notes, the Installment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortized Face Amount (as defined in Condition 7(e)); and
- (vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, other than amounts which may be payable with respect to interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

7. Redemption and Purchase

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Fixed Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption for Tax Reasons

Unless otherwise specified in the applicable Final Terms, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes, Dual Currency Interest Notes or Index Linked Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes, Dual Currency Interest Notes or Index Linked Interest Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable) if, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, as a result of any change in, or amendment to, the laws or regulations of the jurisdiction in which the Issuer is incorporated and/or any jurisdiction in which the Issuer is engaged in the conduct of a trade or business (each, the "**Relevant Jurisdiction**") or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes and provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent a certificate signed by an authorized signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(c) Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(both of which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, both as indicated in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the

Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

(d) Redemption at the Option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a global Note, at the same time present or procure the presentation of the relevant global Note to the Agent for notation accordingly.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

(e) Early Redemption Amounts

For the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Installment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the "**Amortized Face Amount**") calculated in accordance with the following formula:

Early Redemption Amount = $RP * (1 + AY)^x$ where:

"RP" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**x**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

(f) Installments

Installment Notes will be redeemed in the Installment Amounts and on the Installment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) Partly Paid Notes

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

(h) Purchases

The Issuer or any Subsidiary may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held or, at the option of the purchaser, surrendered to any Paying Agent for cancellation.

(i) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be re-issued or resold.

(j) Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders, in accordance with Condition 14.

8. Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made free from withholding or deduction of or for any present or future taxes of whatever nature imposed, levied, withheld or assessed by the Relevant Jurisdiction or any political subdivision or taxing authority thereof or therein, unless such withholding or deduction is required by law. In such event, the Issuer will, depending on which provision is specified in the applicable Final Terms, either (1) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Receipts or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Receipts or Coupons or (2) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such

withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (i) presented for payment in respect of Notes issued other than by Koninklijke Ahold N.V., in Zaandam the Netherlands; or
- (ii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof; or
- (iii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day (assuming that day to have been a Payment Day; or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to EU Directive 2003/48/EC or any related arrangements, or any law implementing or complying with, or introduced in order to conform to, such Directive (together, the "**EU Directive**"); or
- (vi) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (vii) for taxes that are payable otherwise than by withholding from a payment on the Note, Receipt or Coupon; or
- (viii) for any estate, inheritance, gift, sale, excise, transfer, personal property or similar tax, assessment or other governmental charge; or
- (ix) any combination of items (i) through (viii) above.

Additional amounts will also not be payable with respect to any payment on such Note, Receipt or Coupon to any Noteholder, Receiptholder or Couponholder who is a fiduciary, partnership or any person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the actual Noteholder, Receiptholder or Couponholder.

9. Prescription

Claims for payment in respect of the Notes, Receipts and Coupons will be prescribed unless presented for payment within a period of five years after the date on which such claims for payment under the Notes, Receipts and Coupons first become due.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon, the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

10. Events of Default

If any one or more of the following events (each an "**Event of Default**") shall have occurred and be continuing:

- (i) the Issuer defaults for any reason whatsoever for more than 30 days with respect to the payment of principal or the payment of interest due on the Notes;
- (ii) the Issuer defaults in the performance of any other obligation under these Conditions and, if such default is capable of being remedied, such default has not been remedied within 30 days after written notification from any Noteholder requiring such default to be remedied shall have been given to the Issuer through the Agent as intermediary;
- (iii) the Issuer or any Principal Subsidiary defaults in the payment of the principal of, or interest on, any other obligation in respect of Borrowed Moneys of, assumed or guaranteed by the Issuer or the Principal Subsidiary, as the case may be, when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, applicable thereto and the time for payment of such interest, or principal, has not been effectively extended, or if any obligation in respect of Borrowed Moneys, of, assumed or guaranteed by the Issuer or the Principal Subsidiary shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of an event of default thereunder;
- (iv) an "**executory attachment**" (*in Dutch: executoriaal beslag*), or an "**interlocutory attachment**" (*in Dutch: conservatoir beslag*) or similar measure under foreign law is made on any substantial part of the assets of the Issuer or similar measure under foreign law is made thereon and, in either case, is not cancelled or withdrawn within 30 days after the making thereof or the Issuer becomes bankrupt, applies for suspension of payment or is wound up (or a similar measure under foreign law is made or taken), or the Issuer offers a compromise to its creditors or negotiates with all its creditors another agreement relating to its payment difficulties, or such measures are officially decreed;
- (v) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries over the whole or substantially all of the undertaking, assets or revenues of the Issuer or any of its Principal Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person in respect thereof) and is not discharged or stayed within 30 days;
- (vi) the Issuer shall cease to carry on substantially the whole of its business or shall dispose of substantially the whole of its assets;
- (vii) any Substituted Debtor ceases to be at least 95 per cent. owned and controlled (directly or indirectly) by the Issuer;
- (xiii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in the foregoing paragraph (v),

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

11. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (iii) there will at all times be an Agent;
- (iv) a notice in accordance with Condition 14 below will be published in the case of any change in Paying Agents; and
- (v) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the EU Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 6(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders.

The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

13. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

14. Notices

All notices regarding the Notes shall be published on the website of the Issuer. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any listing authority or other relevant authority, stock exchange and/or other quotation system on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, if published on one or more different dates, on the first date on which the publication is made.

Until such time as any definitive Notes are issued, there may (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange so permit), so long as the global Note(s) is or

are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for publication referred to above, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes, provided that, if and for so long as any Notes are listed on a stock exchange and the rules of that stock exchange or other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg or, if such publication is required on the date of the first publication in all required newspapers.

Where the identity of all the holders of the Notes is known to the Issuer, the Issuer may (after consultation with the relevant stock exchange (where relevant)) give notice individually to such holders in lieu of publication as provided above.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. Meetings of Noteholders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts and the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or canceling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution requires a 75 per cent. majority of the votes cast. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or
- ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the laws of the Netherlands.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. Substitution of the Issuer

- (i) Koninklijke Ahold N.V. and any company (incorporated in any country in the world) of which Koninklijke Ahold N.V. holds directly or indirectly more than 90 percent of the shares or other equity interest carrying voting rights, may, at any time, substitute the Issuer (which for the purpose of this Condition, save where the context requires otherwise, includes any previous substitute of the Issuer) as the principal debtor in respect of the Notes (any company so substituting the Issuer, the 'Substituted Debtor'), and the Noteholders, the Receiptholders and the Couponholders hereby irrevocably agree in advance to any such substitution, provided that:
 - (a) such documents shall be executed, and notices be given, by the Substituted Debtor and the Issuer as the Agent may deem reasonably necessary to give full effect to the substitution and pursuant to which the Substituted Debtor shall undertake in favor of each Noteholder, Receiptholder and Couponholder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as the principal debtor in respect of the Notes, Receipts and Coupons in place of the Issuer;
 - (b) in accordance with and subject to Condition 8, no taxes or duties shall be required to be withheld or deducted at source in the territory where the Substituted Debtor is incorporated, domiciled or resident (unless the withholding or deduction would be borne by the Substituted Debtor, in which case sub-clause (b) of Condition 8 shall apply or unless the Issuer was required by law to make such withholding or deduction before the substitution);
 - (c) all necessary governmental and regulatory approvals and consents for such substitution and for the giving by Koninklijke Ahold N.V. of the Substitution Guarantee (as defined below) in respect of the obligations of the Substituted Debtor shall have been obtained and be in full force and effect;and (where Koninklijke Ahold N.V. is the Issuer being substituted as principal debtor by the Substituted Debtor) upon the Notes, Receipts and Coupons becoming valid and binding obligations of the Substituted Debtor, Koninklijke Ahold N.V. undertakes that it will irrevocably and unconditionally guarantee in favor of each Noteholder, Receiptholder and Couponholder the payment of all sums payable by the Substituted Debtor as such principal debtor (such guarantee and hereinafter referred to as the 'Substitution Guarantee').
- (ii) The Substituted Debtor shall forthwith give notice of the substitution to the Noteholders, the Receiptholders and the Couponholders in accordance with Condition 14.

18. Governing Law and Submission to Arbitration

The Agency Agreement, the Notes (including Condition 18 (*Submission to Arbitration*)), the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with these, are governed by, and shall be construed in accordance with, the laws of the Netherlands.

The Issuer submits for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders to the jurisdiction of the courts of Amsterdam, the Netherlands, judging in first instance, and their appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Notes, the Receipts or the Coupons may be brought in any other court of competent jurisdiction.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes being issued. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Copies of the Final Terms will be provided upon request by the Issuer. In addition, the Final Terms with respect to Notes admitted to listing and trading on Euronext Amsterdam by NYSE Euronext will be displayed on the website of Euronext Amsterdam (www.euronext.com).

Final Terms

Koninklijke Ahold N.V.

(incorporated under the laws of the Netherlands with limited liability and having its registered seat in Zaandam (municipality Zaanstad), the Netherlands and its principal place of business at (1019 GM) Amsterdam, the Netherlands, Piet Heinkade 167-173)

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**")
issued under Koninklijke Ahold N.V.'s Debt Issuance Program

dated [•]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in item 37 below, provided such person is one of the persons mentioned in item 37 below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Notes in any other circumstances.]¹

[The expression "**Prospectus Directive**" means Directive 2003/71/EC (and the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EC.]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) (each a "**Relevant Member State**") will be made pursuant to an

¹ Include this legend where a non-exempt offer of Notes is anticipated. (N.B. Not relevant for an issue of Notes with a minimum denomination of EUR 100,000 (or its equivalent in another currency)).

exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Notes in any other circumstances.]²

[The expression "**Prospectus Directive**" means Directive 2003/71/EC (and the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EC.]

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Program (the "**Program**") of Koninklijke Ahold N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of the Prospectus Directive. It must be read in conjunction with the Issuer's base prospectus pertaining to the Program, dated March 30, 2011 (the "**Base Prospectus**") and any supplements as referred to in article 16.1 of the Prospectus Directive thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus and any such supplements thereto. The Base Prospectus (and any supplements thereto) is available for viewing at the office of the Issuer at Piet Heinkade 167-173, 1019 GM, Amsterdam, the Netherlands, where copies may also be obtained. Electronic copies can be obtained by e-mail through investor.relations@ahold.com.

These Final Terms shall be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the Base Prospectus. The Terms and Conditions, as supplemented, amended and/or disappplied by these Final Terms, constitute the conditions (the "**Conditions**") of the Notes. Capitalized terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalized terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the Base Prospectus.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1. Issuer: []
2. [(i)] Series Number: []

² Include this legend where only an exempt offer of Notes is anticipated. (N.B. Not relevant for an issue of Notes with a minimum denomination of EUR 100,00 (or its equivalent in another currency)).

- [(ii) Tranche Number: []]
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- [(i) Series: []]
- [(ii) Tranche: []]
- (If the aggregate amount is not fixed, insert a description of the arrangements and time for announcing to the public the aggregate amount of the offer.)*
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
- (Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser)*
6. (i) Specified Denominations: []
- (Where multiple denominations above [EUR 100,000] or equivalent are being used the following sample wording should be followed:*
- “[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 99,000]. No notes in definitive form will be issued with a denomination above [EUR 199,000].”)*
- (N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the EUR [1,000] [100,000] minimum denomination is not required.)*
- (ii) Calculation Amount []
- (If only one Specified Denomination, insert the Specified Denomination.*

If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)

- | | |
|---|--|
| Form of Definitive Notes: | [Standard Euromarket] |
| 7. (i) Issue Date: | [] |
| (ii) Interest Commencement Date | [Specify/Issue Date/Not Applicable] |
| 8. Maturity Date: | <i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i> |
| 9. Interest Basis: | <p>[[] per cent. Fixed Rate]</p> <p>[[specify reference rate] +/- [] per cent. Floating Rate]</p> <p>[Zero Coupon]</p> <p>[Zero Coupon]</p> <p>[Index Linked Interest]</p> <p>[Other (specify)]</p> <p>(further particulars specified below)</p> <p><i>[If the security has a derivative component in the interest payment, insert a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.]</i></p> |
| 10. Redemption/Payment Basis: | <p>[Redemption at par]</p> <p>[Index Linked Redemption]</p> <p>[Dual Currency]</p> <p>[Partly Paid]</p> <p>[Installment]</p> <p>[Other (specify)]</p> |
| 11. Change of interest Basis or Redemption/Payment Basis: | <i>[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]</i> |
| 12. Put/Call Options: | <p>[Investor Put]</p> <p>[Issuer Call]</p> <p>[(further particulars specified below)]</p> |
| 13. (i) Status of the Notes: | [Senior/Subordinated] |

[Insert contractual provisions subordinating any Notes]

- (ii) [Date [Board] approval for issuance of Notes
Obtained: [] [and [], respectively]
(N.B. Only required where Board (or similar)
authorization is required for the particular tranche
of Notes)]

14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-
paragraphs of this paragraph)

- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-
annually/quarterly/monthly/other (specify)] in
arrears]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with
[specify Business Day Convention and any
applicable Business Centre(s) for the definition of
"Business Day"]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the
Interest Payment Date falling [in/on] []
- (v) Day Count Fraction: [30/360/ Actual/Actual (ICMA)/other (specify)]
- (vi) [Determination Dates: [] in each year (insert regular interest payment
dates, ignoring issue date or maturity date in the
case of a long or short first or last coupon. N.B.
only relevant where Day Count Fraction is
Actual/Actual (ICMA))]
- (vii) Other terms relating to
the method of calculating
interest for Fixed Rate Notes: [Not Applicable/give details]

16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-
paragraphs of this paragraph)

- (i) Interest Period(s): []
- (ii) Specified Interest Payment Dates: []

- (iii) First Interest Payment Date: []
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/No Adjustment/Preceding Business Day Convention/[other (*give details*)]]
- (v) Business Centre(s): []
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Agent): []
- (viii) Screen Rate Determination:
- Reference Rate: []
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
- (ix) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (x) Margin(s): [+/–] [] per cent. per annum
- (xi) Minimum Rate of Interest: [] per cent. per annum
- (xii) Maximum Rate of Interest: [] per cent. per annum
- (xiii) Day Count Fraction: []
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []

- (xv) Description of any market disruption or settlement disruption events that affect the: []
- (xvi) Adjustment rules with relation to events Concerning the underlying: []
- (xvi) *[Include other information concerning the underlying required by Paragraph 4.7 of Annex V of the Prospectus Directive Regulation]*
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
18. **Index Linked Interest Note/other variable linked Interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula/other variable: [Give or annex details]
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Mount(s) (if not the Agent): []
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: []
- (iv) Determination Dates: []
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or Otherwise disrupted: []
- (vi) Interest or calculation period(s): []

- (vii) Specified Interest Payment Dates: []
- (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (ix) Business Centre(s): []
- (x) Minimum Rate/Amount of Interest: [] [per cent. per annum]
- (xi) Maximum Rate/Amount of Interest: [] [per cent. per annum]
- (xii) Day Count Fraction: []

19. Dual Currency Note Provisions

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)

- (i) Rate of Exchange/method of calculating Rate of Exchange: [Give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. Call Option

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount

- (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Notice period: []
(N.B. if setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
21. **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period: []
22. **Final Redemption Amount of each Note** [] per Calculation Amount
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked:
- (i) Index/Formula/variable: []
- (ii) Party responsible for calculating the Final Redemption Amount (if not the Agent): []
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: []
- (iv) Determination Date(s): []
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Payment Date: []

(vii) Minimum Final Redemption Amount: [] per Calculation Amount

(viii) Maximum Final Redemption Amount: [] per Calculation Amount

23. **Early Redemption Amount**

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

[]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. **Form of Notes**

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
(This option is not available when the Specified Denomination of the Notes is EUR 50,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 99,000.)

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

(Ensure that this is consistent with the wording in the Base Notes.)

25. Financial Centre(s) or other special provisions relating to payment Dates:

[Not Applicable/give details. Note that this paragraph relates to the date and place of payment and not interest period end dates to which paragraphs 15(ii), 16(v) and 18(ix) relate]

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. If yes, give details]

27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any

Right of the Issuer to forfeit the Notes and interest due on late payment]:	[Not Applicable/give details]
28. Details relating to Installment Notes; amount of each installment, date on which each payment is to be made:	[Not Applicable/give details]
29. Redenomination, renominalization and reconventioning provisions:	[Not Applicable/The provisions in Condition [] apply]
30. Consolidation provisions:	[Not Applicable The provisions in Condition [] apply]
31. Other terms or special conditions:	<p>[Not Applicable/give details]</p> <p><i>(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i></p> <p><i>(If the Notes are derivative securities, the following items will be set out here:</i></p> <p><i>(i) a description of the settlement procedure;</i></p> <p><i>(ii) a description of how any return on the Notes takes place, the payment or delivery date, and the way it is calculated;</i></p> <p><i>(iii) the exercise or the final reference price of the underlying; and</i></p> <p><i>(iv) the exercise date or final reference date.)</i></p>
DISTRIBUTION	
32. (i) [If syndicated, names and Addresses of Managers and underwriting commitments	<p>[Not Applicable/ give details]</p> <p><i>(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)</i></p>
(ii) Date of Syndication Agreement	[]
(iii) Stabilizing Manager(s) (if any):	[Not Applicable/give legal name]

33. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
34. Total commission and concession: [] per cent. of the Aggregate Nominal Amount
35. Calculation agent: [name and address]
36. US Selling Restriction: [Reg. S Compliance Category; TEFRA C/TEFRA D/TEFRA not applicable]
37. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported*] ("**Public Offer Jurisdictions**") during the period from [*specify date*] until [*specify date*] ("**Offer Period**"). See further Paragraph 10 of Part B below.
38. Additional selling restrictions: [Not Applicable/*give details*]

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [Euronext Amsterdam by NYSE Euronext] of the Notes described herein] pursuant to the [insert Program Amount] Medium Term Note Program of Koninklijke Ahold N.V.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.)] The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in these Final Terms is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Signed on behalf of the Issuer:

Name:

Date:

Duly authorized

PART B – OTHER INFORMATION

1. **Listing** [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on

Euronext Amsterdam by NYSE Euronext with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Euronext Amsterdam by NYSE Euronext with effect from [].] [Not Applicable].

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

2. Ratings

The Notes to be issued have been rated:

[S & P: []]

[Moody's: []]

[[Other]: []]

[and endorsed by *[insert details including full legal name of credit rating agency/ies]*]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)

Insert one (or more) of the following options, as applicable:

[[Insert full legal name of credit rating agency/ies] [is]/[are] established in the European Union and [has]/[have each] applied for registration under Regulation (EC) No 1060/2009, although the result of such application has not yet been determined.]

[[Insert full legal name of credit rating agency/ies] [is]/[are] established in the European Union and registered under Regulation (EC) No 1060/2009.]

[[Insert full legal name of credit rating agency/ies] [is]/[are] not established in the European Union and [has]/[have] not applied for registration under Regulation (EC) No 1060/2009.]

3. Interests of Natural and Legal Persons Involved in the Issue

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

4. [Reasons for the Offer, estimate net proceeds and total expenses]

[(i)] Reasons for the offer: ☐
(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii)] Estimated net proceeds: ☐
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses: ☐
[Include breakdown of expenses.]

5. [Fixed Rate Notes only - Yield]

Indication of yield: ☐
Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. [Floating Rate Notes only - Historic Interest Rates]

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. [Index-linked or other variable-linked Notes only - Explanation of effect on value of investment and associated risks and other information concerning the underlying]

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is a security need to include the name of the issuer of the security and the ISIN or other such security identification code. Where the underlying is an index need to

include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is an interest rate need to include a description of the interest rate. Where the underlying does not fall within the categories specified above need to include equivalent information. Where the underlying is a basket of underlyings need to include disclosure of the relevant weightings of each underlying in the basket.]

(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].]

8. [Dual Currency Notes only - Performance of rate[s] of exchange and explanation of effect on value of investment

Need to include details of where past and future performance and volatility of the relevant rate(s) can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

9. Operational Information

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) WKN Code: [] [Not Applicable]
- (iv) [Other relevant code:] [Not Applicable/give name(s) and numbers(s)]
- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, societe anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of initial Paying Agent(s): []
- (viii) Names and addresses of additional Paying Agent(s) (if any): []

10. Terms and conditions of the offer

Offer Price: [Issue Price/specify]

Conditions to which the offer is subject:	[Not Applicable/ <i>give details</i>]
The time period, including any possible amendments, during which the offer will be open: [Not Applicable/ <i>give details</i>]	
Description of the application process:	[Not Applicable/ <i>give details</i>]
Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/ <i>give details</i>]
Details of the minimum and/or maximum amount of application:	[Not Applicable/ <i>give details</i>]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/ <i>give details</i>]
Manner and date on which results of the offer are to be made public:	[Not Applicable/ <i>give details</i>]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/ <i>give details</i>]
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/ <i>give details</i>]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/ <i>give details</i>]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/ <i>give details</i>]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[None/ <i>give details</i>]

FORM OF THE NOTES

Each Tranche of Notes initially will (unless otherwise indicated in the applicable Final Terms) be represented by a temporary global note (the "**Temporary Global Note**"), or, if so specified in the applicable Final Terms, a permanent global note (the "**Permanent Global Note**"), without receipts, interest coupons or talons, which will be delivered to a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Whilst any Note is represented by a Temporary Global Note, subject to TEFRA D selling restrictions and has a maturity in excess of 183 days, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by the relevant clearing system(s) and the relevant clearing system(s) has or have given a like certification (based on the certifications it has or they have received) to the Agent. Any reference in this section to the relevant clearing system(s) shall mean the clearing and/or settlement system(s) specified in the applicable Final Terms.

On and after the date (the "**Exchange Date**") which is not less than 40 days nor within any other applicable term after the date on which the Temporary Global Note is issued, interests in the Temporary Global Note will be exchangeable (free of charge) upon request as described therein, either for interests in a Permanent Global Note without receipts, interest coupons or talons, or for definitive Notes (as indicated in the applicable Final Terms) in each case (if the Notes are subject to TEFRA D selling restrictions and have maturities in excess of 183 days) against certification of beneficial ownership as described in the second sentence of the preceding paragraph unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of principal or interest due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Pursuant to the Agency Agreement (as defined under "**Terms and Conditions of the Notes**") the Agent shall arrange that, if a Temporary Global Note representing a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg, and common code assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Definitive Notes will be in the standard euomarket form. Definitive Notes and global Notes will be payable to bearer.

Payments of principal and interest (if any) on a Permanent Global Note will be made through the relevant clearing system(s) against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification. To the extent permitted by applicable rules and procedures a Permanent Global Note will be exchangeable (free of charge), in whole for security printed definitive Notes with, where applicable, receipts, interest coupons or coupon sheets and talons attached. Such exchange may be made only upon the occurrence of an Exchange Event. An "**Exchange Event**" means that (1) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced its intention permanently to cease business or has in fact done so and no alternative clearing system is available or (2) any of the circumstances described in Condition 10 has occurred or (3) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 which would not be required if the Notes were in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 upon the occurrence of an Exchange Event. In the event of the

occurrence of an Exchange Event as described in (1) above, Euroclear and/or Clearstream, Luxembourg, acting on the instructions of any holder of an interest in the global Note, may give notice to the Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (2) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur no later than 15 days after the date of receipt of the relevant notice by the Agent.

Global Notes and definitive Notes will be issued pursuant to the Agency Agreement. At the date hereof, neither Euroclear nor Clearstream, Luxembourg regard Notes in global form as fungible with Notes in definitive form.

Notes which are represented by a global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg or any other agreed clearing system as the case may be. In case of Notes with a denomination consisting of a minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. So long as the Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum Specified Denomination increased with integral multiples of such a smaller amount notwithstanding that definitive notes will be issued up to (but excluding) twice the minimum Specified Denomination.

Pursuant to the Agency Agreement the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

The following legend will appear on all global Notes, definitive Notes, receipts and interest coupons (including talons) which are subject to TEFRA D selling restrictions:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code of 1986, as amended."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

To the extent permitted by applicable rules and procedures a Note may be accelerated by the holder thereof in certain circumstances described in Condition 10 of the Notes. In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to his account with the relevant clearing system(s) gives notice that it wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, holders of interests in such global Note credited to their accounts with the relevant clearing system(s) will become entitled to proceed directly against the Issuer on the basis of

statements of account provided by the relevant clearing system(s) on and subject to the terms of the relevant global Note.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a specific intended use of proceeds, such specific use of the proceeds will be stated in the applicable Final Terms.

TAXATION

The following describes the principal tax consequences of the acquisition, holding and disposal of the Notes. This summary does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each investor should consult his or her own professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

DUTCH TAXATION

The following is a general summary and the tax consequences as described here may not apply to a Holder of Notes (as defined below). Any potential investor should consult his tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in his particular circumstances.

This taxation summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Notes issued on or after the date of this Base Prospectus. It does not consider every aspect of taxation that may be relevant to a particular Holder of Notes under special circumstances or who is subject to special treatment under applicable law. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this taxation summary the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands. This summary assumes that the Issuer is organised, and that its business will be conducted, in the manner outlined in this Base Prospectus. A change to such organisational structure or to the manner in which the Issuer conducts its business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this Base Prospectus. The law upon which this summary is based is subject to change, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change. This summary assumes that each transaction with respect to Notes is at arm's length.

Where in this Dutch taxation paragraph reference is made to a "Holder of Notes", that concept includes, without limitation:

1. an owner of one or more Notes who in addition to the title to such Notes has an economic interest in such Notes;
2. a person who or an entity that holds the entire economic interest in one or more Notes;
3. a person who or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Dutch tax purposes, the assets of which comprise one or more Notes, within the meaning of 1. or 2. above; or
4. a person who is deemed to hold an interest in Notes, as referred to under 1. to 3., pursuant to the attribution rules of article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), with respect to property that has been segregated, for instance in a trust or a foundation.

Withholding tax

All payments under Notes may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority of or in the Netherlands, except where Notes are issued under such terms and conditions that such Notes are capable of being classified as equity of the Issuer for Dutch tax purposes or actually function as equity of the

Issuer within the meaning of article 10, paragraph 1, letter d, of the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) and where Notes are issued that are redeemable in exchange for, convertible into or linked to shares or other equity instruments issued or to be issued by the Issuer or by any entity related to the Issuer.

Taxes on income and capital gains

Resident Holders of Notes

The summary set out in this section "Dutch Taxation - Taxes on income and capital gains - Resident Holders of Notes" applies only to a Holder of Notes who is a "Dutch Individual" or a "Dutch Corporate Entity".

A Holder of Notes is a "Dutch Individual" if:

- he is an individual; and
- he is resident, or deemed to be resident, in the Netherlands for Dutch income tax purposes, or has elected to be treated as a resident of the Netherlands for Dutch income tax purposes.

A Holder of Notes is a "Dutch Corporate Entity" if:

- it is a corporate entity (*lichaam*), including an association that is taxable as a corporate entity, that is subject to Dutch corporation tax;
- it is resident, or deemed to be resident, in the Netherlands for Dutch corporation tax purposes;
- it is not an entity that, although in principle subject to Dutch corporation tax, is, in whole or in part, specifically exempt from that tax;
- the benefits derived from Notes held by it are not exempt in its hands under the participation exemption (as laid down in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*)); and
- it is not an investment institution (*beleggingsinstelling*) as defined in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

If a Holder of Notes is not an individual and if it does not satisfy any one or more of these tests, with the exception of the second test, its Dutch tax position is not discussed in this Base Prospectus.

Dutch Individuals deriving profits or deemed to be deriving profits from an enterprise

Any benefits derived or deemed to be derived from Notes, including any gain realized on the disposal of Notes, by a Dutch Individual that are attributable to an enterprise from which such Dutch Individual derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise, other than as a shareholder, are generally subject to Dutch income tax at progressive rates.

Dutch Individuals deriving benefits from miscellaneous activities

Any benefits derived or deemed to be derived from Notes, including any gain realized on the disposal of Notes, by a Dutch Individual that constitute benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) are generally subject to Dutch income tax at progressive rates.

Benefits derived from Notes by a Dutch Individual are taxable as benefits from miscellaneous activities if he, or an individual who is a connected person in relation to him as meant by article 3.91, paragraph 2, letter b, or c, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), has a substantial interest (*aanmerkelijk belang*) in the Issuer.

Generally, a person has a substantial interest in the Issuer if such person – either alone or, in the case of an individual, together with his partner (*partner*), if any, or pursuant to article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) - owns or is deemed to own, directly or indirectly, either a number of

shares representing five per cent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or rights to acquire, directly or indirectly, shares, whether or not already issued, representing five per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer or profit participating certificates (*winstbewijzen*) relating to five per cent. or more of the annual profits of the Issuer or to five per cent. or more of the liquidation proceeds of the Issuer.

A person who is entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and such person's entitlement to such benefits is considered a share or a profit participating certificate, as the case may be.

Furthermore, a Dutch Individual may, *inter alia*, derive, or be deemed to derive, benefits from Notes that are taxable as benefits from miscellaneous activities in the following circumstances:

- a. if his investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge (*voorkennis*) or comparable forms of special knowledge;
- b. if he makes Notes available or is deemed to make Notes available, legally or as a matter of fact, directly or indirectly, to certain parties as meant by articles 3.91 and 3.92 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) under circumstances described there; or
- c. if he holds Notes, whether directly or indirectly, and any benefits to be derived from such Notes are intended, in whole or in part, as remuneration for activities performed by him or by a person who is a connected person in relation to him as meant by article 3.92b, paragraph 5, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

Other Dutch Individuals

If a Holder of Notes is a Dutch Individual whose situation has not been discussed before in this section "Dutch taxation - Taxes on income and capital gains – Resident Holders of Notes", benefits from his Notes are taxed annually as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be 4 per cent. per annum of his "yield basis" (*rendementsgrondslag*), generally to be determined at the beginning of the calendar year, to the extent that such yield basis exceeds the "exempt net asset amount" (*heffingvrij vermogen*) for the relevant year. The benefit is taxed at the rate of 30 per cent. The value of his Notes forms part of his yield basis. Actual benefits derived from his Notes, including any gain realized on the disposal of Notes, are not as such subject to Dutch income tax.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for benefits from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate Entities

Any benefits derived or deemed to be derived from Notes, including any gain realized on the disposal thereof, that are held by a Dutch Corporate Entity are generally subject to Dutch corporation tax.

Non-resident Holders of Notes

The summary set out in this section "Dutch Taxation - Taxes on income and capital gains - Non-resident Holders of Notes" applies only to a Holder of Notes who is a Non-Resident Holder of Notes.

A Holder of Notes will be considered a "Non-Resident Holder of Notes" if he is neither resident, nor deemed to be resident, in the Netherlands for the purposes of Dutch income tax or corporation tax, as the case may be, and who, in the case of an individual, has not elected to be treated as a resident of the Netherlands for Dutch income tax purposes.

Individuals

A Non-Resident Holder of Notes who is an individual will not be subject to any Dutch taxes on income or capital gains in respect of any benefits derived or deemed to be derived from Notes, including any payment under Notes and any gain realized on the disposal of Notes, except if

1. he derives profits from an enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, such enterprise is either being managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and his Notes are attributable to such enterprise; or
2. he derives benefits or is deemed to derive benefits from Notes that are taxable as benefits from miscellaneous activities in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*).

See the section "Dutch Taxation - Taxes on income and capital gains - Resident Holders of Notes - Dutch Individuals deriving benefits from miscellaneous activities" for a description of the circumstances under which the benefits derived from Notes may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in the Netherlands only if such activities are performed or deemed to be performed in the Netherlands.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Entities

A Non-Resident Holder of Notes other than an individual will not be subject to any Dutch taxes on income or capital gains in respect of any benefits derived or deemed to be derived from Notes, including any payment under Notes and any gain realized on the disposal of Notes, except if

1. such Non-Resident Holder of Notes derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, such enterprise either being managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and its Notes are attributable to such enterprise; or
2. such Non-Resident Holder of Notes has a substantial interest in the Issuer (as described above under Individuals) or a deemed substantial interest in the Issuer.

A deemed substantial interest may be present if shares, profit participating certificates or rights to acquire shares in the Issuer are held by such person or deemed to be held by such person following the application of a non-recognition provision.

General

Subject to the above, a Non-Resident Holder of Notes will not be subject to income taxation in the Netherlands by reason only of the execution (*ondertekening*), delivery (*overhandiging*) and/or enforcement of the documents relating to the issue of Notes or the performance by the Issuer of its obligations under such documents or under

the Notes.

Gift and inheritance taxes

If a Holder of Notes disposes of Notes by way of gift, in form or in substance, or if a Holder of Notes who is an individual dies, no Dutch gift tax or Dutch inheritance tax, as applicable, will be due, unless:

- (i) the donor is, or the deceased was resident or deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, as applicable; or
- (ii) the donor made a gift of Notes, then became a resident or deemed resident of the Netherlands, and died as a resident or deemed resident of the Netherlands within 180 days of the date of the gift.

For purposes of the above, a gift of Notes made under a condition precedent (*opschortende voorwaarde*) is deemed to be made at the time the condition precedent is satisfied.

Other taxes and duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with (i) the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of Notes, (ii) the performance by the Issuer of its obligations under such documents or under the Notes, or (iii) the transfer of Notes, except that Dutch real property transfer tax (*overdrachtsbelasting*) may be due by a Holder of Notes if in satisfaction of all or part of any of its rights under the Notes, it acquires any asset, or an interest in any asset (*economische eigendom*), that qualifies as real property or as a right over real property situated in the Netherlands, for the purposes of Dutch real property transfer tax (*overdrachtsbelasting*) or, where Notes are issued under such terms and conditions that they represent an interest in assets (*economische eigendom*) that qualify as real property, or rights over real property, situated in the Netherlands, for the purposes of Dutch real property transfer tax.

EU SAVINGS DIRECTIVE

Under Directive 2003/48/EC on the taxation of savings income in the form of interest payments Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State. However, currently Luxembourg and Austria are instead required (unless they elect otherwise) to operate a withholding system in relation to such payments (the ending of such withholding system being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries), deducting tax at rates rising over time to 35%.

A number of non-EU countries (including Switzerland, which has adopted a withholding system) and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in such Member State to, or collected by such a person for, an individual resident in the relevant territory

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated program agreement (the "Program Agreement") dated March 30, 2011 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Notes*". In the Program Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Program and the issue of Notes under the Program and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Each Dealer has agreed to comply with the following provisions except to the extent that, as a result of any change(s) in, or in the official interpretation of, any applicable laws and/or regulations, non-compliance would not result in any breach of the provisions below.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

The Netherlands

Zero Coupon Notes in definitive form and other Notes which qualify as savings certificates as defined in the Dutch Savings Certificates Act (*in Dutch: Wet inzake spaarbewijzen*) may only be transferred or accepted directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a Member of Euronext Amsterdam N.V. with due observance of the Savings Certificates Act and its implementing regulations (including registration requirements), provided that no mediation is required in respect of (i) the initial issue of those Notes to the first holders thereof, (ii) any transfer or acceptance by individuals who do not act in the conduct of a profession or trade, and (iii) the transfer and acceptance of those Notes, if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

United States of America

- 1.1 Regulation S Category 2; TEFRA D; Rule 144A eligible if so specified in the relevant Final Terms;
- 1.2 Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph and in paragraph 1.4 below have the meanings given to them by Regulation S under the Securities Act.
- 1.3 Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.
- 1.4 Each Dealer has agreed and each further Dealer appointed under the Program will be required to agree that, except as permitted by the Program Agreement, it will not offer, sell or deliver Notes, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and closing date for the offering of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes (other than a sale pursuant to Rule 144A) during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons. In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by a dealer whether or not it is participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another available exemption from registration under the Securities Act.
- 1.5 Each Tranche of Notes will also be subject to such additional United States selling restrictions as the Issuer and the relevant Dealer(s) may agree and as indicated in the relevant Final Terms.

Selling restrictions addressing additional United Kingdom securities law

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, the "**FSMA**") received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Republic of France

Each Dealer represents and agrees, and each further Dealer appointed under the Program will be required to represent and agree that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the applicable Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties and /or (ii) qualified investors (*in French: investisseurs qualifiés*), excluding individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation. Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy unless in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy except:

- (1) to "Qualified Investors" pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**") and as defined under Article 2(i)(e) (i) to (iii) of the Prospectus Directive; or
- (2) in any other circumstances where an express exemption from compliance with the public offering restrictions applies, as provided under Decree No. 58 or CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Any such offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended ("**Decree No. 385**"), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007, as amended and any other applicable laws and regulations; and
- (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Provisions relating to the secondary market in Italy

Investors should also note that, in any subsequent distribution of the Notes in Italy, Article 100- bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with Qualified Investors and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorized person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental or regulatory authorities and in effect at the relevant time.

General

The Issuer and each Dealer acknowledge that, with the exception of (i) requesting and receiving the approval by the AFM of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementation measures in the Netherlands and (ii) the application to list the Notes on Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext Amsterdam, no action has been taken in any state or jurisdiction by either the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any state or jurisdiction where action for that purpose is required. The AFM may be further requested by the Issuer to provide other competent authorities of EEA States with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive and the Commission Regulation (EC) No. 809/2004 so that application may be made for Notes issued under the Program to be listed on the regulated markets of such states and offered to the public in such states. Persons who take note of the contents of this Base Prospectus or any Final Terms are required by the Issuer and the Dealers through such material to comply with all applicable laws and regulations in each state or jurisdiction in or from which such persons purchase, offer, sell or deliver Notes or have in their possession or distribute such material, in all cases at their own expense.

Each Dealer has agreed and each further Dealer appointed under the Program will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefore.

Neither the Issuer, the Arranger nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorizations

The update of the Program was duly authorized by a resolution of Ahold's Corporate Executive Board dated March 30, 2011. All consents, approvals, authorizations or other orders of all regulatory authorities required by the Issuer under the laws of the Netherlands and under Ahold's articles of association have been or will be obtained for the issue of Notes and for the Issuer to undertake and perform its obligations under the Dealership Agreement, the Agency Agreement and the Notes.

Listing

Application has been made to Euronext Amsterdam to allow Notes issued under the Program to be admitted to trading on Euronext Amsterdam by NYSE Euronext.

Documents Available

So long as Notes are outstanding under the Program, copies of the following documents will, when published, be available free of charge from the registered office of the Issuer and from the specified office of the Agent:

- (i) the Deed of Incorporation of Ahold;
- (ii) an English translation of the most recent Articles of Association of Ahold;
- (iii) the Ahold 2010 Annual Report, including Ahold's 2010 audited financial statements;
- (iv) the Ahold 2009 Annual Report, including Ahold's 2009 audited financial statements;
- (v) the Program Agreement and the Agency Agreement (which contains the forms of the Temporary and Permanent Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons);
- (vi) a copy of this Base Prospectus;
- (vii) any future prospectuses, offering circulars, supplementary listing particulars, information memoranda, supplements to this Base Prospectus and any documents incorporated herein by reference; and
- (viii) the Final Terms for each Tranche of Notes.

Clearing and Settlement Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and ISIN for each Tranche allocated by Euroclear, Clearstream, Luxembourg and Clearnet (the securities clearing corporation of Euronext Amsterdam), and any other relevant security code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

Clearing systems addresses

The address of Euroclear is 1 Boulevard de Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

Auditor

The auditor of the Issuer is Deloitte Accountants B.V., who has audited the consolidated financial statements of Koninklijke Ahold N.V. prepared in accordance with IFRS for the years ended January 2, 2011 and January 3, 2010. In its auditor's reports dated March 2, 2011 and March 3, 2010 respectively, Deloitte Accountants B.V. expressed an unqualified audit opinion on these financial statements. The

partner of Deloitte Accountants B.V. who has signed the auditor's report for the aforementioned financial statements is a member of the *Nederlands Instituut voor Register Accountants*.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Ratings

Ahold's solicited credit ratings are published by Moody's and S&P.

Grading scale of Moody's and S&P

		Moody's *	S&P **
Investment grades	Very high quality	Aaa	AAA
		Aa	AA
	High quality	A	A
		Baa	BBB
Non-investment grades	Speculative	Ba	BB
		B	B
	Very poor	Caa	CCC
		Ca	CC
		C	C
		D	D

* Moody's appends a numerical modifiers, with '1' indicating the upper, '2' the middle and '3' the lower end of each rating category. These are applied for ratings Aa down to Caa

** S&P uses '+' and '-' modifiers to show relative standing within major rating categories. These are applied for ratings AA down to CCC.

Ahold's current long-term corporate credit rating assigned by S&P is BBB with a stable outlook and BBB- for senior unsecured debt (with the exception of Ahold Lease U.S.A., Inc.'s rated securities). The current rating of Ahold assigned by Moody's, on the basis of Issuer Rating, is Baa3 with a positive outlook. Moody's also applied a rating of Baa3 for senior unsecured debt of Ahold.

Standard & Poor's

Outlook	Stable
LT Foreign Issuer Credit	BBB
LT Local Issuer Credit	BBB
Senior Unsecured Debt	BBB-
ST Foreign Issuer Credit	A-2
ST Local Issuer Credit	A-2

Moody's

Outlook	Positive
Issuer Rating	Baa3
Senior Unsecured Debt	Baa3

The current rating of Ahold applied by S&P (on the basis of LT Issuer Credit) and the current rating of Ahold applied by Moody's (on the basis of Issuer Rating) are both investment grade.

List of rated securities

Issuer	Amount*	Currency	Coupon	Maturity	Series	S&P	Moody's
Ahold Finance U.S.A., LLC	503	USD	8.25	15jul10		BBB-	Baa3
Ahold Finance U.S.A., LLC	407	EUR	5.875	14mar12	EMTN	BBB-	Baa3
Ahold Finance U.S.A., LLC	250	GBP	6.5	14mar17	EMTN	BBB-	Baa3
Ahold Lease U.S.A., Inc.	264	USD	7.82	02jan20	A-1	BBB	Baa3
Ahold Lease U.S.A., Inc.	251	USD	8.62	02jan25	A-2	BBB	Baa3
Ahold Finance U.S.A., LLC	500	USD	6.875	01may29		BBB-	Baa3

* Outstanding principal amounts in millions

The rating information has been sourced from rating agencies. This information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by these rating agencies no facts have been omitted which would render the reproduced information inaccurate or misleading.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been approved by the AFM or filed with it in accordance with the Prospective Directive, or with Titles IV and V of Directive 2001/34/EC and relevant implementing measures in the Netherlands, shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) Ahold's 2010 Annual Report, including (on pages 59 to 129) Ahold's 2010 audited financial statements (to consult via <http://www.ahold.com/files/Ahold%20Annual%20Report%202010.pdf>);
- (b) Ahold's 2009 Annual Report, including (on pages 55 to 123) Ahold's 2009 audited financial statements (to consult via http://www.ahold.com/files/Ahold_Annual_Report_2009.pdf);
- (c) Ahold's articles of association as per the Publication Date of this Base Prospectus (in English translation, to consult via <http://www.ahold.com/files/articles-of-association.pdf>); and
- (d) Ahold's 2010 Corporate Responsibility Report (to consult via <http://crreport2010.ahold.com/>).

save that any statement contained in a document which is incorporated by reference in this Base Prospectus shall, to the extent applicable, be deemed to modify or supersede (whether expressly, by implication or otherwise) statements contained in a document which is incorporated by reference of an earlier date. Any statement so modified or superseded shall not be deemed, except as so modified or suspended, to constitute a part of this Base Prospectus.

These documents can be obtained without charge at the registered office of the Issuer and the Paying Agent, each as set out at the end of this Base Prospectus. In addition these documents are available on the Issuer's website at www.ahold.com.

**REGISTERED OFFICE OF
KONINKLIJKE AHOLD N.V.**

Piet Heinkade 167-173
1019 GM Amsterdam
The Netherlands

LEGAL ADVISORS TO AHOLD

As to Dutch law

De Brauw Blackstone Westbroek N.V.

Claude Debussylaan 80
1070 AB Amsterdam
The Netherlands

As to U.S. law

White & Case LLP

1155 Avenue of the Americas
New York, New York 10036
United States of America

THE DEALERS

ABN AMRO Bank N.V.

Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

J.P. Morgan Securities Ltd.

125 London Wall
London EC2Y 5AJ
The United Kingdom

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB
The United Kingdom

Merrill Lynch International

2 King Edward Street
London EC1A 1HQ
The United Kingdom

BNP Paribas

10 Harewood Avenue
London NW1 6AA
The United Kingdom

Mitsubishi UFJ Securities International plc

RopemakerPlace
25 Ropemaker Street
Lodon EC2Y 9 AJ
The United Kingdom

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
The United Kingdom

Mizuho International plc

Bracken House
One Friday Street
London EC4M 9JA
The United Kingdom

Goldman Sachs International

Peterborough Court
133 Fleet Street
London EC4A 2BB
The United Kingdom

**Cooperatieve Centrale Raiffeisen-
Boerenleenbank B.A. (Rabobank
International)**

Croeselaan 18
3521 CB Utrecht
The Netherlands

ING Bank N.V.

Foppingadreef 7 (Loc TRC 00.40)
1000 BV Amsterdam
The Netherlands

The Royal Bank of Scotland plc

135 Bishopsgate
London EC2M 3UR
The United Kingdom

LEGAL ADVISOR TO THE DEALERS

As to Dutch law

Clifford Chance LLP

Droogbak 1A
1013 GE Amsterdam
The Netherlands

AUDITOR TO THE ISSUER

Deloitte Accountants B.V.

Orlyplein 50
1043 DP Amsterdam
The Netherlands

PRINCIPAL PAYING AGENT

Citibank N.A.

Citigroup Centre 14th Floor
Canada Square
Canary Wharf
London, E14 5LB
The United Kingdom

LISTING AGENT

The Royal Bank of Scotland N.V.

Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands