BASE PROSPECTUS DATED APRIL 21, 2016

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)

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**") 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 or common safekeeper, as the case may be, on behalf of Euroclear Bank S.A./N.V. ("**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 prospectus supplement or an individual (drawdown or base) prospectus, if appropriate, 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 (*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 in Amsterdam. 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 provided that, in the case of a listing on a regulated market, a prospectus supplement or individual (drawdown or base) prospectus is published. 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.

For an overview of risks relating to Ahold see pages 10 to 26 of this Base Prospectus.

The full terms and conditions of each Tranche of Notes are constituted by the Terms and Conditions of the Notes as set out in full in this Base Prospectus in "Terms and conditions of the notes" (each such numbered condition therein a "**Condition**") 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 of the Notes in the manner required to reflect the particular terms and conditions applicable to the relevant Series of Notes (or Tranche thereof).

Notes issued under the Program may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Program. 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 S.A.S., 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 of 31 October 2011 they were registered as such. 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.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, or (in the case of notes in bearer form) delivered 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.

This Base Prospectus has been approved by and filed with the AFM as a Base Prospectus issued in compliance with the Prospectus 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 (*Wet op het financieel toezicht*) and related regulations which implement the Prospectus Directive in Dutch law.

Arranger

BNP PARIBAS

Dealers

ABN AMRO
BofA MERRILL LYNCH
GOLDMAN SACHS INTERNATIONAL
J.P. MORGAN
MUFG

THE ROYAL BANK OF SCOTLAND
U.S. BANCORP

BNP PARIBAS
DEUTSCHE BANK
ING
KBC
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING
RABOBANK

This Base Prospectus will be published in electronic form on the website of Euronext Amsterdam (www.euronext.com) and on the Issuer's website (to be consulted via https://www.ahold.com/web/Financial-information/Other-financial-information.htm) on April 21, 2016, (the "**Publication 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 by contacting Investor Relations by email: investor.relations@ahold.com.

This Base Prospectus is issued in replacement of a prospectus dated March 26, 2015 and accordingly supersedes that earlier prospectus. It is valid for a period of 12 months from the Publication Date.

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OVERVIEW

The following constitutes the overview (the "**Overview**") of the essential characteristics and risks associated with the Issuer and the Notes to be issued under the Program. This Overview 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 Overview, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus.

Issuer:	Koninklijke Ahold N.V. Koninklijke Ahold N.V. ("**Ahold**") was established as a public limited liability company (*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 (1506 MA) Zaandam, the Netherlands, Provincialeweg 11. Ahold is registered in the Trade Register at the Chamber of Commerce 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 strategic, operational, financial and compliance risks, as well as risks relating to the merger, as set out below, and certain legal proceedings. 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 and other risks associated with Notes generally (see "Risk Factors" in this Base Prospectus).
Arranger:	BNP Paribas

Dealers:	ABN AMRO Bank N.V. BNP Paribas Coöperatieve Rabobank U.A. Deutsche Bank AG, London Branch Goldman Sachs International ING Bank N.V. J.P. Morgan Securities plc KBC Bank NV Merrill Lynch International Mitsubishi UFJ Securities International plc Société Générale The Royal Bank of Scotland plc U.S. Bancorp Investments, Inc. and any other dealer appointed from time to time either in respect of a single Tranche or in respect of the whole Program.
Regulatory Matters:	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).
Issuing and Principal Paying Agent:	BNP Paribas Securities Services, Luxembourg Branch
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 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 or common safekeeper, as the case may be, 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:	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). The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms.
Other provisions in relation to Floating Rate Notes:	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both (as indicated in the applicable Final Terms).

	Interest on Floating Rate 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).
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount or at par and will not bear interest.
Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than 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 and the Terms and Conditions of the Notes) 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 and the Terms and Conditions of the Notes.
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, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus will be EUR 100,000.
Taxation:	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.
Negative Pledge:	The Notes contain a negative pledge given by the Issuer as set out in Condition 3.
Cross Default:	The Notes contain a cross default as set out in Condition 10.
Status of the Notes:	The 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.
Listing:	Application has been made for Notes to be issued under the Program to be admitted to listing and trading on Euronext in Amsterdam. Applications for listing of Notes issued under the Program may be made to other exchanges provided that, in the case of a listing on a regulated market, a prospectus supplement or individual (drawdown or base) prospectus is published. As specified in the relevant Final Terms, a series of Notes may be unlisted.
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 overview 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 the Ahold 2015 Annual Report, with a view of a possible investment in the Notes. Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Notes and consider such an investment decision in light of the prospective investor's personal circumstances.

Any of the following risks could have a material adverse effect on Ahold's financial position, results of operations and liquidity or could cause actual results to differ materially from the results contemplated in the forward-looking statements contained herein and in the Ahold 2015 Annual Report and which may affect the Company's ability to fulfill its obligations under the Notes issued pursuant to the Program. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Program are also described below. 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 (S), operational (O), financial (F), and compliance (C) 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 management believes are immaterial or otherwise common to most companies, 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 herein and in the Ahold 2015 Annual Report.

AHOLD'S RISKS AND UNCERTAINTIES RELATING TO ITS STRATEGY

Description of risk	Strategy	Key risk drivers	Risk mitigation actions	Potential consequence
Business continuity (O) Disruption of critical business processes may result in non-availability of products for customers	**Better place to shop**	- Dependency on IT systems - Centralized facilities - Dependency on logistics service providers - Dependency on suppliers of strategic own-brand products and services - Cyber threats	- Business continuity governance structure - Business continuity strategic guidelines and tactical policy - Business continuity framework with guidance, procedures - Business continuity management plans - Insurance program	While Ahold continues to maintain and invest in business continuity management plans, business interruptions could have a material adverse effect on the Company's financial position, results of operations, liquidity, customer perception and reputation.
Collective bargaining (O) Ahold's businesses might not be able to negotiate extensions or replacements on acceptable terms, which could result in work stoppages	**Better place to work**	- People management and associate engagement - Expiring collective bargaining agreements - Relationships with the relevant trade unions	- Associate engagement survey and response - Performance management cycle - Contract negotiation process - Human Resource functions to support relationships with trade unions - Contingency plans	A work stoppage due to the failure of one or more of Ahold's businesses to renegotiate a collective bargaining agreement, or otherwise, could be disruptive to our business, lead to adverse publicity and have a material adverse effect on the Company's results of operations and financial position.
Competitive advantage and economic conditions (S) A weak macro-economic climate and changes to the competitive landscape without appropriate response could threaten Ahold's ability to achieve its strategic business plan	**Business model**	- Consumer value perception (price, assortment, quality) - Unemployment rate - Consumers' purchasing power under pressure - Changes in the retail landscape (e.g. shopping) and competition - Lack of distinctiveness - Inflationary forces impacting cost of goods sold - Pressure on margin	- Research and monitoring of consumer behavior - Price benchmarking competition - Analysis of economic developments - Actively monitoring and developing online business - Approved strategies - Promotional activities - Building more personalized customer relationships - Strengthening own-brands	Ahold is focused on the execution of its strategic pillars and promises. Unforeseen effects could impair the effectiveness of Ahold's strategy and reduce the anticipated benefits of its price repositioning and cost savings programs or other strategic initiatives. These factors may have a material adverse effect on the Company's financial position, results of operations and liquidity.
Information security (O) A lack of security around, or non-	**Better place to shop**	- Customer confidence - Sensitivity of data	- Strategic and tactical information security policy and guidelines	Ahold's business operations generate and maintain confidential commercial and

compliance with, privacy requirements for customer data might negatively impact strategic initiatives relating to customer loyalty	**Better place to work**	- Changing privacy regulations - Use of third parties to process and store data - Global security threats - Growth of online sales - Revoking of EU-U.S. Safe Harbor agreement for personal data export to U.S.	- Information security governance - Control standards for information management and security - Payment card industry and privacy compliant control framework - Information security capabilities - Information security awareness program - Cyber insurance coverage	personal information concerning customers, employees, suppliers and the Company. Disclosure of confidential information to unintended third parties may negatively impact Ahold's corporate reputation and competitive position or result in litigation or regulatory action. This could have a material adverse effect on Ahold's financial position.
Intended merger Ahold Delhaize (S) We could be unable to complete the intended merger or realize the expected benefits, or the intended merger might distract associates from the current business	**Our pillars & promises**	- Satisfaction of conditions precedent - Failure / termination of merger agreement - Key staff leaving the Company - Integration of the business more difficult, costly or time consuming than expected - Workload and lack of focus	- Merger agreement between Ahold / Delhaize - Governance structure - Focused merger preparation work streams - Use of external specialists - Communication to stakeholders - Synergy targets and recognition incentive award for management	If Ahold is unable to complete the intended merger or associates are distracted from the current business, anticipated cost savings, synergies, growth opportunities and other benefits may fail, which could have a material adverse effect on the Company's reputation or have a material adverse effect on Ahold's financial position.
Legislative and regulatory environment (C) A changing legislative and regulatory environment increases the cost of doing business, tax levels and the complexity of our operations	**Business model**	- Compliance deadlines - Increased and targeted enforcement - Government budget deficits - Public opinion / pressure - International Tax developments (e.g. OECD and EU regulations) - Local regulatory changes	- Knowledge and awareness of regulations - Monitoring, review and reporting on changes - Operational procedures and guidance - Education of regulators and public policymakers e.g., through industry associations	Ahold's activities are subject to various laws and regulations in each local market where it operates. The cost of compliance with any of these laws could impact Ahold's operations and reduce its profitability. See further discussion of consequences of the legislative and regulatory risks below.
Product safety (O, C) The consumption of own-brand products or other food or non-food products, or food fraud in the supply chain could result in our customers' injury illness or death	**Better place to shop**	- Internationalization of the supply chain - Incidents across the world - Increased number of own-brand products - Speed of communications (social media)	- Product safety policies - Control standards for food and non-food products - Standard operating procedures - Dedicated product integrity departments at Ahold group level and in the business - Monitoring of performance in the business - Tracing of product origins and conditions of	Though it has mitigating actions in place, Ahold may face product safety problems, including disruptions to the supply chain caused by food-borne illnesses and negative consumer reaction to incidents, which may have a material adverse effect on the Company's reputation, results of

			production - Third-party certification - Insurance program	operations and financial position.
Pension plan funding (F) Ahold is exposed to the financial consequences of a number of defined benefit pension plans covering a large number of its employees in the Netherlands and in the United States, as well as multi-employer plans (MEP) covering both pensions and other benefits	**Business model**	- Insolvency or bankruptcy of (MEP) participants - Decreasing interest rates - Poor stock market performance - Changing pension laws - Longevity - Increasing US healthcare costs	- Governance structure - Yearly MEP risk assessment study - Monitoring MEPs / participants	A decrease in equity returns or interest rates may negatively affect the funding ratios of Ahold's pension funds, which could lead to higher pension charges and contributions payable. According to Dutch 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, a significant number of union employees in the United States are covered by MEPs. An increase in the unfunded liabilities of these MEPs may result in increased future payments by Ahold and the other participating employers. The bankruptcy of a participating MEP employer could result in Ahold assuming a larger proportion of that plan's funding requirements. In addition, Ahold may be required to pay significantly higher amounts to fund U.S. employee healthcare plans in the future. Significant increases in healthcare and pension funding requirements could have a material adverse effect on the Company's financial position, results of operations and liquidity. For additional information, see Note 23 to the consolidated financial statements included

				in the Ahold 2015 Annual Report.
Strategic initiatives (S) Activities are increasingly undertaken in the form of projects. Ahold might not be able to deliver on the objectives of its strategic projects	**Our pillars and promises**	- Changing retail environment - Dependencies between projects and operational activities - Availability of required capabilities	- Ahold's Executive Committee (ExCo) governance structure - Approved strategies - Program and project management - Promises reporting - Embedding pillars and promises in the business	Ahold is continuing with its strategy to reshape the way we do business and drive growth. If the Company is not able to deliver on the objectives of its underlying strategic projects, the realization of key elements of its strategy may be at risk. This could have a material adverse effect on Ahold's financial position, results of operations and liquidity.

In addition to the risks and uncertainties as linked to Ahold's strategy above, the Company has additional risks and uncertainties in the following areas:

Responsible retailing (S, O)
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 brands and reputation may suffer if it does not adequately address relevant corporate responsibility issues affecting the food retail industry.

Insurance programs (F)
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, regulatory economic conditions and adverse litigation results. It is 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 which 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.

Financial risks (F)
Financial risks include foreign currency translation risk, credit risk, interest rate risk, liquidity risk and contingent liabilities to third parties relating to lease guarantees. For information relating to these financial risks, see Note 30 and Note 34 to the consolidated financial statements included in the Ahold 2015 Annual Report.

Unforeseen tax liabilities (C)
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 MERGER

The business relationships of Ahold, Delhaize Group NV/SA ("Delhaize") or their respective subsidiaries may be subject to disruptions due to uncertainty associated with the merger, which could have an adverse effect on the operating results, cash flows and financial position of Ahold,

Delhaize, their respective subsidiaries and, following the consummation of the merger, the combined company.

Parties with which Ahold, Delhaize or their respective subsidiaries do business may experience uncertainty associated with the merger and related transactions, including with respect to current or future business relationships with Ahold, Delhaize, their respective subsidiaries or the combined company. The business relationships of Ahold, Delhaize or their respective subsidiaries may be subject to disruption as customers, suppliers and other persons with whom Ahold, Delhaize or their respective subsidiaries have a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationships with Ahold, Delhaize or their respective subsidiaries, as applicable, or consider entering into business relationships with parties other than Ahold, Delhaize, their respective subsidiaries or the combined company. Under Dutch law, for a period of six months after the effective time, contracting parties of Ahold may request a district court (*rechtbank*) to terminate (*ontbinden*) or amend (*wijzigen*) an agreement with Ahold if such agreement, as a consequence of the merger, can no longer reasonably be enforced in the same manner as prior to the merger. In addition, under Belgian law, during the two months after the publication in the annex to the Belgian State Gazette (*Bijlage bij het Belgisch Staatsblad/Annexes du Moniteur belge*) of the notarial deeds of cross-border merger establishing the consummation of the merger, creditors of Delhaize and creditors of Ahold may request security interests to any of their claims that existed prior to the publication of the notarial deeds.

All of the events described above could have an adverse effect on the operating results, cash flows and financial position of Ahold, Delhaize or, following the consummation of the merger, the combined company including an adverse effect on the combined company's ability to realize the expected synergies and other benefits of the merger. The risk, and adverse effect, of any disruption could be exacerbated by a delay in the consummation of the merger or termination of the merger agreement.

The merger is subject to the expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act"). As a condition to obtaining the required antitrust approvals, the relevant regulatory authorities may impose conditions that could have an adverse effect on Ahold, Delhaize**, ***their respective subsidiaries or the combined company or, if such approvals are not obtained, could prevent the consummation of the merger.

Before the merger may be completed, any waiting period (or extension thereof) applicable to the merger must have expired or been terminated, and any approvals, consents or clearances required in connection with the merger must have been received, in each case, under the HSR Act and under applicable antitrust laws of the EU and/or, in the case of a referral by the European Commission, the relevant EU member state, the Republic of Serbia and the Republic of Montenegro. On July 31, 2015 and September 7, 2015, Ahold and Delhaize received antitrust clearance in the Republic of Serbia and in the Republic of Montenegro, respectively. On October 22, 2015, the European Commission referred the review of the merger to the Belgian Competition Authority ("**BCA**"). On March 15. 2016, Ahold and Delhaize announced that approval for the merger proposal has been obtained from the BCA on March 15. 2016, conditional upon the divestment of a limited number of stores in Belgium. The merger clearance from the BCA completes the competition approval in Europe. In deciding whether to grant the required antitrust approval, consent or clearance, the FTC, in the United States will consider the effects of the merger on competition within their respective jurisdictions. The consummation of the merger might be delayed due to the time required to fulfill the second request or other requests for information by the relevant regulatory authorities. The terms and conditions of any antitrust approvals, consents and clearances that are ultimately granted may impose conditions, terms, obligations or restrictions, on the conduct of the combined company's business.

In the merger agreement, subject to the limitations described below, the parties have agreed to use their reasonable best efforts to take all steps necessary or advisable to obtain and make effective as soon as practicable all necessary consents, registrations, approvals and authorizations from any person or governmental entity in order to consummate the transactions contemplated by the merger agreement, including the relevant antitrust clearances. Ahold and Delhaize have also agreed to take all actions and cooperate to do all things necessary and advisable to obtain such antitrust approval or statement of no objection or to avoid the entry of, and the commencement of litigation seeking the entry of, or to effect the dissolution of, any injunction that would otherwise have the effect of materially delaying or preventing the consummation of the merger, except if (i) such action would, individually or taken together with all such other actions, reasonably be expected to have a material adverse effect on the business, financial condition or operating results of Ahold, Delhaize and their respective subsidiaries, taken as a whole or (ii) the main objective of such action is to grant to a third party a trademark license in Belgium in respect of one or more of the key brands of Delhaize or its subsidiaries or Ahold or its subsidiaries which is mutually considered to have a substantial impact both in terms of duration and scope.

There can be no assurance that regulatory authorities will not impose unanticipated conditions, terms, obligations or restrictions and that, to the extent any such conditions, terms, obligations or restrictions are imposed, such conditions, terms, obligations or restrictions will not have the effect of delaying the consummation of the merger or imposing additional material costs on, or materially limiting, the revenues of the combined company following the consummation of the merger. In addition, neither Ahold nor Delhaize can provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger. Ahold and Delhaize may each terminate the merger agreement if the merger has not been completed by the termination date.

Any delay in completing the merger may reduce or eliminate the benefits expected to be achieved as a result of the merger.

In addition to the required antitrust approvals, consents or clearances, the consummation of the merger is subject to a number of other conditions set forth in the merger agreement, some of which are beyond Ahold's and Delhaize's control and any of which may prevent, delay or otherwise materially adversely affect the consummation of the merger. The consummation of the merger is conditioned upon, among other conditions, the absence, withdrawal, resolution or lifting of any opposition by an Ahold creditor and the absence of any order, injunction, judgment, decree or other action by a governmental entity which would prohibit or make illegal the consummation of the merger in accordance with the terms of the merger agreement. Ahold and Delhaize cannot predict whether or when these other conditions will be satisfied. Furthermore, the requirements for obtaining the required approvals, consents or clearances could delay the consummation of the merger for a significant period of time or prevent it from occurring at all. Any delay in completing the merger could prevent or delay the combined company from realizing some or all of the anticipated cost savings, synergies, growth opportunities and other benefits that Ahold and Delhaize expect to achieve if the merger is successfully completed within the expected time frame.

The combined company may fail to realize some or all of the anticipated cost savings, synergies, growth opportunities and other benefits of the merger, which could adversely affect the value of the ordinary shares and American Depositary Shares of the combined company.

Ahold and Delhaize currently operate as separate public companies. The success of the merger will depend, in part, on the combined company's ability to realize the anticipated cost savings, synergies, growth opportunities and other benefits from combining the businesses. The achievement of the anticipated benefits of the merger is subject to a number of uncertainties, including whether Ahold and Delhaize are able to integrate their businesses in an efficient and effective manner, and general competitive factors in the

marketplace. Failure to achieve these anticipated benefits could result in increased costs, decreases in the revenues of the combined company and diversion of management's time and energy and could materially impact the combined company's business, cash flows, financial condition or operating results. If the combined company is not able to successfully achieve these objectives, the anticipated cost savings, synergies, growth opportunities and other benefits may not be realized fully or at all, or may take longer to realize than expected.

It is possible that the integration process could take longer or be more costly than anticipated or could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of Ahold and Delhaize to maintain their relationships with clients, customers and employees, to achieve the anticipated benefits of the merger or to maintain quality standards. Integration efforts between the two companies may also divert management's time and energy. An inability to realize the full extent of, or any of, the anticipated benefits of the merger, as well as any delays encountered in the integration process, could have an adverse effect on the combined company's business, cash flows, financial condition or operating results.

In addition, the integration of Ahold's and Delhaize's businesses may result in additional and unforeseen expenses and capital investments, and the anticipated benefits of the integration plan may not be realized. Actual cost and sales synergies, if achieved at all, may be lower than Ahold and Delhaize expect and may take longer to achieve than anticipated. If Ahold and Delhaize are not able to adequately address these challenges, the combined company may be unable to successfully integrate Ahold's and Delhaize's businesses, or to realize the anticipated benefits of the integration of the businesses of the two companies or may take longer to achieve than anticipated.

Ahold and Delhaize will incur costs in connection with the merger and, if the merger is consummated, the combined company will incur integration and restructuring costs.

Ahold and Delhaize have incurred, and will continue to incur, fees and costs related to the proposed merger. In addition, if the merger is consummated, the combined company will incur integration and restructuring costs following the consummation of the merger as it integrates the businesses of Ahold and Delhaize. Ahold cannot give any assurance that the realization of efficiencies related to the integration of the businesses of Ahold and Delhaize will offset the incremental transaction, integration and restructuring costs in the near term, if at all. An inability to realize such efficiencies could have an adverse effect on the combined company's business, cash flows, financial condition or operating results, which may affect the value of the ordinary shares of the combined company following the consummation of the merger.

Uncertainties associated with the merger may cause a loss of management personnel or other key employees of Ahold or Delhaize which could adversely affect the future business and operations of the combined company.

Ahold and Delhaize depend on the experience and industry knowledge of their officers and other key employees to execute their respective business plans. The combined company's success after the consummation of the merger will depend, in part, upon the ability of Ahold and Delhaize to attract and retain key management personnel and other key employees. Current and prospective employees of Ahold and Delhaize may experience uncertainty about their roles within the combined company following the consummation of the merger, which may have an adverse effect on the ability of Ahold and Delhaize to attract or retain key management and other key personnel. Accordingly, no assurance can be given that the combined company will be able to attract or retain key management personnel or other key employees of Ahold and Delhaize to the same extent that Ahold and Delhaize have been able to do thus far.

The combined company may be unable to successfully integrate the businesses of Ahold and Delhaize and realize the anticipated benefits of the merger.

The merger involves the combination of two companies that currently operate as independent public companies. The combined company will be required to devote significant management attention and resources to integrating the business practices and operations of Ahold and Delhaize. Potential difficulties the combined company may encounter as part of the integration process include, but are not limited to, the following:

- the inability to successfully combine the businesses, or particular business segments, of Ahold and Delhaize in a manner that permits the combined company to enjoy the advantages of a complementary base of stores and a strong financial profile for investing in future growth, to be able to provide a superior customer offering, to achieve the full cost synergies and other benefits anticipated to result from the merger, and to further expand the combined company's global market reach and customer base;
- the inability of the combined company to achieve or maintain leading industry standards in quality and food retail offerings;
- complexities associated with managing the businesses of the combined company, including challenges of integrating complex systems, technology, networks and other assets of each of the companies in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;
- integrating the workforces of the two companies while continuing to provide consistent, high quality customer service; and
- potential unknown liabilities and unforeseen expenses or delays associated with the merger, including costs to integrate the two companies that may exceed the costs that Ahold and Delhaize anticipated prior to the execution of the merger agreement.

In addition, Ahold and Delhaize have operated, and will continue to operate, independently and may not begin significant portions of the actual integration process until the consummation of the merger. Although the parties are conducting an integration planning process to the extent permitted by legal restrictions, this process could result in:

- diversion of the attention of each company's management; and
- the disruption of, or the loss of momentum in, each company's ongoing businesses or inconsistencies in the application of their respective standards, controls, procedures and policies.

Any of the foregoing could adversely affect Ahold's or Delhaize's ability to maintain relationships with customers, suppliers, employees and other constituencies, or their ability to achieve the anticipated benefits of the merger, or could reduce their earnings or otherwise adversely affect the business and financial results of the combined company.

Risks related to the legislative and regulatory environment and litigation (C)

Ahold and its businesses are subject to various federal, regional, state and local laws and regulations in each country in which they operate, relating to, among other areas: zoning; land use; antitrust restrictions; work place safety; public health including food and non-food safety; environmental protection; alcoholic beverage, tobacco and pharmaceutical sales; and information security. Ahold and its businesses are also subject to a variety of laws governing the 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, any of these laws could impact the operations and reduce the profitability of Ahold or its businesses and thus could affect Ahold's financial condition or results of operations. Ahold and its businesses are also subject to a variety of antitrust and similar laws and regulations in the jurisdictions in

which they operate, which may impact or limit Ahold's ability to realize certain acquisitions, divestments, partnerships or mergers.

From time to time, Ahold and its businesses are parties to legal and regulatory proceedings in a number of countries, including the United States. Based on the prevailing regulatory environment or economic conditions in the markets in which Ahold businesses operate, litigation may increase in frequency and materiality. These legal and regulatory proceedings may include matters involving personnel and employment issues, personal injury, antitrust claims, franchise claims and other contract claims and matters. We estimate our exposure to these legal proceedings and establish accruals for the estimated liabilities where it is reasonably possible to estimate and where the potential realization of a loss contingency is more likely than not. The assessment of exposures and ultimate outcomes of legal and regulatory proceedings involves uncertainties. Adverse outcomes of these legal proceedings, or changes in our assessments of proceedings, could potentially result in material adverse effects on our financial result. For further information see Note 34 to the consolidated financial statements included in the Ahold 2015 Annual Report.

Legal proceedings

Ahold and certain of its former or current 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 and noteholders. 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.

Albert Heijn Franchising
The Vereniging Albert Heijn Franchisenemers (an association of Albert Heijn franchisees or "**VAHFR**") has asserted claims against Ahold subsidiary, Albert Heijn Franchising BV ("**AHF**"), for the years 2008 through 2012, the alleged value of which in aggregate exceeds €200 million. AHF and the VAHFR have for a number of years had ongoing discussions about the resolution of certain cost items under individual franchise agreements. On December 24, 2014, AHF and other legal entities within the Ahold group of companies received a writ in which VAHFR and 239 individual claimants initiate proceedings as of April 15, 2015 before the District Court of Haarlem with respect to these discussions. While repeating the previous quantification of the total value of their claims for the period 2008-2012, and that unspecified amounts for the years 2013 and 2014 should be added, VAHFR and the individual claimants do not specify or seek payment for any specific amount by the defendants in the litigation. In May 2015, the Ahold subsidiaries filed their Statement of Defense. In October 2015, the claimants filed a Statement of Reply, and in January 2016 Ahold subsidiaries filed a Statement of Rejoinder. AHF believes that the position of the VAHFR and individual claimants as expressed in the writ of summons lacks substance and is without merit. AHF and its affiliates will vigorously defend their interests in the legal proceedings. The claims period covers the years 2008 and 2009, even though these years have already been settled. While it cannot be ruled out that individual franchisees have claims for the years 2010-2015, such claims have not been specifically and individually asserted let alone confirmed as valid based on an analysis on merit and amounts involved. Notwithstanding the foregoing, the years 2010 onwards are still to be settled. Ahold has an existing provision of €25.1 million with regard to the settlement of costs with individual franchisees for the entire period up to and including 2015.

VEB (Vereniging voor Effectenbezitters) (Dutch association of retail shareholders)

In a series of letters to Ahold, the first of which was dated May 20, 2015, the VEB (*Vereniging voor Effectenbezitters*), a Dutch association of retail shareholders, has accused Ahold of being one day late in disclosing its discussions with Delhaize regarding a potential business combination and has reserved the right to sue Ahold for damages. In its replies, the latest of which dated July 31, 2015, Ahold has stated that it has acted in accordance with all applicable disclosure obligations, and will defend itself against any allegations to the contrary.

Uruguayan litigation

Ahold, together with Disco and Disco Ahold International Holdings N.V. ("**DAIH**"), is a party to legal proceedings in one lawsuit in Uruguay related to Ahold's 2002 acquisition of Velox Retail Holdings' shares in the capital of DAIH. The other two related lawsuits in Uruguay have been finally decided in favor of Ahold in 2013. The damages alleged by the plaintiffs, alleged creditors of certain Uruguayan and other banks, amount to approximately $62 million (€57 million) plus interest and costs. As part of the sale of Disco to Cencosud in 2004, Ahold indemnified Cencosud and Disco against the outcome of these legal proceedings. The proceedings are ongoing and Ahold continues to believe that the plaintiffs' claims are without merit and will continue to vigorously oppose such claims.

Other legal proceedings

In addition to the legal proceedings described above, Ahold and its former or current 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 unpredictable. 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 may wish to consider, either on its own or with the help of its financial, legal and other professional advisers, whether it:

(i) has 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) has 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) has 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) understands thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and

(v) is 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.

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.

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 Terms and 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 Terms and 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.

Under the U.S. Foreign Account Tax Compliance Act, U.S. tax might be withheld with respect to certain Notes if certain events occur

With respect to (i) Notes issued after the date that is six months after the date the term "foreign passthru payment" is defined in regulations published in the U.S. Federal Register (the "**Grandfather Date**"), or (ii) Notes issued on or before the Grandfather Date that are materially modified after such date, the Issuer may, under certain circumstances, be required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("**FATCA**") to withhold U.S. tax at a rate of 30% on all or a portion of payments of principal and interest which are treated as "foreign passthru payments" made on or after January 1, 2019, at the earliest, to an investor or any other financial institution through which payment on the Notes is made that is a non-U.S. financial institution that is not in compliance with FATCA.

As of the date of this Base Prospectus, regulations defining the term "foreign passthru payment" have not yet been published. If the Issuer issues further Notes on or after the Grandfather Date pursuant to a reopening of a Tranche of Notes that was created on or before the Grandfather Date (the "**Original Notes**") and such further Notes are not fungible with the original Notes for U.S. federal income tax purposes, payments on such further Notes may be subject to withholding under FATCA and, should the original Notes and the further Notes be indistinguishable for non-tax purposes, payments on the original Notes may also become subject to withholding under FATCA. The FATCA withholding tax may be triggered if: (i) the Issuer is a foreign financial institution (an "**FFI**," as defined in FATCA), and (ii) the Issuer, or a paying agent through which payments on the Notes are made, has agreed to provide the U.S. Internal Revenue Service (the "IRS") or other applicable authority with certain information on its account holders (making the Issuer or such paying agent a "**Participating FFI**," as defined in FATCA) and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI that is making the payment to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of such FFI, or (b) any FFI through or to which payments on the Notes are made is not a Participating FFI.

The United States has concluded several intergovernmental agreements ("**IGAs**") with other jurisdictions in respect of FATCA. On December 18, 2013, the governments of the Netherlands and the United States signed an Agreement to Improve International Tax Compliance and to Implement FATCA (the "**Dutch IGA**"). Under the Dutch IGA, an entity classified as an FFI that is treated as resident in the Netherlands is expected to provide the Dutch tax authorities with certain information on U.S. holders of its securities. Information on U.S. holders will be automatically exchanged with the IRS. The Issuer does not expect to be treated as an FFI; however, if the Issuer is treated as an FFI, provided that it complies with the requirements of the Dutch IGA and the Dutch legislation implementing the Dutch IGA, it should not be subject to FATCA withholding on any payments it receives and it should not be required to withhold tax on any "foreign passthru payments" that it makes. Although the Issuer may not be required to withhold FATCA taxes in respect of any foreign passthru payments it makes under the Dutch IGA, FATCA withholding may apply in respect of any payments made on the Notes by any paying agent.

The application of FATCA to interest, principal or other amounts paid on or with respect to the Notes is not currently clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of a Holder's failure to comply with FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the terms and conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

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 Notes which bear interest at a fixed rate ("**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.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies,

unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the front cover of this Base Prospectus and, in respect of any issue of Notes, will be disclosed in the Final Terms.

Interest of the Dealers

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Program, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their clients. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Program. Any such short positions could adversely affect future trading prices of Notes issued under the Program. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

OTHER IMPORTANT CONSIDERATIONS

Notes Held in Global Form

Unless otherwise specified in the applicable Final Terms, the Notes will be held by a common depositary or a common safekeeper, as the case may be, 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 Terms and 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 supplement 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.

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 and its subsidiaries 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 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 (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 or assume any responsibility for facilitating any such distribution or offering. In particular, further action may be required under the Program in order to permit a public offering of the Notes or distribution of this document in any jurisdiction.

This Base Prospectus 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 (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 Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those 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 the

Arranger nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC as amended by Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

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

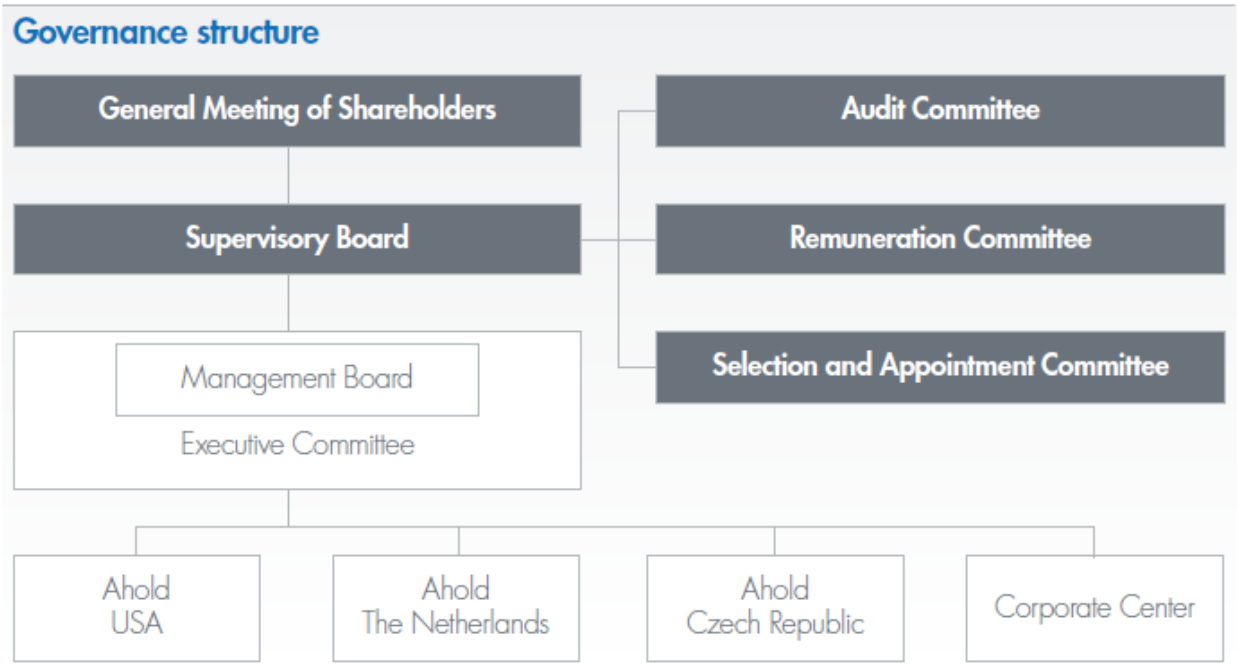
The registered commercial names of Ahold are Koninklijke Ahold N.V., Royal Ahold and Ahold. Koninklijke Ahold N.V. is the parent company of the Ahold group. It was founded in 1887 and incorporated as a public company with limited liability (*naamloze vennootschap*) for an unlimited term under the laws 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 (1506 MA) Zaandam, the Netherlands, Provincialeweg 11. Ahold is registered in the Trade Register at the Chamber of Commerce under number 35000363 with listings of shares or depositary shares on the Amsterdam and New York stock exchanges. The telephone number of Ahold is +31 (0)88 659 5100.

Governance Structure

Koninklijke Ahold N.V. is a public company under Dutch law with a two-tier board structure. The Company's management board (the "**Management Board**") has ultimate responsibility for the overall management of Ahold. The Company also has an executive committee (the "**Executive Committee**") that is comprised of the Management Board as well as certain key officers of the Company. The Executive Committee is led by the Chief Executive Officer and is accountable to the Management Board. The Management Board is supervised and advised by a Supervisory Board. The Management Board and the Supervisory Board are accountable to Ahold's 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 three platforms: Ahold USA, Ahold The Netherlands and Ahold Czech Republic, each of which contains a number of businesses.

The following diagram shows the governance structure of Ahold. A list of subsidiaries, joint ventures and associates is included in Note 37 to the consolidated financial statements included in the Ahold 2015 Annual Report.



Management Board and Executive Committee

The Executive Committee manages the general affairs of Ahold and ensures that the Company can effectively implement its strategy and achieve its objectives. The Management Board is ultimately responsible for the actions and decisions of the Executive Committee, and the overall management of Ahold. For a more detailed description of the responsibilities of the Executive Committee and the Management Board, please refer to the rules of procedure in the corporate governance section of Ahold's public website at www.ahold.com.

Composition

According to Ahold's articles of association, the Management Board must consist of at least three members. The size and composition of the Management Board and the Executive Committee and the combined experience and expertise of their members should reflect the best fit for the profile and strategy of the Company. This aim for the best fit, in combination with the availability of qualifying candidates, has resulted in Ahold, as of March 2, 2016, having a Management Board in which all three members are male and an Executive Committee in which five members are male and two are female. In order to increase gender diversity on the Management Board, in accordance with article 2:276 section 2 of the Dutch Civil Code, the Company pays close attention to gender diversity in the process of recruiting and appointing new Management Board members. In addition, the Company continuously recruits female executives, as demonstrated by the appointment of two women to the Executive Committee. Ahold also encourages the professional development of female employees, which has already led to the promotion of several women to key leadership positions across the Group.

Ahold's Executive Committee and Management Board consists of the following persons:

Dick Boer

President and Chief Executive Officer

Chairman Management Board and Executive Committee

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 had served as Chief Operating Officer Ahold Europe since 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 businesses. Ahold's shareholders appointed him to the Management Board on May 3, 2007.

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

Dick is a board member of The Consumer Goods Forum, member of the board of the European Retail Round Table, and vice chair and a member of the executive board of The Confederation of Netherlands Industry and Employers (VNO-NCW). He is also a member of the advisory board of G-star.

Jeff Carr

Executive Vice President and Chief Financial Officer

Member Management Board and Executive Committee

Jeff Carr (September 17, 1961) is a British national. Ahold's shareholders appointed him to the Management Board on April 17, 2012. Jeff joined Ahold in November 2011 as acting member of the Management Board and Chief Financial Officer (CFO).

Before joining Ahold, Jeff was group finance director and a member of the board at UK-based FirstGroup, the leading transport operator in the United Kingdom and North America. From 2005 to 2009, he was group finance director and a member of the board at easyJet. He began his career at Unilever, and held senior roles in finance at easyJet, Associated British Foods, Reckitt Benckiser and Grand Metropolitan. Jeff has lived and worked in Europe and the United States.

James McCann

Executive Vice President and Chief Operating Officer Ahold USA

Member Management Board and Executive Committee

James McCann (October 4, 1969) is a British national. Ahold's shareholders appointed him to the Management Board on April 17, 2012. James had first joined Ahold on September 1, 2011, as acting member of the Management Board and Chief Commercial & Development Officer. On February 1, 2013, he became Chief Operating Officer Ahold USA.

Before joining Ahold, James was executive director for Carrefour France and a member of Carrefour's group executive board for one year. During the previous seven years, he held leading roles in various countries for Tesco PLC. Prior to that, he worked for Sainsbury's, Mars and Shell.

James serves on the board of directors of the Food Marketing Institute Inc. and on the board of trustees of Dana-Farber Cancer Institute.

Hanneke Faber

Chief Commercial Officer and Member Executive Committee

Hanneke Faber (April 19, 1969) is a Dutch national. On August 21, 2013, the Supervisory Board appointed Hanneke as Chief Commercial Officer and member of the Executive Committee, effective as per September 1, 2013. She is responsible for leading the global online and customer loyalty initiatives, ensuring and accelerating an integrated approach to the first two pillars of Ahold's strategy, "increasing customer loyalty" and "broadening our offering."

Before joining Ahold, Hanneke was vice president and general manager Global Pantene, Head & Shoulders and Herbal Essences at Procter & Gamble. She began her career at Proctor & Gamble in 1992 and has held various senior roles in marketing in both Europe and in the United States.

Hanneke is a member of the LEAD (Leading Executives Advancing Diversity) advisory board.

Abbe Luersman

Chief Human Resources Officer and Member Executive Committee

Abbe Luersman (December 4, 1967) is a U.S. national. The Supervisory Board appointed Abbe as Chief Human Resources Officer and Member of the Executive Committee, effective November 1, 2013. She is responsible for global Human Resources, including talent and diversity; leadership and organizational development; organizational effectiveness; and design and total rewards.

Before joining Ahold, Abbe worked for Unilever, where she has held various HR leadership roles, most recently as head of Human Resources for Unilever Europe. Prior to Unilever, Abbe worked at Whirlpool Corporation, holding various senior roles in human resources, both in the United States and internationally.

Abbe is a member of the Catalyst advisory board and of the European Leadership Platform advisory board.

Jan Ernst de Groot

Chief Legal Officer and Member Executive Committee

Jan Ernst de Groot (April 11, 1963) is a Dutch national. On January 8, 2015, the Supervisory Board appointed Jan Ernst as Chief Legal Officer and member to the Executive Committee, effective February 1, 2015. He is responsible for legal affairs, the Company's governance and compliance functions, product integrity, and our responsible retailing strategy.

Before joining Ahold, Jan Ernst was general counsel and managing director External Affairs & Corporate Responsibility at TNT Express. Prior to that, he worked for KLM Royal Dutch Airlines in a wide range of business and legal roles, most recently as managing director and member of the board of management. Jan Ernst started his career at law firm De Brauw Blackstone Westbroek.

Jan Ernst is chairman of the supervisory council of Hivos. He is a board member of the Hermitage Museum Amsterdam and of the U.S. non-profit Salzburg Global Seminar, where he chairs the health & sustainability committee.

Wouter Kolk

Chief Operating Officer Ahold Netherlands and Chief Executive Officer Albert Heijn and Member Executive Committee

Wouter Kolk (April 26, 1966) is a Dutch national. On January 14, 2015, the Supervisory Board appointed Wouter as Chief Executive Officer Albert Heijn and member of the Executive Committee, effective February 1, 2015. Wouter had re-joined Ahold in 2013 as EVP Specialty Stores and New Markets at Albert Heijn following a six-year career as CEO of international retailer WE Fashion. He first started at Ahold in 1991, and over the next 16 years served in several commercial and operational management roles, including Commercial Director Asia-Pacific based in Singapore, Regional Director Albert Heijn, General Manager Gall & Gall and General Manger Etos.

Wouter is a member of the supervisory boards of the Hortus Botanicus Amsterdam and concert hall Paradiso.

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

Appointment, suspension and dismissal

The General Meeting of Shareholders can appoint, suspend, or dismiss a Management 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.

Management 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 Management Board member.

Possible reappointment schedule Management Board

Name	Date of birth	Date of first appointment	Date of possible reappointment
Dick Boer	August 31, 1957	May 3, 2007	2019
Jeff Carr	September 17, 1961	April 17, 2012	2016
James McCann	October 4, 1969	April 17, 2012	2016

Supervisory Board

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

Ahold's Supervisory Board consists of the following persons:

Jan Hommen

Chairman Supervisory Board and Chairman of the Selection and Appointment Committee

Jan Hommen (April 29, 1943) is a Dutch national. He was appointed to the Supervisory Board at the General Meeting of Shareholders on April 17, 2013. His term runs until 2017.

Jan was previously Vice Chairman of Ahold's Supervisory Board and served as Chairman of the Audit Committee from 2003 to 2007. He is the former CEO of KPMG the Netherlands, former CEO of ING Group N.V., former CFO and vice chairman of the board of management of Royal Philips Electronics N.V. and former CFO of Aluminum Company of America. He has held chairman positions on the supervisory boards of TNT N.V. and Reed Elsevier N.V. and was a member of the board of Campina. Currently he is chairman of Brabantse Ontwikkelings Maatschappij Holding B.V. and a member of the supervisory board of PSV N.V. Jan is also advisor to Advent International PLC, chairman of the board of trustees of Tilburg University and a member of the board of trustees of the Royal Concertgebouw Orchestra.

Mark McGrath

Vice Chairman Supervisory Board

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 2016.

Mark is a director emeritus 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 former director of GATX and Aware, Inc. He serves on the advisory board of the University of Notre Dame's Kellogg International Studies Institute. He also serves on the advisory councils of the University of Chicago's Booth Graduate School of Business and Notre Dame's Kroc International Peace Studies Institute. Mark is a trustee and serves on the executive committee of the Chicago Symphony Orchestra Association.

Stephanie Shern

Member Supervisory Board and Chairman of the Audit Committee

Stephanie 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 2017.

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 chair of the audit committee of Gamestop and a member of the board and audit committee of Abercrombie & Fitch. Stephanie is also a member of the advisory board of Pennsylvania State University's accounting major program and a founding member of the Lead Director Network and of the Southwest Region of the United States Audit Committee Network, both organized by Tapestry Networks in the United States.

Rob van den Bergh

Member Supervisory Board and Chairman of the Remuneration Committee

Rob van den Bergh (April 10, 1950) is a Dutch national. He was appointed to the Supervisory Board on April 20, 2011, and his term runs until 2019.

Rob temporarily replaced Jan Hommen as chairman of the Supervisory Board from June 14, 2014, to April 1, 2015. Rob is former CEO of VNU N.V. Prior to that, he held various other executive positions within VNU and was a member of the executive board from 1992 until his appointment as CEO in 2000. Rob is chairman of the supervisory board of the Nationaal Museum van Wereldculturen, and a member of the supervisory boards of Pon Holdings B.V., Iddink Groep B.V. and Novamedia. He is also a member of the advisory board of CVC Capital Partners.

Derk C. Doijer

Member Supervisory Board

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 2017.

Derk is a former member of the executive board of directors of SHV Holdings N.V. Prior to that, he held several executive positions in the Netherlands and South America, such as CEO of Makro Holland, CEO of Makro Argentina and Brazil and president of Makro South America. He is chairman of the supervisory board of Lucas Bols N.V. and a member of the supervisory board of the Stiho Group.

Ben Noteboom

Member Supervisory Board

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 2017.

Ben is former CEO and chairman of the executive board of Randstad Holding N.V., to which he was appointed in 2001. He had first joined Randstad in 1993 and held various senior management positions during his time with the company. Ben is a member of the supervisory board of Aegon N.V., chairman of its remuneration committee and a member of its audit committee. He is also a member of the supervisory board and audit committee of Wolters Kluwer N.V., and a member of the boards of the Holland Festival Foundation and the Cancer Center Amsterdam.

René Hooft Graafland

Member Supervisory Board

René Hooft Graafland (September 24, 1955) is a Dutch national. He was appointed to the Supervisory Board on April 16, 2014, with effect from January 1, 2015, and his term runs until 2018.

René previously held the position of CFO and member of the executive board of Heineken N.V. until April 2015. Before being appointed as a member of Heineken’s executive board in 2002, he held various international management positions with the company in Europe, Asia and Africa. René is a member of the supervisory board and chairman of the audit committee of Wolters Kluwer N.V. and a member of the supervisory board and of the audit committee of Koninklijke FrieslandCampina N.V. He is also chairman of the supervisory board of Royal Theatre Carré and chairman of the board of Stichting African Parks Foundation.

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 February 25, 2015, 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 Chairman of the Supervisory Board attends all committee meetings. The composition of each committee is detailed in the following table.

Amendments to Executive Committee, Management Board and Supervisory Board following completion of the proposed merger

Following completion of the proposed merger between Ahold and Delhaize, the Executive Committee, the Management Board and the Supervisory Board constitution will be changed and is expected to consist of current members of the respective Ahold and Delhaize boards and/or individuals designated on behalf of Ahold and Delhaize.

CONFLICT OF INTEREST
Each member of the Management 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 Management Board and provide them with all relevant information. Each member of the Supervisory Board 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 Management Board has a conflict of interest with the Company, the member may not participate in the discussions and/or decision-making process on subjects or transactions 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 Executive Committee and the Supervisory Board and their private interests and/or other duties, nor has such conflict of interest occurred in 2014.

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% of the shares in the Company occurred in 2015.

CORPORATE GOVERNANCE
Ahold applies the relevant principles and best practices of the Dutch Corporate Governance Code applicable to the Company, to the Management Board and to the Supervisory Board as long as it does not entail disclosure of commercially sensitive information, as accepted under the code. The Dutch Corporate Governance Code was last amended on December 10, 2008, and can be found at www.commissiecorporategovernance.nl.

SHARE CAPITAL
For details on the number of outstanding shares, see Note 20 to the consolidated financial statements included in the Ahold 2015 Annual Report. All outstanding shares have been fully paid up.

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 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:

3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

The obligation to notify the AFM also applies when the percentage of capital interest or voting rights referred to above changes 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, 2016 that hold an interest of 3% or more in the share capital of the Company.

- [BlackRock, Inc – 3.32% shareholding (5.05% voting rights) disclosed on January 12, 2016]
- [DeltaFort Beleggingen I B.V. – 15.20% shareholding (5.16% voting rights) disclosed on June 9, 2015[2]]
- [Mondrian Investment Partners Limited – 4.26% shareholding (4.99% voting rights) disclosed on September 27, 2012]
- [NN Group N.V. – 10.30% shareholding (4.52% voting rights) disclosed on June 9, 2015[2]]
- [Norges Bank – 2.51% shareholding (3.04% voting rights) disclosed on September 10, 2015]
- [Stichting Administratiekantoor Preferente Financieringsaandelen Ahold – 20.19% shareholding (6.55% voting rights) disclosed on July 13, 2012[3]]

1. 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.
2. The interest on record for DeltaFort Beleggingen I B.V. and NN Group N.V. includes both the direct and real interest from the common shares as well as the indirect and/or potential interest from the depositary receipts.
3. SAPFAA holds all outstanding cumulative preferred financing shares and it issued corresponding depositary receipts to investors that were filed under DeltaFort Beleggingen I B.V. and NN Group N.V. Therefore, in relation to the outstanding cumulative preferred financing shares, disclosures are made by both SAPFAA (for the shares) and by DeltaFort Beleggingen I B.V. and NN Group N.V. (for the corresponding depositary receipts).

Cumulative preferred shares

As of January 3, 2016, 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 of 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, 2016, the members of the board of SAC are:

Name	Principal or former occupation
W.G. van Hassel, Chairman	Former lawyer and former chairman Dutch Bar Association
G.H.N.L. van Woerkom	Former President and CEO of ANWB
J. van den Belt	Former CFO Océ
B. Vree	CEO APM Terminals Europe

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 2015 Annual Report.

ARTICLES OF ASSOCIATION

Ahold's articles of association ("**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 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 Management 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, the objectives of the Company 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 that produce such products, to operate restaurants 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 the Management Board dated April 1, 2016. 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 Program Agreement, the Agency Agreement and the Notes.

TREND INFORMATION

There has been no material adverse change in the prospects of Ahold since January 3, 2016, 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 3, 2016, being the end of the last financial period for which financial information has been published.

LEGAL PROCEEDINGS

Save as disclosed on page 20 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 as per the date of this Base Prospectus.

THE MERGER

General

On June 24, 2015, Ahold and Delhaize announced their intention to combine their businesses through a merger of equals as laid down in a merger agreement dated June 24, 2015 (the "**Merger Agreement**"). Following, and as a result of, the merger, the separate corporate existence of Delhaize will cease and Ahold will continue as the sole surviving company (the surviving company, the "**combined company**") and, by operation of law, Ahold will succeed to and assume all of the rights and obligations as well as the assets and liabilities of Delhaize in accordance with applicable law.

Pursuant to the merger proposal, Delhaize shareholders are to receive 4.75 Ahold ordinary shares for each issued and outstanding Delhaize ordinary share. The transaction is expected to be completed in mid-2016, following regulatory clearances (including from antitrust authorities of the United States, the EU (or the EU member state to which the decision has been referred), the Republic of Serbia or the Republic of Montenegro), associate consultation procedures and shareholder approval. On March 15. 2016, Ahold and Delhaize announced that approval for the merger proposal has been obtained from the BCA on March 15. 2016, conditional upon the divestment of a limited number of stores in Belgium. The merger clearance from the BCA completes the competition approval in Europe.

In connection with the proposed merger between Ahold and Delhaize, it is proposed to return in aggregate approximately €1.0 billion to the holders of ordinary shares by executing a capital repayment and reverse stock split prior to completion of the proposed merger. The capital repayment and reverse stock split are subject to (i) the customary filings with the Trade Register and the two-month creditor objection period as described in Section 2:100 of the Dutch Civil Code in connection with this capital repayment, and (ii) after the end of the two-month creditor objection period, the proposed merger with Delhaize being likely to be effected.

Based on the estimated number of shares in the capital of Ahold and the capital of Delhaize that will be outstanding immediately prior to the consummation of the merger, Ahold estimates that, upon the consummation of the merger and the capital return of approximately €1.0 billion to the Ahold shareholders through a capital return and a reverse stock split, current Ahold shareholders will, directly or indirectly, hold

approximately 61% and former Delhaize shareholders will, directly or indirectly, hold approximately 39% of the outstanding ordinary shares in the capital of the combined company.

On March 14, 2016, an Extraordinary General Meeting of Shareholders (EGM) was held at which Ahold's shareholders have voted, amongst other proposals, in favour of the proposal to approve the capital repayment and reverse stock split and the intended merger.

Background of the Merger

The Ahold Supervisory Board and Management Board (together, the "**Ahold boards**") and the Delhaize board of directors (the "**Delhaize board**") each continually review their respective companies' results of operations and competitive positions in the industries in which they operate, as well as their strategic alternatives. In connection with these reviews, each of Ahold and Delhaize from time to time has evaluated potential transactions that would further its strategic objectives, including a business combination of the two companies.

Ahold's Reasons for the Merger

The Ahold boards carefully evaluated the Merger Agreement and the transactions contemplated thereby. On June 23, 2015, the Ahold boards each approved the terms of, and the transactions contemplated by, the Merger Agreement and resolved to unanimously recommend the merger for approval by the shareholders of Ahold.

In the course of reaching their respective decisions on June 23, 2015, the Ahold boards consulted with Ahold's senior management and its financial and legal advisors and considered a variety of substantive factors, both positive and negative, and the potential benefits and detriments of the merger to Ahold and Ahold's stakeholders. The Ahold boards believed that, taken as a whole, the following factors supported their respective decisions to approve the Merger Agreement:

• *Expected Benefits of the Merger*. The expectation that the business combination will provide a number of strategic opportunities, including the following:

- strong, trusted local brands in complementary regions that will enable the combined company to better compete in its key regions and strengthen its overall market position;
- the combined company's enhanced scale across its key regions, which will allow for more investment in innovation and help meet evolving customer needs;
- the combined company's ability to offer an expanded range of high-quality goods and services at competitive prices to better meet customers' changing needs, including by providing a broader selection of own-brand products and by having a wider range of store formats and online offerings;
- the combined company's expected strong cash flows, which will provide the combined company with an enhanced capability to invest in future growth and deliver attractive returns to its shareholders;
- the combined company's ability to create stronger workplaces and better opportunities for associates, as well as its capacity to invest more in its communities; and
- the combined company's ability to capitalize on similar values and the heritage of family entrepreneurship, as well as complementary cultures, neighboring geographies and the impact of combining successful sustainability programs;

• *Accretion and Synergies*. The expectation that, based on the Ahold boards' discussions with Ahold's advisors and Delhaize, the merger will be accretive to earnings in the first full year following completion of the merger, with anticipated annual run-rate synergies of €500 million to be fully realized in the third year following completion of the merger, with €350 million in one-time costs required to achieve such synergies;

• *Ahold's and Delhaize's Respective Businesses*. Historical information concerning, and the due diligence conducted by Ahold's management and financial, legal and accounting advisors regarding, Ahold's and Delhaize's respective businesses, financial condition, results of operations, earnings, managements and prospects on a stand-alone basis and forecasted combined basis, as well as the current and prospective business environment in which Ahold and Delhaize operate, including international, national and local economic conditions, the competitive and regulatory environment, and the likely effect of these factors on Ahold, Delhaize and the combined company;

• *Exchange Ratio*. The fact that the exchange ratio of 4.75 Ahold ordinary shares for each Delhaize ordinary share (which exchange ratio implied a value of approximately €90.06 per Delhaize ordinary share based upon the €18.96 closing price per Ahold ordinary share on June 23, 2015) is fixed, consistent with the principles underlying the "merger of equals"-structure of the business combination;

• *Pro Forma Ownership* of the Combined Company. The fact that, based on the Ahold ordinary shares and Delhaize ordinary shares outstanding on June 24, 2015 and after giving effect to the Ahold capital return and reverse stock split, Ahold shareholders would own approximately 61% of the combined company's outstanding ordinary shares upon completion of the merger, and would continue to participate in potential further appreciation of the combined company after the merger;

• *Governance Structure of the Combined Company*. The combined company's proposed governance and management structure contemplated by the Merger Agreement, which is expected to enable continuity of management and an effective and timely integration of the two companies' operations and reflects the fact that the transaction was structured as a "merger of equals" rather than an acquisition of Delhaize by Ahold or vice versa:

  • the combined company will be governed by a two-tier board comprising a supervisory board and a management board, with the day-to-day management being delegated to an executive committee;

  • the supervisory board will consist of fourteen members, with seven members being designated by each of Ahold and Delhaize;

  • the chairman of the Delhaize board and the chairman of Ahold's supervisory board will become the chairman and the vice chairman, respectively, of the combined company's supervisory board and will together form the presidium of the supervisory board;

  • the chief executive officer of Ahold will become the combined company's chief executive officer and that the chief executive officer of Delhaize will become the combined company's deputy chief executive officer and chief integration officer;

  • the chief financial officer of Ahold and the chief financial officer of Delhaize will become the combined company's chief financial officer and chief operating officer for Europe, respectively; and

  • the combined company's management board will consist of the chief executive officer, the deputy chief executive officer, the chief financial officer and the chief operating officers for the U.S. and Europe;

• *Terms of the Merger Agreement*. The terms of the Merger Agreement, including the conditions to the completion of the merger; the circumstances under which the Merger Agreement could be terminated; the impact of such a termination; the potential payment by Delhaize of a termination fee of €150 million under certain circumstances; and the potential reimbursement by Delhaize of up to €30 million of the reasonable and documented out-of-pocket fees and expenses incurred by Ahold in connection with the preparation, negotiation, execution and performance of the Merger Agreement under certain circumstances;

• *Shareholder Approval*. Ahold's shareholders will have the opportunity to vote on the proposed merger, and that approval of the proposed merger by Ahold's shareholders is a condition to Ahold's obligation to complete the merger; and

• *Likelihood of Completion*. The likelihood that the merger would be completed, in light of, among other things, the conditions to the merger, the efforts required to obtain regulatory approvals, and the provisions of the Merger Agreement in the event of various breaches by Delhaize.

The Ahold boards also considered certain potentially negative factors in its deliberations, including, but not limited to, the following:

• *Possible Failure to Achieve Benefits of the Merger*. The risk that the anticipated strategic and other benefits to the combined company following completion of the merger, including the estimated synergies described above, will not be realized or will take longer to realize than expected;

• *Possible Challenges Relating to Business Integration*. The potential challenges and difficulties relating to integrating the operations of Ahold and Delhaize, including the cost to achieve the estimated synergies;

• *Fixed Exchange Ratio*. The potential that the fixed exchange ratio could result in Ahold delivering greater value to Delhaize shareholders than had been anticipated should the value of the Ahold ordinary shares increase from the date of execution of the Merger Agreement;

• *Regulatory Risk*. The risk that regulatory, governmental and competition authorities might seek to impose conditions on or otherwise prevent or delay the merger, or impose restrictions or requirements on the operation of the business of the combined company after completion of the merger;

• *Risk of Non-Completion*. The possibility that the merger might not be completed, including as a result of the failure of the shareholders of Ahold to approve the proposed merger or the failure of the Delhaize shareholders to approve the proposed merger;

• *Possible Disruption of Ahold's Business*. The possible disruption to Ahold's business that may result from the merger, the resulting distraction of the attention of Ahold's management and potential attrition of Ahold employees;

• *Costs and Expenses Associated with the Merger*. The costs and expenses that Ahold has incurred and will incur in connection with the proposed merger, regardless of whether the merger is completed;

• *Restrictions on Operation of Ahold's Business*. The restrictions on the conduct of Ahold's business prior to completion of the merger, which restrictions require Ahold to conduct its business in the ordinary course and consistent with past practice in all material respects and subject to specific limitations, which may delay or prevent Ahold from undertaking certain business opportunities that may arise pending completion of the merger; and

• *Other Risks*. certain risks described under "Risk Factors" beginning on page 10 of this Base Prospectus.

The foregoing discussion of the information and factors considered by the Ahold boards is not exhaustive, but the Ahold boards believe it includes the material factors considered by the Ahold boards. In view of the wide variety of factors considered in connection with their evaluation of the merger and the complexity of these matters, the Ahold boards did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative or specific weight or values to any of these factors. Rather, the Ahold boards viewed their position and recommendation as being based on an overall analysis and on the totality of the information presented to and factors considered by them. In addition, in considering the factors described above, individual directors may have given different weights to different factors.

BUSINESS

PROFILE

Ahold is an international retailing group based in the Netherlands and active in the United States and Europe. Operating supermarkets and selling food has been our core business for over 125 years.

Supermarkets are the core of our business. However, Ahold operates a range of other formats and continues to expand its online options to serve the needs of different communities and to give customers more shopping alternatives. Through our omni-channel offering our customers can shop anytime, anyhow and anywhere that is most convenient for them.

Our formats

Supermarkets	Convenience stores	Compact hypers	Specialty stores
Geography United States, Netherlands, Belgium, Czech Republic	**Geography** Netherlands, Germany	**Geography** Czech Republic	**Geography** Netherlands
Offering Full range of food and selected non-food products. Emphasis on fresh products	**Offering** Quick food solutions for on-the-go customers	**Offering** Full range of food and selected non-food products. Emphasis on fresh products	**Offering** One chain offers health and beauty care products; another offers wine and liquor
Online food delivery	**Online general merchandise delivery**	**Pick-up points**	**Gasoline stations**
Geography United States, Netherlands	**Geography** Netherlands, Belgium	**Geography** Unites States, Netherlands	**Geography** United States, Czech Republic
Offering Full range of food and selected non-food products in the U.S. and the Netherlands. Small online pilot store on Alibaba's Tmall Global Platform	**Offering** Broad general merchandise range	**Offering** Full range of food and selected non-food products. Customers order online for pickup at designated locations	**Offering** Gasoline

STRATEGY

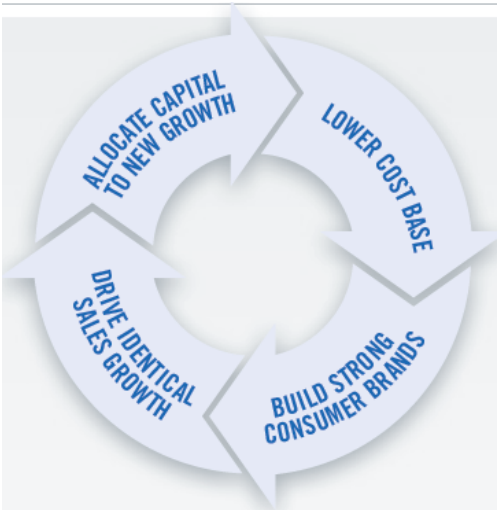
With Ahold's strategy to reshape retail, we are trying to meet the changing needs of consumers today and accelerate the growth of our Company in the future.

Ahold's Reshaping Retail framework

Ahold's Reshaping Retail framework outlines our strategic ambitions, how we operate and what we want to be as a company.

Ahold's business model

Ahold's business model is a continuous cycle in which we aim to lower our cost base so that we can invest in price, value, and the products and services we offer.



BUSINESS OVERVIEW AND PERFORMANCE

Net sales in the financial year ended January 3, 2016, were €38,203 million, an increase of €5,429 million or 16.6%, compared to €32,774 million for the financial year ended December 28, 2014. At constant exchange rates, net sales were up by €1,586 million or 4.3%.

Gasoline sales decreased in 2015 by €244 million or 18.2%, mainly due to a significant decrease in gasoline prices (approximately 30%), offset in part by a stronger U.S. dollar against the euro. At constant exchange rates, gasoline sales decreased 31.3%.

Net sales excluding gasoline increased in 2015 by €5,673 million, or 18.0% compared to 2014. At constant exchanges rates, net sales excluding gasoline increased in 2015 by €2,085 million, or 6.0% compared to 2014. Compared to the adjusted 2014 sales and at constant exchange rates, net sales excluding gasoline increased in 2015 by €1,365 million, or 3.8%. This increase was primarily driven by higher sales of €765 million due to new store openings, which includes the acquisition of 49 SPAR stores in the Czech Republic, the conversion of 17 stores transferred from Jumbo in the Netherlands and the acquisition of 25 A&P stores at Ahold USA. In addition, Ahold saw an increase of €559 million in identical sales. This was driven by sales growth at our online businesses, Albert Heijn's strong sales momentum with an increased number of transactions, and a higher average purchase amount per visit in both the Netherlands and the United States.

In 2015, returns to shareholders included, in addition to the 2014 dividend of €396 million, €161 million relating to the €500 million share buyback program. The €500 million share buyback program was announced in February 2015 and suspended at the end of June 2015 in connection with the intended merger of Ahold and Delhaize.

Results from operations

Ahold's 2015 and 2014 consolidated income statements are summarized as follows:

€ million	2015 (53 weeks)	2014 (52 weeks)	Change versus prior year	%
Net sales	**38,203**	32,774	5,429	16.6%
Cost of sales	**(27,835)**	(24,088)	(3,747)	(15.6)%
Gross profit	**10,368**	8,686	1,682	19.4%
Operating expenses	**(9,050)**	(7,436)	(1,614)	(21.7)%
Operating income	**1,318**	1,250	68	5.4%
Net financial expense	**(265)**	(235)	(30)	(12.8)%
Income before income taxes	**1,053**	1,015	38	3.7%
Income taxes	**(224)**	(248)	24	9.7%
Share in income of joint ventures	**20**	24	(4)	(16.7)%
Income from continuing operations	**849**	791	58	7.3%
Income / (loss) from discontinued operations	**2**	(197)	199	101.0%
Net income	**851**	594	257	43.3%

Ahold USA

In 2015, net sales for Ahold USA were €23,732 million, up by 21.3%, or €4,175 million compared to 2014. At constant exchange rates, net sales were up by 1.4%.

Net sales growth was affected by lower gasoline sales, primarily due to a sharp decline in gasoline prices (approximately 30%). Identical gasoline sales were down by 4.1%. Excluding gasoline, net sales at constant rates were 3.8% higher than in 2014, or, compared to the adjusted 2014 sales, higher by 1.8%.

In 2015, underlying operating income at Ahold USA was €940 million, up by €202 million, or 27.4%, from €738 million in 2014. At constant exchange rates, underlying operating income at Ahold USA increased by 6.4%.

The Netherlands

In 2015, net sales in the Netherlands were €12,699 million, up by 8.6%, or €1,003 million, compared to 2014. Compared to the adjusted 2014 sales, net sales increased in 2015 by €747 million, or 6.3%.

This increase was mainly driven by the 3.2% growth in identical sales; the conversion of 17 former C1000 stores in the Netherlands (which contributed approximately 1.0 percentage points to the sales growth); the opening of 10 new Albert Heijn stores in Belgium during the year (which contributed approximately 0.9 percentage points to the sales growth); and further expansion of our store network in the Netherlands. The identical sales growth in the Netherlands of 3.2% was fueled by double-digit sales growth of our online operations in the Netherlands. Adjusted for the additional week in 2015, net sales at bol.com increased by 26.2% and at Albert Heijn Online net sales went up by 26.4% by expanding its geographic reach through the opening of an additional 18 pick-up points in the Netherlands and Belgium and by attracting new customers in our existing market areas.

In 2015, underlying operating income in the Netherlands was €578 million, up by €4 million or 0.7% from €574 million in 2014. The underlying operating margin of the Netherlands was 4.6% in 2015, down 0.3 percentage points compared to 2014. Excluding bol.com, the underlying operating income margin was 5.0% in 2015, down by 0.2 percentage points compared to 2014. In addition, the underlying operating income margin in The Netherlands was negatively impacted by higher pension costs as a result of lower interest rates as well as one-off costs from the glassware collection campaign in the first quarter of 2015.

Czech Republic

In 2015, net sales in the Czech Republic were €1,772 million, up by 16.5% or €251 million, compared to 2014. At constant exchange rates, net sales were up by 15.3%.

Net sales growth was affected by lower gasoline sales due to lower gasoline prices. Excluding gasoline, net sales at constant exchange rates were 16.3% higher than in 2014 or, compared to the adjusted 2014 sales, higher by 14.2%. This increase was driven by the inclusion of 49 SPAR stores acquired as of August 1, 2014. In 2015, underlying operating income in the Czech Republic was €27 million, up by €8 million, or 42.1%, from €19 million in 2014. The year also included €7 million of non-recurring costs related to the SPAR integration (2014: €12 million). In 2015, underlying operating income margin in the Czech Republic was 1.5%, which was 0.3 percentage points higher than in 2014, and is mainly a result of the aforementioned non-recurring costs related to the SPAR integration.

Corporate Center

Underlying Corporate Center costs were €84 million, up €20 million compared to 2014. Excluding the impact of our self-insurance activities, underlying Corporate Center costs were €106 million, €24 million higher than last year.

million	2015 (53 weeks)	2014 (52 weeks)	Sales growth	Identical sales growth[1]	Identical sales growth ex gas[1]	Comparable sales growth ex gas[1]
Ahold USA ($)	26,350	25,976	1.4%	(1.3)%	0.9%	1.1%
Czech Republic (CZK)	48,331	41,908	15.3%	(0.7)%	(0.5)%	(0.4)%
€ million						
Ahold USA	23,732	19,557	21.3%	(1.3)%	0.9%	1.1%
The Netherlands	12,699	11,696	8.6%	3.2%	3.2%	3.7%
Czech Republic	1,772	1,521	16.5%	(0.7)%	(0.5)%	(0.4)%
Total	38,203	32,774	16.6%	0.1%	1.6%	1.9%

1 For the definition of identical and comparable sales excluding gas see non-GAAP measures at the end of this section.

Underlying operating income and underlying operating income margin for 2015 and 2014 were as follows:

	Underlying operating income			Underlying operating margin		
million	**2015 (53 weeks)**	2014 (52 weeks)	% Change	**2015 (53 weeks)**	2014 (52 weeks)	% pt Change
Ahold USA ($)	**1,043**	980	6.4%	**4.0%**	3.8%	0.2% pt
€ million						
Ahold USA	**940**	738	27.4%	**4.0%**	3.8%	0.2% pt
The Netherlands	**578**	574	0.7%	**4.6%**	4.9%	(0.3)% pt
Czech Republic	**27**	19	42.1%	**1.5%**	1.2%	0.3% pt
Corporate Center	**(84)**	(64)	(31.3)%			
Total	**1,461**	1,267	15.3%	**3.8%**	3.9%	(0.1)% pt

Adjustments to underlying operating income

Ahold recorded the following impairments and reversals of impairments of assets (primarily related to stores) in 2015 and 2014:

€ million	**2015**	2014
Ahold USA	**(20)**	(10)
The Netherlands	**(19)**	(21)
Total	**(39)**	(31)

The impairment of assets in 2013 at Ahold USA included changes related to the exit from New Hampshire.

Gains and losses on the sale of assets

Ahold recorded the following gains on the sale of non-current assets in 2015 and 2014:

€ million	**2015**	2014
Ahold USA	**11**	6
The Netherlands	**7**	14
Total	**18**	20

Restructuring and related charges and other items
Restructuring and related charges and other items in 2015 and 2014 were as follows:

€ million	2015	2014
Ahold USA	(53)	(7)
The Netherlands	(9)	17
Czech Republic	(16)	(6)
Corporate Center	(44)	(10)
Total	**(122)**	(6)

Restructuring and related charges and other items in 2015 were €122 million, up by €116 million compared to 2014. The increase is due to a restructuring of Ahold USA's support office in 2015 (negatively affecting operating income by €14 million), as well as an early retirement incentive offered to Giant Landover store employees (an impact of €17 million). Restructuring charges recognized in the Czech Republic were related to the acquisition of SPAR in 2014. Corporate Center restructuring charges for 2015 were mainly transaction costs related to the intended merger with Delhaize (€37 million).

In 2014, restructuring and related charges and other items included gains from the Dutch pension plan amendments totaling €59 million (of which €50 million was in The Netherlands and €9 million at Corporate Center). These were partly offset by the €40 million restructuring charge related to the European reorganization (of which €24 million was in The Netherlands and €16 million at Corporate Center).

Net financial expense
Net financial expenses in 2015 increased by €30 million, or 12.8%, to €265 million compared to €235 million in 2014. This increase is driven by a €23 million higher interest expense compared to 2014, attributable to U.S. dollar-denominated interest expenses, which resulted in a higher euro value on conversion due to the stronger U.S. dollar. Excluding the currency impact, interest expense was down by €7 million, largely resulting from lower finance lease interest expenses compared to 2014 at constant exchange rates.

Other financial expense of €21 million was higher by €8 million compared to 2014. This increase resulted from valuation adjustments related to notes and derivatives.

Income taxes
In 2015, income tax expense was €224 million, down by €24 million, compared to €248 million in 2014. The income tax expense in 2015 was positively impacted by one-time items. The effective tax rate, calculated as a percentage of income before income tax, was 21.3% in 2015 (2014: 24.4%).

Share in income of joint ventures
Ahold's share in income of joint ventures, which relates primarily to our 49% shareholding in JMR, was €20 million in 2015, down by €4 million compared to last year.

For further information about joint ventures, see Note 14 to the consolidated financial statements included in the Ahold 2015 Annual Report.

Results from discontinued operations
Results from discontinued operations in 2015 were €2 million, versus a loss of €197 million in 2014. The 2014 loss from discontinued operations included a net of tax settlement amount and associated legal fees for the Waterbury litigation of €194 million. This litigation was related to Ahold's U.S. Foodservice operations, which were divested in 2007.

In 2014, we completed the sale of our Slovakian business to Condorum, an agreement we had announced in November 2013. Ahold recorded a net loss of €1 million in 2014 on this divestment, with negative cash proceeds amounting to €34 million. In addition, 2015 and 2014 results from discontinued operations were impacted by various adjustments to the results of prior years' divestments as a consequence of warranties and indemnifications provided in the relevant sales agreements.

For further information about discontinued operations, see Note 5 to the consolidated financial statements included in the Ahold 2015 Annual Report.

Earnings and dividend per share
Basic income from continuing operations per common share was €1.04, an increase of €0.14 or 15.6% compared to 2014. This increase was driven by higher income from continuing operations, which rose by 7.3%, and a decrease in average number of outstanding common shares (from 879 million in 2014 to 820 million in 2015) as a result of: (i) the shares repurchased in 2015 under the €500 million share buyback program. The total number of shares repurchased during the year was 8,795,407 for a total consideration of €161 million. The program was suspended at the end of June 2015 in connection with the intended merger of Ahold and Delhaize (ii) the shares repurchased under the €2 billion share buyback program that was completed during 2014. (iii) the €1 billion capital repayment and reverse stock split transaction in 2014. The decrease in the average number of outstanding common shares was marginally offset by shares that were issued under employee share-based compensation programs.

Our dividend policy is to target a payout ratio in the range of 40-50% of adjusted income from continuing operations. As part of our dividend policy we adjust income from continuing operations for significant non-recurring items. Adjusted income from continuing operations amounted to €880 million and €777 million in 2015 and 2014, respectively, and was determined as follows:

€ million	2015 (53 weeks)	2014 (52 weeks)
Income from continuing operations	**849**	791
Income from continuing operations per share	**1.04**	0.90
Add-back (after-tax):		
Merger-related expenses	**31**	–
European reorganization	**–**	30
Dutch pension plan amendments	**–**	(44)
Adjusted income from continuing operations	**880**	777
Adjusted income from continuing operations per share	**1.07**	0.88

Reflecting the confidence we have in our strategy and our ability to generate cash, we propose a common stock dividend of €0.52 for the financial year 2015, up 8.3% from last year. It represents a payout ratio of 49%, based on the expected dividend payment on adjusted income from continuing operations, which is in line with our dividend policy

Financial position
Ahold's consolidated balance sheets as of January 3, 2016 and of December 28, 2014 are summarized as follows:

€ million	January 3, 2016	% of total	December 28, 2014	% of total
Property, plant and equipment	**6,677**	42.1%	6,150	43.5%
Intangible assets	**1,968**	12.4%	1,763	12.5%
Pension assets	**–**	–	5	–
Other non-current assets	**1,975**	12.4%	1,772	12.5%
Cash, cash equivalents and short-term deposits and similar instruments	**2,354**	14.8%	1,886	13.3%
Inventories	**1,676**	10.6%	1,589	11.2%
Other current assets	**1,230**	7.7%	973	7.0%
Total assets	**15,880**	100.0%	14,138	100.0%
Group equity	**5,621**	35.4%	4,844	34.3%
Non-current portion of long-term debt	**3,309**	20.8%	3,032	21.4%
Pensions and other post-employment benefits	**389**	2.5%	290	2.1%
Other non-current liabilities	**1,559**	9.8%	1,506	10.6%
Short-term borrowings and current portion of long-term debt	**193**	1.2%	165	1.2%
Payables	**2,800**	17.6%	2,655	18.8%
Other current liabilities	**2,009**	12.7%	1,646	11.6%
Total equity and liabilities	**15,880**	100.0%	14,138	100.0%

Property, plant and equipment increased by €527 million, primarily due to the strengthening of the U.S. dollar against the euro, while capital expenditures were offset by depreciation and impairments.

Our defined benefit plans showed a net deficit of €389 million at year-end 2015 compared to a net deficit of €285 million at year-end 2014. This increase was primarily due to negative investment results on the plan assets and the accrual of benefit costs exceeding the contributions made to the plan. A significant number of union employees in the United States are covered by multiemployer plans. With the help of external actuaries, we have updated the most recent available information that these plans have provided (generally as of January 1, 2015) for market trends and conditions through the end of 2015. We estimate our proportionate share of the total net deficit to be $873 million (€804 million) at year-end 2015 (2014: $658 million or €540 million). These amounts are not recognized on our balance sheet. While this is our best estimate based on the information available to us, it is imprecise and not necessarily reliable. For more information see Note 23 to the consolidated financial statements in the 2015 Annual Report.

Group equity increased by €777 million. This increase was mainly driven by the current year's net income and a positive currency translation impact. This was partially offset by returns to shareholders. In 2015, returns to shareholders included, in addition to the 2014 dividend of €396 million, €161 million relating to the €500 million share buyback program. The €500 million share buyback program was announced in February 2015 and suspended at the end of June 2015 in connection with the intended merger of Ahold and Delhaize.

In 2015, gross debt increased by €305 million to €3.5 billion, primarily due to the strengthening of the U.S. dollar against the euro and an increase in finance lease liabilities driven by a €108 million addition resulting from acquisitions. This was partially offset by regular payments on finance lease and financing transaction liabilities. Ahold's net debt was €1,148 million as of January 3, 2016, a decrease of €163 million from December 28, 2014. Finance leases increased our gross debt, driven by acquisitions (€108 million). This was more than offset by the net of our strong cash generation (free cash flow of €1,184 million), dividend payment (€396 million), share buyback program (€161 million), and the acquisition of businesses (€150 million). The strengthening of the U.S. dollar against the euro increased net debt by a further €128 million. Net debt does not include our commitments under operating lease contracts, which, on an undiscounted basis, amounted to €6.1 billion at year-end 2015 (2014: €5.8 billion).

The off-balance sheet operating lease commitments impact our capital structure. The present value of these commitments is added to net debt to measure our leverage against EBITDAR (i.e., underlying operating income before depreciation, amortization and gross rent expense). The ratio of net lease-adjusted debt to EBITDAR stood at 1.7 times at year-end 2015, down from 1.9 times last year. Under normal conditions we expect to operate at around 2 times, which is consistent with our commitment to maintaining an investment grade credit rating.

Liquidity and cash flows

Liquidity

Ahold manages its liquidity on a consolidated basis with cash provided from operating activities as the primary source of liquidity, in addition to potential debt and equity issuances in the capital markets, committed and uncommitted credit facilities and available cash balances. Ahold aims to keep up to €1 billion in cash to meet business needs and seasonality fluctuations in cash flow during the year. Ahold believes this cash liquidity buffer should be sufficient to cover for cash flow seasonality fluctuations with no need to borrow. Under normal conditions, Ahold expects to operate with an aggregate liquidity of around €2 billion, evenly split between cash necessary for operating business needs and seasonality fluctuations and the undrawn portion of its €1 billion committed credit facility.

As of year-end 2015, liquidity amounted to €3,338 million (2014: €3,073 million), defined as cash (including cash, cash equivalents and short-term deposits and similar instruments) of €2,354 million (2014: €1,886 million) and the undrawn portion of the committed credit facility of €984 million (2014: €1,187 million).

Based on the current operating performance and liquidity position, Ahold believes that cash provided by operating activities and available cash balances will be sufficient for working capital, capital expenditures, interest payments, dividends and scheduled debt repayment requirements for the next 12 months and the foreseeable future.

Group credit facility

Ahold has access to a €1 billion committed, unsecured, multi-currency and syndicated credit facility that was amended and restated in February 2015. As part of the most recent amendment, Ahold reached an agreement to reduce the size of the credit facility from €1.2 billion to €1 billion (providing for the issuance of $275 million (approximately €250 million) in letters of credit). At the same time, the facility was extended to 2020 with two potential extensions after 12 and 24 months that would take the facility to 2021 and 2022 respectively. In February 2016, the first extension was successfully agreed with the banking group.

Cash flows

Ahold consolidated cash flows for 2015 and 2014 are as follows:

€ million	2015	2014
Operating cash flows from continuing operations	**2,139**	1,893
Purchase of non-current assets	**(804)**	(732)
Divestment of assets / disposal groups held for sale	**51**	77
Dividends from joint ventures	**21**	18
Interest received	**5**	6
Interest paid	**(227)**	(207)
Free cash flow	**1,184**	1,055
Repayments of loans and finance lease liabilities	**(135)**	(104)
Dividends paid on common shares	**(396)**	(414)
Share buyback	**(161)**	(1,232)
Acquisition / divestments of businesses, net of cash acquired / divested	**(150)**	(481)
Cash flows from discontinued operations	**(6)**	(19)
Capital repayment	**–**	(1,008)
Other	**(16)**	(24)
Change in cash, cash equivalents, and short-term deposits and similar instruments	**320**	(2,227)
Changes in short-term deposits and similar instruments	**(247)**	1,222
Net cash from operating, investing and financing activities	**73**	(1,005)

Free cash flow, at €1,184 million, increased by €129 million compared to 2014. Operating cash flows from continuing operations were higher by €246 million. At constant exchange rates, operating cash flows from continuing operations were higher by €36 million, or 2%. The purchase of non-current assets was higher by €72 million, or €1 million higher at constant exchange rates.

In 2015, the main uses of free cash flow included:

- Common stock dividend at €0.48 per share resulting in a cash outflow of €396 million;
- Acquisition of 25 A&P stores for a purchase price of $154 million, or €141 million (total purchase consideration net of cash acquired). For more information, see Note 20 to the consolidated financial statements included in the Ahold 2015 Annual Report;
- €161 million returns to shareholders through share buyback program. The €500 million share buyback program (announced in February 2015) was suspended at the end of June 2015 in connection with the intended merger of Ahold and Delhaize; and
- Debt repayments totaling €135 million, primarily related to regular payments on finance lease liabilities.

Capital investments and property overview

Capital investments were primarily related to the construction, remodeling and expansion of stores and supply chain (including online) and IT infrastructure improvements. In 2015, capital expenditure included the acquisition of 25 stores from A&P in the United States. Capital expenditure in 2014 included the acquisition of SPAR in the Czech Republic. Excluding acquisitions, capital expenditure in 2015 was €0.8 billion (€0.9 billion including the capital required for the conversion of the acquired A&P stores in the United States).

As of January 3, 2016, Ahold operated 3,253 stores. Total sales area amounted to 5.0 million square meters in 2015, an increase of 2.2% from the prior year (increase of 0.5% excluding the acquired A&P stores). The total number of stores (including stores operated by franchisees) is as follows:

	Opening Balance	Opened / acquired	Closed / sold	Closing Balance
Ahold USA	768	29	(9)	**788**
The Netherlands[1]	2,105	69	(40)	**2,134**
Czech Republic	333	4	(6)	**331**
Total number of stores	3,206	102	(55)	**3,253**

1 The number of stores as of January 3, 2016, includes 1,139 specialty stores (Etos and Gall & Gall).

The increase in number of stores includes the acquisition of 25 A&P stores.

The total number of retail locations, including the 2,714 stores owned or leased by Ahold and 19 pick-up points in stand-alone locations, was 2,733 in 2015, higher by 36 compared to 2014.

	Ahold	Franchisees	Total
Number of stores leased or owned	2,714	539	**3,253**
Number of stores subleased to franchisees	(348)	348	**–**
Number of stores operated	2,366	887	**3,253**
Number of stand-alone pick-up points	19	–	**19**
Total number of retail locations	2,385	887	**3,272**

Franchisees operated 887 Albert Heijn, Etos and Gall & Gall stores, 539 of which were either owned by the franchisees or leased independently from Ahold.

At the end of 2015, Ahold operated 263 pick-up points, 20 more than in 2014. These were either stand-alone, in-store or office-based.

Ahold also operated the following other properties as of January 3, 2016:

Warehouse / distribution centers / production facilities / offices	80
Properties under construction / development	10
Investment properties	636
Total	**726**

The 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.

The following table breaks down the ownership structure of our 2,733 retail locations and 726 other properties as of January 3, 2016:

% of total	Retail locations	Other properties
Company-owned	20%	43%
Leased, of which	80%	57%
Finance leases	13%	7%
Operating leases	67%	50%

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.

Ahold USA

Number of stores	2015	2014
Stop & Shop New England	**218**	216
Stop & Shop New York Metro	**205**	182
Giant Landover	**169**	170
Giant Carlisle	**196**	200
Total Ahold USA	**788**	768
Sales area of own-operated stores (in thousands of square meters)	**3,031**	2,958

Ahold USA increased its number of stores by 20, net of 29 openings and nine closings. Peapod opened two pick-up points, bringing the total to 211 in 2015.

In 2015, the Ahold USA divisions remodeled, expanded, relocated or reconstructed eight stores as part of the continuous focus on keeping stores fresh and up-to-date. Total investments at Ahold USA amounted to around 3% of sales and ranged from new stores to investment in IT, distribution centers and minor construction work in the stores.

At the end of 2015, Ahold USA operated 230 fuel stations, a decrease of one station over last year. The majority of these stations are located in the Giant Carlisle and the Stop & Shop New England market areas.

The Netherlands

Number of stores	2015	2014
Albert Heijn: the Netherlands	**885**	872
Albert Heijn: Belgium	**38**	28
Albert Heijn to go: the Netherlands	**66**	62
Albert Heijn to go: Germany	**6**	4
Etos	**539**	539
Gall & Gall	**600**	600
Total The Netherlands	**2,134**	2,105
Sales area of own-operated stores (in thousands of square meters)	**994**	976

In 2015, our operations in The Netherlands opened 29 stores net of store closures, bringing the total to 2,134. This year, 17 former C1000 stores were converted to the Albert Heijn brand, bringing the total converted stores to 71. These converted stores were part of the 2012 transfer of 82 stores from Jumbo. In Belgium, Albert Heijn opened 10 stores in 2015, bringing the total to 38 stores.

Albert Heijn Online opened 18 pick-up points, bringing the total to 52 at the end of 2015.

A total of 90 stores were remodeled, expanded, relocated or reconstructed in the past year as part of the regular process of maintaining and modernizing the business property portfolio. Total investments in the Netherlands amounted to around 2.7% of sales, allocated to the opening of new stores and investments in IT, distribution centers and minor construction work in the existing stores.

Czech Republic

Number of stores	2015	2014
Czech Republic	331	333
Sales area of own-operated stores (in thousands of square meters)	549	550

In 2015, the main focus area in the Czech Republic was the integration of the 49 stores acquired from SPAR in 2014. This included the rebranding of 34 hypermarkets into Albert. The rebranding of 14 SPAR supermarkets and one hypermarket into Albert was completed in 2014.

A total of two Albert stores were remodeled in 2015 as part of the further roll-out of Project One, which started in 2011. This project is aimed at remodeling all of our hypermarkets in the Czech Republic to a new compact format.

At the end of 2015, out of the 331 stores operated in the country, 91 were compact hypers, and 240 supermarkets.

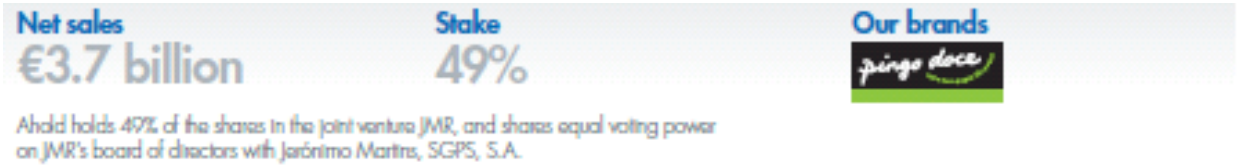
HIGHLIGHTS BY SEGMENT

USA

The Netherlands (including Belgium and Germany)

Czech Republic

Joint Venture



SELECTED FINANCIAL INFORMATION

A caution to readers

The selected financial information of this Base Prospectus for the years 2015 and 2014 has been derived from the consolidated financial statements of Koninklijke Ahold N.V. as included in the Ahold 2015 Annual Report. The consolidated financial statements for the year 2015 have been audited by PricewaterhouseCoopers Accountants N.V. For the auditor's report of the consolidated financial statements as included in the Ahold 2015 Annual Report we refer to pages 152 to 158 of the Ahold 2015 Annual Report. The selected financial information does not contain all of the information provided by the full financial statements of Ahold as included in the Ahold 2015 Annual Report and is qualified in its entirety by reference to such financial statements and the discussion in the Ahold 2015 Annual Report of risks that could have a material adverse effect on Ahold's financial position, results of operations, or liquidity. The Ahold 2015 Annual Report is available at https://www.ahold.com/#!/Financial-information/Annual-reports.htm.

Basis of preparation

Ahold's consolidated financial statements, from which this selected financial information has been derived, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code. Ahold's financial year is a 52- or 53-week period ending on the Sunday nearest to December 31. Financial year 2015 consisted of 53 weeks and ended on January 3, 2016. The comparative financial year 2014 consisted of 52 weeks and ended on December 28, 2014.
The selected financial information includes the following non-IFRS financial measures:

Free cash flow
Operating cash flows from continuing operations minus net capital expenditures minus net interest paid, plus dividends received. Ahold's management believes this measure is useful because it provides insight into the cash flow available to, among other things, reduce debt and pay dividends.

Gross debt
Gross debt is the sum of loans, finance lease liabilities, cumulative preferred financing shares and short-term debt.

Net debt
Net debt is the difference between (i) gross debt and (ii) cash, cash equivalents, and short-term deposits and similar instruments. In management's view, because cash, cash equivalents, and short-term deposits and similar instruments can be used, among other things, to repay indebtedness, netting this against gross debt is a useful measure for investors to judge Ahold's leverage. Net debt may include certain cash items that are not readily available for repaying debt.

Results, cash flow and other information

€ million, except per share data	2015	2014
Net sales	**38,203**	**32,774**
Operating income	**1,318**	**1,250**
Net interest expense	**(244)**	**(222)**
Income from continuing operations	**849**	**791**
Income (loss) from discontinued operations	**2**	**(197)**
Net income	**851**	**594**
Net income per common share (basic)	**1.04**	**0.68**
Net income per common share (diluted)	**1.02**	**0.67**
Income per common share from continuing operations (basic)	**1.04**	**0.90**
Income per common share from continuing operations (diluted)	**1.02**	**0.88**
Dividend per common share	**0.52**	**0.48**
Free cash flow	**1,184**	**1,055**
Net cash from operating, investing and financing activities	**73**	**(1,005)**
Capital expenditures (including acquisitions) [1]	**1,172**	**1,006**
Capital expenditures as % of net sales	**3.1%**	**3.1%**
Average exchange rate (€ per $)	**0.9001**	**0.7529**

1. 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 3, 2016	December 28, 2014
Equity [1]	**5,621**	**4,844**
Gross debt	**3,502**	**3,197**
Cash, cash equivalents, and short-term deposits and similar instruments	**2,354**	**1,886**
Net debt	**1,148**	**1,311**
Total assets	**15,880**	**14,138**
Common shares outstanding (in millions) [1]	**818**	**823**
Year-end exchange rate (€ per $)	**0.9208**	**0.8213**

1.In 2015, €161 million was returned to shareholders through a share buyback (2014: €1,232 million, 2013: €768 million, 2012: €277 million and 2011: €837 million) and €1,007 million as a result of the capital repayment in 2014.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes (the "**Terms and Conditions**" and each such term and condition a "**Condition**") 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 or, if so specified in the applicable Final Terms, initially issued in definitive form and (iii) any global Note. The Notes and the Coupons (as defined below) also have the benefit of an Amended and Restated Agency Agreement dated March 26, 2015 (the "**Agency Agreement**") made between the Issuer and BNP Paribas Securities Services, Luxembourg Branch 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.

Global Notes do not have 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 "**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 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 100,000,000 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.

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the Management Board or Supervisory Board of the Issuer) that any person or persons ("**Relevant Person(s)**") acting in concert or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (A) more than 50 per cent. of the issued ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of shareholders of the Issuer, provided that in the case of (B) above, a Change of Control shall not be deemed to have occurred if such number of shares is acquired or comes to be owned by Stichting Ahold Continuiteit and provided further that, for the avoidance of doubt, a Change of Control shall not be deemed to have occurred if a public offer has been made for the shares in the Issuer and such offer is not effected.

"**Change of Control Period**" means the period ending 90 days after the occurrence of the Change of Control.

"**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.

"**Interest Ratchet**" means the following rates of interest:

(i) upon the occurrence of a Step Up Event, the applicable Rate of Interest (as defined in Condition 5(d)(i)) plus the Step Up Margin; and

(ii) upon the occurrence of a Step Down Event, the applicable Rate of Interest (as defined in Condition 5(d)(i)).

"**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 or (2) in relation to any sum payable in euro, a day on which the TARGET2 is open;

unless specified otherwise in the applicable Final Terms.

"**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 as stated in the audited financial statements of the Issuer, as most recently made public.

"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.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the Notes and which is either specified or calculated in accordance with the provisions of these Terms and Conditions as completed by the relevant Final Terms.

"**Rating Agency**" means Standard & Poor's Credit Market Services France S.A.S. or means Moody's Investor Services, Ltd. and their respective successors or affiliates or any other rating agency of equivalent international standing specified from time to time by the Issuer.

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control (i) if within the Change of Control Period any rating previously assigned to the Issuer at its request by any two Rating Agencies (if three Rating Agencies have assigned a rating to the Issuer at its request) or by any Rating Agency (if only one or two Rating Agencies have assigned a rating to the Issuer at its request) is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) (if the rating assigned to the Issuer by any two Rating Agencies at its request shall be below an investment grade rating (as described above)) lowered one full rating category (from BB+/Ba1 to BB/Ba2 or such similar lower or equivalent rating), or (ii) if at the time of the Change of Control there is no rating assigned to the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating (as described above) to the Issuer (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control) provided, in each case, that a Rating Downgrade otherwise arising by virtue of a particular change in rating, or failure to obtain an investment grade rating (as described above) shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in or withdrawing the rating, or failing to award an investment grade rating (as described above), to which this definition would otherwise apply does not announce publicly or confirm in writing to the Issuer that the withdrawal, reduction or such failure was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

"**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 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.

"**Step Down Event**" means the reinstatement, following the occurrence of a Step Up Event, of any rating assigned to the Issuer by any two Rating Agencies at its request (if three Rating Agencies have assigned a rating to the Issuer at its request) or by any Rating Agency (if only one or two Rating Agencies have assigned a rating to the Issuer at its request) (a) to an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) or (b) (if the rating assigned to the Issuer by any two Rating Agencies at its request prior to the Step Up Event was below an investment grade rating (as described above)) to one full higher rating category (from BB+/Ba1 to BB/Ba2 or such similar lower or equivalent rating).

"**Step Up Event**" means the occurrence of a Change of Control and within the Change of Control Period a Rating Downgrade in respect of that Change of Control occurs.

"**Step Up Margin**" has the meaning given in the relevant Final Terms.

"**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 the audited financial statements of the Issuer, as most recently made public.

"**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 Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be a Note with Redemption above par, a Note with Redemption at par, or a Note with Redemption below par, 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 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 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. ("**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 which, for so long as the relevant global Note is held by a depositary or common depositary, in the case of a classic Global Note, or a common safekeeper, in the case of a NGN, for Euroclear and/or Clearstream, Luxembourg and/or (except in the case of a NGN) any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper (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

The Notes and the relative 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.

3. Negative pledge

So long as any of the Notes (or any relative 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 Notes (or any relative 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 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 shall be deemed to be redenominated into euro in the denomination of € 0.01 with a nominal amount for each Note equal to the nominal amount of that Note 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 € 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 € 1,000, € 10,000, € 100,000 and (but only to the extent of any remaining amounts less than € 1,000 or such smaller denominations as the Agent may approve) € 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 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 so issued will also become void on that date although those Notes will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes and Coupons will be issued in exchange for Notes 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 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 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.

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

(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

(i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount 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 a "**Specified 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 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 or any which is used for the currency of issue, 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.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest in respect of Floating Rate Notes shall be deemed to be zero.

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

The Agent, in the case of Floating Rate 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.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate 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

(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 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 and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders 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) 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.

(d) Adjustment of Rate of Interest Increase Event

(i) If a Step Up Event and Step Down Event is specified in the relevant Final Terms, the Rate of Interest applicable to the Notes shall be the Rate of Interest at any time determined in accordance with this Condition 5 (the "**applicable Rate of Interest**"), subject to adjustment in accordance with the Interest Ratchet (each such adjustment, a "**Rate Adjustment**"). Any Rate Adjustment shall apply in respect of the Interest Period commencing on the Interest Payment Date falling on or immediately following the date of the relevant Step Up Event or Step Down Event, as the case may be, until either a further Rate Adjustment becomes effective or to the Maturity Date, as the case may be.

(ii) The Issuer shall cause each Rate Adjustment to be notified to the Agent and notice thereof to be published in accordance with Condition 14 as soon as possible after the occurrence of the relevant Step Up Event or Step Down Event if specified in the Final Terms, as the case may be, but in no event later than the tenth Business Day thereafter.

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 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)).

Fixed Rate Notes in definitive form (other than 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 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, where applicable, 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 either on such global Note by such Paying Agent to which it was presented or in the records of Euroclear and Clearstream Luxembourg, where applicable.

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 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 Zero Coupon Notes, the Amortized Face Amount (as defined in Condition 7(e)); and

(vi) 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 will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption for Tax Reasons

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) or on any Interest Payment Date (in the case of Floating Rate 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)

A. 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 (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), 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.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable

laws and stock exchange requirements and the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

B. Issuer Refinancing Call

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

(i) not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms 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), at any time, or from time to time, on or after the date specified in the applicable Final Terms (being three months prior to the Maturity Date of the Notes) redeem all or some only of the Notes then outstanding on such redemption date (the "**Refinancing Repurchase Date**") at their nominal amount together, if appropriate, with interest accrued to (but excluding) the Refinancing Repurchase Date.

In the case of a partial redemption of Notes, the relevant provisions of Condition 7(c)(A) shall apply *mutatis mutandis* to this Condition 7(c)(B).

C. Issuer Make-whole Redemption Call

If the Issuer Make-whole Redemption Call is specified in the applicable Final Terms, the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms 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) above, notice to the Agent, the Quotation Agent and such other parties as specified in the applicable Final Terms,

(both of which notices shall be irrevocable), on the dates specified in the applicable Final Terms redeem all or some only of the Notes then outstanding on such redemption date (each such date, a "**Make-whole Redemption Date**") at their relevant Make-whole Redemption Amount.

"**Calculation Date**" means the third Business Day prior to the Make-whole Redemption Date.

"**Make-whole Redemption Amount**" means the sum of:

(i) the greater of (x) the Final Redemption Amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accruing on the Notes to, but excluding, the relevant Make-whole Redemption Date) discounted to the relevant Make-whole Redemption Date on either an annual, a semi-annual or a quarterly basis (as specified in the applicable Final Terms) at the Make-whole Redemption Rate plus a Make-whole Redemption Margin; and

(ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer, the Agent and such other parties as may be specified in the applicable Final Terms.

"**Make-whole Redemption Margi**n" means the margin specified as such in the applicable Final Terms.

"**Make-whole Redemption Rate**" means the average of the number of quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third Business Day preceding the Make-whole Redemption Date at 11:00 a.m. (Central European Time ("**CET**")).

"**Quotation Agent**" means any Dealer, the Agent or any other international credit institution or financial services institution appointed by the Issuer for the purpose of determining the Make-whole Redemption Amount, in each case as such Quotation Agent is identified in the applicable Final Terms.

"**Reference Dealers**" means each of the banks, as specified in the applicable Final Terms, selected by the Quotation Agent, which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

"**Reference Screen Rate**" means the screen rate specified as such in the applicable Final Terms.

"**Reference Security**" means the security specified as such in the applicable Final Terms. If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the Calculation Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 14.

"**Similar Security**" means a reference bond or reference bonds issued by the same issuer as the Reference Security having actual or interpolated maturity comparable with the remaining term of the Notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Quotation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In the case of a partial redemption of Notes, the relevant provisions of Condition 7(c)(A) shall apply *mutatis mutandis* to this Condition 7(c)(C).

(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 or common safekeeper, as the case may be, 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.

If Investor Put – Change of Control is specified in the applicable Final Terms, the following provisions will apply. If there occurs a Change of Control and within the Change of Control Period a Rating Downgrade in respect of that Change of Control occurs (together called a "**Put Event**"), the holder of each Note will have the option to require the Issuer to redeem or, at the Issuer's option, to be exercised at the time, purchase (or procure the purchase of) that Note on the Optional Redemption Date (as defined below) at its nominal

amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

The "**Optional Redemption Date**" is the seventh day after the last day of the Put Period.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 7(d).

To exercise the option to require redemption or, as the case may be, purchase of a Note under this Condition 7(d) in relation to a Change of Control, the holder of that Note must deliver such Note, on any Business Day in the city of the specified office of the relevant Paying Agent, falling within the period (the "**Put Period**") of 45 days after a Put Event Notice is given, to any Paying Agent, as well as a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Notice**") and in which the holder may specify a bank account to which payment is to be made under this Condition 7(d). The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt (a "**Receipt**") in respect of the Notes so delivered. Payment by the Paying Agents in respect of any Notes so delivered shall be made either to the bank account duly specified in the relevant Put Notice or, if no account was so specified, by cheque on or after the Optional Redemption Date against presentation and surrender of such Receipt at the specified office of any Paying Agent. A Put Notice once given shall be irrevocable.

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) 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 the Day Count Fraction specified in the applicable final terms, which will be either (i) 30/360 (in which case the numerator will be 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 (ii) Actual/360 (in which case the numerator will be equal to the actual number of days 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 will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days 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 will be 365) (or, if any of the days elapsed falls in a leap year, the sum of (A) the number of those days falling in a leap year divided by 366 and (B) the number of those days falling in a non-leap year divided by 365),

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

(f) Purchases

The Issuer or any Subsidiary may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured 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.

(g) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured 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 Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be re-issued or resold.

(h) 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 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 or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes 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 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 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 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 or Couponholder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the Relevant

Jurisdiction other than the mere holding of such Note or Coupon or the receipt of principal or interest in respect thereof; or

(iii) presented for payment by or on behalf of a Noteholder 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) for taxes that are payable otherwise than by withholding from a payment on the Note or Coupon; or

(vi) for any estate, inheritance, gift, sale, excise, transfer, personal property or similar tax, assessment or other governmental charge; or

(vii) for any withholding tax imposed pursuant to or in connection with FATCA or any intergovernmental agreements (and related legislation or official administrative guidance) implementing FATCA; or

(viii) any combination of items (i) through (vii) above.

Additional amounts will also not be payable with respect to any payment on such Note or Coupon to any Noteholder 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 or Couponholder.

9. Prescription

Claims for payment in respect of the Notes and Coupons will be prescribed unless claims for payment are made within a period of five years after the date on which such claims for payment under the Notes 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 any 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**" (*executoriaal beslag*), or an "**interlocutory attachment**" (*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, Coupons and Talons

Should any Note, 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, 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; and

(iv) a notice in accordance with Condition 14 below will be published in the case of any change in Paying Agents.

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 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 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 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 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 Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders 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 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 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 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 95% 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 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 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 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 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 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 and the Couponholders in accordance with Condition 14.

18. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Notes (including Condition 18 *(Governing Law and Submission to Jurisdiction)*), 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 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 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 published in electronic form on the Issuer's website (to be consulted via https://www.ahold.com/web/Financial-information/Other-financial-information.htm). Copies of the Final Terms will be available, free of charge, during normal office hours from the registered office of the Issuer by contacting Investor Relations by email: investor.relations@ahold.com.

In addition, the Final Terms with respect to Notes admitted to listing and trading on Euronext in Amsterdam 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 (1506 MA) Zaandam, the Netherlands, Provincialeweg 11)

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 expression "**Prospectus Directive**" means Directive 2003/71/EC as amended by Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms of the issue of Notes under the Euro Medium Term Note 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 April 21, 2016 and any supplement as referred to in article 16.1 of the Prospectus Directive thereto (together, the "**Base Prospectus**"), 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. The Base Prospectus is available for viewing at the office of the Issuer at Provincialeweg 11, 1506 MA, Zaandam, the Netherlands, where copies may also be obtained. Electronic copies can be obtained from the Issuer's website at https://www.ahold.com/web/Financial-information/Other-financial-information.htm.

[These Final Terms shall be read in conjunction with the Terms and Conditions of the Notes (the "**Terms and Conditions**") set forth in the Base Prospectus. The Terms and Conditions, as supplemented, amended and/or disapplied 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.]

[*The following alternative language applies in case of an issue of notes, which are fungible with notes issued under a previous base prospectus:*]

[These Final Terms shall be read in conjunction with the Terms and Conditions of the Notes (the "**Terms and Conditions**") set forth in the base prospectus dated [●] which are incorporated by reference in the Base Prospectus. The Terms and Conditions, as supplemented, amended and/or disapplied 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 dated [●] which are incorporated by reference 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 or for an individual (drawdown or base) prospectus.]

1.	Issuer:	Koninklijke Ahold N.V.
2.	[(i)] Series Number:	[ ]
	[(ii) Tranche Number:	[ ]]
	[(iii) Date on which the Notes become Fungible	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series/earlier Tranches] on [insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [insert] below [which is expected to occur on or about [insert date]]].] (*Notes can only be fungible with Notes issued under this Base Prospectus and with Notes issued under a base prospectus of the Issuer dated March 28, 2014 or March 26, 2015, respectively.)*
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 199,000]. No notes in definitive from will be issued with a denomination above [EUR 199,000]."*)
	(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:	[*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9.	Interest Basis:	[[ ] per cent. Fixed Rate] [[*specify reference rate*] +/– [ ] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)

10.	Redemption/Payment Basis:	[Redemption above par] [Redemption at par] [Redemption below par] (*N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Notes may be derivative securities for the purpose of the Prospectus Directive and the requirements of Annex XII to the Prospectus Regulation will apply, which would trigger an individual (drawdown or base) prospectus.*)
11.	Change of interest Basis or Redemption/ Payment Basis:	[*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12.	Put/Call Options:	[Investor Put] [Investor Put – Change of Control] [Issuer Call] [Issuer Refinancing Call] [Issuer Make-Whole Redemption Call] [Not applicable] [(further particulars specified below)]
13. (i)	Status of the Notes:	Senior
(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/weekly/daily] in arrear]
(ii)	Step Up Event/Step Down Event	[yes/no]
(iii)	Step up Margin	[[ ] % per annum][not applicable]
(iv)	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]
(v)	Fixed Coupon Amount[(s)]:	[ ] per Calculation Amount
(vi)	Broken Amount(s):	[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
(vii)	Day Count Fraction:	[Actual/Actual(ICMA)][30/360]
(viii)	[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))*]
16.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Interest Period(s):	[[ ] in each year, subject to adjustment in accordance with the Business Day Convention specified in (iv) below.]
(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/]
(v)	Business Centre(s):	[ ]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(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:	[LIBOR/EURIBOR/relevant Reference Rate which is used for the currency of issue]

- Interest Determination Date(s): [ ]

- Relevant Screen Page: [ ]

(ix) ISDA Determination:

- ISDA Definitions [2000 ISDA Definitions/2006 ISDA Definitions]

- 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: [Actual/365 or Actual/Actual (ISDA)][Actual/365 (Fixed)][Actual 365 (Sterling)][Actual/360][30/360, 360/360 or Bond Basis][2006 ISDA Definitions and 30/360, 360/360 or Bond Basis][30E/360 or Eurobond Basis][2006 ISDA definitions and 30E/360 or Eurobond Basis][2006 ISDA Definitions 30E/360 (ISDA)]

(xiv) Step Up Event/Step Down Event [yes/no]

(xv) Step up Margin [[ ] % per annum][not applicable]

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

(i) Accrual Yield: [ ] per cent. per annum

(ii) Reference Price: [ ]

(iii) [Day Count Fraction in relation to Early Redemption Amounts: [30/360 / Actual/Actual (ICMA/ISDA) / include any other option from the Conditions]

PROVISIONS RELATING TO REDEMPTION

18. **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*)
19.	**Issuer Refinancing Call**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Date from which the Issuer Refinancing Call may be exercised	(*insert date three months prior to Maturity Date of the Notes)*
(ii)	Notice period:	[ ] (*N.B. when setting notice periods, 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*)
20.	**Make-whole Redemption Call**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Notice period (if other than set out in the Conditions):	[ ] *(N.B. When setting notice periods, 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.)*
(ii)	Parties to be notified by Issuer of	[ ]/Not Applicable]

		Make-whole Redemption Date and Make-whole Redemption Amount in addition to those set out in Condition 7(c)(C):	
	(iii)	Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on Redeemed Notes in the determination of the Make-whole Redemption Amount:	[Annual/Semi-Annual/Quarterly]
	(iv)	Make-Whole Redemption Margin:	[ ]
	(v)	Quotation Agent:	[ ]/[Not Applicable]
	(vi)	Reference Dealers:	[*give details*]
	(vii)	Reference Screen Rate:	[*give details*]
	(viii)	Reference Security:	[*give details*]
21.	**Put Option**		[Applicable/Not Applicable][Applicable – Investor Put – Change of Control] (*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 (*N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Notes may be derivative securities for the purpose of the Prospectus Directive and the requirements of Annex XII to the Prospectus Regulation will apply, which would trigger an individual (drawdown or base) prospectus.*)
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:**
	(i) Form:	[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 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000.*) [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Definitive Notes] (*Ensure that this is consistent with the wording in the Base Prospectus.*)
	(ii) New Global Note:	[Yes][No]
25.	Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/Applicable. *If applicable, provide dates.*] *Note that this paragraph relates to the date and place of payment and not interest period end dates to which paragraphs 15(ii) and 16(v) relate*]
26.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, provide dates*]
27.	Redenomination, renominalization and reconventioning provisions:	[Not Applicable/The provisions in Condition [ ] apply]
28.	Consolidation provisions:	[Not Applicable The provisions in Condition [ ] apply]

[*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 in Amsterdam] 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**

(i)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext in Amsterdam/*specify other relevant regulated and, if relevant, listing on an official list*] 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 in Amsterdam/*specify other relevant regulated market and, if relevant, listing on an official list*] with effect from [ ].] [Not Applicable]. (*N.B. Where documenting a fungible issue need to indicate that original securities are already admitted to trading.*) (*N.B. Note that where the Issuer intends to seek admission to trading on (an) additional regulated market(s) in (an) additional Member State(s) other than the one(s) provided for in the Base Prospectus, a supplemental prospectus will be required.*) *(Notes that are issued with a Specified Denomination of at least EUR 100,000 (or its equivalent in any other currency) and integral multiples of a certain smaller amount than EUR 100,000 (or its equivalent in any other currency) in excess thereof will not be listed on Euronext in Amsterdam until the Issuer has made itself aware that such Notes can only be traded on Euronext in Amsterdam for a minimum nominal amount of at least EUR 100,000 (or its equivalent in any other currency))*
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. **Ratings**[1]

[The Notes to be issued [[have been]/[are expected to be / will not be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Program generally]:

[1] A list of credit rating agencies registered under Regulation (EC) No.1060/2009 and listed on the "List of registered and certified CRA's" is published on the ESMA website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).

[*insert details*]] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*].

[[Each of][*defined terms*] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended).]

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

(*N.B. 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.*)

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, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its/their] affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

(*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 this Base Prospectus under Article 16 of the Prospectus Directive*).

4. [***Fixed Rate Notes only*** **- Yield)**

Indication of yield: [ ]

Calculated as 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.

5. [***Floating Rate Notes only*** - **Historic Interest Rates**

Details of historic [LIBOR/EURIBOR/relevant Reference Rate which is used for the currency of issue] rates can be obtained from [Reuters].]

6. **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, société 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):	[ ]
(viii)	Intended to be held in a manner which would allow Eurosystem Eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. **Distribution**

(i)	[If syndicated, names and Addresses of Managers and underwriting commitments	[Not Applicable/ *give details*] (*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.)

(A) Date of Syndication Agreement [ ]

(B) Stabilizing Manager(s) (if any): [Not Applicable/*give legal name*]

(ii) If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]

(iii) Calculation agent: [name and address]

(iv) US Selling Restrictions: [TEFRA C][TEFRA D][TEFRA not applicable]]

(v) Netherlands Selling Restriction: [Provision as set out in Base Prospectus applies/does not apply]

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 in either case will:

(a) if the global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear and Clearstream, Luxembourg; and

(b) if the global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary for, Euroclear and Clearstream, Luxembourg.

Where the global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

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, if the Temporary Global Note is not intended to be issued in NGN form, 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 in “Terms and Conditions of the Notes” above) 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 Euromarket 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, if the Permanent Global Note is not intended to be issued in NGN form, 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, 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 tradable 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 (other than Temporary Global Notes), definitive Notes 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 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 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. 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 taxes set forth below is included for general information purposes only.

DUTCH TAXATION

This 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 purport to describe every aspect of taxation that may be relevant to a particular 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.

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 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.

This summary does not describe the consequences of the exchange or the conversion of the Notes.

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

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.

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*). With regard to 2016 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.

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, which enterprise either is managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable 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 Resident Holders of Notes - 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 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.

Registration 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 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.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated program agreement (the "**Program Agreement**") dated April 21, 2016 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 this Base Prospectus. 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 Base 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 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 as amended by Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

Each Dealer represents and agrees, and each further Dealer appointed under the Program will be required to represent and agree, that – where no prospectus is required in accordance with the Prospectus Directive – any advertisement shall include a warning to that effect, unless the Issuer, the offeror or the person asking for admission to trading chooses to publish a prospectus which complies with the Prospectus Directive as implemented in the Relevant Member State and the Prospectus Regulation.

For purposes of this provision, the expression "advertisement" in relation to any offering or admission to trading of the Notes in any Relevant Member State means announcements: (a) relating to a specific offer to the public of securities or to an admission to trading on a regulated market, and (b) aiming to specifically promote the potential subscription or acquisition of securities, and the expression "Prospectus Regulation" means Commission Regulation (EC) No. 809/2004 (and amendments thereto).

The Netherlands

1. Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree that it will comply with the requirement under the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) that Zero Coupon Notes in definitive form and other Notes which qualify as savings certificates as defined in the Savings Certificates Act 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. and 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 and acceptance by individuals who do not act in the conduct of a profession or trade, and (iii) the transfer or 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.

2. 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 make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:

(a) such offer is made exclusively to legal entities which are qualified investors (as defined in the Prospectus Directive and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands; or

(b) standard exemption logo and wording are disclosed as required by article 5:20(5) of the Dutch Financial Markets Supervision Act; or

(c) such offer is otherwise made in circumstances in which article 5:20(5) of the Dutch Financial Markets Supervision Act is not applicable,

provided that no such offer of Notes 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 expressions (i) an "offer of Notes to the public" in relation to any Notes in the Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the paragraph headed with "Public Offer Selling Restriction Under the Prospectus Directive".

United States of America

1.1 Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, or (in the case of notes in bearer form) delivered 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 1.3 below have the meanings given to them by Regulation S under the Securities Act. The Notes will be subject to Regulation S Compliance Category 2.

1.2 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. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

1.3 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 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 pursuant to an available exemption from registration under the Securities Act.

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 any 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 or would not, if the Issuer was not an authorised person, 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 any Notes in, from or otherwise involving the United Kingdom.

Republic of France

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, directly or indirectly, Notes to the public in France and that offers and sales of Notes in France will be made only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-2 and D.411-1 of the *Code monétaire et financier*.

In addition, each Dealer has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, this Base Prospectus, the applicable Final Terms or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

Republic of 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, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effectedin 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" as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**") and as defined in Article 34-*ter,* paragraph 1, let. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"); or

(2) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in an offer to the public in the period commencing on the date of publication of such prospectus, **provided that** such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive, as implemented in Italy under Decree 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of publication of such prospectus; or

(3) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base 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. 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 the Republic of Italy

Investors should also note that, in any subsequent distribution of the Notes in the Republic of 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 Final Instruments and Exchange Act 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 in Amsterdam, 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. Applications for listing of Notes issued under the Program may be made to other exchanges provided that, in the case of a listing on a regulated market, a prospectus supplement or individual (drawdown or base) prospectus is published.

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 the Management Board dated April 1, 2016. All consents, approvals, authorizations or other orders of all regulatory authorities required by the Issuer under the laws of the Netherlands and under the 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 Program 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 in Amsterdam.

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;

(iii) the Ahold 2015 Annual Report, including Ahold's 2015 audited financial statements;

(iv) the Ahold 2014 Annual Report, including Ahold's 2014 audited financial statements;

(v) the Program Agreement;

(vi) the Agency Agreement (which contains the forms of the Temporary and Permanent Global Notes, the Definitive Notes, the Coupons and the Talons) for inspection only, provided that a copy will be provided (i) to Noteholders upon request, or (ii) if required by law, by a court or any competent authority;

(vii) a copy of this Base Prospectus;

(viii) any future prospectuses, offering circulars, supplementary listing particulars, information memoranda, supplements to this Base Prospectus and any documents incorporated herein by reference; and

(ix) 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 PricewaterhouseCoopers Accountants N.V., who has audited the consolidated financial statements of Koninklijke Ahold N.V. prepared in accordance with IFRS for the years ending December

28, 2014 and January 3, 2016. In its auditor's report dated February 25, 2015 and March 2, 2016 respectively, PricewaterhouseCoopers Accountants N.V. expressed an unqualified audit opinion on these financial statements. The partner of PricewaterhouseCoopers Accountants N.V. who signed the auditor's report for the aforementioned financial statements is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van 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. S&P's also applied a rating of BBB for senior unsecured debt of Ahold.

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	250	GBP	6.5	14mar17	EMTN	BBB	Baa3
Ahold Lease U.S.A., Inc.	47	USD	7.82	02jan20	A-1	BBB	Baa3
Ahold Lease U.S.A., Inc.	71	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. 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.

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 Prospectus 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) Pages 41 and 70 to 159 (inclusive) of the Ahold 2015 Annual Report, including the independent auditor's report (to be consulted via https://www.ahold.com/#!/Financial-information/Annual-reports.htm);

(b) Pages 63 to 159 (inclusive) of the Ahold 2014 Annual Report, including the independent auditor's report (to be consulted via https://www.ahold.com/#!/Financial-information/Annual-reports.htm);

(c) The Articles of Association as per the Publication Date of this Base Prospectus (in unofficial English translation, to be consulted via https://www.ahold.com/web/show#!/web/Corporate-governance/Documentation.htm); and

(d) The section "Terms and conditions of the Notes" as incorporated in (i) the prospectus dated March 28, 2014, pages 60 to 82 (inclusive) and (ii) the prospectus dated March 26, 2015, pages 56 to 80 (inclusive), in each case prepared by the Issuer in connection with the Program,

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.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

These documents can be obtained without charge at the registered office of the Issuer by contacting Investor Relations by email: investor.relations@ahold.com 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.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new individual (drawdown or base) prospectus for use in connection with any subsequent issue of Notes.

REGISTERED OFFICE OF
KONINKLIJKE AHOLD N.V.
Provincialeweg 11
1506 MA Zaandam
The Netherlands

LEGAL ADVISORS TO AHOLD
As to Dutch, U.S. and tax law
Allen & Overy LLP
Apollolaan 15
1077AB Amsterdam
The Netherlands

THE DEALERS

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Coöperatieve Rabobank U.A
Croeselaan 18
3521 CB Utrecht
The Netherlands

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

ING Bank N.V.
Foppingadreef 7 (Loc TRC 00.40)
1000 BV Amsterdam
The Netherlands

KBC Bank NV
Havenlaan 2
B-1080 Brussels
Belgium

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

Mitsubishi UFJ Securities International plc
Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

Société Générale
29, Boulevard Haussmann
75009 Paris
France

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

U.S. Bancorp Investments, Inc.
214 N. Tryon St., 26th floor
Charlotte, NC 28202
United States of America

LEGAL ADVISOR TO THE DEALERS

As to Dutch law

Clifford Chance LLP

Droogbak 1A

1013 GE Amsterdam

The Netherlands

AUDITOR TO THE ISSUER

PricewaterhouseCoopers Accountants N.V.

Thomas R. Malthusstraat 5

1066 JR Amsterdam

The Netherlands

PRINCIPAL PAYING AGENT

BNP Paribas Securities Services, Luxembourg Branch

60, avenue J.F. Kennedy

L-1855 Luxembourg

Luxembourg