

BASE PROSPECTUS DATED MARCH 29, 2012

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



Koninklijke Ahold N.V.

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

Euro Medium Term Note Program

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

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

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

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

Application has been made to Euronext Amsterdam N.V. ("**Euronext Amsterdam**") for Notes to be issued under the Program up to the expiry of 12 months from the Publication Date (as defined below) to be admitted to listing and trading on NYSE 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. The Issuer may also issue unlisted Notes under the Program. The Notes have not been registered under the United States Securities Act 1933, as amended.

The full terms and conditions of each Tranche of Notes are constituted by the Terms and Conditions 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).

Senior Notes issued under the Program may be rated or unrated. Where an issue of Senior Notes is rated, its rating will not necessarily be the same as the rating applicable to the Program. Subordinated Notes issued under the Program may be rated on a case by case basis as specified in the applicable Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Each of Moody's Investors Service, Ltd. ("**Moody's**") and Standard & Poor's Credit Market Services France 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.

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

Arranger

THE ROYAL BANK OF SCOTLAND

Dealers

ABN AMRO

BNP PARIBAS

CITIGROUP

RABOBANK INTERNATIONAL

DEUTSCHE BANK
GOLDMAN SACHS INTERNATIONAL
ING COMMERCIAL BANKING
J.P. MORGAN
KBC
MERRILL LYNCH INTERNATIONAL
MITSUBISHI UFJ SECURITIES
MIZUHO INTERNATIONAL PLC
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING
THE ROYAL BANK OF SCOTLAND

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 March 29, 2012, (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 30, 2011 and accordingly supersedes that earlier prospectus. It is valid for a period of 12 months from the Publication Date.

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SUMMARY

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

Issuer: Koninklijke Ahold N.V.

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

Description: Euro Medium Term Note Program

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

Arranger: The Royal Bank of Scotland plc

Dealers: ABN AMRO Bank N.V.
BNP Paribas
Citigroup Global Markets Limited
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International)
Deutsche Bank AG, London Branch
Goldman Sachs International
ING Bank N.V.
J.P. Morgan Securities Ltd.
KBC
Merrill Lynch International
Mitsubishi UFJ Securities International plc
Mizuho International plc
Société Générale
The Royal Bank of Scotland plc

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: Citibank N.A.

Distribution: Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies: Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, euro, Pounds Sterling, U.S. dollars and Japanese yen.

Redenomination: The applicable Final Terms will specify whether Redenomination (as described in Condition 4) will apply to the Notes. Such provisions permit the redenomination into euro of Notes originally issued in a currency which becomes convertible into euro.

Maturities: Subject to applicable laws, regulations and restrictions, Notes will have maturities from 12 months and more.

Issue Price: Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes: Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms) be in bearer form and initially be represented by a global Note which will be deposited on the relevant Issue Date with a common depository 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.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated

by reference to such index and/or formula as may be specified in the applicable Final Terms.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both (as indicated in the applicable Final Terms).

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).

Dual Currency Interest Notes:

Payments (whether in respect of principal or interest and Interest Notes: whether at maturity or otherwise) in respect of Dual Currency Interest Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the applicable Final Terms.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount or at a premium to their nominal amount or at par and will not bear interest.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified installments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

The applicable Final Terms may provide that Notes may be repayable in two or more installments of such amounts and on such dates as indicated in it.

Denomination of Notes:

Notes will be issued in such denominations as may be specified in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

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

laws of the Netherlands.

Selling Restrictions:

There are selling restrictions in relation to the EEA, France, Italy, Japan, the Netherlands, the United Kingdom and the United States, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes.

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering materials, see "Subscription and Sale" in this Base Prospectus.

RISK FACTORS

The following discussion of risks relating to Ahold should be read carefully when evaluating our business, our prospects and the forward-looking statements contained in this Base Prospectus and in Ahold's annual report for the financial year ended January 1, 2012, as published on March 6, 2012, incorporated by reference herein (the "**Ahold 2011 Annual Report**"), with a view of a possible investment in the Notes.

The following constitute all risks known by Ahold and which could have a material adverse effect on Ahold's financial position, results of operations 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 2011 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, operational, financial, and compliance & regulatory risk categories. The risks described below are not the only risks Ahold faces. There may be additional risks that the Company is currently unaware of or risks that Ahold's management believes are immaterial 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 in the Ahold 2011 Annual Report. For additional information regarding forward-looking statements, please refer to the section "Cautionary notice" on page 147 of the Ahold 2011 Annual Report.

RISK FACTORS RELATING TO AHOLD

Strategic risks

We have embarked on a new strategy to reshape the way we do business and drive growth (also see the section "Our Strategy" on pages 10 to 13 of the Ahold 2011 Annual Report). Our six priority areas focus on increasing customer loyalty, broadening our offering, expanding our geographic reach, driving simplicity, being a responsible retailer, and engaging and attracting the best talent.

Ahold is subject to a variety of risks related to our pillar strategies and the achievement of our ambitions, including execution, macro-economic, and competitive risks. If we are unable to execute our plans or meet our ambitions or the expectation of our customers, communities, employees or shareholders, our sales and earnings growth could be adversely affected.

Risks related to macro-economic circumstances

The global economic downturn that started in late 2007 has impacted all of the economies and markets in which we operate, and a recovery is slow to materialize. High unemployment, reduced consumer confidence and disposable incomes, and food and fuel price volatility can negatively affect customer demand. The financial crisis has restricted the availability of credit in our markets and limits governments' abilities to implement further fiscal stimuli. This may result in sustained sluggish growth in customer demand as shoppers remain price sensitive, cause the failure of key suppliers, or otherwise disrupt our supply chains, impacting the cost and availability of goods. Inflationary forces impacting cost of goods sold might be difficult to pass on to customers.

As a result of the current economic climate, our competitors continue to take aggressive actions. These factors or other unforeseen effects of the current economic climate could impair the effectiveness of Ahold's

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

Risks related to acquisition and integration

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

Our ability to open new stores is dependent on whether we are able to purchase properties or enter into leases on commercially reasonable terms for properties that are suitable for our needs. If Ahold fails to secure property in a timely manner, its growth may be impaired.

Risks related to large strategic projects

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

Operational risks

Risk related to collective bargaining

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

Risks related to information security

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

Risks related to business and IT continuity

A number of Ahold's critical business processes and functions are concentrated in a limited number of centralized facilities and / or are dependent on IT systems and infrastructure, key personnel, outsourcing providers, and other key suppliers for which limited or no comparable back-up is available. If any of these critical business processes or functions suffer a severe disruption that renders such facilities, critical IT systems or infrastructure, key suppliers, or key personnel unavailable, Ahold could experience disruption to its supply chain, store, and administrative operations. We continue to invest in recovery plans and security initiatives for the facilities and technology systems that support critical business processes and take steps to mitigate the dependency risks associated with our key strategic suppliers. However, these measures cannot fully prevent business interruptions that could have a material adverse effect on Ahold's financial position, results of operations and liquidity.

Risks related to food, non-food safety and social compliance

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

Risks related to corporate responsibility

Increased regulatory demands, stakeholder awareness and the growing sentiment that large retailers must address sustainability issues across the entire supply chain mean that Ahold's brands and reputation may suffer if it does not adequately address relevant corporate responsibility issues affecting the food retail industry. Furthermore, if we fail to effectively increase the fuel and energy efficiency of our operations or to reduce waste, our operational and cost competitiveness may be adversely affected. We continue to develop a broad range of coordinated and focused programs to address issues such as climate change, energy efficiency, waste reduction, social accountability, healthy living, community engagement, and corporate responsibility reporting. If these programs are not successful or are otherwise inadequate, the reputation and competitive position of Ahold and the Ahold brands could suffer. See Ahold's 2011 Corporate Responsibility Report for additional information about our policies and programs in this area.

Risks related to social media

Social media and networking sites are now commonplace and their use has increased enormously. Social media may be used by individuals or groups to comment on our Company or products. The speed at which social media operates can result in unrealistic expectations of customer service and the loss of control by Ahold over the image of our brands. Furthermore social media may be used by employees, who could disclose confidential information. Ahold has prepared social media guidelines and is monitoring activity in the social media relating to our banners and products. If these guidelines are not successful or are otherwise inadequate, the reputation and competitive position of Ahold and the Ahold brands could suffer.

Financial risks

Risk related to the euro

This risk relates to the current euro crisis, which could potentially result in certain member states exiting the euro group or (less likely) the total collapse of the euro. The crisis is already resulting in a slowing of global growth and potential recession. A total break up or an exit of certain member states could lead to a depression with high negative GDP, mass unemployment, and high volatility of currencies. For Ahold specifically this could lead to consumers becoming more price-sensitive and reducing their spending. A

collapse of the European banking system as a result of a euro break-up could disrupt our ability to channel liquidity to our employees and suppliers. A project group has been installed to analyze and monitor potential effects of the euro crisis for Ahold and to propose mitigating actions to deal with risks associated with our worst case scenario; a complete break-up of the euro zone. A return to operating in a European business environment of multiple currencies would result in increased management time and cost and increased complexity in terms of accounting & reporting, procurement, and store operations.

Risks related to contingent liabilities associated with lease guarantees

Following the divestment of subsidiary businesses, such as BI-LO / Bruno's and Tops, and the closure of certain other facilities, Ahold has retained contingent liabilities to third parties relating to lease guarantees it has issued. Ahold may face potential financial liability in the event that some of these divested businesses or their successors fail to perform their financial or other obligations under these leases which could have a material adverse effect on Ahold's financial position, results of operations, and liquidity. For further information, see Note 34 to Ahold's consolidated financial statements included in the Ahold 2011 Annual Report.

Risks associated with insurance programs

Ahold manages its insurable risks through a combination of self-insurance and commercial insurance coverage. Our U.S. operations are self-insured for workers' compensation, general liability, vehicle accident and certain health care-related claims. Self-insurance liabilities are estimated based on actuarial valuations. While we believe that the actuarial estimates are reasonable, they are subject to changes caused by claim reporting patterns, claim settlement patterns, 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 whom we purchase insurance. However, we remain exposed to a degree of counterparty credit risk with respect to such insurers. If conditions of economic distress were to cause the liquidity or solvency of our counterparties to deteriorate, we may not be able to recover collateral funds or be indemnified from the insurer in accordance with the terms and conditions of our policies.

Risks related to health care and pension funding requirements

Ahold has a number of defined benefit pension plans covering a large number of its employees in the Netherlands and in the United States. Decreased equity returns and decreases in interest rates negatively affect Ahold's pension funds, which may lead to higher pension charges and contributions payable. In addition, a significant number of union employees in the United States are covered by multi-employer plans. The unfunded portion of the liabilities of these plans may result in increased future payments by Ahold and the other participating employers. Ahold's risk of such increased contributions may be greater if any of the participating employers in an underfunded multi-employer plan withdraws from the plan due to insolvency and is not able to contribute an amount sufficient to fund the unfunded liabilities associated with its participants of the plan. For additional information, see Note 23 to Ahold's consolidated financial statements included in the Ahold 2011 Annual Report. If Ahold is unable at any time to meet any required funding obligations for some of its U.S. pension plans, or if the Pension Benefit Guaranty Corporation (the "PBGC"), as the insurer of certain U.S. plan benefits, concludes that its risk may increase unreasonably if the plans continue, the PBGC could terminate the plans and place liens on material amounts of the Company's assets, under the U.S. Employee Retirement Income Security Act of 1974 ("ERISA").

Ahold's pension plans covering its Dutch operations are regulated by Dutch pension law. The pension fund is under the supervision of the Dutch Central Bank (*in Dutch: De Nederlandsche Bank* or "DNB") and the

AFM. According to the law and / or contractually agreed funding arrangements, Ahold may be required to make additional contributions to its pension plans in case minimum funding requirements are not met.

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

Other financial risks include:

- Foreign currency translation risk arising from various currency exposures, primarily with respect to the U.S. dollar, relating to cash flows, including loan and interest payments, lease payments, dividends and firm purchase commitments, and the value of assets and liabilities denominated in foreign currency
- Credit risk related to cash and cash equivalents, short-term deposits, and derivative financial instruments
- Interest rate risk, arising primarily from debt (the risk that volatility of market interest rate generates volatility in Ahold interest expense)

For further information relating to these financial risks, see Note 30 to Ahold's consolidated financial statements included in the Ahold 2011 Annual Report.

Compliance and regulatory risks

Risks related to unforeseen tax liabilities

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

Risks related to the legislative and regulatory environment and litigation

Ahold and its businesses are subject to federal, regional, state, and local laws and regulations in each country in which we 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 sales, pharmaceutical sales, and information security. Ahold and its businesses are also subject to a variety of laws governing our relationship with employees, including but not limited to minimum wage, overtime, working conditions, health care, disabled access, and work and 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 we operate which may impact or limit Ahold's ability to realize certain acquisitions, 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, contract claims and other 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 outcome in these legal proceedings, or changes in our assessments of proceedings, could potentially result in material adverse effects on our financial results. For further information see Note 34 to the consolidated financial statements included in the Ahold 2011 Annual Report.

Legal proceedings

Ahold and certain of its subsidiaries are involved in a number of legal proceedings, which include litigation as a result of divestments, tax, employment, and other litigation and inquiries. The legal proceedings discussed below, whether pending, threatened or unasserted, if decided adversely or settled, may result in liability material to Ahold's financial condition, results of operations, or cash flows. Ahold may enter into discussions regarding settlement of these and other proceedings, and may enter into settlement agreements, if it believes settlement is in the best interests of Ahold's shareholders. In accordance with IAS 37 "Provisions, Contingent Liabilities, and Contingent Assets," Ahold has recognized provisions with respect to these proceedings, where appropriate, which are reflected on its balance sheet.

U.S. Foodservice - Waterbury litigation

In October 2006, a putative class action was filed against U.S. Foodservice by Waterbury Hospital and Cason, Inc. and Frankie's Franchise Systems Inc. with the United States District Court for the District of Connecticut in relation to certain U.S. Foodservice pricing practices (the "**Waterbury Litigation**"). Two additional putative class actions were filed in 2007 by customers of U.S. Foodservice, Catholic Healthcare West, and Thomas & King, Inc., in the U.S. District Courts for the Northern District of California and the Southern District of Illinois, respectively. These two new actions involved the same pricing practices as those in the Waterbury Litigation. The new actions also named Ahold and two individuals as defendants. In accordance with the decision of the Judicial Panel on Multidistrict Litigation, in 2008 the actions were consolidated with the Waterbury litigation before the U.S. District Court in Connecticut. Ahold was (among other parties) named as defendant. In July 2009, the Plaintiffs filed a motion to certify a Plaintiff class in the action. Both Ahold and U.S. Foodservice filed a motion to dismiss against the complaint and also filed motions opposing the certification of a class in the action. In December 2009, the Court in Connecticut granted Ahold's motion to dismiss, as a result of which Ahold is no longer party in the proceedings. U.S. Foodservice's motion to dismiss was partially rejected by the Court, as a result of which U.S. Foodservice remains defendant in the ongoing proceedings. On November 30, 2011, the U.S. District Court granted the Plaintiffs' motion to certify a class in the action which, if not reversed during the proceedings, would increase the potential liability exposure. The Court certified a class consisting of any person in the United States who purchased products from U.S. Foodservice pursuant to an arrangement that defined a sale price in terms of a cost component plus a markup ("cost-plus contract"), and for which U.S. Foodservice used a so-called "Value Added Service Provider" or "VASP" transaction to calculate the cost component. On December 14, 2011, U.S. Foodservice filed a petition with the Second Circuit Court of Appeals seeking permission to appeal the class certification order. That petition is pending. Ahold cannot at this time provide a reasonable estimate of any of its potential liability in connection with the indemnification obligation to U.S. Foodservice. Ahold will continue to vigorously defend its interests in these proceedings.

U.S. Foodservice - Governmental / regulatory investigations

The Civil Division of the U.S. Department of Justice was conducting an investigation, which related to certain past pricing practices of U.S. Foodservice for sales made to the U.S. government prior to the date of completion of the divestment of U.S. Foodservice (July 3, 2007). In September 2010, a settlement was reached with the Department of Justice under which U.S. Foodservice was obliged to pay an amount of \$33 million (€24 million) to the U.S. government. Ahold paid, under its indemnification agreement with U.S. Foodservice, an amount of \$23 million (€17 million), of which \$12 million (€9 million) had already been provided for in 2009. Ahold cannot exclude the possibility of further indemnification obligations resulting from other governmental or regulatory actions.

Uruguayan litigation

Ahold, together with Disco S.A. ("**Disco**") and Disco Ahold International Holdings N.V. ("**DAIH**"), is a party to three legal proceedings in Uruguay related to Ahold's 2002 acquisition of Velox Retail Holdings' shares in the capital of DAIH. The damages alleged by the plaintiffs, alleged creditors of certain Uruguayan and other banks, amount to approximately \$70 million (€54 million) plus interest and costs. As part of the sale of Disco to Cencosud in 2004, Ahold has indemnified Cencosud and Disco against the outcome of these legal proceedings. The proceedings are ongoing. Ahold continues to believe that the plaintiffs' claims are without merit and will continue to vigorously oppose such claims.

Stop & Shop Bradlees Lease Litigation with Vornado

In connection with the spin-off of Bradlees in May 1992, see Contingent Liabilities in Note 34 to the consolidated financial statements included in the Ahold 2011 Annual Report, Stop & Shop, Bradlees, and Vornado (or certain of its affiliates, collectively "**Vornado**") entered into a Master Agreement and Guaranty (the "**Master Agreement**") relating to 18 leases for which Vornado was the landlord. Pursuant to the Bradlees Bankruptcies, Bradlees either rejected or assumed and assigned the leases subject to the Master Agreement. In 2002, Vornado sent a written demand to Stop & Shop to pay certain so-called "rental increases" allegedly due under the Master Agreement in connection with certain leases, comprised of \$5 million (€4 million) annually through 2012, and, if certain renewal options are exercised, \$6 million (€5 million) annually thereafter through the expiration of the last lease covered by the Master Agreement, which Vornado alleges could extend until 2031, depending upon whether renewal options are exercised. In 2002, Stop & Shop filed a Court claim that it is not obligated to pay the rental increases demanded by Vornado. In 2005, Vornado filed a counterclaim seeking damages and a declaration that Stop & Shop is obligated to pay rental increases. On November 4, 2011, the Supreme Court of the State of New York issued its judgment in respect of this litigation. Under the judgment, the court ordered Stop & Shop to pay \$37.4 million in damages plus certain other accrued rental increases and statutory interest thereon and attorney's fees and held Stop & Shop liable for future rental increases in the amount on \$6 million per annum thereafter until the date of expiration of the last lease covered by the Master Agreement (which could be as late as 2031). Stop & Shop filed a Notice of Appeal of the Judgment on December 7, 2011. In connection with the judgment, a provision of \$124 million (€92 million) was recorded against "Other financial income (expense)". These legal proceedings, if decided adversely or settled, may result in a liability impacting Ahold's cash flow.

Other legal proceedings

In addition to the legal proceedings described above, Ahold and its subsidiaries are parties to a number of other legal proceedings arising out of their business operations. Ahold believes that the ultimate resolution of these other proceedings will not, in the aggregate, have a material adverse effect on Ahold's financial position, results of operations, or cash flows. Such other legal proceedings, however, are subject to inherent uncertainties and the outcome of individual matters is 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 should:

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

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

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

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

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

Index Linked Notes and Dual Currency Notes

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

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

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

Partly-paid Notes

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

Variable rate Notes with a multiplier or other leverage factor

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

Inverse Floating Rate Notes

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

Fixed/Floating Rate Notes

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

Notes issued at a substantial discount or premium

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

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

RISK FACTORS RELATING TO NOTES GENERALLY

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

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

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

Dependence on Payments from Subsidiaries to Fund Payments on the Notes

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

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

Structural Subordination

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

Modification

The 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.

RISKS RELATED TO THE MARKET GENERALLY

The Lack of a Secondary Market

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

Exchange Rate Risks and Exchange Controls

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

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

Interest Rate Risks

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

Credit ratings may not reflect all risks

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

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

OTHER IMPORTANT CONSIDERATIONS

Notes Held in Global Form

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

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

Nominee Arrangements

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

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

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

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

Change of Law and Jurisdiction

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

This Base Prospectus includes forward-looking statements (within the meaning of the U.S. federal securities laws) that involve risks and uncertainties that are discussed in more detail in the "Risk Factors"-section above and in the "Cautionary notice" section on page 147 of the Ahold 2011 Annual Report.

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

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

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

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

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

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

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

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

This Base Prospectus is valid for 12 months following its Publication Date and this Base Prospectus and any amendment or supplement hereto, as well as any Final Terms, reflect the status as of their respective dates of issue. The delivery of this Base Prospectus or any Final Terms and the offering, sale or delivery of any Notes shall not in any circumstances imply that the information contained in such documents is correct at any time subsequent to their respective dates of issue or that there has been no adverse change in the financial situation of the Issuer 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 supplements;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

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

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

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

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

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

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

This Base Prospectus and any Final Terms may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. None of the Issuer, the Arranger and the Dealers represent that this Base Prospectus may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction 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, except to the extent sub-paragraph (ii) below may apply, 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 (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each

case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, 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 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Internal Revenue Service Circular 230 Disclosure

Pursuant to Internal Revenue Service Circular 230, the description set forth herein with respect to U.S. federal tax issues was not intended or written to be used, and such description cannot be used, by any taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code. Such description was written to support the marketing of the Notes. Such description is limited to the U.S. federal tax issues described herein. It is possible that additional issues may exist that could affect the U.S. federal tax treatment of the Notes, or the matter that is the subject of the description noted herein, and such description does not consider or provide any conclusions with respect to any such additional issues. Taxpayers should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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

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

KONINKLIJKE AHOLD N.V.

History and Development

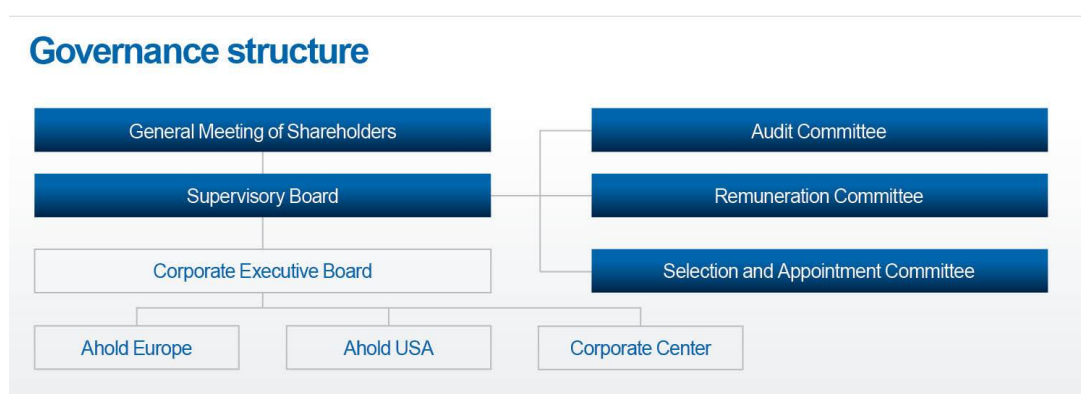
The registered commercial names of Ahold are Koninklijke Ahold N.V., Royal Ahold and Ahold. Koninklijke Ahold N.V. is the parent company of the Ahold group. It was founded in 1887 and incorporated as a public company with limited liability (*in Dutch: naamloze vennootschap*) for an unlimited term under the laws of the Netherlands on April 29, 1920. Ahold has its registered seat in Zaandam (municipality Zaanstad), the Netherlands, and its principal place of business at (1019 GM) Amsterdam, the Netherlands, Piet Heinkade 167-173. Ahold is registered in the Trade Register at the Chamber of Commerce and Industries for Amsterdam under number 35000363 with listings of shares or depository shares on the Amsterdam and New York stock exchanges. The telephone number of the Corporate Center is +31 (0)88 659 5102.

Organizational Structure

Koninklijke Ahold N.V. is a public company under Dutch law with a two-tier board structure. Ahold is managed by a Corporate Executive Board, which is supervised and advised by a Supervisory Board. The two boards are accountable to the General Meeting of Shareholders.

The Company is structured to effectively execute its strategy and to balance local, continental, and global decision-making. It is comprised of a Corporate Center and two continental platforms, Ahold Europe and Ahold USA, each of which contains a number of companies.

The following diagram shows the governance structure of Ahold and its companies. A list of subsidiaries, joint ventures, and associates is included in Note 36 to the consolidated financial statements included in the Ahold 2011 Annual Report.



BOARD AND MANAGEMENT

CORPORATE EXECUTIVE BOARD (in Dutch: raad van bestuur)

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

Composition

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

Ahold also has two acting members, who have not been appointed yet, namely James McCann and Jeff Carr.

James McCann has served as Chief Commercial & Development Officer and acting member of the Corporate Executive Board since September 2011. He will be nominated for appointment to the Corporate Executive Board at the annual General Meeting of Shareholders scheduled for April 17, 2012.

Jeff Carr has served as Chief Financial Officer and acting member of the Corporate Executive Board since November 2011, succeeding Kimberly Ross. He will be nominated for appointment to the Corporate Executive Board at the annual General Meeting of Shareholders scheduled for April 17, 2012.

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

Dick Boer

President and Chief Executive Officer

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

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

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

Dick is president of the European Retail Round Table, and a member of the executive board of The Confederation of Netherlands Industry and Employers (VNO-NCW). He is also member of the advisory board of G-star and a member of the supervisory board of AMS Sourcing B.V.

Lodewijk Hijmans van den Bergh

Executive Vice President and Chief Corporate Governance Counsel

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

Prior to joining Ahold, Lodewijk was a partner of Amsterdam-based law firm De Brauw Blackstone Westbroek.

Lodewijk is the deputy chairman of the board of the Royal Concertgebouw Orchestra. He is also a member of the advisory boards of the Rotterdam School of Management, Erasmus University and of Champs on Stage.

Acting members and nominees to Ahold's Corporate Executive Board:

Jeff Carr

Executive Vice President and Chief Financial Officer

Jeff Carr (September 17, 1961) is a British national. He joined Ahold as Chief Financial Officer (CFO) in November 2011. He will be nominated for appointment to Ahold's Corporate Executive Board at the Company's annual General Meeting of Shareholders on April 17, 2012. Until then, he will be an acting member of the Corporate Executive Board.

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. He began his career at Unilever, and held senior roles in finance at easyJet, Associated British Foods, Reckitt Benckiser, and Grand Metropolitan. Jeff has served as CFO of listed companies since 2005, and has worked and lived in Europe and the United States.

James McCann

Executive Vice President and Chief Commercial & Development Officer

James McCann (October 4, 1969) is a British national. He joined the Company on September 1, 2011, when he assumed his responsibilities as Chief Commercial & Development Officer and acting member of the Corporate Executive Board. He will be nominated for appointment to Ahold's Corporate Executive Board at the Company's annual General Meeting of Shareholders on April 17, 2012.

Before joining Ahold, James was Executive Director for Carrefour France and a member of Carrefour's Group Executive Board. 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.

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

Appointment, suspension and dismissal

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

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

Possible reappointment schedule

Name	Date of birth	Date of appointment	Date of possible reappointment
Dick Boer	August 31, 1957	May 3, 2007	2015
Lodewijk Hijmans van den Bergh	September 16, 1963	April 13, 2010	2014

SUPERVISORY BOARD (in Dutch: raad van commissarissen)

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

For a more detailed description of the responsibilities of the Supervisory Board, please refer to the "Supervisory Board report" on the pages 58 to 63 of the Ahold 2011 Annual Report.

Ahold's Supervisory Board consists of the following persons:

René Dahan, Chairman

Chairman of the Selection and Appointment Committee

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

Tom de Swaan, Vice Chairman

Chairman of the Audit Committee

Tom de Swaan (March 4, 1946) is a Dutch national. He was first appointed to the Supervisory Board on May 3, 2007, and his term runs until 2015. Tom is former CFO of ABN AMRO Bank N.V. He also held various executive positions at the Dutch Central Bank and was a non-executive director of the Financial Services Authority in London. Tom is a member of the board of GlaxoSmithKline Plc and chairman of its audit committee, and a member of the board of directors of Zurich Financial Services. He is chairman of the supervisory board of Van Lanschot Bankiers N.V. and a member of the supervisory board of Royal DSM and chairman of its audit committee, and a member of the Public Interest Committee of KPMG ELLP. In addition, Tom is chairman of the advisory board of the Rotterdam School of Management, Erasmus University.

Derk C. Doijer

Chairman of the Remuneration Committee

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

Stephanie M. Shern

Stephanie M. Shern (January 7, 1948) is a U.S. national. She was first appointed to the Supervisory Board on May 18, 2005, and her term runs until 2013. Stephanie was with Ernst & Young for over 30 years, most recently as Vice Chairman and Global Director of Retail and Consumer Products and a member of Ernst & Young's U.S. Management Committee. She is the Lead Director of GameStop, a member of the compensation committee of GameStop, and a member of the boards and chair of the audit committees of

GameStop and Scotts Miracle-Gro. Stephanie is also a member of the accounting advisory board of Pennsylvania State University Smeal School of Business.

Judith Sprieser

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

Mark McGrath

Mark McGrath (August 10, 1946) is a U.S. national. He was appointed to the Supervisory Board on April 23, 2008, and his term runs until 2012. Mark is a 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 director of GATX and Aware, Inc. He is chairman of the advisory board of the University of Notre Dame's Kellogg Institute of International Studies, a member of the advisory councils of the University of Chicago Booth Graduate School of Business and Notre Dame's Kroc International Peace Studies Institute, and a trustee of the Chicago Symphony Orchestra Association. Mark is a senior advisor with Gleacher & Company.

Ben Noteboom

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

Rob van den Bergh

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 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 currently chairman of the supervisory boards of N.V. Deli Maatschappij, Bol.com B.V., and VNU Media, and a member of the Supervisory Boards of TomTom N.V., Holding Nationale Goede Doelen Loterijen N.V., and Pon Holdings B.V. He is also chairman of the supervisory board of Isala Klinieken Foundation, a member of the investment committee of NPM Capital N.V., and a member of the advisory board of CVC Capital Partners.

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 the date of this Base Prospectus, all Supervisory Board members are independent within the meaning of provision III.2.2 of the Dutch Corporate Governance Code.

Committees of the Supervisory Board

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

	Audit Committee	Remuneration Committee	Selection and Appointment Committee
René Dahan, Chairman			Chairman
Tom de Swaan, Vice Chairman	Chairman		
Derk Doijer		Chairman	Member
Stephanie Shern	Member	Member	
Judith Spriesser	Member	Member	
Mark McGrath		Member	Member
Ben Noteboom		Member	Member
Rob van den Bergh	Member		Member

For detailed information on these three permanent committees established by the Supervisory Board, please go to the section “Supervisory Board report – Committees of the Supervisory Board” on pages 61 and 62 of the Ahold 2011 Annual Report.

CONFLICT OF INTEREST

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

If a member of the Supervisory Board or a member of the Corporate Executive Board has a conflict of interest with the Company, the member may not participate in the discussions and / or decision-making process on 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 Corporate Executive Board and the Supervisory Board and their private interest and/or other duties. In accordance with best practice provision III.6.4 of the Dutch Corporate Governance Code, Ahold reports that no transactions between the Company and legal or natural persons who hold at least 10 percent of the shares in the Company occurred in 2011.

CORPORATE GOVERNANCE

The Dutch Corporate Governance Code applies to stock listed companies. Ahold supports the Dutch Corporate Governance Code and complies with this Code wherever its application is possible. For detailed information on Ahold’s compliance with the Dutch Corporate Governance Code, see the section “Corporate Governance” on the pages 51 to 57 of the Ahold 2011 Annual Report.

SHARE CAPITAL

For details on the number of outstanding shares, see Note 20 to the consolidated financial statements included in the Ahold 2011 Annual Report. All outstanding shares have been fully paid up. For details on capital structure, listings, share performance, and dividend policy in relation to Ahold’s common shares, please refer to the section “Investors” on the pages 142 to 147 of the Ahold 2011 Annual Report.

Major shareholders

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

Significant ownership of voting shares

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

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

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

In addition, local rules may apply to investors.

The following table lists the shareholders on record in the AFM register on February 29, 2012 that hold an interest of five percent or more in the share capital of the Company.

Shareholder	Date of disclosure	Capital interest ²	Voting rights ²
Stichting Administratiekantoor Preferente Financieringsaandelen Ahold ¹	January 3, 2008	18.38%	5.87%
ING Groep N.V.	April 8, 2008	9.26%	4.92%
BlackRock, Inc.	August 9, 2011	0%	4.65%
DeltaFort Beleggingen B.V.	August 23, 2007	11.23%	3.82%

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

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

Cumulative preferred shares

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

As of February 29, 2012, the members of the board of SAC are:

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

SAC is independent from the Company. For details on Ahold's cumulative preferred shares, see Note 20 to the consolidated financial statements included in the Ahold 2011 Annual Report.

ARTICLES OF ASSOCIATION

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

The Articles of Association may be amended by the General Meeting of Shareholders. A resolution to amend the Articles of Association may be adopted by an absolute majority of the votes cast upon a proposal of the Corporate Executive Board. If another party makes the proposal, an absolute majority of votes cast, representing at least one-third of the issued share capital, is required. If this qualified majority is not

achieved but a majority of the votes is in favor of the proposal, then a second meeting may be held. In the second meeting, only a majority of votes, regardless of the number of shares represented at the meeting, is required. The prior approval of a meeting of holders of a particular class of shares is required for a proposal to amend the Articles of Association that makes any change in the rights that vest in the holders of shares of that particular class.

Pursuant to article 2 of our Articles of Association, our objectives are “to promote or join others in promoting companies and enterprises, to participate in companies and enterprises, to finance companies and enterprises, including the giving of guarantees and acting as surety for the benefit of third parties as security for liabilities of companies and enterprises with which the Company is joined in a group or in which the Company owns an interest or with which the Company collaborates in any other way, to conduct the management of and to operate companies engaged in the wholesale and retail trade in consumer and utility products and companies engaged in rendering public services, including all acts and things which relate or may be conducive thereto in the broadest sense, as well as to promote, to participate in, to conduct the management of and, as the case may be, to operate businesses of any other kind.”

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

AUTHORIZATIONS

The update of the Program was duly authorized by a resolution of Ahold's Corporate Executive Board dated March 28, 2012. 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 1, 2012, 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 1, 2012, being the end of the last financial period for which financial information has been published.

LEGAL PROCEEDINGS

Save as disclosed on pages 16 and 17 of this Base Prospectus, Ahold is not or has not been involved in and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) in the 12 months preceding the date of this Base Prospectus, which may have, or have had in the recent past, significant effects on Ahold's financial position or profitability.

BUSINESS

PROFILE

Ahold is an international food retailing group based in the Netherlands. We operate leading supermarket companies in Europe and the United States. At the end of 2011, we had 3,008 stores, 218,000 employees and total sales of EUR 30.3 billion.

STRATEGY

Ahold's strategic framework

We have embarked on a new strategy to build on our success and further grow our Company. Ahold's strategic framework defines how we operate. We have a company-wide vision for the future and a common set of values across all our businesses.



Our six strategic pillars

We have identified six priority areas to reshape the way we do business and drive growth. These are known as Ahold's strategic pillars, being: increasing customer loyalty, broadening our offering, expanding our geographic reach, simplicity, responsible retailing and people performance. The first three pillars are focused on creating growth and the second three on how we will enable growth. For detailed information on Ahold's six strategic pillars and our ambitions, see the section "Our Strategy" on the pages 10 to 13 of the Ahold 2011 Annual Report.

Financial guidance

Ahold is a holding company and depends on its subsidiaries for a substantial part of its income. Since 2003, Ahold's targets have been to achieve a sustainable net sales growth of five percent (mainly from identical sales growth) and a sustainable underlying retail operating margin of five percent, while maintaining an investment grade credit rating. While our performance continues to remain in line with these targets, management has determined that it is now appropriate to manage Ahold's business according to a broader set of ambitions as we pursue our new growth strategy launched in 2011. This strategy outlines our

ambitions to reshape our retail businesses for the future, including to accelerate our growth in existing and new markets, connect with customers in a more personalized way, and leverage our global capabilities based on the Ahold Retail Model.

Our business model

We have a company-wide business model that helps us to drive our strategy. The model is a virtuous circle in which we continuously work to lower our cost base in order to invest in price, value, and the products and services we offer.



Our portfolio

Ahold operates retail businesses in Europe and the United States and we also operate different formats to ensure that we are able to serve our customers well wherever they live and work.

Supermarkets

Supermarkets are the core of our business. We operate supermarkets ranging in size from 400 square meters to 8,400 square meters that offer a full range of food and food-related non-food products with an emphasis on fresh products.

At Albert Heijn in the Netherlands we have small, medium and large supermarket formats as well as our Albert Heijn XL stores that can be up to 4,000 square meters in size and carry a wider range of products and non-food items. In the Czech Republic, our supermarkets range from 800-1500 square meters. We also operate compact hypermarkets in the Czech Republic and Slovakia that range in size from 2,500-5,000 square meters. In the United States we have compact, medium and large supermarkets that range from 3,700-8,400 square meters and carry a wide variety of food products and a basic non-food assortment. Our largest U.S. supermarkets, or superstores, carry an expanded range of food and non-food products.

Online

Ahold is an online grocer in both the United States and the Netherlands, through its businesses Peapod and albert.nl. Albert.nl serves a region in which over 60 percent of the population of the Netherlands lives, operating out of two fully dedicated distribution centers. Peapod in the United States serves markets in 12 states and the District of Columbia, operating out of 2 fulfillment centers and 21 warerooms in our stores.

Convenience stores

We operate convenience stores in the Netherlands called “Albert Heijn to go”. These stores range from 40-200 square meters. They are located in busy areas, such as train stations and shopping streets, and cater to on-the-go customers with quick food solutions to eat now or to bring home and eat later. We are also currently piloting a convenience format in the United States.

Fuel stations

In the United States, the Czech Republic, and Slovakia we also operate gas stations to provide added convenience and attract more customers to our stores.

Organizational structure

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

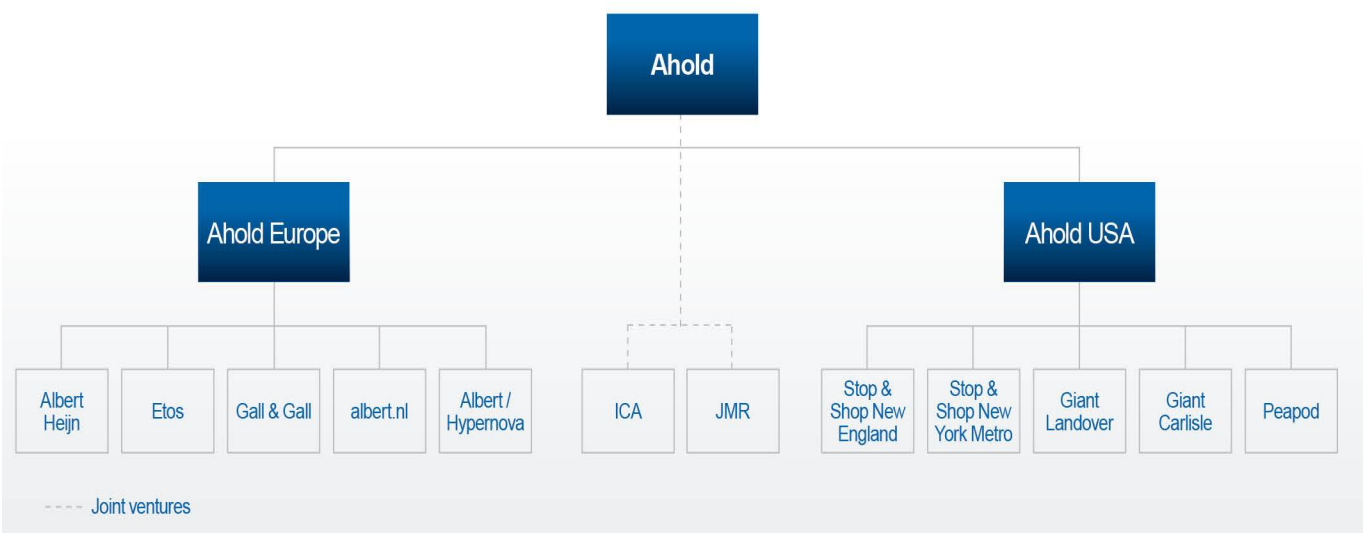
Ahold Europe comprises Albert Heijn in the Netherlands and Belgium; Etos, Gall & Gall, and albert.nl in the Netherlands; and Albert / Hypernova in the Czech Republic and Slovakia. In Europe, each of these operating companies has a general manager reporting to the COO of Ahold Europe.

Ahold USA is organized into four retail divisions: Giant Carlisle, Giant Landover, Stop & Shop New England, and Stop & Shop New York Metro. Each of these has a division president reporting to Ahold USA’s Executive Vice President of Operations, who in return reports to the COO of Ahold USA. The Peapod online business is also part of Ahold USA.

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

Corporate Center

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



BUSINESS OVERVIEW AND PERFORMANCE

Net sales in 2011 were €30.3 billion, up 2.5 percent compared to 2010. At constant exchange rates, net sales grew 5.5 percent. Our operating income was €1.3 billion and our underlying retail operating margin was 4.8 percent.

Customers remained cautious in their spending and focused on value in an environment of increased inflation and intense promotional activity. We successfully adapted to the challenging market conditions by managing the balance between sales and margins.

We were able to mitigate gross margin pressure through rigorous cost control and by the end of the year we were ahead of schedule towards completion of the €350 million 2010–2012 cost savings program. To continue to invest in providing value to our customers, we announced a new €350 million three-year cost savings program for 2012–2014.

We are focused on accelerating the Company's growth by further developing and rolling out our store formats, building our online business, and expanding our geographic reach.

On February 27, 2012, Ahold announced that it is acquiring 100 percent of online retailer bol.com from Cyrte Investments and NPM Capital for a transaction value of €350 million, fully paid in cash. Bol.com is active in the Netherlands and Belgium. The acquisition is subject to customary conditions and is expected to close in the second quarter of 2012.

In 2011, Albert Heijn entered the Belgian market by opening two stores. In 2012, we plan to enter Germany with a convenience format. By 2016, we plan to operate a minimum of 50 supermarkets in Belgium and open 150 new convenience stores in Europe. Ahold USA further strengthened its footprint with the acquisition of five Foodtown and three King Kullen stores in the Stop & Shop New York Metro division's market area, as well as two Genuardi stores in Giant Carlisle's market area. In early 2012, we announced the acquisition of an additional 16 Genuardi supermarkets in Giant Carlisle's market area. In the Czech Republic, where we further improved our performance through an enhanced commercial proposition and lower cost base, we launched a new compact hypermarket format that we will use to remodel 50 of our large stores over the next five years.

At current exchange rates, we expect net interest expense for 2012 to be in the range of €220 million to €240 million and capital expenditures, excluding acquisitions, to be around €0.9 billion.

Results from operations

Ahold's 2011 and 2010 consolidated income statements are summarized as follows:

	2011 (52 weeks)		2010 (52 weeks)		% better / worse)
	€ million	% of net sales	€ million	% of net sales	
Net sales	30,271	100.0	29,530	100.0	2.5%
Gross profit	7,921	26.2	7,920	26.8	0.0%
Retail operating expenses	(6,466)	(21.4)	(6,471)	(21.9)	0.1%
Underlying retail operating income	1,455	4.8	1,449	4.9	0.4%
Items excluded from underlying retail operating income:					
Impairments and impairment reversals – net	(25)		(27)		
Gains (losses) on the sale of	12		14		

assets – net					
Restructuring and related charges	(15)		(24)		
Retail operating income	1,427	4.7	1,412	4.8	1.1%
Corporate Center costs	(80)	(0.3)	(76)	(0.3)	(5.2)%
Operating income	1,347	4.4	1,336	4.5	0.8%
Net financial expense	(316)		(259)		(22.0)%
Income taxes	(140)		(271)		48.3%
Share in income of joint ventures	141		57		147.4%
Income from continuing operations	1,032	3.4	863	2.9	19.6%
Loss from discontinued operations	(15)		(10)		(50.0)%
Net income	1,017	3.4	853	2.9	19.2%

Net sales

Net sales in 2011 were €30.3 billion, up 2.5 percent compared to 2010. At constant exchange rates, net sales growth in 2011 was 5.5 percent. We delivered strong sales performance in our major markets despite market conditions that remained challenging. Net sales growth was positively impacted by identical sales growth, store remodeling and expansion, new stores, and smaller fill-in acquisitions in the United States. You can read more about our operating companies' net sales in Performance by segment.

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

Operating income

In 2011, operating income was €1.3 billion, up €11 million or 0.8 percent compared to 2010. Underlying retail operating income (which excludes impairments, gains and losses on the sale of assets, and restructuring and related charges) was €1.5 billion, or 4.8 percent of net sales. Operating profits were only marginally higher as improved results at Ahold USA and Other Europe were mostly offset by results in the Netherlands, where, especially in the first quarter, we did not fully pass on cost inflation. You can read more about our operating companies' results in Performance by segment. Impairments, gains and losses on the sale of assets, and restructuring and related charges are listed below.

Corporate Center costs were €80 million, up €4 million compared to 2010. Excluding the impact of our self-insurance activities, Corporate Center costs were €70 million, which was €5 million lower than last year.

Impairment of assets

Ahold recorded the following impairments and reversals of impairments of assets (primarily related to underperforming stores) in 2011 and 2010:

	2011 € million	2010 € million
Ahold USA	(23)	(17)
The Netherlands	–	(6)
Other Europe	(2)	(4)
Ahold Europe	(2)	(10)
Total	(25)	(27)

Gains and losses on the sale of assets

Ahold recorded the following gains on the sale of non-current assets in 2011 and 2010:

	2011 € million	2010 € million
Ahold USA	3	9
The Netherlands	9	3
Other Europe	–	2
Ahold Europe	9	5
Total	12	14

Restructuring and related charges

Restructuring and related charges were as follows in 2011 and 2010:

	2011 € million	2010 € million
Ahold USA	(15)	(20)
The Netherlands	–	–
Other Europe	–	(4)
Ahold Europe	–	(4)
Total	(15)	(24)

At Ahold USA, in 2011, restructuring and related charges were primarily related to the transition of certain logistics activities, while in 2010 they resulted from organizational changes.

Net financial expense

Net financial expense increased by €57 million compared to 2010, as a result of a financial guarantee provision of €92 million, which is the estimated impact of a judgment rendered in the Stop & Shop Bradlees lease litigation with Vornado (as further described in Note 9 to the consolidated financial statements of the Ahold 2011 Annual Report).

Interest expense, at €245 million, was down €43 million mainly following debt reductions in 2010 of €0.4 billion, and a weaker U.S. dollar against the euro in 2011. Net interest expense at €225 million was just below our guidance of €230–250 million.

Income taxes

In 2011, income tax expense was €140 million, down by €131 million compared to last year. This was mainly due to a €109 million tax benefit resulting from the release of an income tax contingency reserve related to financing transactions that occurred prior to 2004 (as further described in Note 10 to the consolidated financial statements of the Ahold 2011 Annual Report). The effective tax rate, calculated as a percentage of income before income taxes, was 13.6 percent or 24.2 percent when excluding the above mentioned release (25.2 percent in 2010).

Share in income of joint ventures

Ahold's share in income of joint ventures, which primarily relates to our 60 percent shareholding in ICA and our 49 percent shareholding in JMR, was €141 million in 2011, up by €84 million compared to last year. In 2010, ICA's results were negatively impacted by a tax provision recognized by ICA following an adverse court ruling (Ahold's share was €47 million), and a provision against deferred tax assets at ICA Norway (Ahold's share was €42 million). You can read more about ICA's and JMR's results in Performance by segment.

Loss from discontinued operations

In 2011 and 2010, results from discontinued operations were impacted by various adjustments to the results of prior years' divestments (primarily U.S. Foodservice and Tops), as a consequence of warranties and indemnifications provided in the relevant sales agreements. For further information about discontinued operations, see Note 5 to the consolidated financial statements of the Ahold 2011 Annual Report.

Earnings per share

Basic income from continuing operations per common share was €0.93, an increase of 26 percent compared to 2010. While operating profits were only marginally higher, the increase was driven by higher results from joint ventures and lower income taxes, and partly offset by higher net financial expense. The average number of outstanding common shares decreased as a result of the shares re-purchased under two share buyback programs:

- €500 million program completed in February 2011.
- €1 billion program that commenced in March 2011 and that we expect to complete by the end of March 2012. This program was initially planned to be completed over 18 months, but was subsequently accelerated to take advantage of volatile financial markets. As of year-end 2011, the remaining amount under the program was €277 million.

The decrease in the average number of outstanding common shares was marginally offset by shares that were issued under employee share-based compensation programs.

Dividend per share

We propose a common stock dividend of €0.40 for the financial year 2011, up €0.11 or 38 percent from last year. This is in line with our dividend policy to target a payout ratio in the range of 40 – 50 percent of adjusted income from continuing operations.

Adjusted income from continuing operations in 2011 amounted to €1,009 million and was determined as follows:

	2011 € million
Income from continuing operations	1,032
Add-back:	
Release of tax contingency reserve	(109)
Provision related to Vornado (after-tax)	86
Adjusted income from continuing operations	1,009

Financial position

Ahold's consolidated balance sheets as of January 1, 2012 and January 2, 2011 are summarized as follows:

	January 1, 2012		January 2, 2011	
	€ million	%	€ million	%
Property, plant and equipment	5,984	39.9	5,827	39.6
Other non-current assets	3,803	25.4	3,704	25.1
Cash, cash equivalents, and short-term deposits	2,592	17.3	2,824	19.2
Other current assets	2,601	17.4	2,370	16.1
Total assets	14,980	100.0	14,725	100.0
Equity	5,877	39.2	5,910	40.1
Non-current portion of long-term debt	3,144	21.0	3,444	23.4
Other non-current liabilities	1,345	9.0	1,279	8.7
Short-term borrowings and current portion of long-term debt	536	3.6	117	0.8
Other current liabilities	4,078	27.2	3,975	27.0
Total equity and liabilities	14,980	100.0	14,725	100.0

Property, plant and equipment increased by €157 million, primarily as a result of the strengthening of the U.S. dollar against the euro.

The increase in other non-current assets primarily relates to the improved financial position of our pension plans (€90 million). For the total group, our defined benefit plans showed a surplus of €255 million at year-end 2011 compared to a surplus of €81 million at year-end 2010. This improvement was due to positive investment results on the plan assets and cash contributions made to the plans, partially offset by the effect of lower interest rates in the United States.

A significant number of union employees in the United States are covered by multi-employer plans. With the help of external actuaries, we have adjusted the most recent available information that these plans have provided (generally as of December 31, 2010) for market trends and conditions through the end of 2011. We estimate our proportionate share of the total net deficit to be \$943 million (€729 million) at year-end 2011 (2010: \$841 million or €628 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 of the Ahold 2011 Annual Report.

Equity decreased by €33 million, as the dividend payment related to 2010 and the share buyback programs described earlier in this section exceeded the current year's net income.

The increase in other current liabilities primarily relates to a provision of €92 million, which is the estimated impact of a judgment rendered in the Stop & Shop Bradlees lease litigation with Vornado.

The increase in short-term borrowings and current portion of long-term debt results from a reclassification of the €407 million notes due in March 2012 from the non-current portion of long-term debt. These notes have been swapped to \$362 million and the fair value of the underlying hedge (€141 million) is included in other current assets.

In 2011, gross debt increased by €119 million to €3.7 billion, primarily as a result of the strengthening of the U.S. dollar against the euro. Ahold's net debt of €1,088 million as of January 1, 2012, was up €351 million compared to last year. Net debt does not include our commitments under operating lease contracts, which, on an undiscounted basis, amount to €5.9 billion.

These off-balance sheet commitments impact our capital structure. The present value of these commitments has been added to net debt to measure our leverage against EBITDAR (i.e. underlying operating income before depreciation, amortization and rent expense). The ratio of net lease-adjusted debt to EBITDAR stood at 1.8 times at year-end 2011. In general, we are comfortable operating at around 2 times, which is consistent with our commitment to maintaining an investment grade credit rating.

Liquidity and cash flows

Liquidity

Ahold relies on cash provided by operating activities as a primary source of liquidity, in addition to debt and equity issuances in the capital markets, credit facilities, and available cash balances. Based on our current operating performance and liquidity position, we believe that cash provided by operating activities and available cash balances (including short-term deposits) will be sufficient for working capital, capital expenditures, dividend payments, interest payments, and scheduled debt repayment requirements for the next 12 months and the foreseeable future. A total of €0.4 billion in loans will mature in 2012, €0.1 billion in 2013 through 2016, and €1.4 billion after 2016.

Our strategy over the past several years has positively impacted the credit ratings assigned to Ahold by Standard & Poor's (S&P) and Moody's. S&P upgraded Ahold's corporate credit rating to BBB with a stable outlook in June 2009, and since then this rating has remained unchanged. In March 2011, Moody's affirmed Ahold's Baa3 issuer credit rating and changed its outlook from positive to stable. Maintaining investment grade credit ratings is a cornerstone of our strategy as they serve to lower the cost of funds and to facilitate access to a variety of lenders and markets.

Group credit facility

In June 2011, Ahold completed the refinancing of its five-year €1.2 billion committed credit facility originally maturing in August 2012. The new €1.2 billion committed, unsecured, multi-currency, and syndicated credit facility has a base term of five years and includes the possibility of 12-month extensions in each of the first two years. It may be used for working capital and for general corporate purposes and provides for the issuance of \$550 million (€425 million) in letters of credit. As of January 1, 2012, there were no outstanding borrowings under the credit facility other than letters of credit to an aggregate amount of \$287 million (€222 million).

As of year-end 2011, liquidity amounted to €3.6 billion, defined as cash (including cash equivalents and short-term deposits) of €2.6 billion and the undrawn portion of the committed credit facility of €1.0 billion. Under normal conditions, we expect to operate with liquidity around €2.0 billion, evenly split between cash and the undrawn portion of our committed credit facilities. It is our intention to move to this level of liquidity as we continue to invest in growth, reduce our debt, and return cash to shareholders, resulting in a more efficient capital structure.

Cash flow	2011 € million	2010 € million
Operating cash flows from continuing operations	1,786	2,111
Purchase of non-current assets	(755)	(870)
Divestment of assets and disposal groups held for sale	23	32
Dividends from joint ventures	130	111
Interest received	27	15
Interest paid	(246)	(287)
Free cash flow	965	1,112
Repayments of loans	(17)	(419)
Dividends paid on common shares	(328)	(272)
Share buyback	(837)	(386)
Acquisition of businesses, net of cash acquired	(30)	(159)
Changes in short-term deposits	71	85
Other	(50)	(118)
Net cash from operating, investing, and financing activities	(226)	(157)

Free cash flow, at €965 million, decreased by €147 million compared to 2010. Cash generated from operations was down €325 million, primarily as a result of higher working capital requirements, higher taxes paid, and the negative impact of a weaker U.S. dollar against the euro in 2011. This was partially offset by lower levels of capital expenditures and net interest, as well as a higher dividend received from ICA. Free cash flow was mainly used for returns to shareholders (through our annual dividend and the share buyback programs) in the amount of €1,165 million, which was €507 million more than in 2010.

Properties

At the end of 2011, we operated 3,008 stores, a net increase of 38 stores. Total sales area increased by 1.9 percent to 4.6 million square meters. This includes franchise stores and excludes the stores operated by our joint ventures ICA and JMR.

	January 2, 2011	Opened / Acquired	Closed / Sold	January 1, 2012
Ahold USA	751	17	12	756
The Netherlands ¹	1,914	46	14	1,946
Other Europe	305	1	–	306
Total	2,970	64	26	3,008

¹ The number of stores as of January 1, 2012 includes 1,090 specialty stores (Etos and Gall & Gall).

Franchisees operated 801 Albert Heijn, Etos, and Gall & Gall stores, 485 of which were either owned by the franchisees or leased independently from Ahold. Of its total 3,008 stores, Ahold leases or owns 2,523 stores, 21 percent of which were company-owned and 79 percent of which were leased (66 percent under operating leases and 13 percent under finance leases and financings). Ahold's stores range in size from 20 to 10,000 square meters. The average sales area of our stores in the United States is approximately 3,800 square meters and in Europe approximately 1,300 square meters (excluding Etos and Gall & Gall, which operate much smaller stores).

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

We also operated the following other properties as of January 1, 2012:

Warehouses / distribution centers / production facilities / offices	83
Properties under construction / development	34
Investment properties	717
Total	834

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

The 717 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.

Capital expenditures, which include new finance leases, amounted to €0.9 billion in 2011 and €1.1 billion in 2010 and were primarily related to the construction, remodeling, and expansion of stores and supply chain and IT infrastructure improvements. In 2010, capital expenditures also included the acquisition and subsequent remodeling of the Ukrop's and Shaw's stores as well as significant investments related to Project Refresh, the three-year investment plan announced in October 2007 to remodel or replace approximately 100 Giant Landover stores, which was completed in 2010.

PERFORMANCE BY SEGMENT

THE NETHERLANDS

Albert Heijn (in the Netherlands and Belgium), Etos, Gall & Gall, and the online delivery service albert.nl comprise the segment called the Netherlands. The following table contains operational and financial information, including net sales and operating income, for the Netherlands in 2011 and 2010:

	2011	2010
Net sales in € millions	10,506	10,087

Change in identical sales	2.8%	3.6%
Operating income in € millions	675	688
Operating income as a percentage of net sales	6.4%	6.8%
Underlying operating income as a percentage of net sales	6.3%	6.9%
Number of employees at year-end (in thousands headcount)	89	84
Number of employees at year-end (in thousand FTEs)	29	28
Sales area of own operated stores (in thousands of square meters)	885	876

Net sales

Net sales increased to €10.5 billion in 2011, a rise of 4.2 percent. In a competitive market, Albert Heijn, Etos, Gall & Gall, and the online delivery service albert.nl all achieved sales growth. Albert Heijn again succeeded in launching innovative marketing campaigns that were popular with customers, including an animal card collection campaign in cooperation with the World Wide Fund for Nature.

Operating income

In 2011, operating income decreased €13 million, or 1.9 percent, to €675 million. Last year included €19 million in positive non-recurring items. The Netherlands achieved solid identical sales growth and continued to focus on efficiencies, while increasing investments for future growth. Gains on the sale of real estate were €9 million, as discussed in Results from operations under Group performance.

Albert Heijn

Albert Heijn is the leading food retailer in the Netherlands and one of the country's best-known brands. At the end of 2011, Albert Heijn operated 856 stores. In 2011, the company opened 17 new stores, closed 4, and remodeled, relocated, or expanded 90 stores.

Albert Heijn's formats remained popular with customers in 2011, with its XL stores achieving a record high rating by customers. Albert Heijn continued to upgrade its regular supermarkets, roll-out its new store format, and develop its own-brand assortment, launching a wider, updated range of convenience-based fresh products. Albert Heijn maintained its market share compared to last year.

In 2011, Albert Heijn entered into the Belgian market, opening two stores. The event received a great deal of positive media coverage in Belgium and the Netherlands and sales have exceeded expectations so far.

Albert Heijn continued to focus on providing healthy food choices to customers. Together with the Dutch industry healthy food foundation ("Ik Kies Bewust") new nationwide healthy food choice logos were developed to replace Albert Heijn's green and orange clover, and make it simpler for consumers to make healthy food choices.

Appie is Albert Heijn's personal shopping assistant, available on the company's website and as a free smartphone application. Launched two years ago, it helps customers create shopping lists personalized to their shopping habits, recipes, and current promotions. In 2011, Appie was named the best service app in the Netherlands by Apple Inc. During the year, Albert Heijn continued to add new features to Appie, including voice recognition, the ability to share shopping lists with family members, and a product finder for searching and browsing the store assortment.



Established: 1887

Joined Ahold: The Ahold Group was

established by Albert Heijn

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

Market area: The Netherlands and Belgium, in Europe

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

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

Etos

Etos is one of the largest drugstore chains in the Netherlands. It offers customers a wide selection of quality health and beauty, body care, and baby care products at affordable prices, and friendly, knowledgeable service. At the end of 2011, Etos operated 536 stores – 13 more than the previous year. During the year, the company also remodeled, relocated, or expanded 39 stores.

In 2011, Etos again succeeded in growing sales. Employees and customers celebrated Etos' 80th anniversary. Customers again voted it one of the most customer-friendly Dutch companies¹, and Etos was also named the best drugstore in the Netherlands for the third time.²



Established: 1918; in 1931 became a stand-alone company

Joined Ahold: 1973

Brands: Etos

Market area: The Netherlands, in Europe

Store formats: Drugstores, and online shopping

Own brands include: Etos and Etos Voordeelselectie (value selection)

Gall & Gall

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

At the end of 2011, Gall & Gall operated 554 stores, an increase of 6 over the previous year. During 2011, the company remodeled, relocated or expanded 42 stores.

In 2011, Gall & Gall ran several successful promotional campaigns focused on value and continued to grow sales.

During the year, Gall & Gall was voted one of the most customer-friendly companies in the Netherlands.³ The company also launched a new own-brand line containing a full range of more than 40 products, from

¹ Research from Marketresponse: "Benchmarkrapport klantvriendelijkheid 2011" dated September 27, 2011 (to be consulted via www.klantvriendelijkstebedrijf.nl)

² Research from GfK Panel Services: "Voorjaarsrapport drogisterijformules 2011" dated March 25, 2011 (to be consulted via <http://publications.gfk.nl/news2011.xml?sort=date&order=descending>)

wine and port to whiskey and gin, at competitive prices. During the year, Gall & Gall continued the roll-out of its new store format.



Established: 1884
Joined Ahold: 1989
Brands: Gall & Gall
Market area: The Netherlands, in Europe
Store formats: Wine and liquor stores and online shopping
Own brands include: Gall & Gall

albert.nl

The online delivery service of Albert Heijn, Etos, and Gall & Gall is the largest online daily needs service in the Netherlands. It offers products from all three retail brands for delivery right into customers' kitchens. Albert.nl serves a region in which over 60 percent of the Dutch population lives.

2011 was another year of strong sales growth for the company. During the year, albert.nl also made nearly all 430 sustainable products from Albert Heijn's AH puur&eerlijk (responsible choice) range available online.

The albert.nl brand celebrated its 10th anniversary in 2011.



Established: 1987: start of home delivery services; 2001: rebranded to albert.nl
Joined Ahold: albert.nl was established by Ahold
Brands: albert.nl
Market area: The Netherlands, in Europe
Store formats: Online daily needs ordering and delivery

OTHER EUROPE

Albert / Hypernova in the Czech Republic and Slovakia comprise the segment called Other Europe. The following table contains operational and financial information, including net sales and operating income, for Other Europe in 2011 and 2010:

	2011	2010
Net sales in € millions	1,739	1,660
Change in identical sales	2.2%	0.8%
Change in identical sales (excluding gasoline sales)	1.8%	0.7%

³ Research from Marketresponse: "Benchmarkrapport klantvriendelijkheid 2011" dated September 27, 2011 (to be consulted via www.klantvriendelijkstebedrijf.nl)

Operating income in € millions	18	10
Operating income as a percentage of net sales	1.0%	0.6%
Underlying operating income as a percentage of net sales	1.2%	1.0%
Number of employees at year-end (in thousands headcount)	12	12
Number of employees at year-end (in thousand FTEs)	10	11
Sales area of own operated stores (in thousands of square meters)	453	452

Net sales

Net sales amounted to €1.7 billion in 2011, an increase of 2.4 percent at constant exchange rates. Identical sales, excluding gasoline, increased 1.8 percent as a result of the solid performance of the Albert supermarkets. Sales growth benefited from an overall focus on promotions and the full year impact of extended store opening hours.

Operating income

Albert / Hypernova reported operating income of €18 million, an improvement of €8 million over last year. In 2011, the company was able to offset pressure on gross margins (from product cost inflation and a competitive, promotion-driven market) through a more competitive cost base, and by continuing to focus on operational improvements and simplification. 2011 operating income included €2 million in impairment charges.

Albert / Hypernova

Albert and Hypernova are among the best-known food retail brands in the Czech Republic and Slovakia. At the end of 2011, the company operated 280 stores in the Czech Republic – 1 more than last year – and 23 fuel stations. In 2011, the company remodeled, relocated or expanded 27 stores. In Slovakia, the company operated 26 stores and 7 fuel stations.

In 2011, Other Europe achieved an operating profit during each quarter of the year. The program Albert / Hypernova started in 2009 to improve its commercial proposition, restructure, take costs out of the business, and move to a single brand in the Czech Republic has enabled the company to increase profitability.

In the summer of 2011, Albert launched a new compact hypermarket format, designed to provide an easy and convenient shopping experience along with a great assortment of food and non-food products at low prices every day.



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

Joined Ahold: Albert / Hypernova was established by Ahold

Brands: Albert, Hypernova

Market area: The Czech Republic and Slovakia, in Europe

Store formats: Hypermarkets, compact hypermarkets, and supermarkets

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

AHOLD USA

Stop & Shop New England, Stop & Shop New York Metro, Giant Landover, Giant Carlisle, and Peapod comprise the segment called Ahold USA. The following table contains operational and financial information, including net sales and operating income, for Ahold USA in 2011 and 2010:

	2011	2010
Net sales in € millions	18,026	17,783
Net sales in \$ millions	25,072	23,523
Change in identical sales	4.9%	1.5%
Change in identical sales (excluding gasoline sales)	2.9%	0.4%
Change in comparable sales (excluding gasoline sales)	3.1%	0.8%
Operating income in € millions	734	714
Operating income in \$ millions	1,021	941
Operating income as a percentage of net sales	4.1%	4.0%
Underlying operating income as a percentage of net sales	4.3%	4.2%
Number of employees at year-end (in thousands headcount)	117	116
Number of employees at year-end (in thousand FTEs)	82	88 ¹
Sales area (in thousands of square meters)	2,893	2,838

¹ The number of employees (FTEs) at year-end 2010 includes an increase of 6,000 full-time employees in order to correct the number disclosed in Ahold's 2010 Annual Report.

Net sales

In 2011, net sales increased to \$25.1 billion, a 6.6 percent rise. Identical sales, excluding gasoline, increased 2.9 percent in 2011. Ahold USA continues to grow in a competitive market by offering quality products and services and running effective promotional activities. During 2011, the company succeeded in growing market share in most of its markets.

Operating income

In 2011, operating income increased \$80 million or 8.5 percent to \$1,021 million. Gross profit margins across Ahold USA were impacted by product cost inflation that was not fully passed through to retail prices. In a promotional market, the Ahold USA divisions also focused on promotions. Successful operational cost saving initiatives offset these impacts. Results were impacted by \$16 million in transition costs and \$21 million in restructuring and related charges, the majority of which resulted from the restructuring of Ahold USA's organization. Impairment charges were \$30 million and gains on the sale of assets \$5 million, as discussed in Results from operations under Group performance.

Stop & Shop New England

Stop & Shop is a major supermarket brand in the northeastern United States. The Stop & Shop New England division operates 217 stores in southern New England, the same number as last year. The division also operates 78 fuel stations, 11 more than last year. In 2011, the division remodeled 20 stores.

In 2011, Stop & Shop opened a new concept supermarket in Chelmsford, Massachusetts, with services such as an on-site nutritionist, a supervised play area for children while their parents shop, and a pick-up point enabling customers to order groceries online and pick them up at the store without leaving their cars.

Stop & Shop New England also launched Scan It! Mobile, a mobile application that enables customers to use smartphones to scan their groceries, tally their orders, receive personalized savings and checkout – while they shop. The app is currently available in more than 40 Stop & Shop stores.

The division continued its strong commitment to supporting local charities and fundraising initiatives throughout the year with total charitable donations of \$17 million. In support of pediatric cancer research

and care, the 21st annual Triple Winner Program raised \$2.5 million for the Stop & Shop Family Pediatric Brain Tumor Clinic at the Dana-Farber Cancer Institute.

Stop & Shop New York Metro

Stop & Shop is a major supermarket brand in the northeastern United States. The Stop & Shop New York Metro division operates 183 stores and 8 fuel stations in a diverse marketplace serving customers of many ethnic and socio-economic backgrounds.

In 2011, Stop & Shop New York Metro expanded its total store number by eight, including five stores acquired in the New Jersey Shore area in May. The division remodeled an additional 13 stores and acquired three stores on Staten Island, two of which opened in early January 2012.

The division continued to grow market share, driven by its successful customer loyalty programs, including Gas Rewards. It also continued its strong support of local communities, with efforts raising more than \$5 million, including contributions of over \$225,000 to the American Cancer Society's Making Strides Against Breast Cancer campaign. Stop & Shop New York Metro was the number one fundraiser in New York for this breast cancer campaign and number three in the country. The campaign consisted of flagship sponsorship at several walks, water sponsorship at walks in the greater New York area, and a campaign in its stores to solicit donations.



Established: 1914

Joined Ahold: 1996

Brands: Stop & Shop

Market area Stop & Shop New

England: Connecticut (except Fairfield County), Massachusetts, New Hampshire, and Rhode Island, in the United States

Market area Stop & Shop New York

Metro: Connecticut (Fairfield County), New York, and New Jersey, in the United States

Store formats: Supermarkets and super stores

Own brands include: Stop & Shop, Nature's Promise, Simply Enjoy, CareOne, and Guaranteed Value

Giant Landover

Giant Landover is a leading supermarket chain in the mid-Atlantic United States, serving customers in three states and the District of Columbia. It operates 173 stores – 6 less than in 2010. Giant Landover also operates 13 fuel stations, an increase of 4 over the previous year.

In 2011, Giant Landover remodeled eight stores, outsourced its dry grocery warehouse and celebrated its 75th anniversary.

The impact of the major store remodeling program, "Project Refresh", that was successfully completed last year, enabled the division to grow market share in a competitive market. This was further supported by Giant Landover's increased focus on its fresh assortment and successful customer loyalty programs, including Gas Rewards.

During its anniversary year, Giant Landover donated more than \$8 million in its local markets to fight hunger, improve the quality of life for children, and build healthier communities. Key efforts included the

donation of \$2 million to local schools through A+ School Rewards, financial and product donations to area food banks, sponsorship of nearly 300 youth baseball and softball teams, and the collection of more than \$100,000 to support military families. In recognition of its strong commitment to the community, Giant won the Maryland Food Bank's "Retailer of the Year" award.



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

Giant Carlisle

Giant Carlisle is a leading supermarket chain in the mid-Atlantic United States. It operates 181 grocery stores under the names of Giant Food Stores and Martin's Food Markets and two convenience stores under the name of Giant To Go. In addition, the division operates 92 fuel stations in four states, an increase of 11 over 2010. In 2011, Giant Carlisle's total store number rose by three, including two stores that were acquired. The division also remodeled, relocated, or expanded 15 stores. Giant Carlisle opened its first store in the city of Philadelphia, and partnered with Peapod to offer online shopping to customers in the surrounding area.

Giant Carlisle further developed its formats, introducing a new, more compact supermarket format in Mount Joy, Pennsylvania, that offers a full assortment of products and services in a smaller footprint. The former Ukrop's stores in Richmond, Virginia, continued to successfully grow sales and market share.

As part of its focus on further improving its own-brand offering, Giant Carlisle introduced new packaging that better reflects the strength of its consumer brand and unifies the brand across the store.

Giant Carlisle built upon its support of local communities in 2011, raising over \$20 million in charitable donations during the year. In recognition of its giving legacy in Pennsylvania, the company received the Building the Community Award from the Central Penn Business Journal. Giant Carlisle was also honored with the inaugural Miracle Innovator Award for outstanding leadership and commitment to Children's Miracle Network hospitals.



Established: 1923
Joined Ahold: 1981
Brands: Giant Food Stores, Martin's Food Markets and Giant To Go
Market area: Pennsylvania, Virginia, Maryland, and West Virginia, in the United States
Store formats: Supermarkets, super stores and convenience stores
Own brands include: Giant, Nature's

Peapod

Peapod is an online grocery service in the United States. It works in partnership with Stop & Shop, Giant Landover, and Giant Carlisle to serve markets in 12 states and the District of Columbia. In 2011, Peapod was again able to grow sales by double digits in its existing markets.

In 2011, Peapod expanded into Philadelphia, Delaware, and Southern Montgomery, Pennsylvania counties, serving customers in the Giant Carlisle market area for the first time. The company moved further into Manhattan, now serving its Midtown, Upper West Side, and Upper East Side neighborhoods.

Peapod achieved a significant milestone in 2011 when it delivered its 20 millionth order. The company celebrated this with an online food drive and sweepstakes.



Established: 1989

Joined Ahold: 2000

Brands: Peapod

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

Store formats: Online grocery ordering and delivery

JOINT VENTURES

The information presented in this section relating to ICA and JMR (on a 100 percent basis) represents amounts that are not consolidated in the Company's financial statements since Ahold's investment in ICA and JMR is accounted for using the equity method described in Notes 3 and 14 to the consolidated financial statements of the Ahold 2011 Annual Report.

ICA

Net sales

In 2011, net sales were €10.5 billion, an increase of 2.6 percent at constant exchange rates. The increase was due to a solid performance in Sweden and the Baltic countries, as well as higher revenues by ICA Bank.

Operating income

Operating income increased €34 million to €338 million at an operating margin of 3.2 percent. At constant exchange rates, operating profit increased €17 million, mainly due to an improved performance in the Baltic countries. ICA Bank also achieved a good performance driven by increased net interest income from a greater number of customers.

Net income

In 2011, net income increased €150 million to €204 million, mainly due to last year's income tax expense related to a tax claim by the Swedish tax authorities and a provision against deferred tax assets in Norway.

JMR

Net Sales

In 2011, net sales increased by 5.4 percent to €3.2 billion, driven by sales from new stores. Sales growth was impacted by lower overall consumption in Portugal due to the euro crisis and austerity measures. The company continued to focus on its commercial proposition, emphasizing its own-brand and perishable products, and communicating about its competitive pricing.

Operating income

In 2011, operating income decreased by €8 million to €92 million and the operating margin was 2.9 percent. Adjusted for the net impact of the sale of real estate and impairments in 2011 and 2010, operating income decreased €2 million. Higher sales were offset by gross margin pressure.

Net income

In 2011, net income decreased €15 million to €32 million, mainly as a result of lower operating income and provisions for tax contingencies.

SELECTED FINANCIAL INFORMATION

A caution to readers

The selected financial information of this Base Prospectus for the years 2011 and 2010 has been derived from the consolidated financial statements of Koninklijke Ahold N.V. as included in Ahold's 2011 Annual Report. This selected financial information does not contain all of the information provided by the full financial statements of Ahold as included in Ahold's 2011 Annual Report and is qualified in its entirety by reference to such financial statements and the discussion in Ahold's 2011 Annual Report of risks that could have a material adverse effect on Ahold's financial position, results of operations, or liquidity. Ahold's 2011 Annual Report is available at www.2011yearreview.ahold.com. The financial information as set out on pages 55 and 56 of this Base Prospectus for the years 2009, 2008, and 2007 has not been audited.

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 (IFRSs) as adopted by the European Union 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 2011 consisted of 52 weeks and ended on January 1, 2012. The comparative financial year 2010 consisted of 52 weeks and ended on January 2, 2011.

Results, cash flow and other information

€ million, except per share data	2011	2010	2009	2008	2007
Net sales	30,271	29,530	27,925	25,648	24,824
Operating income	1,347	1,336	1,297	1,202	1,071
Net interest expense	(225)	(270)	(289)	(233)	(293)
Income (loss) from continuing operations	1,032	863	972	887	779
Income (loss) from discontinued operations	(15)	(10)	(78)	195	2,167
Net income	1,017	853	894	1,082	2,946
Net income per common share (basic)	0.92	0.73	0.76	0.92	2.03
Net income per common share (diluted)	0.89	0.72	0.74	0.90	2.01
Income per common share from continuing operations (basic)	0.93	0.74	0.82	0.76	0.54
Income per common share from continuing operations (diluted)	0.90	0.73	0.81	0.74	0.53
Dividend per common share	0.40	0.29	0.23	0.18	0.16
Free cash flow ¹	965	1,112	948	638	633
Net cash from operating, investing, and financing activities	(226)	(157)	(169)	(445)	1,487
Capital expenditures (including acquisitions) ²	881	1,117	788	1,094	807
Capital expenditures as % of net sales	2.9%	3.8%	2.8%	4.3%	3.3%
Average exchange rate (€ per \$)	0.7189	0.7555	0.7194	0.6828	0.7307

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

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

Balance sheet and other information

€ million	January 1, 2012	January 2, 2011	January 3, 2010	December 28, 2008	December 30, 2007
Equity ³	5,877	5,910	5,440	4,687	3,897

Gross debt	3,680	3,561	3,700	4,241	5,379
Cash, cash equivalents, and short-term deposits	2,592	2,824	2,983	2,863	3,263
Net debt	1,088	737	717	1,378	2,116
Total assets	14,980	14,725	13,933	13,603	13,953
Common shares outstanding (in millions) ³	1,060	1,145	1,181	1,177	1,172
Year-end exchange rate (€ per \$)	0.7724	0.7474	0.6980	0.7111	0.6795

³ In 2011 €837 million was returned to shareholders through a share buyback (in 2010: €386 million). In 2007, €4 billion was returned to shareholders through a capital repayment and share buyback.

In the table above:

“Gross Debt” means the sum of the loans, finance lease liabilities, cumulative preferred financing shares and short-term debt.

“Net Debt” means the difference between the gross debt, cash, cash equivalents and short-term deposit.

Independent auditor's report

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

The accompanying selected financial information of Koninklijke Ahold N.V., for the years 2011 and 2010, as set out on pages 55 and 56 of this Base Prospectus, is derived from the audited financial statements of Koninklijke Ahold N.V. for the year ended January 1, 2012. We expressed an unqualified audit opinion on those financial statements in our report dated February 29, 2012. Those financial statements, and the selected financial information, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

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

Management's responsibility

Management is responsible for the preparation of the selected financial information on the basis described on page 55.

Auditor's responsibility

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

Opinion

In our opinion, the selected financial information derived from the audited financial statements of Koninklijke Ahold N.V. for the year ended January 1, 2012 are consistent, in all material respects, with those financial statements, on the basis described on page 55.

Unaudited comparative financial information

The selected financial information for the years 2009, 2008 and 2007 has not been audited.

Amsterdam, March 29, 2012

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

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of 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, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an Amended and Restated Agency Agreement dated March 29, 2012 (the "**Agency Agreement**") made between the Issuer and Citibank N.A. as issuing and principal paying agent and agent bank (in such capacity the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

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

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

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

Copies of the Agency Agreement and the applicable Final Terms are available at the specified offices of each of the Agent and the other Paying Agents save that a Final Terms relating to an unlisted Note will only be available for inspection by a Noteholder upon such Noteholder producing evidence as to identity

satisfactory to the relevant Paying Agent. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are binding on them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

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

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

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

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

"Business Day" means a day which is both:

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

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

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

excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

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

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

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

where:

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

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

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

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

"Interest Commencement Date" means the issue Date.

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

"ISDA Rate" for the purposes of sub-paragraph 5(A) (ISDA Determination for Floating Rate Notes), for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions or, if so specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first tranche of the Notes (the **"ISDA Definitions"**) and under which:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Total Consolidated Fixed Assets" means at any time the total consolidated fixed assets of the Issuer and its Subsidiaries determined in accordance with generally accepted accounting principles as applied to the Issuer, including property, plant and equipment as well as investment property and as referred to in Note 11 and Note 12 respectively of the Ahold 2011 Annual Report incorporated by reference herein.

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

1. Form, Denomination and Title

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

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

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

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

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

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

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

Note held by a common depositary for Euroclear or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

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

2. Status of the Notes

(a) Status of the Senior Notes

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

(b) Status and Subordination of the Subordinated Notes

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

3. Negative pledge

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

The foregoing shall not apply to:

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

4. Redenomination

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

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

- (i) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then prevailing market practice in respect

of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

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

- (viii) such other changes shall be made to this Condition as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, to conform it to conventions applicable to instruments denominated in euro.

5. Interest

(a) Interest on Fixed Rate Notes

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

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

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

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

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

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

(i) Interest Payment Dates

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

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

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

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

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the **"Floating Rate Convention"**, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(ii) Rate of Interest

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

(A) ISDA Determination for Floating Rate Notes

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

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

(B) Screen Rate Determination for Floating Rate Notes

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

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

determination of EURIBOR) on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

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

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

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

(iii) Minimum and/or Maximum Rate of Interest

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

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

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

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

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

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

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount

payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(v) Notification of Rate of Interest and Interest Amount

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

(vi) Certificates to be Final

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

(c) Interest on Dual Currency Interest Notes

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

(d) Interest on Partly Paid Notes

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

(e) Accrual of Interest

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

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

6. Payments

(a) Method of Payment

Subject as provided below:

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

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

(b) Presentation of Notes, Receipts and Coupons

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

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

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

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

Maturity Note on the Fixed Interest Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

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

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

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

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

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

(d) Interpretation of Principal and Interest

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

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

- (vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, other than amounts which may be payable with respect to interest.

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

7. Redemption and Purchase

(a) At Maturity

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

(b) Redemption for Tax Reasons

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

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

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

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

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

- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent, (both of which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, both as indicated in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a

global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

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

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

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

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

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

(e) Early Redemption Amounts

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

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Installment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or

which is payable in a Specified Currency other than that in which the Notes are denominated at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms at its nominal amount; or

- (iii) in the case of a Zero Coupon Note, at an amount (the "**Amortized Face Amount**") calculated in accordance with the following formula:

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

"**RP**" means the Reference Price;

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

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

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

- (f) Installments

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

- (g) Partly Paid Notes

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

- (h) Purchases

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

- (i) Cancellation

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

- (j) Late Payment on Zero Coupon Notes

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

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

8. Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made free from withholding or deduction of or for any present or future taxes of whatever nature imposed, levied, withheld or assessed by the Relevant Jurisdiction or any political subdivision or taxing authority thereof or therein, unless such withholding or deduction is required by law. In such event, the Issuer will, depending on which provision is specified in the applicable Final Terms, either (1) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Receipts or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Receipts or Coupons or (2) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

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

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

9. Prescription

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

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

10. Events of Default

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

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

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount (as

described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

11. Replacement of Notes, Receipts, Coupons and Talons

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

12. Agent and Paying Agents

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

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

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

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

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

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

13. Exchange of Talons

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

14. Notices

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

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

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

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

15. Meetings of Noteholders, Modification and Waiver

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

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

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

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

16. Further Issues

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

17. Substitution of the Issuer

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

18. Governing Law and Submission to Jurisdiction

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

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

FORM OF FINAL TERMS

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

Copies of the Final Terms will be 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 NYSE 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 (1019 GM) Amsterdam, the Netherlands, Piet Heinkade 167-173)

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

dated [•]

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

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

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

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

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

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Notes in any other circumstances.]²

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

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms of the issue of Notes under the 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 March 29, 2012 (the "**Base Prospectus**") and any supplements as referred to in article 16.1 of the Prospectus Directive thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus and any such supplements thereto. The Base Prospectus (and any supplements thereto) is available for viewing at the office of the Issuer at Piet Heinkade 167-173, 1019 GM, Amsterdam, the Netherlands, where copies may also be obtained. Electronic copies can be obtained 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 disappplied by these Final Terms, constitute the conditions (the "**Conditions**") of the Notes. Capitalized terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalized terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the Base Prospectus.

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

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

² *Include this legend where only an exempt offer of Notes is anticipated. (N.B. Not relevant for an issue of Notes with a minimum denomination of EUR 100,000 (or its equivalent in another currency)).*

1. Issuer: []

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

[(ii)] Tranche Number: []

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)

3. Specified Currency or Currencies: []

4. Aggregate Nominal Amount:

[(i)] Series: []

[(ii)] Tranche: []

(If the aggregate amount is not fixed, insert a description of the arrangements and time for announcing to the public the aggregate amount of the offer.)

5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]

(Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser)

6. (i) Specified Denominations: []

(Where multiple denominations above [EUR 100,000] or equivalent are being used the following sample wording should be followed:

“[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]. No notes in definitive form will be issued with a denomination above [EUR 199,000].”

(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the EUR [1,000] [100,000] minimum denomination is not required.)

(ii) Calculation Amount []

(If only one Specified Denomination, insert the Specified Denomination.

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

- Form of Definitive Notes: [Standard Euromarket]
7. (i) Issue Date: []
- (ii) Interest Commencement Date [Specify/Issue Date/Not Applicable]
8. Maturity Date: [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]
[Zero Coupon]
[Index Linked Interest]
[Other (specify)]
(further particulars specified below)
- [If the security has a derivative component in the interest payment, insert a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.]*
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Installment]
[Other (specify)]
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]
[Issuer Call]
[(further particulars specified below)]

13. (i) Status of the Notes: [Senior/Subordinated]
[Insert contractual provisions subordinating any Notes]
- (ii) [Date [Board] approval for issuance of Notes
 Obtained: [] [and [], respectively]
(N.B. Only required where Board (or similar) authorization is required for the particular tranche of Notes)]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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

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

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

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

19. **Dual Currency Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)

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

PROVISIONS RELATING TO REDEMPTION

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

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

(a) Minimum Redemption Amount: [] per Calculation Amount

(b) Maximum Redemption Amount: [] per Calculation Amount

(iv) Notice period: []

(N.B. if setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

21. Put Option

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Optional Redemption Date(s): []

(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount

(iii) Notice period: []

22. Final Redemption Amount of each Note

[] per Calculation Amount

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

(i) Index/Formula/variable: []

(ii) Party responsible for calculating the Final Redemption Amount (if not the Agent): []

(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: []

(iv) Determination Date(s): []

(v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []

- (vi) Payment Date: []
- (vii) Minimum Final Redemption Amount: [] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [] per Calculation Amount

23. **Early Redemption Amount**

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

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. **Form of Notes**

Bearer Notes:

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

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
(This option is not available when the Specified Denomination of the Notes is EUR 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 Notes.)

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

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

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

[Yes/No. If yes, give details]

27. Details relating to Partly Paid Notes: amount of each payment comprising

the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any Right of the Issuer to forfeit the Notes and interest due on late payment]:

[Not Applicable/*give details*]

28. Details relating to Installment Notes; amount of each installment, date on which each payment is to be made:

[Not Applicable/*give details*]

29. Redenomination, renominalization and reconventioning provisions:

[Not Applicable/The provisions in Condition [] apply]

30. Consolidation provisions:

[Not Applicable The provisions in Condition [] apply]

31. Other terms or special conditions:

[Not Applicable/*give details*]

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

(If the Notes are derivative securities, the following items will be set out here:

(i) a description of the settlement procedure;

(ii) a description of how any return on the Notes takes place, the payment or delivery date, and the way it is calculated;

(iii) the exercise or the final reference price of the underlying; and

(iv) the exercise date or final reference date.)

DISTRIBUTION

32. (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.)

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

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [NYSE 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**

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

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

2. **Ratings**

The Notes to be issued have been rated:

[S & P: []]

[Moody's: []]

[[Other]: []]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most

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

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

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

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

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

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

9. **Operational Information**

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

10. **Terms and conditions of the offer**

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

FORM OF THE NOTES

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

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

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

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

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

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

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

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

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

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

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

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

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

USE OF PROCEEDS

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

TAXATION

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

DUTCH TAXATION

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

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

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

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

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

Withholding tax

All payments under Notes may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority of or in the Netherlands, except where Notes are issued under such terms and conditions that such Notes are capable of being classified as equity of the Issuer for Dutch tax purposes or actually function as equity of the Issuer within the meaning of article 10, paragraph 1, letter d, of the Dutch Corporation Tax Act 1969 (*Wet op de*

vennootschapsbelasting 1969) and where Notes are issued that are redeemable in exchange for, convertible into or linked to shares or other equity instruments issued or to be issued by the Issuer or by any entity related to the Issuer.

Taxes on income and capital gains

Resident Holders of Notes

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

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

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

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

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

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

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

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

Dutch Individuals deriving benefits from miscellaneous activities

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

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

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

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

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

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

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

Other Dutch Individuals

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

Attribution rule

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

Dutch Corporate Entities

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

Non-resident Holders of Notes

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

A Holder of Notes will be considered a "Non-Resident Holder of Notes" if he is neither resident, nor deemed to be resident, in the Netherlands for the purposes of Dutch income tax or corporation tax, as the case may be,

and who, in the case of an individual, has not elected to be treated as a resident of the Netherlands for Dutch income tax purposes.

Individuals

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

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

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

Attribution rule

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

Entities

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

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

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

General

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

Gift and inheritance taxes

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

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

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

Other taxes and duties

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

EU SAVINGS DIRECTIVE

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

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

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated program agreement (the “**Program Agreement**”) dated March 29, 2012 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 Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

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

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

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

The Netherlands

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 (*in Dutch: 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 Supervision Act (*Wet op het financieel toezicht*, the "FMSA"); or
- (c) such offer is otherwise made in circumstances in which article 5:20(5) of the FMSA 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 Regulation S Category 2; TEFRA D.

1.2 Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph and in paragraph 1.4 below have the meanings given to them by Regulation S under the Securities Act.

1.3 Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

- 1.4 Each Dealer has agreed and each further Dealer appointed under the Program will be required to agree that, except as permitted by the Program Agreement, it will not offer, sell or deliver Notes, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and closing date for the offering of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes (other than a sale pursuant to Rule 144A) during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons. In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by a dealer whether or not it is participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another available exemption from registration under the Securities Act.
- 1.5 Each Tranche of Notes will also be subject to such additional United States selling restrictions as the Issuer and the relevant Dealer(s) may agree and as indicated in the relevant Final Terms.

Selling restrictions addressing additional United Kingdom securities law

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

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

Republic of France

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

Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation. Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent

and agree, that it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy unless in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

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

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

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

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

Provisions relating to the secondary market in Italy

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

Japan

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

General

The Issuer and each Dealer acknowledge that, with the exception of (i) requesting and receiving the approval by the AFM of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementation measures in the Netherlands and (ii) the application to list the Notes on NYSE 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. Persons who take note of the contents of this Base Prospectus or any Final Terms are required by the Issuer and the Dealers through such material to comply with all applicable laws and regulations in each state or jurisdiction in or from which such persons purchase, offer, sell or deliver Notes or have in their possession or distribute such material, in all cases at their own expense.

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

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

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

GENERAL INFORMATION

Authorizations

The update of the Program was duly authorized by a resolution of Ahold's Corporate Executive Board dated March 28, 2012. All consents, approvals, authorizations or other orders of all regulatory authorities required by the Issuer under the laws of the Netherlands and under Ahold's articles of association have been or will be obtained for the issue of Notes and for the Issuer to undertake and perform its obligations under the 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 NYSE 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 of Ahold;
- (iii) the Ahold 2011 Annual Report, including Ahold's 2011 audited financial statements;
- (iv) the Ahold 2010 Annual Report, including Ahold's 2010 audited financial statements;
- (v) the Program Agreement and the Agency Agreement (which contains the forms of the Temporary and Permanent Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons);
- (vi) a copy of this Base Prospectus;
- (vii) any future prospectuses, offering circulars, supplementary listing particulars, information memoranda, supplements to this Base Prospectus and any documents incorporated herein by reference; and
- (viii) the Final Terms for each Tranche of Notes.

Clearing and Settlement Systems

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

Clearing systems addresses

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

Auditor

The auditor of the Issuer is Deloitte Accountants B.V., who has audited the consolidated financial statements of Koninklijke Ahold N.V. prepared in accordance with IFRS for the years ended January 1, 2012 and January 2, 2011. In its auditor's reports dated February 29, 2012 and March 2, 2011 respectively, Deloitte Accountants B.V. expressed an unqualified audit opinion on these financial statements. The partner of Deloitte Accountants

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

Post-issuance information

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

Ratings

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

Grading scale of Moody's and S&P

		Moody's *	S&P **
Investment grades	Very high quality	Aaa Aa	AAA AA
	High quality	A Baa	A BBB
Non-investment grades	Speculative	Ba B	BB B
		Very poor	Caa Ca C 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 stable 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	Stable
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.	264	USD	7.82	02jan20	A-1	BBB	Baa3
Ahold Lease U.S.A., Inc.	251	USD	8.62	02jan25	A-2	BBB	Baa3
Ahold Finance U.S.A., LLC	500	USD	6.875	01may29		BBB-	Baa3

* *Outstanding principal amounts in millions*

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

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) Ahold's 2011 Annual Report, including (on pages 69 to 138) Ahold's 2011 audited financial statements (to be consulted via <http://2011yearreview.ahold.com/downloads/Ahold-Full-AR-2011.pdf>);
- (b) Ahold's 2010 Annual Report, including (on pages 59 to 126) Ahold's 2010 audited financial statements (to be consulted via http://arreport2010.ahold.com/PDFs/Ahold_AR2010_Online.pdf);
- (c) Ahold's 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) Ahold's 2011 Corporate Responsibility Report (to be consulted via <http://2011yearreview.ahold.com/downloads/Ahold-Full-CR-2011.pdf>).

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

These documents can be obtained without charge at the registered office of the Issuer 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.

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