

## BASE PROSPECTUS DATED MARCH 28, 2014

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 (1506 MA) Zaandam, the Netherlands, Provincialeweg 11)

### 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**") (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 depository 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.

For an overview of risks relating to Ahold see pages 11 to 16 of this Base Prospectus and in Ahold's annual report for the financial year ended December 29, 2013, as published on March 4, 2014, of which page 73 to 172 are incorporated by reference herein (the "**Ahold 2013 Annual Report**").

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. 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

BofA MERRILL LYNCH

RABOBANK INTERNATIONAL

DEUTSCHE BANK

GOLDMAN SACHS INTERNATIONAL

ING

J.P. MORGAN

KBC

MITSUBISHI UFJ SECURITIES

MIZUHO SECURITIES

SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

THE ROYAL BANK OF SCOTLAND

U.S. BANCORP INVESTMENTS, INC.

This Base Prospectus will be published in electronic form on the website of Euronext Amsterdam ([www.euronext.com](http://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 28, 2014, (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](mailto:investor.relations@ahold.com).

This Base Prospectus is issued in replacement of a prospectus dated March 28, 2013 and accordingly supersedes that earlier prospectus. It is valid for a period of 12 months from the Publication Date.

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## OVERVIEW

The following constitutes the overview (the "**Overview**") of the essential characteristics and risks associated with the Issuer and the Notes to be issued under the Program. This Overview must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. No civil liability will attach to the Issuer in respect of this Overview, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus.

Issuer: Koninklijke Ahold N.V.

Koninklijke Ahold N.V. ("**Ahold**") was established as a public limited liability company (*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 (1506 MA) Zaandam, the Netherlands, Provincialeweg 11. Ahold is registered in the Trade Register at the Chamber of Commerce under number 35000363.

Description: Euro Medium Term Note Program

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfill its obligations under the Notes issued under the Program. These are set out under "Risk Factors" below and include 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  
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International)  
Deutsche Bank AG, London Branch  
Goldman Sachs International  
ING Bank N.V.  
J.P. Morgan Securities plc  
KBC Bank NV  
Merrill Lynch International  
Mitsubishi UFJ Securities International plc  
Mizuho International plc  
Société Générale  
The Royal Bank of Scotland plc  
U.S. Bancorp Investments, Inc.

and any other dealer appointed from time to time either in respect of a single Tranche or in respect of the whole Program.

Regulatory Matters: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale" in this Base Prospectus).

Issuing and Principal Paying Agent: BNP Paribas Securities Services, Luxembourg Branch

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

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

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

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

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

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

Other provisions in relation to Floating Rate Notes:

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

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

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount 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 and the Terms and Conditions of the Notes) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms and the Terms and Conditions of the Notes.

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, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus will be EUR 100,000.

Taxation:

Payments in respect of the Notes will, as specified in the applicable Final Terms, be made either subject to withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or



assessed by the Netherlands (in respect of an offering solely to investors in the Netherlands) or (in all other cases) without withholding or deduction of or for any taxes imposed, levied, withheld or assessed by the Relevant Jurisdiction as defined in Condition 7(b) subject to certain exceptions as provided in Condition 8. If the applicable Final Terms provides that payments are to be made subject to withholding or deduction of or for any taxes imposed, levied, withheld or assessed by the Netherlands, it will also specify that Condition 7(b) will not apply to the Notes. If the applicable Final Terms provides that payments are to be made without withholding or deduction of or for any taxes imposed, levied, withheld or assessed by the Relevant Jurisdiction, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

**Negative Pledge:** The Notes contain a negative pledge given by the Issuer as set out in Condition 3.

**Cross Default:** The Notes contain a cross default as set out in Condition 10.

**Status of the Senior Notes:** 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.

**Listing:** 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.

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).

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

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

of Notes and on the distribution of offering materials, see "Subscription and Sale" in this Base Prospectus.

## RISK FACTORS

The following overview of risks relating to Ahold should be read carefully when evaluating our business, our prospects and the forward-looking statements contained in this Base Prospectus and in the Ahold 2013 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 2013 Annual Report and which may affect the Company's ability to fulfill its obligations under the Notes issued pursuant to the Program. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Program are also described below. Investors in the Notes may stand to lose the entire value of their investment or part thereof, as the case may be.

Ahold recognizes different strategic (S), operational (O), financial (F), and compliance (C) and 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 2013 Annual Report.

## AHOLD'S PRINCIPAL RISKS AND UNCERTAINTIES

Strategy	Description of risk	Key risk drivers	Risk mitigation actions	Potential consequence
<b>Better place to shop</b>	<p><b>Business and IT continuity (O)</b></p> <p>Disruption of critical business processes may result in non-availability of products for customers</p>	<ul style="list-style-type: none"> <li>- Dependency on IT systems</li> <li>- Dependency on supply chain</li> <li>- Centralized facilities</li> <li>- Dependency on logistics service providers</li> <li>- Dependency on suppliers of strategic own-brand products and services</li> </ul>	<ul style="list-style-type: none"> <li>- Business continuity governance structure</li> <li>- Business continuity strategic guidelines and tactical policy</li> <li>- Business continuity framework with guidance, procedures and document templates</li> <li>- Business continuity management plans</li> <li>- Insurance program</li> </ul>	Ahold continues to maintain and invest in business continuity management plans. However, these measures cannot fully prevent business interruptions that could have a material adverse effect on the Company's revenues, customer perception and reputation
<b>Better place to work</b>	<p><b>Collective bargaining (O)</b></p> <p>Ahold's businesses might not be able to negotiate extensions or replacements on acceptable terms, which could result in work stoppages</p>	<ul style="list-style-type: none"> <li>- Expiring contracts</li> <li>- Relationships with the relevant trade unions</li> <li>- Business disruption</li> <li>- Adverse publicity</li> </ul>	<ul style="list-style-type: none"> <li>- Contract negotiation process</li> <li>- Human Resource functions to support relationships with trade unions</li> <li>- Contingency plans</li> </ul>	A significant portion of the employees of Ahold's businesses are represented by unions under collective bargaining agreements. 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 results of operations and financial position
<b>Business model</b>	<p><b>Economic conditions and competitive advantage (S)</b></p> <p>Uncertainty about the macro-economic climate and changes to the competitive landscape might threaten Ahold's ability to achieve its strategic business plan</p>	<ul style="list-style-type: none"> <li>- Price perception</li> <li>- Consumer confidence and unemployment</li> <li>- Consumers' decreasing purchasing power</li> <li>- Changes in the retail landscape and competition</li> </ul>	<ul style="list-style-type: none"> <li>- Research and monitoring of consumer behavior</li> <li>- Price benchmarking competition</li> <li>- Analysis of economic developments</li> <li>- Promotional activities</li> <li>- Building more personalized customer relationships</li> <li>- Strengthening own-brands (e.g. new brand AH BASIC and repositioning Simply Enjoy own brand)</li> </ul>	Ahold is focused on the execution of its strategic pillars and promises. Unforeseen effects could impair the effectiveness of Ahold's strategy and reduce the anticipated benefits of its price repositioning, and cost savings programs or other strategic initiatives. Inflationary forces impacting cost of goods sold might be difficult to pass on to customers. These factors may have a material adverse effect on the Company's financial position, results of operations and liquidity.
<b>Better place to shop</b>	<p><b>Information security (O)</b></p> <p>A lack of security around, or non-compliance with, privacy requirements for customer data might negatively impact strategic</p>	<ul style="list-style-type: none"> <li>- Customer confidence</li> <li>- Sensitivity of data</li> <li>- Privacy regulations</li> <li>- Use of third parties to process and store data</li> </ul>	<ul style="list-style-type: none"> <li>- Strategic and tactical information security policy and guidelines</li> <li>- Information security governance</li> <li>- Control standards for information management and security</li> </ul>	Ahold's business operations generate and maintain confidential commercial and personal information concerning customers, employees, suppliers and the Company. Disclosure of confidential information to unintended third parties may negatively impact Ahold's

	initiatives relating to customer loyalty	<ul style="list-style-type: none"> <li>- Global security threats</li> <li>- Growth of online sales</li> </ul>	<ul style="list-style-type: none"> <li>- Payment card industry and privacy compliant control framework</li> <li>- Information security capabilities</li> <li>- Information security awareness program</li> <li>- Cyber insurance coverage</li> </ul>	corporate reputation and competitive position or result in litigation or regulatory action. This could have a material adverse effect on Ahold's financial position
<b>Simplicity</b>	<p><b>Legislative and regulatory environment (C)</b></p> <p>A changing legislative and regulatory environment increases the cost of doing business, tax levels and the complexity of our operations</p>	<ul style="list-style-type: none"> <li>- Compliance deadlines</li> <li>- Increased and targeted enforcement</li> <li>- Government budget deficits</li> <li>- Public opinion / pressure</li> </ul>	<ul style="list-style-type: none"> <li>- Knowledge and awareness of regulations</li> <li>- Monitoring, review and reporting on changes</li> <li>- Operational procedures and guidance</li> </ul>	Ahold's activities are subject to various laws and regulations in each local market where it operates. The cost of compliance with any of these laws could impact Ahold's operations and reduce its profitability. See further discussion of consequences of the legislative and regulatory risks below
<b>Responsible Retailing</b>	<p><b>Product safety (O, C)</b></p> <p>Customers might become injured or ill from the consumption of own-brand products or other food or non-food products, or as a result of food fraud in the supply chain</p>	<ul style="list-style-type: none"> <li>- Internationalization of the supply chain</li> <li>- Customer trust in brands</li> <li>- Incidents across the world</li> <li>- Increased number of own-brand products</li> <li>- Speed of communications</li> </ul>	<ul style="list-style-type: none"> <li>- Product safety policies</li> <li>- Control standards for food and non-food products</li> <li>- Standard operating procedures</li> <li>- Dedicated product integrity departments at Corporate Center and both continents</li> <li>- Monitoring of continental performance</li> <li>- Third-party certification</li> </ul>	Though it has mitigating actions in place, Ahold may face product safety problems, including disruptions to the supply chain caused by food-borne illnesses and negative consumer reaction to incidents, which may have a material adverse effect on the Company's reputation, results of operations and financial position.
<b>Business model</b>	<p><b>Pension plan funding (F)</b></p> <p>Ahold is exposed to the financial consequences of various pension and health care risks</p>	<ul style="list-style-type: none"> <li>- Insolvency or bankruptcy of Multi-employer pension plan (MEP) participants</li> <li>- Decreasing interest rates</li> <li>- Poor stock market performance</li> <li>- Changing pension laws</li> <li>- Increasing US healthcare costs</li> </ul>	<ul style="list-style-type: none"> <li>- Governance structure</li> <li>- Yearly MEP risk assessment study</li> <li>- Restructuring healthcare and pension plans (see Note 23 to the consolidated financial statements included in the Ahold 2013 Annual Report)</li> <li>- Monitoring MEPs / participants</li> </ul>	Ahold has a number of defined benefit pension plans covering a large number of its employees in the Netherlands and in the United States. A decrease in equity returns or interest rates may negatively affect the funding ratios of Ahold's pension funds, which could lead to higher pension charges and contributions payable. According to Dutch law and / or contractually agreed funding arrangements, Ahold may be required to make additional contributions to its pension plans in case minimum funding requirements are not met. In addition, a significant number of union employees in the United States are covered by MEPs. An increase in the unfunded liabilities of these MEPs may result in increase future payments by Ahold and the other

				<p>participating employers. The bankruptcy of a participating MEP employer could result in Ahold assuming a larger proportion of that plan's funding requirements. In addition, Ahold may be required to pay significantly higher amounts to fund U.S. employee healthcare plans in the future. Significant increases in healthcare and pension funding requirements could have a material adverse effect on the Company's financial position, results of operations and liquidity. For additional information, see Note 23 to the consolidated financial statements included in the Ahold 2013 Annual Report</p>
<p><b>Our promises and pillars</b></p>	<p><b>Strategic projects (S)</b> Ahold might not be able to deliver on the objectives of its strategic projects</p>	<ul style="list-style-type: none"> <li>- Growth strategy</li> <li>- Changing retail environment</li> <li>- Dependencies between projects and operational activities</li> <li>- Availability of required capabilities</li> </ul>	<ul style="list-style-type: none"> <li>- Ahold's new Executive Committee (ExCo) governance structure</li> <li>- Ownership of strategic pillars at ExCo level</li> <li>- Pillar program and reporting</li> <li>- Promises reporting</li> </ul>	<p>Ahold is continuing with its strategy to reshape the way we do business and drive growth. Activities are increasingly undertaken in the form of strategic projects. If the Company is not able to deliver on the objectives of its underlying strategic projects, the realization of key elements of its strategy may be at risk. This could have a material adverse effect on Ahold's financial position, results of operations and liquidity</p>

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

**Responsible retailing (S, O)**

Increased regulatory demands, stakeholder awareness and the growing sentiment that large retailers must address sustainability issues across the entire supply chain mean that Ahold's brands and reputation may suffer if it does not adequately address relevant corporate responsibility issues affecting the food retail industry.

**Insurance programs (F)**

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

**Other financial risks (F)**

Other financial risks include foreign currency translation risk, credit risk, interest rate risk, liquidity risk and contingent liabilities to third parties relating to lease guarantees. For information relating to these financial risks, see Note 30 and Note 34 to the consolidated financial statements included in the Ahold 2013 Annual Report.

**Unforeseen tax liabilities (C)**

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

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

Ahold and its businesses are subject to various federal, regional, state and local laws and regulations in each country in which they operate, relating to, among other areas: zoning; land use; antitrust restrictions; work place safety; public health including food and non-food safety; environmental protection; alcoholic beverage, tobacco and pharmaceutical sales; and information security. Ahold and its businesses are also subject to a variety of laws governing the relationship with employees, including but not limited to minimum

wage, overtime, working conditions, health care, disabled access and work permit requirements. The cost of compliance with, or changes in, any of these laws could impact the operations and reduce the profitability of Ahold or its businesses and thus could affect Ahold's financial condition or results of operations. Ahold and its businesses are also subject to a variety of antitrust and similar laws and regulations in the jurisdictions in which they operate, which may impact or limit Ahold's ability to realize certain acquisitions, divestments, partnerships or mergers.

From time to time, Ahold and its businesses are parties to legal and regulatory proceedings in a number of countries, including the United States. Based on the prevailing regulatory environment or economic conditions in the markets in which Ahold businesses operate, litigation may increase in frequency and materiality. These legal and regulatory proceedings may include matters involving personnel and employment issues, personal injury, antitrust claims, 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 outcomes of these legal proceedings, or changes in our assessments of proceedings, could potentially result in material adverse effects on our financial result. For further information see Note 34 to the consolidated financial statements included in the Ahold 2013 Annual Report.



## Legal proceedings

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

### *U.S. Foodservice – Waterbury litigation*

In October 2006, a putative class action was filed against U.S. Foodservice by Waterbury Hospital, 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 certifying 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 August 30, 2013, the U.S. Court of Appeals for the Second Circuit affirmed the decision of the U.S. District Court. The effect of the District Court's class certification order, if it is not reversed, vacated or otherwise modified, is to increase the potential liability exposure because it allows the named Plaintiffs to litigate breach of contract claims and claims under the Racketeer Influenced and Corrupt Organizations Act ("RICO") on behalf of all Class Members. A RICO claim, if it were to be successful, could lead to an award to the Plaintiffs of three times their compensatory damages. Parties are conducting discovery on the merits of the case with the trial currently expected to begin in late 2015 or 2016. Ahold cannot at this time provide a reliable estimate of any of its potential liability in connection with the indemnification obligation mentioned in the table above because there are significant uncertainties regarding the possible outcomes of the litigation. Ahold believes that there are substantial defenses to these claims and it will continue to vigorously defend its interests in the pending litigation. Also, as is customary for this type of litigation, the dispute may be resolved through mediation and/or direct settlement negotiations with Plaintiffs. Any negotiated or court imposed resolution of this dispute may have a material adverse effect on Ahold's consolidated financial position.

### *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). Ahold cannot exclude the possibility of further indemnification obligations resulting from other governmental or regulatory actions.

#### *Uruguayan litigation*

Ahold, together with Disco and Disco Ahold International Holdings N.V. (“DAIH”), is a party to or bears the risk of legal proceedings in one lawsuit in Uruguay related to Ahold’s 2002 acquisition of Velox Retail Holdings’ shares in the capital of DAIH. The two other related lawsuits in Uruguay have been decided in favor of Ahold. The damages alleged by the plaintiffs, alleged creditors of certain Uruguayan and other banks, amount to approximately \$62 million (€45 million) plus interest and costs. As part of the sale of Disco to Cencosud in 2004, Ahold indemnified Cencosud and Disco against the outcome of these legal proceedings. The proceedings in the one remaining lawsuit are ongoing. Ahold continues to believe that the plaintiffs’ claims are without merit and will continue to vigorously oppose such claims.

#### *Other legal proceedings*

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

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

### **The Notes may not be a suitable investment for all investors**

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

#### *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.

### **Interest of the Dealers**

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

## **OTHER IMPORTANT CONSIDERATIONS**

### **Notes Held in Global Form**

Unless otherwise specified in the applicable Final Terms, the Notes will be held by a common 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.

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 any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the

Arranger nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC (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

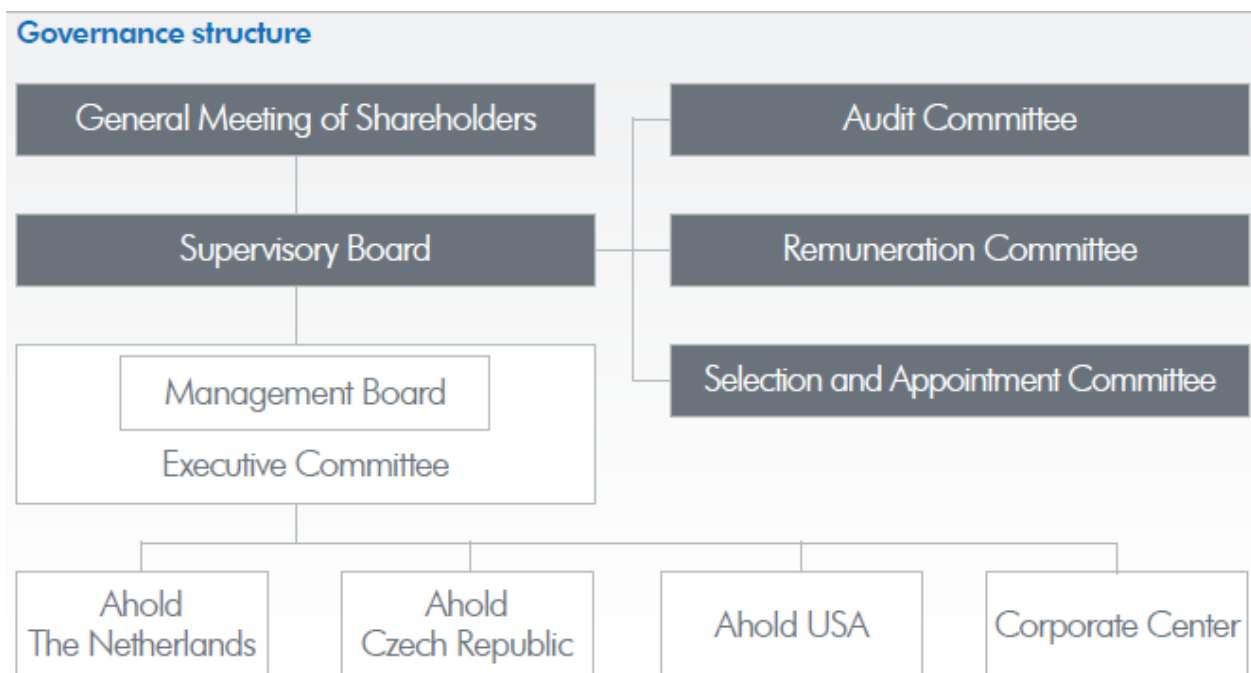
The registered commercial names of Ahold are Koninklijke Ahold N.V., Royal Ahold and Ahold. Koninklijke Ahold N.V. is the parent company of the Ahold group. It was founded in 1887 and incorporated as a public company with limited liability (*in Dutch: naamloze vennootschap*) for an unlimited term under 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 (1506 MA) Zaandam, the Netherlands, Provincialeweg 11. Ahold is registered in the Trade Register at the Chamber of Commerce under number 35000363 with listings of shares or depository shares on the Amsterdam and New York stock exchanges. The telephone number of Ahold is +31 (0)88 659 9111.

## Governance Structure

Koninklijke Ahold N.V. is a public company under Dutch law with a two-tier board structure. The Company's Management Board has ultimate responsibility for the overall management of Ahold. The Company also has an Executive Committee that is comprised of the Management Board as well as certain key officers of the Company, is led by the Chief Executive Officer and is accountable to the Management Board. The Management Board is supervised and advised by a Supervisory Board. The Management Board and the Supervisory Board are accountable to Ahold's Shareholders.

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

The following diagram shows the governance structure of Ahold and its businesses. A list of subsidiaries, joint ventures and associates is included in Note 36 to the consolidated financial statements included in the Ahold 2013 Annual Report.



## Management Board and Executive Committee

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

### *Composition*

According to Ahold's articles of association, the Management Board must consist of at least three members. The size and composition of the Management Board and the Executive Committee and the combined experience and expertise of their members should reflect the best fit for the profile and strategy of the Company. This aim for the best fit, in combination with the availability of qualifying candidates, has resulted in Ahold currently having a Management Board in which all four members are male and an Executive Committee in which five members are male and two are female. In order to increase gender diversity on the Management Board, in accordance with article 2:276 section 2 of the Dutch Civil Code, the Company pays close attention to gender diversity in the process of recruiting and appointing new Management Board members. In addition, the Company continues to recruit female executives, as demonstrated by the appointment of two women to the Executive Committee in 2013. Ahold also encourages the professional development of female employees, which has already led to the promotion of several women to key leadership positions across the Group.

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

### **Dick Boer**

*President and Chief Executive Officer*

*Chairman Management Board and Executive Committee*

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

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

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

Dick is co-chair of The Consumer Goods Forum, member of the board 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 a member of the advisory board of G-star.

### **Jeff Carr**

*Executive Vice President and Chief Financial Officer*

*Member Management Board and Executive Committee*

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

Before joining Ahold, Jeff was group finance director and a member of the board at UK-based FirstGroup, the leading transport operator in the United Kingdom and North America. 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 lived and worked in Europe and the United States.

**Lodewijk Hijmans van den Bergh**

*Executive Vice President and Chief Corporate Governance Counsel*

*Member Management Board and Executive Committee*

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

Prior to joining Ahold, Lodewijk was a partner at Amsterdam-based law firm De Brauw Blackstone Westbroek N.V. Lodewijk is the deputy chairman of the board of the Royal Concertgebouw Orchestra and a member of the supervisory board of HAL Holding N.V. and the board of trustees of Air Traffic Control in the Netherlands. He is also a member of the advisory boards of the Rotterdam School of Management, Erasmus University and Champs on Stage.

**James McCann**

*Executive Vice President and Chief Operating Officer Ahold USA*

*Member Management Board and Executive Committee*

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

Before joining Ahold, James was executive director for Carrefour France and a member of Carrefour's group executive board. 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.

**Hanneke Faber**

*Chief Commercial Officer and Member Executive Committee*

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

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

### **Sander van der Laan**

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

Sander van der Laan (September 30, 1968) is a Dutch national. On August 21, 2013, the Supervisory Board appointed Sander to the Executive Committee, effective as per September 1, 2013. On March 1, 2011, he became Chief Operating Officer of Ahold Europe, and later CEO of Albert Heijn. He is responsible for business operations and continental strategy within Europe.

Sander joined Ahold in 1998 as Unit Manager for Albert Heijn. In March 2002, he became General Manager for Gall & Gall, and in May 2003 he was appointed EVP Marketing & Merchandising at Albert Heijn. In 2008, Sander was appointed CEO of Giant Carlisle in the United States, and in January 2010, he became General Manager of Albert Heijn. Prior to joining Ahold, he spent eight years in various positions for SCA and Unilever. Sander is co-chair of GS1 Nederland and a member of the executive board of ECR Europe. He is also the chairman of the VUmc CCA Foundation at the VU Medical Center in Amsterdam.

### **Abbe Luersman**

*Chief Human Resources Officer and Member Executive Committee*

Abbe Luersman (December 4, 1967) is a U.S. national. The Supervisory Board appointed Abbe as Chief Human Resources Officer and Member of the Executive Committee, effective November 1, 2013. She is responsible for HR, leadership, and organization design.

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

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

#### *Appointment, suspension and dismissal*

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

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

#### **Possible reappointment schedule of Management Board**

Name	Date of birth	Date of first appointment	Date of possible reappointment
Dick Boer	August 31, 1957	May 3, 2007	2015
Jeff Carr	September 17, 1961	April 17, 2012	2016
Lodewijk Hijmans van den Bergh	September 16, 1963	April 13, 2010	2014
James McCann	October 4, 1969	April 17, 2012	2016



## Supervisory Board

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

Ahold's Supervisory Board consists of the following persons:

### **Jan Hommen**

*Chairman Supervisory Board and Chairman of the Selection and Appointment Committee*

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

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

### **Judith Sprieser**

*Vice Chairman Supervisory Board*

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. and Experian Plc.

### **Stephanie Shern**

*Member Supervisory Board and Chairman of the Audit Committee*

Stephanie Shern (January 7, 1948) is a U.S. national. She was first appointed to the Supervisory Board on May 18, 2005, and her term runs until 2017. Stephanie was with Ernst & Young for over 30 years, most recently as vice chairman and global director of retail and consumer products and a member of Ernst & Young's U.S. Management Committee. She is the lead director and chair of the audit committee of GameStop and a member of the board of Scotts Miracle-Gro. Stephanie is also a member of the advisory board of Pennsylvania State University's accounting major program and a founding member of the Lead Director Network and of the Southwest Region of the United States Audit Committee Network, both organized by Tapestry Networks in the United States.

### **Rob van den Bergh**

*Member Supervisory Board and Chairman of the Remuneration Committee*

Rob van den Bergh (April 10, 1950) is a Dutch national. He was appointed to the Supervisory Board on April 20, 2011, and his term runs until 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 board of N.V. Deli Maatschappij and a member of the supervisory boards of TomTom N.V., from which position he is to step down on May 1, 2014, 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.

***Derk C. Doijer***

*Member Supervisory Board*

Derk Doijer (October 9, 1949) is a Dutch national. He was first appointed to the Supervisory Board on May 18, 2005, and his term runs until 2017. Derk is a former member of the executive board of directors of SHV Holdings N.V. and, prior to that, held several executive positions in the Netherlands and South America. He is chairman of the supervisory boards of Corio N.V. and Lucas Bols Holdings B.V.

***Mark McGrath***

*Member Supervisory Board*

Mark McGrath (August 10, 1946) is a U.S. national. He was appointed to the Supervisory Board on April 23, 2008, and his term runs until 2016. Mark is a director emeritus of McKinsey & Company. He led the firm's Americas' Consumer Goods Practice from 1998 until 2004 when he retired from the company. Mark is a former director of GATX and of the University of Notre Dame's Kellogg Institute of International Studies. He is 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 member of the executive committee of the Chicago Symphony Orchestra Association.

***Ben Noteboom***

*Member Supervisory Board*

Ben Noteboom (July 4, 1958) is a Dutch national. He was appointed to the Supervisory Board on April 28, 2009, and his term runs until 2017. Ben was formerly CEO and chairman of the executive board of Randstad Holding N.V. from March 2003 and has stepped down on February 28, 2014. He had first joined Randstad in 1993 and held various senior management positions during his time with the company. Ben joined the executive board of Randstad in 2001. Ben is a member of the boards of the Holland Festival Foundation and the Cancer Center Amsterdam.

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

*Independence of Supervisory Board members*

The Supervisory Board confirms that as of February 26, 2014, all Supervisory Board members are independent within the meaning of provision III.2.2 of the Dutch Corporate Governance Code.

*Committees of the Supervisory Board*

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

	Audit Committee	Remuneration Committee	Selection and Appointment Committee
Jan Hommen, Chairman			Chairman
Judith Sprieser, Vice Chairman	Member	Member	
Stephanie Shern	Chairman	Member	
Rob van den Bergh		Chairman	Member
Derk Doijer	Member		Member
Mark McGrath		Member	Member
Ben Noteboom		Member	Member

## CONFLICT OF INTEREST

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

If a member of the Supervisory Board or a member of the Management Board has a conflict of interest with the Company, the member may not participate in the discussions and/or decision-making process on subjects or transactions relating to the conflict of interest. The Chairman of the Supervisory Board will arrange for such transactions to be disclosed in the Annual Report.

There are no existing or potential conflicts of interest between the duties of each member of the Executive Committee and the Supervisory Board and their private interests and/or other duties, nor has such conflict of interest occurred in 2013.

In accordance with best practice provision III.6.4 of the Dutch Corporate Governance Code, Ahold reports that no transactions between the Company and legal or natural persons who hold at least 10% of the shares in the Company occurred in 2013.

## CORPORATE GOVERNANCE

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

## SHARE CAPITAL

For details on the number of outstanding shares, see Note 20 to the consolidated financial statements included in the Ahold 2013 Annual Report. All outstanding shares have been fully paid up.

### *Major shareholders*

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

### *Significant ownership of voting shares*

According to the Dutch Financial Markets Supervision Act, any person or legal entity who, directly or indirectly, acquires or disposes of an interest in Ahold's capital or voting rights must immediately give written notice to the

AFM if the acquisition or disposal causes the percentage of outstanding capital interest or voting rights held by that person or legal entity to reach, exceed or fall below any of the following thresholds:

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

The obligation to notify the AFM also applies when the percentage of capital interest or voting rights referred to above changes as a result of a change in the total outstanding capital or voting rights of Ahold. In addition, local rules may apply to investors.

The following table lists the shareholders on record in the AFM register on February 26, 2014 that hold an interest of 3% or more in the share capital of the Company.

Shareholder	Date of disclosure	Capital interest <sup>2</sup>	Voting rights <sup>2</sup>
Blackrock, Inc	February 17, 2014	2.99%	4.46%
Silchester International Investors LLP	September 18, 2013	3.00%	3.52%
Deutsche Bank AG	July 2, 2013	3.63%	4.26%
Mondrian Investment Partners Limited	September 27, 2012	4.26%	4.99%
Stichting Administratiekantoor Preferente Financieringsaandelen Ahold <sup>1</sup>	July 13, 2012	20.19%	6.55%
ING Groep N.V. <sup>1</sup>	April 8, 2008	9.26%	4.92%
DeltaFort Beleggingen B.V. <sup>1</sup>	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 depository receipts to investors that were filed under ING Group N.V. and DeltaFort Beleggingen B.V. The interest on record for ING Groep N.V. and DeltaFort Beleggingen B.V. includes both the direct and real interest from the common shares as well as the indirect and / or potential interest from the depository receipts. Further details can be found on [www.afm.nl](http://www.afm.nl).

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](http://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 of control over the Company, 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. 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 26, 2013, the members of the board of SAC are:

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

SAC is independent from the Company. For details on Ahold's cumulative preferred shares, see Note 20 to the consolidated financial statements included in the Ahold 2013 Annual Report.

## ARTICLES OF ASSOCIATION

Ahold's articles of association ("**Articles of Association**") outline certain of the Company's basic principles relating to corporate governance and organization. The current text of the Articles of Association is available at the Trade Register of the Chamber of Commerce and on Ahold's public website at [www.ahold.com](http://www.ahold.com).

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

Pursuant to article 2 of our Articles of Association, 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 that produce such products, to operate restaurants and companies engaged in rendering public services, including all acts and things which relate or may be conducive thereto in the broadest sense, as well as to promote, to participate in, to conduct the management of and, as the case may be, to operate businesses of any other kind."

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

Ahold has most recently amended its Articles of Association on March 27, 2014. The amendment of the Articles of Association relates to the capital reduction and reverse stock split as approved by Ahold's shareholders in the Extraordinary General Meeting of Shareholders held January, 21, 2014. The General Meeting of Shareholders approved the return of in aggregate approximately EUR 1 billion to the holders of

common shares. This return will take place following the execution of three subsequent amendments to the Articles of Association which execution took place on March 27, 2014.

The first amendment of the Articles of Association included an increase of the nominal value of Ahold's common shares. The second amendment of the Articles of Association included the consolidation of the common shares by the ratio as published on March 14, 2014. The final amendment of the Articles of Association includes a decrease of the nominal value of Ahold's common and cumulative preferred financing shares and a portion (approximately EUR 1 billion) of the difference between the increased and the new (lower) nominal value of the common shares will be paid back to the holders of common shares.

#### **AUTHORIZATIONS**

The update of the Program was duly authorized by a resolution of the Management Board dated March 21, 2014. 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 December 29, 2013, 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 December 29, 2013, being the end of the last financial period for which financial information has been published.

#### **LEGAL PROCEEDINGS**

Save as disclosed on pages 17 to 18 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 retailing group based in the Netherlands. Operating supermarkets and selling food has been our core business for over a century. We also offer other formats and channels to serve the needs of today's customer. It is our goal to build a true omni-channel offering, so that our customers can shop whenever and wherever is most convenient for them.

## Our formats

<b>Supermarkets</b>	<b>Convenience stores</b>	<b>Compact hypers</b>	<b>Specialty stores</b>
<b>Geography</b> Netherlands, Belgium, Czech Republic, United States	<b>Geography</b> Netherlands, Germany	<b>Geography</b> Czech Republic	<b>Geography</b> Netherlands
<b>Offering</b> Full range of food and selected non-food products. Emphasis on fresh products	<b>Offering</b> Quick food solutions for on-the-go customers	<b>Offering</b> Full range of food and selected non-food products. Emphasis on fresh products	<b>Offering</b> One chain offers health and beauty care products; another offers wine and liquor
<b>Online food delivery</b>	<b>Online non-food delivery</b>	<b>Pick-up points</b>	<b>Gasoline stations</b>
<b>Geography</b> Netherlands, United States	<b>Geography</b> Netherlands, Belgium	<b>Geography</b> Netherlands, United States	<b>Geography</b> Czech Republic, United States
<b>Offering</b> Full range of food and selected non-food products	<b>Offering</b> Wide non-food range	<b>Offering</b> Full range of food and selected non-food products. Customers order online for pickup at designated locations	<b>Offering</b> Gasoline and, in some locations, a small range of convenience products

## Organizational structure

We operate our businesses from three platforms, Ahold Netherlands, Ahold Czech Republic and Ahold USA. The Ahold group is led by an Executive Committee, as of September 1, 2013. Our new Executive Committee leadership structure is implemented to enable us to accelerate our Reshaping Retail strategy, simplifying our governance structure and decision-making process, and to ensure that Ahold's business and functional leaders are represented at the highest possible level. Prior to September 1, 2013, Ahold was led by a Corporate Executive Board.

## STRATEGY

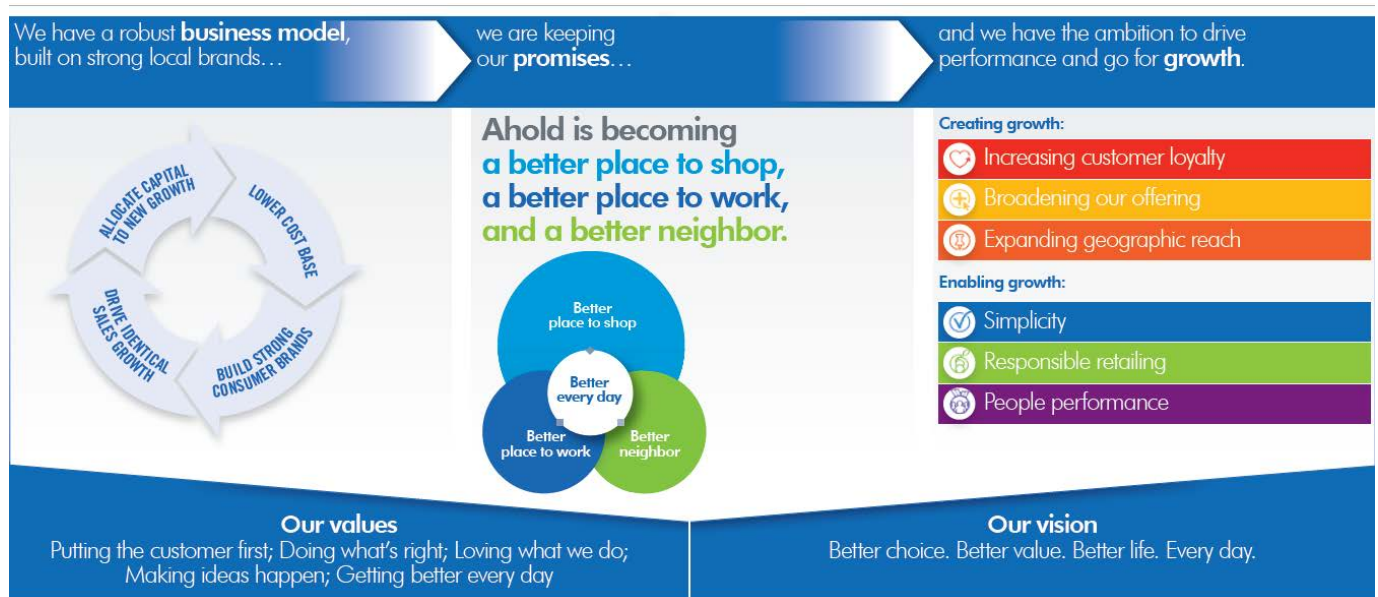
With Ahold's strategy to reshape retail we are trying to meet the changing needs of consumers today and accelerate the growth of our Company in the future.

Through our promises we try becoming a better place to shop, a better place to work and a better neighbor every day. Through our pillars, we intend to create growth by increasing customer loyalty, broadening our offering and expanding our geographical reach; and enabling this growth through responsible retailing, simplifying our business and developing our people.

By providing a more personalized, omni-channel shopping experience that enables our customers to shop whenever and wherever they choose, we want to make our brands their first choice, every day.

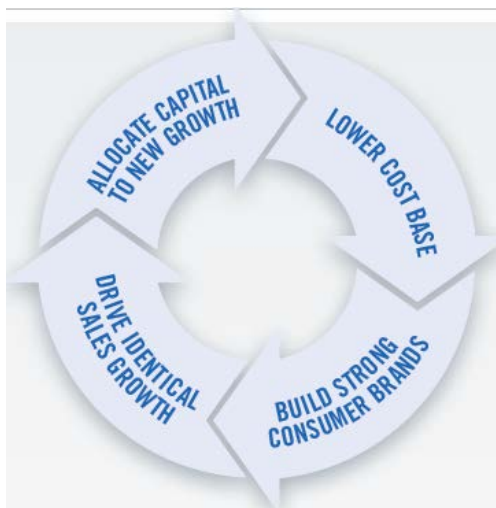
## Ahold's Reshaping Retail framework

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



## Our business model

Our business model is at the heart of our strategy. The model is a continuous circle in which we work to lower our cost base so that we can invest in price, value, and the products and services we offer.



## BUSINESS OVERVIEW AND PERFORMANCE

Net sales in 2013 were €32.6 billion, down 0.2% compared to 2012. At constant exchange rates, net sales grew 2.0%.

In an environment of modest top-line growth, cost control is extremely important and remains an integral part of our strategy. By the end of 2013, we were ahead of plan on our three-year (2012-2014) €600 million cost savings program, having delivered approximately €480 million to date.

Our underlying operating margin was 4.2%, down from 4.3% in 2012. Operating income was €1.2 billion. In 2013, free cash flow amounted to €1.1 billion.



In the Netherlands, following our 2012 agreement with Jumbo to transfer 82 stores, we converted 24 more former C1000 supermarkets into our Albert Heijn format in 2013, bringing the total to 39 stores. We also further expanded our Albert Heijn business in Belgium, a market we entered in 2011, by opening an additional eight supermarkets, bringing the total to 19 at year-end.

By the end of 2013, we operated 59 Albert Heijn to go convenience stores in the Netherlands and five in Germany, where we introduced this format in 2012.

In the Czech Republic, we took additional steps intending to enhance our customer proposition and continued to gradually improve profitability this year. After reviewing our strategic options, we decided to exit Slovakia, where we had a limited market position. This will enable management to focus more on driving the improvement of our business in the Czech Republic.

At Ahold USA, we closed some unprofitable stores and exited the New Hampshire market, as our stores here had not achieved their performance goals after many years of investment.

Overall we opened 112 new pick-up points in the United States, bringing the total to 120. In the Netherlands, Albert Heijn online opened 14 new pick-up points, bringing the total to 17.

In addition, bol.com and Albert Heijn completed the rollout of pick-up points in over 700 Albert Heijn stores for orders placed at bol.com.

In 2013, we divested our 60% stake in ICA for €2.5 billion (including dividend). In order to maintain an efficient capital structure and to return proceeds to shareholders, we increased the €500 million share buyback program initiated in March 2013 to €2 billion. We are also in the process of executing a €1 billion capital repayment with a reversed stock split to take place in the first quarter of 2014.

### **Results from operations**

Ahold's 2013 and 2012 (as restated) consolidated income statements are summarized as follows:

€ million	2013	% of net sales	2012 <sup>1</sup>	% of net sales
Net sales	32,615	100.0%	32,682	100.0%
Gross profit	8,682	26.6%	8,618	26.4%
Underlying operating expenses	(7,303)	(22.4)%	(7,206)	(22.1)%
Underlying operating income	1,379	4.2%	1,412	4.3%
Impairments	(83)		(37)	
Gains on the sale of assets	28		21	
Restructuring and related charges	(85)		(60)	
Operating income	1,239	3.8%	1,336	4.1%
Net financial expense	(291)		(208)	
Income taxes	(153)		(267)	
Share in income of joint ventures	10		8	
Income from continuing operations	805	2.5%	869	2.7%
Income from discontinued operations	1,732		46	
Net income	2,537	7.8%	915	2.8%

<sup>1</sup> See Note 3 to the consolidated financial statements included in the Ahold 2013 Annual Report for an explanation of the restatements.

#### *Net sales*

Net sales in 2013 were €32.6 billion, down 0.2% compared to 2012. At constant exchange rates, net sales growth was 2.0%. We delivered sales growth in both the United States and the Netherlands, despite market conditions that remained challenging. The Czech Republic reported negative sales growth. Our net sales grew due to identical sales growth, store remodeling and expansion, new store openings, and the impact of the full-year's sales from our acquisitions made during 2012 (bol.com, 15 Genuardi's stores in the United States and 39 stores in the Netherlands that were converted after the agreement to transfer 82 stores from Jumbo). Our online businesses contributed over 3% to Ahold's net sales in 2013.

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

#### *Ahold USA*

Net sales, at \$26.1 billion, increased by 1.1% in 2013. Identical sales, excluding gasoline, increased by 0.3%. Sales growth benefitted primarily from acquired and new stores, and effective loyalty programs. A negative impact on the 2013 sales growth resulted from Hurricane Sandy and the closure of 14 stores including the exit from the New Hampshire market. Our online business Peapod launched virtual grocery stores and opened 112 pick-up points where customers can drive up and pick up their online orders, bringing the total to 120.

#### *The Netherlands*

Net sales amounted to €11.5 billion in 2013, an increase of 4.0% compared to last year. Identical sales increased by 0.6%. For the full year, market share at Albert Heijn increased slightly, to 33.8%, positively impacted by the conversion of 24 former C1000 supermarkets. Other factors that positively impacted sales growth were the continued growth of bol.com and the opening of additional supermarkets in Belgium. At Albert

Heijn, transactions in identical stores remained broadly stable while basket size continued to be under pressure. Albert Heijn online opened an additional 14 pick-up points, expanding its geographical reach within the Netherlands and doubling its assortment to over 20,000 products.

#### *Czech Republic*

Net sales amounted to €1.4 billion in 2013, a decrease of 4.7%, or 1.5% at constant exchange rates. Identical sales excluding gasoline decreased by 1.5% as the market remained under pressure, significantly impacted by increases in the value-added tax rates in 2012 and 2013, which negatively affected consumer buying power.

million	2013	2012	Sales growth	Identical sales growth <sup>1</sup>	Identical sales growth ex gas <sup>1</sup>
Ahold USA (\$)	<b>26,118</b>	25,845	1.1%	0.2%	0.3%
Czech Republic (CZK)	<b>37,522</b>	38,084	(1.5)%	(1.7%)	(1.5%)
€ million					
Ahold USA	<b>19,676</b>	20,112	(2.2)%	0.2%	0.3%
The Netherlands	<b>11,494</b>	11,054	4.0%	0.6% <sup>2</sup>	0.6% <sup>2</sup>
Czech Republic	<b>1,445</b>	1,516	(4.7)%	(1.7%)	(1.5%)
<b>Total</b>	<b>32,615</b>	32,682	(0.2)%	0.3%	0.3%

<sup>1</sup> The non-GAAP financial measure of identical sales being: net sales from exactly the same stores and online sales in existing market areas, in local currency for the comparable period, and the non-GAAP financial measure of identical sales excluding gas being: because gasoline prices have experienced greater volatility than food prices, Ahold's management believes that by excluding gasoline net sales, this measure provides a better insight into the growth of its identical store sales.

<sup>2</sup> Identical sales growth in the Netherlands excludes the VAT on tobacco sales. The non-GAAP financial measure of identical sales, excluding the VAT on tobacco sales being: Until July 1, 2013, Value Added Tax (VAT) on tobacco products sold in the Netherlands was levied over the retail price at the same time as the excise duties were due. From July 1, 2013, levying VAT on tobacco products was aligned with the mechanism of levying VAT on all other consumer products. The result is a reduction in recognized net sales related to tobacco products without a corresponding reduction in volume or gross margin. Ahold's management believes that excluding the pre- as well as the post July 1, 2013 VAT from tobacco sales in the measure of identical sales provides a better insight into the growth of its identical store sales.

#### *Operating income*

In 2013, operating income was €1,239 million, down €97 million or 7.3% compared to 2012. Underlying operating income (which excludes impairments, gains on the sale of assets, restructuring and related charges, and other unusual items listed below) was €1,379 million in 2013, down €33 million or 2.3% (down 0.5% at constant exchange rates). Underlying operating margin, at 4.2% of net sales in 2013, was 0.1 percentage point lower compared to 2012. This was due to higher pension expense in the Netherlands as well as investments in both value and growth in our main markets, which were partly compensated by cost savings from our simplicity program.

#### *Ahold USA*

Ahold USA achieved an underlying operating income of \$1,064 million, which was \$32 million lower than last year. Underlying operating profit margin at 4.1% decreased by 0.1 percentage point. In a competitive environment, operational improvements and simplification were more than offset by challenged volume growth, resulting in increased expenses as a percentage of sales. 2013 operating income included \$181 million (€138 million) of unusual items (see further below).

#### *The Netherlands*

The Netherlands reported an underlying operating income of €619 million, an improvement of €4 million over last year. The year-over-year underlying margin was down 0.2 percentage points to 5.4%, primarily impacted by higher non-cash pension charges. Continued cost savings initiatives helped fund price investments in an intensified promotional environment. 2013 operating income included €7 million of unusual items (see further below).

#### *Czech Republic*

Albert reported an underlying operating income of €30 million, an improvement of €3 million over last year. Underlying operating profit margin, at 2.1%, improved by 0.3 percentage points over last year.

#### *Corporate Center*

Underlying Corporate Center costs were €71 million, down €11 million compared to 2012. Excluding the impact of our self-insurance activities, underlying Corporate Center costs were €84 million, €2 million higher than last year.

Underlying operating income and underlying operating income margin for 2013 and 2012 (as restated) were as follows:

million	Underlying operating income			Underlying operating margin		
	2013	2012 <sup>1</sup>	% Change	2013	2012 <sup>1</sup>	% pt Change
Ahold USA (\$)	<b>1,064</b>	1,096	(2.9)%	<b>4.1%</b>	4.2%	(0.1)%
€ million						
Ahold USA	<b>801</b>	852	(6.0)%	<b>4.1%</b>	4.2%	(0.1)%
The Netherlands	<b>619</b>	615	0.7%	<b>5.4%</b>	5.6%	(0.2)%
Czech Republic	<b>30</b>	27	11.1%	<b>2.1%</b>	1.8%	0.3%
Corporate Center	<b>(71)</b>	(82)	13.4%			
<b>Total</b>	<b>1,379</b>	1,412	(2.3)%	<b>4.2%</b>	4.3%	(0.1)%

<sup>1</sup> See Note 3 to the consolidated financial statements included in the Ahold 2013 Annual Report for an explanation of the restatements.

#### *Impairment of assets*

Ahold recorded the following impairments and reversals of impairments of assets (primarily related to stores) in 2013 and 2012 (as restated):

€ million	2013	2012 <sup>1</sup>
Ahold USA	<b>(75)</b>	(36)
The Netherlands	<b>(9)</b>	(1)
Czech Republic	<b>1</b>	—
<b>Total</b>	<b>(83)</b>	(37)

<sup>1</sup> See Note 3 to the consolidated financial statements included in the Ahold 2013 Annual Report for an explanation of the restatements.

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

#### *Gains and losses on the sale of assets*

Ahold recorded the following gains on the sale of non-current assets in 2013 and 2012:

€ million	2013	2012
Ahold USA	25	4
The Netherlands	2	7
Czech Republic	–	–
Corporate Center	1	10
<b>Total</b>	<b>28</b>	<b>21</b>

*Restructuring and related charges and other items*

Restructuring and related charges and other items in 2013 and 2012 (as restated) were as follows:

€ million	2013	2012 <sup>1</sup>
Ahold USA	(88)	(85)
The Netherlands	–	31
Czech Republic	–	–
Corporate Center	3	(6)
<b>Total</b>	<b>(85)</b>	<b>(60)</b>

<sup>1</sup> See Note 3 to the consolidated financial statements included in the Ahold 2013 Annual Report for an explanation of the restatements.

In 2013, restructuring and related charges at Ahold USA included €63 million of costs related to reducing our exposure to our U.S. multi-employer pension plans through negotiations with the New England Teamsters and Trucking Industry Pension Fund as well as a €23 million restructuring provision related to our exit from New Hampshire.

In 2012, we wrote down €88 million (\$116 million) of capitalized software development costs at Ahold USA. Ahold had been conducting parallel implementations of a suite of retail applications in the United States and Europe. Following a review of our systems development strategy we decided to focus our resources on the development of the retail suite in Europe where we already had several elements successfully implemented. In the U.S., we decided to focus on areas likely to provide the greatest benefits, such as customer loyalty, point-of-sale and e-commerce. In the Netherlands, restructuring and related charges resulted from a gain on pension curtailment (€36 million). Corporate Center included acquisition costs (€6 million) related to the acquisition of bol.com.

*Net financial expense*

Net financial expense, at €291 million, increased by €83 million compared to 2012.

Excluding interest income and expense on defined benefit pension plans, net interest expense of €218 million was €6 million lower than in 2012. This was primarily the result of a weaker U.S. dollar against the euro in 2013, and it fell at the higher end of our guidance of €200-€220 million.

Net interest expense on defined benefit pension plans increased by €41 million in 2013.

Other financial expense of €49 million was higher by €48 million compared to 2012 and primarily related to €35 million of valuation adjustments related to notes and derivatives, and an €11 million one-time adjustment to a financial liability.

#### *Income taxes*

In 2013, income tax expense was €153 million, down €114 million compared to last year. This was due to lower income, one-time transactions and from movements in income tax contingency reserves. The effective tax rate, calculated as a percentage of income before income taxes, was 16.1% (2012 as restated: 23.7%).

#### *Share in income of joint ventures*

Ahold's share in income of joint ventures, which relates primarily to our 49% shareholding in JMR, was €10 million in 2013, up by €2 million compared to last year. For further information about joint ventures, see Note 14 to the consolidated financial statements included in the Ahold 2013 Annual Report.

#### *Income from discontinued operations*

The main contributor to the €1,732 million income from discontinued operations in 2013 was a gain on the sale of our 60% stakeholding in ICA of €1,751 million.

In February 2013, we announced that that we reached an agreement with Hakon Invest of Sweden regarding the sale of Ahold's 60% holding in Scandinavian retailer ICA for SEK 21.2 billion in cash (€2.5 billion), which included ICA's 2012 dividend of SEK 1.2 billion. Ahold presented a new growth strategy in 2011, and aims to focus the execution of this strategy on businesses it controls in order to create value. The transaction was subject to regulatory approvals, as well as approval by the ICA Retailers' Association (ICA Forbundet) for the financing of the transaction, both of which were successfully met in March 2013.

In November 2013, we announced that we had reached an agreement with Condorum regarding the sale of Ahold's Slovakian business. Ahold carefully reviewed its strategic options and decided to sell the business as it has a limited market position in Slovakia. An exit from this country enables management to focus on the continued improvement of our business in the Czech Republic. The financial details of the transaction have not been disclosed but are not material for Ahold. The transaction is expected to close in the first half of 2014, and is subject to customary conditions. Ahold Slovakia operated 24 stores, with net sales of €139 million in 2013.

In 2013 and 2012, 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 included in the Ahold 2013 Annual Report.

#### *Earnings and dividend per share*

Basic income from continuing operations per common share was €0.79, a decrease of €0.05 or 6% compared to 2012. This decrease was primarily driven by the unusual items discussed above.

The average number of outstanding common shares decreased as a result of the shares repurchased under the €2 billion share buyback program that we commenced in March 2013. The value of shares repurchased in 2013 amounted to €768 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.

As part of our dividend policy we adjust income from continuing operations for significant nonrecurring items. Adjusted income from continuing operations amounted to €807 million and €921 million in 2013 and 2012 as restated, respectively, and was determined as follows:

€ million	2013	2012 <sup>1</sup>
<b>Income from continuing operations</b>	<b>805</b>	869
<b>Income from continuing operations per share</b>	<b>0.79</b>	0.84
Add-back (after-tax):		
Multi-employer pension plan settlement with the New England Teamsters and Trucking Industry Pension Fund	39	–
Movements in income tax contingency reserves	(37)	
Write-down of capitalized software development costs	–	52
<b>Adjusted income from continuing operations</b>	<b>807</b>	921
<b>Adjusted income from continuing operations per share</b>	<b>0.79</b>	0.89

<sup>1</sup> Including restatements, see Note 3 to the consolidated financial statements included in the Ahold 2013 Annual Report for an explanation of the restatements.

We propose a common stock dividend of €0.47 for the financial year 2013, up 7% from last year. It represents a payout ratio of around 51%, based on the expected dividend payment on adjusted income from continuing operations.

In 2013, the ICA divestment resulted in lower income from continuing operations. The cash received from the sale of ICA is being returned to shareholders through the €1 billion capital repayment and reverse stock split, which we expect to complete by the end of the first quarter, and the €2 billion share buyback program, which is to be completed by December 2014. These shareholder returns will result in a reduction in the number of outstanding shares and dividend payment. The payout ratio of 51% in 2014 is marginally outside our dividend policy to target a payout ratio in the range of 40-50% of adjusted income from continuing operations, due to the temporary impact of the ICA sale.

### **Financial position**

Ahold's consolidated balance sheets as of December 29, 2013 and of December 30, 2012 are summarized as follows:

€ million	December 29, 2013	% of total	December 30, 2012 <sup>1</sup>	% of total
Property, plant and equipment	5,712	37.7%	6,038	41.4%
Intangible assets	1,563	10.3%	1,569	10.8%
Pension assets	5	0.0%	23	0.2%
Other non-current assets	1,594	10.5%	2,526	17.3%
Cash, cash equivalents and short-term deposits and similar instruments	3,963	26.2%	1,886	13.0%
Inventories	1,450	9.6%	1,492	10.2%
Other current assets	855	5.7%	1,038	7.1%
<b>Total assets</b>	<b>15,142</b>	<b>100.0%</b>	<b>14,572</b>	<b>100.0%</b>
Equity	6,520	43.1%	5,146	35.3%
Non-current portion of long-term debt	2,873	19.0%	3,107	21.3%
Pensions and other post-employment benefits	348	2.3%	643	4.4%
Other non-current liabilities	1,259	8.3%	1,249	8.6%
Short-term borrowings and current portion of long-term debt	148	1.0%	139	1.0%
Payables	2,387	15.7%	2,667	18.3%
Other current liabilities	1,607	10.6%	1,621	11.1%
<b>Total equity and liabilities</b>	<b>15,142</b>	<b>100.0%</b>	<b>14,572</b>	<b>100.0%</b>

<sup>1</sup> Including restatements, see Note 3 to the consolidated financial statements included in the Ahold 2013 Annual Report for an explanation of the restatements.

Property, plant and equipment decreased by €326 million as capital expenditures were more than offset by depreciation, impairments and the weakening of the U.S. dollar against the euro.

For the total Group, our defined benefit plans showed a net deficit of €343 million at year-end 2013 compared to a net deficit of €620 million at year-end 2012. This improvement was primarily due to a 0.8% increase in the discount rate in the United States, a decrease in the future salary increase assumption of 0.5% in both the Dutch and U.S. plans, a removal of disbursement costs from the Dutch plans' defined benefit obligations (€102 million), as well as positive investment results on the plan assets and cash contributions made to the plans.

A significant number of union employees in the United States are covered by multi-employer plans. With the help of external actuaries, we have updated the most recent available information that these plans have provided (generally as of December 31, 2012) for market trends and conditions through the end of 2013. We estimate our proportionate share of the total net deficit to be \$662 million (€481 million) at year-end 2013 (2012: \$967 million or €732 million). The decreased exposure to U.S. multi-employer pension plans is partly the result of a settlement with the New England Teamsters and Trucking Industry Pension Fund in 2013. 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 included in the Ahold 2013 Annual Report.

A decrease in other non-current assets primarily reflects the divestment of ICA in 2013.



Equity increased by €1,374 million, mainly as a result of the current year's net income, which included a gain on the sale of ICA of €1,751 million, partially offset by the dividend payment related to 2012 of €457 million and the €768 million share buyback on the €2 billion program.

In 2013, gross debt decreased by €225 million to €3.0 billion, primarily due to the weakening of the U.S. dollar against the euro and the regular payments on finance lease liabilities. Ahold's net debt was negative €942 million as of December 29, 2013, down €2,302 million compared to last year. This reflects both our cash generation and the receipt of proceeds from the divestment of ICA, including a dividend, partly offset by our share buyback program and common stock dividend.

Net debt does not include our commitments under operating lease contracts, which, on an undiscounted basis, amounted to €5.3 billion at year-end 2013.

These off-balance sheet commitments impact our capital structure. The present value of these commitments is added to net debt to measure our leverage against EBITDAR (i.e. underlying operating income before depreciation, amortization and gross rent expense). The ratio of net lease-adjusted debt to EBITDAR stood at 0.9 times at year-end 2013, down from 1.8 times last year, distorted by a temporary increase in cash balance. Under normal conditions we expect to operate at around 2 times, which is consistent with our commitment to maintaining an investment grade credit rating.

## **Liquidity and cash flows**

### **Liquidity**

Ahold 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 and similar instruments) will be sufficient for working capital, capital expenditures, planned shareholder returns including dividend payments, current share buyback program and capital repayment, interest payments, and scheduled debt repayment requirements for the next 12 months and the foreseeable future. A total of €22 million in loans will mature in 2014, €0.4 billion in 2015 through 2018 and €0.9 billion after 2018.

As of year-end 2013, liquidity amounted to €5.0 billion (2012: €2.9 billion), defined as cash (including cash, cash equivalents and short-term deposits and similar instruments) of €4.0 billion and the undrawn portion of the committed credit facility of €1.0 billion.

We are aiming to continue to take a balanced approach between investing in the business, repaying debt, and returning cash to shareholders. The cash from the ICA divestment (as set out in more detail below) will effectively be returned to shareholders after the completion of the €1 billion capital repayment and reverse stock split, which was approved by shareholders in the Extraordinary General Meeting on January 21, 2014, and the €2 billion share buyback program, which is expected to be completed by December 2014.

Under normal conditions we expect to operate with liquidity of 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.

### *Group credit facility*

Ahold has access to a €1.2 billion committed, unsecured, multi-currency and syndicated credit facility which was re-financed in June 2011. In June 2013, the full amount of the facility was extended to June 2018. The facility may be used for working capital and for general corporate purposes and provides for the issuance of

\$550 million (€400 million) in letters of credit. As of December 29, 2013, there were no outstanding borrowings under the credit facility other than letters of credit to an aggregate amount of \$237 million (€172 million).

#### *Credit ratings*

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 July 2013, Moody's affirmed Ahold's Baa3 issuer credit rating and changed its outlook to positive from 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.

#### *Cash flows*

Ahold consolidated cash flows for 2013 and 2012 (as restated) are as follows:

€ million	2013	2012 <sup>1</sup>
Operating cash flows from continuing operations	2,051	2,112
Purchase of non-current assets	(811)	(910)
Divestment of assets / disposal groups held for sale	52	51
Dividends from joint ventures	27	21
Interest received	6	11
Interest paid	(216)	(234)
<b>Free cash flow</b>	<b>1,109</b>	<b>1,051</b>
Repayments of loans and finance lease liabilities	(94)	(533)
Dividends paid on common shares	(457)	(415)
Share buyback	(768)	(277)
Acquisitions / divestments of businesses, net of cash acquired / divested	2,343	(744)
Cash flows from discontinued operations	115	126
Other	(95)	126
<b>Change in cash, cash equivalents, and short-term deposits and similar instruments</b>	<b>2,153</b>	<b>(666)</b>
Changes in short-term deposits and similar instruments	(1,472)	155
<b>Net cash from operating, investing and financing activities</b>	<b>681</b>	<b>(511)</b>

<sup>1</sup> Including restatements, see Note 3 to the consolidated financial statements included in the Ahold 2013 Annual Report for an explanation of the restatements.

Free cash flow, at €1,109 million, increased by €58 million compared to 2012. Operating cash flows from continuing operations were down €61 million, primarily as a result of lower inflow from working capital and a weaker U.S. dollar against the euro in 2013. The purchase of non-current assets was lower by €99 million reflecting an increased focus on capital efficiency.

In 2013, the main uses of free cash flow included:

- Share buyback of €768 million on the €2 billion program planned to be completed by 2014
- Common stock dividend at €0.44 per share resulting in a cash outflow of €457 million

- Debt repayments totaling €94 million primarily related to regular payments on finance lease liabilities

### Capital investments and property overview

Capital expenditures, which include new finance leases, amounted to €0.8 billion in 2013, just below our guidance as we continue to focus on capital efficiency. Our investments were primarily related to the construction, remodeling and expansion of stores and supply chain (including online) and IT infrastructure improvements.

In 2012, capital expenditures of €1.9 billion also included the assets acquired with the acquisition of bol.com and 15 Genuardi's stores, and the transfer of 82 stores from Jumbo, including subsequent remodeling costs. Excluding acquisitions, capital expenditures in 2012 were €0.9 billion.

At the end of 2013, we operated 3,131 stores (including Slovakia), a net increase of 57 stores. Total sales area increased by 0.9% to 4.7 million square meters. This includes franchise stores and excludes the stores operated by our joint venture JMR.

	December 30, 2012	Opened / acquired	Closed / sold	December 29, 2013
Ahold USA	772	9	(14)	767
The Netherlands <sup>1</sup>	1,996	73	(13)	2,056
Czech Republic	282	2	–	284
Continuing operations	3,050	84	(27)	3,107
Slovakia	24	–	–	24
<b>Total number of stores</b>	<b>3,074</b>	<b>84</b>	<b>(27)</b>	<b>3,131</b>

<sup>1</sup> The number of stores as of December 29, 2013, includes 1,124 specialty stores (Etos and Gall & Gall). In addition, 24 C1000 stores were converted to the Albert Heijn banner during 2013.

Franchisees operated 850 Albert Heijn, Etos and Gall & Gall stores, 518 of which were either owned by the franchisees or leased independently from Ahold.

	Ahold	Franchisees	Total
Number of stores leased or owned	2,613	518	3,131
Number of stores subleased to franchisees	(332)	332	–
<b>Number of stores operated</b>	<b>2,281</b>	<b>850</b>	<b>3,131</b>

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).

At the end of 2013, Ahold operated 137 pick-up points, 126 more than in 2012. These were either stand-alone, in-store or office-based. In 2013, we opened 112 pick-up points in the U.S., bringing the total to 120, and 14 in the Netherlands bringing the total to 17.

The total number of retail locations, including the 2,613 stores owned or leased by Ahold and 11 pick-up points in stand-alone locations, amounted to 2,624 in 2013, higher by 35 compared to 2012.

We also operated the following other properties as of December 29, 2013:

Warehouses / distribution centers / production facilities / offices	84
Properties under construction / development	18
Investment properties	729
<b>Total</b>	<b>831</b>

The investment properties consist of buildings and land. Virtually all these properties were subleased to third parties. The majority were shopping centers containing one or more Ahold stores and third-party retail units generating rental income.

The following table breaks down the ownership structure of our 2,624 retail locations and 831 other properties as of December 29, 2013:

% of total	Retail locations	Other properties
Company-owned	20%	39%
Leased	80%	61%
of which		
Finance leases	13%	8%
Operating leases	67%	53%

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

#### Ahold USA

Number of stores	2013	2012
Stop & Shop New England	215	219
Stop & Shop New York Metro	182	184
Giant Landover	170	171
Giant Carlisle	200	198
<b>Total Ahold USA</b>	<b>767</b>	<b>772</b>
Sales area of own-operated stores (in thousands of square meters)	2,941	2,955

Ahold USA decreased its number of stores by five, net of nine openings and 14 closures, including our exit from the New Hampshire market. Peapod opened another 112 pick-up points, bringing the total to 120 in 2013.

In 2013, the Ahold USA divisions remodeled, expanded, relocated or reconstructed 46 stores as part of their continuous focus on keeping stores fresh and up-to-date. Total investments at Ahold USA amounted to around

3% of sales and ranged from new stores to investments in IT, distribution centers, and minor construction work in the stores.

At the end of 2013, Ahold USA operated 230 fuel stations, an increase of 19 stations over last year, the majority of which are located in the Stop & Shop New England and Giant Carlisle market areas.

#### *The Netherlands*

Number of stores	2013	2012
Albert Heijn: the Netherlands	849	818
Albert Heijn: Belgium	19	11
Albert Heijn to go: the Netherlands	59	59
Albert Heijn to go: Germany	5	3
Etos	538	538
Gall & Gall	586	567
<b>Total The Netherlands</b>	<b>2,056</b>	<b>1,996</b>
Sales area of own-operated stores (in thousands of square meters)	935	915

In 2013, we opened an additional 60 stores net of closings, bringing the total to 2,056. This year, 24 former C1000 stores were converted to the Albert Heijn brand, bringing the total converted stores to 39. These converted stores were part of the 2012 transfer of 82 stores from Jumbo. We also opened another eight stores in Belgium, bringing the total number of stores there to 19.

Albert Heijn online opened another 14 pick-up points, bringing the total to 17 in 2013.

Additionally, Albert Heijn completed the rollout of bol.com pick-up points in 700 Albert Heijn stores.

In the Netherlands, our businesses remodeled, expanded, relocated or reconstructed 102 stores as part of their continuous focus on keeping stores fresh and up-to-date. Total investments in the Netherlands amounted to around 3% of sales and ranged from opening new stores to investing in IT, distribution centers, and minor construction work in the stores.

#### *Czech Republic*

Number of stores	2013	2012
Czech Republic	284	282
Sales area of own-operated stores (in thousands of square meters)	393	391

In 2013, Albert's main focus areas were the project started in 2011 to remodel all its hypers to a new format and the opening of new and improved delis in all its supermarkets. Albert continued the rollout of the new compact hyper format in 2013, bringing the total new compact hypers to 16 stores at year-end. At the end of 2013, Albert operated 284 stores in the Czech Republic, 13 of which were hypers, 43 compact hypers, and 228 supermarkets.

## HIGHLIGHTS BY SEGMENT

### Joint ventures

Stake  
**49%**

Net sales  
**€3,432 million**

Our brands



Ahold holds 49% of the shares in the joint venture JMR, and shares equal voting power on JMR's board of directors with Jerónimo Martins, SGPS, S.A.

### The Netherlands

The Netherlands, Belgium and Germany

Net sales  
**€11,494 million**  
+4.0% growth



Underlying operating income  
**€619 million**  
5.4% Underlying operating margin



\* Before Corporate Center costs

Stores  
**2,056**



Pick-up points  
**17**



Associates  
**94,000**



Our brands<sup>1</sup>



etos

Call Call

bol.com

## Ahold USA

Net sales

€19,676 million

+1.1% growth in local currency



Underlying operating income

€801 million

4.1% Underlying operating margin



\* Before Corporate Center costs

Stores



Pick-up points



Associates



Our brands



## Czech Republic

Net sales

€1,445 million

-1.5% growth in local currency



Underlying operating income

€30 million

2.1% Underlying operating margin



\* Before Corporate Center costs

Stores



Associates



Our brands



On March 11, 2014 Ahold announced that it has entered into an agreement to acquire SPAR's business in the Czech Republic for an enterprise value of CZK 5,245 million. The acquisition will be funded from existing cash resources and is subject to merger clearance.

Ahold will acquire 50 stores, of which 36 are compact hypers and 14 are supermarkets. This acquisition is in line with Ahold's strategy to expand its geographic reach in both current and adjacent markets, and focus on leading market positions. Ahold has had a presence in the Czech Republic since 1991 and has developed the business under the Albert brand name.

Ahold currently operates 284 Albert supermarkets and compact hypers in the Czech Republic. Following the acquisition of SPAR, the company will have over 330 stores.



# SELECTED FINANCIAL INFORMATION

## **A caution to readers**

The selected financial information of this Base Prospectus for the years 2013 and 2012 has been derived from the consolidated financial statements of Koninklijke Ahold N.V. as included in the Ahold 2013 Annual Report. The consolidated financial statements for the year 2013 have been audited by PricewaterhouseCoopers Accountants N.V. For the auditor's report of the consolidated financial statements as included in the Ahold 2013 Annual Report we refer to pages 168 to 171 of the Ahold 2013 Annual Report. The selected financial information does not contain all of the information provided by the full financial statements of Ahold as included in the Ahold 2013 Annual Report and is qualified in its entirety by reference to such financial statements and the discussion in the Ahold 2013 Annual Report of risks that could have a material adverse effect on Ahold's financial position, results of operations, or liquidity. The Ahold 2013 Annual Report is available at <https://www.ahold.com/#!/Year-in-review-2013.htm>.

The consolidated financial statements of Koninklijke Ahold N.V. for the year 2012, prior to the adjustments for the changes in pension accounting under IAS 19R and change in presentation due to announcement of sale of Slovakia, were audited by other independent accountants (Deloitte Accountants B.V.), whose report dated February 27, 2013 was unqualified. During 2013 it was necessary to make certain adjustments to the audited financial statements for the year 2012, as a result of changes in pension accounting under IAS 19R, as well as in relation to the announced sale of Slovakia. It should be noted that PricewaterhouseCoopers Accountants N.V. has not audited or reviewed the Company's financial statements for the year ending December 30, 2012, or any preceding years, neither has PricewaterhouseCoopers Accountants N.V. performed any other procedures with respect thereto. Accordingly, PricewaterhouseCoopers Accountants N.V. is unable to and does not express any opinion or any other form of assurance on those financial statements or the data derived therefrom.

The selected financial information as set out on page 59 of this Base Prospectus for the year 2012 has been derived from the consolidated financial statements as included in the Ahold 2013 Annual Report and reflect the adjustments for the changes in pension accounting under IAS 19R and change in presentation due to announcement of sale of Slovakia.

## **Basis of preparation**

Ahold's consolidated financial statements, from which this selected financial information has been derived, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code. Ahold's financial year is a 52- or 53-week period ending on the Sunday nearest to December 31. Financial year 2013 consisted of 52 weeks and ended on December 29, 2013. The comparative financial year 2012 consisted of 52 weeks and ended on December 30, 2012.

The selected financial information includes the following non-IFRS financial measures:

### *Free cash flow*

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

### *Gross debt*

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

*Net debt*

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

**Results, cash flow and other information**

€ million, except per share data	2013	2012 <sup>1</sup>
Net sales	<b>32,615</b>	32,682
Operating income	<b>1,239</b>	1,336
Net interest expense	<b>(242)</b>	(207)
Income from continuing operations	<b>805</b>	869
Income from discontinued operations	<b>1,732</b>	46
Net income	<b>2,537</b>	915
Net income per common share (basic)	<b>2.48</b>	0.88
Net income per common share (diluted)	<b>2.39</b>	0.85
Income per common share from continuing operations (basic)	<b>0.79</b>	0.84
Income per common share from continuing operations (diluted)	<b>0.77</b>	0.81
Dividend per common share	<b>0.47</b>	0.44
Free cash flow	<b>1,109</b>	1,051
Net cash from operating, investing and financing activities	<b>681</b>	(511)
Capital expenditures (including acquisitions) <sup>2</sup>	<b>843</b>	1,876
Capital expenditures as % of net sales	<b>2.6%</b>	5.7%
Average exchange rate (€ per \$)	<b>0.7533</b>	0.7782

1. See Note 3 to the consolidated financial statements included in the Ahold 2013 Annual Report for an explanation of the restatements.

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	December 29, 2013	December 30, 2012 <sup>1</sup>
Equity <sup>2</sup>	<b>6,520</b>	5,146
Gross debt	<b>3,021</b>	3,246
Cash, cash equivalents, and short-term deposits and similar instruments	<b>3,963</b>	1,886
Net debt	<b>(942)</b>	1,360
Total assets	<b>15,142</b>	14,572
Common shares outstanding (in millions) <sup>2</sup>	<b>982</b>	1,039
Year-end exchange rate (€ per \$)	<b>0.7277</b>	0.7566

1. See Note 3 to the consolidated financial statements included in the Ahold 2013 Annual Report for an explanation of the restatements.

2. In 2013, €768 million was returned to shareholders through a share buyback (2012: €277 million).

## 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 28, 2014 (the "**Agency Agreement**") made between the Issuer and BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank (in such capacity the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes in the standard Euromarket form (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. 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;

unless specified otherwise in the applicable Final Terms.

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

"**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 to the consolidated financial statements respectively of the Ahold 2013 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 is a Senior Note, as indicated in the applicable Final Terms.

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

This Note may be an Installment Note, a Note with Redemption above par, a Note with Redemption at par, or a Note with Redemption below par, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

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

Subject as set out below, title to the Notes, 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 depository 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 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.

## **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 from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year up to and including the Maturity Date.

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

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

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

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

(b) Interest on Floating Rate Notes

- (i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

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

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

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

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

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

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

(A) ISDA Determination for Floating Rate Notes

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

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

(B) Screen Rate Determination for Floating Rate Notes

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

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

Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

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

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

(iii) Minimum and/or Maximum Rate of Interest

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

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

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

The Agent, in the case of Floating Rate Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

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

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

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

(v) Notification of Rate of Interest and Interest Amount

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

the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(vi) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b), whether by the Agent or if applicable, the Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent, if applicable, the other Paying Agents and all Noteholders, 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) 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 Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of five years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons in respect of any such Talons will be issued.

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

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

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note 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 will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption for Tax Reasons

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

which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

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

(c)

A. Redemption at the Option of the Issuer (Issuer Call)

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

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

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

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

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

B. Issuer Refinancing Call

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

(i) not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms to the Noteholders in accordance with Condition 14; and

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

(both of which notices shall be irrevocable), at any time, or from time to time, on or after the date specified in the applicable Final Terms (being three months prior to the Maturity Date of the Notes) redeem all or some only of the Notes then outstanding on such redemption date (the "**Refinancing Repurchase Date**") at their nominal amount together, if appropriate, with interest accrued to (but excluding) the Refinancing Repurchase Date.

The Redeemed Notes (as defined in Condition 7(c)(A)) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the Selection Date (as defined in Condition 7(c)(A)). 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. 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 paragraph (B) 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 depository 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) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated at the amount specified in, or

determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms at its nominal amount; or

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

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

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

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

"**x**" is the Day Count Fraction specified in the applicable final terms, which will be either (i) 30/360 (in which case the numerator will be equal to the number of days calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360 or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365) (or, if any of the days elapsed falls in a leap year, the sum of (A) the number of those days falling in a leap year divided by 366 and (B) the number of those days falling in a non-leap year divided by 365),

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

- (f) 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) 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.

- (h) 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.

- (i) 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 95% of the shares or other equity interest carrying voting rights, may, at any time, substitute the Issuer (which for the purpose of this Condition, save where the context requires otherwise, includes any previous substitute of the Issuer) as the principal debtor in respect of the Notes (any company so substituting the Issuer, the 'Substituted Debtor'), and the Noteholders, 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](mailto: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](http://www.euronext.com)).

### Final Terms

Koninklijke Ahold N.V.

(incorporated under the laws of the Netherlands with limited liability and having its registered seat in Zaandam (municipality Zaanstad), the Netherlands and its principal place of business at (1506 MA) Zaandam, the Netherlands, Provincialeweg 11)

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

dated [•]

The expression "**Prospectus Directive**" means Directive 2003/71/EC (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 28, 2014 (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 Provincialeweg 11, 1506 MA, Zaandam, the Netherlands, where copies may also be obtained. Electronic copies can be obtained from the Issuer's website at <https://www.ahold.com/web/Financial-information/Other-financial-information.htm>.

These Final Terms shall be read in conjunction with the Terms and Conditions of the Notes (the "**Terms and Conditions**") set forth in the Base Prospectus. The Terms and Conditions, as supplemented, amended and/or 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 subparagraphs. Italics denote directions for completing the Final Terms.]*

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

1. Issuer: Koninklijke Ahold N.V.
2. [(i)] Series Number: [ ]  
[(ii)] Tranche Number: [ ]  
[(iii)] Date on which the Notes become Fungible [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [insert] below [which is expected to occur on or about [insert date]]].]  
*(Notes can only be fungible with Notes issued under this Base Prospectus)*
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].”*

(ii) Calculation Amount

[ ]

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

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

Form of Definitive Notes:

Standard Euromarket

7. (i) Issue Date:

[ ]

(ii) Interest Commencement Date

[Specify/Issue Date/Not Applicable]

8. Maturity Date:

*[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*

9. Interest Basis:

[[ ] per cent. Fixed Rate]  
[[specify reference rate] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
(further particulars specified below)

10. Redemption/Payment Basis:

[Redemption above par]  
[Redemption at par]  
[Redemption below par]  
[Installment]

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]  
[Issuer Refinancing Call]

[Not applicable]  
[(further particulars specified below)]

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

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

*PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE*

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

- (i) Rate[(s)] of Interest: [ ] per cent. per annum [payable [annually/semi-  
annually/quarterly/monthly/weekly/daily] in arrear]

- (ii) 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: [Actual/Actual(ICMA)][30/360]

- (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))]

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

- (i) Interest Period(s): [[ ] in each year, subject to adjustment in  
accordance with the Business Day Convention  
specified in (iv) below.]

- (ii) Specified Interest Payment Dates: [ ]

- (iii) First Interest Payment Date: [ ]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/No Adjustment/Preceding Business Day Convention/]
- (v) Business Centre(s): [ ]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Agent): of [ ]
- (viii) Screen Rate Determination:
- Reference Rate: [LIBOR/EURIBOR/relevant Reference Rate which is used for the currency of issue]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
- (ix) ISDA Determination:
- ISDA Definitions [2000 ISDA Definitions/2006 ISDA Definitions]
  - Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (x) Margin(s): [+/-] [ ] per cent. per annum
- (xi) Minimum Rate of Interest: [ ] per cent. per annum
- (xii) Maximum Rate of Interest: [ ] per cent. per annum
- (xiii) Day Count Fraction: [Actual/365 or Actual/Actual (ISDA)][Actual/365 (Fixed)][Actual 365 (Sterling)][Actual/360][30/360, 360/360 or Bond Basis][2006 ISDA Definitions and 30/360, 360/360 or Bond Basis][30E/360 or Eurobond Basis][2006 ISDA definitions and

30E/360 or Eurobond Basis][2006 ISDA Definitions  
30E/360 (ISDA)]

**17. Zero Coupon Note Provisions**

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

- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) [Day Count Fraction in relation to Early Redemption Amounts: [30/360 / Actual/Actual (ICMA/ISDA) / include any other option from the Conditions]]

*PROVISIONS RELATING TO REDEMPTION*

**18. Call Option**

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

- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: [ ] per Calculation Amount
  - (b) Maximum Redemption Amount: [ ] per Calculation Amount
- (iv) Notice period: [ ]  
*(N.B. if setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

**19. Issuer Refinancing Call**

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

- (i) Date from which the Issuer Refinancing Call may be exercised *(insert date three months prior to Maturity Date of the Notes)*
- (ii) Notice period: [ ]



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

20. **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: [ ]

21. **Final Redemption Amount of each Note**

[ ] per Calculation Amount

22. **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*

23. **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.)

24. Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/Applicable. *If applicable, provide dates.*] *Note that this paragraph relates to the date and place of payment and not interest period end dates to which paragraphs 15(ii) and 16(v) relate*
25. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, provide dates*]
26. Details relating to Installment Notes; amount of each installment, date on which each payment is to be made: [Not Applicable/Applicable. *If applicable, provide dates*]
27. Redenomination, renominalization and reconventioning provisions: [Not Applicable/The provisions in Condition [ ] apply]
28. Consolidation provisions: [Not Applicable The provisions in Condition [ ] apply]

**[PURPOSE OF FINAL TERMS**

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

(i) Admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [NYSE Euronext in Amsterdam/specify other relevant regulated and, if relevant, listing on an official list] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on NYSE Euronext in Amsterdam/specify other relevant regulated market and, if relevant, listing on an official list] with effect from [ ].] [Not Applicable].

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

(ii) Estimate of total expenses related to admission to trading:

[ ]

## 2. Ratings<sup>1</sup>

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]*]

*(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.]*

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

[[Insert 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. **[Fixed Rate Notes only - Yield]**

Indication of yield: [ ]  
Calculated as on the Issue Date.

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

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

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

### 6. **Operational Information**

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) WKN Code: [ ] [Not Applicable]
- (iv) [Other relevant code:] [Not Applicable/give name(s) and numbers(s)]
- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, 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): [ ]

**7. Distribution**

(i) [If syndicated, names and  
Addresses of Managers and  
underwriting commitments

[Not Applicable/ *give details*]

*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*

(A) Date of Syndication Agreement [ ]

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

(ii) If non-syndicated, name and address of  
Dealer:

[Not Applicable/*give name and address*]

(iii) Calculation agent:

[name and address]

(iv) US Selling Restrictions:

[TEFRA C][TEFRA D][TEFRA not applicable]

(v) Netherlands Selling Restriction:

[Provision as set out in Base Prospectus  
applies/does not apply]

## FORM OF THE NOTES

Each Tranche of Notes initially will (unless otherwise indicated in the applicable Final Terms) be represented by a temporary global note (the "**Temporary Global Note**"), or, if so specified in the applicable Final Terms, a permanent global note (the "**Permanent Global Note**"), without receipts, interest coupons or talons, which 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 taxes set forth below is included for general information purposes only.

### DUTCH TAXATION

This summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Notes issued on or after the date of this Base Prospectus. It does not purport to describe every aspect of taxation that may be relevant to a particular Holder of Notes (as defined below). Any potential investor should consult his tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in his particular circumstances.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this taxation summary the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands.

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

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 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, if it is a resident for tax purposes of Aruba, Curacao or St. Maarten and it derives profits from an enterprise carried on, in whole or in part, through a permanent establishment or a permanent representative in Bonaire, St. Eustatius or Saba 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 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 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 28, 2014 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.

Each Dealer represents and agrees, and each further Dealer appointed under the Program will be required to represent and agree, that – where no prospectus is required in accordance with the Prospectus Directive – any advertisement shall include a warning to that effect, unless the Issuer, the offeror or the person asking

for admission to trading chooses to publish a prospectus which complies with the Prospectus Directive as implemented in the Relevant Member State and the Prospectus Regulation.

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

## **The Netherlands**

1. Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree that it will comply with the requirement under the Dutch Savings Certificates Act (*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 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 1.3 below have the meanings given to them by Regulation S under the Securities Act. The Notes will be subject to Regulation S Compliance Category 2.

- 1.2 Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.
- 1.3 Each Dealer has agreed and each further Dealer appointed under the Program will be required to agree that, except as permitted by the Program Agreement, it will not offer, sell or deliver Notes, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and closing date for the offering of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes (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.

#### **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 the Management Board dated March 21, 2014. All consents, approvals, authorizations or other orders of all regulatory authorities required by the Issuer under the laws of the Netherlands and under the Articles of Association have been or will be obtained for the issue of Notes and for the Issuer to undertake and perform its obligations under the Program Agreement, the Agency Agreement and the Notes.

### **Listing**

Application has been made to Euronext Amsterdam to allow Notes issued under the Program to be admitted to trading on 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;
- (iii) the Ahold 2013 Annual Report, including Ahold's 2013 audited financial statements;
- (iv) the Ahold 2012 Annual Report, including Ahold's 2012 audited financial statements;
- (v) the Program Agreement;
- (vi) the Agency Agreement (which contains the forms of the Temporary and Permanent Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons) for inspection only, provided that a copy will be provided (i) to Noteholders upon request, or (ii) if required by law, by a court or any competent authority;
- (vii) a copy of this Base Prospectus;
- (viii) any future prospectuses, offering circulars, supplementary listing particulars, information memoranda, supplements to this Base Prospectus and any documents incorporated herein by reference; and
- (ix) the Final Terms for each Tranche of Notes.

### **Clearing and Settlement Systems**

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

#### *Clearing systems addresses*

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

### **Auditor**

The auditor of the Issuer is PricewaterhouseCoopers Accountants N.V., who has audited the consolidated financial statements of Koninklijke Ahold N.V. prepared in accordance with IFRS for the year ending December

29, 2013. In its auditor's report dated February 26, 2014 PricewaterhouseCoopers Accountants N.V. expressed an unqualified audit opinion on these financial statements. The partner of PricewaterhouseCoopers Accountants N.V. who signed the auditor's report for the aforementioned financial statements is a member of the Netherlands Institute of Chartered Accountants (*in Dutch: Nederlandse Beroepsorganisatie van Accountants*).

At the April 2013 General Meeting of Shareholders PricewaterhouseCoopers Accountants N.V. was appointed as Ahold's auditor with effect from the 2013 financial year based on the recommendation of the Supervisory Board. This recommendation followed from a competitive tender process that Ahold conducted in line with its views on good corporate governance and the Dutch corporate governance code. Additionally, the rotation in auditors was initiated in view of the developments on legislation on regular rotation of auditors which at that time seemed to be implemented shortly, but so far has not been implemented.

The auditor of the Issuer over the year 2012 was Deloitte Accountants B.V., who has audited the consolidated financial statements of Koninklijke Ahold N.V. prepared in accordance with IFRS for the year ending December 30, 2012. In its auditor's report dated February 27, 2013 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 Netherlands Institute of Chartered Accountants (*in Dutch: Nederlandse Beroepsorganisatie van Accountants*).

#### Post-issuance information

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

#### Ratings

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

#### Grading scale of Moody's and S&P

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

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

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

Ahold's current long-term corporate credit rating assigned by S&P is BBB with a stable outlook. S&P's also applied a rating of BBB for senior unsecured debt of Ahold.

The current rating of Ahold assigned by Moody's, on the basis of Issuer Rating, is Baa3 with a positive outlook. Moody's also applied a rating of Baa3 for senior unsecured debt of Ahold.

#### **Standard & Poor's**

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

#### **Moody's**

Outlook	Positive
Issuer Rating	Baa3
Senior Unsecured Debt	Baa3

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

#### **List of rated securities**

Issuer	Amount*	Currency	Coupon	Maturity	Series	S&P	Moody's
Ahold Finance U.S.A., LLC	250	GBP	6.5	14mar17	EMTN	BBB	Baa3
Ahold Lease U.S.A., Inc.	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. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been approved by the AFM or filed with it in accordance with the 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) Pages 73 to 172 of the Ahold 2013 Annual Report, including the independent auditor's report (to be consulted via <https://www.ahold.com/#!/Financial-information/Annual-reports.htm>);
- (b) Ahold's 2012 Annual Report, including (on pages 73 to 151) Ahold's 2012 audited financial statements (to be consulted via <https://www.ahold.com/#!/https://www.ahold.com/Media/Our-2012-Reports-are-now-available.htm>);
- (c) The Articles of Association as per the Publication Date of this Base Prospectus (in unofficial English translation, to be consulted via <https://www.ahold.com/web/show#!/web/Corporate-governance/Documentation.htm>); and

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](mailto: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](http://www.ahold.com).**

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

Provincialeweg 11  
1506 MA Zaandam  
The Netherlands

**LEGAL ADVISORS TO AHOLD**

*As to Dutch law*

**De Brauw Blackstone Westbroek N.V.**

Claude Debussylaan 80  
1070 AB Amsterdam  
The Netherlands

*As to Dutch tax law*

**Loyens & Loeff N.V.**

Blaak 31  
3011 GA Rotterdam  
The Netherlands

*As to U.S. law*

**White & Case LLP**

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

**THE DEALERS**

**ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**Goldman Sachs International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

**ING Bank N.V.**

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

**KBC Bank NV**

Havenlaan 2  
B-1080 Brussels  
Belgium

**J.P. Morgan Securities plc**

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**Merrill Lynch International**

2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**Mitsubishi UFJ Securities International plc**

Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9AJ  
United Kingdom

**Mizuho International plc**

Bracken House  
One Friday Street  
London EC4M 9JA  
United Kingdom



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

Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**The Royal Bank of Scotland plc**

135 Bishopsgate  
London EC2M 3UR  
United Kingdom

**Société Générale**

29, Boulevard Haussmann  
75009 Paris  
France

**U.S. Bancorp Investments, Inc.**

214 N. Tryon St., 26th floor  
Charlotte, NC 28202  
United States of America

**LEGAL ADVISOR TO THE DEALERS**

*As to Dutch law*

**Clifford Chance LLP**

Droogbak 1A  
1013 GE Amsterdam  
The Netherlands

**AUDITOR TO THE ISSUER**

**PricewaterhouseCoopers Accountants N.V.**

Thomas R. Malthusstraat 5  
1066 JR Amsterdam  
The Netherlands

**PRINCIPAL PAYING AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**

33, rue de Gasperich  
Howald - Hesperange  
L-2085 Luxembourg  
Luxembourg