

# BASE PROSPECTUS DATED APRIL 2, 2009

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



## Koninklijke Ahold N.V.

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

### Euro Medium Term Note Program

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

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

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

The Issuer may agree with the relevant Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which case a supplemental prospectus, if required, will be made available which will describe the effect of the agreement reached in relation to such Notes and, where

appropriate, which will be subject to the prior approval by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**").

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

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

Senior Notes issued under the Program may be rated or unrated. Where an issue of Senior Notes is rated, its rating will not necessarily be the same as the rating applicable to the Program. Subordinated Notes issued under the Program may be rated on a case by case basis as specified in the applicable Final Terms. 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 Directive 2003/71/EC of November 4, 2003 (the "**Prospectus Directive**") and relevant implementing measures in the Netherlands for the purpose of giving information with regard to the issue of Notes under the Program during the period of twelve months after the Publication Date. The Issuer may request the AFM to provide competent authorities in additional countries which are parties to the Agreement on the European Economic Area of March 17, 2003 (the "**EEA Agreement**") with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) and related regulations which implement the Prospectus Directive in Dutch law.

Arranger

THE ROYAL BANK OF SCOTLAND

Dealers

BANC OF AMERICA SECURITIES LIMITED

BARCLAYS CAPITAL

BNP PARIBAS

CITI

COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (Rabobank International)

GOLDMAN SACHS INTERNATIONAL

HSBC

J.P. MORGAN

THE ROYAL BANK OF SCOTLAND

This Base Prospectus will be published in electronic form on the website of Euronext Amsterdam and on April 2, 2009 (the "**Publication Date**") can be obtained by e-mail through [investor.relations@ahold.com](mailto:investor.relations@ahold.com) as of that same date. Provided that Notes are capable of being issued under the Program, copies of this Base

Prospectus will be available, free of charge, during normal office hours from the registered office of the Issuer. This Base Prospectus is issued in replacement of a prospectus dated April 15, 2008 and accordingly supersedes that earlier prospectus. It is valid for a period of 12 months from the Publication Date.

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## SUMMARY

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

Issuer: Koninklijke Ahold N.V.

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

Description: Euro Medium Term Note Program

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

Arranger: THE ROYAL BANK OF SCOTLAND PLC

Dealers:	<p> BANC OF AMERICA SECURITIES LIMITED  BARCLAYS BANK PLC  BNP PARIBAS  CITIGROUP GLOBAL MARKETS LIMITED  COÖPERATIEVE CENTRALE RAIFFEISEN-  BOERENLEENBANK B.A. (Rabobank International)  GOLDMAN SACHS INTERNATIONAL  HSBC BANK PLC  J.P. MORGAN SECURITIES LTD.  THE ROYAL BANK OF SCOTLAND PLC  and any other dealer appointed from time to time either in respect of a single Tranche or in respect of the whole Program. </p>
Regulatory Matters:	<p>Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale" in this Base Prospectus).</p>
Issuing and Principal Paying Agent:	<p>Citibank N.A.</p>
Distribution:	<p>Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.</p>
Currencies:	<p>Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, New Zealand dollars, Pounds Sterling, Swiss francs, U.S. dollars and Japanese yen.</p>
Redenomination:	<p>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.</p>
Maturities:	<p>Subject to applicable laws, regulations and restrictions, Notes will have maturities from 12 months and more.</p>
Issue Price:	<p>Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.</p>

Form of Notes:

Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms) initially be represented by a global Note which will be deposited on the relevant Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. The global Note will be exchangeable as described therein for either a permanent global Note or definitive Notes upon satisfaction of certain conditions including, in the case of a temporary global Note where the issue is subject to TEFRA D selling restrictions and such Notes have maturities in excess of 183 days, upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a permanent global Note is exchangeable for definitive Notes upon the occurrence of an Exchange Event, as described in "Form of the notes". Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system. Definitive Notes will be in Standard Euromarket form, as specified in the Final Terms.

Fixed Rate Notes:

Fixed interest will be payable on the date or dates specified in the applicable Final Terms and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).

Floating Rate Notes:

Floating Rate Notes will bear interest either at a rate determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions or, if so specified in the applicable Final Terms, the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the issue date of the first Tranche of the Notes of the relevant Series) or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).

The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms.

Index Linked Notes:

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the applicable Final Terms.

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

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

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

Dual Currency Interest Notes:

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

Zero Coupon Notes:

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

Redemption:

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

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

Denomination of Notes:

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

Taxation:

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 of the Terms and Conditions of the Notes.
Cross Default:	The Notes contain a cross default as set out in Condition 10 of the Terms and Conditions of the Notes.
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.
Status and other terms of Subordinated Notes:	The status of each Tranche of Subordinated Notes and any negative pledge and events of default applicable to Subordinated Notes will be set out in the applicable Final Terms.
Listing:	<p>Application has been made for Notes to be issued under the Program to be admitted to listing and trading on Euronext Amsterdam by NYSE Euronext. The Notes may also be listed on such other or further stock exchange or stock exchanges as may be agreed between the Issuer and the relevant Dealer in relation to each issue.</p> <p>Unlisted Notes may also be issued. The Final Terms relating to each issue will state whether or not the Notes are to be listed and, if so, on which stock exchange(s).</p>
Governing Law:	The Notes will be governed by, and construed in accordance with, the laws of the Netherlands.

Selling Restrictions:

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

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

## RISK FACTORS

The following discussion of risks relating to Ahold should be read carefully when evaluating our business, our prospects and the forward-looking statements contained in this Base Prospectus and in Ahold's annual report for the financial year ended December 28, 2008, as published on March 9<sup>th</sup>, 2009, incorporated by reference herein (the "**Ahold 2008 Annual Report**"), with a view of a possible investment in the Notes.

The following constitute all risks known by Ahold and which could have a material adverse effect on Ahold's financial position, results of operations, liquidity or could cause actual results to differ materially from the results contemplated in the forward-looking statements contained herein and in the Ahold 2008 Annual Report and which may affect the Company's ability to fulfill its obligations under the Notes issued pursuant to the Program. Investors in the Notes may stand to lose the entire value of their investment or part thereof, as the case may be.

Taking risks is an inherent part of entrepreneurial behavior. Ahold recognizes various strategic, operational, financial, compliance and regulatory-level risk categories. The risks described below are not the only risks Ahold faces. There may be additional risks that Ahold is currently unaware of or risks that management believes are immaterial, but which may in the future have a material adverse effect on Ahold's financial position, results of operations, liquidity and the actual outcome of matters referred to in the forward-looking statements contained in the Ahold 2008 Annual Report. For additional information regarding forward-looking statements, see "Cautionary notice".

### RISK FACTORS RELATING TO AHOLD

#### Strategic risks

*Ahold may not be able to successfully implement its strategy or achieve the anticipated benefits due to adverse macroeconomic conditions and competitive pressures*

Ahold's strategy for profitable and sustainable growth has several main areas of focus. We have realigned our portfolio to focus on our core retail businesses in the United States and Europe. We are building our individual retail banners into powerful local brands. We have put in place a continental organization aimed at ensuring that management decisions are made at the most appropriate level and that economies of scale and best practices can be effectively leveraged to support our local operating companies. Other elements of our strategy include meeting our financial targets (including a EUR 500 million cost reduction program), and bringing a more focused and coordinated approach to our corporate responsibility program. For additional information on our strategy, see Our Strategy in the Ahold 2008 Annual Report. However, Ahold is subject to a number of risks, mainly macroeconomic and competitive, that may impair our ability to effectively implement our strategy or realize the anticipated benefits.

The current global economic downturn is impacting all of the economies and markets in which we operate. Rising unemployment is increasing pressure on consumer confidence and disposable incomes and, in conjunction with underlying food and fuel price volatility, may negatively impact customer demand despite the price investments we have made through our value improvement programs. The liquidity crisis is restricting the availability of credit, which may negatively impact customer demand or cause the failure of key suppliers or otherwise disrupt our supply chains, impacting the cost and availability of goods. The increased pressure on retail margins being experienced in the current economic climate may also result in our competitors taking aggressive competitive actions. Any of these factors or other unforeseen effects of the current macroeconomic climate could impair the effectiveness of our strategy. This could reduce the anticipated benefits of our price repositioning and cost savings programs or our other strategic initiatives and may have a material adverse effect on Ahold's financial position, results of operations and liquidity.

## **Operational risks**

*Ahold might not be able to negotiate future collective bargaining agreements on acceptable terms, which could result in work stoppages*

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

*Ahold faces risks related to IT outsourcing*

Ahold outsources various IT services in the United States and the Netherlands and is dependent on its outsourcing service provider for these services. We may encounter unforeseen technical or service level delivery difficulties with our outsourced IT services. We may be unable to resolve such issues or resolving them may lead to cost increases and distract management attention. Although Ahold has a right to conduct audits to determine the functionality of these outsourced services, it may face disruptions to its IT applications and infrastructure if outsourced IT systems fail to perform as specified or if the parties that provide these services do not fulfill their obligations. Any failures could potentially have a material adverse effect on Ahold's financial position, results of operations and liquidity. In addition, IT outsourcing might not achieve the expected benefits and cost savings or fail to achieve them as quickly as expected.

*Ahold faces risks related to information security*

Ahold's business operations generate and maintain confidential commercial information and personal information concerning customers and employees. Ahold has an information security policy to ensure the confidentiality, integrity and availability of this kind of information. We have tools in place to support compliance with this policy and to monitor compliance. However, disclosure of confidential commercial or personal information may negatively impact Ahold's competitive position and corporate reputation, result in litigation or regulatory action and have a material adverse effect on Ahold's financial position, results of operations and liquidity.

*Ahold faces business continuity risks in relation to its dependence on a limited number of centralized facilities, IT systems and key personnel to support its critical business processes and functions*

Several of Ahold's critical business processes and functions are concentrated in a limited number of centralized facilities and/or are dependent on IT systems and infrastructure and key personnel for which Ahold has limited or no comparable back-up available. If any of Ahold's critical business processes or functions or those of key strategic suppliers are interrupted by catastrophic events (such as natural disasters, pandemic illness, IT or outsourcing failures), which render facilities, critical IT systems or infrastructure or key personnel unavailable, Ahold could experience disruption to its supply chain, store and administrative operations. We continue to invest in disaster-recovery plans and security initiatives to protect our facilities and the technology systems supporting our critical business processes and take steps to mitigate the dependency risks associated with our key strategic suppliers. However, these measures cannot fully prevent business interruptions that could have a material adverse effect on our financial position, results of operations and liquidity.

*Ahold faces risks related to food and product safety*

The growing internationalization of our supply chain, the increased penetration of Ahold's own brand products in its assortment and increasing levels of regulatory and consumer focus continue to render food and product safety one of Ahold's most significant business risks. Although Ahold's food and product safety policies and

practices address the complete supply chain, from farm and production level to Ahold's own operations, we may still face food and product safety problems, including disruptions to the supply chain caused by food-borne illnesses, which may have a material adverse effect on Ahold's reputation, sales, financial position, results of operations and liquidity.

#### *Ahold faces risks related to corporate responsibility*

Increasing transparency, regulatory demands and stakeholder awareness, and the growing sentiment that large retailers need to address environmental and sustainability issues across the entire supply chain, mean that Ahold's brand and reputation may suffer if it does not adequately manage the range of corporate responsibility issues affecting the food retail industry. Furthermore, our operational and cost competitiveness may be adversely affected if we fail to effectively increase the fuel and energy efficiency of our operations and reduce waste. Ahold continues to develop a broad range of coordinated and focused programs to address issues such as climate change, energy efficiency, waste reduction, labor standards in the supply chain, sustainability, healthy living, community engagement and corporate responsibility reporting. If these programs are not successful or are otherwise inadequate, Ahold's reputation and competitive position could be adversely affected. See Ahold's Corporate Responsibility Report 2008 for additional information about Ahold's policies and programs in the area of corporate responsibility.

### **Financial risks**

#### *Currency translation risks and currency transaction risks*

Ahold is exposed to foreign currency translation risks and currency transaction risks relating to cash flows, including lease payment obligations, dividends and firm purchase commitments and assets and liabilities denominated in foreign currencies. A substantial portion of our assets, liabilities and results of operations are denominated in foreign currencies, primarily the U.S. dollar. Ahold is therefore subject to foreign currency exchange risks due to exchange rate movements as a result of translating the financial results of our foreign subsidiaries into euros for inclusion in its consolidated financial statements. Although we manage our foreign currency exchange exposure by borrowing in local currency and entering into forward contracts and currency swaps, we cannot fully eliminate currency exchange rate risk. Currency exchange rate volatility and movement could therefore have an adverse effect on our financial position, results of operations and liquidity. For additional information concerning Ahold's use of financial instruments and derivatives, see Note 29 to the consolidated financial statements.

#### *Ahold faces credit risk with respect to certain financial instruments*

Ahold is exposed to credit risk related to its cash and cash equivalents (which are primarily invested in money market funds) and derivative financial instruments. Cash and cash equivalents amounted to EUR 2.9 billion and total derivative financial assets amounted to EUR 267 million as of December 28, 2008. Derivative contracts are entered into primarily under standard terms and conditions of the International Swap and Derivatives Association Inc. Counterparties for cash and derivative transactions are limited to high credit-quality financial institutions with an externally validated investment-grade credit rating. Ahold has policies that limit the amount of counterparty credit exposure to any single financial institution or investment vehicle and these exposures are continually monitored. However, there is no guarantee that all third parties will be able to honor their obligations to us in full, and any default could have a material adverse effect on our financial position, results of operations, and liquidity. The maximum exposure to credit risk is represented by the carrying amounts of the financial assets in the consolidated balance sheet. For further information, see Note 29 to the consolidated financial statements.

#### *Contingent liabilities associated with lease guarantees*

Following the divestment of subsidiary businesses, such as BI-LO, Bruno's and Tops, or the closure of facilities, Ahold has outstanding contingent liabilities to third parties in the form of lease guarantees it issued in relation to the obligations and commitments of these entities. For additional information, see Note 33 to the consolidated financial statements. If BI-LO, Bruno's, Tops or a significant number of other such third parties fail to meet their

obligations under assigned leases subject to outstanding Ahold guarantees, whether due to the impact of current macroeconomic conditions on their businesses or otherwise, Ahold may be required to satisfy such guarantees. This could have a material adverse effect on Ahold's financial position, results of operations and liquidity.

*Ahold faces risks related to pension and health care funding requirements. Decreasing interest rates, poor performance of the stock markets and the rising cost of health care benefits may cause Ahold to record significant charges related to its pension and benefit plans*

Ahold has a number of defined benefit pension plans, covering a substantial number of its employees in the Netherlands and in the United States. Falling stock and bond market values negatively affect the assets of Ahold's pension funds. Lower interest rates result in higher pension obligations, which may lead to higher pension charges, pension premiums and contributions payable. Some of Ahold's employees in the United States are covered by multi-employer plans, which have a total unfunded liability of EUR 4.2 billion as of December 31, 2007 (the latest date for which information is available). We estimate our proportionate share of the total unfunded liability of these plans at EUR 375 million. This estimate does not reflect the expected negative 2008 returns on plan assets, which could significantly increase the deficit. These unfunded liabilities are not recognized in Ahold's consolidated balance sheet.

The unfunded liabilities of these plans may result in increased future payments by Ahold and the other participating employers. Furthermore, our proportionate share of unfunded liabilities may increase if any of the participating employers in an underfunded multi-employer plan withdraws from the plan due to insolvency and is not able to contribute enough to fund the unfunded liabilities associated with its plan participants.

If Ahold is unable to meet any required funding obligations for certain of its U.S. pension plans, or if the Pension Benefit Guaranty Corporation (the "PBGC"), as the insurer of some U.S. plan benefits, concludes that its risk may increase unreasonably if the plans continue, the PBGC could terminate the plans and place liens on material amounts of the Company's assets, under the U.S. Employee Retirement Income Security Act of 1974 ("ERISA"). The pension plans covering our Dutch operations are regulated by the Dutch Central Bank (*De Nederlandsche Bank* or *DNB*). Ahold has entered into a financial agreement covering these Dutch pension plans under which we may be required to make additional contributions to our pension plans in order to meet the minimum DNB funding requirements. In addition, U.S. health care costs have risen significantly in recent years – a trend which is expected to continue. Ahold may be required to pay significantly higher amounts to fund U.S. employee health care plans in the future. Significant increases in pension and health care funding requirements could have a material adverse effect on the Company's financial position, results of operations and liquidity. For additional information, see Note 22 to the consolidated financial statements included in the Ahold 2008 Annual Report.

### **Compliance and regulatory risks**

*Ahold may face unforeseen tax liabilities in the future, including as a result of audits of the Company's tax returns*

Because Ahold operates in a number of countries, its income is subject to taxation in differing jurisdictions with a range of tax rates. Therefore, Ahold needs to apply significant judgment to determine its 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 our multijurisdictional operations, we are exposed to a number of different tax risks including, but not limited to, changes in tax laws or interpretations of these tax laws. The tax authorities in the jurisdictions where we operate may audit Ahold's tax returns and may disagree with the positions taken in those returns. An adverse outcome resulting from any settlement or future examination of Ahold's tax returns may result in additional tax liabilities and may adversely affect our 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 us to incur significant legal expenses and divert management's attention from the operation of our business.

## **Legal proceedings**

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

### *Governmental/regulatory investigations*

Following the announcement on February 24, 2003 that Ahold would be restating its financial position and results for the years 2001 and 2000, the U.S. Department of Labor ("**DOL**") opened an investigation under the Employment Retirement Income Security Act ("**ERISA**") into whether any criminal violations were committed by Ahold and certain of its current and/or former officers, directors and employees in connection with the 401(k) plans of Ahold U.S.A., U.S. Foodservice and Stop & Shop. In addition, in 2003 the DOL also commenced a civil investigation relating to the U.S. Foodservice, Inc. 401(k) Savings Plan Master Trust to determine whether any violations have occurred, including breaches of fiduciary duty, which investigation remains pending. To date, these investigations have not been concluded. Ahold is fully cooperating with each of the DOL investigations.

The Civil Division of the U.S. Department of Justice is conducting an investigation, which Ahold believes relates to certain pricing practices of U.S. Foodservice for sales made to the U.S. Government prior to the date of completion of the disposal of U.S. Foodservice (July 3, 2007). Although Ahold believes it is probable that claims will be asserted in the civil investigation, Ahold believes it may have meritorious defenses to such claims as may be asserted. Due to the stage of the civil investigation, Ahold cannot at this time provide a reasonable estimate of the amount of any potential liability.

### *Proceedings regarding terminations*

In October 2007, Ahold and its former Chief Executive Officer, Cees van der Hoeven and Chief Financial Officer, Michiel Meurs, agreed in the context of their separation of Ahold in 2003 on the determination of their severance package in their respective settlement agreements. Under the respective settlements, Mr. Van der Hoeven and Mr. Meurs completed payments of respectively EUR 5 million and EUR 0.6 million in 2008.

In February 2004, James L. Miller, former Chief Executive Officer of U.S. Foodservice, filed an action against Ahold, Ahold U.S.A., U.S. Foodservice and various executive officers and directors of Ahold, asserting various causes of action in connection with U.S. Foodservice's termination of his employment as of October 1, 2003. In December 2007, Ahold and Mr. Miller reached a settlement under which Mr. Miller completed his payment of USD 8 million in 2008.

### *Uruguayan and Argentine litigation*

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

The proceedings are ongoing. The damages alleged by the plaintiffs, alleged creditors of certain Uruguayan and other banks, amount to approximately USD 70 million (EUR 50 million) plus interest and costs. As part of the sale of Disco to Cencosud in 2004, Ahold has indemnified Cencosud and Disco against the outcome of these legal proceedings. Ahold continues to believe that these legal proceedings are without merit and will continue to vigorously oppose the plaintiffs' claims.

#### *D&S c.s. litigation*

In April 2005, the public companies Distribucion y Servicio D&S S.A. and Servicios Profesionales y de Comercializacion S.A. (together “**D&S c.s.**”) initiated legal proceedings against Ahold in the Netherlands, in connection with Disco’s acquisition in 2000 of Supermercados Ekono S.A., which owned supermarkets in Buenos Aires, Argentina. D&S c.s. sought payment of approximately USD 47 million (EUR 33 million) plus interest. In May 2007, the court in its judgment decided against D&S and dismissed its claim against Ahold. D&S c.s. has appealed against this judgment. These appeal proceedings are ongoing.

At the initiative of D&S c.s., an arbitration panel was appointed in February 2008 in proceedings against Disco in Argentina. Parties have been exchanging formal documents in 2008 and the proceedings are ongoing. Disco believes it has meritorious defenses in these proceedings. As part of the sale of Disco to Cencosud in 2004, Ahold has indemnified Cencosud and Disco against this claim from D&S.

#### *Stop & Shop Bradlees Lease Litigation with Vornado*

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

#### *Waterbury litigation*

In October 2006, a putative class action was filed against U.S. Foodservice by Waterbury Hospital and Cason, Inc. and Frankie’s Franchise Systems Inc. with the United States District Court for the District of Connecticut in relation to certain U.S. Foodservice pricing practices (the “**Waterbury Litigation**”). Two additional putative class actions were filed in 2007 by customers of U.S. Foodservice, Catholic Healthcare West and Thomas & King, Inc., in the U.S. District Courts for the Northern District of California and the Southern District of Illinois, respectively. These two new actions involve the same pricing practices as those in the Waterbury Litigation. The new actions also name Ahold and two individuals as defendants. In accordance with the decision of the Judicial Panel on Multidistrict Litigation, in 2008 the actions have been consolidated with the Waterbury litigation before the Court in Connecticut. In the consolidated complaint, Ahold is (among other parties) named as defendant. Parties exchanged formal documents in 2008. Oral argument took place in February, 2009. Ahold believes it has meritorious defenses to the claims set forth in the complaint and intends to defend vigorously against the lawsuit. Ahold cannot at this time provide a reasonable estimate of any potential liability.

#### *Other legal proceedings*

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



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

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

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

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

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

### **Risks related to the structure of a particular issue of Notes**

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

#### *Notes subject to optional redemption by the Issuer*

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

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

#### *Index Linked Notes and Dual Currency Notes*

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

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

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

#### *Partly-paid Notes*

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

#### *Variable rate Notes with a multiplier or other leverage factor*

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

#### *Inverse Floating Rate Notes*

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

#### *Fixed/Floating Rate Notes*

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

#### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

## **RISK FACTORS RELATING TO NOTES GENERALLY**

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

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

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

### **Dependence on Payments from Subsidiaries to Fund Payments on the Notes**

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

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

### **Structural Subordination**

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

### **Modification**

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

(ii) any modification of the Notes which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the laws of the Netherlands.

## **RISKS RELATED TO THE MARKET GENERALLY**

### **The Lack of a Secondary Market**

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

### **Exchange Rate Risks and Exchange Controls**

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

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

### **Interest Rate Risks**

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

### **Credit ratings may not reflect all risks**

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

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

## **OTHER IMPORTANT CONSIDERATIONS**

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

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

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

### **Nominee Arrangements**

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

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

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

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

### **Change of Law and Jurisdiction**

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

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

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

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

#### **Legal Investment Considerations May Restrict Certain Investments**

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

## RESPONSIBILITY STATEMENT

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

## NOTICE

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

This Base Prospectus includes forward-looking statements (within the meaning of the U.S. federal securities laws) that involve risks and uncertainties that are discussed in more detail in the "Risk Factors"-section above and in the "Cautionary notice" section of the Ahold 2008 Annual Report.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

***Internal Revenue Service Circular 230 Disclosure***

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

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

In this Base Prospectus, unless otherwise specified, references to a **"Member State"** are references to a country which is a party to the EEA Agreement, references to **"\$"**, **"U.S.\$"**, **"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 pursuant to the Treaty establishing the European Community, as amended.

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

# KONINKLIJKE AHOLD N.V.

## History and Development

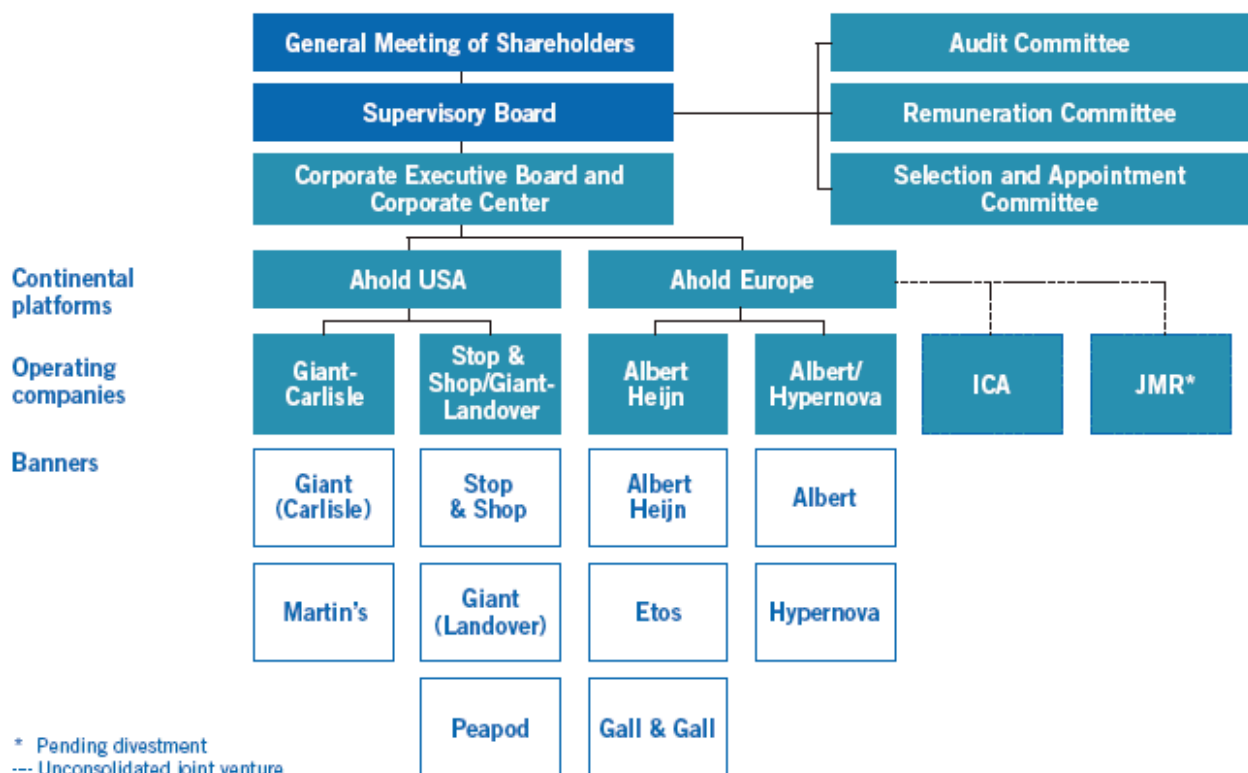
The registered commercial names of Ahold are Koninklijke Ahold N.V., Royal Ahold and Ahold. Koninklijke Ahold N.V. is the parent company of the Ahold group. It was founded in 1887 and incorporated as a public company with limited liability (*naamloze vennootschap*) for an unlimited term under the laws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

## Organizational Structure

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

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

The following diagram shows the governance structure of Ahold and its businesses. A list of subsidiaries, joint ventures and associates is included in Note 35 to the consolidated financial statements in the Ahold 2008 Annual Report.



## BOARD AND MANAGEMENT

### **CORPORATE EXECUTIVE BOARD** *(in Dutch: raad van bestuur)*

The Corporate Executive Board is responsible for the management and the general affairs of Ahold. The charter of the Corporate Executive Board can be found 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 Corporate Executive Board must consist of at least three members. The current members of the Corporate Executive Board are: John Rishton, Chief Executive Officer; Kimberly Ross, Executive Vice President and Chief Financial Officer; Peter Wakkie, Executive Vice President and Chief Corporate Governance Counsel; and Dick Boer, Executive Vice President and Chief Operating Officer Ahold Europe.

Kimberly Ross was appointed to the Corporate Executive Board at the Annual General Meeting of Shareholders on April 23, 2008. She had been serving as acting member since November 15, 2007. On the same date, the General Meeting of Shareholders reappointed Peter Wakkie for a second term to the Corporate Executive Board.

In July 2008, Lawrence Benjamin, Chief Operating Officer Ahold USA, started serving as an acting member of the Corporate Executive Board. Mr. Benjamin will be nominated for appointment to the Corporate Executive Board at the Annual General Meeting of Shareholders scheduled for April 28, 2009.

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

#### **John Rishton**

##### *President and Chief Executive Officer*

John Rishton (February 21, 1958) is a British national. He was appointed President and Chief Executive Officer on November 15, 2007, after having served as acting President and Chief Executive Officer since July 1, 2007. John joined Ahold on January 1, 2006, as Executive Vice President and Chief Financial Officer. Ahold's shareholders appointed him to the Corporate Executive Board on May 18, 2006. John is former Chief Financial Officer of British Airways Plc. He has also worked for Ford Europe in various executive positions. John is a non-executive director of Rolls Royce Group Plc.

#### **Kimberly Ross**

##### *Executive Vice President and Chief Financial Officer*

Kimberly Ross (May 5, 1965) is a U.S. national. She was appointed to the position of Executive Vice President and Chief Financial Officer and acting member of the Corporate Executive Board on November 15, 2007, after having served as Deputy Chief Financial Officer since July 1, 2007. On April 23, 2008, Ahold's shareholders appointed Kimberly to the Corporate Executive Board. Kimberly joined Ahold in September 2001 as Assistant Treasurer. In April 2002, she became Vice President and Group Treasurer and was promoted to Senior Vice President and Group Treasurer in January 2004. She was appointed Senior Vice President and Chief Treasury and Tax Officer in April 2005. Prior to joining Ahold, Kimberly held the position of Senior Manager at Ernst & Young in New York and Director of Corporate Finance for the Americas at Joseph E. Seagram & Sons Inc. She also held a number of other management positions at Joseph E. Seagram & Sons Inc. from 1995 through 2001 as well as at Anchor Glass from 1992 to 1995. Kimberly is a member of the Advisory Board of the Rotterdam School of Management, Erasmus University.

#### **Peter Wakkie**

##### *Executive Vice President and Chief Corporate Governance Counsel*

Peter Wakkie (June 22, 1948) is a Dutch national. He joined Ahold as Executive Vice President and Chief Corporate Governance Counsel and acting member of the Corporate Executive Board on October 15, 2003. Ahold's shareholders appointed him to the Corporate Executive Board on November 26, 2003. On April 23, 2008, Ahold's shareholders reappointed him for a second term to the Corporate Executive Board. Prior to joining Ahold, Peter was a partner at law firm De Brauw Blackstone Westbroek. He is a member of the Supervisory Board of Wolters Kluwer N.V. In addition, Peter is a board member of the Dutch Association of Security Issuers (*Vereniging Effecten Uitgevende Ondernemingen*).

### **Dick Boer**

#### *Executive Vice President and Chief Operating Officer Ahold Europe*

Dick Boer (August 31, 1957) is a Dutch national. He was appointed Chief Operating Officer Ahold Europe on November 6, 2006. On May 3, 2007, Ahold's shareholders appointed him to the Corporate Executive Board. 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 the Albert Heijn operating company. Prior to joining Ahold, Dick spent more than 17 years in various retail positions for SHV Holdings in the Netherlands and abroad, and for Unigro N.V., now Super de Boer N.V. Dick is Co-Chairman of ECR Europe and ECR Nederland/GS1, Deputy Chairman of Central Office Food Trade (CBL) and a member of the Supervisory Boards of AMS Sourcing B.V. and of the Red Cross Hospital in Beverwijk, the Netherlands. Dick is a member of the Executive Boards of VNO-NCW, the Dutch Retail Trade Council and the Platform Retail Trade Nederland and a member of the European Retail Round Table.

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

#### *Appointment, suspension and dismissal*

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

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

### **Retirement and reappointment schedule**

Name	Date of Birth	Date of appointment and reappointment	Date of possible reappointment
John Rishton	February 21, 1958	May 18, 2006	2010
Kimberly Ross	May 5, 1965	April 23, 2008	2012
Peter Wakkie	June 22, 1948	November 26, 2003	2012
		April 23, 2008	
Dick Boer	August 31, 1957	May 3, 2007	2011

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

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

For detailed information on the activities of the Supervisory Board, see the "Supervisory Board report" in the Ahold 2008 Annual Report.

Ahold's Supervisory Board consists of the following persons:

**René Dahan, Chairman**

*Chairman of the Selection and Appointment Committee*

René Dahan (August 26, 1941) is a Dutch national. He was first appointed to the Supervisory Board on June 2, 2004, and his current term runs until 2012. René is former Executive Vice President and Director of Exxon Mobil Corporation. He is a member of the International Advisory Boards of the Guggenheim Group in New York, United States, and the Instituto de Empresa, Madrid, Spain.

**Tom de Swaan, Vice-Chairman**

*Chairman of the Audit Committee*

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

**Karen de Segundo**

Karen de Segundo (December 12, 1946) is a Dutch national. She was first appointed to the Supervisory Board on June 2, 2004 and her current term runs until 2012. Karen is former CEO of Shell International Renewables and President of Shell Hydrogen and prior to that CEO of Shell International Gas & Power. She is a member of the Board of Pöyry Group Oyj and Non-Executive Director of E.ON AG, British American Tobacco Plc, Lonmin Plc, BlackRock New Energy Investment Trust Plc and Ensus Holding Ltd. Karen is a member of the Eco Advisory Board of General Electric.

**Derk C. Doijer**

*Chairman of the Remuneration Committee*

Derk Doijer (October 9, 1949) is a Dutch national. He was first appointed to the Supervisory Board on May 18, 2005, and his term runs until 2009. Derk is a former member of the Executive Board of Directors of SHV Holdings N.V. and, prior to that, held several executive positions in the Netherlands and South America. He is Chairman of the Supervisory Board of Lucas Bols B.V. and a member of the Supervisory Boards of Corio N.V., NSPB, Stiho Group and ZBG Group.

**Stephanie M. Shern**

Stephanie Shern (January 7, 1948) is a U.S. national. She was first appointed to the Supervisory Board on May 18, 2005, and her current term runs until 2009. Stephanie was with Ernst & Young for over 30 years, most recently as Vice Chairman and Global Director of Retail and Consumer Products and a member of Ernst & Young's U.S. Management Committee. She is the lead Director of GameStop and a member of the Boards and Chair of the Audit Committees of GameStop, Scotts Miracle-Gro and Embarq. Stephanie is also a member of the Compensation Committee of Embarq and of the Advisory Board of the Pennsylvania State University, School of Business.

**Judith A. Sprieser**

Judith Sprieser (August 3, 1953) is a U.S. national. She was first appointed to the Supervisory Board on May 18, 2006, and her term runs until 2010. Judith is former CEO of Transora, Inc. Prior to founding Transora in

2000, she was Executive Vice President and CFO of Sara Lee Corporation. She is a director of Allstate Corporation, USG Corporation, Reckitt Benckiser plc, Intercontinental Exchange, Inc. and Adecco S.A., and a member of the Northwestern University's Board of Trustees.

### **Mark McGrath**

Mark McGrath (August 10, 1946) is a U.S. national. He was appointed to the Supervisory Board on April 23, 2008, and his term runs until 2012. Mark is a former Director of McKinsey & Company, a private management consulting firm. He led the firm's Americas' Consumer Goods Practice from 1998 until 2004 when he retired from McKinsey & Company. Mark is a Director of GATX and Aware, Inc and a member of the Board of Lincoln Park Zoo, Chicago. He is Chairman of the Advisory Board of the University of Notre Dame's Kellogg Institute of International Studies and a member of the Advisory Councils of the University of Chicago Graduate School of Business and Notre Dame's Kroc International Peace Studies Institute. Mark is a senior advisor with Gleacher Partners LLC, a firm providing strategic advisory services to corporations.

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 27, 2009 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 composition of each committee is detailed in the following table.

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

For detailed information on the these three permanent committees established by the Supervisory Board see the section "Supervisory Board report – Committees of the Supervisory Board" in the Ahold 2008 Annual Report.

### **CONFLICT OF INTEREST**

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

If a member of the Supervisory Board or a member of the Corporate Executive Board has a conflict of interest with the Company, the member may not participate in the discussions and/or decision-making process on a subject or transaction relating to the conflict of interest. The Chairman of the Supervisory Board will arrange for such transactions to be disclosed in the Ahold 2008 Annual Report. During 2008, Derk Doijer did not participate in the discussions and/or decision-making process of a possible transaction with Corio N.V. in view of his membership of the Supervisory Board of Corio N.V. No other conflicts of interest occurred in 2008. In

accordance with provision III.6.4 of the Dutch Corporate Governance Code, Ahold reports that no transactions between the Company and legal or natural persons who hold at least 10 percent of the shares in the Company occurred in 2008.

For detailed information on Ahold's compliance with the Dutch corporate governance code, see the section "Governance – Corporate Governance" in the Ahold 2008 Annual Report.

## SHARE CAPITAL

For details on the number of outstanding shares, see Note 19 to the consolidated financial statements included in the Ahold 2008 Annual Report. For details on capital structure, listings, share performance, and dividend policy with respect to Ahold's common shares, see the "Investor relations" section.

### *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" above.

### *Significant ownership of voting shares*

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

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

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

In addition, local rules may apply to investors.

The following table lists the shareholders on record on February 27, 2009 in the AFM register that hold an interest of 5 percent or more in the share capital of the Company.

Shareholder	Date of disclosure	Capital interest <sup>1</sup>	Voting rights <sup>2</sup>
Stichting Administratiekantoor Preferente Financieringsaandelen Ahold <sup>1</sup>	January 3, 2008	18.38%	5.87%
ING Groep N.V.	April 8, 2008	9.26%	4.92%
DeltaFort Beleggingen B.V.	August 23, 2007	11.23%	3.82%

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

<sup>2</sup> 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 obtained 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 in control over the Company. The purpose of SAC, according to its articles, 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 27, 2009, the members of the board of SAC are:



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

SAC is independent of the Company. For details on Ahold's cumulative preferred shares, see Note 19 to the consolidated financial statements in the Ahold 2008 Annual Report.

## ARTICLES OF ASSOCIATION

Ahold's Articles of Association set forth certain aspects governing organization and corporate governance. The current text of the Articles of Association is available at the Trade Register of the Chamber of Commerce and Industries for Amsterdam and on Ahold's public website ([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 made by the Corporate Executive Board. If another party makes the proposal, an absolute majority of votes cast, representing at least one-third of the issued share capital, is required. If this qualified majority is not achieved but a majority of the votes is in favor of the proposal, then a second meeting may be held. In the second meeting, only a majority of votes, regardless of the number of shares represented at the meeting, is required. The prior approval of a meeting of holders of a particular class of shares is required for a proposal to amend the Articles of Association that makes any change in the rights that vest in the holders of shares of that particular class.

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

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

## AUTHORIZATIONS

The update of the Program was duly authorized by a resolution of Ahold's Corporate Executive Board dated March 31, 2009. All consents, approvals, authorizations or other orders of all regulatory authorities required by the Issuer under the laws of the Netherlands have been or will be obtained for the issue of Notes and for the Issuer to undertake and perform its obligations under the Dealership Agreement, the Agency Agreement and the Notes.

## TREND INFORMATION

Save as disclosed in Note 34 to the Ahold 2008 Annual Report, there has been no material adverse change in the prospects of Ahold since December 28, 2008, being the date of the end of Ahold's financial year for

2008. 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 this Base Prospectus and in the Ahold 2008 Annual Report.

#### **NO SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION**

There has been no significant change in the financial or trading position of Ahold since December 28, 2008, being the end of the last financial period for which financial information has been published.

#### **LEGAL PROCEEDINGS**

Save as disclosed on pages 15 to 16 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 such period, significant effects on Ahold's financial position.

# BUSINESS

## PROFILE

Ahold is an international group of leading supermarket companies based in the United States and Europe. We offer customers great value, a convenient and appealing shopping experience, and healthy choices. We love being in the food business and are committed to being a leader in each of the markets we serve.

As a group, we leverage knowledge, consumer insight and scale across our businesses to operate in a simple, responsible and efficient way.

Our people play an important role in our success by developing strong relationships with customers and others in our local communities. We continuously innovate products, services and store formats to build customer loyalty and achieve sustainable profitable growth for our Company.

## STRATEGY

Ahold's strategy for sustainable profitable growth is designed to accelerate identical sales growth, improve returns, strengthen our foundation for future expansion and create value for shareholders.

The strategy focuses on five areas:

- Portfolio;
- Growth;
- Organization;
- Financial targets;
- Corporate responsibility.

### Our portfolio

We operate food retail businesses in the United States and Europe. We operate in markets where we believe we can secure a number one or number two position and where there are clear prospects for sustainable profitable growth.

In 2008, as part of our growth strategy for Albert Heijn, we divested our 73.2 percent stake in Schuitema N.V. to private equity firm CVC Capital Partners. We are in the process of selling our stake in Jerónimo Martins Retail.

### Growth

To achieve our growth objectives, we are transforming our retail banners into powerful local consumer brands. The critical elements of this transformation process are:

- *Improved products and services offering* – All of our operating companies are improving their assortments, including their private label product lines, to give customers better choices. They are also making shopping easier for customers by providing more convenience products and services and by improving the customer experience with new store formats and technology.
- *Everyday competitive prices* – We are improving everyday value to customers by investing in price and increasing our range of private label products so customers have a wider selection of price levels to choose from.
- *Cutting costs* – We will reduce operating costs by EUR 500 million by the end of 2009 under a company-wide cost reduction program announced at the end of 2006. We are simplifying and making our businesses more efficient, in areas such as store operations, shrink, logistics, energy usage and local overhead.

- *Better understanding our customers* – We gather detailed customer data and analyze it to deepen our understanding of customer behavior. Having a clear understanding of consumer trends and customer needs enables us to respond quickly to changing patterns.

## Organization

We operate from two continental platforms, Ahold USA and Ahold Europe, each led by a Chief Operating Officer. This structure helps us balance local, continental and global decision-making. It also enables us to leverage continental scale and talent effectively to support our local operating companies.

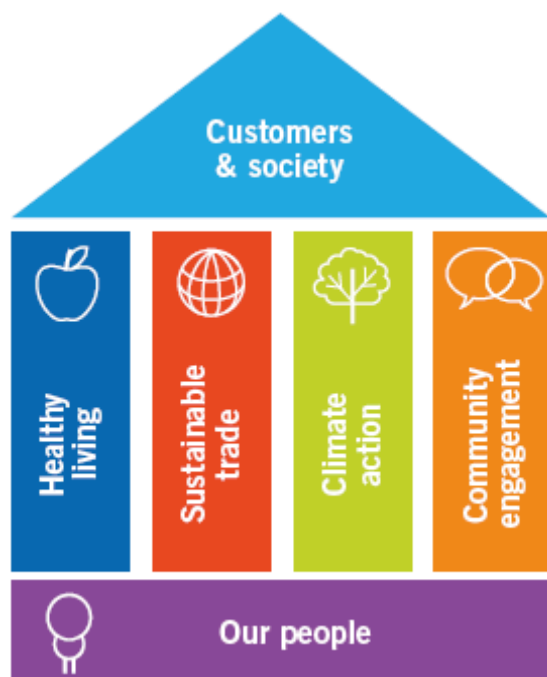
In 2008, we achieved our target to halve Corporate Center costs compared to 2005. The savings were made by streamlining functions and reducing staff and discretionary spend.

## Financial targets

Our long-term financial targets are to achieve a sustainable net sales growth of 5 percent (mainly from identical sales growth) and a sustainable retail operating margin of 5 percent, while maintaining an investment grade credit rating.

## Corporate responsibility

Corporate responsibility is fully integrated into our day-to-day operations. Our corporate responsibility activities are organized around four main themes – healthy living, sustainable trade, climate action and community engagement. These areas are most relevant to our business and are where we believe we can make a positive impact. We aim to balance the interests of people, planet and profit to ensure our business is responsible, sustainable and profitable. Our strategy, goals and targets are set globally by Ahold and implemented locally.

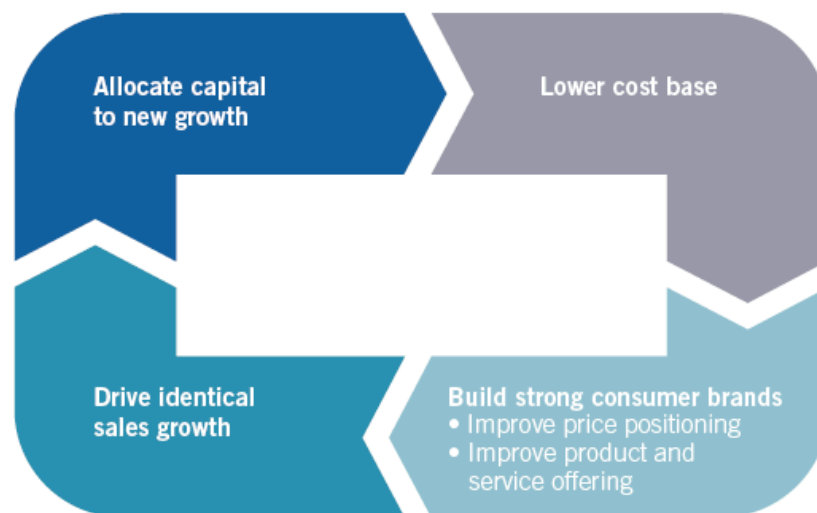


In 2008, we established processes to collect data to track and report on our performance in corporate responsibility. This year, we have published our carbon footprint for the first time, along with targets and objectives for each of our corporate responsibility themes. Our reporting approach is in line with the standards developed by the Global Reporting Initiative (GRI).

To find out more about our corporate responsibility strategy, activities and performance, see our 2008 Corporate Responsibility Report.

## Our business model

Ahold is a group of supermarket companies based in the United States and Europe. We win the loyalty of customers in each of our markets by providing products and services they want at prices that are competitive with all food channels.



### *Allocating capital for growth*

We continue to grow in areas where we can achieve an attractive return. We are improving our existing store formats and opening innovative new format concepts in many of our markets.

### *Lowering cost base*

We are reducing costs by simplifying all aspects of our business, including store operations, shrink, logistics, energy usage and overhead. We have also taken a rigorous approach in dealing with underperforming stores. We continue to build on our continental sourcing strategy.

### *Building strong consumer brands*

We are building powerful consumer brands in each of our markets by delivering on the promises we make to our customers every day.

### *Driving identical sales growth*

Our brand positioning and customer offering are increasing customer loyalty, winning new customers and driving identical sales growth in our businesses.

## BUSINESS OVERVIEW AND PERFORMANCE

Ahold's principal business is the operation of retail food stores in the United States and Europe through subsidiaries and joint ventures. In addition to the Company's principal activities, some subsidiaries finance, develop and manage store sites and shopping centers in support of its retail operations. All financial information included in this chapter Business of this Base Prospectus has been derived from the operating and financial review of Ahold for the year ended December 28, 2008, as included in the Ahold 2008 Annual Report.

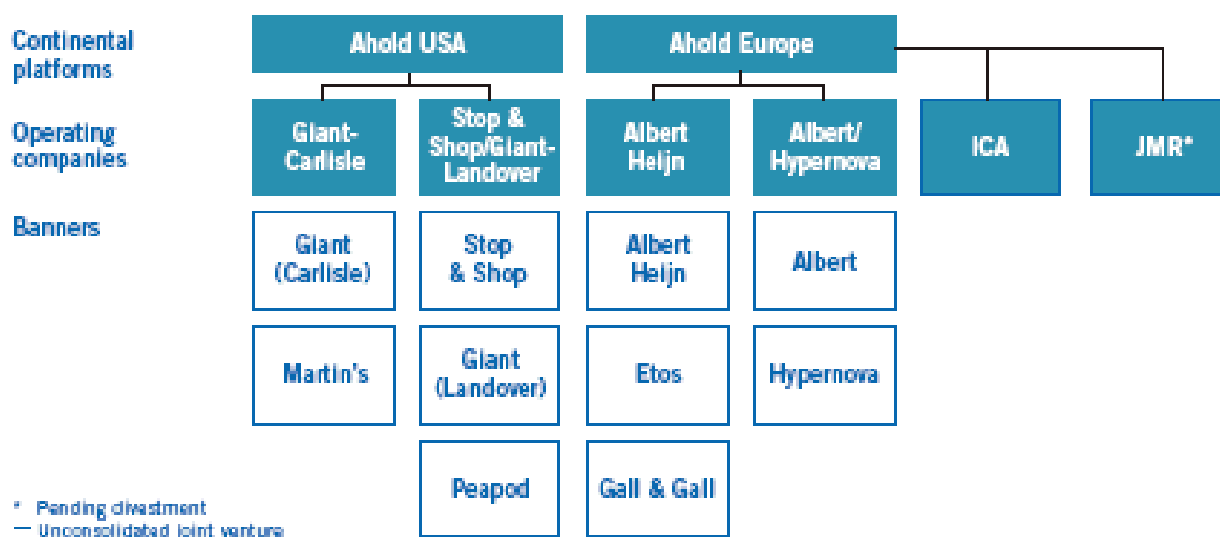
At the end of 2008, we operated 2,897 retail locations in the United States and Europe, employed more than 200,000 people and had combined sales of EUR 25.7 billion.

## Organizational structure

Our business is organized into two continental platforms, in the United States and Europe, each led by a Chief Operating Officer. They are responsible for overseeing their respective operating companies and for implementing continental synergies and company-wide initiatives.

Ahold USA comprises Stop & Shop/Giant-Landover and Giant-Carlisle. Ahold Europe comprises Albert Heijn in the Netherlands and Albert/Hypernova in the Czech Republic and Slovakia.

We also hold a 60 percent interest in ICA AB (ICA) that operates in Sweden, Norway and the Baltic States. We are in the process of selling our 49 percent stake in Jerónimo Martins Retail, which operates in Portugal.



## Corporate Center

Our Company headquarters are based in Amsterdam, the Netherlands. We also have corporate offices in the United States and Switzerland. Corporate Center is responsible for strategy and finance, internal audit, legal, insurance, human resources, communications, and information technology.

## Joint ventures

### ICA

Ahold has a 60 percent interest in ICA, a food retail and wholesale group headquartered in Stockholm, Sweden. The remaining 40 percent stake is held by Hakon Invest AB, a Swedish company listed on the Stockholm Stock Exchange. As of December 31, 2008, ICA served over 2,200 retailer-owned and company operated retail food stores in Sweden, Norway, Estonia, Latvia and Lithuania. The group reported net sales of EUR 9.5 billion over 2008, which was up 9.6 percent from the previous year at constant exchange rates. ICA also provides limited consumer financial services through its bank in Sweden.

Under the shareholders' agreement with Hakon Invest AB, our 60 percent stake in ICA provides that strategic, financial and operational decisions will be made only on the basis of mutual consent.

## Discontinued operations

### Schuitema

In 2008, Ahold divested its 73.2 percent interest in Schuitema N.V., which was acquired in 1988. As part of the transaction, Ahold retained 56 stores, 54 of which were converted into Albert Heijn supermarkets during the second half of 2008, and the remaining two in the first quarter of 2009. In addition, Ahold acquired a 20 percent

indirect interest in Schuitema N.V. Full details of the transaction can be found in Note 5 to the consolidated financial statements in the Ahold 2008 Annual Report.

#### *Jerónimo Martins Retail*

Ahold has a 49 percent stake in Jerónimo Martins Retail (JMR), which is headquartered in Lisbon, Portugal. The remaining 51 percent is owned by Jerónimo Martins, SGPS, S.A. As of December 31, 2008, JMR owned and operated 356 retail food stores in Portugal under the brand names Pingo Doce and Feira Nova. The decision was taken to divest our stake in JMR following Ahold's strategic review in 2006. We are in the process of selling JMR and it has been classified as a discontinued operation.

#### **Group performance**

In 2008, we delivered solid performance with particularly strong results in the last quarter, and achieved an underlying retail operating margin of 5.0 percent for the full year. Net sales were EUR 25.7 billion, up by 3.3 percent compared to last year. At constant exchange rates, net sales increased by 6.9 percent.

During 2008, we completed the Value Improvement Program, including the rebranding of Stop & Shop and Giant-Landover. This improved our financial results in the second half of the year. Meanwhile, Giant-Carlisle continued its strong performance, gaining significant market share.

In Europe, Albert Heijn had another excellent year, including the conversion of 54 stores to the Albert Heijn banner following the divestment of our stake in Schuitema N.V. Albert/Hypernova was able to maintain its market position and break even in very competitive markets in the Czech Republic and Slovakia.

Ahold's operating income was up EUR 130 million, or 12.2 percent to EUR 1,198 million. Income from continuing operations was EUR 868 million, up 15.3 percent compared to last year.

Last year, we reinstated an annual dividend and for 2008, we propose to increase our dividend by 12.5 percent to 18 eurocents per common share.

#### **Results from operations**

	2008		2007		Change %
	€ million	% of net sales	€ million	% of net sales	
Net sales	25,722	100.0	24,893	100.0	3.3%
Gross profit	6,924	26.9	6,860	27.6	0.9%
Operating expenses	(5,627)	(21.9)	(5,621)	(22.6)	(0.1)%
Underlying retail operating income	1,297	5.0	1,239	5.0	4.7%
Unusual items excluded from underlying retail operating income:					
Impairments and impairment reversals – net	(13)	(0.1)	(29)	(0.1)	n/m
Gains (losses) on the sale of assets – net	46	0.2	37	0.1	n/m
Restructuring and related charges	(36)	(0.1)	(32)	(0.1)	n/m
Retail operating income	1,294	5.0	1,215	4.9	6.5%
Corporate Center costs	(96)	(0.3)	(120)	(0.5)	20.0%
Unallocated costs	–	–	(27)	(0.1)	100.0%
Operating income	1,198	4.7	1,068	4.3	12.2%
Net financial expense	(214)		(300)		28.7%
Income taxes	(225)		(153)		(47.1)%
Share in income of joint ventures	109		138		(21.0)%
Income from continuing operations	868		753		15.3%
Income from discontinued operations	211		2,192		(90.4)%
<b>Net income</b>	<b>1,079</b>		<b>2,945</b>		<b>(63.4)%</b>

#### *Net sales*

Net sales in 2008 were EUR 25.7 billion, up 3.3 percent compared to 2007. At constant exchange rates, net sales

increased by 6.9 percent. Net sales growth was positively impacted by identical sales growth, store expansions, remodeling of stores and the conversion of 54 former Schuitema stores into the Albert Heijn format in the second half of 2008. You can read more about the net sales of our operating companies in Performance by segment.

Our net sales consist of consumer sales and sales to franchise stores. Franchise stores typically operate under the same format as Ahold-operated stores, and are not distinguishable from them. Franchisees generally purchase merchandise from Ahold, pay a franchise fee and receive support services, including management training, field support and marketing and administrative assistance.

#### *Operating income*

In 2008, operating income was EUR 1.2 billion, up EUR 130 million or 12.2 percent compared to 2007. Lower gross margins as a result of price investments were more than offset by cost reductions, resulting in an underlying retail operating income of EUR 1.3 billion, or 5.0 percent of net sales, in line with our 2008 guidance of 4.8 percent to 5.3 percent. Underlying retail operating income is total retail operating income adjusted for impairments gains and losses on the sale of assets and restructuring and related charges. We believe this measure provides better insight into the underlying performance of our retail operations. You can read more about the results of our operating companies in Performance by segment. Impairments, gains and losses on the sale of assets and restructuring and related charges are listed below.

Core Corporate Center costs (as defined in Non-GAAP financial measures) were EUR 86 million, down EUR 20 million compared to 2007 and exceeding our 2006 target to halve core costs by the end of 2008. The savings were achieved by staff reductions and substantial cuts in discretionary spend. Total Corporate Center costs were EUR 96 million, down 20 percent compared to 2007. In line with our organizational structure, Ahold's general merchandising and global sourcing activities are no longer coordinated centrally, but were incorporated in the two continental platforms in 2007. The resulting reduction of Corporate Center costs in 2008 was offset by increased costs related to our self-insurance activities in the United States. In 2008, interest rates declined significantly, resulting in higher discounted provisions to cover future insurance claims.

#### **Impairment of assets**

Ahold recorded the following impairments and reversals of impairments of assets in 2008 and 2007:

	2008 € million	2007 € million
Stop & Shop/Giant-Landover	(10)	(17)
Giant-Carlisle	–	(2)
Albert Heijn	(4)	(7)
Albert/Hypernova	1	(3)
<b>Total Retail</b>	<b>(13)</b>	<b>(29)</b>
Corporate Center	–	(5)
<b>Total</b>	<b>(13)</b>	<b>(34)</b>

In both 2008 and 2007, the majority of impairments related to store closures at Stop & Shop/Giant-Landover, primarily as part of the operating company's network rationalization program.

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

Ahold recorded the following gains (losses) on the sale of non-current assets in 2008 and 2007:

	2008 € million	2007 € million
Stop & Shop/Giant-Landover	19	17
Giant-Carlisle	–	–
Albert Heijn	24	19
Albert/Hypernova	3	1
<b>Total Retail</b>	<b>46</b>	<b>37</b>
Corporate Center	–	(2)
<b>Total</b>	<b>46</b>	<b>35</b>



In 2008, the most significant gains on the sale of assets were the sale of a shopping center at Stop & Shop/Giant-Landover and the sale of stores at Albert Heijn. Some of these stores were sold to franchisees.

In 2007, the most significant gains on the sale of assets were the sale of a distribution facility at Stop & Shop/Giant-Landover and the sale of stores at Albert Heijn required by the Dutch competition authority following the approval of the Konmar acquisition in 2006.

#### **Restructuring and related charges**

In 2008, restructuring and related charges of EUR 36 million related to Stop & Shop/Giant-Landover (EUR 29 million) and Giant-Carlisle (EUR 7 million), primarily resulting from the lease termination of an office building used by Ahold USA's IT organization. Restructuring and related charges at Stop & Shop/Giant-Landover also included store closure costs and a loss related to withdrawing from a multi-employer pension plan.

In 2007, restructuring and related charges of EUR 40 million were mainly due to store closures at Stop & Shop/Giant-Landover and severance charges following staff reductions across Ahold, primarily at the Corporate Center.

#### *Net financial expense*

Net financial expense decreased by EUR 86 million compared to 2007, mainly because of lower interest expense of EUR 83 million following significant debt reductions in 2007 (EUR 0.6 billion) and 2008 (EUR 1.1 billion). Interest income decreased by EUR 23 million compared to 2007, as a result of lower average cash balances and lower yields. Net interest expense was EUR 234 million, down EUR 60 million from 2007 and in line with our guidance of EUR 230 million to EUR 250 million.

#### *Income taxes*

In 2008, income tax expense was EUR 225 million compared to a EUR 153 million expense last year. The effective tax rate, calculated as a percentage of income before income taxes, increased to 22.9 percent (19.9 percent in 2007). The higher effective tax rate in 2008 was primarily the result of changes in the geographical mix of earnings and a lower release of tax contingency reserves compared to 2007.

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

Ahold's share in income of joint ventures of EUR 109 million decreased EUR 29 million. The decrease was due to lower gains on the sale of assets at ICA (Ahold's share in these gains was EUR 16 million in 2008 and EUR 39 million in 2007) and weak performance at ICA Norway.

#### *Income from discontinued operations*

In 2008, income from discontinued operations of EUR 211 million related primarily to the divestment of our 73.2 percent stake in Schuitema N.V. It also includes operational results from Schuitema N.V. until divestment date (June 30, 2008) and dividends and fees from JMR. During 2008, market conditions deteriorated significantly, however, Ahold remains committed to sell its stake in JMR and continues to actively market it. During 2007, Ahold sold U.S. Foodservice, its Polish operations and Tops, largely completing the divestment program announced in November 2006. This resulted in income from discontinued operations of EUR 2.2 billion in 2007. For further information about income from discontinued operations, see Note 5 to the consolidated financial statements.

#### *Earnings per share*

Diluted income from continuing operations per common share was EUR 0.73, an increase of 40.4 percent compared to 2007. The increase in earnings per share exceeded the increase in total income from continuing operations. This was due to the lower average number of common shares outstanding following

the capital repayment and reverse stock split and the share buyback program, both in the second half of 2007.

## Financial position

	December 28, 2008		December 30, 2007	
	€ million	%	€ million	%
Property, plant and equipment	5,532	40.7	5,390	38.6
Other non-current assets	2,764	20.3	2,727	19.6
Cash and cash equivalents	2,863	21.1	3,263	23.4
Other current assets	2,433	17.9	2,564	18.4
<b>Total assets</b>	<b>13,592</b>	<b>100.0</b>	<b>13,944</b>	<b>100.0</b>
Group equity	4,676	34.4	3,887	27.9
Non-current portion of long-term debt	3,782	27.8	4,187	30.0
Other non-current liabilities	996	7.3	937	6.7
Short-term borrowings and current portion of long-term debt	459	3.4	1,192	8.6
Other current liabilities	3,679	27.1	3,741	26.8
<b>Total group equity and liabilities</b>	<b>13,592</b>	<b>100.0</b>	<b>13,944</b>	<b>100.0</b>

Property, plant and equipment increased by EUR 142 million, as a result of the strengthening of the U.S. dollar against the euro as well as capital expenditures exceeding depreciation; the divestment of Schuitema was a partial offset. Capital expenditures increased mainly at Giant-Landover, because of its store remodeling program, and at Albert Heijn, because of the conversion of 54 former Schuitema stores into Albert Heijn stores.

Equity increased by EUR 789 million, mainly as a result of the addition of current year's net income, partially offset by the dividend payment related to 2007.

In 2008, gross debt decreased from EUR 5.4 billion to EUR 4.2 billion. This was mainly due to loan repayments of EUR 1.1 billion and the divestment of Schuitema, partially offset by the strengthening of the U.S. dollar against the euro. Ahold's net debt to equity ratio was 29 percent as of December 28, 2008 compared to 54 percent as of December 30, 2007.

Ahold's defined benefit plans showed a deficit of EUR 199 million as of December 28, 2008 compared to a surplus of EUR 486 million as of December 30, 2007. This deterioration was mainly due to significant negative investment results on the plan assets. However, actuarial gains and losses (such as differences between expected and actual returns on assets, or the impact of changes in the discount rates) are not recognized if they are within certain limits (as further described in Note 3 to the consolidated financial statements). Therefore, the defined benefit plan assets and liabilities on the balance sheet improved compared to last year, mainly as a result of cash contributions to the plans. For more information on Ahold's defined benefit plans, see Note 22 to the consolidated financial statements.

## Liquidity and cash flows

### Liquidity

Ahold relies on cash provided by operating activities as a primary source of liquidity in addition to debt and equity issuances in the capital markets, letters of credit under credit facilities and available cash balances. Our strategy over the past years, including the divestments resulting from the 2006 strategic review, have positively impacted the credit ratings assigned to Ahold by Moody's Inc. and Standard & Poor's a division at the McGraw-Hill Companies, Inc. ("**S&P**"). Both credit rating agencies restored our corporate rating to investment grade during 2007. S&P revised its outlook to positive on January 14, 2009. For more information about our credit ratings, please refer to "Credit ratings" in Note 29 to the consolidated financial statements.

Based on our current operating performance and liquidity position, we believe that cash provided by operating activities and available cash balances will be sufficient for working capital, capital expenditures, dividend

payments, interest payments and scheduled debt repayment requirements for the next 12 months and the foreseeable future. A total of EUR 372 million of loans will mature in 2009, EUR 1.0 billion in 2010 through 2013 and EUR 1.3 billion after 2013.

#### *Group credit facility*

Ahold's EUR 1.2 billion committed unsecured syndicated multi-currency credit facility has a base term of five years ending August 2012, with an option to extend it to August 2014. The credit facility may be used for working capital and for general corporate purposes and provides for the issue of USD 550 million of letters of credit. As of December 28, 2008, there were no outstanding borrowings under the credit facility other than letters of credit to an aggregate amount of USD 413 million.

#### *Condensed cash flow statement*

	2008 € million	2007 € million
Cash generated from operations	1,867	1,460
Other operating cash flows	(124)	380
<b>Net cash from operating activities</b>	<b>1,743</b>	<b>1,840</b>
Purchase of non-current assets	(1,019)	(738)
Divestment of businesses, net of cash divested	321	5,435
Other investing cash flows	227	90
<b>Net cash from investing activities</b>	<b>(471)</b>	<b>4,787</b>
Cash flow before financing activities	1,272	6,627
Interest paid	(349)	(431)
Repayments of loans	(1,069)	(577)
Dividends on common shares	(188)	–
Capital repayment and share buyback	–	(4,016)
Other financing cash flows	(111)	(116)
<b>Net cash from financing activities</b>	<b>(1,717)</b>	<b>(5,140)</b>
<b>Net cash from operating, investing and financing activities</b>	<b>(445)</b>	<b>1,487</b>

Cash generated from operations increased by EUR 407 million compared to 2007. In 2007, the final payment under the Securities Class Action settlement in re Royal Ahold N.V. Securities & ERISA Litigation, which arose out of the events announced on February 24, 2003, was made (EUR 284 million), as were additional contributions in excess of required amounts to Ahold's pension plans (EUR 133 million). Net cash from operating activities decreased by EUR 97 million compared to 2007, mainly due to higher income taxes paid and the absence of operating cash flows from divested businesses.

Net cash from investing activities decreased by EUR 5.3 billion compared to 2007, which included EUR 5.4 billion related to the sale of U.S. Foodservice, Ahold's Polish activities and Tops. Capital expenditures increased by EUR 281 million compared to 2007, primarily as a result of Giant-Landover's store remodeling program and the conversion of 54 former Schuitema stores into Albert Heijn stores.

Net cash used in financing activities was EUR 1.7 billion, a EUR 3.4 billion lower outflow than in 2007. This was mainly due to the distribution of proceeds from divestments to shareholders in 2007 through a capital repayment of EUR 3 billion and a share buyback program of EUR 1 billion. In 2007, Ahold reinstated its annual dividend payments and in May 2008 paid a dividend of EUR 188 million (EUR 0.16 per common share). Loan repayments were EUR 1.1 billion, related mainly to a EUR 949 million note that matured in May 2008. The loans were repaid from Ahold's cash balances. As a result of the significant debt repayments in 2007 and 2008, interest paid decreased by EUR 82 million to EUR 349 million.

As a result of the net cash flows mentioned above, Ahold's cash and cash equivalents decreased from EUR 3.3 billion as of December 30, 2007 to EUR 2.9 billion as of December 28, 2008.

## Properties

At the end of 2008, we operated 2,897 stores, excluding the stores of our joint ventures ICA and JMR. This was a net increase of 115 stores for our continuing operations.

	December 28, 2008	Opened/ acquired	Closed/ sold	December 30, 2007
Stop & Shop/Giant-Landover	563	13	10	560
Giant-Carlisle	148	4	1	145
Albert Heijn	1,861	132	27	1,756
Albert/Hypemova	325	5	1	321
Divested businesses – Schuitema	–	0	443	443
<b>Total</b>	<b>2,897</b>	<b>154</b>	<b>482</b>	<b>3,225</b>

Franchisees and associates operated 783 of the stores, 477 of which were owned or leased independently from Ahold. Of the 2,416 locations that Ahold leases or has an ownership interest in, 66 percent had operating leases, 20 percent were company-owned, and 14 percent had finance leases and financings in which Ahold does not have a legal title. Ahold's stores range in size from 20 to over 10,000 square meters.

We also operated the following other properties as of December 28, 2008:

Warehouses/distribution centers/production facilities/offices	63
Properties under construction/development	70
Investment properties	786
<b>Total</b>	<b>919</b>

Of these other properties, 53 percent had operating leases, 40 percent were company-owned, and 7 percent had finance leases and financings in which Ahold does not have a legal title.

The 786 investment properties consist of buildings and land. 92 percent of these properties were subleased to third parties. The majority were shopping centers containing one or more Ahold stores and third-party retail units generating rental income. In 2007, Ahold completed a review of its global real estate portfolio. The review concluded that the majority of Ahold's investment property has strategic importance for operating purposes and will remain in the portfolio; the non-strategic assets were to be sold in subsequent years, with estimated cash proceeds of approximately EUR 100 million. The majority of this EUR 100 million was realized in the course of 2008, and we expect the remaining part of the cash proceeds in 2009.

Capital expenditures of EUR 1,128 million in 2008 and EUR 979 million in 2007 were primarily related to the construction, remodeling and expansion of stores and supply chain infrastructure improvements. The increase from 2007 was primarily due to investments in remodeling stores into the new Albert Heijn format in the Netherlands, including 54 stores that were transferred from Schuitema to Albert Heijn; remodeling at Stop & Shop/Giant-Landover, including the remodels related to Project Refresh, the three-year investment plan announced in October 2007 to remodel approximately 100 Giant-Landover stores; and store remodels in the Czech Republic.

## PERFORMANCE BY SEGMENT

The following covers the results of operations, including net sales and operating income, for Ahold's business segments.

### Stop & Shop/Giant-Landover

#### *Stop & Shop*

<b>Company name</b>	The Stop & Shop Supermarket Company LLC
<b>Established</b>	1914
<b>Joined Ahold</b>	1996
<b>Region</b>	United States, specifically the states of Massachusetts, Connecticut, Rhode Island, Maine, New Hampshire, New York and New Jersey
<b>Store formats</b>	Supermarkets and superstores
<b>Private labels</b>	Include: Stop & Shop, Nature's Promise, Simply Enjoy, CareOne, Guaranteed Value, Cottontails, Simply Dry, and Companion

Stop & Shop is one of the leading food retailers in the northeast United States. We operate over 380 stores, throughout seven states, employing approximately 60,000 people. In 2008, we launched a new brand identity at Stop & Shop that includes a fresh look for the stores, new logos, new prepared foods assortment, an expanded private label offering, and new shopping technology and customer websites. The initiatives are an important part of our Value Improvement Program to improve the products and services we offer, lower our prices and reduce our costs.

#### *Giant-Landover*

<b>Company name</b>	Giant of Maryland LLC
<b>Established</b>	1936
<b>Joined Ahold</b>	1998
<b>Region</b>	United States, specifically the states of Virginia, Maryland and Delaware and the District of Columbia
<b>Store formats</b>	Supermarkets and superstores
<b>Private labels</b>	Include: Giant, Nature's Promise, Simply Enjoy, CareOne, Guaranteed Value, Cottontails, Simply Dry, and Companion

Giant-Landover is one of the leading supermarket brands in the mid-Atlantic United States. We operate more than 180 supermarkets across three states and the District of Columbia, employing over 22,000 people.

In 2008, we launched a new brand identity at Giant-Landover that includes a fresh look for the stores, new logos, new prepared foods assortment, an expanded private label offering, and new shopping technology and customer websites. The initiatives are an important part of our Value Improvement Program.

At the same time, we are on-track with our three-year program "Project Refresh" to remodel or replace approximately 100 of our stores. In 2008, we completed 33 remodel or replacement stores at Giant-Landover.

The following table contains operational information including net sales and operating income for Stop & Shop/Giant-Landover in 2008 and 2007:

	2008	2007
Net sales in EUR (millions)	11,681	12,192
Net sales in USD (millions)	17,097	16,689
Change in identical sales (excluding gasoline sales):		
Stop & Shop	2.1%	0.6%
Giant-Landover	(0.5)%	(1.1)%
Change in comparable sales (excluding gasoline sales):		
Stop & Shop	2.4%	1.0%
Giant-Landover	(0.3)%	(0.9)%
Operating income in EUR (millions)	485	486
Operating income in USD (millions)	701	662
Operating income as a percentage of net sales	4.1%	4.0%
Underlying operating income as a percentage of net sales	4.3%	4.2%
Number of employees at year end (Headcount)	84,664	81,215
Number of employees at year end (FTE)	59,860	59,439
Sales area (in thousands of square meters)	2,086	2,060

Stop & Shop/Giant-Landover also operates Peapod, LLC (“**Peapod**”), an online grocery delivery service that works in partnership with the Stop & Shop/Giant- Landover operating company. Peapod also services the metropolitan areas of Chicago, Illinois, and Milwaukee, Wisconsin. Sales are included in sales of Stop & Shop/Giant-Landover.

#### *Net sales*

Net sales increased 2.4 percent in 2008 to USD 17.1 billion. The increase was due to identical sales growth and the opening of new and replacement stores; store closures were a partial offset. In 2008, net sales included USD 114 million of sales to Tops. Prior to the disposal of Tops, such sales were recorded as intercompany sales.

Excluding gasoline net sales, Stop & Shop identical sales increased 2.1 percent in 2008 compared with a 0.6 percent increase in 2007. Over the full year, Giant-Landover identical store sales growth was negative, impacted by lower pharmacy sales. However, Giant-Landover identical sales growth was positive in the second half of the year – the first time since 2002. During 2008, Giant-Landover opened its first two supermarket gasoline facilities.

#### *Operating income*

In 2008, operating income increased USD 39 million or 5.9 percent to USD 701 million. The increase was largely due to higher sales and cost efficiencies. The results included approximately USD 59 million of impairments, restructuring and related charges, as well as gains on the sale of real estate of USD 30 million. See Results from operations for more details.

	December 28, 2008 Number	December 30, 2007 Number
<i>Store portfolio development</i>		
Stop & Shop	381	376
Giant	182	184
Stop & Shop/Giant-Landover	563	560

## Giant-Carlisle

<b>Company name</b>	Giant Food Stores, LLC
<b>Established</b>	1923
<b>Joined Ahold</b>	1981
<b>Region</b>	United States, the states of Pennsylvania, Virginia, Maryland and West Virginia
<b>Store formats</b>	Supermarkets and superstores
<b>Private labels</b>	Include: Giant, Nature's Promise, Simply Enjoy, CareOne, Guaranteed Value

Giant-Carlisle is one of the leading supermarket brands in the mid-Atlantic United States. We operate nearly 150 stores in four states and employ approximately 27,000 people. Twenty-five stores operate under the name Martin's Food Markets.

In 2008, Sander van der Laan joined Giant-Carlisle from Albert Heijn as its new President and CEO. He is known for his strengths in building innovative formats and developing private labels.

The following table contains operational information including net sales and operating income information for Giant-Carlisle in 2008 and 2007:

	2008	2007
Net sales in EUR (millions)	3,238	3,145
Net sales in USD (millions)	4,738	4,307
Change in identical sales (excluding gasoline sales): Giant-Carlisle	4.7%	3.2%
Change in comparable sales (excluding gasoline sales): Giant-Carlisle	5.4%	4.6%
Operating income in EUR (millions)	160	156
Operating income in USD (millions)	233	213
Operating income as a percentage of net sales	4.9%	4.9%
Underlying operating income as a percentage of net sales	5.1%	5.0%
Number of employees at year end (Headcount)	26,890	23,594
Number of employees at year end (FTE)	17,087	15,553
Sales area (in thousands of square meters)	561	531

### Net sales

In 2008, net sales increased 10 percent to USD 4.7 billion. Excluding gasoline, identical sales increased 4.7 percent in 2008, compared to 3.2 percent in 2007. Giant-Carlisle continues to grow in a competitive market by offering quality products and services and running effective promotional activities.

### Operating income

In 2008, operating income increased USD 20 million or 9.4 percent to USD 233 million. The improvement was driven by strong sales growth, cost efficiencies and cost savings initiatives. The results were impacted by USD 11 million of restructuring and related charges, as discussed in Results from operations.

	December 28, 2008 Number	December 30, 2007 Number
<b>Store portfolio development</b>		
Giant	123	120
Martin's	25	25
<b>Giant-Carlisle</b>	<b>148</b>	<b>145</b>

## Albert Heijn

<b>Company name</b>	Albert Heijn B.V.
<b>Established</b>	1887
<b>Region</b>	Europe, the Netherlands
<b>Store formats</b>	Compact hypermarkets, supermarkets, convenience stores and home shopping. Also Etos and Gall & Gall specialty stores
<b>Private labels</b>	Include: AH Huismerk (house label), AH Excellent, AH Biologisch (organic), AH Express and Euroshopper

Albert Heijn is the leading food retailer in the Netherlands and one of the country's best-known brands. Albert Heijn operates more than 820 stores and employs over 70,000 people. In 2008, Albert Heijn increased its number of stores by 71, including 54 stores acquired as part of the sale of our majority stake in Schuitema. We continue to grow sales and market share by providing value and an extensive range of private label products. We also continue to innovate our store formats and offering in response to the changing needs of customers and specific local preferences.

The Albert Heijn operating company includes Etos, Gall & Gall, and the Ahold Coffee Company which produces coffee, mainly for Ahold's subsidiaries and joint ventures.

The following table contains operational information including net sales and operating income information for Albert Heijn/Etos/Gall & Gall in 2008 and 2007:

	2008	2007
Net sales in EUR (millions)	9,029	7,998
Change in identical sales:		
Albert Heijn supermarkets	9.2%	7.9%
Operating income in EUR (millions)	648	573
Operating income as a percentage of net sales	7.2%	7.2%
Underlying operating income as a percentage of net sales	7.0%	7.0%
Number of employees at year end (Headcount)	76,065	67,278
Number of employees at year end (FTE)	27,382	24,112
Sales area of own operated stores (in thousands of square meters)	823	747

### *Net sales*

Net sales increased 12.9 percent to EUR 9 billion in 2008. This growth was largely down to the continuing success of Albert Heijn's value repositioning program, effective promotional activities and the transfer of 54 former Schuitema stores to Albert Heijn during the second half of the year. Both Etos and Gall & Gall showed strong sales growth too.

### *Operating income*

In 2008, operating income increased EUR 75 million or 13.1 percent to EUR 648 million as Albert Heijn benefited from higher identical sales and lower pension charges. The results were impacted by EUR 4 million of impairments, this was more than offset by EUR 24 million gains on the sale of real estate, as discussed in Results from operations.



## Etos

<b>Company name</b>	Etos B.V.
<b>Established</b>	1918
<b>Joined Ahold</b>	1974
<b>Region</b>	Europe, the Netherlands
<b>Store formats</b>	Drugstores
<b>Private labels</b>	Include: Etos house label (Etos Huismerk) and Etos value selection (Etos Voordeelselectie)

Etos is one of the leading health and beauty retailers in the Netherlands, operating over 500 stores and employing over 2,500 people. In 2007, we successfully began repositioning Etos in the highly competitive Dutch market. Etos offers health and beauty shoppers affordable prices as well as service, quality, selection and knowledgeable staff.

## Gall & Gall

<b>Company name</b>	Gall & Gall B.V.
<b>Established</b>	1884
<b>Joined Ahold</b>	1989
<b>Region</b>	Europe, the Netherlands
<b>Store formats</b>	Wine and liquor stores
<b>Private label</b>	Includes: range of selected Gall & Gall house wines

Gall & Gall is the leading wine and liquor specialist in the Netherlands, operating over 530 stores and employing over 1,200 people. In 2008, we began the roll-out of a new type of liquor store with an updated brand image designed to appeal to a broader customer base. We also piloted a smaller store format designed to be incorporated into an Albert Heijn supermarket. In addition, we are labeling shelves according to wine type rather than country of origin to make selecting easier for customers who like wine but are not experts. We are training our staff to provide quality service and advice.

	December 28, 2008 Number	December 30, 2007 Number
<b>Store portfolio development</b>		
Albert Heijn	823	752
Etos	506	485
Gall & Gall	532	519
<b>Albert Heijn/Etos/Gall &amp; Gall</b>	<b>1,861</b>	<b>1,756</b>

## Albert / Hypernova

<b>Company name</b>	Albert/Hypernova
<b>Established</b>	Ahold Czech Republic (1991), Ahold Slovakia (2001)
<b>Region</b>	Europe, the Czech Republic and Slovakia
<b>Store formats</b>	Hypermarkets and supermarkets
<b>Private labels</b>	Include: Albert, Albert Excellent, Albert Bio, Euroshopper

Albert and Hypernova are among the best-known food retail brands in the Czech Republic and Slovakia. We operate 300 stores in the Czech Republic and 25 stores in Slovakia and employ over 14,500 people in both countries.

We are currently rebranding all our Albert and Hypernova supermarkets in the Czech Republic to Albert to build a single powerful brand and achieve a stronger position in the market. Our offering – particularly fresh food – and our private label products are playing an important part in strengthening the brand. In 2008, we launched Albert Excellent with premium products and Albert Bio to meet the growing demand for organic produce.

The following table contains operational information including net sales and operating income (loss) information for Albert/Hypernova in 2008 and 2007:

	2008	2007
Net sales in EUR (millions)	1,774	1,558
Change in identical sales (excluding gasoline sales):		
Albert/Hypernova	3.1%	7.1%
Operating income in EUR (millions)	1	0
Operating income as a percentage of net sales	0.1%	0.0%
Underlying operating income as a percentage of net sales	(0.2)%	0.1%
Number of employees at year end (Headcount)	14,656	15,003
Number of employees at year end (FTE)	13,913	14,243
Sales area (in thousands of square meters)	525	529

### Net sales

Net sales increased 13.9 percent to EUR 1.8 billion in 2008; at constant exchange rates, net sales growth was 2.8 percent. The increase in net sales was primarily due to increased identical store sales, partially offset by stores that were closed for remodeling during the year. In the second half of the year, the market deteriorated as a result of the economic downturn and continuing competition.

### Operating profit

The operating company increased its operating result from breakeven in 2007 to EUR 1 million in 2008. The result included approximately EUR 3 million of gains on the sale of real-estate and EUR 1 million of an impairment reversal.

	December 28, 2008 Number	December 30, 2007 Number
<b>Store portfolio development</b>		
Czech Republic	300	296
Slovakia	25	25
<b>Albert/Hypernova</b>	<b>325</b>	<b>321</b>

## SELECTED FINANCIAL INFORMATION

### Selected financial data

The financial information as set out on page 51 of this Base Prospectus for the years 2008 and 2007 has been derived from the financial statements of Ahold for the year ended December 28, 2008, as included in the Ahold 2008 Annual Report. The selected financial information as included below has been derived from page 119 of the Ahold 2008 Annual Report. The financial information as set out on page 51 of this Base Prospectus for the years 2006, 2005 and 2004 has not been audited.

### Results and cash flow information

€ million, except per share data	2008	2007 <sup>1</sup>	2006 <sup>1</sup>	2005 <sup>1</sup>	2004 <sup>1</sup>
Net sales	<b>25,722</b>	24,893	24,642	23,767	23,117
Operating income	<b>1,198</b>	1,068	989	77 <sup>2</sup>	819
Net interest expense	<b>(234)</b>	(294)	(452)	(520)	(641)
Income (loss) from continuing operations	<b>868</b>	753	649	(147)	646
Income from discontinued operations	<b>211</b>	2,192	266	293	237
Net income	<b>1,079</b>	2,945	915	146	883
Net income per share attributable to common shareholders (basic)	<b>0.91</b>	2.03	0.58	0.08	0.56
Net income per share attributable to common shareholders (diluted)	<b>0.89</b>	2.01	0.58	0.08	0.56
Income (loss) per share from continuing operations attributable to common shareholders continuing operations (diluted)	<b>0.73</b>	0.52	0.42	(0.09)	0.42
Dividend per common share	<b>0.18<sup>4</sup></b>	0.16	—	—	—
Cash flow before financing activities <sup>5</sup>	<b>1,272</b>	6,627	1,028	2,057	2,033
Net cash from operating, investing and financing activities	<b>(445)</b>	1,487	(249)	(1,137)	25
Capital expenditures <sup>3</sup>	<b>1,019</b>	738	857	770	973
Capital expenditures as % of net sales <sup>3</sup>	<b>4.0%</b>	3.0%	3.5%	3.2%	4.2%
Average exchange rate (euro per U.S. dollar)	<b>0.6828</b>	0.7307	0.7964	0.8051	0.8050

<sup>1</sup> Comparative figures have been adjusted from amounts previously reported to reflect the effect of discontinued operations.

<sup>2</sup> Includes the settlement of the securities class action (EUR 803 million).

<sup>3</sup> Excludes assets acquired under finance leases, business acquisitions and discontinued operations.

<sup>4</sup> Subject to approval by the General Meeting of Shareholders.

<sup>5</sup> Cash Flow before financing activities is the sum of the net cash from operating activities and the net cash from investing activities.

### Balance sheet and other information

December 28, € million	2008	December 30, 2007	December 31, 2006	January 1, 2006	January 2, 2005
Group equity	<b>4,676</b>	3,887	5,270	4,661	3,917
Cash and cash equivalents	<b>2,863</b>	3,263	1,844	2,228	3,205
Net debt <sup>1</sup>	<b>1,378</b>	2,116	4,636	5,520	6,815
Net debt-equity ratio	<b>29%</b>	54%	88%	118%	174%
Total assets	<b>13,592</b>	13,944	18,442	19,958	21,344
Common shares outstanding (x 1,000)	<b>1,176,685</b>	1,171,922	1,555,678	1,555,313	1,554,263
Year-end exchange rate (euro per U.S. dollar)	<b>0.7111</b>	0.6795	0.7576	0.8444	0.7375

In 2007, EUR 4.0 billion was returned to shareholders through a capital repayment and a share buyback program.

<sup>1</sup> Net debt is the difference between (i) the sum of long term debt and short term debt and (ii) cash and cash equivalents.

## **Auditors' Report**

### **Introduction**

We have audited whether the accompanying selected financial information of Koninklijke Ahold N.V., Zaandam for the years 2008 and 2007, as set out on page 51 of the Base Prospectus, has been derived consistently from the audited financial statements of Koninklijke Ahold N.V. for the year ended December 28, 2008. In our auditor's report dated February 27, 2009 we expressed an unqualified opinion on these financial statements. Management is responsible for the preparation of the selected financial information in accordance with the accounting policies as applied in the 2008 financial statements of Koninklijke Ahold N.V. Our responsibility is to express an opinion on this selected financial information. The selected financial information for the years 2006, 2005 and 2004 has not been audited.

### **Scope**

We conducted our audit in accordance with Dutch law. This law requires that we plan and perform the audit to obtain reasonable assurance that the selected financial information has been derived consistently from the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, this selected financial information has been derived consistently, in all material respects, from the financial statements.

### **Emphasis of matter**

For a better understanding of the company's financial position and results and the scope of our audit, we emphasize that the selected financial information for the years 2008 and 2007 should be read in conjunction with the unabridged financial statements, from which the selected financial information for the years 2008 and 2007 was derived and our unqualified auditor's report thereon dated February 27, 2009. Our opinion is not qualified in respect of this matter.

Deloitte Accountants B.V.

M.R. van Leeuwen

Amsterdam, the Netherlands

April 2, 2009

## TERMS AND CONDITIONS OF THE NOTES

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

This Note is one of a Series (as defined below) of Notes issued by the Issuer (which expression shall include any Substituted Debtor pursuant to Condition 17) pursuant to the Agency Agreement (as defined below). References herein to the "**Notes**" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note. The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an Amended and Restated Agency Agreement dated April 2, 2009 (the "**Agency Agreement**") made between the Issuer and Citibank N.A. as issuing and principal paying agent and agent bank (in such capacity the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes in the standard euromarket form (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Definitive Notes in the standard euromarket form repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) 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.

**"Borrowings"** means any transactions that, in accordance with IFRS are treated as borrowings.

**"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.

**"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 and which if the Specified Currency is Australian dollars shall be Sydney) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 1 or TARGET 2) System (the **"TARGET System"**) 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.

**"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:
  - (A) the relevant place of presentation; and
  - (B) 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 and which if the Specified Currency is Australian dollars shall be Sydney) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

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

**"Private Debt"** means:

- (i) loans, debts, guarantees, obligations repayable on demand (*opvorderbare gelden*) and/or other obligations arising out of Borrowings by the Issuer from parties that are not a Subsidiary; and
- (ii) guarantees issued by the Issuer guaranteeing financial obligations of parties which are not a Subsidiary of the Issuer in respect of Borrowings,

not being Public Debt. 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.

**"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.

**"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.

**"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.

"**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 14 and note 15 respectively of the Ahold 2008 Annual Report incorporated by reference herein.

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

## **1. Form, Denomination and Title**

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

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

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

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

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

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

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

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

## **2. Status of the Notes**

### **(a) Status of the Senior Notes**

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

### **(b) Status and Subordination of the Subordinated Notes**

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

## **3. Negative pledge**

So long as any of the Notes or any relative Receipts or Coupons remain outstanding, neither the Issuer nor any Subsidiary will secure:

### **(i) any Public Debt, or**

(ii) any Private Debt in excess of 30 per cent. of the Total Consolidated Fixed Assets, not being Public Debt, then or thereafter existing, by any lien, pledge or other charge upon any of its present or future assets or revenues unless the Notes and any relative Receipts and 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 where such security is created prior to the date of such merger or acquisition, (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, (v) any security approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders and, (vi) any security arising out of contractual obligations entered into prior to the date of this Base Prospectus.

## **4. Redenomination**

### **Redenomination**

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

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

- (i) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then prevailing market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are

presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

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

## **5. Interest**

### **(a) Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to

the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

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

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

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

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

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

- (i) Interest Payment Dates

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

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

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

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

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

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

(ii) Rate of Interest

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

(A) ISDA Determination for Floating Rate Notes

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

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

(B) Screen Rate Determination for Floating Rate Notes

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

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (B) in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

(iii) Minimum and/or Maximum Rate of Interest

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

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

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

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

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

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

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

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

(v) Notification of Rate of Interest and Interest Amount

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

(vi) Certificates to be Final

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

(c) Interest on Dual Currency Interest Notes

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

(d) Interest on Partly Paid Notes

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

(e) Accrual of Interest

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

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

## **6. Payments**

(a) Method of Payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney); 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 instalments of principal (if any), other than the final instalment, 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 instalment 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 instalment together with the definitive Note to which it appertains. Receipts presented without the



definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

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

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

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

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

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

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

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at

such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due; and

- (ii) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars;

(c) Payment Day

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

(d) Interpretation of Principal and Interest

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

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

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

## 7. Redemption and Purchase

(a) At Maturity

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

(b) Redemption for Tax Reasons

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

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

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

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

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

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

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

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

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

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

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

under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

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

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

(e) Early Redemption Amounts

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

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

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

"RP" means the Reference Price;

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

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

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

(f) Instalments

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

(g) Partly Paid Notes

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

(h) Purchases

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

(i) Cancellation

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

(j) Late Payment on Zero Coupon Notes

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

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

## 8. Taxation

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

- (i) presented for payment in respect of Notes issued other than by Koninklijke Ahold N.V., in Zaandam the Netherlands; or
- (ii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof; or
- (iii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day (assuming that day to have been a Payment Day); or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to EU Directive 2003/48/EC or any related arrangements, or any law implementing or complying with, or introduced in order to conform to, such Directive (together, the "**EU Directive**"); or

- (vi) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (vii) for taxes that are payable otherwise than by withholding from a payment on the Note, Receipt or Coupon; or
- (viii) for any estate, inheritance, gift, sale, excise, transfer, personal property or similar tax, assessment or other governmental charge; or
- (ix) any combination of items (i) through (viii) above.

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

## 9. Prescription

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

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

## 10. Events of Default

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

- (i) the Issuer defaults for any reason whatsoever for more than 30 days with respect to the payment of principal or the payment of interest due on the Notes;
- (ii) the Issuer defaults in the performance of any other obligation under these Conditions and, if such default is capable of being remedied, such default has not been remedied within 30 days after written notification from any Noteholder requiring such default to be remedied shall have been given to the Issuer through the Agent as intermediary;
- (iii) the Issuer or any Principal Subsidiary defaults in the payment of the principal of, or interest on, any other obligation in respect of Borrowed Moneys of, assumed or guaranteed by the Issuer or the Principal Subsidiary, as the case may be, when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, applicable thereto and the time for payment of such interest, or principal, has not been effectively extended, or if any obligation in respect of Borrowed Moneys, of, assumed or guaranteed by the Issuer or the Principal Subsidiary shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of an event of default thereunder;
- (iv) an "**executory attachment**" (*executoriaal beslag*), or an "**interlocutory attachment**" (*conservatoir beslag*) or similar measure under foreign law is made on any substantial part of the assets of the Issuer or similar measure under foreign law is made thereon and, in either case, is not cancelled or withdrawn within 30 days after the making thereof or the Issuer becomes bankrupt, applies for suspension of payment or is wound up (or a similar measure under foreign law is made or taken), or

the Issuer offers a compromise to its creditors or negotiates with all its creditors another agreement relating to its payment difficulties, or such measures are officially decreed;

- (v) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries over the whole or substantially all of the undertaking, assets or revenues of the Issuer or any of its Principal Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person in respect thereof) and is not discharged or stayed within 30 days;
- (vi) the Issuer shall cease to carry on substantially the whole of its business or shall dispose of substantially the whole of its assets;
- (vii) any Substituted Debtor ceases to be at least 95 per cent. owned and controlled (directly or indirectly) by the Issuer;
- (xiii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in the foregoing paragraph (v),

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

#### **11. Replacement of Notes, 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**

- (a) The Issuer (which for the purpose of this Condition, save where the context requires otherwise, includes any previous substitute of the Issuer) under this Condition may and the Noteholders, the Receiptholders and the Couponholders hereby irrevocably agree in advance that the Issuer under this Condition may at any time, substitute either (i) any company (incorporated in any country in the world), more than 90 per cent. of the shares or other equity interest carrying voting rights of which are directly or indirectly held by the Issuer or (ii) any branch of the Issuer, as the principal debtor in respect of the Notes (any such company, the "**Substituted Debtor**"), provided that:
  - (i) 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;

- (ii) 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 Condition 8 shall apply or unless the Issuer was required by law to make such withholding or deduction before the substitution);
  - (iii) all necessary governmental and regulatory approvals and consents for such substitution shall have been obtained and be in full force and effect;
- (b) The Substituted Debtor shall forthwith give notice of the substitution to the Noteholders, the Receiptholders and the Couponholders in accordance with Condition 14.

## **18. Governing Law and Submission to Arbitration**

The Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, the laws of the Netherlands.

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

# FORM OF FINAL TERMS

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

Copies of the Final Terms will be provided upon request by the Issuer. In addition, the Final Terms with respect to Notes admitted to listing and trading on Euronext Amsterdam by NYSE Euronext will be displayed on the website of Euronext Amsterdam ([www.euronext.com](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 (1019 GM) Amsterdam, the Netherlands, Piet Heinkade 167-173)

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

dated [•]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in item 36 below, provided such person is one of the persons mentioned in item 36 below and that such offer is made during the Offer Period specified for such purpose therein.

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

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in

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<sup>1</sup> Include this legend where a non-exempt offer of Notes is anticipated. (N.B. Not relevant for an issue of Notes with a minimum denomination of € 50,000 (or its equivalent in another currency)).

relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Notes in any other circumstances.]]<sup>2</sup>

## PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Program (the "**Program**") of Koninklijke Ahold N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the Issuer's base prospectus pertaining to the Program, dated April 2, 2009 (the "**Base Prospectus**") and any supplements as referred to in article 16.1 of the Prospectus Directive thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus and any such supplements thereto. The Base Prospectus (and any supplements thereto) is available for viewing at the office of the Issuer at Piet Heinkade 167-173, 1019 GM, Amsterdam, the Netherlands, where copies may also be obtained. Electronic copies can be obtained by e-mail through [investor.relations@ahold.com](mailto:investor.relations@ahold.com).

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

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or 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: [ ]

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

[(ii)] Tranche Number: [ ]

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

3. Specified Currency or Currencies: [ ]

4. Aggregate Nominal Amount:  
[(i)] Series: [ ]

[(ii)] Tranche: [ ]

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<sup>2</sup> Include this legend where only an exempt offer of Notes is anticipated. (N.B. Not relevant for an issue of Notes with a minimum denomination of € 50,000 (or its equivalent in another currency)).

5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount  
[plus accrued interest from [insert date] (if applicable)]
6. (i) Specified Denominations: [ ]
- (Where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed:*
- “[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No notes in definitive form will be issued with a denomination above [€99,000].”)*
- (N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €[1,000] [50,000] minimum denomination is not required.)*
- (ii) Calculation Amount [ ]
- (If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.]*
- Form of Definitive Notes: [Standard Euromarket]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date [Specify/Issue Date/Not Applicable]
8. Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. Interest Basis: [[ ] per cent. Fixed Rate]  
[[specify reference rate] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (specify)]

(further particulars specified below)

10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Instalment]  
[Other (*specify*)]
11. Change of interest Basis or Redemption/  
Payment Basis: [*Specify details of any provision for convertibility of  
Notes into another interest or redemption/payment  
basis*]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. (i) Status of the Notes: [Senior/[Date/Perpetual]/Subordinated]
- (ii) [Date [Board] approval for issuance of Notes  
Obtained: [ ] [and [ ]], respectively]  
*(N.B. Only required where Board (or similar)  
authorization is required for the particular tranche  
of Notes)*
14. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-  
paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [ ] per cent. per annum [payable [annually/semi-  
annually/quarterly/monthly/other (*specify*)] in  
arrear]
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with  
[*specify Business Day Convention and any  
applicable Business Centre(s) for the definition of  
"Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [ ] per Calculation Amount
- (iv) Broken Amount(s): [ ] per Calculation Amount, payable on the  
Interest Payment Date falling [in/on] [ ]
- (v) Day Count Fraction: [30/360/ Actual/Actual (ICMA)/other (*specify*)]
- (vi) [Determination Dates: [ ] in each year (*insert regular interest payment  
dates, ignoring issue date or maturity date in the*

*case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))]*

- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:

[Not Applicable/give details]

**16. Floating Rate Note Provisions**

[Applicable/Not Applicable]

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

- (i) Interest Period(s): [ ]

- (ii) Specified Interest Payment Dates: [ ]

- (iii) First Interest Payment Date: [ ]

- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/No Adjustment/Preceding Business Day Convention/[other (give details)]]

- (v) Business Centre(s): [ ]

- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]

- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Agent): [ ]

- (viii) Screen Rate Determination:

- Reference Rate: [ ]

- Interest Determination Date(s): [ ]

- Relevant Screen Page: [ ]

- (ix) ISDA Determination:

- Floating Rate Option: [ ]

- Designated Maturity: [ ]

- Reset Date: [ ]

- (x) Margin(s): [+/-] [ ] per cent. per annum

- (xi) Minimum Rate of Interest: [ ] per cent. per annum
- (xii) Maximum Rate of Interest: [ ] per cent. per annum
- (xiii) Day Count Fraction: [ ]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- (xv) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
- (xvi) *[Include other information concerning the underlying required by Paragraph 4.7 of Annex V of the Prospectus Directive Regulation]*
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]
18. **Index Linked Interest Note/other variable linked Interest Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/Formula/other variable: [Give or annex details]
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Mount(s) (if not the Agent): [ ]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [ ]



- (iv) Determination Dates: [ ]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or Otherwise disrupted: [ ]
- (vi) Interest or calculation period(s): [ ]
- (vii) Specified Interest Payment Dates: [ ]
- (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other (*give details*)]
- (ix) Business Centre(s): [ ]
- (x) Minimum Rate/Amount of Interest: [ ] [per cent. per annum]
- (xi) Maximum Rate/Amount of Interest: [ ] [per cent. per annum]
- (xii) Day Count Fraction: [ ]
19. **Dual Currency Note Provisions** [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub paragraphs of this paragraph*)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [*Give details*]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

**PROVISIONS RELATING TO REDEMPTION**

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

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

**21. Put Option**

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

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

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

[ ] per Calculation Amount

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

- (i) Index/Formula/variable: [ ]
- (ii) Party responsible for calculating the Final Redemption Amount (if not the Agent): [ ]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [ ]
- (iv) Determination Date(s): [ ]
- (v) Provisions for determining

Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]

(vi) Payment Date: [ ]

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

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

23. **Early Redemption Amount**

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

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. **Form of Notes**

**Bearer Notes:**

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

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

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

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

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

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

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and

dates on which such Talons mature):

[Yes/No. *If yes, give details*]

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

[Not Applicable/*give details*]

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

[Not Applicable/*give details*]

29. Redenomination, renominatisation  
and reconventioning provisions:

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

30. Consolidation provisions:

[Not Applicable The provisions in Condition [ ]  
apply]

31. Other terms or special conditions:

[Not Applicable/*give details*]

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

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

*(i) a description of the settlement procedure;*

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

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

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

#### **DISTRIBUTION**

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

[Not Applicable/ *give details*]

*(Include names and addresses of entities agreeing  
to underwrite the issue on a firm commitment basis  
and names and addresses of the entities agreeing  
to place the issue without a firm commitment or on*

a "best efforts" basis if such entities are not the same as the Managers.)

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

#### **[PURPOSE OF FINAL TERMS]**

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [Euronext Amsterdam by NYSE Euronext/other (*specify*)] 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:

By: .....  
Duly authorized

## PART B – OTHER INFORMATION

### 1. Listing

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

### 2. Ratings

The Notes to be issued have been rated:

[S & P: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

[[Other]: [ ]]

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

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

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

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

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

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

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

[(i) Reasons for the offer:

[ ]

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

[(ii)] Estimated net proceeds:

[ ]

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

[(iii)] Estimated total expenses:

[ ]

*[Include breakdown of expenses.]*

*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

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

Indication of yield:

[ ]

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

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

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

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

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

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]*

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

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

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

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

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

## 9. Operational Information

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Fondscore: [ ] [Not Applicable]
- (iv) WKN Code: [ ] [Not Applicable]
- (v) [Other relevant code:] [Not Applicable/give name(s) and numbers(s)]
- (vi) 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)]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Names and addresses of initial Paying Agent(s): [ ]
- (ix) Names and addresses of additional Paying Agent(s) (if any): [ ]

## 10. Terms and conditions of the offer

- Offer Price: [Issue Price/specify]
- Conditions to which the offer is subject: [Not Applicable/give details]
- Description of the application process: [Not Applicable/give details]
- Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/give details]
- Details of the minimum and/or maximum amount of application: [Not Applicable/give details]
- Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/give details]
- Manner and date on which results of the offer are to be made public: [Not Applicable/give details]
- Procedure for exercise of any right of



pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

[Not Applicable/*give details*]

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:

[Not Applicable/*give details*]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:

[Not Applicable/*give details*]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

[Not Applicable/*give details*]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:

[None/*give details*]

## FORM OF THE NOTES

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

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

Pursuant to the Agency Agreement (as defined under "**Terms and Conditions of the Notes**") the Agent shall arrange that, if a Temporary Global Note representing a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg and/or a *Fondscore* by Clearnet S.A. Amsterdam Branch Stock Clearing (the securities clearing corporation of Euronext Amsterdam N.V.) which are different from the ISIN, common code and *Fondscore* 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 of the Notes. In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to his account with the relevant clearing system(s) gives notice that it wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, holders of interests in such global Note credited to their accounts with the relevant clearing system(s) will become entitled to proceed directly against the Issuer on the basis of

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

## **USE OF PROCEEDS**

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

# TAXATION

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

## DUTCH TAXATION

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

This taxation summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Notes issued on or after the date of this Base Prospectus. It does not consider every aspect of taxation that may be relevant to a particular holder of Notes under special circumstances or who is subject to special treatment under applicable law. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law.

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.

### ***Withholding tax***

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

### ***Taxes on income and capital gains***

#### **Resident holders of Notes**

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

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

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

**A holder of Notes is a "Dutch Corporate Entity" if:**

- it is a corporate entity (*lichaam*), including an association that is taxable as a corporate entity, that is subject to Dutch corporation tax;
- it is resident, or deemed to be resident, in the Netherlands for Dutch corporation tax purposes;
- it is not an entity that, although in principle subject to Dutch corporation tax, is, in whole or in part, specifically exempt from that tax and 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.

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 – owns, directly or indirectly, 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 the average of his "yield basis" (*rendementsgrondslag*) at the beginning and at the end of the year, to the extent that such average 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, regardless of whether the child is resident in the Netherlands or abroad.

#### *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, even if the child is resident in the Netherlands, are attributed to the parent who exercises, or to the parents who exercise, authority over the child, regardless of whether the child is resident in the Netherlands or abroad.

#### *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 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

- (a) such Non-Resident holder of Notes 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 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
- (b) such Non-Resident holder of Notes has a substantial interest in the Issuer.

A person other than an individual has a substantial interest in the Issuer, (x) if it has a substantial interest in the Issuer as described in the section "Dutch taxation – Taxes on income and capital gains -Resident holders of Notes -Dutch Individuals deriving benefits from miscellaneous activities" or (y) if it has a deemed substantial interest in the Issuer. A deemed substantial interest may be present if its shares, profit participating certificates or rights to acquire shares or profit participating certificates in the Issuer have been acquired by such person or are deemed to have been acquired by such person on a non-recognition basis.

#### *General*

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

### **Gift and inheritance taxes**

A person who acquires Notes as a gift, in form or in substance, or who acquires or is deemed to acquire Notes on the death of an individual, will not be subject to Dutch gift tax or to Dutch inheritance tax, as the case may be, unless:

- (i) the donor is, or the deceased was resident or deemed to be resident in the Netherlands for purposes of gift or inheritance tax, as the case may be; or
- (ii) the Notes are or were attributable to an enterprise or part of an enterprise that the donor or the deceased carried on through a permanent establishment or a permanent representative in the Netherlands at the time of the gift or of the death of the deceased; or
- (iii) 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.

### ***Other taxes and duties***

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with (i) the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of Notes, (ii) the performance by the Issuer of its obligations under such documents or under the Notes, or (iii) the transfer of Notes.

### ***EU Savings Directive***

Under EU Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, 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 an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland) with effect from the same date.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated program agreement (the "**Program Agreement**") dated April 2, 2009 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Notes*". In the Program Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Program and the issue of Notes under the Program and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

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

### European Economic Area

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

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- (b) at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 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
- (e) 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 (b) to (e) 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 and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## **The Netherlands**

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

## **United States of America**

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

- 1.5 Each Tranche of Notes will also be subject to such additional United States selling restrictions as the Issuer and the relevant Dealer(s) may agree and as indicated in the relevant Final Terms.

### **United Kingdom**

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

Each Dealer has agreed and each further Dealer appointed under the Program will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject

or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefore.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

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

# GENERAL INFORMATION

## Authorizations

The update of the Program was duly authorized by a resolution of Ahold's Corporate Executive Board dated March 31, 2009. All consents, approvals, authorizations or other orders of all regulatory authorities required by the Issuer under the laws of the Netherlands have been or will be obtained for the issue of Notes and for the Issuer to undertake and perform its obligations under the Dealership Agreement, the Agency Agreement and the Notes.

## Listing

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

## Documents Available

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

- (i) the Deed of Incorporation of Ahold;
- (ii) the Dutch language version and an English translation of the most recent Articles of Association of Ahold;
- (iii) the Ahold 2008 Annual Report, including Ahold's 2008 audited annual financial statements;
- (iv) the Ahold 2007 Annual Report, including Ahold's 2007 audited annual financial statements;
- (v) the Program Agreement and the Agency Agreement (which contains the forms of the Temporary and Permanent Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons);
- (vi) a copy of this Base Prospectus;
- (vii) any future prospectuses, offering circulars, supplementary listing particulars, information memoranda, supplements to this Base Prospectus and any documents incorporated herein by reference; and
- (viii) the Final Terms for each Tranche of Notes.

## Clearing and Settlement Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code, ISIN and *Fondscore* 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.

## Auditors

The auditors of the Issuer are Deloitte Accountants B.V., who have audited the consolidated financial statements of Koninklijke Ahold N.V. prepared in accordance with IFRS for the years ended December 28,



2008 and December 30, 2007. In their auditor's reports dated February 27, 2009 and March 5, 2008 respectively Deloitte Accountants B.V. have expressed an unqualified opinion on these financial statements. The partners of Deloitte Accountants B.V. who have signed the auditor's report for the aforementioned financial statements are members of the *Nederlands Instituut voor Register Accountants*.

### Post-issuance information

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

### Ratings

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

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

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

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

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

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

### Standard & Poor's

Outlook	Positive
LT Foreign Issuer Credit	BBB-
LT Local Issuer Credit	BBB-
Senior Unsecured Debt	BB+
ST Foreign Issuer Credit	A-3
ST Local Issuer Credit	A-3
Preferred stock	BB-

### Moody's

Outlook	Stable
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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	500	USD	6.25	01may09		BB+	Baa3
Ahold Finance U.S.A., LLC	690	USD	8.25	15jul10		BB+	Baa3
Ahold Finance U.S.A., LLC	407	EUR	5.875	14mar12	EMTN	BB+	Baa3
Ahold Finance U.S.A., LLC	250	GBP	6.5	14mar17	EMTN	BB+	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		BB+	Baa3

\* Outstanding principal amounts in millions

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) Ahold's 2008 Annual Report, including (on pages 43 to 114) Ahold's 2008 audited annual financial statements;
- (b) Ahold's 2007 Annual Report, including (on pages 35 to 88) Ahold's 2007 audited annual financial statements; and
- (c) Ahold's articles of association as per the Publication Date of this Base Prospectus (in the original Dutch language version as well as in English translation).

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

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

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

Piet Heinkade 167-173  
1019 GM Amsterdam  
The Netherlands

**LEGAL ADVISORS TO AHOLD**

*As to Dutch law*

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*As to U.S. law*

**White & Case LLP**

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United States of America

**THE DEALERS**

**Banc of America Securities Limited**

5 Canada Square  
London, E14 5AQ  
The United Kingdom

**Barclays Bank PLC**

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

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
The United Kingdom

**CITIGROUP GLOBAL MARKETS LIMITED**

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

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

Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**HSBC Bank plc**

8 Canada Square  
London E14 5HQ

**Goldman Sachs International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB

**J.P. Morgan Securities Ltd.**

125 London Wall  
London EC2Y 5AJ  
The United Kingdom

**The Royal Bank of Scotland PLC**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

**LEGAL ADVISOR TO THE DEALERS**

*As to Dutch law*

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1013 GE Amsterdam  
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**LISTING AND PAYING AGENT**

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**ISSUING AND PAYING AGENT**

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