Summary Report

Highlights

- Fourth quarter operating income €295 million
- Fourth quarter net income €154 million
- Full year underlying retail operating margin 4.9 percent
- Dividend increased by 26 percent to €0.29 per share
- New share buyback program of €1 billion

Amsterdam, the Netherlands – Ahold today published its summary report for the fourth quarter and full year 2010. CEO Dick Boer said: "In 2010, Ahold delivered another solid performance in both the United States and Europe. Despite another challenging year for the food retail industry, we managed to successfully increase volumes and grow market share in each of our major markets.

"For the full year, sales grew by 4.4 percent at constant exchange rates and after adjusting for the impact of an additional week in 2009. We reported an underlying retail operating margin of 4.9 percent; excluding the Ukrop's stores we acquired in 2010, the underlying retail margin was 5.1 percent, the same as in 2009.

"In the fourth quarter, customers continued to focus on value, driving intense promotional activity, particularly in the United States. Operating margins were negatively impacted by cost inflation that was not fully passed on to customers. We increased volumes and improved market share in the Netherlands, the Czech Republic and in the United States.

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

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

"We reiterate our mid-term targets to achieve a net sales growth of 5 percent (mainly from identical sales growth) and an underlying retail operating margin of 5 percent, while maintaining an investment grade credit rating."

At current exchange rates, Ahold expects its net interest expense for 2011 to be in the range of €230 million to €250 million and its capital expenditure to be around €0.9 billion.

Group performance

(€ million)	Q4 2010 (12 weeks)	Q4 2009 (13 weeks)	% change	2010 (52 weeks)	2009 (53 weeks)	% change
Net sales*	6,975	6,801	2.6%	29,530	27,925	5.7%
Operating income	295	341	(13.5)%	1,336	1,297	3.0%
Income from continuing operations	169	273	(38.1)%	863	972	(11.2)%
Net income	154	267	(42.3)%	853	894	(4.6)%

* At constant exchange rates and after adjustment for the impact of an additional week in 2009, net sales increased by 5.5 percent in Q4 2010 (full year 2010: 4.4 percent).

Fourth quarter 2010 (compared to fourth quarter 2009)

Net sales of €7.0 billion increased 5.5 percent after adjustments for constant exchange rates and the impact of an additional week in 2009 (an increase of 2.6 percent on a non-adjusted basis).

Operating income was €295 million, down 13.5 percent, primarily impacted by an additional week in 2009. Retail operating income decreased by €51 million (14.5 percent) to €300 million. Underlying retail operating margin was 4.7 percent, impacted by Ukrop's as well as reorganization and IT integration costs in the United States. Corporate Center costs were €5 million for the quarter, down €5 million from Q4 2009. Excluding the impact of the Company's insurance activities, Corporate Center costs were €17 million, €1 million higher.

Income from continuing operations declined by 38.1 percent to €169 million, reflecting lower operating income, higher income taxes, and lower share in income of joint ventures. The share in income of joint ventures was negatively impacted by a provision against deferred tax assets of €70 million at ICA (Ahold's share €42 million).

Net income of €154 million, was down 42.3 percent.

Free cash flow was €337 million, €140 million lower, mainly due to lower operating cash flows from continuing operations of €103 million and higher capital expenditures of €26 million.

Net debt decreased by €109 million during the quarter to €737 million, mainly due to the positive free cash flow of €337 million, partly offset by the share buyback of €124 million and a currency impact of €53 million.

Full year 2010 (compared to full year 2009)

Net sales were €29.5 billion, up 4.4 percent after adjustments for constant exchange rates and the impact of an additional week in 2009 (5.7 percent on a non-adjusted basis).

Operating income was €1.3 billion, up 3.0 percent. Retail operating income increased by €52 million (3.8 percent) to €1.4 billion. Underlying retail operating margin was 4.9 percent. Corporate Center costs were €76 million, up €13 million. Excluding the impact of the Company's insurance activities, Corporate Center costs were €75 million, €1 million higher.

Income from continuing operations decreased by €109 million (11.2 percent) to €863 million. A higher operating income and lower net financial expense were more than offset by higher income taxes and lower share in income of joint ventures. Income taxes in 2009 were positively impacted by the recognition of €101 million of deferred tax assets primarily arising from U.S. net operating losses carried over from previous years.

Net income was €853 million, down €41 million. The change in the result from discontinued operations is primarily due to year-over-year changes in Ahold's provision, after tax, for losses under lease guarantees related to its former subsidiaries BI-LO and Bruno's. During 2010, income from discontinued operations reflected a decrease in this provision of €23 million in contrast to last year, when Ahold's initial estimate of losses under these guarantees resulted in a net charge of €62 million.

Free cash flow was €1.1 billion, €164 million better than last year, mainly due to higher operating cash flows from continuing operations of €205 million, higher dividends from joint ventures of €42 million, and lower interest payments of €23 million partly offset by higher capital expenditures of €100 million.

Net debt was €737 million, virtually unchanged compared to last year. The positive free cash flow of €1.1 billion was more than offset by net cash paid on business acquisitions of €159 million, additional finance lease liabilities of €105 million (mainly resulting from business acquisitions), dividends paid on common shares of €272 million, the share buyback of €386 million, other net cash outflows of €59 million and a currency impact of €151 million.

Performance by segment

Ahold USA

For the fourth quarter, net sales of $5.6 billion increased 6.0 percent when compared to the adjusted fourth quarter 2009 sales partly due to business acquisitions, mainly Ukrop's stores ($125 million). Net sales decreased 2.0 percent before adjustment for the impact of an additional week in 2009. Identical sales were up 1.9 percent (0.9 percent excluding gasoline). Operating income was $180 million (or 3.2 percent of net sales), down $112 million, impacted by an additional week in 2009. Included in operating income were $26 million of impairment charges, $12 million of restructuring and related charges, and a $3 million gain on the sale of assets. Furthermore, operating income was impacted by losses of $10 million relating to the Ukrop's stores and $8 million of reorganization and IT integration costs. Operating income last year included impairments of $4 million and restructuring and related charges of $3 million. A one-off net income of $3 million related to pensions was a partial offset.

For the full year, net sales were $23.5 billion, up 5.1 percent when compared to the adjusted full year 2009 sales (3.1 percent on a non-adjusted basis). Sales from Ukrop's stores were $458 million. Identical sales increased 1.5 percent (0.4 percent excluding gasoline). Operating income was $941 million (or 4.0 percent of net sales), down $146 million. Significant items affecting operating income, as discussed under Note 3 to the summary financial statements, amounted to a net charge of $113 million versus a net charge of $10 million a year ago.

The Netherlands

For the fourth quarter, net sales of €2.4 billion increased 5.2 percent when compared to the adjusted fourth quarter 2009 sales. Net sales decreased 3.5 percent before adjustment for the impact of an additional week in 2009. Identical sales were up 4.0 percent. Operating income of €159 million (or 6.6 percent of net sales) was down €9 million compared to last year, impacted by an additional week in 2009. Operating income last year was impacted by a non-recurring wage tax provision of €7 million.

For the full year, net sales were €10.1 billion, up 4.7 percent when compared to the adjusted full year 2009 sales (2.5 percent on a non-adjusted basis). Identical sales increased 3.6 percent. Operating income of €688 million (or 6.8 percent of net sales) was up €34 million compared to last year. Significant items affecting operating income, as discussed under Note 3 to the summary financial statements, amounted to a net benefit of €16 million in 2010 (2009: a net charge of €7 million).

Other Europe (Czech Republic and Slovakia)

For the fourth quarter, net sales were €428 million, up 2.7 percent after adjustments for constant exchange rates and the impact of an additional week in 2009 (down 0.7 percent on a non-adjusted basis). Identical sales were up 4.0 percent (4.5 percent excluding gasoline). Operating income for the quarter was €8 million compared to a loss of €16 million in Q4 2009. Operating income was impacted by impairment charges of €3 million in the quarter. Included in Q4 2009 operating income were impairment charges of €5 million and restructuring and related charges of €10 million, mainly for the closure of underperforming stores and downsizing of large hypermarkets in the Czech Republic.

For the full year, net sales were €1.7 billion, down 3.5 percent after adjustments for constant exchange rates and the impact of an additional week in 2009 (down 1.4 percent on a non-adjusted basis). Sales were negatively impacted by store closures and downsizings as part of the restructuring program implemented in 2009. Identical sales increased 0.8 percent (0.7 percent excluding gasoline). Operating income was €10 million compared to a loss of €76 million last year. Significant items affecting operating income, as discussed under Note 3 to the summary financial statements, amounted to a net charge of €6 million versus a net charge of €50 million last year.

Other retail (Unconsolidated joint ventures)

For the fourth quarter, Ahold's share in income of joint ventures was a loss of €3 million compared to an income of €39 million in Q4 2009. For the full year, Ahold's share in income of joint ventures was down €49 million to €57 million. The decrease resulted from ICA, where a provision against deferred tax assets of €70 million (Ahold's share €42 million) was recognized in Q4 2010 and a provision related to a tax claim of €78 million (Ahold's share €47 million) was recorded in Q2 2010. Excluding the impact of these items, Ahold's net share of income in ICA was €32 million and €121 million in the fourth quarter and in full year 2010, compared to €30 million and €85 million in the fourth quarter and full year 2009 respectively.

Other financial and operating information

Identical[1]/comparable[2] sales growth (percent year over year)

	Q4 2010 identical	Q4 2010 identical excluding gasoline	Q4 2010 comparable	2010 identical	2010 identical excluding gasoline	2010 comparable
Ahold USA	1.9%	0.9%	2.1%	1.5%	0.4%	1.9%
The Netherlands	4.0%	4.0%		3.6%	3.6%	
Other Europe	4.0%	4.5%		0.8%	0.7%	

1. Net sales from exactly the same stores in local currency for the comparable period (the comparable period corresponds to the adjusted fourth quarter 2009 and the adjusted full year 2009 respectively)
2. Identical sales plus net sales from replacement stores in local currency. Comparable sales are only reported for Ahold USA.

Retail operating margin

Operating margin is defined as operating income as a percentage of net sales. For a discussion of operating income, see Note 3 to the summary financial statements.

	Q4 2010	Q4 2009	2010	2009
Ahold USA	3.2%	5.1%	4.0%	4.8%
The Netherlands	6.6%	6.7%	6.8%	6.6%
Other Europe	1.9%	(3.7)%	0.6%	(4.5)%
Ahold Europe	5.9%	5.2%	5.9%	5.0%
Total retail	**4.3%**	**5.2%**	**4.8%**	**4.9%**

Underlying retail operating income[1]

	Q4 2010	Q4 2009	% change	2010	2009	% change
$ million						
Ahold USA	215	299	(28.1)%	978	1,108	(11.7)%
Average U.S. dollar exchange rate (euro per U.S. dollar)	*0.7383*	*0.6767*	*9.1%*	*0.7555*	*0.7194*	*5.0%*
€ million						
Ahold USA	159	204	(22.1)%	742	797	(6.9)%
The Netherlands	160	168	(4.8)%	691	654	5.7%
Other Europe	11	(2)	n/m	16	(36)	n/m
Ahold Europe	171	166	3.0%	707	618	14.4%
Total retail	**330**	**370**	**(10.8)%**	**1,449**	**1,415**	**2.4%**

1. For the definition of underlying retail operating income see section ''Other information'' – ''Use of non-GAAP financial measures''.

Underlying retail operating margin

Underlying operating margin is defined as underlying operating income as a percentage of net sales.

	Q4 2010	Q4 2009	2010	2009
Ahold USA	3.8%	5.2%	4.2%	4.9%
The Netherlands	6.7%	6.7%	6.9%	6.6%
Other Europe	2.6%	(0.5)%	1.0%	(2.1)%
Ahold Europe	6.0%	5.7%	6.0%	5.4%
Total retail	**4.7%**	**5.4%**	**4.9%**	**5.1%**

Store portfolio[1]

	End of 2009	Opened/ acquired	Closed/ sold	End of 2010
Ahold USA	713	40	(2)	751
The Netherlands[2]	1,892	38	(16)	1,914
Other Europe	304	3	(2)	305
Ahold Europe	2,196	41	(18)	2,219
Total retail	**2,909**	**81**	**(20)**	**2,970**

1. Including franchise stores.
2. The number of stores at the end of 2010 includes 1,071 specialty stores (Etos and Gall & Gall).

EBITDA[1]

(€ million)	Q4 2010	Q4 2009	% change	2010	2009	% change
Ahold USA	257	302	(14.9)%	1,241	1,265	(1.9)%
The Netherlands	208	217	(4.1)%	896	851	5.3%
Other Europe	19	(4)	n/m	59	(25)	n/m
Ahold Europe	227	213	6.6%	955	826	15.6%
Corporate Center	(5)	(10)	50.0%	(75)	(62)	(21.0)%
	479	505	(5.1)%	2,121	2,029	4.5%
Share in income of joint ventures	(3)	39	n/m	57	106	(46.2)%
Loss from discontinued operations	(15)	(6)	(150.0)%	(10)	(78)	n/m
Total EBITDA	**461**	**538**	**(14.3)%**	**2,168**	**2,057**	**5.4%**

1. For the definition of EBITDA see section ''Other information'' – ''Use of non-GAAP financial measures''.

Free cash flow[1]

(€ million)	Q4 2010	Q4 2009	2010	2009
Operating cash flows from continuing operations	629	732	2,111	1,906
Purchase of non-current assets	(248)	(222)	(870)	(770)
Divestments of assets/disposal groups held for sale	5	14	32	22
Dividends from joint ventures	3	2	111	69
Interest received	3	2	15	31
Interest paid	(55)	(51)	(287)	(310)
Free cash flow	**337**	**477**	**1,112**	**948**

1. For the definition of free cash flow see section "Other information" – "Use of non-GAAP financial measures".

Net debt

(€ million)	January 2, 2011	October 10, 2010	January 3, 2010
Loans	1,851	1,790	1,753
Finance lease liabilities	1,096	1,048	992
Cumulative preferred financing shares	497	497	497
Non-current portion of long-term debt	3,444	3,335	3,242
Short-term borrowings and current portion of long-term debt	117	122	458
Gross debt	3,561	3,457	3,700
Less: cash and cash equivalents and short-term deposits[1]	2,824	2,611	2,983
Net debt	**737**	**846**	**717**

1. Book overdrafts, representing the excess of total issued checks over available cash balances within the Group cash concentration structure, are classified in accounts payable and do not form part of net debt. These balances amounted to €138 million, €122 million and €159 million as of January 2, 2011, October 10, 2010 and January 3, 2010, respectively.

Auditor's involvement

The full year 2010 and 2009 information in the summary financial statements, as set out on pages 8 to 22 of this summary report, is based on Ahold's 2010 financial statements, as included in the 2010 Annual Report (the Financial Statements) which have not yet been published. In accordance with article 2:395 of the Netherlands Civil Code, we state that our auditor, Deloitte Accountants B.V., has issued an unqualified opinion on the Financial Statements. For a better understanding of the Company's financial position and results and of the scope of the audit of Deloitte Accountants B.V., this report should be read in conjunction with the Financial Statements from which these summary financial statements have been derived and the auditor's report of Deloitte Accountants B.V. thereon issued on March 2, 2011. We plan to publish the Financial Statements on March 8, 2011. The General Meeting of Shareholders has not yet adopted the Financial Statements.

Consolidated income statement

(€ million, except per share data)	Note	Q4 2010	Q4 2009	2010	2009
Net sales	*3*	6,975	6,801	29,530	27,925
Cost of sales	*4*	(5,128)	(4,966)	(21,610)	(20,338)
Gross profit		**1,847**	**1,835**	**7,920**	**7,587**
Selling expenses		(1,333)	(1,302)	(5,714)	(5,488)
General and administrative expenses		(219)	(192)	(870)	(802)
Total operating expenses	*4*	(1,552)	(1,494)	(6,584)	(6,290)
Operating income	*3*	**295**	**341**	**1,336**	**1,297**
Interest income		4	4	18	27
Interest expense		(65)	(67)	(288)	(316)
Other financial income (expense)		(11)	(7)	11	6
Net financial expense		(72)	(70)	(259)	(283)
Income before income taxes		**223**	**271**	**1,077**	**1,014**
Income taxes	*5*	(51)	(37)	(271)	(148)
Share in income (loss) of joint ventures	*6*	(3)	39	57	106
Income from continuing operations		**169**	**273**	**863**	**972**
Loss from discontinued operations	*7*	(15)	(6)	(10)	(78)
Net income attributable to common shareholders		**154**	**267**	**853**	**894**
Net income per share attributable to common shareholders:					
basic		0.13	0.23	0.73	0.76
diluted		0.13	0.22	0.72	0.74
Income from continuing operations per share attributable to common shareholders:					
basic		0.15	0.23	0.74	0.82
diluted		0.15	0.23	0.73	0.81
Weighted average number of common shares outstanding (in millions):					
basic		1,151	1,181	1,169	1,180
diluted		1,213	1,245	1,230	1,243
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.7383	0.6767	0.7555	0.7194

Consolidated statement of comprehensive income

(€ million)	Q4 2010	Q4 2009	2010	2009
Net income	**154**	**267**	**853**	**894**
Currency translation differences in foreign interests:				
Currency translation differences before tax	129	28	305	(2)
Income taxes	-	1	(1)	-
Cash flow hedges:				
Cash flow hedges before tax	45	10	(19)	23
Income taxes	(9)	(2)	6	(5)
Share of other comprehensive income (loss) of joint ventures, net of income taxes	(2)	14	(60)	16
Other comprehensive income	163	51	231	32
Total comprehensive income attributable to common shareholders	**317**	**318**	**1,084**	**926**

Consolidated balance sheet

(€ million)	Note	January 2, 2011	January 3, 2010
Assets			
Property, plant and equipment		5,827	5,407
Investment property		582	531
Intangible assets		762	619
Investments in joint ventures		1,072	1,066
Other non-current financial assets		853	750
Deferred tax assets		410	429
Other non-current assets		25	26
Total non-current assets		**9,531**	**8,828**
Assets held for sale		26	10
Inventories		1,331	1,209
Receivables		772	700
Other current financial assets		245	310
Income taxes receivable		11	13
Other current assets		209	175
Cash and cash equivalents	*12*	2,600	2,688
Total current assets		**5,194**	**5,105**
Total assets		**14,725**	**13,933**
Year-end U.S. dollar exchange rate (euro per U.S. dollar)		0.7474	0.6980

Consolidated balance sheet – *continued*

(€ million)	Note	January 2, 2011	January 3, 2010
Equity and liabilities			
Equity attributable to common shareholders	*9*	5,910	5,440
Loans	*10*	1,851	1,753
Other non-current financial liabilities		1,726	1,660
Pensions and other post-employment benefits	*11*	129	96
Deferred tax liabilities		177	173
Provisions		623	584
Other non-current liabilities		217	202
Total non-current liabilities		**4,723**	**4,468**
Liabilities related to assets held for sale		20	-
Accounts payable		2,323	2,137
Other current financial liabilities	*10*	216	564
Income taxes payable		243	141
Provisions		152	152
Other current liabilities		1,138	1,031
Total current liabilities		**4,092**	**4,025**
Total equity and liabilities		**14,725**	**13,933**
Year-end U.S. dollar exchange rate (euro per U.S. dollar)		0.7474	0.6980

Consolidated statement of changes in equity

(€ million)	Share capital	Additional paid-in capital	Legal reserves: Currency translation reserve	Legal reserves: Cash flow hedging reserve	Legal reserves: Other legal reserves	Accumulated deficit	Equity attributable to common shareholders
Balance as of December 28, 2008	**358**	**9,916**	**(651)**	**(62)**	**402**	**(5,276)**	**4,687**
Dividends	-	-	-	-	-	(212)	(212)
Total comprehensive income	-	-	19	14	(1)	894	926
Share-based payments	-	-	-	-	-	39	39
Change in other legal reserves	-	-	-	-	43	(43)	-
Balance as of January 3, 2010	**358**	**9,916**	**(632)**	**(48)**	**444**	**(4,598)**	**5,440**
Dividends	-	-	-	-	-	(272)	(272)
Total comprehensive income	-	-	247	(15)	(1)	853	1,084
Share buyback	-	-	-	-	-	(386)	(386)
Share-based payments	-	-	-	-	-	44	44
Change in other legal reserves	-	-	-	-	(47)	47	-
Balance as of January 2, 2011	**358**	**9,916**	**(385)**	**(63)**	**396**	**(4,312)**	**5,910**

Consolidated statement of cash flows

(€ million)	Note	Q4 2010	Q4 2009	2010	2009
Operating income		295	341	1,336	1,297
Adjustments for:					
Depreciation, amortization and impairments		209	174	812	771
Gains on the sale of assets/disposal groups held for sale - net		(4)	(3)	(14)	(7)
Share-based compensation expenses		8	9	33	30
Operating cash flows before changes in operating assets and liabilities		508	521	2,167	2,091
Changes in working capital:					
Changes in inventories		(35)	(1)	(43)	99
Changes in receivables and other current assets		(126)	(55)	(19)	(31)
Changes in payables and other current liabilities		337	297	205	(73)
Changes in non-current assets and liabilities		(18)	(4)	(76)	(146)
Cash generated from operations		666	758	2,234	1,940
Income taxes paid		(37)	(26)	(123)	(34)
Operating cash flows from continuing operations		629	732	2,111	1,906
Operating cash flows from discontinued operations		-	-	(8)	(14)
Net cash from operating activities		**629**	**732**	**2,103**	**1,892**
Purchase of non-current assets		(248)	(222)	(870)	(770)
Divestments of assets/disposal groups held for sale		5	14	32	22
Acquisition of businesses, net of cash acquired		(1)	-	(159)	(4)
Divestment of businesses, net of cash divested		(4)	(2)	(34)	(8)
Changes in short-term deposits		(48)	(289)	85	(289)
Dividends from joint ventures		3	2	111	69
Interest received		3	2	15	31
Other		-	(1)	12	(3)
Investing cash flows from continuing operations		(290)	(496)	(808)	(952)
Investing cash flows from discontinued operations		-	-	-	(1)
Net cash from investing activities		**(290)**	**(496)**	**(808)**	**(953)**
Interest paid		(55)	(51)	(287)	(310)
Repayments of loans	*10*	(3)	(3)	(419)	(524)
Repayments of finance lease liabilities		(12)	(12)	(54)	(47)
Dividends paid on common shares	*9*	-	-	(272)	(212)
Share buyback	*9*	(124)	-	(386)	-
Other		(19)	(27)	(30)	(11)
Financing cash flows from continuing operations		(213)	(93)	(1,448)	(1,104)
Financing cash flows from discontinued operations		(1)	(1)	(4)	(4)
Net cash from financing activities		**(214)**	**(94)**	**(1,452)**	**(1,108)**
Net cash from operating, investing and financing activities	*12*	**125**	**142**	**(157)**	**(169)**
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.7383	0.6767	0.7555	0.7194

For the reconciliation between the statement of cash flows and the cash and cash equivalents as presented on the balance sheet see Note 12.

Notes to the summary financial statements

1. The Company and its operations

The principal activity of Koninklijke Ahold N.V. (“Ahold” or the “Company”), a public limited liability company with its registered seat in Zaandam, the Netherlands, and its head office in Amsterdam, the Netherlands, is the operation of retail stores in the United States and Europe through subsidiaries and joint ventures.

2. Accounting policies

Basis of preparation

These condensed consolidated summary financial statements (“summary financial statements”) have been prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies applied in these summary financial statements are consistent with those applied in Ahold’s 2009 consolidated financial statements, except as described below under “changes in accounting policies”.

Ahold’s reporting calendar is based on 13 periods of four weeks, with 2010 comprising 52 weeks and 2009 comprising 53 weeks. The fourth quarter of 2010 comprises 12 weeks and the fourth quarter of 2009 comprised 13 weeks. The financial year of Ahold’s unconsolidated joint ventures, ICA AB (“ICA”) and JMR - Gestão de Empresas de Retalho, SGPS. S.A. (“JMR”), corresponds to the calendar year. Any significant transactions and/or events between ICA’s and JMR’s quarter-end and Ahold’s quarter-end are taken into account in the preparation of Ahold’s summary financial statements.

Changes in accounting policies

In 2008, the International Accounting Standards Board (“IASB”) issued a revised IFRS 3 “Business Combinations” and amended IAS 27 “Consolidated and Separate Financial Statements”. These standards were changed to address guidance for applying the acquisition method of accounting for business combinations by stressing the “economic entity” view of the reporting entity and greater use of fair value through the income statement. These standards are applicable to Ahold prospectively for business combinations as of 2010.

The 2008 amendment of IAS 27 included an amendment to IAS 21 “The Effects of Changes in Foreign Exchange Rates.” The amendment to IAS 21 changed the methodology Ahold applies in recycling its currency translation reserve to income upon the disposal of a foreign operation and in certain intercompany financing transactions, such as dividend payments and capital or permanent loan repayments. This amendment to IAS 21 is applicable to Ahold prospectively as of 2010. No significant recycling out of the currency translation reserve has taken place in 2010.

Segment reporting presentation

On November 5, 2009, Ahold announced a series of changes in its European and U.S. businesses. Ahold’s U.S. operations contain four newly organized divisions: Stop & Shop New England, Stop & Shop New York Metro, Giant Landover and Giant Carlisle. As of Q1 2010, Ahold has changed its segment reporting presentation by aggregating its U.S. operating segments into one reportable segment, Ahold USA. This change has been applied retrospectively.

3. Segment reporting

Ahold's retail operations are presented in three reportable segments. In addition, Other retail, consisting of Ahold's unconsolidated joint ventures ICA and JMR, and Ahold's Corporate Center are presented separately.

Reportable segment	Included in the Reportable segment
Ahold USA	Stop & Shop New England, Stop & Shop New York Metro, Giant Landover, Giant Carlisle, and Peapod
The Netherlands	Albert Heijn, Etos, Gall & Gall and Albert.nl
Other Europe	Albert (Czech Republic and Slovakia) and Hypernova (Slovakia)

Other	Included in Other
Other retail	Unconsolidated joint ventures ICA (60 percent) and JMR (49 percent)
Corporate Center	Corporate staff (the Netherlands, Switzerland and the United States)

Net sales per segment

	Q4 2010	Q4 2009	% change	2010	2009	% change
$ million						
Ahold USA	5,609	5,725	(2.0)%	23,523	22,825	3.1%
Average U.S. dollar exchange rate (euro per U.S .dollar)	*0.7383*	*0.6767*	*9.1%*	*0.7555*	*0.7194*	*5.0%*
€ million						
Ahold USA	4,144	3,879	6.8%	17,783	16,399	8.4%
The Netherlands	2,403	2,491	(3.5)%	10,087	9,843	2.5%
Other Europe	428	431	(0.7)%	1,660	1,683	(1.4)%
Ahold Europe	2,831	2,922	(3.1)%	11,747	11,526	1.9%
Ahold Group	**6,975**	**6,801**	**2.6%**	**29,530**	**27,925**	**5.7%**

The combined net sales of Ahold's unconsolidated joint ventures ICA and JMR amounted to €3,475 million and €3,121 million for Q4 2010 and Q4 2009, respectively (full year 2010: €12,887 million and full year 2009: €11,668 million).

Operating income

Operating income (loss) per segment is as follows:

	Q4 2010	Q4 2009	% change	2010	2009	% change
$ million						
Ahold USA	180	292	(38.4)%	941	1,087	(13.4)%
Average U.S. dollar exchange rate (euro per U.S. dollar)	*0.7383*	*0.6767*	*9.1%*	*0.7555*	*0.7194*	*5.0%*
€ million						
Ahold USA	133	199	(33.2)%	714	782	(8.7)%
The Netherlands	159	168	(5.4)%	688	654	5.2%
Other Europe	8	(16)	n/m	10	(76)	n/m
Ahold Europe	167	152	9.9%	698	578	20.8%
Corporate Center	(5)	(10)	50.0%	(76)	(63)	(20.6)%
Ahold Group	**295**	**341**	**(13.5)%**	**1,336**	**1,297**	**3.0%**

<u>Ahold USA</u>

Included in Q4 2010 operating income were $26 million (€20 million) of impairment charges, mainly related to underperforming stores, and $12 million (€9 million) of restructuring and related charges. A $3 million (€3 million) gain on the sale of assets was a partial offset. Furthermore, operating income was impacted by losses of $10 million (€8 million) relating to the Ukrop's stores and $8 million (€6 million) of reorganization and IT integration costs.

Full year 2010 operating income included $23 million (€17 million) of impairment charges, $26 million (€20 million) of restructuring and related charges, which were partly offset by gains on sale of assets of $12 million (€9 million). Furthermore, other significant items impacting the operating income in 2010 were losses of $53 million (€41 million) relating to the Ukrop's stores, $31 million (€24 million) of reorganization and IT integration costs and a $12 million (€9 million) charge resulting from the alignment of inventory valuation across the newly formed U.S. divisions. A $20 million (€16 million) release of insurance provisions was a partial offset.

In Q4 2009, operating income was negatively impacted by impairment charges of $4 million (€3 million) and restructuring and related charges of $3 million (€2 million). A one-off net income of $3 million (€2 million) related to pensions was a partial offset.

Full year 2009 operating income included impairments of $22 million (€16 million), a rent charge of $15 million (€11 million), resulting from an adjustment of step rents on operating leases related to the years 2006 to 2008. Furthermore, included in the operating income were one-off net charges related to pensions of $6 million (€4 million). A partial offset was a release of insurance provisions of $32 million (€22 million).

<u>The Netherlands</u>

Operating income in 2010 included €6 million of impairments, partly offset by €3 million of gains on sale of assets. Furthermore, operating income was positively impacted by an €8 million benefit arising from accrual reversals, a benefit of €6 million arising from the settlement of a non-recurring wage tax liability and a €5 million benefit from cost recoveries.

Q4 2009 operating income included a non-recurring wage tax provision of €7 million.

Full year 2009 operating income included €6 million of impairments, offset by €6 million of gains on sale of assets and a non-recurring wage tax provision of €7 million.

<u>Other Europe</u>
Included in Q4 2010 operating income were €3 million of impairment charges.

Full year 2010 operating income included impairment charges of €4 million, restructuring and related charges of €4 million, partly offset by gains on sale of assets of €2 million.

Operating income in Q4 2009 included restructuring charges of €10 million (full year 2009: €24 million), mainly for the closure of underperforming stores and downsizing of large hypermarkets in the Czech Republic. Impairment losses were €5 million for Q4 2009 (full year 2009: €17 million). Included in these were impairments related to stores closed and downsized under the restructuring program of €5 million for full year 2009 (Q4 2009: nil). Furthermore, full year 2009 included one-off net rebranding costs of €10 million.

<u>Corporate Center</u>
Corporate Center costs were €5 million for the quarter, down €5 million from Q4 2009. Excluding the impact of the Company's insurance activities, Corporate Center costs were €17 million, €1 million higher than last year.

For the full year, Corporate Center costs were €76 million, up €13 million. Excluding the impact of the Company's insurance activities, Corporate Center costs were €75 million, €1 million higher than last year.

4. Expenses by nature

The aggregate of cost of sales and operating expenses is specified by nature as follows:

(€ million)	Q4 2010	Q4 2009*	2010	2009*
Cost of product	4,873	4,727	20,517	19,381
Employee benefit expenses	945	915	4,072	3,831
Other operational expenses	541	533	2,324	2,164
Depreciation and amortization	184	164	785	732
Rent (income) expenses - net	116	114	483	488
Impairment losses and reversals - net	25	10	27	39
Gains on the sale of assets - net	(4)	(3)	(14)	(7)
Total	**6,680**	**6,460**	**28,194**	**26,628**

* Comparative amounts have been adjusted to conform to the presentation in the current year.

5. Income taxes

Ahold's effective tax rates in the consolidated income statement differed from the statutory income tax rate of the Netherlands of 25.5 percent in both 2010 and 2009. The following table reconciles these statutory income tax rates with the effective income tax rates in the consolidated income statement:

(€ million)	2010	%	2009	%
Income before income taxes	1,077		1,014	
Income tax expense at statutory tax rates	(275)	25.5%	(259)	25.5%
Adjustments to arrive at effective income tax rates:				
Rate differential (local rates versus the statutory rate of the Netherlands)	25	(2.3)%	(12)	1.2%
Deferred tax income due to changes in tax rates	4	(0.3)%	12	(1.2)%
Deferred tax income related to recognition of deferred tax assets - net	-	-	101	(9.9)%
Reserves, (non-)deductibles, and discrete items	(25)	2.3%	10	(1.0)%
Total income taxes	**(271)**	**25.2%**	**(148)**	**14.6%**

"Rate differential" indicates the effect of Ahold's taxable income being generated and taxed in jurisdictions where tax rates differ from the statutory tax rate in the Netherlands. "Reserves, (non-)deductibles, and discrete items" include one-time events such as law changes.

The deferred tax income related to recognition of deferred tax assets in 2009 primarily arose from U.S. net operating losses carried over from previous years.

6. Share in income of joint ventures

The Company's share in income (loss) of joint ventures is net of income taxes and is specified as follows:

(€ million)	Q4 2010	Q4 2009	2010	2009
ICA	(10)	30	32	85
JMR	6	10	23	22
Other	1	(1)	2	(1)
Total	**(3)**	**39**	**57**	**106**

In Q4 2010 ICA's net income included a provision against deferred tax assets of €70 million (Ahold's share €42 million). Earlier this year, in Q2 2010, ICA's net income was negatively impacted by a tax expense of €78 million (Ahold's share €47 million) related to certain interest deductions in previous years. For more details on ICA's tax claim, see Note 13.

7. Assets held for sale and discontinued operations

Loss from discontinued operations is specified as follows:

(€ million)	Q4 2010	Q4 2009	2010	2009
BI-LO and Bruno's	-	3	23	(62)
Tops	(13)	(1)	(20)	(5)
U.S. Foodservice	(2)	(8)	(12)	(9)
Various*	-	-	(1)	(2)
Results on divestments	(15)	(6)	(10)	(78)
Loss from discontinued operations, net of income taxes	**(15)**	**(6)**	**(10)**	**(78)**

* Includes adjustments to the results on various other past divestments.

BI-LO and Bruno's

As disclosed in Note 34 to Ahold's 2009 consolidated financial statements, Ahold remains contingently liable under various lease guarantees extending to 2026 related to leases assigned to third parties. Two former subsidiaries of Ahold, Bruno's Supermarkets, LLC and BI-LO, LLC (Bruno's and BI-LO) filed for protection under Chapter 11 of the U.S. Bankruptcy Code (the filings) on February 5, 2009 and March 23, 2009, respectively. As a result of the filings, Ahold made an assessment of its potential obligations under the lease guarantees based upon the remaining initial term of each lease, an assessment of the possibility that Ahold would have to pay under a guarantee and any potential remedies that Ahold may have to limit future lease payments. Consequently, in 2009 Ahold recognized a provision, after tax, of €62 million, within results on divestments.

In connection with the filings, on December 18, 2009, certain Ahold affiliates entered into a Settlement and Term Loan Acquisition Agreement ("Settlement Agreement") with Lone Star Fund V, LLC ("Lone Star Fund") and certain other Lone Star entities. Pursuant to the Settlement Agreement, Ahold acquired $260 million (€190 million) of the existing term loans of BI-LO during February 2010. Lone Star Fund and certain other Lone Star entities ("Lone Star") provided Ahold with funding of $130 million (€95 million) and security relating to the repayment of the acquired term loans.

On May 12, 2010, the re-organized BI-LO exited bankruptcy protection and subsequently the existing $260 million (€204 million) of term loans held by Ahold were repaid in full and Ahold repaid to Lone Star the funding of $130 million (€102 million). BI-LO assumed 149 operating locations that are guaranteed by Ahold. During the BI-LO bankruptcy, BI-LO rejected a total of 16 leases which are guaranteed by Ahold and Ahold also took assignment of 12 other BI-LO leases with Ahold guarantees. Based on the foregoing developments, Ahold recognized a reduction of €23 million in its provision, after tax, within results on divestments in the first half of 2010.

Since the end of Q2 2010, Ahold has entered into settlements with a number of landlords relating to leases of former BI-LO or Bruno's stores that are guaranteed by Ahold. At the end of 2010 the remaining provision is €54 million with a related tax benefit offset of €23 million. This amount represents Ahold's best estimate of the discounted aggregate amount of the remaining lease obligations and associated charges, net of known mitigation offsets, which could result in cash outflows for Ahold under the various lease guarantees. Ahold continues to pursue its mitigation efforts with respect to these lease guarantee liabilities and to closely monitor any developments with respect to Bruno's and BI-LO.

Tops
Expenses estimated for the settlement of a union pension liability and additional costs under the lease obligations retained upon the divestment were included in the results from the divestment in 2010.

U.S. Foodservice
The U.S. Foodservice charges relate to expenses incurred under the warranties provided upon the divestment.

8. Business combinations

Acquisition of stores from Ukrop's Super Markets
On February 8, 2010, Ahold announced that Giant Carlisle successfully completed the acquisition of 25 stores from Ukrop's Super Markets, located in the Greater Richmond and Williamsburg areas of Virginia. The purchase consideration was $140 million (€102 million) for 25 stores, equipment, lease agreements and one new store location, plus inventory and the cancellation of a supplier contract for an additional consideration of $38 million (€29 million). The stores have been converted to and are operating under the Martin's name.

The allocation of the net assets acquired and the goodwill arising at the acquisition date is as follows:

(€ million)	Fair value
Non-current assets	76
Current assets	16
Non-current liabilities	(51)
Current liabilities	(6)
Net assets acquired	35
Goodwill	96
Total purchase consideration	**131**
Cash acquired	(1)
Acquisition of business, net of cash acquired	**130**

Goodwill recognized is mainly attributable to intangible assets that do not qualify for separate recognition, such as non-contractual customer relationships. The total amount of goodwill is expected to be deductible for tax purposes.

The acquired stores contributed $458 million (€349 million) to net sales, had a $53 million (€41 million) negative impact on operating income, or a $31 million (€23 million) negative impact on net income in the period from February 8, 2010 to January 2, 2011.

Acquisition of Shaw's supermarket stores
In April 2010, Stop & Shop acquired five Shaw's supermarket stores from Supervalu. The acquired stores are located in Connecticut. The total purchase consideration was $36 million (€26 million). Goodwill recognized amounted to $16 million (€12 million) and the total amount is expected to be deductible for tax purposes.

9. Equity attributable to common shareholders

Dividend on common shares

On April 13, 2010, the General Meeting of Shareholders determined the dividend over 2009 at €0.23 per common share (€272 million in the aggregate). The dividend was paid on May 4, 2010. With respect to the current year, the Corporate Executive Board, with the approval of the Supervisory Board, proposes that a dividend of €0.29 per common share be paid in 2011 with respect to 2010. Based on the number of outstanding common shares as of March 2, 2011, the dividend would amount to approximately €329 million in the aggregate. This dividend is subject to approval by the General Meeting of Shareholders and has not been included as a liability in the consolidated balance sheet as of January 2, 2011. The payment of this dividend will not have income tax consequences for the Company.

Share buyback

On March 4, 2010, Ahold announced its decision to return €500 million to its shareholders by way of a share buyback program, to be completed over a 12-month period. Under this program, 38,717,603 of the Company's own common shares were repurchased and delivered in 2010. Shares were repurchased at an average price of €9.96 per share for a total amount of €386 million (Q4 2010: €124 million).

10. Loans

Repayments of loans amounted to €419 million in 2010. On July 15, 2010, Ahold redeemed on maturity $503 million (€402 million) of notes, which was the remaining outstanding balance of the $700 million notes 8.25 percent. The loans were repaid from the Company's cash balances.

As of January 2, 2011, Moody's Long Term Issuer Rating on Ahold was Baa3 with a positive outlook and Standard & Poor's Corporate Credit Rating assigned to Ahold was BBB with a stable outlook, both unchanged during 2010.

11. Pensions and other post-employment benefits

The components of pensions and other post-employment benefits can be summarized as follows:

(€ million)	January 2, 2011	January 3, 2010
Defined benefit obligations	(3,415)	(3,167)
Fair value of plan assets	3,496	3,089
Surplus/(Deficit)	81	(78)
Unrecognized actuarial losses and past service cost	198	260
Total defined benefit plans	279	182
Classified as non-current financial asset	408	278
Pension and other post-employment benefits provisions	**(129)**	**(96)**

The weighted average discount rate used to calculate the defined benefit obligation at January 2, 2011 was 5.4 percent for the Dutch plans (January 3, 2010: 5.0 percent) and 5.8 percent for the U.S. plans (January 3, 2010: 6.2 percent). Ahold made contributions to its defined benefit plans of €167 million in 2010 (2009: €263 million). The 2009 contributions included additional contributions of €50 million in the Netherlands and $88 million (€62 million) in the United States, to bring the funding ratios to minimum required levels. The actual return on plan assets in 2010 was 8.9 percent for the Dutch plans (2009: 10.2 percent) and 11.4 percent for the U.S. plans (2009: 16.1 percent).

Ahold participates in 14 multi-employer pension plans that are defined benefit plans on the basis of the terms of the benefits provided. These plans are accounted for as defined contribution plans and are not included in Ahold's consolidated balance sheet. Ahold's participation in these plans varies from less than two percent to over 50 percent. As of January 2, 2011, based on the latest available information received from these plans (generally as of December 31, 2009) adjusted for market trends and conditions through the end of 2010, Ahold's estimated proportionate share in plans with a deficit position is €648 million (2009: €705 million) and its proportionate share in plans with a surplus position is €20 million (2009: nil). This is based on an estimated total net deficit of these plans of €10.1 billion (2009: €10.8 billion) and the relative amount of contributions made by Ahold in relation to the total amount of contributions made to these plans. It is not a direct obligation of Ahold. While this is our best estimate, based upon information available to us, it is imprecise and not necessarily reliable.

12. Cash flow

The following table presents the reconciliation between the statement of cash flows and the cash and cash equivalents as presented on the balance sheet for 2010 and 2009.

(€ million)	2010	2009
Cash and cash equivalents at the beginning of the year	2,688	2,863
Restricted cash	(22)	(19)
Cash and cash equivalents beginning of the year, excluding restricted cash	2,666	2,844
Net cash from operating, investing and financing activities	(157)	(169)
Effect of exchange rate differences on cash and cash equivalents	70	(9)
Restricted cash	21	22
Cash and cash equivalents at the end of the year	**2,600**	**2,688**

13. Commitments and contingencies

A comprehensive overview of commitments and contingencies as of January 2, 2011 is included in Note 34 to Ahold's 2010 consolidated financial statements, which are to be published as part of Ahold's Annual Report on March 8, 2011.

ICA tax claims

In 2007, the Swedish Tax Agency disallowed interest deductions by ICA Finans AB of SEK 1,795 million (€199 million) for the period 2001-2003. ICA appealed the decision to the County Administrative Court, which in December 2008 ruled in favor of the Tax Agency. ICA appealed the County Administrative Court's decision to the Administrative Court of Appeal, which in June 2010 published its ruling in favor of the Tax Agency. ICA has reported a tax charge of SEK 747 million (€78 million) in 2010 in accordance with the decision of the Administrative Court of Appeal. ICA has filed an appeal and request for leave to appeal to the Supreme Administrative Court.

In a separate case, the Swedish Tax Agency has decided to disallow interest deductions to a Dutch Group company in 2004 - 2008. In December 2010, the County Administrative Court affirmed the Tax Agency's ruling and denied interest deductions of SEK 3,358 million (€373 million). The tax claim amounts to SEK 1,187 million (€132 million), including penalties and interest. ICA is convinced that the deductions complied with applicable tax laws. This assessment is shared by outside counsel, which has analyzed the Tax Agency's argument and the legal principles applied by the court. ICA has appealed the County Administrative Court's decision to the Administrative Court of Appeal. The Tax Agency has denied ICA's request to defer payment, due to which SEK 1,187 million (€132 million) was paid in January 2011. The amount paid has been booked as a receivable from the Tax Agency.

U.S. Foodservice - Governmental/regulatory investigations

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

BI-LO/Bruno's

In connection with the sale of BI-LO and Bruno's, Ahold may be contingently liable to landlords under guarantees of some 200 BI-LO or Bruno's operating or finance leases. As further described under Note 7, BI-LO exited bankruptcy in May 2010 and the Company has re-evaluated its estimate of liability.

Tops

In January, 2011, Tops Holdings, LLC, an Ahold subsidiary, was notified that a mass withdrawal had occurred under the International Brotherhood of Teamsters Local 400 Food Terminal Employees' Pension Plan, which covered workers of a warehouse in northeast Ohio previously owned by Tops Markets LLC and divested to Erie Logistics, LLC in 2002. This warehouse was closed in 2006 in connection with the closing of the Tops stores in northeast Ohio.

Tops Markets, LLC may have contractual liability to Erie Logistics, LLC for this mass withdrawal liability and, pursuant to the 2007 Tops Sale Agreement, Tops Holdings, LLC may have also indemnified Tops Markets, LLC for this liability. Based on Ahold's current assessment of this potential loss contingency, at year end 2010 Ahold has recognized a provision of $27 million (€20 million) relating to this potential liability.

14. Subsequent events

Completion of share buyback announced in March 2010
On February 24, 2011, Ahold completed its €500 million share buyback program announced on March 4, 2010. The total number of shares repurchased under the program was 50,359,330 common shares, for a total consideration of €500 million, at an average price of €9.93.

In accordance with resolutions adopted at Ahold's 2010 General Meeting of Shareholders, 30 million of the shares bought back are in the process of being cancelled. The remaining 20,359,330 of the shares bought back will be held by Ahold as treasury shares and are intended to be used for employee share-based compensation in future years.

New share buyback program
On March 2, 2011, Ahold decided to return €1 billion to its shareholders by way of a share buyback program, to be completed over the next 18 months.

Use of non-GAAP financial measures

This summary report includes the following non-GAAP financial measures:

- Net sales at constant exchange rates. Net sales at constant exchange rates exclude the impact of using different currency exchange rates to translate the financial information of Ahold's subsidiaries or joint ventures to euros. Ahold's management believes this measure provides a better insight into the operating performance of Ahold's foreign subsidiaries or joint ventures.
- Net sales in local currency. In certain instances, net sales are presented in local currency. Ahold's management believes this measure provides a better insight into the operating performance of Ahold's foreign subsidiaries.
- Identical sales, excluding gasoline net sales. Because gasoline prices have experienced greater volatility than food prices, Ahold's management believes that by excluding gasoline net sales, this measure provides a better insight into the growth of its identical store sales.
- Adjusted fourth quarter 2009 sales. Adjusted fourth quarter 2009 sales exclude net sales in the 53rd week of 2009. Ahold's management believes that this measure provides an insight into the impact of an additional week when net sales are compared to the same quarter in the previous year.
- Adjusted full year 2009 sales. Adjusted full year 2009 sales exclude net sales in the 53rd week of 2009. Ahold's management believes that this measure provides an insight into the impact of an additional week when net sales are compared to the previous year.
- Underlying retail operating income. Total retail operating income, adjusted for impairment of non-current assets, gains and losses on the sale of assets and restructuring and related charges. Ahold's management believes this measure provides better insight into underlying operating performance of Ahold's retail operations.

The reconciliation from the underlying retail operating income per segment to the retail operating income per segment is as follows for Q4 2010 and Q4 2009 and for the full year 2010 and 2009, respectively:

(€ million)	Underlying operating income Q4 2010	Impairment (charges)/ reversals	Gains (losses) on the sale of assets	Restructuring and related (charges)/ reversals	Operating income Q4 2010
Ahold USA	159	(20)	3	(9)	133
The Netherlands	160	(2)	1	-	159
Other Europe	11	(3)	-	-	8
Ahold Europe	171	(5)	1	-	167
Total retail	**330**	**(25)**	**4**	**(9)**	**300**

(€ million)	Underlying operating income Q4 2009	Impairment (charges)/ reversals	Gains (losses) on the sale of assets	Restructuring and related (charges)/ reversals	Operating income Q4 2009
Ahold USA	204	(3)	-	(2)	199
The Netherlands	168	(2)	2	-	168
Other Europe	(2)	(5)	1	(10)	(16)
Ahold Europe	166	(7)	3	(10)	152
Total retail	**370**	**(10)**	**3**	**(12)**	**351**

(€ million)	Underlying operating income 2010	Impairment (charges)/ reversals	Gains (losses) on the sale of assets	Restructuring and related (charges)/ reversals	Operating income 2010
Ahold USA	742	(17)	9	(20)	714
The Netherlands	691	(6)	3	-	688
Other Europe	16	(4)	2	(4)	10
Ahold Europe	707	(10)	5	(4)	698
Total retail	**1,449**	**(27)**	**14**	**(24)**	**1,412**

(€ million)	Underlying operating income 2009	Impairment (charges)/ reversals	Gains (losses) on the sale of assets	Restructuring and related (charges)/ reversals	Operating income 2009
Ahold USA	797	(16)	-	1	782
The Netherlands	654	(6)	6	-	654
Other Europe	(36)	(17)	1	(24)	(76)
Ahold Europe	618	(23)	7	(24)	578
Total retail	**1,415**	**(39)**	**7**	**(23)**	**1,360**

- Operating income in local currency. In certain instances operating income is presented in local currency. Ahold's management believes this measure provides better insight into the operating performance of Ahold's foreign subsidiaries.

- Earnings before interest, taxes, depreciation and amortization. EBITDA is net income before net financial expense, income taxes, depreciation and amortization. EBITDA is commonly used by investors to analyze profitability between companies and industries by eliminating the effects of financing (i.e., net financial expense) and capital investments (i.e., depreciation and amortization).

The reconciliation from EBITDA per segment to operating income per segment is as follows for Q4 2010 and Q4 2009 and for full year 2010 and 2009, respectively:

(€ million)	EBITDA Q4 2010	Depreciation and amortization	Operating income Q4 2010	EBITDA Q4 2009	Depreciation and amortization	Operating income Q4 2009
Ahold USA	257	(124)	133	302	(103)	199
The Netherlands	208	(49)	159	217	(49)	168
Other Europe	19	(11)	8	(4)	(12)	(16)
Ahold Europe	227	(60)	167	213	(61)	152
Corporate Center	(5)	-	(5)	(10)	-	(10)
Total	**479**	**(184)**	**295**	**505**	**(164)**	**341**

(€ million)	EBITDA 2010	Depreciation and amortization	Operating income 2010	EBITDA 2009	Depreciation and amortization	Operating income 2009
Ahold USA	1,241	(527)	714	1,265	(483)	782
The Netherlands	896	(208)	688	851	(197)	654
Other Europe	59	(49)	10	(25)	(51)	(76)
Ahold Europe	955	(257)	698	826	(248)	578
Corporate Center	(75)	(1)	(76)	(62)	(1)	(63)
Total	**2,121**	**(785)**	**1,336**	**2,029**	**(732)**	**1,297**

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

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

Management believes that these non-GAAP financial measures allow for a better understanding of Ahold's operating and financial performance. These non-GAAP financial measures should be considered in addition to, but not as substitutes for, the most directly comparable IFRS measures.

Vesting of shares under the GRO plan

On March 4, 2011, a maximum of 1.9 million conditional shares granted in 2008 to Ahold employees under the mid-term component of the Global Reward Opportunity (GRO) equity-based long-term incentive plan, 3.0 million performance shares granted in 2006 to Ahold employees under the long-term component of the GRO plan, and 0.2 million matching shares granted in 2006 to Ahold employees under the mid-term component of the GRO plan are expected to vest. Vesting is subject to the participant being employed by the Company on the applicable vesting date. On the vesting date, participants are eligible, subject to the GRO plan rules, to sell all or part of the shares vested.

On April 21, 2011, a maximum of 0.2 million conditional shares granted in 2008 to members of the Corporate Executive Board under the mid-term component of the GRO plan and 0.1 million performance shares granted in 2006 to members of the Corporate Executive Board under the long-term component of the GRO plan are expected to vest. Except to finance tax due on the vesting date, members of the Corporate Executive Board cannot sell the conditional shares for a period of at least five years following the grant date, or until the end of their employment, if this period is shorter.

The Company will use treasury shares for delivery of the vested shares.

Financial calendar

Ahold's financial year consists of 52 or 53 weeks and ends on the Sunday nearest to December 31.

Ahold’s 2010 financial year consisted of 52 weeks and ended on January 2, 2011. The quarters in 2010 were:

First Quarter (16 weeks)	January 4 through April 25, 2010
Second Quarter (12 weeks)	April 26 through July 18, 2010
Third Quarter (12 weeks)	July 19 through October 10, 2010
Fourth Quarter (12 weeks)	October 11, 2010 through January 2, 2011

Ahold’s 2011 financial year consists of 52 weeks and ends on January 1, 2012. The quarters in 2011 are:

First Quarter (16 weeks)	January 3 through April 24, 2011
Second Quarter (12 weeks)	April 25 through July 17, 2011
Third Quarter (12 weeks)	July 18 through October 9, 2011
Fourth Quarter (12 weeks)	October 10, 2011 through January 1, 2012

Ahold Finance U.S.A., LLC

The annual report for 2010 of Ahold’s wholly owned subsidiary Ahold Finance U.S.A., LLC is available at www.ahold.com.

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Cautionary notice

This summary report includes forward-looking statements, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those included in such statements. These forward-looking statements include, but are not limited to, statements as to Ahold's market share and volumes, dividend increase, share buyback, net sales growth, retail underlying margin, investment grade rating, net interest expense, capital expenditure, vesting of Global Reward Opportunity shares, the use of treasury shares, and Ahold’s contingent liability related to ICA tax claims, BI-LO and Bruno´s leases, Ahold's possible obligations to indemnify U.S. Foodservice and a potential liability for Tops. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Ahold’s ability to control or estimate precisely, such as the effect of general economic or political conditions, fluctuations in exchange rates or interest rates, increases or changes in competition, Ahold’s ability to implement and complete successfully its plans and strategies, the benefits from and resources generated by Ahold’s plans and strategies being less than or different from those anticipated, changes in Ahold’s liquidity needs, the actions of competitors and third parties and other factors discussed in Ahold’s other public filings and disclosures. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this summary report. Ahold does not assume any obligation to update any public information or forward-looking statements in this summary report to reflect subsequent events or circumstances, except as may be required by applicable laws. Outside the Netherlands, Koninklijke Ahold N.V., being its registered name, presents itself under the name of “Royal Ahold” or simply “Ahold”.