Interim Report

Highlights

- Sales up 4.3% to € 6.0 billion (up 2.6% at constant exchange rates)
- Operating income up 1.5% to € 265 million
- Net income € 238 million
- Volume growth in all markets
- New company-wide cost reduction program

Amsterdam, the Netherlands – Ahold today published its interim report for the third quarter of 2009. CEO John Rishton said: “We have again delivered solid results in a challenging environment. Volumes grew in all markets with good sales performance in the U.S., reflecting ongoing investment in value for our customers. In the Netherlands, we continued to grow market share and again delivered a strong margin reflecting effective cost management. We continue to adapt to the challenging environment, balancing sales and margins while seeking to grow market share and volumes.

“To continue to provide value to our customers, we have launched a new € 350 million cost reduction program for the three years ending in 2012. This program will focus on all aspects of our business, including store expenses, supply chain, and overhead across the group. Separately, we will deliver additional sourcing cost savings over the same period.

“On November 5, we announced organization changes to build a strong platform for growth and to provide even greater focus on our customers. We will pursue opportunities to grow within existing and new markets.”

(€ million)	Q3 2009	Q3 2008*	% change	Q3 YTD 2009	Q3 YTD 2008*	% change
Net sales	6,040	5,789	4.3%**	21,124	19,072	10.8%**
Operating income	265	261	1.5%	956	832	14.9%
Income from continuing operations	239	187	27.8%	684	585	16.9%
Net income	238	195	22.1%	629	794	(20.8)%

* Comparative figures reflect the changes in accounting policies as disclosed in note 2 to the interim financial statements.

** At constant exchange rates, net sales increased by 2.6% in Q3 2009 (Q3 YTD 2009: 4.5%).

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Group performance

Third quarter 2009

Net sales were € 6.0 billion, up 4.3%. At constant exchange rates, net sales increased by 2.6%.

Operating income was € 265 million, up 1.5%, impacted by one-off net insurance results (€ 16 million), partly offset by impairments (€ 11 million).

Retail operating income was € 289 million, a retail operating margin of 4.8% compared to 4.9% last year. Underlying retail operating margin (excluding impairments, gains on the sale of assets and restructuring and related charges) was 5.0% compared to 4.7% last year. Corporate Center costs were € 24 million for the quarter, up € 1 million. Excluding the impact of the Company's insurance activities, Corporate Center costs were € 18 million, unchanged from last year.

Income from continuing operations was up 27.8% to € 239 million, reflecting higher operating income and lower income taxes, partly offset by higher net financial expense. Income taxes were lower due to the recognition of € 36 million of U.S. deferred tax assets arising from net operating losses carried over from previous years. Net income was € 238 million, up € 43 million compared to last year.

Cash flows before financing activities were € 16 million, € 30 million lower than in the same quarter last year, mainly due to lower cash from operating activities (impacted by € 112 million additional contributions to pension plans) and lower interest received, partly offset by lower capital spend.

First three quarters 2009

Net sales were € 21.1 billion, up 10.8%. At constant exchange rates, net sales increased by 4.5%.

Operating income was € 956 million, up 14.9%, despite higher impairments (€ 23 million) and lower gains on sale of assets (€ 38 million), partly offset by lower restructuring and related charges (€ 14 million) and one-off net insurance results (€ 16 million).

Retail operating income was € 1.0 billion, a retail operating margin of 4.8%, compared to 4.7% last year. Underlying retail operating margin (excluding impairments, gains on the sale of assets and restructuring and related charges) was 4.9% compared to 4.7% last year. Corporate Center costs were € 53 million, down € 16 million. Excluding the impact of the Company's insurance activities, Corporate Center costs were € 58 million, down € 4 million compared to the same period last year.

Income from continuing operations was up 16.9% to € 684 million, reflecting a higher operating income and lower income taxes partly offset by higher net financial expense and lower share in income of joint ventures. Net income of € 629 million was down € 165 million, impacted significantly by discontinued operations. Discontinued operations in the first three quarters of 2009 included a net provision of € 65 million, representing Ahold's estimate of obligations under the lease guarantees of its former subsidiaries BI-LO and Bruno's, whereas it included a € 164 million gain related to the divestment of Schuitema in the same period last year.

Cash flows before financing activities were € 703 million, € 249 million lower than last year, which included net proceeds from divestments, primarily Schuitema. Furthermore, the cash flows before financing activities in the first three quarters of 2009 included € 112 million additional contributions to pension plans.

Performance by segment

Stop & Shop/Giant-Landover

For the third quarter, net sales were $ 4.0 billion, up 1.9%. Identical sales were up 0.2% at Stop & Shop (0.7% excluding gasoline) and up 2.3% at Giant-Landover (1.5% excluding gasoline). Operating income was $ 189 million (or 4.7% of net sales), up $ 22 million. Operating income was positively impacted by a $ 28 million release of insurance provisions, partly offset by real estate impairments of $ 10 million and a $ 9 million multi-employer pension plan withdrawal charge.

Year-to-date, net sales were $ 13.4 billion, up 2.9%. Identical sales were up 1.8% at Stop & Shop (3.1% excluding gasoline) and up 3.2% at Giant-Landover (2.9% excluding gasoline). Operating income was $ 631 million (or 4.7% of net sales), up $ 137 million. Operating income included impairments of $ 18 million, a non-recurring rent charge of $ 15 million, largely offset by a $ 28 million release of insurance provisions. For the first three quarters of last year, restructuring, severance and related charges were $ 32 million, impairments were $ 10 million and gains on the sale of assets were $ 29 million.

Giant-Carlisle

For the third quarter, net sales increased 0.8% to $ 1.1 billion. Identical sales decreased 1.5% (increased 1.0% excluding gasoline). Operating income was $ 45 million (or 4.1% of net sales), down $ 5 million compared to the same period last year. Operating income included a $ 4 million release of insurance provisions.

Year-to-date, net sales were $ 3.7 billion, up 1.5%. Identical sales decreased 0.6% (increased 2.6% excluding gasoline). Operating income was $ 164 million (or 4.5% of net sales), down $ 9 million compared to the same period last year. Operating income included restructuring, severance and related charges of $ 12 million for the first three quarters of 2008.

Albert Heijn

For the third quarter, net sales were € 2.1 billion, up 5.4%. Net sales at Albert Heijn supermarkets were € 1.9 billion, up 4.9%, primarily due to the conversion of former Schuitema stores into the Albert Heijn format in the second half of 2008. Identical sales at Albert Heijn supermarkets decreased 0.4%. Operating income of € 147 million (or 6.9% of net sales), was up € 7 million from last year, despite € 16 million higher pension costs.

Year-to-date, net sales were € 7.4 billion, up 8.9%. Net sales at Albert Heijn supermarkets were € 6.8 billion, up 8.9%, primarily due to the conversion of former Schuitema stores into the Albert Heijn format. Identical sales at Albert Heijn supermarkets increased 1.8%. Operating income was € 486 million (or 6.6% of net sales), up € 19 million compared to last year, despite € 53 million higher pension costs. Operating income included gains on the sale of assets of € 20 million in the first three quarters of 2008.

Albert/Hypernova (Czech Republic and Slovakia)

For the third quarter, net sales decreased 8.0% to € 378 million. At constant exchange rates, net sales decreased 3.5%, impacted by store closures as part of our restructuring program. Identical sales decreased 3.4% (4.0% excluding gasoline). Operating loss for the quarter was € 21 million, compared to a loss of € 3 million last year. Impairments and restructuring charges, mainly for the closure of underperforming stores and downsizing of large hypermarkets in the Czech Republic, were € 8 million for the quarter. Furthermore, operating income for the quarter included one-off net costs of € 3 million, related to the rebranding into a single Albert brand. We expect further charges this year related to our restructuring activities.

Year-to-date, net sales decreased 6.1% to € 1.3 billion (0.8% at constant exchange rates). Identical sales decreased 1.1% (0.9% excluding gasoline). Operating loss for the first three quarters of the year was € 60 million, compared to a loss of € 8 million last year. Impairments and restructuring charges, mainly for the closure of underperforming stores and downsizing of large hypermarkets in the Czech Republic, were € 26 million. Net costs related to the rebranding into a single Albert brand were € 11 million.

Unconsolidated joint ventures

For the third quarter, Ahold's share in income of joint ventures increased 10.0% to € 33 million, driven by better operating margins, partially offset by higher net financial expenses and higher income taxes at ICA. Year-to-date, Ahold's share in income of joint ventures was down 31.3% to € 55 million. The decrease was primarily due to lower gains on the sale of assets, higher impairment charges and higher income taxes at ICA.

Sales and operating margins are summarized as follows:

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

	Q3 2009 identical	Q3 2009 identical excluding gasoline	Q3 2009 comparable	Q3 YTD 2009 identical	Q3 YTD 2009 identical excluding gasoline	Q3 YTD 2009 comparable
Stop & Shop	0.2%	0.7%	0.6%	1.8%	3.1%	2.3%
Giant-Landover	2.3%	1.5%	2.7%	3.2%	2.9%	3.7%
Giant-Carlisle	(1.5)%	1.0%	(0.1)%	(0.6)%	2.6%	0.4%
Albert Heijn[3]	(0.4)%	(0.4)%		1.8%	1.8%	
Albert/Hypernova	(3.4)%	(4.0)%		(1.1)%	(0.9)%	

1. Net sales from exactly the same stores in local currency.
2. Identical sales plus net sales from replacement stores in local currency. Comparable sales are only reported for Ahold's US retail companies.
3. Identical sales represent the identical sales of Albert Heijn supermarkets.

Operating margin

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

	Q3 2009	Q3 2008*	Q3 YTD 2009	Q3 YTD 2008*
Stop & Shop/Giant-Landover	4.7%	4.3%	4.7%	3.8%
Giant-Carlisle	4.1%	4.6%	4.5%	4.8%
Albert Heijn	6.9%	7.0%	6.6%	6.9%
Albert/Hypernova	(5.6)%	(0.7)%	(4.8)%	(0.6)%
Total retail	**4.8%**	**4.9%**	**4.8%**	**4.7%**

* Comparative figures reflect the changes in accounting policies as disclosed in note 2 to the interim financial statements.

Other financial and operating information

Store portfolio[1]

	End of 2008	Opened/ acquired	Closed/ sold	End of Q3 2009	End of Q3 2008
Stop & Shop/Giant-Landover	563	3	(1)	565	556
Giant-Carlisle	148	3	-	151	148
Albert Heijn[2]	1,861	25	(14)	1,872	1,807
Albert/Hypernova	325	4	(24)	305	313
Total retail	**2,897**	**35**	**(39)**	**2,893**	**2,824**

1. Including franchise stores.
2. Number of stores at the end of Q3 2009 includes 1,045 specialty stores (Etos and Gall & Gall).

EBITDA

EBITDA is defined as net income before net financial expense, income taxes, depreciation and amortization. However, EBITDA does not exclude impairments. Impairments per segment are disclosed in note 4 to the interim financial statements.

(€ million)	Q3 2009	Q3 2008*	% change	Q3 YTD 2009	Q3 YTD 2008*	% change
Stop & Shop/Giant-Landover	218	197	10.7%	765	595	28.6%
Giant-Carlisle	53	53	-	198	179	10.6%
Ahold USA	271	250	8.4%	963	774	24.4%
Albert Heijn	193	181	6.6%	634	592	7.1%
Albert/Hypernova	(9)	8	n/m	(21)	30	n/m
Ahold Europe	184	189	(2.6)%	613	622	(1.4)%
Corporate Center	(23)	(23)	-	(52)	(68)	23.5%
	432	416	3.8%	1,524	1,328	14.8%
Share in income of joint ventures	33	30	10.0%	55	80	(31.3)%
Income (loss) from discontinued operations	(1)	8	n/m	(55)	209	n/m
Total EBITDA	**464**	**454**	**2.2%**	**1,524**	**1,617**	**(5.8)%**

* Comparative figures reflect the changes in accounting policies as disclosed in note 2 to the interim financial statements.

Net debt

(€ million)	October 4, 2009	July 12, 2009	December 28, 2008
Loans	1,740	2,157	2,260
Finance lease liabilities	991	1,014	1,025
Cumulative preferred financing shares	497	497	497
Non-current portion of long-term debt	3,228	3,668	3,782
Short-term borrowings and current portion of long-term debt	478	130	459
Gross debt	3,706	3,798	4,241
Less: cash and cash equivalents[1]	2,531	2,642	2,863
Net debt	**1,175**	**1,156**	**1,378**

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 € 68 million, € 127 million and € 195 million as of October 4, 2009, July 12, 2009 and December 28, 2008, respectively.

Consolidated interim income statement

(unaudited)

(€ million, except per share data)	Note	Q3 2009	Q3 2008*	Q3 YTD 2009	Q3 YTD 2008*
Net sales	3	**6,040**	**5,789**	**21,124**	**19,072**
Cost of sales	6	(4,399)	(4,254)	(15,372)	(14,044)
Gross profit		1,641	1,535	5,752	5,028
Selling expenses		(1,203)	(1,118)	(4,186)	(3,650)
General and administrative expenses	4,5	(173)	(156)	(610)	(546)
Total operating expenses	6	(1,376)	(1,274)	(4,796)	(4,196)
Operating income	3	**265**	**261**	**956**	**832**
Interest income		4	26	22	91
Interest expense		(69)	(75)	(249)	(260)
Other financial income		7	7	13	-
Net financial expense		(58)	(42)	(214)	(169)
Income before income taxes		**207**	**219**	**742**	**663**
Income taxes	7	(1)	(62)	(113)	(158)
Share in income of joint ventures	8	33	30	55	80
Income from continuing operations		**239**	**187**	**684**	**585**
Income (loss) from discontinued operations	9	(1)	8	(55)	209
Net income		**238**	**195**	**629**	**794**
Attributable to:					
Common shareholders		238	195	629	789
Non-controlling interests		-	-	-	5
Net income		**238**	**195**	**629**	**794**
Net income per share:					
basic		0.20	0.17	0.53	0.67
diluted		0.20	0.16	0.52	0.65
Income from continuing operations per share:					
basic		0.20	0.16	0.58	0.50
diluted		0.20	0.16	0.57	0.49
Weighted average number of common shares outstanding (in millions):					
basic		1,181	1,175	1,180	1,173
diluted		1,250	1,244	1,249	1,243
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.6969	0.6736	0.7323	0.6589

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

Consolidated interim statement of comprehensive income

(unaudited)

(€ million)	Q3 2009	Q3 2008	Q3 YTD 2009	Q3 YTD 2008
Net income	**238**	**195**	**629**	**794**
Currency translation differences in foreign interests:				
Currency translation differences before tax	(55)	251	(30)	140
Income taxes	(1)	-	(1)	(1)
Cash flow hedges:				
Cash flow hedges before tax	(7)	(11)	13	(12)
Income taxes	2	4	(3)	3
Share of other comprehensive income of joint ventures, net of income tax	(13)	5	4	4
Other comprehensive income (loss)	(74)	249	(17)	134
Total comprehensive income	**164**	**444**	**612**	**928**
Attributable to:				
Common shareholders	164	444	612	923
Non-controlling interests	-	-	-	5
Total comprehensive income	**164**	**444**	**612**	**928**

Consolidated interim balance sheet

(unaudited)

(€ million)	Note	October 4, 2009	December 28, 2008*
Assets			
Property, plant and equipment		5,350	5,526
Investment property		499	501
Intangible assets		607	598
Investments in joint ventures		858	802
Other non-current financial assets		684	485
Deferred tax assets		392	358
Other non-current assets		26	26
Total non-current assets		8,416	8,296
Assets held for sale		181	179
Inventories		1,198	1,319
Receivables		670	744
Other current financial assets		12	18
Income taxes receivable		6	66
Other current assets		147	107
Cash and cash equivalents	*12*	2,531	2,863
Total current assets		4,745	5,296
Total assets		**13,161**	**13,592**
Quarter-end U.S. dollar exchange rate (euro per U.S. dollar)		0.6862	0.7111

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

Consolidated interim balance sheet – *continued*

(unaudited)

(€ million)	Note	October 4, 2009	December 28, 2008*
Equity and liabilities			
Equity attributable to common shareholders	*10*	5,105	4,676
Loans	*11*	1,740	2,260
Other non-current financial liabilities		1,663	1,664
Pensions and other post-employment benefits		62	113
Deferred tax liabilities		155	115
Provisions		568	442
Other non-current liabilities		191	184
Total non-current liabilities		4,379	4,778
Accounts payable		1,924	2,284
Other current financial liabilities	*11*	565	578
Income taxes payable		110	101
Provisions		131	170
Other current liabilities		947	1,005
Total current liabilities		3,677	4,138
Total equity and liabilities		**13,161**	**13,592**
Quarter-end U.S. dollar exchange rate (euro per U.S. dollar)		0.6862	0.7111

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

Consolidated interim statement of changes in equity

(unaudited)

(€ 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 30, 2007	**381**	**10,699**	**(635)**	**(39)**	**327**	**(6,923)**	**3,810**
Dividends	-	-	-	-	-	(188)	(188)
Total comprehensive income	-	-	141	(7)	-	789	923
Retirement of treasury shares	(23)	(779)	-	-	-	802	-
Share-based payments	-	-	-	-	-	38	38
Change in other legal reserves	-	-	-	-	10	(10)	-
Acquisition of non-controlling interest	-	-	-	-	-	(55)	(55)
Other	-	(4)	-	(2)	-	11	5
Balance as of October 5, 2008	**358**	**9,916**	**(494)**	**(48)**	**337**	**(5,536)**	**4,533**
Balance as of December 28, 2008	**358**	**9,916**	**(643)**	**(63)**	**368**	**(5,260)**	**4,676**
Dividends	-	-	-	-	-	(212)	(212)
Total comprehensive income	-	-	(21)	5	(1)	629	612
Share-based payments	-	-	-	-	-	29	29
Change in other legal reserves	-	-	-	-	3	(3)	-
Balance as of October 4, 2009	**358**	**9,916**	**(664)**	**(58)**	**370**	**(4,817)**	**5,105**

Consolidated interim statement of cash flows

(unaudited)

(€ million)	Note	Q3 2009	Q3 2008*	Q3 YTD 2009	Q3 YTD 2008*
Operating income		265	261	956	832
Adjustments for:					
Depreciation, amortization and impairments		178	155	597	502
Gains on the sale of assets/disposal groups held for sale		-	(6)	(4)	(42)
Other		7	7	21	23
Operating cash flows before changes in working capital		450	417	1,570	1,315
Changes in inventories		-	(34)	100	20
Changes in receivables and other current assets		(39)	(20)	24	8
Changes in payables and other current liabilities		(86)	(65)	(370)	(155)
Changes in non-current assets and liabilities	*12*	(119)	(31)	(142)	(49)
Cash generated from operations		206	267	1,182	1,139
Income taxes paid		(22)	(32)	(9)	(120)
Operating cash flows from continuing operations		184	235	1,173	1,019
Operating cash flows from discontinued operations		(8)	(4)	(14)	20
Net cash from operating activities		***176***	***231***	***1,159***	***1,039***
Purchase of non-current assets		(161)	(219)	(548)	(653)
Divestments of assets/disposal groups held for sale		-	12	8	81
Acquisition of businesses, net of cash acquired		-	(2)	(4)	(10)
Divestment of businesses, net of cash divested		(2)	-	(6)	342
Dividends from joint ventures		-	-	54	70
Interest received		3	24	28	91
Other		-	1	(2)	(6)
Investing cash flows from continuing operations		(160)	(184)	(470)	(85)
Investing cash flows from discontinued operations		-	(1)	14	(2)
Net cash from investing activities		***(160)***	***(185)***	***(456)***	***(87)***
Interest paid		(59)	(65)	(259)	(274)
Repayments of loans	*11*	(2)	(2)	(521)	(963)
Repayments of finance lease liabilities		(10)	(10)	(35)	(33)
Dividends paid on common shares	*10*	-	-	(212)	(188)
Other		(4)	(6)	16	(13)
Financing cash flows from continuing operations		(75)	(83)	(1,011)	(1,471)
Financing cash flows from discontinued operations		(1)	(1)	(3)	(31)
Net cash from financing activities		***(76)***	***(84)***	***(1,014)***	***(1,502)***
Net cash from operating, investing and financing activities	*12*	**(60)**	**(38)**	**(311)**	**(550)**
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.6969	0.6736	0.7323	0.6589

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

For the reconciliation between net cash from operating, investing and financing activities and cash and cash equivalents as presented in the balance sheet see note 12.

Notes to the condensed consolidated interim 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 food stores in the United States and Europe through subsidiaries and joint ventures. In addition, some subsidiaries finance, develop and manage store sites and shopping centers, primarily to support retail operations. The activities of Ahold are, to some extent, subject to seasonal influences. Ahold's retail business generally experiences an increase in net sales in the fourth quarter of each year, resulting mainly from holiday sales.

2. Accounting policies

Basis of preparation

These condensed consolidated interim financial statements ("interim financial statements") have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies applied in these interim financial statements are consistent with those applied in Ahold's 2008 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 2009 comprising 53 weeks and 2008 comprising 52 weeks. The third quarter and first three quarters of 2009 and 2008 each comprise 12 weeks and 40 weeks, respectively. The financial year of Ahold's unconsolidated joint venture ICA AB ("ICA") corresponds to the calendar year. Any significant transactions and/or events between ICA's quarter-end and Ahold's quarter-end are taken into account in the preparation of Ahold's interim financial statements.

Changes in accounting policies

As of 2009, Ahold has applied IFRIC 13 "Customer Loyalty Programs", which addresses accounting by entities that grant customer loyalty award credits to their customers. The adoption of IFRIC 13, which Ahold has applied retrospectively, resulted in a decrease of net sales of € 3 million, a decrease of cost of sales of € 2 million and a decrease of interest expense of € 1 million in Q3 2008. For the first three quarters of 2008, the adoption of IFRIC 13 resulted in a decrease of net sales of € 10 million, a decrease of cost of sales of € 7 million, a decrease of general and administrative expenses of € 2 million and a decrease of interest expense of € 1 million from previously reported 2008 results. The comparative 2008 year-end balances have also been changed accordingly, with the effect that other current financial liabilities decreased by € 1 million and other current liabilities increased by the same amount.

As of 2009, rent income earned by certain real estate subsidiaries is netted against the related expense, whereas previously it was included in net sales. Comparative information has been changed accordingly, with the effect that in Q3 2008 net sales decreased by € 14 million (Q3 YTD 2008: € 45 million), selling expenses decreased by € 11 million (Q3 YTD 2008: € 36 million) and cost of sales decreased by € 3 million (Q3 YTD 2008: € 9 million).

As of 2009, following the changes made to IAS 40 "Investment Property" as part of the 2008 annual improvements to IFRSs, property that is being constructed or developed for future use as investment property is considered investment property. Comparative information has been changed accordingly, with the effect that the property, plant and equipment balance decreased by € 6 million and the investment property balance increased by the same amount as of December 28, 2008.

In the aggregate, the above changes did not have a material impact on the balance sheet position. Therefore, the presentation of a third balance sheet as of the beginning of the earliest comparative period was not deemed necessary.

Income statement reclassification

Comparative information in the consolidated interim income statement has been changed to present certain intercompany eliminations on the same line item. This resulted in an increase of Q3 2008 selling expenses by € 4 million (Q3 YTD 2008: € 13 million) and a decrease of general and administrative expenses by € 4 million (Q3 YTD 2008: € 13 million), with no impact to operating income.

3. Segment reporting

Ahold's retail operations are presented in five segments. In addition, Ahold's Corporate Center is presented separately.

Segment	Significant operations in the segment
Stop & Shop/Giant-Landover	Stop & Shop, Giant-Landover and Peapod
Giant-Carlisle	Giant-Carlisle
Albert Heijn	Albert Heijn, Etos, Gall & Gall and Ahold Coffee Company
Albert/Hypernova	Czech Republic and Slovakia
Other retail	Unconsolidated joint ventures ICA (60%) and JMR[1] (49%)
Corporate Center	Corporate staff (the Netherlands, Switzerland and the United States)

1. Classified as held for sale and discontinued operation, as further disclosed in note 9.

Net sales

Net sales per segment are as follows:

(€ million)	Q3 2009	Q3 2008*	% change	Q3 YTD 2009	Q3 YTD 2008*	% change
Stop & Shop/Giant-Landover	2,775	2,630	5.5%	9,829	8,599	14.3%
Giant-Carlisle	767	736	4.2%	2,691	2,387	12.7%
Ahold USA	3,542	3,366	5.2%	12,520	10,986	14.0%
Albert Heijn	2,120	2,012	5.4%	7,352	6,753	8.9%
Albert/Hypernova	378	411	(8.0)%	1,252	1,333	(6.1)%
Ahold Europe	2,498	2,423	3.1%	8,604	8,086	6.4%
Ahold Group	**6,040**	**5,789**	**4.3%**	**21,124**	**19,072**	**10.8%**

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

Net sales of Ahold's U.S. segments in U.S. dollars are as follows:

(million)	Q3 2009	Q3 2008*	% change	Q3 YTD 2009	Q3 YTD 2008*	% change
Stop & Shop/Giant-Landover	3,981	3,905	1.9%	13,424	13,052	2.9%
Giant-Carlisle	1,101	1,092	0.8%	3,676	3,623	1.5%
Net sales of U.S. segments in U.S. dollars	5,082	4,997	1.7%	17,100	16,675	2.5%
Average U.S. dollar exchange	*0.6969*	*0.6736*	*3.5%*	*0.7323*	*0.6589*	*11.1%*
Net sales of U.S. segments in euros	3,542	3,366	5.2%	12,520	10,986	14.0%

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

Net sales of Ahold's unconsolidated joint venture ICA amounted to € 2,252 million and € 2,405 million for Q3 2009 and Q3 2008, respectively (Q3 YTD 2009: € 6,544 million and Q3 YTD 2008: € 7,104 million).

Operating income

Operating income (loss) per segment is as follows:

(€ million)	Q3 2009	Q3 2008*	% change	Q3 YTD 2009	Q3 YTD 2008*	% change
Stop & Shop/Giant-Landover	132	114	15.8%	463	328	41.2%
Giant-Carlisle	31	33	(6.1)%	120	114	5.3%
Ahold USA	163	147	10.9%	583	442	31.9%
Albert Heijn	147	140	5.0%	486	467	4.1%
Albert/Hypernova	(21)	(3)	n/m	(60)	(8)	n/m
Ahold Europe	126	137	(8.0)%	426	459	(7.2)%
Corporate Center	(24)	(23)	(4.3)%	(53)	(69)	23.2%
Ahold Group	**265**	**261**	**1.5%**	**956**	**832**	**14.9%**

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

Operating income of Ahold's U.S. segments in U.S. dollars is as follows:

(million)	Q3 2009	Q3 2008	% change	Q3 YTD 2009	Q3 YTD 2008	% change
Stop & Shop/Giant-Landover	189	167	13.2%	631	494	27.7%
Giant-Carlisle	45	50	(10.0)%	164	173	(5.2)%
Operating income of U.S. segments in U.S. dollars	234	217	7.8%	795	667	19.2%
Average U.S. dollar exchange rate	*0.6969*	*0.6736*	*3.5%*	*0.7323*	*0.6589*	*11.1%*
Operating income of U.S. segments in euros	163	147	10.9%	583	442	31.9%

<u>Stop & Shop/Giant-Landover</u>

Operating income in Q3 2009 was positively impacted by a $ 28 million (€ 19 million) release of insurance provisions, partly offset by real estate impairments of $ 10 million (€ 7 million) and a $ 9 million (€ 6 million) multi-employer pension plan withdrawal charge.

For the first half of 2009, operating income included impairments of $ 8 million (€ 6 million), mainly related to the closing of a number of in-store Starbucks locations. Operating income in Q1 2009 included expenses of $ 15 million (€ 11 million) resulting from an adjustment of step rents on operating leases related to the years 2006 to 2008.

In Q3 2008, the Company decided to transition its current defined benefit pension plan for active salaried, non-union and certain union employees in the United States to a defined contribution pension plan, resulting in a restructuring gain, net of accrued transition contributions, of $ 8 million (€ 5 million) in that quarter. Furthermore, in addition to advertising costs for Stop & Shop/Giant-Landover's rebranding program, Q3 2008 included one-off rebranding costs of $ 8 million (€ 6 million), primarily for signs, displays, training and uniforms.

Operating income in the first half 2008 included restructuring, severance and related charges of $ 43 million (€ 27 million) and impairments of $ 10 million (€ 6 million), mainly resulting from the lease termination of an office building used by Ahold USA's IT organization and store closures. Furthermore, the first half of 2008 included gains on the sale of assets of $ 29 million (€ 19 million), mainly related to the sale of a shopping center.

Giant-Carlisle
Operating income in Q3 2009 included a $ 4 million (€ 3 million) release of insurance provisions.

The pension plan change described above for Stop & Shop/Giant-Landover had a negative impact of $ 4 million (€ 2 million) on Q3 2008 operating income.

Operating income in the first half 2008 included restructuring related charges of $ 8 million (€ 5 million), mainly resulting from the lease termination of an office building used by Ahold USA's IT organization.

Albert Heijn
Operating income in Q3 2009 reflects higher costs from the Company's defined benefit pension plans compared to Q3 2008 of € 16 million (YTD: € 53 million).

Operating income in Q3 2008 included gains on the sale of assets of € 5 million (Q3 YTD: € 20 million), mainly related to the sale of stores to both franchisees and third parties. Q3 2008 also included one-off costs of € 4 million for the integration of former Schuitema stores transferred to Albert Heijn.

Albert/Hypernova
Operating income in Q3 2009 included restructuring charges of € 4 million (Q3 YTD: € 14 million), mainly for the closure of underperforming stores and downsizing of large hypermarkets in the Czech Republic. Impairment losses of € 4 million for Q3 2009 (Q3 YTD: € 12 million) included impairments of € 2 million (Q3 YTD: € 5 million) related to stores closed and downsized under the restructuring program. Q3 2009 included one-off net rebranding costs of € 3 million (Q3 YTD: € 11 million).

Corporate Center
Corporate Center costs for Q3 2009 were up € 1 million compared to same period last year. Excluding the impact of the Company's insurance activities, Corporate Center costs were € 18 million, unchanged from last year.

For the first three quarters of 2009, Corporate Center costs were down € 16 million, compared to same period last year. Excluding the impact of the Company's insurance activities, Corporate Center costs were € 58 million, down € 4 million compared to the same period last year.

For an overview of impairments and gains on the sale of assets per segment, see notes 4 and 5 below.

4. Impairment of assets

General and administrative expenses include the following impairments and reversals of impairments of non-current assets and disposal groups held for sale:

(€ million)	Q3 2009	Q3 2008	Q3 YTD 2009	Q3 YTD 2008
Stop & Shop/Giant-Landover	(7)	-	(13)	(6)
Giant-Carlisle	-	-	-	-
Ahold USA	(7)	-	(13)	(6)
Albert Heijn	-	-	(4)	-
Albert/Hypernova	(4)	-	(12)	-
Ahold Europe	(4)	-	(16)	-
Corporate Center	-	-	-	-
Ahold Group	**(11)**	**-**	**(29)**	**(6)**

For a discussion of significant impairments, see note 3.

5. Gains on the sale of assets

General and administrative expenses include the following gains on the sale of non-current assets and disposal groups held for sale:

(€ million)	Q3 2009	Q3 2008	Q3 YTD 2009	Q3 YTD 2008
Stop & Shop/Giant-Landover	-	-	-	19
Giant-Carlisle	-	-	-	-
Ahold USA	-	-	-	19
Albert Heijn	-	5	4	20
Albert/Hypernova	-	1	-	3
Ahold Europe	-	6	4	23
Corporate Center	-	-	-	-
Ahold Group	**-**	**6**	**4**	**42**

For a discussion of significant gains on the sale of assets, see note 3.

6. Expenses by nature

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

(€ million)	Q3 2009	Q3 2008*	Q3 YTD 2009	Q3 YTD 2008*
Cost of product	4,188	4,051	14,647	13,377
Employee benefit expenses	810	747	2,870	2,494
Other store expenses	385	379	1,294	1,216
Depreciation and amortization	167	155	568	496
Rent (income) expenses - net	108	95	374	325
Impairment losses and reversals - net	11	-	29	6
Gains on the sale of assets - net	-	(6)	(4)	(42)
Other expenses	106	107	390	368
Total	**5,775**	**5,528**	**20,168**	**18,240**

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

7. Income taxes

Income taxes decreased by € 61 million in Q3 2009 compared to the same period last year, positively impacted by the recognition of € 36 million of U.S. deferred tax assets arising from net operating losses, carried over from previous years.

8. Share in income of joint ventures

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

(€ million)	Q3 2009	Q3 2008	Q3 YTD 2009	Q3 YTD 2008
ICA	33	30	55	76
Other	-	-	-	4
Total	**33**	**30**	**55**	**80**

Ahold's share in ICA's net income included gains on the sale of assets of € 2 million for Q3 2009 and losses on the sale of assets of € 3 million in Q3 2008 (Q3 YTD 2009 gains on the sale of assets: € 5 million and Q3 YTD 2008 gains on the sale of assets: € 8 million).

9. Assets held for sale and discontinued operations

Income from discontinued operations, consisting of results from discontinued operations and results on divestments, is specified as follows:

Segments	Discontinued operations	Q3 2009	Q3 2008	Q3 YTD 2009	Q3 YTD 2008
(€ million)					
Schuitema	Schuitema	-	-	-	17
Other retail	JMR	1	-	16	13
Results from discontinued operations		1	-	16	30
BI-LO/Bruno's	BI-LO and Bruno's	-	-	(65)	-
Schuitema	Schuitema	-	2	-	164
Various*	Various	(2)	6	(6)	15
Results on divestments		(2)	8	(71)	179
Income (loss) from discontinued operations, net of income taxes		**(1)**	**8**	**(55)**	**209**

* Includes adjustments to the result of prior years' divestments (mainly U.S. Foodservice, Tops and Poland).

BI-LO and Bruno's

As disclosed in note 33 to Ahold's 2008 consolidated financial statements, Ahold remains contingently liable under various lease guarantees extending to 2030 related to leases assigned to third parties. Two former subsidiaries of Ahold, BI-LO, LLC and Bruno's Supermarkets, LLC (BI-LO and Bruno's) filed for protection under Chapter 11 of the U.S. Bankruptcy Code (the filings) on March 23, 2009 and February 5, 2009, respectively. As a result of the filings, Ahold has 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, related to these liabilities Ahold has recognized provisions in a net aggregate amount of € 65 million, including tax benefit offsets, within results on divestments in 2009. The provisions are Ahold's best estimate as of the balance sheet date, of the discounted aggregate amount of the remaining lease obligations and associated charges, which could result in liability for Ahold under the various lease guarantees. Ahold will closely monitor the bankruptcy proceedings and may revise the provision as more specific information becomes known.

Other

At the end of Q3 2009, JMR continues to be classified as held for sale and a discontinued operation. Accordingly, JMR is not accounted for using the equity method. JMR's results represent dividends and fees received. Schuitema was divested in Q2 2008. The results of Schuitema and JMR are presented as part of income from discontinued operations.

The following table presents a reconciliation between the cash received and the results on divestments of discontinued operations:

(€ million)	Q3 YTD 2009	Q3 YTD 2008*
Cash (paid)/received (net of cash divested of € 16 million in Q3 YTD 2008)	(6)	342
Net assets divested	(1)	(173)
Changes in accounts receivable/payable and provisions - net	(111)	(8)
Income taxes	47	18
Results on divestments	**(71)**	**179**

*The comparative information was changed to conform to the current year presentation.

10. Equity attributable to common shareholders

On April 28, 2009, the General Meeting of Shareholders determined the dividend over 2008 at € 0.18 per common share (€ 212 million in the aggregate). The dividend was paid on May 18, 2009.

11. Loans

Repayments of loans amounted to € 2 million for Q3 2009 (Q3 YTD 2009: € 521 million). The year to date repayments include the repayment of notes with a principal amount of $ 500 million (€ 376 million), which were redeemed on maturity in May 2009, and an early repayment of $ 187 million (€ 134 million) through a public tender for the remaining outstanding bonds maturing in July 2010 that had an original principal amount of $ 700 million. A one-time loss of $ 10 million (€ 7 million) incurred on the early repayment of these notes is reported in the income statement as other financial expense. The loans were repaid from the Company's cash balances.

On June 24, 2009, Standard & Poor's Corporate revised its credit rating on Ahold from BBB- to BBB (with a stable outlook).

12. Cash flow

The change in non-current assets and liabilities in Q3 2009 includes additional cash contributions of $ 89 million (€ 62 million) to one of the Company's U.S. pension plans and of € 50 million to the Company's Dutch pension plan.

The following table presents the year to date changes in cash and cash equivalent balances:

(€ million)	Q3 YTD 2009	Q3 YTD 2008
Cash and cash equivalents of continuing operations at the beginning of the year	2,863	3,263
Restricted cash	(19)	(21)
Cash and cash equivalents beginning of the year, excluding restricted cash	2,844	3,242
Net cash from operating, investing and financing activities	(311)	(550)
Effect of exchange rate differences on cash and cash equivalents	(22)	91
Restricted cash	20	18
Cash and cash equivalents of continuing operations at the end of the quarter	**2,531**	**2,801**

13. Commitments and contingencies

ICA tax claims

The Swedish tax authorities have denied interest deductions made by ICA for interest on borrowings from an Irish subsidiary of nearly SEK 1.8 billion (€ 176 million) for the period 2001-2003. The Swedish tax authorities' claim amounts to SEK 747 million (€ 73 million), including penalties and interest. The Irish subsidiary's operations were wound up in 2003. The County Administrative Court confirmed the tax authorities' decision in December 2008. ICA believes that the deductions were in compliance with tax rules and is contesting the claim and penalties and has appealed the Court's ruling to the Administrative Court of Appeal. ICA paid the disputed amount in February 2009 and recorded a receivable for the paid amount.

In a separate case, the Swedish tax authorities have also denied interest deductions made by ICA for payments of interest to a Dutch subsidiary for the period 2004-2007. The tax authorities' claim for these years amounts to SEK 1.1 billion (€ 107 million), including penalties and interest. ICA believes that the deductions were in compliance with tax rules. ICA is contesting the claim and penalties and has appealed the ruling to the County Administrative Court. In late October 2009, ICA was informed by the Swedish Tax Agency that it is considering whether to deny ICA's deduction of interest expenses for the year 2008 on the same grounds as for the years of 2004-2007.

A comprehensive overview of commitments and contingencies as of December 28, 2008 is included in note 33 to Ahold's 2008 consolidated financial statements, which were published as part of Ahold's Annual Report on March 9, 2009.

Use of non-GAAP financial measures

This interim 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 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.
- 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.
- 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 Q3 2009 and Q3 2008 and for the first three quarters of 2009 and 2008, respectively:

(€ million)	EBITDA Q3 2009	Depreciation and amortization	Operating income Q3 2009	EBITDA Q3 2008*	Depreciation and amortization	Operating income Q3 2008*
Stop & Shop/Giant-Landover	218	(86)	132	197	(83)	114
Giant-Carlisle	53	(22)	31	53	(20)	33
Ahold USA	271	(108)	163	250	(103)	147
Albert Heijn	193	(46)	147	181	(41)	140
Albert/Hypernova	(9)	(12)	(21)	8	(11)	(3)
Ahold Europe	184	(58)	126	189	(52)	137
Corporate Center	(23)	(1)	(24)	(23)	-	(23)
Total	**432**	**(167)**	**265**	**416**	**(155)**	**261**

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

(€ million)	EBITDA Q3 YTD 2009	Depreciation and amortization	Operating income Q3 YTD 2009	EBITDA Q3 YTD 2008*	Depreciation and amortization	Operating income Q3 YTD 2008*
Stop & Shop/Giant-Landover	765	(302)	463	595	(267)	328
Giant-Carlisle	198	(78)	120	179	(65)	114
Ahold USA	963	(380)	583	774	(332)	442
Albert Heijn	634	(148)	486	592	(125)	467
Albert/Hypernova	(21)	(39)	(60)	30	(38)	(8)
Ahold Europe	613	(187)	426	622	(163)	459
Corporate Center	(52)	(1)	(53)	(68)	(1)	(69)
Total	**1,524**	**(568)**	**956**	**1,328**	**(496)**	**832**

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

- 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 and cash equivalents. Management believes that net debt is a useful measure for investors. In management's view, because cash and cash equivalents can be used, among other things, to repay indebtedness, netting this against gross debt is a useful measure of Ahold's leverage. Net debt may include certain cash items that are not readily available for repaying debt.
- Cash flow before financing activities. Cash flow before financing activities is the sum of net cash from operating activities and net cash from investing activities. Ahold's management believes that because this measure excludes net cash from financing activities, this measure is useful where such financing activities are discretionary, as in the case of voluntary debt prepayments.

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.

Financial calendar

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

Ahold's 2009 financial year consists of 53 weeks and ends on January 3, 2010. The quarters in 2009 are:

First quarter (16 weeks)	December 29, 2008 through April 19, 2009
Second quarter (12 weeks)	April 20 through July 12, 2009
Third quarter (12 weeks)	July 13 through October 4, 2009
Fourth quarter (13 weeks)	October 5, 2009 through January 3, 2010

Publication dates of results for the fourth quarter of 2009

Trading statement	January 21, 2010
Summary report	March 4, 2010

Cautionary notice

This interim 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 investments in customer value, changes in margins, sales, market shares and volume, Ahold's cost reduction program, Ahold organizational changes, restructuring charges in the Czech Republic and Slovakia and Ahold's contingent liability related to BI-LO and Bruno´s leases and ICA tax claims. 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 public filings. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this interim report. Koninklijke Ahold N.V. does not assume any obligation to update any public information or forward-looking statements (referred to) in this report to reflect subsequent events or circumstances, except as may be required by securities laws. Outside the Netherlands, Koninklijke Ahold N.V., being its registered name, presents itself under the name of "Royal Ahold" or simply "Ahold".