Earnings Release

Highlights

- Full year operating income €1.3 billion (up €1 billion)
- Full year net income €915 million (up €769 million)
- U.S. Foodservice delivers 1.7% full year operating margin
- Net debt down €884 million in the year to €4.6 billion
- €3 billion share buyback program announced – up €1 billion from previous announcement

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Amsterdam, the Netherlands, March 22, 2007 – Ahold today published its summary financial report for the full year and fourth quarter 2006. Anders Moberg, President and CEO of Ahold, said "Ahold met the targets we set last year. U.S. Foodservice delivered 1.7% operating margin, our retail operations performed in line with our margin guidance and exceeded sales growth guidance. Group Office Support costs are down and we have reduced net debt even more than we said we would. Our Value Improvement Program at Stop & Shop is on track and we have already seen encouraging improvements in the way customers perceive our produce department, both in terms of price and quality.

Our focus in 2007 will be the ongoing implementation of the strategy we announced last November. In view of the progress of our divestment program, we are pleased to announce today that we plan to increase the amount we return to shareholders from €2 billion to €3 billion, subject to the divestment of U.S. Foodservice. This will be executed through a share buyback program, the details of which will be announced in due course. In our new company structure of two continental platforms, we have new management in key positions, both in the United States and Europe. Our major focus in the United States is the continued roll-out of the Value Improvement Program. We have set operating margin guidance for our retained retail businesses for the year ahead at between 4 and 4.5 percent."

Financial performance

Fourth Quarter 2006

Net sales were €10.4 billion, down 3% from the same period last year. At constant exchange rates, net sales increased by 3%.

Operating income was €199 million, including a €84 million charge related to the divestment and closure of Tops stores in northeast Ohio. Operating income of €293 million in 2005 benefited from €92 million of insurance proceeds related to the securities class action settlement. Retail operating income, including the Tops charge, was €167 million with an operating margin of 2.4%. U.S. Foodservice operating income was up €71 million to €63 million, an operating margin of 1.8%. Group Support Office costs were €31 million.

Net income was €240 million, an increase of €132 million over the fourth quarter of 2005, mainly due to lower net financial expense and favorable income taxes, partially offset by insurance proceeds related to the class action of 2005.

Cash flow before financing was €343 million positive for the quarter, €61 million lower than the same period last year, in part reflecting the acquisition of stores from Clemens Markets and Konmar. Net debt was down €498 million to €4.6 billion.

Full year 2006

Net sales were €44.9 billion, up 2% compared to 2005. At constant exchange rates, net sales were up 2.7%. Excluding the impact of currency exchange rates and divestments, consolidated net sales in 2006 were 4.1% higher than the previous year with retail net sales increasing 3.7% and U.S. Foodservice 4.8%.

Operating income increased by €1 billion to €1.3 billion. Excluding the €803 million impact of the charge for the securities class action settlement in 2005 (net of insurance proceeds), the increase was €237 million or 22.4%. Retail operating income was up €30 million at €1.2 billion; the operating margin was unchanged at 3.9%. U.S. Foodservice operating income was up €172 million to €258 million, an operating margin of 1.7% compared to 0.6% the previous year. Group Support Office costs at €116 million were down by €838 million (primarily due to the €803 million charge in 2005 for the securities class action settlement). Net income increased by €769 million to €915 million.

Net debt fell by €884 million to €4.6 billion primarily reflecting a reduction in gross debt driven by repayment of the U.S. Foodservice securitization program, foreign exchange benefits and the conversion of some preference shares to equity.

Cash flow before financing was €1 billion positive, but down €1 billion compared to last year. This reduction was mainly due to the initial securities class action net payment of €527 million, and a €943 million reduction in proceeds from divestments which were partially offset by improved cash generation from operations.

Performance by business segment

Stop & Shop / Giant-Landover

For the fourth quarter, net sales of $3.8 billion were up 0.1% compared with the same period last year; identical sales were down 2% at Stop & Shop (2.3% excluding gasoline net sales) and 2.1% at Giant-Landover. Operating income was down $18 million at $162 million or 4.2% of net sales. Margins were impacted by price investments related to the further roll-out of the Value Improvement Program.

For the full year, net sales of $16.4 billion were up 0.6% compared to last year; identical sales were down 1.3% at Stop & Shop (2% excluding gasoline net sales) and 1.6% at Giant-Landover. Operating income was down $15 million to $839 million or 5.1% of net sales.

Giant-Carlisle / Tops

For the fourth quarter, net sales of $1.4 billion decreased 2.7% from the same period last year reflecting the impact of divestments; identical sales were up 3.1% at Giant-Carlisle (1.8% excluding gasoline net sales) but down 2.9% at Tops (4.3% excluding gasoline net sales). Operating losses of $63 million in the fourth quarter included $109 million in charges and costs related to the divestment of the Tops northeast Ohio stores during the quarter. Excluding these charges and costs, operating margin was 3.3% of net sales.

For the full year, net sales of $6 billion were 3.3% down from last year; identical sales were up 3.9% at Giant-Carlisle (2.1% excluding gasoline net sales) but down 5.5% at Tops (6.6% excluding gasoline net sales). Operating income of $62 million (including the Tops northeast Ohio charge of $118 million) or 1% of net sales was down $28 million from last year.

Albert Heijn

For the fourth quarter, net sales of €1.8 billion were up 11% compared with the same period last year. Identical sales increased at Albert Heijn by 9%. Operating income was €100 million or 5.6% of net sales – up €31 million from the prior year, as Albert Heijn benefited from higher identical sales and effective cost control.

For the full year, net sales of €7.1 billion were up 8.4% on last year. Identical sales increased at Albert Heijn by 6.7%. Operating income was €411 million or 5.8% of net sales – up €123 million from the prior year.

Ahold Central Europe

For the fourth quarter, net sales decreased 0.8% to €366 million. At constant exchange rates and excluding the impact of a change in the accounting period from three months to 12 weeks, net sales increased 1.2%. Identical sales fell 2.2%. Operating losses were €16 million – break-even excluding impairments and gains on the sale of assets.

For the full year, net sales of €1.4 billion were up 11.3% on last year. At constant exchange rates, net sales increased 6.1% year-over-year. Identical sales fell 5.5%. The operating loss of €55 million included impairment losses of €37 million of which €19 million related to Slovakia.

As of the fourth quarter 2006, our businesses in Poland qualified as discontinued operations. Accordingly, Poland's results are excluded from Ahold Central Europe.

Schuitema

For the fourth quarter, net sales grew 0.9% to €750 million. Identical sales increased 0.5%. Operating income of €7 million, or 0.9% of net sales, was down €21 million from the same period last year, as a result of costs related to the acquisition of stores and increased commercial activities.

For the full year, net sales of €3.2 billion were up 1.8% on last year; identical sales were up 1.5%. Operating income was €74 million, or 2.3% of net sales, down €21 million from the prior year.

U.S. Foodservice

For the fourth quarter, net sales increased 5.1% to $4.4 billion. Operating income was $81 million compared to a loss of $9 million in the same period last year; operating margin was 1.8%. The improvement was primarily attributable to a higher gross margin, continued operating efficiencies and cost reductions, as well as the non-repetition of $52 million of restructuring and related charges last year.

For the full year, net sales increased 4.1% to $19.2 billion. Net sales growth was negatively impacted by approximately 0.8% as a result of the Sofco disposition in 2005. Cost inflation had a negligible impact on the full year comparisons. Operating income was $325 million resulting in an operating margin of 1.7%, compared to 0.6% in the prior year.

Unconsolidated joint ventures and associates

For the fourth quarter, Ahold's share in income of joint ventures and associates decreased €24 million to €29 million, primarily reflecting the non-repetition of a gain of €22 million on the sale of a real estate joint venture of Stop & Shop / Giant-Landover last year.

For the full year, Ahold's share in income of joint ventures and associates increased 29% to €152 million. The improvement was mainly attributable to strong net sales and improved margins in Sweden, increased gains on the sale of real estate and a gain on the sale of ICA's foodservice business, ICA Meny.

As of year-end 2006, Jerónimo Martins Retail (JMR) qualified as a discontinued operation. Accordingly, JMR's net income is no longer included in share in income of joint ventures and associates.

Other

Ahold expects to publish its 2006 annual report on March 29, 2007.

The Corporate Executive Board is not recommending a dividend on common shares for 2006. Ahold plans to pay dividends on the cumulative preferred financing shares in 2007.

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Other information

Non-GAAP financial measures:

- Net sales at constant exchange rates. In certain instances, net sales exclude the impact of using different currency exchange rates to translate the financial information of certain of Ahold's subsidiaries to euros. For comparison purposes, the financial information of the previous period is adjusted using the average currency exchange rates for the full year or the fourth quarter of 2006 as the case may be in order to understand this currency impact. In certain instances, net sales are presented in local currency. Management believes these measures provide a better insight into the operating performance of foreign subsidiaries.

- Net sales, excluding the impact of currency exchange rates and divestments. Management believes that as a result of these exclusions, this measure provides a better insight into the operating performance of its foreign subsidiaries. Retail net sales were up 1.6% compared to 2005. At constant exchange rates, retail net sales were up 2.1%. Excluding the impact of currency exchange rates and divestments, retail net sales in 2006 were up 3.7% compared to 2005. U.S. Foodservice net sales were up 2.9% compared to 2005. At constant exchange rates, U.S. Foodservice net sales were up 4.1%. Excluding the impact of currency exchange rates and divestments, U.S. Foodservice net sales in 2006 were up 4.8% compared to 2005.

- Net sales, at constant exchange rates and excluding the impact of a change in the accounting period from three months to 12 weeks. Management believes that as a result of these adjustments, this measure provides a better insight into the operating performance of its foreign subsidiaries.

- Identical sales, excluding gasoline net sales. Because gasoline prices have recently experienced greater volatility than food prices, management believes that by excluding gasoline net sales, this measure provides a better insight into the recent positive effect of gasoline net sales on Ahold's identical sales.

- Operating income (loss) in local currency. In certain instances, operating income (loss) is presented in local currency. Management believes this measure provides a better insight into the operating performance of foreign subsidiaries.

- Operating income, excluding the impact of the securities class action settlement. Management believes that by excluding the impact of the securities class action settlement, this measure allows for better comparisons to prior periods and provides a better insight into Ahold's operating performance.

- Cash flow before financing. Cash flow before financing is the sum of net cash from operating activities and net cash from investing activities. 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.

(in millions)	Q4 2006	Q4 2005
Cash flow before financing (fourth quarter)	€ 343	€ 404
Net cash from financing activities	€ (358)	€ (1,326)
Net cash from operating, investing and financing activities	€ (15)	€ (922)

(in millions)	2006	2005
Cash flow before financing (full year)	€ 1,028	€ 2,057
Net cash from financing activities	€ (1,277)	€ (3,194)
Net cash from operating, investing and financing activities	€ (249)	€ (1,137)

- Operating margin, excluding charges and costs related to the divestment of the northeast Ohio stores. Management believes that as a result of these exclusions, this measure provides a better insight into the company's operating performance of foreign subsidiaries.

Giant-Carlisle / Tops (in millions)	
Q4 2006 adjusted operating income	$46
Charges and costs related to Tops northeast Ohio divestment	$109
Q4 2006 operating income (loss)	$(63)
Q4 2006 net sales	$1,380
Q4 2006 adjusted operating margin	3.3%

- Operating loss, excluding the impact of the impairments and gains on the sale of assets. Management believes that as a result of these exclusions, this measure provides a better insight into the company's operating performance of foreign subsidiaries.

This earnings release should be read in conjunction with Ahold's summary financial report for the full year and fourth quarter 2006, which is available on www.ahold.com and Ahold's 2006 financial statements, which are expected to be published on March 29, 2007. This release contains certain non-GAAP financial measures, including net debt, which are further discussed in the summary financial report. The data provided in this earnings release are unaudited and are accounted for in accordance with IFRS unless otherwise stated.

In case of any discrepancy between the English version and the Dutch version of this release, the English version prevails.

Forward-looking statements notice

Certain statements in this earnings release are forward-looking statements within the meaning of the U.S. federal securities laws. These statements include, but are not limited to, statements as to the expected timing to implement the Company's strategy, plans to increase the amount to be returned to shareholders, plans for the Value Improvement Program, expectations regarding the retail operating margin for 2007, plans to make divestments, including operations in Poland, Slovakia and the Company's stake in JMR, as well as U.S. Foodservice, the expected timing to publish the annual report and plans with respect to dividends. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the 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 in the markets in which Ahold's subsidiaries and joint ventures operate, the actions of Ahold's competitors, joint venture partners, vendors, unions, contractors and other third parties, the actions of Ahold's customers, including their acceptance of Ahold's plans and strategies, Ahold's ability to implement and complete successfully its plans and strategies and to meet its targets, including its ability to reduce costs or realize cost savings, the benefits from and resources generated by Ahold's plans and strategies being less than or different from those anticipated, the costs or other results of pending or future investigations or legal proceedings, actions of courts, law enforcement agencies, government agencies and third parties, as well as Ahold's ability to defend itself in connection with such investigations or proceedings, Ahold's ability to complete planned divestments on terms that are acceptable to Ahold, changes in Ahold's liquidity needs, the actions of Ahold's shareholders, unanticipated disruptions to Ahold's operations, including disruptions due to labor strikes, work stoppages, or other similar interruptions, increases in the cost of healthcare, pensions or insurance, increases in energy costs and transportation costs, any slowdown in independent restaurant growth, rapid fluctuations in costs for not for resale products where such fluctuations cannot be passed along to Ahold's customers on a timely basis, Ahold's ability to recruit and retain key personnel and other factors discussed in Ahold's public filings. Many of these and other risk factors are detailed in Ahold's publicly filed reports. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this earnings release. Ahold does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this earnings release, except as may be required by applicable securities laws. Outside the Netherlands, Koninklijke Ahold N.V., being its registered name, presents itself under the name of "Royal Ahold" or simply "Ahold."