Ahold

First Quarter 2006
June 21, 2006

Earnings Release

Q1 2006 Highlights

- Pre-tax income doubles to €316 million
- Operating income of €455 million (including real estate gains of €66 million) up 31.5%
- U.S. Foodservice operating margin increases from 0.4% to 1.4%

Amsterdam, the Netherlands, June 21, 2006 – Ahold today published its interim financial report for the first quarter of 2006. Anders Moberg, President and CEO of Ahold, said today: "In the first quarter, retail performance was mixed. We saw encouraging retail performance from Albert Heijn, Giant-Carlisle and ICA. The competitive environment continued to be challenging for Stop & Shop / Giant-Landover and conditions remained difficult in Central Europe and at Tops, especially in North East Ohio. U.S. Foodservice performed well as the new strategy takes effect. At the Stop & Shop / Giant-Landover Arena, work continued towards the progressive implementation of its value improvement program later this year. At a group level, the review of underperforming assets and the strategic review to drive and fund identical sales volume growth across our global retail businesses have started and will be completed in the fall."

Financial performance

First Quarter 2006

Net sales were €14.1 billion, an increase of 8.6% compared with Q1 2005. Net sales, excluding currency impact, increased by 2.1%.

Operating income increased by €109 million (31.5%) to €455 million (including gains on the sale of property, plant and equipment of €66 million and impairments of non-current assets of €17 million). Retail operating income was up €44 million (11.6%) to €424 million, an operating margin of 4.6%. U.S. Foodservice operating income was up €50 million to €66 million, an operating margin of 1.4%, and Group Support Office costs fell by €15 million to €35 million.

Income before tax increased by €156 million to €316 million, reflecting increased net sales, improved operating income, reduced financing costs, and improved net income from joint ventures and associates. Net income attributable to common shareholders increased by €102 million (76.1%) to €236 million.

Net debt increased in the quarter by €170 million to €5.7 billion as the reduction in cash balances more than offset gross debt reductions of €200 million. The cash balance reduction of €370 million was primarily due to the first payment of €536 million relating to the class action settlement (final cash payment due in December).

Q1 2006 performance by business segment

Stop & Shop / Giant-Landover
Net sales of $5 billion fell by 0.8% compared with the same period last year. Identical sales fell by 1.3% at Stop & Shop (2.2% excluding gasoline net sales) and by 2.5% at Giant-Landover. Operating income was $283 million or 5.7% of net sales, down $24 million as pressure on margins continued due to higher utility and fuel costs, and their impact on consumer behavior.

Giant-Carlisle / Tops
Net sales of $1.8 billion fell by 5.6% compared with the same period last year, but increased by 2.2% excluding the impact of stores divested in 2005. Identical sales at Giant-Carlisle increased by 2.9% (1.5% excluding gasoline net sales) and at Tops fell by 6.5% (7.3% excluding gasoline net sales). Operating income at $49 million was down $2 million compared with the same period last year. Performance across the arena continued to vary significantly with Tops in North East Ohio remaining weak.

Albert Heijn
Net sales of €2.1 billion increased by 4.8% compared with the same period last year, with identical sales of the Albert Heijn banner up 3%. Operating income, up 13.3% at €102 million, or 4.9% of net sales, also improved due to a more selective approach to promotional activity and operational efficiency actions.

Central Europe
Net sales increased by 37.4% to €558 million, reflecting a change of the reporting calendar, net growth of the store portfolio (including the acquisition of the Julius Meinl stores in the Czech Republic in Q3 2005 and the divestment of the large hypermarkets in Poland in Q1 2005) and currency impact. Identical sales for the arena fell 5.6%. Operating income was €16 million although this included gains of €41 million on real estate disposals; operating losses excluding gains on real estate disposals were slightly higher compared to the same period last year.

Schuitema
Net sales increased by 1% to €951 million. Operating income increased by 11.1% to €30 million, an operating margin of 3.2%. The improvement in operating income came primarily from procurement efficiencies and the non-repetition of last year's impairment losses, partially offset by increased marketing spend.

U.S. Foodservice
Net sales increased by 3.8% to $5.8 billion, despite the exit of the Sofco business in the third quarter of 2005. Operating income increased to $80 million from $22 million for the same period last year, due to improvements in both net sales and margins.

Net sales at its Broadline company increased by 3.9% to $5.1 billion. Operating income increased to $87 million (operating margin of 1.7%) compared to $26 million for the same period last year, due to higher volumes and administrative expense reductions that more than offset unfavorable fuel costs. Additionally, approximately $20 million of the improvement relates to annual vendor allowances that were previously principally recognized in the fourth quarter.

Net sales at North Star Foodservice increased by 3.6% to $747 million. Operating loss increased to $7 million from $4 million for the same period last year. Improvements in gross profit margins and productivity did not fully offset the year over year increases in fuel costs.

Unconsolidated joint ventures and associates
Net sales increased by 1% (2.3% excluding currency impact). The share in net income of joint ventures and associates increased by 30.8% to €34 million, mainly attributable to improved margins and increased net sales at ICA Sweden and a gain on the sale of a shopping center at ICA Norway. Ahold's share of ICA's net income rose 45% to €29 million.

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Other information

Non-GAAP financial measures:

- Net sales excluding currency impact. 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 year is adjusted using the average currency exchange rates for the first quarter of 2006 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.

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

- Net sales excluding the impact of divested stores. Management believes that by excluding certain divested stores, this measure provides a better insight into the operating performance and results of the business segment.

- 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 (loss) excluding gains on real estate disposals. Management believes that by excluding certain gains on real estate disposals, this measure provides a better insight into the operating performance and results of the business segment.

This earnings release should be read in conjunction with Ahold's interim financial report for the first quarter of 2006, which is available on www.ahold.com. This release contains certain non-GAAP financial measures, including net debt, which are further discussed in the interim financial report. The data provided in this earnings release are unaudited and are accounted for in accordance with IFRS.

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 Ahold's strategic initiatives, including the progress of U.S. Foodservice's new strategy, the expected timing of the implementation of the value improvement program in the Stop & Shop / Giant-Landover Arena and the progress and expected date of completion of the review of underperforming assets and the strategic review regarding Ahold's retail businesses; statements as to the expectations with respect to the settlement of the securities class action, including the amount of the settlement and the timing of the final cash payment thereof; and statements as to the expected impact of vendor allowances at U.S. Foodservice. 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 new products and private label products and their reactions to new store formats, store locations, changes in Ahold's pricing policies and product offering and other strategies, Ahold's ability to implement and complete successfully its plans and strategies, including operational improvements and systems, and to meet its targets, including expected benefits, or delays or additional costs encountered in connection with their implementation or achievement, the inability to reduce costs or realize cost savings in the manner or to the extent planned, the reaction of Ahold's employees to operational and other changes in the working environment, the costs or other results of pending investigations or legal proceedings, actions of courts, government agencies and third-parties and Ahold's ability to defend itself against such actions, the risk that court approval of the settlement of the securities class action will be successfully reversed on appeal or that a request for reconsideration will be granted, changes in Ahold's liquidity needs, the actions of Ahold's shareholders, including their acceptance of the settlement, 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 resale products where such fluctuations cannot be passed along to customers on a timely basis, the 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."