



First quarter 2015 results

May 27, 2015

Group highlights Q1 2015

- Net sales of €11.3 billion, up 14.9% driven by currency
- Sales excluding gas up 3.1% at constant exchange rates
- Sales in the Netherlands up 5.7%, driven by successful promotions and improved product offering
- Underlying operating margin of 3.5% reflects investments in growth and higher insurance charge
- Conversion of SPAR stores in the Czech Republic completed

Group performance

(in millions of euros)

	Quarter 1			
	2015	2014	Change	Change*
Net sales	11,289	9,821	14.9%	1.4%
Net sales growth excluding gas				3.1%
Underlying operating income	390	392	(0.5)%	(11.9)%
Underlying operating margin	3.5%	4.0%		
Operating income	346	380	(8.9)%	(19.3)%
Income from continuing operations	211	235	(10.2)%	(19.6)%
Net income	213	50	326.0%	669.0%

- Net sales of €11.3 billion, up 1.4%*
- Net sales excl. gas, up 3.1%*
- Underlying operating income impacted by:
 - higher non-cash insurance charge
 - higher promotional spend at Albert Heijn
 - non-recurring costs from SPAR acquisition in the Czech Republic
- Net income in 2014 included provision for Waterbury

* At constant exchange rates

Performance by segment

(in millions of euros)

	Quarter 1					
	Ahold USA		The Netherlands		Czech Republic	
	2015	Change*	2015	Change	2015	Change*
Net sales	7,026	(2.1)%	3,748	5.7%	515	24.8%
Net sales excl gas		0.4%		5.7%		26.3%
Underlying operating income	257	(7.7)%	166	(6.7)%	2	(74.8)%
Underlying operating margin	3.7%	(0.2)	4.4%	(0.6)	0.4%	(1.8)
Identical sales growth excl gas	0.1%	0.0	2.5%	3.9	(2.1)%	(2.7)

* At constant exchange rates

- Net sales in the U.S. excl. gas up 0.4%*. Margins reflect investments in price and weather-related costs
- Net sales in the Netherlands up 5.7%. Margins impacted by higher promotional spend, pension costs and investments in bol.com
- Margins in the Czech Republic excluding SPAR improved slightly. Underlying operating income includes non-recurring costs of €4 million, related to the acquisition

Operating cash flow generation

(in millions of euros)

	Quarter 1		
	2015	2014	Change
Operating cash flow*	669	604	65
Change in working capital	(216)	40	(256)
Income tax paid	(23)	(123)	100
Net investment	(196)	(180)	(16)
Interest and dividend joint ventures	(48)	(40)	(8)
Free cash flow	186	302	(116)

* From continuing operations before changes in working capital and income tax paid

- Strong free cash flow
- Unfavorable change in working capital partly caused by timing effects of year end and Easter
- Timing effects partly offset by lower income tax paid
- Free cash flow for the year expected to be broadly in line with last year

Business highlights: Ahold USA

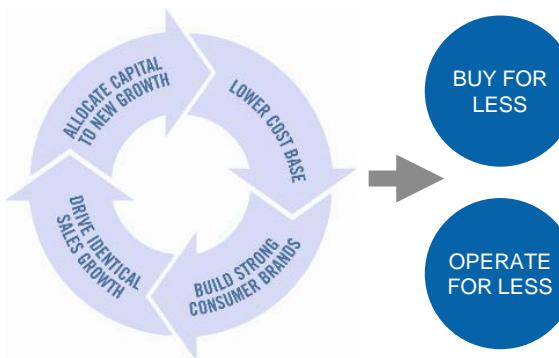
Improve customer proposition

- Wave 1: Value investment rollout to 704 stores in total
- Wave 2: Super KVs rollout to be completed by end of next year
- Wave 3: New produce department launched in 75 stores. Rollout to be completed by end of next year



The journey continues

- Simplicity savings largely fund the investments



- Sales trends improving, with increased volume market share
- Customer price perception improving in all divisions

Own-brand development

- Successful launches of the World Menu Italian and Asian lines and Nature's Promise household line
- Double-digit growth of our Nature's Promise natural & organic and Simply Enjoy premium brands
- Growing own-brand penetration in all banners, reaching 37.7%



Business highlights: the Netherlands

Successful promotions

- Increased basket size and number of customers resulted in strong market share performance
- Glassware collection campaign



- Grow-your-own-garden promotion



Differentiating product offering

- Organic brand activation



- Introduction of 123 new specialty beer items



Expanding ah.nl HSC Rotterdam

- Home Shop Center in Rotterdam enlarged from 4,500 to 18,500 m²
- Increased capacity from 15,000 to 30,000 orders weekly
- Belgian pick-up points to be supplied from Rotterdam



More customers

More places

More choices

Business highlights: bol.com



More customers

- Consumer sales up 25% versus last year
- 100 million visits in Q1, up 19%
- Consumer sales in Belgium up 64%



More choices



- New “Bags & Accessories” category adding thousands of items from over 50 brands

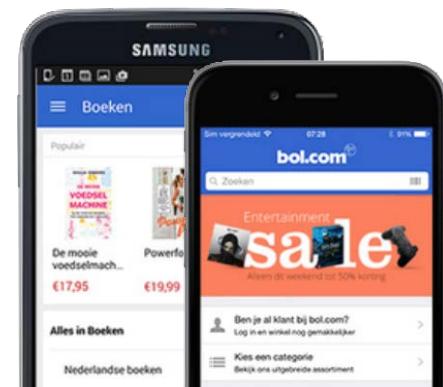


- Expanding specialty store “Beautiful and Healthy” to over 64,000 items by adding luxury brands



Awards

- Voted “Best Online Department Store” and “Best Mobile Store” in the Netherlands by Thuiswinkel.org



Thuiswinkel
awards



Business highlights: Czech Republic

Rebranding of SPAR stores

- All 49 SPAR stores rebranded to Albert
- Albert brand now a leading food retailer in the Czech market



Project Favorite

- Operating model for supermarkets shows encouraging sales uplifts
- Implementation to be completed in Q3 2015

Albert own-brand products win top consumer award

- “Best New Products for 2015” - in three categories: Ice Cream, Juice and Packaged Meat*

* Awarded by Consumer's Choice



Outlook

- Our business performance remains on track to deliver in line with full year expectations
- Margins in the Netherlands will be 40 to 50 basis points lower compared to last year, as a result of higher pension costs and increased investments in our online businesses
- In the Czech Republic, the SPAR acquisition will remain slightly margin-dilutive in 2015, with additional one-off costs of €40 million (€4 million recognized in underlying operating income)
- We expect free cash flow to be broadly in line with last year, based on current exchange rates

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Thank you