March 1, 2012

Summary Report

Fourth quarter and full year 2011

Highlights

- Fourth quarter sales €7.3 billion (up 4.3 percent at constant exchange rates)
- Fourth quarter operating income €328 million (up 11.2 percent)
- Fourth quarter underlying retail operating margin 5.0 percent
- Full year net income €1.0 billion (up 19.2 percent)
- Dividend increased by 38 percent to €0.40 per share

Amsterdam, the Netherlands – Ahold today published its summary report for the fourth quarter and full year 2011. CEO Dick Boer said: “We are pleased with our performance in the fourth quarter, delivering solid results in the United States and the Netherlands. 2011 was a successful year for Ahold where we grew sales by 5.5 percent at constant exchange rates and net income by 19 percent under challenging economic circumstances.

“We launched our new strategy to reshape retail at Ahold, taking advantage of rapid changes in consumer behavior, shopping trends and the retail landscape. We achieved our cost reduction targets a year ahead of time and announced a new 350 million euro cost savings program for the next three years.

“Reflecting the confidence in our new strategy and our proven ability to generate cash, we propose a 38 percent increase in our dividend to €0.40 per share.

“We expect 2012 to be another challenging year for the food retail industry, the macro-economic environment means that consumers still continue to look for value and competition will remain intense. Our strong brands are well positioned to make progress in our major markets, however, we anticipate sales growth in the first quarter will reflect the difficult economic conditions, as well as the timing of Easter.

“During 2012, we will take further steps to make our capital structure more efficient by investing in growth, reducing debt and returning cash to shareholders while remaining committed to an investment grade credit rating.”

Group performance

(€ million)	Q4 2011	Q4 2010	% change	2011	2010	% change
Net sales	7,290	6,975	4.5% *	30,271	29,530	2.5%*
Operating income	328	295	11.2%	1,347	1,336	0.8%
Income from continuing operations	274	169	62.1%	1,032	863	19.6%
Net income	270	154	75.3%	1,017	853	19.2%

** At constant exchange rates, net sales increased by 4.3 percent in Q4 2011 (full year 2011: 5.5 percent).*

Fourth quarter 2011 (compared to fourth quarter 2010)

Net sales were €7.3 billion, up 4.5 percent. At constant exchange rates, net sales increased by 4.3 percent.

Operating income was €328 million, up 11.2 percent. Retail operating income was €348 million, €48 million better than last year at both actual and constant exchange rates. The retail operating margin was 4.8 percent compared to 4.3 percent. Underlying retail operating margin was 5.0 percent compared to 4.7 percent. Corporate Center costs were €20 million for the quarter, up €15 million. Excluding the impact of the Company's insurance activities, Corporate Center costs were €17 million, the same as last year.

Income from continuing operations was €274 million, €105 million higher than last year, arising primarily from higher operating income of €33 million and a higher share in income of joint ventures of €46 million.

Net income was €270 million, up €116 million. The result from discontinued operations included losses of €4 million related to past divestments compared to a €15 million loss last year.

Free cash flow was €324 million, €13 million lower than last year. The decrease was mainly due to lower operating cash flows from continuing operations of €45 million offset by lower capital expenditures of €32 million.

Net debt remained at €1.1 billion from Q3 2011.

Full year 2011 (compared to full year 2010)

Net sales were €30.3 billion, up 2.5 percent. At constant exchange rates, net sales increased by 5.5 percent.

Operating income was €1.3 billion, up 0.8 percent. Retail operating income was €1.4 billion, €15 million higher than last year (€55 million at constant exchange rates). The retail operating margin was 4.7 percent compared to 4.8 percent last year. Underlying retail operating margin was 4.8 percent (2010: 4.9 percent). Corporate Center costs were €80 million, up €4 million. Excluding the impact of the Company's insurance activities, Corporate Center costs were €70 million, €5 million lower than last year.

Income from continuing operations increased €169 million (19.6 percent) to €1.0 billion. A higher operating income, an increase in share in income of joint ventures and lower income taxes were partly offset by a higher net financial expense. Lower income taxes were predominantly due to an income tax benefit of €109 million resulting from the release of an income tax contingency reserve related to financing transactions that occurred prior to 2004. Included in net financial expense was a provision of €92 million for the estimated impact of a judgment rendered in the Stop & Shop Bradlees lease litigation with Vornado.

Net income was €1.0 billion, up €164 million.

Free cash flow was €965 million, €147 million lower than last year. The decrease was mainly due to lower operating cash flows from continuing operations of €325 million partly offset by lower capital expenditures of €115 million, lower interest payments of €41 million and higher dividends from joint ventures of €19 million. Lower operating cash flows from continuing operations were predominantly due to year-over-year increases in working capital of €168 million, primarily in payables and other current liabilities, and higher tax payments of €89 million.

Net debt increased by €351 million during 2011. The free cash flow of €965 million was more than offset by dividends paid on common shares of €328 million, the share buyback of €837 million and additional finance lease liabilities of €101 million.

Performance by segment

Ahold USA
For the fourth quarter, net sales were $5.9 billion, up 5.0 percent. Identical sales were up 3.9 percent (2.9 percent excluding gasoline). Operating income was $225 million (or 3.8 percent of net sales), up $45 million. Operating income included $16 million of impairment charges. Included in operating income last year were $26 million of impairment charges, $12 million provisions for restructuring and related activities and a $3 million gain on the sale of assets. Furthermore, operating income last year included $8 million of reorganization and IT integration costs.

For the full year, net sales were $25.1 billion, up 6.6 percent. Identical sales were up 4.9 percent (2.9 percent excluding gasoline). Operating income was $1.0 billion (or 4.1 percent of net sales), up $80 million. Significant items affecting operating income (as discussed under Note 3 to the financial statements) amounted to a net charge of $62 million versus a net charge of $60 million a year ago.

The Netherlands
For the fourth quarter, net sales increased 4.3 percent to €2.5 billion. Identical sales were up 2.9 percent. Operating income of €174 million (or 6.9 percent of net sales) was €15 million higher than last year.

For the full year, net sales increased 4.2 percent to €10.5 billion. Identical sales were up 2.8 percent. Operating income of €675 million (or 6.4 percent of net sales) was down €13 million. Significant items affecting operating income (the main ones discussed under Note 3 to the financial statements) amounted to a net benefit of €9 million in 2011 (2010: a net benefit of €16 million).

Other Europe (Czech Republic and Slovakia)
For the fourth quarter, net sales decreased 3.5 percent to €413 million. At constant exchange rates, net sales decreased 1.6 percent. Identical sales decreased 1.5 percent (2.1 percent excluding gasoline). Operating income of €7 million (or 1.7 percent of net sales) was down €1 million from Q4 2010.

For the full year, net sales increased 4.8 percent to €1.7 billion. At constant exchange rates net sales were up 2.4 percent. Identical sales increased 2.2 percent (1.8 percent excluding gasoline). Operating income was €18 million (or 1.0 percent of net sales) compared to €10 million last year. Significant items affecting operating income (as discussed under Note 3 to the financial statements) amounted to a net charge of €4 million versus a net charge of €6 million last year.

Other retail (Unconsolidated joint ventures)
For the fourth quarter, Ahold's share in income of unconsolidated joint ventures was €43 million, €46 million better than last year. For the full year, Ahold's share in income of joint ventures increased by €84 million to €141 million. This was mainly due to ICA where a provision against deferred tax assets, of which Ahold's share was €42 million, was recognized in Q4 2010 and a provision related to a tax claim, of which Ahold's share was €47 million, was recorded in Q2 2010.

Debt and liquidity

Maintaining an investment grade credit rating is a cornerstone of our strategy as it serves to lower the cost of funds and to facilitate access to a variety of lenders and markets.

Ahold's net debt was €1,088 million as of January 1, 2012. Net debt does not include our commitments under operating lease contracts, which, on an undiscounted basis, amount to €5.9 billion. These off-balance sheet commitments impact our capital structure. The present value of these commitments is added to net debt to measure our leverage against EBITDAR. The ratio of net lease-adjusted debt to EBITDAR stood at 1.8 times at year-end 2011. In general, we are comfortable operating at around 2 times, which is consistent with our commitment to maintaining an investment grade credit rating.

As of year-end 2011, liquidity amounted to €3.6 billion, defined as cash (including cash equivalents and short-term deposits) of €2.6 billion and the undrawn portion of our committed credit facility of €1.0 billion. Under normal conditions we expect to operate with liquidity around €2.0 billion, evenly split between cash and the undrawn portion of our committed credit facilities. It is our intention to move to this level of liquidity as we continue to invest in growth, reduce our debt and return cash to shareholders, resulting in a more efficient capital structure.

Interest and capital expenditure expectations

At current exchange rates, we expect net interest expense for 2012 to be in the range of €220 million to €240 million and capital expenditure, excluding acquisitions, to be around €0.9 billion.

Other financial and operating information

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

	Q4 2011 Identical	Q4 2011 Identical excluding gasoline	Q4 2011 Comparable	2011 Identical	2011 Identical excluding gasoline	2011 Comparable
Ahold USA	3.9%	2.9%	4.2%	4.9%	2.9%	5.1%
The Netherlands	2.9%	2.9%		2.8%	2.8%	
Other Europe	(1.5)%	(2.1)%		2.2%	1.8%	

1. *For the definition of identical and comparable sales see section "Other information" – "Use of non-GAAP financial measures".*

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 financial statements included in this report.

	Q4 2011	Q4 2010	2011	2010
Ahold USA	3.8%	3.2%	4.1%	4.0%
The Netherlands	6.9%	6.6%	6.4%	6.8%
Other Europe	1.7%	1.9%	1.0%	0.6%
Ahold Europe	6.2%	5.9%	5.7%	5.9%
Total retail	**4.8%**	**4.3%**	**4.7%**	**4.8%**

Underlying retail operating income[1]

	Q4 2011	Q4 2010	% change	2011	2010	% change
$ million						
Ahold USA	239	215	11.2%	1,067	978	9.1%
Average U.S. dollar exchange rate (euro per U.S. dollar)	*0.7421*	*0.7383*	*0.5%*	*0.7189*	*0.7555*	*(4.8)%*
€ million						
Ahold USA	180	159	13.2%	769	742	3.6%
The Netherlands	173	160	8.1%	666	691	(3.6)%
Other Europe	8	11	(27.3)%	20	16	25.0%
Ahold Europe	181	171	5.8%	686	707	(3.0)%
Total retail	**361**	**330**	**9.4%**	**1,455**	**1,449**	**0.4%**

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 2011	Q4 2010	2011	2010
Ahold USA	4.1%	3.8%	4.3%	4.2%
The Netherlands	6.9%	6.7%	6.3%	6.9%
Other Europe	1.9%	2.6%	1.2%	1.0%
Ahold Europe	6.2%	6.0%	5.6%	6.0%
Total retail	**5.0%**	**4.7%**	**4.8%**	**4.9%**

Store portfolio (including franchise stores)

	End of 2010	Opened/ acquired	Closed/ sold	End of 2011
Ahold USA	751	17	(12)	756
The Netherlands[1]	1,914	46	(14)	1,946
Other Europe	305	1	-	306
Ahold Europe	2,219	47	(14)	2,252
Total retail	**2,970**	**64**	**(26)**	**3,008**

1. *The number of stores at the end of 2011 includes 1,090 specialty stores (Etos and Gall & Gall) (2010: 1,071).*

EBITDA[1]

(€ million)	Q4 2011	Q4 2010	% change	2011	2010	% change
Ahold USA	292	257	13.6%	1,244	1,241	0.2%
The Netherlands	225	208	8.2%	887	896	(1.0)%
Other Europe	18	19	(5.3)%	67	59	13.6%
Ahold Europe	243	227	7.0%	954	955	(0.1)%
Corporate Center	(20)	(5)	n/m	(79)	(75)	(5.3)%
	515	479	7.5%	2,119	2,121	(0.1)%
Share in income (loss) of joint ventures	43	(3)	n/m	141	57	n/m
Income (loss) from discontinued operations	(4)	(15)	73.3%	(15)	(10)	(50.0)%
Total EBITDA	**554**	**461**	**20.2%**	**2,245**	**2,168**	**3.6%**

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

Free cash flow[1]

(€ million)	Q4 2011	Q4 2010	2011	2010
Operating cash flows from continuing operations	584	629	1,786	2,111
Purchase of non-current assets	(216)	(248)	(755)	(870)
Divestments of assets/disposal groups held for sale	5	5	23	32
Dividends from joint ventures	1	3	130	111
Interest received	6	3	27	15
Interest paid	(56)	(55)	(246)	(287)
Free cash flow	**324**	**337**	**965**	**1,112**

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

Net debt

(€ million)	January 1, 2012	October 9, 2011	January 2, 2011
Loans	1,489	1,448	1,851
Finance lease liabilities	1,158	1,087	1,096
Cumulative preferred financing shares	497	497	497
Non-current portion of long-term debt	3,144	3,032	3,444
Short-term borrowings and current portion of long term debt	536	533	117
Gross debt	3,680	3,565	3,561
Less: Cash, cash equivalents and short-term deposits[1]	2,592	2,491	2,824
Net debt	**1,088**	**1,074**	**737**

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 €181 million, €115 million and €138 million as of January 1, 2012, October 9, 2011 and January 2, 2011, respectively.*

Credit facility refinancing

On June 6, 2011, Ahold completed the refinancing of its €1.2 billion five-year committed credit facility. The facility, which replaced the previous one, has a sublimit of $550 million for letters of credit and includes the possibility of 12-month extensions in each of the first two years.

Auditor's involvement

The full year 2011 and 2010 information in the summary financial statements, as set out on pages 9 to 21 of this summary report, is based on Ahold's 2011 financial statements, as included in the 2011 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 February 29, 2012. We plan to publish the Financial Statements on March 6, 2012. The General Meeting of Shareholders has not yet adopted the Financial Statements.

Consolidated income statement

(€ million, except per share data)	Note	Q4 2011	Q4 2010	2011	2010
Net sales	3	7,290	6,975	30,271	29,530
Cost of sales	4	(5,377)	(5,128)	(22,350)	(21,610)
Gross profit		**1,913**	**1,847**	**7,921**	**7,920**
Selling expenses		(1,358)	(1,333)	(5,652)	(5,714)
General and administrative expenses		(227)	(219)	(922)	(870)
Total operating expenses	4	(1,585)	(1,552)	(6,574)	(6,584)
Operating income	**3**	**328**	**295**	**1,347**	**1,336**
Interest income		6	4	20	18
Interest expense		(58)	(65)	(245)	(288)
Other financial income (expense)		(3)	(11)	(91)	11
Net financial expense		(55)	(72)	(316)	(259)
Income before income taxes		**273**	**223**	**1,031**	**1,077**
Income taxes	5	(42)	(51)	(140)	(271)
Share in income of joint ventures	6	43	(3)	141	57
Income from continuing operations		**274**	**169**	**1,032**	**863**
Loss from discontinued operations	7	(4)	(15)	(15)	(10)
Net income attributable to common shareholders		**270**	**154**	**1,017**	**853**
Earnings per share					
Net income per share attributable to common shareholders					
Basic		0.25	0.13	0.92	0.73
Diluted		0.24	0.13	0.89	0.72
Income from continuing operations per share attributable to common shareholders					
Basic		0.26	0.15	0.93	0.74
Diluted		0.25	0.15	0.90	0.73
Weighted average number of common shares outstanding (in millions)					
Basic		1,071	1,151	1,111	1,169
Diluted		1,132	1,213	1,171	1,230
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.7421	0.7383	0.7189	0.7555

Consolidated statement of comprehensive income

(€ million)	Q4 2011	Q4 2010	2011	2010
Net income	**270**	**154**	**1,017**	**853**
Currency translation differences in foreign interests:				
Currency translation differences before taxes	132	129	122	305
Income taxes	1	-	1	(1)
Cash flow hedges:				
Fair value gains in the year	(11)	43	(34)	10
Transfers to net income	4	2	(13)	(29)
Income taxes	1	(9)	11	6
Share of other comprehensive income (loss) of joint ventures - net of income taxes	(16)	(2)	(3)	(60)
Other comprehensive income	111	163	84	231
Total comprehensive income attributable to common shareholders	**381**	**317**	**1,101**	**1,084**

Consolidated balance sheet

(€ million)	Note	January 1, 2012	January 2, 2011
Assets			
Property, plant and equipment		5,984	5,827
Investment property		593	582
Intangible assets		836	762
Investments in joint ventures		1,087	1,072
Other non-current financial assets		859	853
Deferred tax assets		394	410
Other non-current assets		34	25
Total non-current assets		**9,787**	**9,531**
Assets held for sale		-	26
Inventories		1,466	1,331
Receivables		751	772
Other current financial assets		336	245
Income taxes receivable		27	11
Other current assets		175	209
Cash and cash equivalents	10	2,438	2,600
Total current assets		**5,193**	**5,194**
Total assets		**14,980**	**14,725**
Equity and liabilities			
Equity attributable to common shareholders	8	5,877	5,910
Loans		1,489	1,851
Other non-current financial liabilities		1,813	1,726
Pensions and other post-employment benefits	9	94	129
Deferred tax liabilities		199	177
Provisions		664	623
Other non-current liabilities		230	217
Total non-current liabilities		**4,489**	**4,723**
Liabilities related to assets held for sale		-	20
Accounts payable		2,436	2,323
Other current financial liabilities		648	216
Income taxes payable		136	243
Provisions		253	152
Other current liabilities		1,141	1,138
Total current liabilities		**4,614**	**4,092**
Total equity and liabilities		**14,980**	**14,725**
Year-end U.S. dollar exchange rate (euro per U.S. dollar)		0.7724	0.7474

Consolidated statement of changes in equity

(€ million)	Share capital	Additional paid-in capital	Currency translation reserve	Cash flow hedging reserve	Other reserves including accumulated deficit	Equity attributable to common shareholders
Balance as of January 3, 2010	**358**	**9,916**	**(632)**	**(48)**	**(4,154)**	**5,440**
Dividends	-	-	-	-	(272)	(272)
Total comprehensive income	-	-	247	(15)	852	1,084
Share buyback	-	-	-	-	(386)	(386)
Share-based payments	-	-	-	-	44	44
Balance as of January 2, 2011	**358**	**9,916**	**(385)**	**(63)**	**(3,916)**	**5,910**
Dividends	-	-	-	-	(328)	(328)
Total comprehensive income	-	-	123	(36)	1,014	1,101
Share buyback	-	-	-	-	(837)	(837)
Cancellation of treasury shares	(28)	(822)	-	-	850	-
Share-based payments	-	-	-	-	31	31
Other changes in reserves	-	-	(3)	6	(3)	-
Balance as of January 1, 2012	**330**	**9,094**	**(265)**	**(93)**	**(3,189)**	**5,877**

Consolidated statement of cash flows

(€ million)	Note	Q4 2011	Q4 2010	2011	2010
Operating income		328	295	1,347	1,336
Adjustments for:					
Depreciation, amortization and impairments		201	209	797	812
Gains on the sale of assets/disposal groups held for sale		(1)	(4)	(12)	(14)
Share-based compensation expenses		6	8	29	33
Operating cash flows before changes in operating assets and liabilities		534	508	2,161	2,167
Changes in working capital:					
Changes in inventories		(34)	(35)	(103)	(43)
Changes in receivables and other current assets		(60)	(126)	(7)	(19)
Changes in payables and other current liabilities		227	337	85	205
Changes in non-current assets and liabilities		(36)	(18)	(138)	(76)
Cash generated from operations		631	666	1,998	2,234
Income taxes paid - net		(47)	(37)	(212)	(123)
Operating cash flows from continuing operations		584	629	1,786	2,111
Operating cash flows from discontinued operations		(4)	-	(10)	(8)
Net cash from operating activities		**580**	**629**	**1,776**	**2,103**
Purchase of non-current assets		(216)	(248)	(755)	(870)
Divestments of assets/disposal groups held for sale		5	5	23	32
Acquisition of businesses, net of cash acquired		(9)	(1)	(30)	(159)
Divestment of businesses, net of cash divested		1	(4)	(13)	(34)
Changes in short-term deposits		71	(48)	71	85
Dividends from joint ventures		1	3	130	111
Interest received		6	3	27	15
Other		10	-	50	12
Investing cash flows from continuing operations		(131)	(290)	(497)	(808)
Net cash from investing activities		**(131)**	**(290)**	**(497)**	**(808)**
Interest paid		(56)	(55)	(246)	(287)
Repayments of loans		(3)	(3)	(17)	(419)
Repayments of finance lease liabilities		(11)	(12)	(60)	(54)
Dividends paid on common shares	8	-	-	(328)	(272)
Share buyback	8	(259)	(124)	(837)	(386)
Other		-	(19)	(13)	(30)
Financing cash flows from continuing operations		(329)	(213)	(1,501)	(1,448)
Financing cash flows from discontinued operations		(1)	(1)	(4)	(4)
Net cash from financing activities		**(330)**	**(214)**	**(1,505)**	**(1,452)**
Net cash from operating, investing and financing activities	**10**	**119**	**125**	**(226)**	**(157)**
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.7421	0.7383	0.7189	0.7555

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 10.

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 food stores in the United States and Europe through subsidiaries and joint ventures.

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies applied in these financial statements are consistent with those applied in Ahold’s 2010 consolidated financial statements.

Ahold’s reporting calendar is based on 13 periods of four weeks, with 2011 and 2010 each comprising 52 weeks. The fourth quarters of 2011 and 2010 each comprise 12 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 financial statements.

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 Center staff (the Netherlands, Switzerland, and the United States)

Net sales

Net sales per segment are as follows:

	Q4 2011	Q4 2010	% change	2011	2010	% change
$ million						
Ahold USA	5,887	5,609	5.0%	25,072	23,523	6.6%
Average U.S. dollar exchange rate (euro per U.S. dollar)	*0.7421*	*0.7383*	*0.5%*	*0.7189*	*0.7555*	*(4.8)%*
€ million						
Ahold USA	4,371	4,144	5.5%	18,026	17,783	1.4%
The Netherlands	2,506	2,403	4.3%	10,506	10,087	4.2%
Other Europe	413	428	(3.5)%	1,739	1,660	4.8%
Ahold Europe	2,919	2,831	3.1%	12,245	11,747	4.2%
Ahold Group	**7,290**	**6,975**	**4.5%**	**30,271**	**29,530**	**2.5%**

The combined net sales of Ahold's unconsolidated joint ventures ICA and JMR amounted to €3,597 million and €3,475 million for Q4 2011 and Q4 2010, respectively (full year 2011: €13,737 million and full year 2010: €12,887 million).

Operating income

Operating income (loss) per segment is as follows:

	Q4 2011	Q4 2010	% change	2011	2010	% change
$ million						
Ahold USA	225	180	25.0%	1,021	941	8.5%
Average U.S. dollar exchange rate (euro per U.S. dollar)	*0.7421*	*0.7383*	*0.5%*	*0.7189*	*0.7555*	*(4.8)%*
€ million						
Ahold USA	167	133	25.6%	734	714	2.8%
The Netherlands	174	159	9.4%	675	688	(1.9)%
Other Europe	7	8	(12.5)%	18	10	80.0%
Ahold Europe	181	167	8.4%	693	698	(0.7)%
Corporate Center	(20)	(5)	n/m	(80)	(76)	(5.3)%
Ahold Group	**328**	**295**	**11.2%**	**1,347**	**1,336**	**0.8%**

Ahold USA

Operating income in Q4 2011 included $16 million (€13 million) of impairment charges.

Full year 2011 operating income included $21 million (€15 million) of restructuring charges, mainly related to the transition of certain logistics activities. Furthermore, operating income included $30 million (€23 million) of impairments, $5 million (€3 million) of gains on sale of assets and $16 million (€11 million) of reorganization and IT integration costs.

Included in the Q4 2010 operating income were $12 million (€9 million) of restructuring and related charges, $26 million (€20 million) of impairment charges and $3 million (€3 million) of gains on sale of assets. Furthermore $8 million (€6 million) of reorganization and IT integration costs negatively impacted the operating income in the quarter.

Full year 2010 operating income included $26 million (€20 million) of restructuring and related charges, impairment charges of $23 million (€17 million) and gains on sale of assets of $12 million (€9 million). Furthermore, other significant items negatively impacting the operating income were $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.

The Netherlands

Full year 2011 operating income included €9 million of gains on the sale of assets (Q4 2011: €1 million).

Full year 2010 operating income included €6 million (Q4 2010: €2 million) of impairments, partly offset by €3 million (Q4 2010: €1 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.

Other Europe

Full year 2011 operating income included impairments of €2 million (Q4 2011: €1 million). Furthermore, a €2 million lease termination fee in Q4 negatively impacted operating income.

Full year 2010 operating income included restructuring and related charges of €4 million (Q4 2010: nil), gains on sale of assets of €2 million (Q4 2010: nil) and impairments of €4 million (Q4 2010: €3 million).

Corporate Center

Corporate Center costs were €20 million for the quarter, up €15 million. Excluding the impact of the Company’s insurance activities, Corporate Center costs were €17 million, the same as last year.

Corporate Center costs for 2011 were €80 million, up €4 million. Excluding the impact of the Company’s insurance activities, Corporate Center costs were €70 million, €5 million lower than last year.

4. Expenses by nature

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

€ million	Q4 2011	Q4 2010	2011	2010
Cost of product	5,125	4,873	21,285	20,517
Employee benefit expenses	944	945	4,001	4,072
Other operational expenses	579	541	2,367	2,324
Depreciation and amortization	187	184	772	785
Rent expenses and income - net	114	116	486	483
Impairment losses and reversals - net	14	25	25	27
Gains on the sale of assets - net	(1)	(4)	(12)	(14)
Total	**6,962**	**6,680**	**28,924**	**28,194**

5. Income taxes

Ahold's effective tax rates in the consolidated income statement differed from the statutory income tax rate of the Netherlands of 25.0 percent in 2011 and 25.5 percent in 2010. The following table reconciles these statutory income tax rates with the effective income tax rates in the consolidated income statement.

€ million	2011	%	2010	%
Income before income taxes	1,031		1,077	
Income tax expense at statutory tax rates	(258)	25.0%	(275)	25.5%
Adjustments to arrive at effective income tax rates:				
Rate differential (local rates versus the statutory rate of the Netherlands)	(47)	4.6%	25	(2.3)%
Deferred tax income due to changes in tax rates	-	-	4	(0.3)%
Deferred tax income related to recognition of deferred tax assets - net	21	(2.0)%	-	-
Reserves, (non-)deductibles and discrete items	144	(14.0)%	(25)	2.3%
Total income taxes	**(140)**	**13.6%**	**(271)**	**25.2%**

"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 a tax benefit of €109 million that was recognized in 2011, resulting from a release of an income tax contingency reserve related to financing transactions that occurred prior to 2004.

6. 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	Q4 2011	Q4 2010	2011	2010
ICA	39	(10)	122	32
JMR	2	6	16	23
Other	2	1	3	2
Total	**43**	**(3)**	**141**	**57**

In 2010, ICA's net income was negatively impacted by a provision against deferred tax assets of €70 million (Ahold's share €42 million) and a provision related to a tax claim 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 11.

7. Discontinued operations

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

€ million	Q4 2011	Q4 2010	2011	2010
BI-LO and Bruno's	(4)	-	(5)	23
Other*	-	(15)	(10)	(33)
Results on divestments	(4)	(15)	(15)	(10)
Loss from discontinued operations, net of income taxes	**(4)**	**(15)**	**(15)**	**(10)**

** Includes adjustments to the result on various past divestments.*

8. Equity attributable to common shareholders

Dividend on common shares

On April 20, 2011, the General Meeting of Shareholders approved the dividend over 2010 of €0.29 per common share (€328 million in the aggregate). The dividend was paid on May 3, 2011.

With respect to the current year, the Corporate Executive Board, with the approval of the Supervisory Board, proposes that a dividend of €0.40 per common share be paid in 2012 with respect to 2011. 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 1, 2012. The payment of this dividend will not have income tax consequences for the Company.

Share buyback

During 2011 Ahold repurchased a total of 91,623,985 shares for a total amount of €837 million under two share buyback programs, as follows:

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 over the period from April 6, 2010 through February 24, 2011, was 50,359,330 common shares (2011: 11,641,727), for a total consideration of €500 million (2011: €114 million), at an average price of €9.93.

Furthermore, on March 3, 2011, Ahold announced its decision to return €1 billion to its shareholders by way of a share buyback program to be completed over an 18-month period (this was accelerated to a 12-month period as announced on August 25, 2011). Under this program 79,982,258 of the Company's own shares were repurchased and delivered in 2011. Shares were repurchased at an average price of €9.04 per share for a total amount of €723 million.

Of the total shares repurchased, 30,000,000 were cancelled on June 7, 2011 and 61,000,000 on December 23, 2011.

The number of outstanding common shares as of January 1, 2012 was 1,059,805,233 (January 2, 2011: 1,145,145,317).

9. Pensions and other post-employment benefits

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

€ million	January 1, 2012	January 2, 2011
Defined benefit obligations	(3,624)	(3,415)
Fair value of plan assets	3,879	3,496
Surplus / (Deficit)	255	81
Unrecognized actuarial losses and past service cost	149	198
Total defined benefit plans	404	279
Classified as non-current financial asset	498	408
Pension and other post-employment benefits provisions	**(94)**	**(129)**

The weighted average discount rate used to calculate the defined benefit obligation at January 1, 2012 was 5.4 percent for the Dutch plans (January 2, 2011: 5.4 percent) and 5.2 percent for the U.S. plans (January 2, 2011: 5.8 percent). Ahold made contributions to its defined benefit plans of €186 million in 2011 (2010: €167 million). The 2011 contributions included additional contributions of $38 million (€28 million) in the United States, to bring the funding ratios to minimum required levels. The actual return on plan assets in 2011 was 9.5 percent for the Dutch plans (2010: 8.9 percent) and 5.1 percent for the U.S. plans (2010: 11.4 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 1, 2012, based on the latest available information received from these plans (generally as of December 31, 2010) adjusted for market trends and conditions through the end of 2011, Ahold's estimated proportionate share in plans with a deficit position is €750 million (2010: €648 million) and its proportionate share in plans with a surplus position is €21 million (2010: €20 million). This is based on an estimated total net deficit of these plans of €10.9 billion (2010: €10.1 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.

10. Cash flow

The following table presents the changes in cash and cash equivalent balances for 2011 and 2010, respectively:

€ million	2011	2010
Cash and cash equivalents at the beginning of the year	2,600	2,688
Restricted cash	(21)	(22)
Cash and cash equivalents beginning of the year, excluding restricted cash	2,579	2,666
Net cash from operating, investing and financing activities	(226)	(157)
Effect of exchange rate differences on cash and cash equivalents	54	70
Restricted cash	31	21
Cash and cash equivalents at the end of the year	**2,438**	**2,600**

11. Commitments and contingencies

ICA

In the first quarter of 2011, ICA was denied a request for leave to appeal a tax dispute concerning interest deductions for the years 2001-2003. The full amount disputed was paid in 2009 and expensed in 2010.

D&S litigation

Ahold has reached a full and final worldwide settlement of all claims and legal proceedings by Distribucion y Servicio D&S S.A. (D&S) against Ahold and its former subsidiary Disco (the "D&S litigation", as reported in Ahold's 2010 Annual Report). In that context, Ahold paid $3 million (€2 million) to D&S on August 12, 2011. The amount has been recorded within results from discontinued operations.

Stop & Shop Bradlees lease litigation with Vornado

On November 4, 2011, the Supreme Court of the State of New York issued its judgment in respect of the Stop & Shop Bradlees lease litigation with Vornado. In connection with the spin-off of Bradlees in 1992, Stop & Shop, Bradlees and Vornado entered into a Master Agreement and Guaranty under which Stop & Shop guaranteed payments of certain so-called Rental Increases. Under the judgment, the court ordered Ahold to pay $37.4 million in damages plus certain other accrued Rental Increases and statutory interest thereon and attorney's fees and held Ahold liable for future Rental Increases in the amount of $6 million per annum thereafter until the date of expiration of the last lease covered by the Master Agreement (which could be as late as 2031). In connection with the judgment, a provision of $124 million (€92 million) was recorded against "Other financial income (expense)". Stop & Shop filed a Notice of Appeal of the Judgment on December 7, 2011.

U.S. Foodservice - Waterbury litigation

On November 30, 2011, the U.S District Court granted the Waterbury litigation plaintiffs' motion to certify a class in the action which, if not reversed during the proceedings, would increase the potential liability exposure. The Court certified a class consisting of any person in the United States who purchased products from U.S. Foodservice pursuant to an arrangement that defined a sale price in terms of a cost component plus a markup ("cost-plus contract"), and for which U.S. Foodservice used a so-called "Value Added Service Provider" or "VASP" transaction to calculate the cost component. On December 14, 2011, U.S. Foodservice filed a petition with the Second Circuit Court of Appeals seeking permission to appeal the class certification order. That petition is pending. Ahold remains unable at this time to provide a reasonable estimate of any of its potential liability in connection with its indemnification obligation to U.S. Foodservice. Ahold will continue to vigorously defend its interests in these proceedings.

A comprehensive overview of commitments and contingencies as of January 2, 2011 was included in Note 34 to Ahold's 2010 consolidated financial statements, which were published as part of Ahold's Annual Report on March 8, 2011. Other than the updates for the ICA tax dispute, D&S, the Stop & Shop Bradlees lease litigation with Vornado and the U.S. Foodservice - Waterbury litigation there have been no significant changes during 2011.

12. Subsequent events

Acquisitions

Acquisition of stores from Genuardi's Family Markets

On January 5, 2012, Ahold announced that Giant Carlisle has entered into an agreement with Genuardi's Family Markets, a subsidiary of Safeway, to acquire sixteen Genuardi's stores in Greater Philadelphia for $106 million. The sale is expected to close within the first half of 2012, subject to customary closing conditions, including regulatory approval.

Acquisition of bol.com
On February 27, 2012, Ahold announced that it is acquiring 100 percent of online retailer bol.com from Cyrte Investments and NPM Capital for a transaction value of €350 million, fully paid in cash. Bol.com is active in the Netherlands and Belgium. The acquisition is subject to customary conditions and is expected to close in the second quarter of 2012.

Share buyback
On March 3, 2011, Ahold announced its decision to return €1 billion to its shareholders by way of a share buyback program to be completed over an 18-month period (this was accelerated to a 12-month period as announced on August 25, 2011). Under this program, 79,982,258 of the Company's own shares were repurchased and delivered in 2011. Shares were repurchased at an average price of €9.04 per share for a total amount of €723 million.

The total number of shares repurchased under this program over the period from January 2, 2012, through February 24, 2012, was 19,818,440 common shares, for a total consideration of €206 million, at an average price of €10.38.

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 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.** Net sales from exactly the same stores in local currency for the comparable period.

- **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.

- **Comparable sales.** Identical sales plus net sales from replacement stores in local currency. Comparable sales are only reported for Ahold USA.

- **Underlying retail operating income.** Total retail operating income, adjusted for impairments 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 2011 and Q4 2010 and for full year 2011 and 2010, respectively:

(€ million)	Underlying operating income Q4 2011	Impairments	Gains on the sale of assets	Restructuring and related charges	Operating income Q4 2011
Ahold USA	180	(13)	-	-	167
The Netherlands	173	-	1	-	174
Other Europe	8	(1)	-	-	7
Ahold Europe	181	(1)	1	-	181
Total retail	**361**	**(14)**	**1**	**-**	**348**

(€ million)	Underlying operating income Q4 2010	Impairments	Gains on the sale of assets	Restructuring and related charges	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 2011	Impairments	Gains on the sale of assets	Restructuring and related charges	Operating income 2011
Ahold USA	769	(23)	3	(15)	734
The Netherlands	666	-	9	-	675
Other Europe	20	(2)	-	-	18
Ahold Europe	686	(2)	9	-	693
Total retail	**1,455**	**(25)**	**12**	**(15)**	**1,427**

(€ million)	Underlying operating income 2010	Impairments	Gains on the sale of assets	Restructuring and related charges	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**

- **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. However, EBITDA does not exclude impairments. 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 2011 and Q4 2010 and for full year 2011 and 2010, respectively:

(€ million)	EBITDA Q4 2011	Depreciation and amortization	Operating income Q4 2011	EBITDA Q4 2010	Depreciation and amortization	Operating income Q4 2010
Ahold USA	292	(125)	167	257	(124)	133
The Netherlands	225	(51)	174	208	(49)	159
Other Europe	18	(11)	7	19	(11)	8
Ahold Europe	243	(62)	181	227	(60)	167
Corporate Center	(20)	-	(20)	(5)	-	(5)
Total	**515**	**(187)**	**328**	**479**	**(184)**	**295**

(€ million)	EBITDA 2011	Depreciation and amortization	Operating income 2011	EBITDA 2010	Depreciation and amortization	Operating income 2010
Ahold USA	1,244	(510)	734	1,241	(527)	714
The Netherlands	887	(212)	675	896	(208)	688
Other Europe	67	(49)	18	59	(49)	10
Ahold Europe	954	(261)	693	955	(257)	698
Corporate Center	(79)	(1)	(80)	(75)	(1)	(76)
Total	**2,119**	**(772)**	**1,347**	**2,121**	**(785)**	**1,336**

- **Adjusted income from continuing operations.** Adjusted income from continuing operations is income from continuing operations adjusted for significant non-recurring items. This measure is a component of Ahold's dividend policy, whereby the dividend payout ratio has been set to be 40-50 percent of adjusted income from continuing operations.

  The calculation of adjusted income from continuing operations for 2011 is as follows:

€ million	2011
Income from continuing operations	1,032
Add-back:	
Release of tax contingency reserve	(109)
Provision related to Vornado (after-tax)	86
Adjusted income from continuing operations	**1,009**

- **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 loans, finance lease liabilities, cumulative preferred financing shares 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.

- **Net lease-adjusted debt / EBITDAR.** Net debt increased by the present value of future operating lease commitments over underlying operating income before depreciation, amortization and gross rent expense. Ahold's management believes this measure is useful because it provides insight into Ahold's leverage, adjusted for the impact of operating leases that count for a significant part of Ahold's capital structure.

- **Liquidity.** Cash and cash equivalents, short-term deposits and undrawn funds available under the committed credit facility. Ahold's management believes this measure is useful because it provides insight into funds available to manage the company.

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 2, 2012, a maximum of 2.4 million conditional shares granted in 2009 to Ahold employees under the mid-term component of the Global Reward Opportunity (GRO) equity-based long-term incentive plan, 1.7 million performance shares granted in 2007 to Ahold employees under the long-term component of the GRO plan, and 0.1 million matching shares granted in 2007 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 18, 2012, a maximum of 0.2 million conditional shares granted in 2009 to members of the Corporate Executive Board under the mid-term component of the GRO plan and 0.1 million performance shares granted in 2007 to members of the Corporate Executive Board under the long-term component of the GRO plan are expected to vest with continuing and retired Board members who received the grants. 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 2011 financial year consists of 52 weeks and ends on January 1, 2012. The quarters in 2011 were:

First Quarter (16 weeks)	January 3, 2011 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's 2012 financial year consists of 52 weeks and ends on December 30, 2012. The quarters in 2012 are:

First Quarter (16 weeks)	January 2, 2012 through April 22, 2012
Second Quarter (12 weeks)	April 23 through July 15, 2012
Third Quarter (12 weeks)	July 16 through October 7, 2012
Fourth Quarter (12 weeks)	October 8, 2012 through December 30, 2012

Ahold Finance U.S.A., LLC

The annual report for 2011 of Ahold's wholly owned subsidiary Ahold Finance U.S.A., LLC is available at www.ahold.com.

2012/12

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 taking advantage of rapid changes in consumer behavior, shopping trends and retail landscape, consumers look for value and intense competition, making progress in our major markets and returns to shareholders, a cost savings program, a more efficient capital structure, debt reduction, maintenance of investment grade ratings, liquidity , net interest expense, capital expenditure and the publication of Ahold’s financial statements. 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 and other 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”.