

Execution Version

[Printed on the letterhead of Andre Buitenhuis, Senior Vice President Finance and Fiscal Affairs]

To:

**ING AM Insurance Companies B.V.
Aegon Custody B.V.
Deltafort Beleggingen I B.V.
Stichting Administratiekantoor Preferente Financierings
Aandelen Ahold**

February 11, 2004

Re: agreement letter - restructuring of the cumulative preferred financing shares

Dear Sirs,

Over the last few weeks, we have had lively discussions on the voluntary reduction of the voting rights of the cumulative preferred financing shares and on alternatives to restructure the cumulative preferred financing shares. The company would like to express its appreciation for the constructive and pragmatic approach of the preferred shareholders in these discussions.

In this agreement letter the company has formulated the terms of the envisaged restructuring of the cumulative preferred financing shares. As representative of the common shareholders in the discussions, the company believes that these terms meet the requirements of our mutually agreed principle that the restructuring should not result in a transfer of value from one shareholder category to the other.

In this agreement letter the term "Preferred Shares" refers to the cumulative preferred financing shares or the cumulative preferred financing shares in the form of registered depository receipts, as the case may be. The term "Preferred Shareholders" refers to the holders of the Preferred Shares including, as the case may be, the Stichting Administratiekantoor Preferente Financierings Aandelen Ahold.

We kindly ask you to indicate your agreement with these terms by returning a duly signed copy (initialed on each page and signed on the last page) of this letter to:

Koninklijke Ahold N.V.
Attn. Mr. André Buitenhuis
Senior Vice President
2, Rue Jean Petitot
CH-1204 Genève
Switzerland

This agreement letter formulates the terms and conditions with respect to the following issues:

1. The dividend reset formula
2. The terms and conditions for the conversion right
3. The terms and conditions of redemption
4. The voting rights

All other terms of the cumulative preferred financing shares not specifically mentioned in this agreement letter will remain in full force.

1. The dividend reset formula

After a period of ten years has elapsed from the date of issue of the Preferred Shares and every ten years thereafter (the "Reset Date"), the dividend percentage will be adjusted in line with the following formula (the "Reset Formula"):

- a. The dividend percentage will equal the ten years swap rate as defined in the articles of association of Koninklijke Ahold N.V. (the "Company") plus a mark-up;
- b. The mark-up will equal:
 - the ten years Credit Default Swap rate (the "CDS"), if quotes can be found on either Reuters or Bloomberg of five different parties and if these quotes are available for twenty consecutive trading days preceding the Reset Date;
or
 - the five years CDS rate if the ten years CDS rate as described above is not available, but only if quotes can be found on either Reuters or Bloomberg of five different parties and if these quotes are available for twenty consecutive trading days preceding the Reset Date;
or
 - if neither the ten years CDS rate nor the five years CDS rate is available: a ten years CDS-proxy, to be determined by the Company on the basis of its credit rating by Standard & Poor's at the Reset Date and on the basis of indications by two reputable banks;
 - plus a premium. The premium will be determined according to the following schedule:

	five years CDS	ten years CDS or CDS proxy
If subordinated interest bearing debt \leq 20% of total interest bearing debt	+20 basis points	+10 basis points
If subordinated interest bearing debt > 20% of total interest bearing debt	+30 basis points	+20 basis points

- c. The five years or ten years CDS rate will be determined as an arithmetical average of the last twenty trading days preceding the Reset Date;
- d. The mark-up is capped at 300 basis points, which equals the current ceiling in the articles of association of the Company;
- e. If the cap of 300 basis points is applied, the Preferred Shareholders have the right to request for a binding advice on the appropriate mark-up of an independent third party, to be jointly appointed by the Preferred Shareholders and the Company (the "Binding Advice"). If the outcome of the Binding Advice is a mark-up that exceeds 300 basis points, the Company will ask approval from its common shareholders to either approve the higher mark-up or to redeem all preference shares. Irrespective of the outcome of the Binding Advice, the Preferred Shareholders have the right to convert their Preferred Shares into common shares at the terms described below.

2. Terms and conditions of the conversion right

The Preferred Shareholders have the right to convert their Preferred Shares into common shares according to the following terms and conditions:

- a. The Preferred Shareholders will communicate to the Company in writing their decision to convert the Preferred Shares into common shares on the notification date (the "Notification Date"). The Preferred Shareholders will respect a thirty days notification period, starting on the Notification Date. Conversion follows the first trading day on or after thirty days after the Notification Date. The notification is irrevocable;
- b. The Preferred Shareholders will have the right to convert their Preferred Shares into common shares with a conversion ratio that equals the value of the Preferred Shares on the day before conversion divided by the arithmetical average of the closing share price of the common shares of Koninklijke Ahold N.V. on the stock exchange of Euronext Amsterdam on the five trading days preceding the Notification Date, on the Notification Date and the four trading days following the Notification Date;
- c. The value of the Preferred Shares equals the lower of:
 - the nominal value plus paid-in capital of the Preferred Shares (the "Par Value");
or
 - the present value of the remaining preferred dividends until the first Reset Date plus the present value of the Par Value at the first Reset Date.

Any accrued but unpaid dividends will remain payable in cash in accordance with the current terms and conditions. These accrued but unpaid dividends are not included in the present value calculation;

- d. The discount rate to be used to calculate the present value (the "Discount Rate") will be determined on the Notification Date. The formula for the Discount Rate is similar to the Reset Formula, with the exception that the ten years swap rate will be intrapolated in order to reflect the actual remaining maturity of the respective Preferred Shares until the first Reset Date. The ceiling in the mark-up of 300 basis points will apply but both parties have the right to request a Binding Advice on the mark-up;
- e. The maximum number of shares to be obtained from conversion of all Preferred Shares equals 120 million shares. Per issue and per Preferred Shareholder (at the time of this agreement letter) this translates into the following number of shares:

	June 25, 1996	August 19, 1998	October 19, 2000	December 17, 2003	Total
ING	7,692,526	4,955,606	14,975,967	2,855,682	30,479,781
Aegon	7,692,526	4,955,606	14,990,477	2,855,682	30,494,291
DeltaFort	5,128,351	3,303,737	42,660,012	7,933,828	59,025,928
Total	20,513,403	13,214,950	72,626,456	13,645,192	120,000,000

The maximum number of shares will be adjusted in accordance with the defined "Adjustment maximum number of Conversion Shares" ;

- f. The Preferred Shares cannot be converted into common shares before March 3, 2006;

- g. The current dividend coupon on the June 25, 1996, the August 19, 1998 and the October 19, 2000 Preferred Shares will be reduced in accordance with the following schedule:

Series	Current coupon	Adjusted coupon	As of	Until
June 25, 1996	7.37%	7.17%	March 4, 2006	June 25, 2006
August 19, 1998	5.18%	4.98%	March 4, 2006	August 19, 2008
October 19, 2000	6.47%	6.27%	March 4, 2006	October 19, 2010

- h. Preferred Shareholders will not, directly or indirectly, perform or bring about a transaction in the securities of the Company (including securities whose value is (partially) derived therefrom), five trading days prior, on, and four trading days following the Notification Date. This clause does not apply to departments and associated entities that trade in the securities of the Company as part of their judiciary obligations, if and insofar adequate Chinese Walls are in place that restrict the flow of information and manage (potential) conflicts of interest between persons involved in the envisaged conversion of the Preferred Shares and those departments or associated entities;
- i. Conversion is allowed per series (all Preferred Shares of a specific issue date held by one investor) but not for fractions of series;
- j. To the extent that upon conversion of a series of Preferred Shares into common shares the Preferred Shareholder is still the owner of a number of Preferred Shares of that series, he will transfer such shares for free to the Company, free from pledges, liens, usufruct or other attachments.

3. Terms and conditions of redemption

The Company has the right to redeem the Preferred Shares under the following terms and conditions:

- a. Redemption takes place at the higher of the Par Value or the present value of the Preferred Shares at the time of redemption. The present value of the Preferred Shares equals the present value of the remaining preferred dividends (whereby the nearest dividend payment will not be included in the present value calculation), plus the present value of the Par Value at the Reset Date;
- b. The formula for the Discount Rate used to calculate the present value is similar to 2d;
- c. The Company will pay in cash any accrued cumulative dividends, including the time-weighted portion of the nearest dividend payment, on the date of redemption;
- d. Redemption is allowed for all series issued at a certain date, but not fractions of series issued at a certain date;
- e. Redemption is subject to the approval of the Preferred Shareholder(s) of the respective series, unless all remaining Preferred Shares are redeemed. If the Company does not agree with the outcome of the Binding Advice as described under 1e, the Company will have the right to redeem all shares;
- f. The Company will respect a 30 days notification period. The notification is irrevocable;
- g. Ahold will propose to redeem all remaining outstanding Preferred Shares in the event of a change of control. The Preferred Shareholders have the right to decline such proposal. If the Preferred Shareholders approve the redemption proposal, the company will ask its common shareholders to approve the redemption.

4. Voting rights

The Preferred Shareholders will reduce their voting rights to 99,698,172. This number is determined on the basis of the Par Value of the Preferred Shares and the average share price five trading days before, on and four trading days after January 30, 2004. Per issue and per Preferred Shareholder, this translates into the following number of votes:

	June 25, 1996	August 19, 1998	October 19, 2000	Dec. 17, 2003	Total
ING	6,391,090	4,117,207	12,442,304	2,372,552	25,323,153
Aegon	6,391,090	4,117,207	12,454,360	2,372,552	25,335,209
DeltaFort	4,260,727	2,744,805	35,442,710	6,591,568	49,039,810
Total	17,042,906	10,979,220	60,339,374	11,336,672	99,698,172

5. Shareholder approval

The common shareholders will have to approve a mark-up exceeding 300 basis points in case of the Reset or redemption (also if this is the outcome of Binding Advice) because it entails an amendment of the articles of association, or redemption of the Preferred Shares.

This agreement is conditional upon the approval of the EGM of the necessary changes to the articles of association as well as the terms of the conversion right included in paragraph 2 hereof. The Preferred Shareholders have agreed that on the EGM to be held on March 3, 2004 they will vote on the proposed changes in the Company's articles of association and the conversion right with the reduced number of votes specified in paragraph 4 on the basis of a proxy issued for this purpose by the Stichting AK.

Kind regards,

Koninklijke Ahold N.V.

ING AM Insurance Companies B.V.

Date:

Place:

Signatures:

Aegon Custody B.V.

Date:

Place:

Signatures:

Deltafort Beleggingen I B.V.

Date:

Place:

Signatures:

Stichting Administratiekantoor Preferente Financierings Aandelen Ahold

Date:

Place:

Signatures:

List of definitions:

Adjustment maximum number of Conversion Shares

The maximum number of common shares to be obtained from conversion of the Preferred shares (the "Conversion Shares") will be adjusted in the following circumstances:

Whenever Ahold:

- (i) undertakes an issue of common shares at a discount of five per cent or higher below the price of the common shares calculated in the manner set forth in the definition of the factor 'p' in the following formula;
- (ii) gives pre-emptive rights to holders of existing common shares;
- (iii) undertakes a stock split;
- (iv) undertakes an issue to holders of existing common shares at the expense of any reserve (stock dividend), provided that this issue exceeds five per cent of the issued common share capital of the Company at that moment.

the maximum number of Conversion Shares will be increased. The new number of Conversion Shares shall be determined by multiplying the number of common shares previously applicable by the result of the following formula:

$$\frac{(A+B)xp}{(Axp)+(Bxq)}$$

in which:

A = the number of common shares outstanding immediately prior to the events as described above under (i), (ii) and (iii);

B = the number of common shares outstanding after the events as described above under (i), (ii) and (iii) minus A

p = the average price of the common shares over the ten (10) trading days preceding the date of the aforementioned events;

q = the issue price of the common shares to be issued. In case of a stock split or stock dividend the aforesaid issue price will be nil.