Ahold Finance U.S.A., LLC

Ahold Finance U.S.A., LLC ("AFUSA") is an indirectly wholly owned subsidiary of Koninklijke Ahold N.V. ("Ahold"). As such, AFUSA is part of an international group of leading supermarket companies based in the United States and Europe. The purpose of AFUSA is to engage in financing activities.

AFUSA's home Member State is The Netherlands (Piet Heinkade 167-173, 1019 GM Amsterdam), as referred to in the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht)*. The 2012 Notes and the 2017 Notes (as further described in Note 6 to the accompanying financial statements) are partly still outstanding and are admitted to trading at the Luxembourg Stock Exchange. The 2012 Notes are admitted to trading at Euronext Amsterdam as well.

This annual report is a full-year report as referred to in section 5:25c of the Dutch Financial Markets Supervision Act and comprises regulated information within the meaning of section 1:1 of this act.

Highlights

In 2009, AFUSA initiated a public cash tender for the $700 million notes, due July 2010, which resulted in $187 million of the principal amounts being repurchased and cancelled.

In May 2009, the $500 million notes were redeemed on maturity.

Financial performance

($ million)	2009	2008	% change
Net financial gains	4	24	(83%)
Income taxes	-	(8)	100%
Net income	4	16	(75%)

Governance, risks and uncertainties

As a wholly owned subsidiary of Ahold, AFUSA benefits from the Ahold Group's corporate governance structure. Ahold is committed to a corporate governance structure that best suits its business and stakeholders and that complies with the relevant rules and regulations. Ahold applies the relevant principles and best practices of the Dutch Corporate Governance Code in the manner set out in the "Governance" sections in the 2009 Ahold Annual Report.

As a wholly owned subsidiary of Ahold, AFUSA benefits from the Ahold Group's risk management and control systems, including its enterprise risk management program. These risk management and control systems are designed to ensure that a structured and consistent approach is taken to risk management and internal control in order to provide reasonable assurance that business objectives are achieved.

Counterparty risk

As a wholly owned finance subsidiary of Ahold, AFUSA's counterparties are related parties within the Ahold Group and its obligations under the Notes are fully guaranteed by Ahold. Were AFUSA's counterparties to default on their obligations to AFUSA this could have a material adverse effect on AFUSA's financial position and its ability to service the Notes.

Financial risk

Refer to Note 9 for the discussion on AFUSA's financial risk management.

Taxation risk

AFUSA may face unforeseen tax liabilities in the future. Considering its activities, AFUSA is exposed to a number of different tax risks including, but not limited to, changes in tax laws or the interpretation of tax laws. An adverse outcome resulting from any settlement or future examination of AFUSA's tax returns may result in additional tax liabilities and may adversely affect AFUSA's effective tax rate, which could have a material adverse effect on AFUSA's financial position, financial results and liquidity.

Declarations

The managers of AFUSA hereby declare that, to the best of their knowledge:

- the financial statements included in this annual report give a true and fair view of the assets, liabilities, financial position and profit or loss of AFUSA,
- this annual report gives a true and fair view of the Company's state of affairs as per January 3, 2010, of the course of business of the Company during the financial year 2009, and describes the principal risks that AFUSA faces.

Management
Kimberly Ross (President and CEO)
Guy Thomson (Treasurer and CFO)

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Cautionary notice

This 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 counterparty risks, financial risks and taxation risks. 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 Finance U.S.A., LLC's or its parent company Koninklijke Ahold N.V.'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, the ability to implement and complete successfully their plans and strategies, the benefits from and resources generated by plans and strategies being less than or different from those anticipated, changes in liquidity needs, the actions of competitors and third parties and other factors discussed in Ahold's public filings. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. Neither Ahold Finance U.S.A., LLC nor Koninklijke Ahold N.V. assumes any obligation to update any public information or forward-looking statements (referred to) in this report to reflect subsequent events or circumstances, except as may be required by securities laws.

Ahold Finance U.S.A., LLC - Financial statements

Income statement

($ million)	Note	2009	2008
Net financial gains	*3*	4	24
Income before income taxes		**4**	**24**
Income taxes	*4*	-	(8)
Net income attributable to common shareholders		**4**	**16**

Statement of comprehensive income

($ million)	2009	2008
Net income	4	16
Cash flow hedges:		
Fair value gains (losses) in the year	24	(25)
Transfers to net income	(10)	27
Income taxes	(4)	(3)
Other comprehensive income (loss)	10	(1)
Total comprehensive income attributable to common shareholders	**14**	**15**

Statement of changes in equity

($ million)	Share capital	Additional paid-in capital	Cash flow hedging reserve	Retained earnings	Equity attributable to common shareholders
Balance as of December 30, 2007	**-**	**100**	**(2)**	**22**	**120**
Total comprehensive income	-	-	(1)	16	15
Capital contribution	-	116	-	-	116
Balance as of December 28, 2008	**-**	**216**	**(3)**	**38**	**251**
Total comprehensive income	-	-	10	4	14
Balance as of January 3, 2010	**-**	**216**	**7**	**42**	**265**

Balance sheet

($ million)	Note	January 3, 2010	December 28, 2008	December 30, 2007
Assets				
Loans to related parties	*5*	2,413	2,913	2,756
Other non-current financial assets	*5, 6*	479	364	-
Total non-current assets		2,892	3,277	2,756
Loans to related parties	*5*	20	-	489
Interest receivable	*5*	-	-	42
Income tax receivable		-	-	10
Total current assets		20	-	541
Total assets		**2,912**	**3,277**	**3,297**
Equity and liabilities				
Equity attributable to common shareholders	*7*	265	251	120
Notes payable	*6*	1,450	2,087	2,750
Loans from related parties	*6*	-	-	262
Deferred tax liabilities	*4*	14	10	2
Total non-current liabilities		1,464	2,097	3,014
Notes payable	*6*	503	500	-
Loans from related parties	*6*	604	345	71
Accounts payable	*6*	-	1	-
Interest payable	*6*	76	83	92
Total current liabilities		1,183	929	163
Total equity and liabilities		**2,912**	**3,277**	**3,297**

Statement of cash flows

($ million)	Note	2009	2008
Interest received on loans to related parties		160	220
Interest paid on loans from related parties		(22)	(5)
Interest paid on notes		(156)	(180)
Changes in loans and receivables to and from related parties		738	461
Changes in derivatives		(33)	(494)
Income taxes (paid) received – net		-	8
Net cash from operating activities		***687***	***10***
Repayments of notes		(687)	(10)
Net cash from financing activities		***(687)***	***(10)***
Net increase (decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period		-	-

Notes to the financial statements

1. AFUSA and its operations

AFUSA (or the "Company") is a limited liability company duly organized and validly existing under the laws of Delaware (in the United States), having its statutory seat in Delaware and is managed and controlled in Amsterdam, The Netherlands. AFUSA was formed on December 18, 2001 and is governed by its operating agreement, which was lastly amended and restated on June 20, 2002. Until April 24, 2002, AFUSA was known as "Ahold Finance U.S.A., Inc.". On April 24, 2002, Ahold Finance U.S.A., Inc. merged into Ahold International Finance LLC and changed its name to Ahold Finance U.S.A., LLC.

The purpose of AFUSA is to engage in financing activities and any other lawful business activity in connection with the foregoing.

The parent company of AFUSA is Ahold Finance Company N.V. ("AFC") and AFUSA's ultimate owner is Ahold.

2. Accounting policies

Basis of preparation
These financial statements are AFUSA's first financial statements pursuant to changes to the Dutch Financial Markets Supervision Act, which came into force on January 1, 2009. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Furthermore, these financial statements and the management report comply with the requirements pursuant to subsection 9, article 362, Book 2, Part 9 of the Netherlands Civil Code.

Historical cost is used as the measurement basis unless otherwise indicated.

AFUSA's financial year is a 52- or 53-week period ending on the Sunday nearest to December 31. Financial year 2009 consisted of 53 weeks and ended on January 3, 2010. The comparative financial year 2008 consisted of 52 weeks and ended on December 28, 2008.

The preparation of financial statements requires management to make a number of estimates and assumptions. All assumptions, expectations and forecasts used as a basis for certain estimates within these financial statements represent good-faith assessments of Ahold's future performance for which management believes there is a reasonable basis. They involve risks, uncertainties and other factors that could cause the Company's actual future results, performance and achievements to differ materially from those forecasted. The estimates, assumptions and judgments that management considers most critical relate to income taxes (see Note 4).

Significant accounting policies
Foreign currency translation
The financial statements of AFUSA are prepared in its functional currency, U.S. dollar ("$"), which is determined based on the primary economic environment in which AFUSA operates. Transactions in currencies other than the U.S. dollar are recorded at the rates of exchange prevailing at the transaction dates. At each balance sheet date, monetary items denominated in foreign currencies are translated into U.S. dollars at the then prevailing rates. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in net income for the period.

Income taxes
Income tax expense represents the sum of current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity. Current tax expense is based on the best estimate of taxable income for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, and adjustments for current taxes payable (receivable) for prior years. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and the corresponding tax basis used in the computation of taxable income. Deferred tax assets and liabilities are generally recognized for all temporary differences. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized.

Deferred tax assets, including deferred tax assets for tax loss carryforward positions and tax credit carryforward positions, are recognized to the extent that it is probable that future taxable income will be available against which temporary differences, unused tax losses or unused tax credits can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not discounted. Deferred income tax assets and liabilities are offset in the balance sheet when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to income taxes levied by the same fiscal authority. Current income tax assets and liabilities are offset in the balance sheet when there is a legally enforceable right to offset and when the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The ultimate tax effects of some transactions can be uncertain for a considerable period of time, requiring management to estimate the related current and deferred tax positions. The Company recognizes liabilities for uncertain tax positions when it is more likely than not that additional tax will be due. These liabilities are presented as current income taxes payable, except in the event that prior tax losses are being carried forward to be used to offset future taxes that will be due; in that instance the liabilities are presented as a reduction to deferred tax assets.

Financial assets and liabilities
Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire, or if the Company transfers the financial asset to another party and does not retain control or substantially all risks and rewards of the asset. Financial liabilities are derecognized when the Company's obligations specified in the contract expire or are discharged or cancelled.

At initial recognition, management classifies its financial assets as either (i) at fair value through profit or loss or (ii) loans and receivables, depending on the purpose for which the financial assets were acquired. Financial assets are initially recognized at fair value. For instruments not classified as at fair value through profit or loss, any directly attributable transaction costs are initially recognized as part of the asset value. Directly attributable transaction costs related to financial assets at fair value through profit or loss are expensed when incurred.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method, less any impairment losses. They are included in current assets, except for loans and receivables with maturities greater than 12 months after the balance sheet date.

Loans and short-term borrowings
Loans and short-term borrowings are recognized initially at fair value, net of transaction costs incurred. Loans and short-term borrowings are subsequently stated at amortized cost. Any difference between the proceeds and redemption value is recognized in the income statement over the period of the loans and short-term borrowings using the effective interest method. Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Derivative financial instruments
All derivative financial instruments are recognized initially on a settlement date basis and subsequently remeasured at fair value. Gains and losses resulting from the fair value remeasurement are recognized in the income statement as fair value gains (losses) on financial instruments, unless the derivative qualifies and is effective as a hedging instrument in a designated hedging relationship. In order for a derivative financial instrument to qualify as a hedging instrument for accounting purposes, the Company must document (i) at the inception of the transaction the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking various hedging transactions and (ii) its assessment, both at hedge inception and on an ongoing basis, of whether the derivative that is used in the hedging transaction is highly effective in offsetting changes in fair values or cash flows of hedged items. Derivatives are classified as held for trading unless they are designated as hedges. Derivatives that are designated as hedges are accounted for as either cash flow hedges or fair value hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized initially in the cash flow hedging reserve, a separate component of equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are reclassified into the income statement in the same period in which the related exposure impacts the income statement. When a cash flow hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately recognized in the income statement. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss existing in equity is immediately recognized in the income statement.

The Company does not have any derivative instruments that are designated as fair value hedges for accounting purposes.

Equity
Equity instruments issued by the Company are recorded at the value of proceeds received.

New accounting policies not yet effective for 2009
The International Accounting Standards Board ("IASB") issued several Standards, or revisions thereto, and Interpretations in 2009 and 2008, which have been endorsed by the European Union, but which are not yet effective for 2009. The Company expects that these will not have a significant impact on its financial statements.

3. Net financial gains

($ million)	2009	2008
Interest income	160	177
Interest expense	(166)	(181)
Gain (loss) on foreign exchange	(38)	132
Fair value gains (losses) on financial instruments	59	(104)
Other financial expense	(11)	-
Net financial gains	**4**	**24**

Interest income and interest expense primarily relate to financial assets and financial liabilities measured at amortized cost (mainly loans to and from related parties and notes).

The gains (losses) on foreign exchange in both 2009 and 2008 mainly result from foreign exchange translation on the GBP 250 million notes.

Fair value gains (losses) on financial instruments mainly include fair value changes in swaps related to the GBP 250 million notes. These swaps do not qualify for hedge accounting treatment. For more information on financial instruments, see Note 9.

Other financial expense in 2009 primarily consists of a loss of $10 million incurred on the buyback of certain notes. For more information, see Note 6.

4. Income taxes

Income taxes
The following table specifies the current and deferred tax components of income taxes in the income statement:

($ million)	2009	2008
Total current tax expense	-	-
Total deferred tax expense	-	(8)
Total income taxes	**-**	**(8)**

Effective income tax rate

AFUSA's management moved from the United States to the Netherlands on January 1, 2008 and, therefore, AFUSA became a Dutch resident tax payer as of that date. AFUSA's effective tax rates in the income statement differed from the statutory income tax rate of the Netherlands of 25.5% in both 2009 and 2008. The following table reconciles these statutory income tax rates with the effective tax rates in the income statement:

	2009		2008	
	$ million	%	$ million	%
Income before income taxes	4		24	
Income tax expense at statutory tax rates	(1)	25.5%	(6)	25.5%
Adjustments to arrive at effective income tax rates:				
Financing and related costs	1	n/m	(2)	8.3%
Total income taxes	**-**	**n/m**	**(8)**	**33.3%**

Deferred income tax

The significant components and annual movements of deferred income tax assets and liabilities as of January 3, 2010 and December 28, 2008 are as follows:

($ million)	December 30, 2007	Recognized in income statement	December 28, 2008	Recognized in income statement	Recognized directly in equity	January 3, 2010
Tax losses and tax credits	-	1	1	4	-	5
Total net tax assets position	-	1	1	4	-	5
Derivatives	-	(7)	(7)	(5)	(4)	(16)
Other	(2)	(2)	(4)	1	-	(3)
Total deferred tax liabilities	(2)	(9)	(11)	(4)	(4)	(19)
Net deferred tax assets / (liabilities)	**(2)**	**(8)**	**(10)**	**-**	**(4)**	**(14)**

Significant judgment is required in determining whether deferred tax assets are realizable. AFUSA makes such judgment on the basis of expected taxable profits arising from the reversal of recognized deferred tax liabilities and on the basis of budgets, cash flow forecasts and impairment models. Where utilization is not considered probable, deferred tax assets are not recognized.

As per January 3, 2010, AFUSA had an operating loss carry forward available in the amount of $20 million of which $3 million expires in 2017 and $17 million in 2018.

5. Financial assets

($ million)	January 3, 2010			December 28, 2008			December 30, 2007		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Loans to related parties	20	2,413	2,433	-	2,913	2,913	489	2,756	3,245
Hedging derivatives[1]	-	248	248	-	222	222	-	-	-
Other derivatives[1]	-	231	231	-	142	142	-	-	-
Interest receivable	-	-	-	-	-	-	42	-	42
Total financial assets	**20**	**2,892**	**2,912**	**-**	**3,277**	**3,277**	**531**	**2,756**	**3,287**

[1] In situations where a derivative contract qualifies for hedge accounting treatment in the financial statements, it is presented as 'Hedging derivatives'. Otherwise, the derivative contracts are presented as 'Other derivatives'.

Of the non-current loans to related parties, $2,413 million matures after five years (2008: $2,913 million matured after five years). None of the loans to related parties are past due.

For further information regarding related parties see Note 8. For more information on derivative financial instruments, see Note 9.

6. Financial liabilities

	January 3, 2010				December 28, 2008				December 30, 2007			
	Current	Non-current			Current	Non-current			Current	Non-current		
Notional redemption amounts ($ million)	Within 1 year	From 1 to 5 years	After 5 years	Total	Within 1 year	From 1 to 5 years	After 5 years	Total	Within 1 year	From 1 to 5 years	After 5 years	Total
USD 500 notes 6.25%, due May 2009	-	-	-	-	500	-	-	500	-	500	-	500
USD 700 notes 8.25%, due July 2010[1]	*503*	-	-	*503*	-	690	-	690	-	700	-	700
EUR 600 notes 5.875%, due March 2012[2]	-	583	-	583	-	573	-	573	-	599	-	599
GBP 500 notes 6.50%, due March 2017[3, 4]	-	-	*367*	*367*	-	-	324	324	-	-	451	451
USD 500 notes 6.875%, due May 2029	-	-	*500*	*500*	-	-	500	500	-	-	500	500
Total notes	**503**	**583**	**867**	**1,953**	**500**	**1,263**	**824**	**2,587**	**-**	**1,799**	**951**	**2,750**
Loans from related parties[5]	604	-	-	604	345	-	-	345	71	-	262	333
Accounts payable	-	-	-	-	1	-	-	1	-	-	-	-
Interest payable	76	-	-	76	83	-	-	83	92	-	-	92
Total financial liabilities	**1,183**	**583**	**867**	**2,633**	**929**	**1,263**	**824**	**3,016**	**163**	**1,799**	**1,213**	**3,175**

[1] $10 million was early repaid via an open market repurchase in October 2008. $187 million was early repaid in July 2009 as result of a public tender for the notes, with the Company paying a repurchase price of $197 million. A loss of $10 million incurred on the buyback of these notes is reported in the income statement as other financial expense (see Note 3).

[2] Notes were swapped to the U.S. dollar at an interest rate of 6.835%. During 2005, AFUSA bought back a part of the notes with a principal amount of €193 million and terminated a notional portion of the corresponding swap in the same amount.

[3] During 2005 Ahold bought back GBP 250 million of the notes. The remaining notional amount of the notes is net of $37 million (2008: $42 million) representing an amortized adjustment related to a fair value hedge that no longer meets the criteria for hedge accounting.

[4] The remaining notional amount of GBP 250 million was, through two swap contracts, swapped to $356 million and carries a six-month floating U.S. dollar interest rate. Ahold is required under these swap contracts to redeem the U.S. dollar notional amount through semi-annual installments that commenced in September 2004. $150 million has been paid down as of January 3, 2010

[5] As of January 3, 2010, loans from related parties carry an average interest rate of 1.45% (December 28, 2008: 5.04%).

The notes were issued by AFUSA and are guaranteed by Ahold. All related swap contracts have the same maturity as the underlying debt unless otherwise noted. The €600 million and GBP 500 million notes were issued under the Euro Medium Term Note Program ("EMTN Program"). These notes contain customary restrictive covenants. During 2009, AFUSA was in compliance with the covenants.

7. Equity attributable to common shareholders

Member Interest

The capital of the Company is composed of uncertificated membership interests, which are not divided into classes or numbers. The members of the Company have an interest in the capital and profit and loss of AFUSA, relative to their respective capital contributions to the Company (the "Member Interest"). At present, AFUSA only has one member, AFC, which therefore has an interest of 100% in the capital and profit and loss of the Company. There were no changes in the members of the Company or to their respective Member Interest in 2008 or 2009.

Share capital and additional paid-in capital

The Company's share capital is ten U.S. dollars.

On December 31, 2007, the additional paid-in capital of AFUSA was increased in the amount of $116 million by means of a capital contribution in kind (consisting of intercompany receivables) from Ahold Atlantic Inc, the holder of all Membership Interests in AFUSA at that time.

8 Related parties

AFUSA has entered into arrangements with related parties within the Ahold Group in the ordinary course of business. These arrangements relate to financing agreements. Transactions were conducted at market prices. For the periods shown below, AFUSA had the following transactions and positions with its related parties:

	Balance sheet - January 3, 2010		Income statement - 2009		
($ million)	Amounts owed by related parties	Amounts owed to related parties	Interest income	Interest expense	Fair value changes in derivatives
Ahold (ultimate parent company)	2,892	-	160		(86)
AFC (parent company)	20	(604)		(19)	
Other related parties	-	-	-	(3)	
Total financial assets	**2,912**	**(604)**	**160**	**(22)**	**(86)**

	Balance sheet - December 28, 2008		Income statement - 2008		
($ million)	Amounts owed by related parties	Amounts owed to related parties	Interest income	Interest expense	Fair value changes in derivatives
Ahold (ultimate parent company)	3,277	-	177	-	(77)
AFC (parent company)	-	(346)	-	(1)	-
Other related parties	-	-	-	(4)	-
Total financial assets	**3,277**	**(346)**	**177**	**(5)**	**(77)**

	Balance sheet - December 30, 2007	
($ million)	Amounts owed by related parties	Amounts owed to related parties
Ahold (ultimate parent company)	-	-
Ahold Atlantic, Inc. (former parent company)	-	-
Other related parties	3,287	(333)
Total financial assets	**3,287**	**(333)**

In accordance with the Articles of Association, no remuneration is paid to the management.

9 Financial risk management and financial instruments

Financial risk management

AFUSA is subject to the financial risk management of the Ahold Group. In accordance with Ahold treasury policy, AFUSA enters into derivative instruments solely for the purpose of hedging exposures, which correspond to managing interest rate and currency risks arising from the Ahold Group's operations and its sources of finance. AFUSA does not enter into derivative financial instruments for speculative purposes.

Currency translation risks and currency transaction risks

AFUSA is exposed to foreign currency translation risks and currency transaction risks relating to cash flows, including liabilities denominated in foreign currencies (euro and British pounds). Currency exchange rate volatility and movement could, therefore, have an adverse effect on its financial position, financial results and liquidity. To protect the value of future foreign currency cash flows, including interest on notes and principal payments and the value of liabilities denominated in foreign currency, AFUSA seeks to mitigate its foreign currency exchange exposure by entering into various derivative financial instruments, including currency swaps.

Interest rate risk

AFUSA's interest rate risk arises from its debt. To manage interest rate risk, AFUSA complies with Ahold's interest rate management policy for reducing volatility in its interest expense and maintaining a target percentage of its debt in fixed rate instruments. AFUSA's financial position is fixed by long-term debt issues and the use of derivative financial instruments such as interest rate swaps and cross-currency interest rate swaps. As of January 3, 2010, after taking into account the effect of interest rate swaps and cross currency swaps, approximately 84 percent of AFUSA's borrowings are at fixed rates of interest (2008: 88 percent).

Interest rate sensitivity analysis
The total interest expense recognized in the 2009 income statement related to variable rates of long-term debt, net of swaps, amounts to $18 million (2008: $23 million). The Company estimates that with a possible increase (decrease) of euro and U.S. dollar market interest rates of 25 basis points with all other variables (including foreign exchange rates) held constant, this would result in a hypothetical effect on income before income taxes of a loss (gain) of $1 million (2008: $1 million). In addition, hypothetical results relating to fair value movements of derivative hedges that do not qualify for hedge accounting would have been a loss of $6 million or a gain of $6 million, respectively (2008: a loss of $7 million or a gain of $7 million, respectively).

The above sensitivity analyses are for illustrative purposes only, as in practice market rates rarely change in isolation of other factors that also affect AFUSA's financial position and results.

Credit risk with respect to certain financial instruments
All financial assets of AFUSA are held from the related parties of the Ahold Group. Therefore, AFUSA does not have a direct exposure to third party credit risk.

Liquidity risk
AFUSA's notes including interest payments are fully guaranteed by its ultimate parent company, Ahold. All other financial liabilities of AFUSA are held against the related parties from the Ahold Group.

The following tables summarize the expected maturity profile of AFUSA's derivative financial instruments and non-derivative financial liabilities as of January 3, 2010, December 28, 2008, and December 30, 2007, respectively, based on contractual undiscounted payments:

		Contractual cash flows			
January 3, 2010 ($ million)	Net carrying amount	Within 1 year	Between 1 and 5 years	After 5 years	Total
Non-derivative financial liabilities					
Notes	(1,953)	(640)	(894)	(1,482)	(3,016)
Loans from related parties	(604)	(604)	-	-	(604)
Derivative financial assets					
Cross currency derivatives and interest flows	442	(20)	186	394	560
Interest derivatives and interest flows	37	14	15	47	76

		Contractual cash flows			
December 28, 2008 ($ million)	Net carrying amount	Within 1 year	Between 1 and 5 years	After 5 years	Total
Non-derivative financial liabilities					
Notes	(2,587)	(664)	(1,653)	(1,494)	(3,811)
Loans from related parties	(345)	(345)	-	-	(345)
Accounts payable	(1)	(1)	-	-	(1)
Derivative financial assets					
Cross currency derivatives and interest flows	326	(15)	164	326	475
Interest derivatives and interest flows	38	-	20	23	43

		Contractual cash flows			
December 30, 2007 ($ million)	Net carrying amount	Within 1 year	Between 1 and 5 years	After 5 years	Total
Non-derivative financial liabilities					
Notes	(2,750)	(136)	(2,376)	(1,727)	(4,239)
Loans from related parties	(333)	(71)	(262)	-	(333)

All financial instruments held at the reporting date, and for which payments are already contractually agreed, have been included. Amounts in foreign currency have been translated using the reporting date closing rate. Cash flows arising from financial instruments carrying variable interest payments have been calculated using the forward curve interest rates as of January 3, 2010, December 28, 2008, and December 30, 2007, respectively.

Financial instruments

Fair values of financial instruments

The following table presents the fair values of financial instruments, based on AFUSA's categories, including their current portions, compared to the carrying amounts at which these instruments are included in the balance sheet:

	January 3, 2010		December 28, 2008		December 30, 2007	
($ million)	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Loans to related parties	2,433	2,769	2,913	3,540	3,245	3,771
Derivatives	479	479	364	364	-	-
Interest receivable	-	-	-	-	42	42
Total financial assets	**2,912**	**3,248**	**3,277**	**3,904**	**3,287**	**3,813**
Notes	(1,953)	(2,063)	(2,587)	(2,508)	(2,750)	(2,899)
Loans from related parties	(604)	(608)	(345)	(355)	(333)	(354)
Accounts payable	-	-	(1)	(1)	-	-
Interest payable	(76)	(76)	(83)	(83)	(92)	(92)
Total financial liabilities	**(2,633)**	**(2,747)**	**(3,016)**	**(2,947)**	**(3,175)**	**(3,345)**

Of the Company's categories of financial instruments, only derivatives are measured at fair value using the Level 2 inputs as defined in IFRS 7. These inputs are inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of derivative instruments is estimated by discounting future cash flows with prevailing market rates or based on the rates and quotations obtained from third parties.

The carrying amount of accounts payable and other current financial assets and liabilities approximate their fair values because of the short-term nature of these instruments. The fair values of quoted borrowings are based on year-end ask-market quoted prices. The fair values of other non-derivative financial assets and liabilities that are not traded in an active market are estimated using discounted cash flow analyses based on market rates prevailing at year-end. The accrued interest is included in other current financial assets and liabilities and not in the carrying amounts of non-derivative financial assets and liabilities.

Derivatives

The number and maturities of AFUSA's derivative contracts, the fair values and the qualification of the instruments for accounting purposes are presented in the table below. The Company did not have any derivatives as of December 30, 2007.

	January 3, 2010			December 28, 2008		
	Number of contracts	Assets $ million	Liabilities $ million	Number of contracts	Assets $ million	Liabilities $ million
Cross currency swap – cash flow hedges[1] between one and five years	1	248	-	1	222	-
Derivative contracts – no hedge accounting treatment[2] after five years	2	231	-	2	142	-
Total derivative financial instruments	**3**	**479**	-	3	364	-

[1] Cross-currency swap accounted for as a cash flow hedge is used to hedge the currency exposure on the €600 million notes (with €407 million outstanding amounts).

[2] The valuation of the cross currency swap includes the impact of the mark-to-market of an embedded credit clause in a GBP 250 million cross currency swap of $11 million as of January 3rd, 2010. The volatility in the financial markets resulted in $18 million gain related to this credit clause in 2009 ($10 million loss 2008).

The notional amounts of the derivative financial instruments outstanding as of January 3, 2010, based on the currency of the exposures being hedged, are summarized below.

	Interest rate swaps	Cross-currency interest rate swaps		Total notional amount
	After 5 years	Between 1 and 5 years	After 5 years	
GBP million	250	-	250	250[1]
EUR million	-	407	-	407

[1] Interest rate swap and cross-currency interest rate swap relate to the same notional amount of GBP 250 million.

Gains and losses recognized in cash flow hedging reserve in equity as of January 3, 2010 will be released to the income statement at various dates over a period of two years from the balance sheet date.

Management

Amsterdam, the Netherlands

March 3, 2010

Ahold Finance U.S.A., LLC - Other information

To Management of Ahold Finance U.S.A., LLC.

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements for the year ended January 3, 2010 of Ahold Finance U.S.A., LLC, Delaware, United States of America, which comprise the balance sheet as at January 3, 2010, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ahold Finance U.S.A., LLC as at January 3, 2010, and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Deloitte Accountants B.V.

M.R. van Leeuwen
Amsterdam, The Netherlands

March 3, 2010

Ahold Finance U.S.A., LLC statutory profit-sharing statement

The management proposes the following appropriation of net income:

(U.S. dollars in millions)	2009	2008
Net income attributable to common shareholders	4	16
Dividends	-	-
Add to retained earnings	4	16

Subsequent events

There were no significant subsequent events.