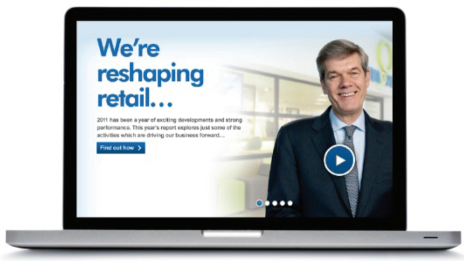
Summary Report 2011

Summary Report 2011

Annual General Meeting of Shareholders
April 17, 2012

Visit our online annual review:
www.2011yearreview.ahold.com

Contents



Desktop / iPad version:
www.2011yearreview.ahold.com
Mobile version:
www.2011yearreview.ahold.mobi

Group at a glance

Ahold is an international retailing group based in the Netherlands, with strong local consumer brands in Europe and the United States. At the end of 2011, we had:

3,008 stores

218,000 employees

€30.3 billion sales

Our foundation is selling great food and supermarkets are our core business. We also operate other formats and channels so that our customers can shop whenever and wherever is most convenient for them. We provide customers with the best possible value, assortment, and shopping experience.

Our vision is to offer all of our stakeholders – our customers, employees, suppliers, shareholders, and the communities we serve – better choice, better value, better life, every day. We are committed to acting responsibly in all that we do.

We have embarked on a new strategy to build on our success and significantly grow our company. Our strategy to reshape retail at Ahold is designed to enable us to take advantage of rapidly changing customer behavior and retail trends, and stay competitive and successful.

The people who work for us make this possible. Ahold has great employees who love what they do and are good at it. Our people are key to our success – the relationships they build with our customers are what keep them coming back to shop with us and will ensure we remain our customers' first choice, every day.

Our brands

European operations

Albert Heijn	1. The Netherlands 2. Belgium
etos	1. The Netherlands
Gall & Gall	1. The Netherlands
albert.	1. The Netherlands
albert	3. Czech Republic 4. Slovakia
hypernova	4. Slovakia
ICA	5. Estonia 6. Latvia 7. Lithuania 8. Norway 9. Sweden
pingo doce	10. Portugal

U.S. operations

Stop&Shop	11. Connecticut 12. Massachusetts 13. New Hampshire 14. Rhode Island 15. New York 16. New Jersey
Giant	17. Virginia 18. Maryland 19. Delaware 20. District of Columbia
GIANT MARTIN'S	17. Virginia 18. Maryland 21. Pennsylvania 22. West Virginia
Peapod	11. Connecticut 12. Massachusetts 13. New Hampshire 14. Rhode Island 15. New York 16. New Jersey 17. Virginia 18. Maryland 20. District of Columbia 21. Pennsylvania 23. Illinois 24. Indiana 25. Wisconsin

Group highlights

In 2011, we made solid progress with our strategy for sustainable profitable growth. We also embarked on our new strategy to reshape retail at Ahold and accelerate our company's growth. Highlights include:

Ahold Group

Net sales

€30.3 billion

+5.5% at constant exchange rates

Operating income

€1.3 billion

Up €11 million or 0.8% from 2010

Underlying retail operating margin

4.8%

Proposed dividend

€0.40 per common share

+38% compared to last year's dividend

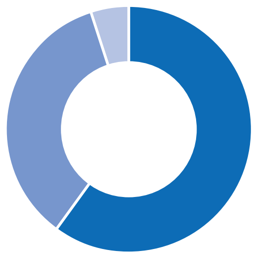
Performance by segment

Net sales (€ million)

	2011	Growth[1]
Ahold USA	**18,026**	6.6%
The Netherlands	**10,506**	4.2%
Other Europe	**1,739**	2.4%
Total	**30,271**	5.5%

1 At constant exchange rates.

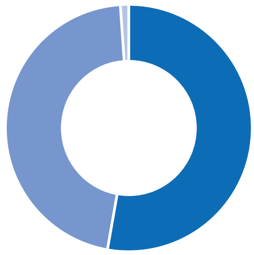
Contribution by segment



Underlying retail operating income (€ million)

	2011	Underlying margin
Ahold USA	**769**	4.3%
The Netherlands	**666**	6.3%
Other Europe	**20**	1.2%
Total	**1,455**	4.8%

Contribution by segment



Group highlights continued

Ahold Europe

The Netherlands

- Ahold expanded into Belgium with supermarkets under the Albert Heijn brand
- Albert Heijn's XL format achieved a record high rating by customers
- Customers voted Gall & Gall and Etos among the 10 most customer-friendly companies in the Netherlands; Etos was voted best drugstore
- Albert Heijn and the Dutch industry healthy food foundation ("Ik Kies Bewust") partnered up to make it simpler for consumers to make healthy food choices, and together developed new nationwide healthy food choice logos in the Netherlands
- Gall & Gall launched a new own-brand line of products
- "Appie," Albert Heijn's digital personal shopping assistant, was named best service application in the Netherlands and had 400,000 unique users per week by the end of 2011

Other Europe

- Albert / Hypernova increased profitability, driven by a continuous focus on operational efficiencies and its commercial propositions
- Albert opened a new compact hyper format in the town of Svitavy in the Czech Republic
- Albert launched innovative customer marketing campaigns, the most successful of which was its Smurfs campaign, aligned with the popular movie

Ahold USA

- The Ahold USA divisions continued to grow sales and Ahold USA increased market share
- The Ahold USA divisions intensified their Gas Reward programs through a partial re-launch and expansion to more stores, bringing additional savings on gas to loyal customers
- Ahold USA further strengthened its own-brand offering
- Stop & Shop New England opened a new concept supermarket in Chelmsford, Massachusetts
- Stop & Shop New York Metro acquired five stores in the New Jersey Shore area and three on Staten Island
- Giant Landover celebrated 75 years in the business
- Giant Carlisle opened its first store in the city of Philadelphia and introduced a new, smaller format supermarket
- New technology tools were launched to make shopping easier, including a mobile application at Stop & Shop and Giant Landover that lets customers view their circular, loyalty card account and more using their smartphones
- Peapod expanded into Philadelphia, in partnership with Giant Carlisle, and increased its footprint in Manhattan

Message from our CEO

Dick Boer
Chief Executive Officer

Watch the CEO online:
www.2011yearreview.ahold.com

Net sales
€30.3
billion

Operating income
€1.3
billion

Underlying retail operating margin
4.8%

Proposed dividend
€0.40
per common share

Dear shareholder,

2011 was another successful year for Ahold. We again achieved a solid performance in Europe and the United States, and grew sales and income under challenging economic circumstances. Our positive results were thanks to the hard work of our people in all our stores, distribution centers, and offices, who remained committed to putting the customer first every day. We increased sales by 5.5 percent at constant exchange rates to more than 30 billion euros and we grew net income by 19 percent to over one billion euros. This was despite the fact that customers remained cautious in their spending and focused on value in an environment of increasing inflation and intense promotional activity. We also continued to expand our operations in our existing and new markets on both continents, including opening stores for the first time in Belgium – the second of which happened to be our 3,000th store Ahold-wide.

Another key achievement in 2011 was the launch of our new strategy to reshape retail across Ahold. Our Corporate Executive Board, made up of myself, Jeff Carr, James McCann, and Lodewijk Hijmans van den Bergh, and our Chief Operating Officers from Europe and the United States, Sander van der Laan and Carl Schlicker, worked together as the Ahold Strategy Team to develop one global strategy to build on our success and grow the company. During the year, we engaged our key leadership to explain the strategy in detail so that they could begin to bring it to life.

Building on the foundation of our successful local brands, our new strategy is designed to take advantage of the rapid changes in customer behavior, shopping trends and the retail landscape – particularly the impact of technology, which has put the customer firmly in the driver's seat. The strategy has six focus areas or pillars – the first three designed to create growth and the second three to enable this growth. They are: increasing customer loyalty, broadening our offering, expanding our geographic reach, simplicity, responsible retailing, and people performance. We are making good progress in all of these areas.

Our first pillar is increasing customer loyalty and driving identical sales growth. We have new customer loyalty initiatives that we believe will add one to two percent to identical sales growth, and we are developing technologies that will ensure all our customers have a seamlessly connected online and offline shopping experience. For example, in the United States, we implemented new direct mail and email programs targeted to the individual buying behavior of 2.5 million shoppers. We are now in the process of personalizing customer offers in the same way at Albert Heijn.

Our second pillar is broadening our offering by developing and rolling out our successful store formats, expanding our online business, building an even better, more relevant assortment, and increasing our own-brand sales penetration. In 2011, we introduced a new, smaller format supermarket in the United States and, at Stop & Shop New England, opened a new concept supermarket in Chelmsford, Massachusetts. In Europe, Albert, in the Czech Republic, launched a new compact hypermarket format and "Albert Heijn to go" developed a new convenience concept, which we will begin rolling out in the Netherlands and Germany in 2012.

Our online businesses are already the number one online food retailers in the United States and in the Netherlands. During the year our online grocer, Peapod, in the United States expanded into Philadelphia and the surrounding counties, to serve Giant Carlisle customers for the first time, and moved further into Manhattan. We also launched new smartphone apps enabling people to access their loyalty card accounts and store circulars online and tally and pay for their groceries while they shop. In the Netherlands, Albert Heijn continued to develop its Appie smartphone application, which was named best app of its type in the country.

We also further strengthened our own-brand offering. At Ahold USA, we made progress in moving towards our goal to achieve 40 percent own-brand sales penetration by building an own-brand support organization to serve all four divisions, adding new products, and rolling out new packaging to unify the brands across each of the divisions. In the Netherlands, Gall & Gall launched a new own-brand line of products – the first liquor store chain in the country to do so.

Message from our CEO continued

The third strategic pillar is designed to expand Ahold's geographic reach in existing and new markets. In 2011, we grew by opening new stores and making small acquisitions. Albert Heijn expanded outside of the Netherlands for the first time into Belgium, with plans to open at least 50 stores here by 2016. Our Giant Carlisle division opened its first store in the city of Philadelphia. Stop & Shop New York Metro acquired five former Foodtown stores in the New Jersey Shore area and three former King Kullen stores on Staten Island, New York. Our former Ukrop's stores, acquired in 2010 and rebranded Martin's, continued to grow sales and market share.

Our fourth pillar focuses on simplifying the business, leveraging our capabilities and scale, and taking out costs to reinvest in providing value to our customers. One of the biggest projects we undertook in 2011 was to launch a drive to simplify our IT systems, with the goal of reducing the number of applications we are using by more than 50 percent. We are putting in place standard systems, including Google and Oracle, across the business that conform to our company-wide Ahold Retail Model. Our aim is to align our IT systems so that they are easy to replicate as we make acquisitions and expand into new markets. At the end of last year we were ahead of our target to complete our €350 million cost savings program for 2010–2012 and announced a new €350 million cost savings program for the next three years, 2012–2014.

The fifth pillar underscores our commitment to responsible retailing. This is a crucial component of our strategy and an essential part of the way we work at Ahold. All of our businesses are playing a responsible role when it comes to our customers' health and well-being, the sourcing of the products we sell, our impact on the environment, the communities we serve, and the people we employ. In 2011, we made good progress on all of the targets we established last year in our priority areas of healthy living, sustainable trade, climate action, community engagement, and our people. For example, we are well on our way to meeting our target of having 25 percent of our total food sales in healthy products by 2015 – at the end of last year we had already reached 22.3 percent. We are continuing to engage the 218,000 employees who bring our corporate responsibility strategy to life and make it part of our daily business. You can read more about our strategy and achievements in our 2011 Corporate Responsibility Report.

The sixth pillar of our strategy focuses on our people. We are committed to investing in and developing our employees, and building a diverse workforce. During 2011, we strengthened our leadership team by making a number of senior internal promotions and by hiring new people with the skills and capabilities we need to implement our growth strategy – now and in the future. We also made progress in transferring the capabilities we have in our different companies through temporary leadership exchanges and longer-term international assignments. Sharing our knowledge, skills, and expertise in this way is helping us to accelerate our performance.

Over the course of 2011, we made a number of leadership changes to Ahold's Corporate Executive Board, Supervisory Board, and retail banners. Jeff Carr was appointed Chief Financial Officer to succeed Kimberly Ross, who left Ahold in November. I would like to take this opportunity to thank Kimberly for the enormous contribution she made over the 10 years that she worked for Ahold. James McCann was appointed to a new role as our Chief Commercial & Development Officer. Both James and Jeff will be nominated for appointment to Ahold's Corporate Executive Board at our annual General Meeting of Shareholders in April. We also had a new member join our Supervisory Board, Rob van den Bergh. The cooperation between our Supervisory Board and Corporate Executive Board over the course of the year was very productive and enabled us to make significant progress in developing Ahold's growth strategy.

In our businesses, we also made several new leadership appointments in both Ahold Europe and Ahold USA. At the beginning of the year, Sander van der Laan and Carl Schlicker took up their roles as COO of Ahold Europe and Ahold USA, respectively. In the Netherlands, Cees van Vliet was appointed General Manager of Albert Heijn and Marit van Egmond was appointed General Manager of Gall & Gall. In the United States, Bhavdeep Singh was appointed to the new role of EVP of Operations for Ahold USA, Anthony Hucker was appointed Division President of Giant Landover, and Don Sussman was named Division President of Stop & Shop New York Metro.

Message from our CEO continued

Our joint ventures, ICA and JMR, continued to make progress during the year. At ICA, Per Strömberg was announced as the successor to Kenneth Bengtsson, who will step down after 11 years as President and CEO in April 2012. Efforts to reposition the business in Norway are underway. In Portugal, JMR continues to perform strongly despite the difficult economic conditions.

Since 2003, Ahold's financial targets have been to achieve a sustainable net sales growth of five percent (mainly from identical sales growth) and a sustainable underlying retail operating margin of five percent, while maintaining an investment grade credit rating. While our performance continues to be in line with these targets we now believe that it is appropriate to manage Ahold's business according to a broader set of ambitions as we pursue our new growth strategy.

We remain committed to providing attractive returns to our shareholders, and as part of this commitment we have changed our dividend policy to achieve a payout ratio of 40 to 50 percent of adjusted income from continuing operations. The dividend of €0.40 per share proposed for 2011 reflects our confidence in our new strategy and our proven ability to generate cash. It represents an increase of 38 percent compared to 2010, while our income per share from continuing operations grew 26 percent, driven by strong operating results and supported by our share buyback program. The strong income and dividend growth give our shareholders a competitive return for our sector.

In 2012, we celebrate our 125th anniversary. Our founding company opened its first store in the Netherlands in 1887. The grandson of our founder, Albert Heijn, who died in January last year, built the company into one of the best-known brands in the Netherlands and one of the most successful retailers in the world. Over our history, we have grown by acquiring businesses that each have their own rich heritage and a commitment to the customer.

As a company that operates at the heart of society, I believe we have an important role to play in helping improve the communities we serve and the lives of people who shop and do business with us. I am committed to Ahold being a responsible retailer and playing a leading role in helping people to live healthier lives and reduce their impact on the environment. Our close relationships and daily interaction with customers, suppliers, and our large workforce make it possible for us to make a real and lasting difference.

In the year ahead, we will continue delivering on our six strategic pillars to fulfill our vision to provide all our stakeholders with better choice, better value, and a better life, every day. I am confident that we will continue to thrive, thanks to the efforts and commitment of everyone across our company. Along with my colleagues on the Corporate Executive Board, I would like to thank our employees for all they did in the past year to strengthen our businesses and to give our customers a great shopping experience. The relationships they build with our customers and the service they provide each day are what make us successful, able to grow the business, and continue to increase shareholder value.

Dick Boer
Chief Executive Officer

February 29, 2012

Our vision and values

Our vision

Our vision is to offer better choice, better value, and a better life to all of our stakeholders – our customers, employees, suppliers, shareholders, and the communities we serve – every day.

Better choice. Better value. Better life. Every day.

This vision describes the balance we strive to achieve between offering our customers and other stakeholders the right choices and great value, while doing what we can to improve their well-being through our responsible retailing activities. We work to get better in each of these areas, every day.

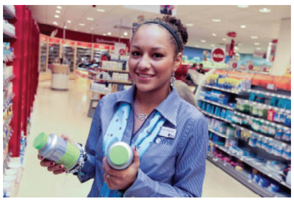
Our values

All of our companies share five common values that define who we are, what's important to us, and how we do things. These are:

Putting the customer first

Making ideas happen

Doing what's right



Getting better every day

Loving what we do

Our strategy

We have embarked on a new strategy to build on our success and further grow our company. This strategy will make sure we are able to take advantage of changing customer behavior and retail trends, and remain competitive and successful.

Ahold's strategic framework

Ahold's strategic framework defines how we operate. We have a successful business model, strong brands, and a clear ambition to grow through our strategy to reshape retail. We have a company-wide vision for the future and a common set of values across all our businesses. We have built a solid foundation to support our growth plans – with a long heritage in the retail business, powerful local banners, an aligned organization, great people, and a strong balance sheet.

Our vision

- Better choice
- Better value
- Better life
- Every day

Our ambition

Reshaping retail and going for growth

Our values

- Putting the customer first
- Doing what's right
- Loving what we do
- Making ideas happen
- Getting better every day

Our business model

Our strategy

Six strategic pillars

1 Increasing customer loyalty
2 Broadening our offering
3 Expanding geographic reach
4 Simplicity
5 Responsible retailing
6 People performance

Our brands

Albert Heijn, etos, Gall & Gall, albert., albert, hypernova, ICA, pingo doce, Stop&Shop, Giant, GIANT, MARTIN'S, Peapod

Our strong foundation

Our strategy continued

Our six strategic pillars

We have identified six priority areas to reshape the way we do business and drive growth. These are known as Ahold's strategic pillars. The first three pillars are focused on creating growth and the second three on how we will enable growth.

Increasing customer loyalty

We want our businesses to be our customers' favorite place to shop. We want our customers to enjoy our stores, our people, and our products so much that they do most of their shopping with us and recommend us to others. We expect our customer loyalty initiatives will contribute between one and two percent to identical sales growth across the company.

Our businesses already have a loyal and robust customer base. We are winning customers' hearts and minds by understanding them better than anyone else and giving them what they want. We are also becoming more personal in how we communicate with our customers, and in the products, services and shopping experience we offer them.

Broadening our offering

Our businesses are growing by providing customers with alternatives based on their changing needs.

Online

We are accelerating our online offering by building strong local online businesses that support our brands. We plan to significantly expand our footprint in the next five years and triple our online sales to €1.5 billion by 2016.

We are using our international experience to grow our online businesses so that all our customers can shop how, when, and where they want. We will offer the best prices and broadest range and give customers the option of having their orders delivered at home, or collecting them from our stores or dedicated pick-up points.

Format development

Our supermarket format continues to be the core of our business. In addition, we are developing different formats to better serve our customers' needs. This includes strengthening and expanding our already successful small format business. We are going to open a minimum of 150 convenience stores in Europe by 2016. In the United States, the Stop & Shop divisions and Giant Landover will remodel 100 supermarkets to new layouts, and in the Czech Republic, Albert will remodel 50 compact hypermarkets to our new compact hyper format.

Assortment

We are developing an even better, more relevant assortment, with a broader range of products and services. We are introducing new and innovative own-brand products that are clearly recognizable and will keep customers coming back to shop with us. All of these are available at different price points and offer choice, quality, and value. We have targets to achieve 40 percent sales penetration of own-brand products in the United States. At the same time, we are managing our supply chain to ensure we are sourcing products in a responsible and sustainable way.

Expanding our geographic reach

We are continuing to look for growth opportunities in our existing markets to leverage our scale. We are also moving into adjacent markets where we can apply our skills in operating supermarkets and further build our scale. In addition to the convenience stores we will open in Europe, we are going to open at least 50 new supermarkets in Belgium by 2016.

At the same time we are looking for opportunities to expand into new geographies where we can achieve sustainable profitable growth and use our skills and retail expertise.

Our strategy continued

Simplicity
We are building a culture of simplicity by continuously finding new ways to do things more simply. We are also taking advantage of our strengths, scale, and resources as an international company.

We are leveraging our global capabilities and working to have more common processes and systems across our businesses. This will make it easier for us to integrate new businesses and move into new markets. These processes and systems will be based on our operating model, known as the Ahold Retail Model.

Simplicity is helping us lower costs, reduce risks, and do things faster. We have launched a new €350 million three-year cost savings program (2012–2014) so that we can invest in creating more value for customers and stay ahead of the competition.

Responsible retailing
We want to be *the* responsible retailer wherever we operate.

All of our businesses believe in playing a responsible role when it comes to our customers' health and well-being, the sourcing of the products we sell, our impact on the environment, the communities we serve, and the people we employ.

We have clear and ambitious corporate responsibility targets, for example, in relation to the percentage of healthy products we sell, the sourcing of sustainable products, and the reduction of carbon dioxide and waste. As we achieve them, we are setting new ones.

We will further embed corporate responsibility in our businesses and continue to engage the 218,000 employees who bring our CR strategy to life.

For more information on our activities in this area, please read Ahold's Corporate Responsibility Report 2011.

People performance
Our businesses are all about people. We have great people who love what they do and do it well.

We will continue to make sure we attract and engage the best talent in the industry and focus on their development. We already have a strong, dedicated workforce and will continue to develop the skills and capabilities of the Ahold group to help us achieve our growth ambitions. We will also continue to nurture diversity and the transfer of skills and knowledge across the business.

Financial guidance

Since 2003, Ahold's financial targets have been to achieve a sustainable net sales growth of five percent (mainly from identical sales growth) and a sustainable underlying retail operating margin of five percent, while maintaining an investment grade credit rating.

While our performance continues to remain in line with these targets, management has determined that it is now appropriate to manage Ahold's business according to a broader set of ambitions as we pursue our new growth strategy launched in 2011. This strategy outlines our ambitions to reshape our retail businesses for the future, including to accelerate our growth in existing and new markets, connect with customers in a more personalized way, and leverage our global capabilities based on the Ahold Retail Model.

We will continue to invest in growth opportunities, take costs out of the business, and reinvest – both for the benefit of our customers and to deliver attractive returns to our shareholders.

Our strategy continued

Our ambitions

- New customer loyalty initiatives planned to add one to two percent to identical sales growth
- Online sales to triple to €1.5 billion by 2016
- Opening of a minimum of 150 new convenience stores in Europe and a minimum of 50 supermarkets in Belgium in the next five years
- Target to achieve 40 percent sales penetration of own-brand products in the United States by 2016
- Leveraging of global capabilities based on the Ahold Retail Model
- New €350 million three-year cost savings program announced
- New dividend policy that increases pay-out ratio to 40-50 percent of adjusted income from continuing operations and will contribute to significant increase of the 2011 dividend per share

Our business model

We have a successful company-wide business model that helps us to drive our strategy. The model is a virtuous circle in which we continuously work to lower our cost base in order to invest in price, value, and the products and services we offer. This allows us to drive sales, win new customers, and allocate capital to further grow our business. Since 2003, we have successfully repositioned almost all of our businesses, to increase the value and service we provide our customers, and in the last five years we have consistently reduced costs and saved €800 million across our businesses.

Our portfolio

Ahold operates retail businesses in Europe and the United States in markets where we have clear prospects for sustainable profitable growth. We are number one in almost all of all our major markets.

Organizational structure

We operate our businesses from two continental platforms, Ahold Europe and Ahold USA, each led by a Chief Operating Officer (COO) reporting to Ahold's CEO. This structure helps us to balance local, continental, and global needs and to leverage continental scale and talent effectively.

Ahold Europe comprises Albert Heijn in the Netherlands and Belgium; Etos, Gall & Gall, and albert.nl in the Netherlands; and Albert / Hypernova in the Czech Republic and Slovakia. In Europe, each of these operating companies has a general manager reporting to the COO of Ahold Europe.

Ahold USA is organized into four retail divisions: Giant Carlisle, Giant Landover, Stop & Shop New England, and Stop & Shop New York Metro. Each of these has a division president reporting to Ahold USA's Executive Vice President of Operations, who in turn reports to the COO of Ahold USA. The Peapod online business is also part of Ahold USA.

Our brands

Our strong brand portfolio is the foundation of our business. Our local banners are well-known and popular with customers – and hold leading positions in most of our markets. For example, Albert Heijn has been the favorite supermarket chain in the Netherlands for almost fifty years and our U.S. operations – Giant Carlisle, Stop & Shop, and Giant Landover - have each held number one positions for decades. All of our brands are recognized for providing great value, service, and quality.

Everything we do is based on our brand promise in each market. Our range of successful formats – from superstores to conveniences stores, the locally targeted assortment of quality products and services we offer, and the way we communicate with our customers are all a reflection of our local brands.

The great people we have working for our businesses bring our brands to life for customers each day. The relationships they build are enabling us to learn more about what our customers want and need, so that we can keep improving our product ranges and service.

Our formats

We operate different formats to ensure that we are able to serve our customers well wherever they live and work.

Supermarkets

We are experts in running supermarkets and they are the core of our business. We operate supermarkets ranging in size from 400 square meters to 8,400 square meters that offer a full range of food and food-related non-food products, and an emphasis on fresh products.

At Albert Heijn in the Netherlands we have small, medium, and large supermarket formats as well as our Albert Heijn XL stores, that can be up to 4,000 square meters in size and carry a wider range of products, particularly non-food items. In the Czech Republic, our supermarkets range from 800–1500 square meters. We also operate compact hypermarkets in the Czech Republic and Slovakia that range in size from 2,500–5,000 square meters. In the United States we have compact, medium and large supermarkets that range from 3,700–8,400 square meters and carry a wide variety of food products and a basic non-food assortment. Our largest U.S. supermarkets, or superstores, carry an expanded range of food and non-food products.

Online

Ahold is the largest online food retailer in both the United States and the Netherlands, through its businesses Peapod and albert.nl. Albert.nl serves a region in which over 60 percent of the population of the Netherlands lives, operating out of two fully dedicated distribution centers. Peapod in the United States serves markets in 12 states and the District of Columbia, operating out of 2 fulfillment centers and 21 warerooms in our stores.

Convenience stores

We operate highly successful convenience stores in the Netherlands called “Albert Heijn to go.” These stores range from 40-200 square meters. They are located in busy areas, such as train stations and shopping streets, and cater to on-the-go customers with quick food solutions to eat now or to bring home and eat later. We are also currently piloting a convenience format in the United States.

Fuel stations

In the United States, the Czech Republic, and Slovakia we also operate gas stations to provide added convenience and attract more customers to our stores.

Group performance

In 2011, we continued to deliver solid financial results despite a challenging market environment. We put the customer first, offering good value, the right assortment, and innovative products and services.

Net sales (€ million)

		Growth[1]
2011	**30,271**	**5.5%**
2010	29,530	4.4%
2009	27,925	3.9%
2008	25,648	6.9%
2007	24,824	6.6%

1 At constant exchange rates and adjusted for the impact of week 53 in 2009.

Operating income (€ million)

		Margin[1]
2011	**1,347**	**4.8%**
2010	1,336	4.9%
2009	1,297	5.1%
2008	1,202	5.1%
2007	1,071	4.9%

1 Underlying retail operating margin.

Overview

We delivered another year of solid performance in 2011. We further gained market share in the United States, while our share in the Netherlands remained stable.

Net sales in 2011 were €30.3 billion, up 2.5 percent compared to 2010. At constant exchange rates, net sales grew 5.5 percent. Our operating income was €1.3 billion and our underlying retail operating margin was 4.8 percent.

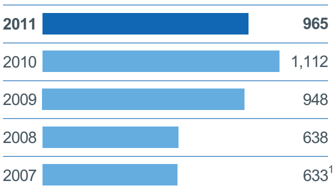
Customers remained cautious in their spending and focused on value in an environment of increased inflation and intense promotional activity. We successfully adapted to the challenging market conditions by managing the balance between sales and margins.

We were able to mitigate gross margin pressure through rigorous cost control and by the end of the year, we were ahead of schedule towards completion of the €350 million 2010–2012 cost savings program. To continue to invest in providing value to our customers, we announced a new €350 million three-year cost savings program for 2012–2014.

We are focused on accelerating the Company's growth by further developing and rolling out our successful store formats, building our online business, and expanding our geographic reach. In 2011, Albert Heijn entered the Belgian market by opening two stores. In 2012, we plan to enter Germany with a convenience format. By 2016, we plan to operate a minimum of 50 supermarkets in Belgium and open 150 new convenience stores in Europe. Ahold USA further strengthened its footprint with the acquisition of five Foodtown and three King Kullen stores in the Stop & Shop New York Metro division's market area, as well as two Genuardi stores in Giant Carlisle's market area. In early 2012, we announced the acquisition of an additional 16 Genuardi supermarkets in Giant Carlisle's market area. In the Czech Republic, where we further improved our performance through an enhanced commercial proposition and lower cost base, we launched a new compact hypermarket format that we will use to remodel 50 of our large stores over the next five years.

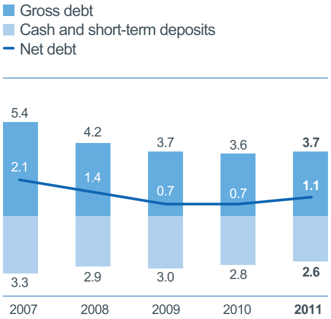
Group performance continued

Free cash flow (€ million)



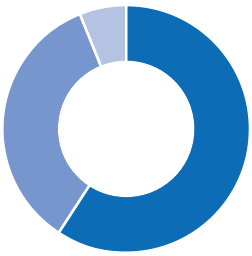
1 Includes the settlement of the securities class action of €284 million in 2007.

Gross and net debt (€ billion)
(at year end)



Net sales

Contribution by segment

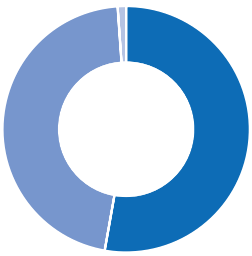


	2011 (€ million)	Growth[2]
Ahold USA	18,026	6.6%
The Netherlands	10,506	4.2%
Other Europe	1,739	2.4%
Total	30,271	5.5%

2 At constant exchange rates.

Underlying retail operating income

Contribution by segment



	2011 (€ million)	Underlying margin
Ahold USA	769	4.3%
The Netherlands	666	6.3%
Other Europe	20	1.2%
Total	1,455	4.8%

We believe that the economic environment will remain uncertain in 2012. We will stay focused on simplifying our business in order to reduce costs so that we can invest in our offering to improve the value we provide to our customers. We believe that our new growth strategy will ensure that Ahold remains successful and at the forefront of the food retail industry. We are reshaping our retail businesses to connect with our customers in a more personalized way and to provide an even better shopping experience in our stores and online.

Reflecting the confidence we have in our strategy and our ability to generate cash, we propose a 38 percent increase in our dividend to €0.40 per common share. This is in line with our dividend policy to target a payout ratio in the range of 40 – 50 percent of adjusted income from continuing operations. At current exchange rates, we expect net interest expense for 2012 to be in the range of €220 million to €240 million and capital expenditures, excluding acquisitions, to be around €0.9 billion.

Debt and liquidity

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.

Results from operations

Ahold's 2011 and 2010 consolidated income statements are summarized as follows:

	2011 (52 weeks)		2010 (52 weeks)		
	€ million	**% of net sales**	€ million	% of net sales	% better / (worse)
Net sales	**30,271**	**100.0**	29,530	100.0	2.5%
Gross profit	**7,921**	**26.2**	7,920	26.8	0.0%
Retail operating expenses	**(6,466)**	**(21.4)**	(6,471)	(21.9)	0.1%
Underlying retail operating income	**1,455**	**4.8**	1,449	4.9	0.4%
Items excluded from underlying retail operating income:					
Impairments and impairment reversals – net	**(25)**		(27)		
Gains (losses) on the sale of assets – net	**12**		14		
Restructuring and related charges	**(15)**		(24)		
Retail operating income	**1,427**	**4.7**	1,412	4.8	1.1%
Corporate Center costs	**(80)**	**(0.3)**	(76)	(0.3)	(5.3)%
Operating income	**1,347**	**4.4**	1,336	4.5	0.8%
Net financial expense	**(316)**		(259)		(22.0)%
Income taxes	**(140)**		(271)		48.3%
Share in income of joint ventures	**141**		57		147.4%
Income from continuing operations	**1,032**	**3.4**	863	2.9	19.6%
Loss from discontinued operations	**(15)**		(10)		(50.0)%
Net income	**1,017**	**3.4**	853	2.9	19.2%

Performance by segment

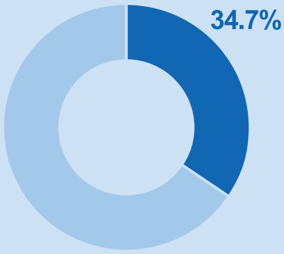
The Netherlands

Sales (€ million)

2011		**10,506**
2010		10,087

2.8% Identical sales growth

Contribution to Group sales



Operating income (€ million)

2011		**675**
2010		688

6.3% On an underlying basis

Number of stores (at year end)

	2011	2010
Albert Heijn	**856**	843
Etos	**536**	523
Gall & Gall	**554**	548
The Netherlands	**1,946**	1,914

Highlights of the year

- Ahold expanded into Belgium with supermarkets under the Albert Heijn brand
- Albert Heijn's XL format achieved a record high rating by customers
- Customers voted Gall & Gall and Etos among the 10 most customer-friendly companies in the Netherlands; Etos was voted best drugstore
- Albert Heijn and the Dutch industry healthy food foundation ("Ik Kies Bewust") partnered up to make it simpler for consumers to make healthy food choices, and together developed new nationwide healthy food choice logos in the Netherlands
- Gall & Gall launched a new own-brand line of products
- "Appie," Albert Heijn's digital personal shopping assistant, was named best service application in the Netherlands and had 400,000 unique users per week by the end of 2011

Albert Heijn (in the Netherlands and Belgium), Etos, Gall & Gall, and the online delivery service albert.nl comprise the segment called the Netherlands. The following table contains operational and financial information, including net sales and operating income, for the Netherlands in 2011 and 2010:

	2011	2010
Net sales in € millions	**10,506**	10,087
Change in identical sales	**2.8%**	3.6%
Operating income in € millions	**675**	688
Operating income as a percentage of net sales	**6.4%**	6.8%
Underlying operating income as a percentage of net sales	**6.3%**	6.9%
Number of employees at year-end (in thousands headcount)	**89**	84
Number of employees at year-end (in thousand FTEs)	**29**	28
Sales area of own operated stores (in thousands of square meters)	**885**	876

Net sales

Net sales increased to €10.5 billion in 2011, a rise of 4.2 percent. In a competitive market, Albert Heijn, Etos, Gall & Gall, and the online delivery service albert.nl all achieved sales growth. Albert Heijn again succeeded in launching innovative marketing campaigns that were popular with customers, including an animal card collection campaign in cooperation with the World Wide Fund for Nature.

Operating income

In 2011, operating income decreased €13 million, or 1.9 percent, to €675 million. Last year included €19 million in positive non-recurring items. The Netherlands achieved solid identical sales growth and continued to focus on efficiencies, while increasing investments for future growth. Gains on the sale of real estate were €9 million.

Performance by segment continued

The Netherlands continued

Established: 1887

Joined Ahold: The Ahold Group was established by Albert Heijn

Brands: Albert Heijn, Albert Heijn XL and Albert Heijn to go

Market area: The Netherlands and Belgium, in Europe

Store formats: Supermarkets, compact hypermarkets, convenience stores, and online shopping

Own brands include: AH Huismerk, AH Excellent, AH puur&eerlijk (responsible choice), and Euroshopper

Albert Heijn

Albert Heijn is the leading food retailer in the Netherlands and one of the country's best-known brands. At the end of 2011, Albert Heijn operated 856 stores. In 2011, the company opened 17 new stores, closed 4, and remodeled, relocated, or expanded 90 stores.

Albert Heijn's formats remained popular with customers in 2011, with its XL stores achieving a record high rating by customers. Albert Heijn continued to upgrade its regular supermarkets, roll-out its new store format, and develop its own-brand assortment, launching a wider, updated range of convenience-based fresh products. Albert Heijn maintained its market share compared to last year.

In 2011, Albert Heijn entered into the Belgian market, opening two stores. The event received a great deal of positive media coverage in Belgium and the Netherlands and sales have exceeded expectations so far.

Albert Heijn continued to focus on providing healthy food choices to customers. Together with the Dutch industry healthy food foundation ("Ik Kies Bewust") new nationwide healthy food choice logos were developed to replace Albert Heijn's green and orange clover, and make it simpler for consumers to make healthy food choices.

Appie is Albert Heijn's personal shopping assistant, available on the company's website and as a free smartphone application. Launched two years ago, it helps customers create shopping lists personalized to their shopping habits, recipes, and current promotions. In 2011, Appie was named the best service app in the Netherlands by Apple Inc. During the year, Albert Heijn continued to add new features to Appie, including voice recognition, the ability to share shopping lists with family members, and a product finder for searching and browsing the store assortment.

More about Albert Heijn online:
www.ah.nl

Established: 1918; in 1931 became a stand-alone company

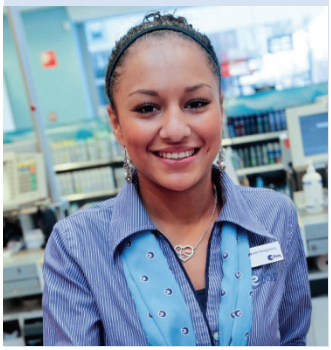
Joined Ahold: 1973

Brands: Etos

Market area: The Netherlands, in Europe

Store formats: Drugstores, and online shopping

Own brands include: Etos and Etos Voordeelselectie (value selection)



Etos

Etos is one of the largest drugstore chains in the Netherlands. It offers customers a wide selection of quality health and beauty, body care, and baby care products at affordable prices, and friendly, knowledgeable service. At the end of 2011, Etos operated 536 stores – 13 more than the previous year. During the year, the company also remodeled, relocated, or expanded 39 stores.

In 2011, Etos again succeeded in growing sales. Employees and customers celebrated Etos' 80th anniversary. Customers again voted it one of the most customer-friendly Dutch companies, and Etos was also named the best drugstore in the Netherlands for the third time.

More about Etos online:
www.etos.nl

Performance by segment continued

The Netherlands continued

Established: 1884

Joined Ahold: 1989

Brands: Gall & Gall

Market area: The Netherlands, in Europe

Store formats: Wine and liquor stores and online shopping

Own brands include: Gall & Gall

Established: 1987: start of home delivery services; 2001: rebranded to albert.nl

Joined Ahold: albert.nl was established by Ahold

Brands: albert.nl

Market area: The Netherlands, in Europe

Store formats: Online daily needs ordering and delivery

Gall & Gall

Gall & Gall is the leading wine and liquor retailer in the Netherlands.

At the end of 2011, Gall & Gall operated 554 stores, an increase of 6 over the previous year. During 2011, the company remodeled, relocated or expanded 42 stores.

In 2011, Gall & Gall ran several successful promotional campaigns focused on value and continued to grow sales.

During the year, Gall & Gall was voted one of the most customer-friendly companies in the Netherlands. The company also launched a new own-brand line containing a full range of more than 40 products, from wine and port to whiskey and gin, at competitive prices. During the year, Gall & Gall continued the roll-out of its new store format.

More about Gall & Gall online:
www.gall.nl

albert.nl

The online delivery service of Albert Heijn, Etos, and Gall & Gall is the largest online daily needs service in the Netherlands. It offers products from all three retail brands for delivery right into customers' kitchens. Albert.nl serves a region in which over 60 percent of the Dutch population lives.

2011 was another year of strong sales growth for the company. During the year, albert.nl also made nearly all 430 sustainable products from Albert Heijn's AH puur&eerlijk (responsible choice) range available online.

The albert.nl brand celebrated its 10th anniversary in 2011.

More about albert.nl online:
www.albert.nl

Performance by segment continued

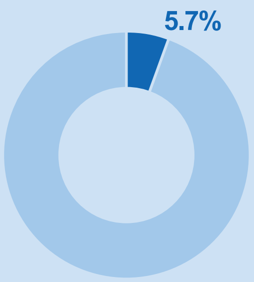
Other Europe

Sales (€ million)

2011	**1,739**
2010	1,660

2.2% Identical sales growth

Contribution to Group sales



Operating income (€ million)

2011	**18**
2010	10

1.2% On an underlying basis

Number of stores (at year end)

	2011	2010
Czech Republic	**280**	279
Slovakia	**26**	26
Other Europe	**306**	305

Highlights of the year

- Albert / Hypernova increased profitability, driven by a continuous focus on operational efficiencies and its commercial propositions
- Albert opened a new compact hyper format in the town of Svitavy in the Czech Republic
- Albert launched innovative customer marketing campaigns, the most successful of which was its Smurfs campaign, aligned with the popular movie

Albert / Hypernova in the Czech Republic and Slovakia comprise the segment called Other Europe. The following table contains operational and financial information, including net sales and operating income, for Other Europe in 2011 and 2010:

	2011	2010
Net sales in € millions	**1,739**	1,660
Change in identical sales	**2.2%**	0.8%
Change in identical sales (excluding gasoline sales)	**1.8%**	0.7%
Operating income in € millions	**18**	10
Operating income as a percentage of net sales	**1.0%**	0.6%
Underlying operating income as a percentage of net sales	**1.2%**	1.0%
Number of employees at year-end (in thousands headcount)	**12**	12
Number of employees at year-end (in thousand FTEs)	**10**	11
Sales area of own operated stores (in thousands of square meters)	**453**	452

Net sales

Net sales amounted to €1.7 billion in 2011, an increase of 2.4 percent at constant exchange rates. Identical sales, excluding gasoline, increased 1.8 percent as a result of the solid performance of the Albert supermarkets. Sales growth benefited from an overall focus on promotions and the full year impact of extended store opening hours.

Operating income

Albert / Hypernova reported operating income of €18 million, an improvement of €8 million over last year. In 2011, the company was able to offset pressure on gross margins (from product cost inflation and a competitive, promotion-driven market) through a more competitive cost base, and by continuing to focus on operational improvements and simplification. 2011 operating income included €2 million in impairment charges.

Performance by segment continued

Other Europe continued

Established: Ahold Czech Republic (1991), Ahold Retail Slovakia (2001)

Joined Ahold: Albert / Hypernova was established by Ahold

Brands: Albert, Hypernova

Market area: The Czech Republic and Slovakia, in Europe

Store formats: Hypermarkets, compact hypermarkets, and supermarkets

Own brands include: Albert Quality, Albert Excellent, Albert Bio, Euroshopper

Albert / Hypernova

Albert and Hypernova are among the best-known food retail brands in the Czech Republic and Slovakia. At the end of 2011, the company operated 280 stores in the Czech Republic – 1 more than last year – and 23 fuel stations. In 2011, the company remodeled, relocated or expanded 27 stores. In Slovakia, the company operated 26 stores and 7 fuel stations.

In 2011, Other Europe achieved an operating profit during each quarter of the year. The program Albert / Hypernova started in 2009 to improve its commercial proposition, restructure, take costs out of the business, and move to a single brand in the Czech Republic has enabled the company to increase profitability.

In the summer of 2011, Albert launched a new compact hypermarket format, designed to provide an easy and convenient shopping experience along with a great assortment of food and non-food products at low prices every day.

The company donated more than €200,000 to the Albert Charity Foundation, which supports families, promotes health, and helps individuals in need in the Czech Republic. As part of Albert's Smurfs campaign, the company auctioned off 20 giant statues of the popular characters for charity.

More about Albert / Hypernova online:
www.albert.cz
www.hypernova.sk

Performance by segment continued

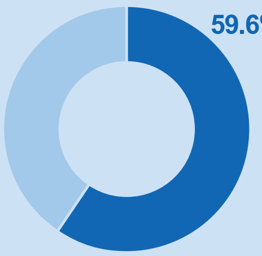
Ahold USA

Sales (€ million)

2011	**18,026**
2010	17,783

4.9% Identical sales growth

Contribution to Group sales



Operating income (€ million)

2011	**734**
2010	714

4.3% On an underlying basis

Number of stores (at year end)

	2011	2010
Stop & Shop New England	**217**	217
Stop & Shop New York Metro	**183**	175
Giant Landover	**173**	179
Giant Carlisle	**183**	180
Ahold USA	**756**	751

Highlights of the year

- The Ahold USA divisions continued to grow sales and Ahold USA increased market share
- The Ahold USA divisions intensified their Gas Reward programs through a partial re-launch and expansion to more stores, bringing additional savings on gas to loyal customers
- Ahold USA further strengthened its own-brand offering
- Stop & Shop New England opened a new concept supermarket in Chelmsford, Massachusetts
- Stop & Shop New York Metro acquired five stores in the New Jersey Shore area and three on Staten Island
- Giant Landover celebrated 75 years in the business
- Giant Carlisle opened its first store in the city of Philadelphia and introduced a new, smaller format supermarket
- New technology tools were launched to make shopping easier, including a mobile application at Stop & Shop and Giant Landover that lets customers view their circular, loyalty card account and more using their smartphones
- Peapod expanded into Philadelphia, in partnership with Giant Carlisle, and increased its footprint in Manhattan

Stop & Shop New England, Stop & Shop New York Metro, Giant Landover, Giant Carlisle, and Peapod comprise the segment called Ahold USA. The following table contains operational and financial information, including net sales and operating income, for Ahold USA in 2011 and 2010:

	2011	2010
Net sales in € millions	**18,026**	17,783
Net sales in $ millions	**25,072**	23,523
Change in identical sales	**4.9%**	1.5%
Change in identical sales (excluding gasoline sales)	**2.9%**	0.4%
Change in comparable sales (excluding gasoline sales)	**3.1%**	0.8%
Operating income in € millions	**734**	714
Operating income in $ millions	**1,021**	941
Operating income as a percentage of net sales	**4.1%**	4.0%
Underlying operating income as a percentage of net sales	**4.3%**	4.2%
Number of employees at year-end (in thousands headcount)	**117**	116
Number of employees at year-end (in thousand FTEs)	**82**	88[1]
Sales area (in thousands of square meters)	**2,893**	2,838

1 The number of employees (FTEs) at year-end 2010 includes an increase of 6,000 full-time employees in order to correct the number disclosed in Ahold's 2010 Annual Report.

Net sales

In 2011, net sales increased to $25.1 billion, a 6.6 percent rise. Identical sales, excluding gasoline, increased 2.9 percent in 2011. Ahold USA continues to grow in a competitive market by offering quality products and services and running effective promotional activities. During 2011, the company succeeded in growing market share in most of its markets.

Operating income

In 2011, operating income increased $80 million or 8.5 percent to $1,021 million. Gross profit margins across Ahold USA were impacted by product cost inflation that was not fully passed through to retail prices. In a promotional market, the Ahold USA divisions also focused on promotions. Successful operational cost saving initiatives offset these impacts. Results were impacted by $16 million in transition costs and $21 million in restructuring and related charges, the majority of which resulted from the restructuring of Ahold USA's organization. Impairment charges were $30 million and gains on the sale of assets $5 million.

Performance by segment continued

Ahold USA continued

Established: 1914

Joined Ahold: 1996

Brands: Stop & Shop

Market area Stop & Shop New England: Connecticut (except Fairfield County), Massachusetts, New Hampshire, and Rhode Island, in the United States

Market area Stop & Shop New York Metro: Connecticut (Fairfield County), New York, and New Jersey, in the United States

Store formats: Supermarkets and super stores

Own brands include: Stop & Shop, Nature's Promise, Simply Enjoy, CareOne, and Guaranteed Value

Stop & Shop New England

Stop & Shop is a major supermarket brand in the northeastern United States. The Stop & Shop New England division operates 217 stores in southern New England, the same number as last year. The division also operates 78 fuel stations, 11 more than last year. In 2011, the division remodeled 20 stores.

In 2011, Stop & Shop opened a new concept supermarket in Chelmsford, Massachusetts, with services such as an on-site nutritionist, a supervised play area for children while their parents shop, and a pick-up point enabling customers to order groceries online and pick them up at the store without leaving their cars.

Stop & Shop New England also launched Scan It! Mobile, a mobile application that enables customers to use smartphones to scan their groceries, tally their orders, receive personalized savings and checkout – while they shop. The app is currently available in more than 40 Stop & Shop stores.

The division continued its strong commitment to supporting local charities and fundraising initiatives throughout the year with total charitable donations of $17 million. In support of pediatric cancer research and care, the 21st annual Triple Winner Program raised $2.5 million for the Stop & Shop Family Pediatric Brain Tumor Clinic at the Dana-Farber Cancer Institute.

Stop & Shop New York Metro

Stop & Shop is a major supermarket brand in the northeastern United States. The Stop & Shop New York Metro division operates 183 stores and 8 fuel stations in a diverse marketplace serving customers of many ethnic and socio-economic backgrounds.

In 2011, Stop & Shop New York Metro expanded its total store number by eight, including five stores acquired in the New Jersey Shore area in May. The division remodeled an additional 13 stores and acquired three stores on Staten Island, two of which opened in early January 2012.

The division continued to grow market share, driven by its successful customer loyalty programs, including Gas Rewards. It also continued its strong support of local communities, with efforts raising more than $5 million, including contributions of over $225,000 to the American Cancer Society's Making Strides Against Breast Cancer campaign. Stop & Shop New York Metro was the number one fundraiser in New York for this breast cancer campaign and number three in the country. The campaign consisted of flagship sponsorship at several walks, water sponsorship at walks in the greater New York area, and a campaign in its stores to solicit donations.

More about Stop & Shop online:
www.stopandshop.com

Performance by segment continued

Ahold USA continued

Giant

Established: 1936

Joined Ahold: 1998

Brands: Giant

Market area: Virginia, Maryland, Delaware, and the District of Columbia, in the United States

Store formats: Supermarkets, including full-service pharmacies

Own brands include: Giant, Nature's Promise, Simply Enjoy, CareOne, and Guaranteed Value

Giant Landover

Giant Landover is a leading supermarket chain in the mid-Atlantic United States, serving customers in three states and the District of Columbia. It operates 173 stores – 6 less than in 2010. Giant Landover also operates 13 fuel stations, an increase of 4 over the previous year

In 2011, Giant Landover remodeled eight stores, outsourced its dry grocery warehouse and celebrated its 75th anniversary.

The impact of the major store remodeling program, "Project Refresh," that was successfully completed last year, enabled the division to grow market share in a competitive market. This was further supported by Giant Landover's increased focus on its fresh assortment and successful customer loyalty programs, including Gas Rewards.

During its anniversary year, Giant Landover donated more than $8 million in its local markets to fight hunger, improve the quality of life for children, and build healthier communities. Key efforts included the donation of $2 million to local schools through A+ School Rewards, financial and product donations to area food banks, sponsorship of nearly 300 youth baseball and softball teams, and the collection of more than $100,000 to support military families. In recognition of its strong commitment to the community, Giant won the Maryland Food Bank's "Retailer of the Year" award.

More about Giant Landover online:
www.giantfood.com

Performance by segment continued

Ahold USA continued

GIANT

MARTIN'S

Established: 1923

Joined Ahold: 1981

Brands: Giant Food Stores, Martin's Food Markets and Giant To Go

Market area: Pennsylvania, Virginia, Maryland, and West Virginia, in the United States

Store formats: Supermarkets, super stores and convenience stores

Own brands include: Giant, Nature's Promise, Simply Enjoy, CareOne, and Guaranteed Value

Giant Carlisle

Giant Carlisle is a leading supermarket chain in the mid-Atlantic United States. It operates 181 grocery stores under the names of Giant Food Stores and Martin's Food Markets and two convenience stores under the name of Giant To Go. In addition, the division operates 92 fuel stations in four states, an increase of 11 over 2010. In 2011, Giant Carlisle's total store number rose by three, including two stores that were acquired. The division also remodeled, relocated, or expanded 15 stores. Giant Carlisle opened its first store in the city of Philadelphia, and partnered with Peapod to offer online shopping to customers in the surrounding area.

Giant Carlisle further developed its formats, introducing a new, more compact supermarket format in Mount Joy, Pennsylvania, that offers a full assortment of products and services in a smaller footprint. The former Ukrop's stores in Richmond, Virginia, continued to successfully grow sales and market share.

As part of its focus on further improving its own-brand offering, Giant Carlisle introduced new packaging that better reflects the strength of its consumer brand and unifies the brand across the store.

Giant Carlisle built upon its support of local communities in 2011, raising over $20 million in charitable donations during the year. In recognition of its giving legacy in Pennsylvania, the company received the Building the Community Award from the Central Penn Business Journal. Giant Carlisle was also honored with the inaugural Miracle Innovator Award for outstanding leadership and commitment to Children's Miracle Network hospitals.

More about Giant Carlisle online:
www.giantfoodstores.com

More about Martin's online:
www.martinsfoods.com

Peapod®

Established: 1989

Joined Ahold: 2000

Brands: Peapod

Market area: Connecticut, District of Columbia, Illinois, Indiana, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, and Wisconsin, in the United States

Store formats: Online grocery ordering and delivery

Peapod

Peapod is the leading online grocery service in the United States. It works in partnership with Stop & Shop, Giant Landover, and Giant Carlisle to serve markets in 12 states and the District of Columbia. In 2011, Peapod was again able to grow sales by double digits in its existing markets.

In 2011, Peapod expanded into Philadelphia, Delaware, and Southern Montgomery, Pennsylvania counties, serving customers in the Giant Carlisle market area for the first time. The company moved further into Manhattan, now serving its Midtown, Upper West Side, and Upper East Side neighborhoods.

Peapod achieved a significant milestone in 2011 when it delivered its 20 millionth order. The company celebrated this with an online food drive and sweepstakes.

More about Peapod online:
www.peapod.com

Performance by segment continued

Joint ventures

Established: 1917

Joint venture with Ahold formed: 2000

Brands: In Sweden, ICA Nära, ICA To Go, ICA Supermarket, ICA Kvantum, and Maxi ICA Hypermarket. In Norway, ICA Naer, ICA Supermarked, ICA Maxi, and Rimi. In the Baltics, Rimi Hypermarket, Rimi Supermarket, SuperNetto, and Saastumarket

Market area: Sweden, Norway, Estonia, Latvia, and Lithuania, in Europe

Store formats: Supermarkets, hypermarkets, compact hypermarkets, convenience stores, and financial services through its consumer bank

Own brands include: ICA, ICA Gott Liv, ICA Selection, I love eco, Skona, ICA Cook & Eat, ICA Basic, and ICA Home

The information presented in this section relating to ICA and JMR (on a 100 percent basis) represents amounts that are not consolidated in the Company's financial statements since Ahold's investment in ICA and JMR is accounted for using the equity method described in *Notes 3* and *14* to the consolidated financial statements in the Annual Report 2011.

ICA

ICA is a food retail group, headquartered in Stockholm, Sweden. As of year-end 2011, ICA served 2,248 retailer-owned and company-operated retail food stores in Sweden, Norway, and the Baltic States. The company also provides consumer financial services in Sweden through its bank.

Ahold owns a 60 percent stake in ICA AB, which in turn owns the ICA group. The other 40 percent stake in ICA is held by Hakon Invest AB, a Swedish company listed on the Stockholm Stock Exchange. Under the shareholders' agreement with Hakon Invest AB, Ahold's 60 percent shareholding stake in ICA does not entitle it to unilateral decision-making authority over ICA, because the agreement provides that strategic, financial, and operational decisions will be made only on the basis of mutual consent. The shareholders' agreement also provides for a call and put option exercisable by Ahold or Hakon Invest AB as the case may be, if there is a change of control over the other party.

Despite weak market conditions, ICA Sweden achieved sales growth and strengthened its market position in 2011. It ran a series of successful price campaigns with a focus on own-brand products. ICA Sweden continued to broaden its offering, opening new Cura pharmacies and ICA To Go convenience stores. In addition, customers can now order a grocery bag composed by ICA chefs that contains all the ingredients needed to cook a selection of healthy and tasty meals, for delivery directly to their doors. Investments in logistics and warehouse infrastructure led to temporarily increased costs in 2011.

ICA Norway introduced a business plan to develop synergies and accelerate the company's goal of achieving positive results. The overall plan is to focus on a two-banner strategy with Rimi discount stores emphasizing value and ICA Supermarkets providing premium offerings. In connection with this new focus, the company announced its intention to divest its ICA Maxi stores. An extensive cost efficiency program is also incorporated into the business plan.

Rimi Baltic recovered and achieved the same profitability level it had before the start of the financial crisis in 2008. The company is actively focused on strengthening its fresh food offerings, own-brand products and price perception.

Net sales

In 2011, net sales were €10.5 billion, an increase of 2.6 percent at constant exchange rates. The increase was due to a solid performance in Sweden and the Baltic countries, as well as higher revenues by ICA Bank.

Operating income

Operating income increased €34 million to €338 million at an operating margin of 3.2 percent. At constant exchange rates, operating profit increased €17 million, mainly due to an improved performance in the Baltic countries. ICA Bank also achieved a good performance driven by increased net interest income from a greater number of customers.

Net income

In 2011, net income increased €150 million to €204 million, mainly due to last year's income tax expense related to a tax claim by the Swedish tax authorities and a provision against deferred tax assets in Norway.

More about ICA online:
www.ica.se

Performance by segment continued

Joint ventures continued

Established: The first Jerónimo Martins store dates back to 1792. Pingo Doce was established in 1980

Joint venture with Ahold formed: 1992

Brands: Pingo Doce

Market area: Portugal, in Europe

Store formats: Supermarkets

Own brands include: Essentya, Pingo Doce, Pura Vida, Electric & Co, and Ultra Pro

JMR

In 1992, Ahold partnered with Jerónimo Martins, SGPS, S.A. in the joint venture JMR, which is headquartered in Lisbon, Portugal. Ahold holds 49 percent of the shares and corresponding voting rights in JMR, and shares equal voting power on JMR's board of directors with Jerónimo Martins, SGPS, S.A.

At the end of 2011, JMR owned and operated 371 stores in Portugal under the brand name Pingo Doce. In 2011, the company opened nine stores and closed two.

Net sales

In 2011, net sales increased by 5.4 percent to €3.2 billion, driven by sales from new stores. Sales growth was impacted by lower overall consumption in Portugal due to the euro crisis and austerity measures. The company continued to focus on its commercial proposition, emphasizing its own-brand and perishable products, and communicating about its competitive pricing.

Operating income

In 2011, operating income decreased by €8 million to €92 million and the operating margin was 2.9 percent. Adjusted for the net impact of the sale of real estate and impairments in 2011 and 2010, operating income decreased €2 million. Higher sales were offset by gross margin pressure.

Net income

In 2011, net income decreased €15 million to €32 million, mainly as a result of lower operating income and provisions for tax contingencies.

More about Pingo Doce online:
www.pingodoce.pt

Responsible retailing

Acting responsibly is central to our business. We play a daily role in the lives of millions of people. Our corporate responsibility strategy focuses on issues that are closely related to our business and where we can make a difference.

That means playing a responsible role when it comes to our customers' wellbeing, the sourcing of the products we sell, our impact on the environment, the communities we serve, and the people we employ. We want to be the responsible retailer.

We aim to tackle the issues that are important to our key stakeholder groups: customers, employees, suppliers, communities, NGOs, and shareholders. Among these issues are increasing obesity levels, climate change, and scarcity of resources. Tackling these will help create a healthier and more sustainable future for generations to come. It will also safeguard the longevity of our business by increasing sales, reducing costs, and reducing risks.

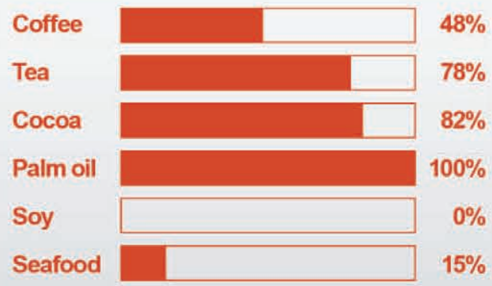
In 2010, we set a series of clear, measurable targets for each of our priority areas between now and 2015: healthy living, sustainable trade, climate action, community engagement, and our people. We are ambitious in our targets and take our commitments seriously.

Our ambitions represent our high-level approach to each of our priority areas. Our targets are global, but in some cases our operating companies go further and set additional local goals. Our targets are supported by action plans that are designed and executed locally by each of our operating companies. As our initial targets and action plans are realized, we set new ones.

CR scorecard

Our five priority areas are material to our business, relevant to our stakeholders, and offer opportunities for the biggest positive impact. This overview of our corporate responsibility strategy shows our ambitions, our global targets, and our progress in relation to each of these targets.

For more details on our 2011 progress, see *The data* section in *Our CR priorities* in our Corporate Responsibility Report 2011.

Priority area	Global target	2011 progress
Healthy living **Ambition:** Make healthy living choices easy	Increase the sale of healthy products to at least 25% of total food sales by 2015 across the Group	**22.3%** healthy products
	Ensure that each operating company has a comprehensive healthy-living program in place by the end of 2011, aiming to be a leading healthy retailer	Achieved: programs in place **67%** of our operating companies are perceived to be the first or second healthy retailer in their region benchmarked against market share
Sustainable trade **Ambition 1:** Source safe and responsible products	Ensure that 80% of own-brand food suppliers are certified against Global Food Safety Initiative-recognized standards by 2012	
	Source 100% of the six critical commodities for own-brand products in accordance with industry certification standards by 2015	
	Ensure that 100% of own-brand suppliers in high-risk countries are audited on social compliance by 2012	**111** suppliers in social audit program
Ambition 2: Reduce the footprint of our supply chain	Map the environmental footprint of 50% of own-brand suppliers and their supply chains by 2015	SUSTAINABILITY CONSORTIUM Working with the Sustainability Consortium to establish global industry approach

CR scorecard continued

Priority area	Global target	2011 progress
Climate action **Ambition:** Reduce our environmental footprint	Reduce CO_2 per square meter of sales area by 20% in our own operations by 2015 against our 2008 baseline of 555 kg	**10.5%** **reduction**
	Ensure that each operating company has a comprehensive waste-management program in place by the end of 2011	Achieved: programs in place **5** new waste targets set as part of our global waste strategy
Community engagement **Ambition:** Contribute to the wellbeing of our communities	Ensure that each operating company has a community engagement program in place by 2012	In progress: deliver in **2012** Ahold USA's divisions donated $51 million to charities in total during 2011
Our people **Ambition:** Encourage our employees to live and work healthily and sustainably	Ensure that each operating company has a CR employee program in place by 2012	In progress: deliver in **2012** 166 members of Ahold USA nominated for the U.S. Network of Executive Women

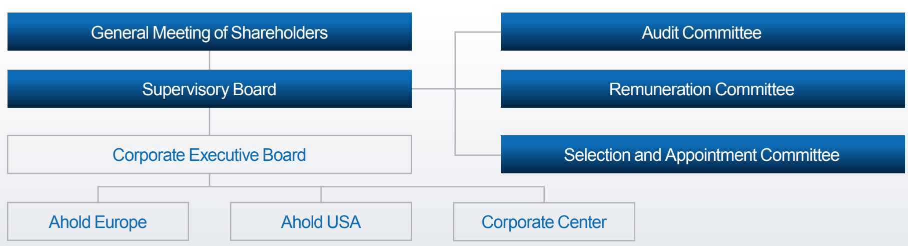
Corporate governance

Ahold is committed to a corporate governance structure that best supports its business and meets the needs of its stakeholders and that complies with relevant rules and regulations.

Governance structure

Koninklijke Ahold N.V. is a public company under Dutch law with a two-tier board structure. Ahold is managed by a Corporate Executive Board, which is supervised and advised by a Supervisory Board. The two boards are accountable to the General Meeting of Shareholders.

Governance structure



Compliance with Dutch Corporate Governance Code

Ahold applies the relevant principles and best practices of the Dutch Corporate Governance Code applicable to the Company, to the Corporate Executive Board and to the Supervisory Board, in the manner set out in the *Governance* section in Ahold's 2011 Annual Report.

How we manage risk

Ahold takes a structured and consistent approach to risk management and internal control by aligning strategy, policies, procedures, people, and technology to manage the uncertainties that the Company faces.

Risk management and internal control

Enterprise risk management

Ahold's enterprise risk management program is designed to provide executive management with an understanding of the Company's key business risks and associated risk management practices. At each operating company, management identifies the principal risks to the achievement of key business objectives and the actions needed to mitigate these risks.

Ahold Business Control Framework

We maintain the Ahold Business Control Framework (ABC Framework), which incorporates risk assessment, control activities, and monitoring into our business practices at entity-wide and functional levels. The aim of the ABC Framework is to provide reasonable assurance that risks to achieving important objectives are identified and mitigated.

Code of Conduct

Our Global Code of Conduct (the "Code") was revised in 2011, and came into force early 2012. The Code focuses on the Ahold's core value "Doing what's right" and establishes Group-wide principles and rules with regard to employee conduct. It is intended to help each employee understand and follow relevant compliance and integrity rules, and know when and where to ask for advice or report a breach of the Code.

Monitoring

We use a comprehensive business planning and performance review process to monitor our performance.

Risk factors

We recognize different strategic, operational, financial, and compliance & regulatory risk categories. Please refer to the section *How we manage risk* in Ahold's 2011 Annual Report.

Our leadership

Corporate Executive Board

Dick Boer
Chief Executive Officer

Lodewijk Hijmans van den Bergh
Executive Vice President and Chief Corporate Governance Counsel

Jeff Carr
Executive Vice President and Chief Financial Officer

James McCann
Executive Vice President and Chief Commercial & Development Officer

Acting members and nominees to the Corporate Executive Board

Chief Operating Officers

Sander van der Laan
Chief Operating Officer
Ahold Europe

Carl Schlicker
Chief Operating Officer
Ahold USA

Supervisory Board

René Dahan
Chairman

Tom de Swaan
Vice Chairman

Derk C. Doijer
Chairman of the Remuneration Committee

Stephanie M. Shern

Judith Sprieser

Mark McGrath

Ben Noteboom

Rob van den Bergh

Remuneration

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company determined that key management personnel consist of the members of the Corporate Executive Board (CEB) and the members of the Supervisory Board as of the year the members' appointment was approved by the General Meeting of Shareholders.

Employment contracts with individual Corporate Executive Board members

Dick Boer

In 2011, the Company provided Dick Boer with a base salary of €945,000 on an annual basis, participation in the annual cash incentive plan, and participation in the Company's equity-based long-term incentive plan (GRO – see pages 37 and 38). The at-target payout under the annual cash incentive plan is 100 percent of base salary and is capped at 125 percent in case of extraordinary performance. Unless Boer's employment agreement is otherwise terminated, he will be eligible for reappointment at the annual General Meeting of Shareholders in April 2015. In the event that the Company terminates his employment agreement for reasons other than cause or because he is not reappointed by the shareholders, Boer is entitled to a severance payment equal to one year's base salary. His employment agreement may be terminated by the Company with a notice period of 12 months and by Boer with a notice period of six months. Boer participates in Ahold's Dutch Pension Plan.

Lodewijk Hijmans van den Bergh

In 2011, the Company provided Lodewijk Hijmans van den Bergh with a base salary of €500,000 on an annual basis, participation in the annual cash incentive plan, and participation in the Company's equity-based long-term incentive plan (GRO – see pages 37 and 38). The at-target payout under the annual cash incentive plan is 100 percent of base salary and is capped at 125 percent in case of extraordinary performance. Unless Hijmans van den Bergh's employment agreement is otherwise terminated, he will be eligible for reappointment in 2014. In the event that the Company terminates his employment agreement for reasons other than cause or because he is not reappointed by the shareholders, Hijmans van den Bergh is entitled to a severance payment equal to one year's base salary. His employment agreement may be terminated by the Company with a notice period of 12 months and by Hijmans van den Bergh with a notice period of six months. Hijmans van den Bergh participates in Ahold's Dutch Pension Plan.

John Rishton

In 2011, the Company provided John Rishton with a base salary of €945,000 on an annual basis, participation in the annual cash incentive plan, and participation in the Company's equity-based long-term incentive program (GRO – see pages 37 and 38). The at-target payout under the annual cash incentive plan was 100 percent of the base salary and was capped at 125 percent in case of extraordinary performance. He participated in Ahold's Dutch Pension Plan. Rishton voluntarily resigned from the Corporate Executive Board on February 28, 2011.

Kimberly Ross

In 2011, the Company provided Kimberly Ross with a base salary of €550,000 on an annual basis, participation in the annual cash incentive plan, and participation in the Company's equity-based long-term incentive plan (GRO – see pages 37 and 38). The at-target payout under the annual cash incentive plan was 100 percent of base salary and was capped at 125 percent in case of extraordinary performance. Ross participated in the U.S. Benefit Plans – the Salary Continuation Plan (SCP) and the 401(k) Plan. Ross voluntarily resigned from the Corporate Executive Board on November 22, 2011.

Lawrence Benjamin

In 2011, the Company provided Lawrence Benjamin with a base salary of $986,000 on an annual basis, participation in the annual cash incentive plan, and participation in the Company's equity-based long-term incentive plan (GRO – see pages 37 and 38). The at-target payout under the annual cash incentive plan was 100 percent of base salary and was capped at 125 percent in case of extraordinary performance. He participated in the U.S. Benefit Plans – the Salary Continuation Plan (SCP) and the 401(k) Plan. Benjamin retired on January 31, 2011.

Remuneration continued

Remuneration of the individual Corporate Executive Board members

The remuneration of the individual Corporate Executive Board members, which is disclosed as of the year the members' appointment was approved by the General Meeting of Shareholders, can be specified as follows:

	Direct remuneration				Deferred remuneration		
€ thousand	Base salary	Bonuses[1]	Other[2]	Total direct remuneration	Share-based compensation[3]	Pensions[4]	Total remuneration
Dick Boer							
2011	**898**	**907**	**23**	**1,828**	**771**	**131**	**2,730**
2010	638	574	14	1,226	720	117	2,063
Lodewijk Hijmans van den Bergh							
2011	**500**	**505**	**11**	**1,016**	**239**	**120**	**1,375**
2010	500	450	11	961	98	149	1,208
John Rishton[5]							
2011	**149**	**–**	**57**	**206**	**93**	**38**	**337**
2010	945	851	189	1,985	(275)	257	1,967
Kimberly Ross[6]							
2011	**491**	**–**	**246**	**737**	**(611)**	**(454)**	**(328)**
2010	550	495	174	1,219	503	162	1,884
Lawrence Benjamin[7]							
2011	**59**	**64**	**127**	**250**	**–**	**(113)**	**137**
2010	745	663	139	1,547	1,486	349	3,382
Total 2011	**2,097**	**1,476**	**464**	**4,037**	**492**	**(278)**	**4,251**
Total 2010	3,378	3,033	527	6,938	2,532	1,034	10,504

1 Bonuses represent accrued bonuses to be paid in the following year.

2 "Other" mainly includes allowances for housing expenses, international school fees, employer's contributions to social security plans, and benefits in kind such as tax advice, tax compensation, and medical expenses, and the associated tax gross up.

3 The amounts represent the share-based compensation expense calculated under IFRS 2. The fair value of each year's grant is determined on the grant date and expensed on a straight-line basis over the vesting period. The expense for 2011 reflects this year's portion of the share grants over the previous five years (2007 to 2011).

4 Pension costs are the total net periodic pension costs.

5 John Rishton voluntarily resigned from the Corporate Executive Board on February 28, 2011. The share-based compensation expense related to John Rishton's service period during 2011 was €93,000 (relating to shares vesting in 2011). The share-based compensation expense related to his service period in 2010 was €317,000. In addition, an amount of €592,000 was reversed in 2010, representing the share-based compensation expense recognized in the previous years related to shares that were forfeited (the three-year grants for 2009 and 2010 and the five-year grants for 2007, 2008, 2009, and 2010).

6 Kimberly Ross voluntarily resigned from the Corporate Executive Board on November 22, 2011. The share-based compensation expense related to Kimberly Ross' service period during 2011 was €43,000 (relating to shares vesting in 2011). In addition, an amount of €654,000 was reversed, representing the share-based compensation expense recognized in the previous years related to shares that were forfeited (the three-year grants for 2009 and 2010, the five-year grants for 2007, 2008, 2009, and 2010 and the matching shares related to the 2007 grant).

7 Under the GRO program, all retirees are allowed to retain shares that have been granted to them and normal vesting conditions apply. Lawrence Benjamin's service period, for share-based compensation expense purposes, ended with his retirement eligibility date on December 1, 2010. The share-based compensation expense related to the service performed by Lawrence Benjamin during 2010 was €402,000. In addition, an amount of €1,084,000 was recognized, representing the remaining unamortized expense on the non-vested portion of GRO shares granted to him, as his service period ended with his retirement eligibility.

Remuneration continued

Remuneration of the Supervisory Board members

€ thousand	**2011**	2010
René Dahan (reappointed in 2008)	**90**	86
Tom de Swaan (reappointed in 2011)	**89**	84
Karen de Segundo (resigned on April 20, 2011)	**24**	86
Derk C. Doijer (reappointed in 2009)	**80**	76
Stephanie M. Shern (reappointed in 2009)	**85**	99
Judith Sprieser (reappointed in 2010)	**88**	92
Mark McGrath (appointed in 2008)	**88**	84
Ben Noteboom (appointed in 2009)	**79**	76
Rob van den Bergh (appointed in 2011)	**62**	–
Total	**685**	683

Shares and other interests in Ahold

As of January 1, 2012, Dick Boer held 199,591 Ahold common shares of which 44,376 shares were subject to an additional holding requirement. In line with best practice II.2.5 of the Dutch Corporate Governance Code, mid-term (three-year) shares granted and vested under the GRO program to Corporate Executive Board members will have to be retained for a period of at least five years after granting, except to finance tax due at the vesting date, or at least until the end of a member's employment by the Company, if this period is shorter. Lodewijk Hijmans van den Bergh held no Ahold shares.

As of January 1, 2012, René Dahan held 112,000 Ahold common shares. None of the other Supervisory Board members held Ahold shares.

Ahold does not provide loans or advances to members of the Corporate Executive Board or the Supervisory Board. There are no loans or advances outstanding. Ahold does not issue guarantees to the benefit of members of the Corporate Executive Board or the Supervisory Board. There have been no such guarantees issued.

Share-based compensation

In 2011, Ahold's share-based compensation program consisted of a conditional share grant program called Global Reward Opportunity (GRO). This program, introduced in 2006, replaced the Company's share option plans.

The following table summarizes the status of the GRO program during 2011 for the individual Corporate Executive Board (CEB) members and for all other employees in the aggregate.

Remuneration continued

	Outstanding at the beginning of 2011	Granted[1]	Vested[2]	Forfeited	**Outstanding at the end of 2011**	Minimum number of shares[3]	Maximum number of shares[4]	Fair value per share at the grant date (€)
Dick Boer[5]								
Five-year 2006 grant	28,963	14,481	43,444	–	**–**	–	–	6.38
Five-year 2007 grant	39,779	–	–	–	**39,779**	–	59,668	8.03
Three-year 2008 grant	52,674	–	52,674	–	**–**	–	–	8.97
Five-year 2008 grant	52,674	–	–	–	**52,674**	–	79,011	8.04
Three-year 2009 grant	54,706	–	–	–	**54,706**	54,706	54,706	8.04
Five-year 2009 grant	54,706	–	–	–	**54,706**	–	82,059	7.02
Three-year 2010 grant	33,671	–	–	–	**33,671**	33,671	33,671	9.50
Five-year 2010 grant	33,671	–	–	–	**33,671**	–	50,506	7.29
Three-year 2011 grant	–	65,965	–	–	**65,965**	65,965	65,965	8.59
Five-year 2011 grant	–	65,965	–	–	**65,965**	–	98,947	6.00
Lodewijk Hijmans van den Bergh								
Three-year 2010 grant	30,472	–	–	–	**30,472**	30,472	30,472	9.50
Five-year 2010 grant	30,472	–	–	–	**30,472**	–	45,708	7.29
Three-year 2011 grant	–	34,902	–	–	**34,902**	34,902	34,902	8.59
Five-year 2011 grant	–	34,902	–	–	**34,902**	–	52,353	6.00
John Rishton								
Five-year 2006 grant	34,924	17,462	52,386	–	**–**	–	–	5.84
Three-year 2008 grant	79,642	–	79,642	–	**–**	–	–	8.97
Kimberly Ross[5]								
Five-year 2006 grant	6,193	3,096	9,289	–	**–**	–	–	6.38
Five-year 2007 grant	11,199	–	–	11,199	**–**	–	–	9.10
Three-year 2008 grant	42,139	–	42,139		**–**	–	–	8.97
Five-year 2008 grant	42,139	–	–	42,139	**–**	–	–	8.04
Three-year 2009 grant	43,764	–	–	43,764	**–**	–	–	8.04
Five-year 2009 grant	43,764	–	–	43,764	**–**	–	–	7.02
Three-year 2010 grant	29,050	–	–	29,050	**–**	–	–	9.50
Five-year 2010 grant	29,050	–	–	29,050	**–**	–	–	7.29
Three-year 2011 grant	–	38,392	–	38,392	**–**	–	–	8.59
Five-year 2011 grant	–	38,392	–	38,392	**–**	–	–	6.00
Lawrence Benjamin								
Three-year 2009 grant	68,469	–	–	–	**68,469**	68,469	68,469	8.04
Five-year 2009 grant	68,469	–	–	–	**68,469**	–	102,703	7.02
Three-year 2010 grant	38,301	–	–	–	**38,301**	38,301	38,301	9.50
Five-year 2010 grant	38,301	–	–	–	**38,301**	–	57,451	7.29
Subtotal CEB members	987,192	313,557	279,574	275,750	**745,425**	326,486	954,892	

1 Represents the number of shares originally granted for the 2011 grant. For the five-year 2006 grant, the number of shares granted in 2011 represents the additional number of shares granted based on the final TSR ranking.

2 The vesting date of the five-year 2006 grant and the three-year 2008 grant was March 1, 2011, for John Rishton. The vesting date of the five-year 2006 grant and the matching shares related to the 2006 grant was March 4, 2011, for Dick Boer and Kimberly Ross. The vesting date of the three-year 2008 grant was April 21, 2011, for Dick Boer and Kimberly Ross. The Euronext closing share price was €9.75 as of March 1, 2011, €9.42 as of March 4, 2011, and €9.65 as of April 21, 2011.

3 For the three-year grants, the minimum number of shares equals the number of outstanding shares. For the five-year grants, the minimum number of shares would be nil if Ahold's ranking was eight or lower.

4 For the three-year grants, the maximum number of shares equals the number of outstanding shares. For the five-year grants, the maximum number of shares equals 150 percent of outstanding shares if Ahold's ranking is one.

5 For participants other than the Corporate Executive Board members, the mid-term component of the program contains a matching feature. Since Dick Boer was not a Corporate Executive Board member at the time of the 2006 grant and Kimberly Ross was not a Corporate Executive Board member at the time of the 2006 and 2007 grant, they are eligible for this matching shares feature. The number of matching shares that vested on March 4, 2011, was 2,775 for Dick Boer and 1,238 for Kimberly Ross. Kimberly Ross voluntarily resigned on November 22, 2011, and therefore the matching shares related to the 2007 grant were forfeited.

Remuneration continued

	Outstanding at the beginning of 2011	Granted[1]	Vested[2]	Forfeited	**Outstanding at the end of 2011**
Other employees					
2006 grant	1,994,690	1,148,619	3,096,898	46,411	**–**
2007 grant	1,534,329	–	35,724	51,382	**1,447,223**
2008 grant	3,880,937	–	1,944,439	102,159	**1,834,339**
2009 grant	5,100,482	–	58,751	213,111	**4,828,620**
2010 grant	2,847,239	–	16,972	120,030	**2,710,237**
2011 grant	–	5,652,456	3,690	156,539	**5,492,227**
Subtotal CEB members	987,192	313,557	279,574	275,750	**745,425**
Total number of shares	16,344,869	7,114,632	5,436,048	965,382	**17,058,071**

1 Represents the number of shares originally granted for the 2011 grant. For the five-year 2006 grant the number of shares granted in 2011 represents the additional number of shares granted based on the final TSR ranking and the matching shares related to the 2006 grant.

2 The vesting date of the five-year 2006 grant, the matching shares related to the 2006 grant and the three-year 2008 grant was March 4, 2011. The Euronext closing share price was €9.42 as of March 4, 2011.

The following table summarizes the status of the share option plans during 2011 for the individual Corporate Executive Board (CEB) members and for all other employees in the aggregate.

Description of grant	Outstanding at the beginning of 2011	Exercised	Forfeited	Expired	**Outstanding at the end of 2011**	Exercise price	Expiration date
Dick Boer							
Eight-year 2005 grant	70,200	–	–	–	**70,200**	6.36	04/03/2013
Ten-year 2002 grant	12,000	–	–	12,000	**–**	32.68	12/30/2011
Ten-year 2003 grant	21,000	–	–	–	**21,000**	11.65	12/29/2012
Ten-year 2004 grant	21,000	–	–	–	**21,000**	5.83	12/28/2013
Kimberly Ross							
Eight-year 2005 grant	33,150	33,150	–	–	**–**	6.36	04/03/2013
Ten-year 2002 grant	833	–	833	–	**–**	32.68	12/30/2011
Ten-year 2003 grant	9,000	–	9,000	–	**–**	11.65	12/29/2012
Ten-year 2004 grant	9,000	9,000	–	–	**–**	5.83	12/28/2013
Lawrence Benjamin							
Eight-year 2005 grant	78,000	–	–	–	**78,000**	6.36	04/03/2013
Ten-year 2004 grant	60,000	–	–	–	**60,000**	5.83	12/28/2013
Ten-year 2006 grant	30,000	–	–	–	**30,000**	6.33	12/31/2015
Subtotal CEB members	344,183	42,150	9,833	12,000	**280,200**		
Weighted average exercise price	7.66				**6.60**		
Other employees							
Eight-year	2,117,206	522,167	40,479	–	**1,554,560**	6.36	
Ten-year	3,569,896	95,368	189,746	932,134	**2,352,648**	9.94	
Subtotal other employees	5,687,102	617,535	230,225	932,134	**3,907,208**		
Total options	6,031,285	659,685	240,058	944,134	**4,187,408**		
Weighted average exercise price	12.10	6.31	11.91	32.68	**8.39**		
Weighted average share price at date of exercise		9.67					

Abbreviated financial statements

A caution to readers

These abbreviated financial statements are an abridged version of the consolidated financial statements of Koninklijke Ahold N.V. as included in Ahold's 2011 Annual Report. These abbreviated financial statements do not contain all of the information provided by the full financial statements and are qualified in their entirety by reference to such financial statements and the discussion in Ahold's 2011 Annual Report of risks that could have a material adverse effect on Ahold's financial position, results of operations, or liquidity. Ahold's 2011 Annual Report is available at www.2011yearreview.ahold.com. The following abbreviated financial statements, as set out on pages 41 through 44, should be read in conjunction with the narrative set out in this Summary.

Basis of preparation

Ahold's consolidated financial statements, from which these abbreviated financial statements have been derived, have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Ahold's financial year is a 52- or 53-week period ending on the Sunday nearest to December 31. Financial year 2011 consisted of 52 weeks and ended on January 1, 2012. The comparative financial year 2010 consisted of 52 weeks and ended on January 2, 2011.

These abbreviated financial statements are presented in euros (€). The following exchange rates of the euro against the U.S. dollar ($) have been used in the preparation of these financial statements:

	2011	2010
Average exchange rate	**0.7189**	0.7555
Year-end closing exchange rate	**0.7724**	0.7474

Independent auditor's report

To: the Shareholders, Supervisory Board and Corporate Executive Board of Koninklijke Ahold N.V.

The accompanying abbreviated financial statements, which comprise the consolidated balance sheet as at January 1, 2012, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of cash flows for the year then ended (as set out on pages 41 through 44), are derived from the audited financial statements of Koninklijke Ahold N.V. for the year ended January 1, 2012. We expressed an unqualified audit opinion on those financial statements in our report dated February 29, 2012. Those financial statements, and the abbreviated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The abbreviated financial statements do not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. Reading the abbreviated financial statements, therefore, is not a substitute for reading the audited financial statements of Koninklijke Ahold N.V.

Management's responsibility

Management is responsible for the preparation of a summary of the audited financial statements on the bases described on page 40.

Auditor's responsibility

Our responsibility is to express an opinion on the abbreviated financial statements based on our procedures, which were conducted in accordance with Dutch Law, including the Dutch Standard on Auditing 810 "Engagements to report on summary financial statements".

Opinion

In our opinion, the abbreviated financial statements derived from the audited financial statements of Koninklijke Ahold N.V. for the year ended January 1, 2012 are consistent, in all material respects, with those financial statements, on the basis described on page 40.

Amsterdam, March 8, 2012

Deloitte Accountants B.V.

P.J.M.A. van de Goor

Consolidated income statement

€ million	2011	2010
Net sales	**30,271**	29,530
Cost of sales	**(22,350)**	(21,610)
Gross profit	**7,921**	7,920
Selling expenses	**(5,652)**	(5,714)
General and administrative expenses	**(922)**	(870)
Total operating expenses	**(6,574)**	(6,584)
Operating income	**1,347**	1,336
Interest income	**20**	18
Interest expense	**(245)**	(288)
Other financial income	**(91)**	11
Net financial expense	**(316)**	(259)
Income before income taxes	**1,031**	1,077
Income taxes	**(140)**	(271)
Share in income of joint ventures	**141**	57
Income from continuing operations	**1,032**	863
Loss from discontinued operations	**(15)**	(10)
Net income attributable to common shareholders	**1,017**	853
Earnings per share		
Net income per share attributable to common shareholders		
Basic	**0.92**	0.73
Diluted	**0.89**	0.72
Income per share from continuing operations attributable to common shareholders		
Basic	**0.93**	0.74
Diluted	**0.90**	0.73
Weighted average number of common shares outstanding (in millions)		
Basic	**1,111**	1,169
Diluted	**1,171**	1,230

Consolidated statement of comprehensive income

€ million	2011	2010
Net income	**1,017**	853
Currency translation differences in foreign interests:		
Currency translation differences in foreign interests before income taxes	**122**	305
Income taxes	**1**	(1)
Cash flow hedges:		
Fair value gains (losses) in the year	**(34)**	10
Transfers to net income	**(13)**	(29)
Income taxes	**11**	6
Share of other comprehensive income (loss) of joint ventures	**(3)**	(60)
Other comprehensive income	**84**	231
Total comprehensive income attributable to common shareholders	**1,101**	1,084

Consolidated balance sheet

€ million	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	**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	**5,877**	5,910
Loans	**1,489**	1,851
Other non-current financial liabilities	**1,813**	1,726
Pensions and other post-employment benefits	**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

Consolidated statement of cash flows

€ million	2011	2010
Operating income	**1,347**	1,336
Adjustments for:		
Depreciation, amortization and impairments	**797**	812
Gains on the sale of assets / disposal groups held for sale – net	**(12)**	(14)
Share-based compensation expenses	**29**	33
Operating cash flows before changes in operating assets and liabilities	**2,161**	2,167
Changes in working capital:		
Changes in inventories	**(103)**	(43)
Changes in receivables and other current assets	**(7)**	(19)
Changes in payables and other current liabilities	**85**	205
Changes in non-current assets and liabilities	**(138)**	(76)
Cash generated from operations	**1,998**	2,234
Income taxes paid	**(212)**	(123)
Operating cash flows from continuing operations	**1,786**	2,111
Operating cash flows from discontinued operations	**(10)**	(8)
Net cash from operating activities	**1,776**	2,103
Purchase of non-current assets	**(755)**	(870)
Divestments of assets / disposal groups held for sale	**23**	32
Acquisition of businesses, net of cash acquired	**(30)**	(159)
Divestment of businesses, net of cash divested	**(13)**	(34)
Changes in short-term deposits	**71**	85
Dividends from joint ventures	**130**	111
Interest received	**27**	15
Other	**50**	12
Investing cash flows from continuing operations	**(497)**	(808)
Net cash from investing activities	**(497)**	(808)
Interest paid	**(246)**	(287)
Repayments of loans	**(17)**	(419)
Repayments of finance lease liabilities	**(60)**	(54)
Dividends paid on common shares	**(328)**	(272)
Share buyback	**(837)**	(386)
Other	**(13)**	(30)
Financing cash flows from continuing operations	**(1,501)**	(1,448)
Financing cash flows from discontinued operations	**(4)**	(4)
Net cash from financing activities	**(1,505)**	(1,452)
Net cash from operating, investing, and financing activities	**(226)**	(157)

Share capital

We work to broaden the investment community's understanding of our Company by providing accurate and timely information on Ahold's performance and prospects

Ahold's authorized share capital as of January 1, 2012, was comprised of the following:

- 1,700,000,000 common shares at €0.30 par value each;
- 477,580,949 cumulative preferred financing shares at €0.30 par value each;
- 1,250,000 cumulative preferred shares at €500 par value each.

For more financial information go to www.ahold.com.

For additional information about Ahold's share capital, see Notes 20 and 22 to the consolidated financial statements in Ahold's 2011 Annual Report. Ahold is a public limited liability company registered in the Netherlands with a listing of shares (symbol: AH) on Euronext's Amsterdam Stock Exchange (AEX). Ahold's common shares trade in the United States on the over-the-counter (OTC) market through www.otcmarkets.com (symbol: AHONY) in the form of American Depositary Shares (ADSs) and are evidenced by American Depositary Receipts (ADRs).

Ahold's Depositary for its ADSs is Citibank.

Geographic spread of shareholdings

Percent	**February 2012**	February 2011
North America	**28.9**	26.3
The Netherlands	**14.3**	14.9
UK / Ireland	**12.0**	13.9
Rest of Europe	**6.8**	7.3
France	**6.2**	7.5
Rest of the world	**2.7**	2.4
Germany	**1.5**	2.0
Switzerland	**1.1**	3.2
Undisclosed[1]	**26.5**	22.5

1 The undisclosed percentage of shareholdings includes all retail holdings.

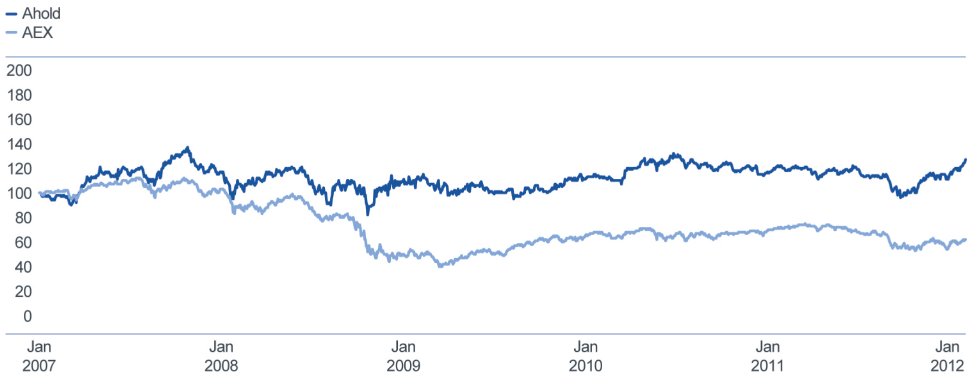
Share performance

Closing share prices for Ahold's common shares on Euronext Amsterdam for the periods indicated below were:

	2011	2010
Closing common share price at year end (in €)	**10.41**	9.88
Average closing common share price (in €)	**9.31**	9.82
Highest closing common share price (in €)	**10.41**	10.78
Lowest closing common share price (in €)	**7.83**	8.77
Average daily trading volume	**4,453,813**	4,779,907

Source: Euronext

The development of the closing prices for Ahold's common shares on Euronext Amsterdam during calendar years 2007–2011 relative to the AEX index (base 100 = January 2, 2007) was as follows:



Dividend

Ahold reinstated its annual dividend in 2007 and announced that it intended to increase future annual dividends while meeting the capital needs of the business and maintaining an efficient investment grade capital structure. For the 2007 financial year, we paid a cash dividend of €0.16 per common share; for the 2008 financial year, we paid €0.18 per common share; and for the 2009 financial year, we paid €0.23 per common share.

For the 2010 financial year, a cash dividend of €0.29 per common share was approved by the annual General Meeting of Shareholders on April 20, 2011, and paid on May 3, 2011.

On November 21, 2011, Ahold announced a new dividend policy stating that we intend to increase the dividend payout ratio to 40–50 percent of adjusted income from continuing operations. The announced dividend for the 2011 financial year of €0.40 per common share will be proposed to shareholders at the annual General Meeting of Shareholders to be held on April 17, 2012.

Dividends on cumulative preferred financing shares

Ahold paid an annual dividend on cumulative preferred financing shares in 2011 and plans to pay dividends on these shares in 2012 as required by the terms of the shares.

Five-year overview

Results, cash flow and other information

€ million, except per share data	**2011**	2010	2009	2008	2007
Net sales	**30,271**	29,530	27,925	25,648	24,824
Net sales growth at constant exchange rates[1]	**5.5%**	4.4%	3.9%	6.9%	6.6%
Operating income	**1,347**	1,336	1,297	1,202	1,071
Underlying retail operating margin	**4.8%**	4.9%	5.1%	5.1%	4.9%
Net interest expense	**(225)**	(270)	(289)	(233)	(293)
Income (loss) from continuing operations	**1,032**	863	972	887	779
Income (loss) from discontinued operations	**(15)**	(10)	(78)	195	2,167
Net income	**1,017**	853	894	1,082	2,946
Net income per common share (basic)	**0.92**	0.73	0.76	0.92	2.03
Net income per common share (diluted)	**0.89**	0.72	0.74	0.90	2.01
Income per common share from continuing operations (basic)	**0.93**	0.74	0.82	0.76	0.54
Income per common share from continuing operations (diluted)	**0.90**	0.73	0.81	0.74	0.53
Dividend per common share	**0.40**	0.29	0.23	0.18	0.16
Free cash flow[2]	**965**	1,112	948	638	633
Net cash from operating, investing, and financing activities	**(226)**	(157)	(169)	(445)	1,487
Capital expenditures (including acquisitions)[3]	**881**	1,117	788	1,094	807
Capital expenditures as % of net sales	**2.9%**	3.8%	2.8%	4.3%	3.3%
Average exchange rate (€ per $)	**0.7189**	0.7555	0.7194	0.6828	0.7307

1 Net sales growth in 2010 and 2009 is adjusted for the impact of week 53 in 2009.

2 Includes the settlement of the securities class action €284 million in 2007.

3 The amounts represent additions to property, plant and equipment, investment property, and intangible assets. The amounts include assets acquired through business combinations and exclude discontinued operations.

Balance sheet and other information

€ million	**January 1, 2012**	January 2, 2011	January 3, 2010	December 28, 2008	December 30, 2007
Equity[1]	**5,877**	5,910	5,440	4,687	3,897
Gross debt	**3,680**	3,561	3,700	4,241	5,379
Cash, cash equivalents, and short-term deposits	**2,592**	2,824	2,983	2,863	3,263
Net debt	**1,088**	737	717	1,378	2,116
Total assets	**14,980**	14,725	13,933	13,603	13,953
Number of stores	**3,008**	2,970	2,909	2,897	3,225
Number of employees (in thousand FTEs)[2]	**121**	128	118	119	119
Number of employees (in thousands headcount)[3]	**218**	213	206	203	197
Common shares outstanding (in millions)[1]	**1,060**	1,145	1,181	1,177	1,172
Share price at Euronext (€)	**10.41**	9.88	9.26	8.83	9.47
Market capitalization[1]	**11,033**	11,314	10,938	10,390	11,098
Year-end exchange rate (€ per $)	**0.7724**	0.7474	0.6980	0.7111	0.6795

1 In 2011 €837 million was returned to shareholders through a share buyback (in 2010: €386 million). In 2007, €4 billion was returned to shareholders through a capital repayment and share buyback.

2 Number of employees (in thousand FTEs) as of January 2, 2011 includes an increase of 6 thousand full-time employees in order to correct the number disclosed in Ahold's 2010 Annual Report.

3 Number of employees (headcount) in 2007 has been adjusted from numbers previously reported to include discontinued operations.

Contact information

General information
Ahold Group Communications
P.O. Box 985
1000 AZ Amsterdam
The Netherlands
Telephone: +31 88 659 5100
Email: communications@ahold.com

Shareholder information
Ahold Investor Relations
P.O. Box 985
1000 AZ Amsterdam
The Netherlands
Telephone: +31 88 659 5213
Email: investor.relations@ahold.com

ADR information
Citibank Shareholder Services
P.O. Box 43077
Providence, Rhode Island 02940-3077
USA

Telephone: 1 800 649 4134 (toll free)
Telephone: 1 781 585 4555 (outside the United States)
Fax: 1 201 324 3284
Email: Citibank@shareholder-online.com
www.citi.com/dr

Visiting address
Ahold Corporate Center
Piet Heinkade 167-173
1019 GM Amsterdam
The Netherlands
www.ahold.com
Trade Register No. 35000363

Cautionary notice

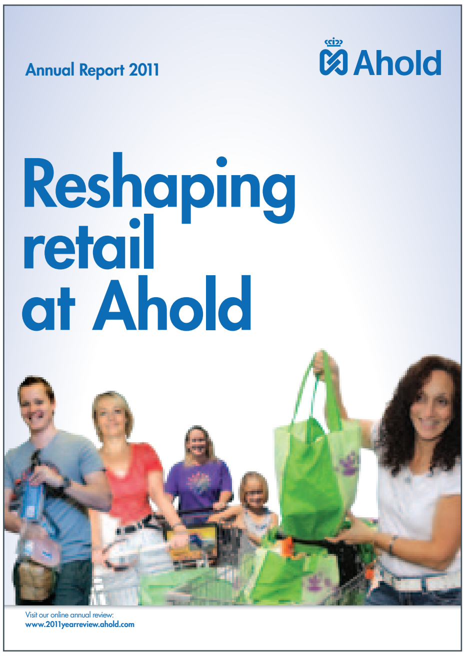
All information in this Summary Report, including but not limited to the extracts and sections from Ahold's Annual Report 2011, needs to be read in conjunction with Ahold's Annual Report 2011 and Ahold's Corporate Responsibility Report 2011, which are available at www.ahold.com.

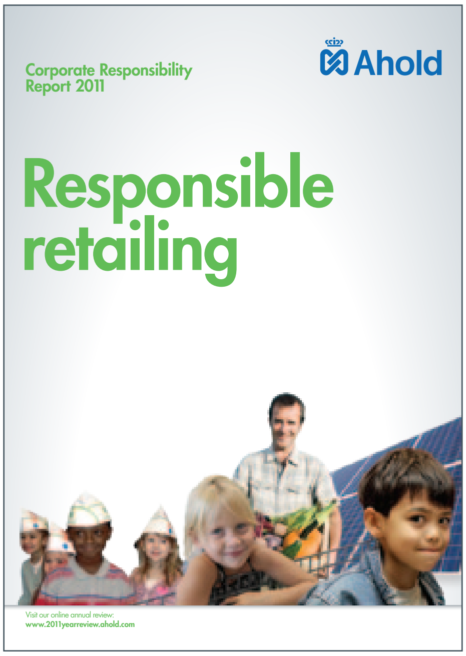
This Summary Report contains forward-looking statements, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those included in such statements. Many of these risks and uncertainties relate to factors that are beyond Ahold's ability to control or estimate precisely, including but not limited to Ahold's ability to successfully implement and complete its plans and strategies and to meet its targets, the benefits from Ahold's plans and strategies being less than anticipated, the effect of general economic or political conditions, the actions of competitors and other third parties, increases or changes in competition, Ahold's ability to retain and attract employees who are integral to the success of the business, acquisition and integration, expansion, collective bargaining, information security, business and IT continuity, food and non-food safety, corporate responsibility, business transformation, large strategic projects, contingent liabilities associated with lease guarantees, insurance programs, Ahold's liquidity needs (including but not limited to health care and pension funding requirements) exceeding expected levels, foreign currency translation risk, credit risk, interest rate risk, tax liabilities and legislative and regulatory environment and litigation risks, and other factors discussed in Ahold's Annual Report 2011, in the paragraphs on "How we manage risk," and in Ahold's other public filings and disclosures. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as per the date of this Summary Report. Ahold does not assume any obligation to update any public information or forward-looking statement included in this Summary Report to reflect events or circumstances after the date thereof, except as may be required by applicable laws.

Outside the Netherlands, Ahold presents itself under the name of "Royal Ahold" or simply "Ahold." For the reader's convenience, "Ahold," "the Company," "Ahold Group," or "the Group" are also used in this Summary Report. The Company's registered name is "Koninklijke Ahold N.V."

No information in this Summary Report constitutes an invitation to invest or otherwise deal in the shares or other securities of Koninklijke Ahold N.V. or any of its subsidiaries, joint ventures or associates or an invitation by or on behalf of any of them to enter into an agreement with you.

Ahold





For more information on our 2011 Annual and Corporate Responsibility Reports and to download these reports go to www.2011yearreview.ahold.com

FSC
www.fsc.org
RECYCLED
Papier gemaakt van gerecycled materiaal
FSC® C017135

Designed and produced by Radley Yeldar. www.ry.com