Ahold

# Press Release

**Royal Ahold**
Public Relations

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For more information: +31 75 659 57 20

# Ahold 1st quarter 2002 net earnings up 3.8% to Euro 328.0 million

- **Sales rise 22.1% to Euro 22.2 billion**
- **Operating earnings increase 21.8% to Euro 866.3 million**
- **Net earnings increase by 3.8% to Euro 328.0 million**
- **Earnings per common share, excluding goodwill amortization and currency impact, amount to Euro 0.42, equal to last year**

***Zaandam, The Netherlands, June 6, 2002 –*** Ahold, the international food retailer and foodservice operator, today announced a 3.8% rise in first quarter 2002 net earnings (first 16 weeks of the year through April 21, 2002) to Euro 328.0 million (2001: Euro 316.0 million).

**Remarks by Cees van der Hoeven, Ahold President & CEO**
'Growth of net earnings and earnings per share excluding goodwill amortization and currency impact in the first quarter of 2002 was obviously below our usual standard but in line with expectations,' said Ahold President & CEO Cees van der Hoeven. 'It is largely the result of significant backloading towards the latter half of the year of earnings growth at BI-LO, and in Portugal and Spain, as well as other gains in the first quarter of 2001. On a pro forma basis, reflecting the true comparison of operating strength, net earnings increased by 22% and earnings per share by 10%. By all accounts, the core business continued to perform very well. U.S. Retail, U.S. Foodservice and our large companies in Europe and Latin America all showed substantial sales and earnings growth. Since other companies are catching up, we expect to significantly surpass last year's numbers in the second half of 2002. As an early sign of recently introduced EVA programs, our capital efficiency improved compared to 2001.'

Albert Heijnweg 1, Zaandam
P.O. Box 3050, 1500 HB Zaandam
The Netherlands
Phone: +31 (0)75 659 5720
Fax: +31 (0)75 659 8302

## Ahold 1st quarter 2002 results, compared to last year

| *x 1 million Euro* | 2002 | 1st Quarter Change in % | 2001 |
|---|---|---|---|
| Sales | 22,191.0 | 22.1 | 18,173.6 |
| | | | |
| Operating earnings | 866.3 | 21.8 | 711.0 |
| Operating earnings as % of sales | 3.9% | | 3.9% |
| | | | |
| Net earnings | 328.0 | 3.8 | 316.0 |
| | | | |
| Earnings per share | Euro 0.34 | (6.8) | 0.37 |
| Earnings per share excluding goodwill amortization and currency impact | Euro 0.42 | 0.3 | 0.42 |

Sales and earnings in the first quarter were positively impacted by the higher average exchange rate of the U.S. dollar (Euro 1 = USD 0.88 vs. Euro 1 = USD 0.92 last year). This effect is partly offset by the devaluation of the Argentine Peso (ARS 1 = Euro 0.53 vs. ARS 1 = Euro 1.09 last year).

Consolidated sales rose 22.1% to Euro 22.2 billion. Excluding currency fluctuations, organic sales growth amounted to 5.5%. Operating earnings totaled Euro 866.3 million, representing an increase of 21.8%.

Net earnings increased 3.8% to Euro 328.0 million. Net earnings growth was substantially lower than operating earnings growth, mostly due to higher amortization of goodwill (Euro 38.4 million) and higher net financial expense (Euro 83.4 million).

Cash flow from operating activities amounted to Euro 582.6 million (2001: Euro 62.2 million). Investments in tangible and intangible fixed assets amounted to Euro 698.2 million (2001: Euro 579.2 million).

### United States – retail

| *x 1 million USD* | 2002 | 1st Quarter Change in % | 2001 |
|---|---|---|---|
| Sales | 7,904.3 | 16.2 | 6,804.4 |
| | | | |
| Operating earnings | 425.9 | 28.1 | 332.5 |
| Results on tangible fixed assets | 1.2 | | (1.3) |
| Pro forma operating earnings | 424.7 | 27.2 | 333.8 |
| as % of sales | 5.4% | | 4.9% |

In the United States, retail sales rose both organically and as a result of the acquisition of Bruno's Supermarkets in December 2001. Organic retail sales growth amounted to 5.7% (2001: 7.2%). Comparable retail sales growth was 2.0% (2001: 3.3%) and identical retail sales growth totaled 1.3% (2001: 2.9%). Lower fuel prices depressed identical retail sales growth by approximately 0.4%. All retail operating companies except BI-LO contributed to sales growth. Sales at Bruno's were ahead of plan.

Operating earnings rose as a result of strong improvements at all operating companies except BI-LO, and also due to the aforementioned consolidation of Bruno's. BI-LO's operating earnings were lower than last year but in line with expectations. Internet grocer Peapod - where sales rose 25% - had an operating loss of USD 11.6 million (2001: loss of USD 14.4 million).

## United States - Foodservice

| | 1st Quarter | | |
|---|---|---|---|
| *x 1 million USD* | 2002 | Change in % | 2001 |
| Sales | 5,381.6 | 56.7 | 3,433.3 |
| Operating earnings | 186.6 | 53.1 | 121.9 |
| as % of sales | 3.5% | | 3.6% |

In the United States, foodservice sales grew mainly due to the consolidation of Alliant. Organic foodservice sales growth amounted to 4.1%. Voluntary market exits depressed organic sales growth by 1.2%. The integration of Alliant is ahead of schedule. U.S. Foodservice expects to have completed the major part of the integration process by year-end 2002.

Foodservice operating earnings in the United States were significantly higher and in line with expectations. Operating margins are slightly lower due to the consolidation of Alliant.

## Europe

| | 1st Quarter | | |
|---|---|---|---|
| *x 1 million Euro* | 2002 | Change in % | 2001 |
| Sales | 6,089.5 | 7.0 | 5,692.5 |
| Operating earnings | 167.9 | (10.8) | 188.3 |
| Results on tangible fixed assets | 20.7 | | 7.0 |
| Pro forma operating earnings | 147.2 | (18.8) | 181.3 |
| as % of sales | 2.4% | | 3.2% |

In Europe, organic sales growth, excluding currency impact, amounted to 6.4% (2001: 8.0%). Operations in The Netherlands, Scandinavia and Central Europe contributed to the sales rise. Sales in Spain were at the same level as last year. Sales in Portugal were lower.

Operating earnings at Albert Heijn and ICA Ahold showed considerable improvement. Spain came in lower than last year mostly as a result of increased costs related to the integration process. Operating earnings in Portugal were lower due to lower sales and increased expenses. In Central Europe, operating results from the Czech Republic were better than last year, but fully offset by higher operating expenses related to the entry into the Slovakian market. Poland performed slightly better than last year.

## Latin America

| | 1st Quarter | | |
|---|---|---|---|
| *x 1 million Euro* | 2002 | Change in % | 2001 |
| Sales | 849.3 | (30.2) | 1,216.5 |
| Operating earnings | 26.9 | (43.0) | 47.2 |
| as % of sales | 3.2% | | 3.9% |

In Latin America, sales were lower as a result of the devaluation of the Argentine Peso and the deconsolidation of La Fragua. Organic retail sales, excluding currency impact, increased by 4.5%. In local currencies, Santa Isabel in Chile, Peru and Paraguay generated higher sales. Sales at Disco in Argentina were essentially the same as last year. Bompreço achieved much higher sales mainly due to the acquisition of G. Barbosa on January 2 of this year.

The devaluation of the Argentine Peso and the deconsolidation of La Fragua also led to lower operating earnings in Latin America. Bompreço's earnings in local currency were higher than last year and include the acquisition of G. Barbosa. Earnings in local currency at Santa Isabel and Disco were slightly lower, mainly due to lower gross margins.

**Central America**

In Central America – Guatemala, Costa Rica, Honduras, Nicaragua and El Salvador – Paiz Ahold, the joint venture of Ahold and La Fragua, formed a new regional joint venture with CSU named CARHCO, effective January 1, 2002. Since that date, La Fragua has been deconsolidated. CARHCO's results are reported as income from unconsolidated subsidiaries. CARHCO's sales amounted to Euro 416 million. Organic sales growth, excluding currency impact, amounted to 14.5%.

Operating earnings in Central America increased to Euro 16.9 million (2001: Euro 4.6 million), mainly attributable to the formation of the new joint venture. The net income from CARHCO reported as income from unconsolidated subsidiaries amounted to Euro 3.1 million.

**Asia**

| | 1st Quarter | | |
|---|---|---|---|
| *x 1 million Euro* | 2002 | Change in % | 2001 |
| Sales | 120.5 | 19.0 | 101.3 |
| Operating earnings | (6.8) | (38.8) | (4.9) |
| as % of sales | (5.6%) | | (4.8%) |

In Asia, sales rose 19.0% to Euro 120.5 million. In local currencies, sales in all three countries – Thailand, Malaysia and Indonesia – were higher than last year. Organic sales growth, excluding currency impact, amounted to 13.9%.

Operating losses in Asia amounted to Euro 6.8 million.

**Corporate costs**

Corporate costs amounted to Euro 18.0 million (2001: Euro 15.1 million).

**Net financial income and expense**

| | 1st Quarter | | |
|---|---|---|---|
| *x 1 million Euro* | 2002 | Change in % | 2001 |
| Net interest expense | (318.1) | (18.3) | (269.0) |
| Exchange rate differences | 6.5 | | 40.5 |
| Other financial gains and losses | - | | 0.3 |
| Total net financial income and expense | (311.6) | (36.5) | (228.2) |

Net interest expense increased to Euro 318.1 million (2001: Euro 269.1 million), mainly reflecting the consolidation of new debt related to acquisitions. The rolling interest coverage ratio was 3.2 (2001: 3.1). The rolling ratio of net interest-bearing debt to EBITDA was 2.5 (2001: 2.7). Net interest bearing debt amounted to Euro 12,345 million (2001 year-end: Euro 11,964 million).

**Tax rate**

The tax rate, expressed as a percentage of pre-tax earnings, was 26.2% (2001: 25.3%).

### Income from unconsolidated subsidiaries and affiliates

Income from unconsolidated subsidiaries amounted to a net loss of Euro 0.4 million compared to a net profit of Euro 3.3 million last year. The additional profits relating to the inclusion of CARHCO were offset by lower results at unconsolidated subsidiaries of ICA. The main results included are:

| | 1st Quarter | |
|---|---|---|
| *x 1 million Euro* | 2002 | 2001 |
| Unconsolidated subsidiaries at ICA | (5.0) | 0.9 |
| CARHCO | 3.1 | - |
| Others | 1.5 | 2.4 |
| Total income from unconsolidated subsidiaries and affiliates | (0.4) | 3.3 |

### Minority interest

Minority interest in earnings increased from Euro 18.0 million negative in 2001 to Euro 23.1 million negative this year. The main contributing factor is the purchase of the remaining shares in Peapod in August 2001 that brought the contribution to the losses of Peapod by the minority shareholders to an end. Furthermore, no minority share was included for the reported losses of Disco Ahold International Holdings N.V. The deconsolidation of La Fragua had a favorable impact since from that date Ahold's share in the joint venture's income was included in income from unconsolidated subsidiaries.

### Cash flow statement

The first quarter of 2002 generated a cash flow from operating activities of Euro 582.6 million (2001: Euro 62.2 million) largely due to a strong development of operating earnings and lower investment in working capital. Investments in working capital were substantially lower than last year and amounted to Euro 208.4 million (2001: Euro 627.3 million). Cash outflows from investing activities amounted to Euro 740.1 million (2001: Euro 123.1 million), mainly consisting of investments in tangible and intangible fixed assets totaling Euro 698.2 million (2001: Euro 579.2 million).

### Group equity

Group equity, expressed as a percentage of the balance sheet total, amounted to 21.0% (at year-end 2001: 20.4%). Assuming conversion of the convertible subordinated notes outstanding, group equity amounts to 26.1%. Capital accounts amounted to 26.6% of the balance sheet total. Shareholders' equity amounted to Euro 6.0 billion. In the first quarter of 2002, net earnings after deduction of the dividend on preferred financing shares were added to shareholders' equity. In addition, the proceeds from exercised option rights were added to shareholders' equity. The negative balance of exchange rate fluctuations was deducted from shareholders' equity. Goodwill related to acquisitions through November 2000 was charged to shareholders' equity. Goodwill related to acquisitions after November 2000 was capitalized.

### Changes to Shareholders' equity

| *x 1 million Euro* | April 21, 2002 | December 30, 2001 |
|---|---|---|
| Shareholders' equity at beginning of year | 5,892 | 2,503 |
| Net earnings after preferred dividend | 316 | 1,075 |
| Dividend paid on common shares | - | (94) |
| Exercise of stock options | 5 | 67 |
| Issuance of shares | - | 2,502 |
| Goodwill | - | (33) |
| Exchange rate differences and other changes | (176) | (128) |
| Shareholders' equity at end of quarter | 6,037 | 5,892 |

**US GAAP reconciliation**
Net results according to US GAAP amounted to Euro 387.9 million (2001: Euro 170.4 million). Earnings per share under US GAAP increased to Euro 0.42 (2001: Euro 0.21). In particular, lower goodwill amortization relating to the adoption of Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets ("SFAS 142") and positive results as a consequence of the application of Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS 133") contributed to this substantial increase of net results under US GAAP.

SFAS 142 was adopted on December 31, 2001, and at that time the company stopped amortizing goodwill. The company is required to test all goodwill for impairment by the end of 2002. It is expected that this may cause an impairment charge to earnings under US GAAP.

**Outlook for full-year 2002**
Ahold companies, particularly the prominent ones, continue to perform well. There are, however, two factors that could potentially impact the growth performance of the company as a whole.
The integration of Ahold Spain and Superdiplo on the Spanish mainland is taking longer than anticipated. As a consequence, earnings from Spain will fall short of our target.
In addition, the situation in Argentina is highly uncertain. The severe economic slow-down may impact operating earnings growth at Disco. The sustained weakness in the exchange rate will increase the cost of Disco's debts, denominated in U.S. Dollars, and may affect net earnings at Disco yet further. Disco is held through a partnership, Disco Ahold International Holdings N.V. Ahold no longer adjusts the negative net income in Disco Ahold International Holdings for minority interests, thereby increasing the negative impact of the currency devaluation on Ahold's net earnings.

The Executive Board expects consolidated sales in 2002 to increase organically by 6 – 8% and operating earnings to increase organically by approximately 15%. The implied strong margin expansion is derived from significant additional economies of scale, synergies and operational enhancements. Including the acquisitions of Alliant and Bruno's, but excluding currency impact, operating earnings are expected to increase by approximately 20%.

Ahold's net earnings per share growth target of 15%, excluding currency differences and goodwill amortization, is ambitious. Yet it is justified by current operational performance. However, reaching the earnings per share growth target will depend on developments in Spain and Argentina as well as the level of gains from the sale of real estate.

Ahold expects its earnings to grow significantly faster in the second half of 2002 than in the first half of the year. This backloading reflects the integration of Alliant into U.S. Foodservice and anticipated improved results in the second half at BI-LO as well as in Spain and Portugal.

## Editors’ Notes

- *Organic sales growth excluding currency impact definition*:
  *“Sales year n” divided by “Sales year (n-1)* Ahold base + sales year (n-1)* acquired companies**”*

  ** adjusted for the currency impact.*
  *** to the extent that the sales of the acquired company represent > 5% of the sales of the acquiring entity, or that the acquisition is an entry into a new business channel or market area.*

- *Identical sales compare sales from exactly the same stores.*

- *Comparable sales are identical sales plus sales from replacement stores.*

- *Currency impact is defined as the impact of using different exchange rates to translate the financial figures of our subsidiaries to Euros. The financial figures of the previous year are restated using the actual exchange rates in order to eliminate this currency impact.*

- *Pro forma earnings are defined as reported earnings adjusted for the impact of goodwill amortization, exceptional items, results on the sale or divestment of tangible fixed assets and exchange rate differences as included in net financial income and expense.*

The first-quarter 2002 earnings conference call will be webcast on www.ahold.com at 2:00 p.m. CET (8:00 a.m. EST) on June 6, 2002. To access, please click on the link on the homepage. Graphics and photographs related to this quarterly report can be obtained from the media section of the Ahold web site.

*Ahold Corporate Communications: +31 75 659 5720*
*Mobile: Annemiek Louwers +31.6.53.98.16.06; Nick Gale: +31.6.55.77.22.83*

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## Consolidated statement of earnings of Royal Ahold

| *x 1 million Euro* *(unless otherwise indicated)* | | **1st quarter 2002** *(16 weeks)* | *change in %* | **1st quarter 2001** *(16 weeks)* |
|---|---|---|---|---|
| **Sales to third parties** | | | | |
| - U.S. Foodretail *(in dollars)* | | 7,904.3 | *16.2* | 6,804.4 |
| - U.S. Foodservice *(in dollars)* | | 5,381.6 | *56.7* | 3,433.3 |
| - Europe | | 6,089.5 | *7.0* | 5,692.5 |
| - Latin America | | 849.3 | *(30.2)* | 1,216.5 |
| - Asia | | 120.5 | *19.0* | 101.3 |
| **Total sales** | | **22,191.0** | *22.1* | **18,173.6** |
| **Operating earnings** | | | | |
| - U.S. Foodretail *(in dollars)* | | 425.9 | *28.1* | 332.5 |
| - U.S. Foodservice *(in dollars)* | | 186.6 | *53.1* | 121.9 |
| - Europe | | 167.9 | *(10.8)* | 188.3 |
| - Latin America | | 26.9 | *(43.0)* | 47.2 |
| - Asia | | (6.8) | *(38.8)* | (4.9) |
| - Corporate costs | | (18.0) | *(19.2)* | (15.1) |
| **Total operating earnings** | | **866.3** | *21.8* | **711.0** |
| Goodwill amortization | | (78.2) | *(96.5)* | (39.8) |
| **Earnings before interest & taxes** | | **788.1** | *17.4* | **671.2** |
| Net interest expense | | (318.1) | *(18.3)* | (269.0) |
| Exchange rate differences | | 6.5 | | 40.5 |
| Other financial gains and losses | | - | | 0.3 |
| **Net financial income and expense** | | **(311.6)** | ***(36.5)*** | **(228.2)** |
| **Earnings before income taxes** | | 476.5 | *7.6* | 443.0 |
| Income taxes | | (125.0) | *(11.3)* | (112.3) |
| **Earnings after income taxes** | | 351.5 | *6.3* | 330.7 |
| Income from unconsolidated subsidiaries and affiliates | | (0.4) | | 3.3 |
| Minority interests | | (23.1) | *(28.3)* | (18.0) |
| **Net earnings** | | **328.0** | *3.8* | **316.0** |
| Dividend preferred financing shares | | (11.7) | | (11.7) |
| Earnings common shareholders | | 316.3 | *3.9* | 304.3 |
| Average number of common shares outstanding *(x 1,000)*[1] | | 921,122 | | 825,753 |
| Earnings per common share [2] | Euro | 0.34 | *(6.8)* | 0.37 |
| EPS excluding goodwill amortization and currency impact | Euro | 0.42 | *0.3* | 0.42 |
| Diluted earnings per common share [3] | Euro | 0.34 | *(6.3)* | 0.36 |

[1] Number of shares has been adjusted for stock dividends.
[2] Earnings per common share are calculated on the basis of the average number of common shares outstanding and after the deduction of dividend on preferred shares.
[3] Calculated as follows: net earnings after preferred dividend, adjusted for the interest expenses on the convertible subordinated notes, divided by the weighted average number of common shares outstanding, including the number of common shares that would have been issued upon conversion of the convertible subordinated notes and the exercise of stock options rights outstanding.

## Reconciliation to pro forma earnings

| *x 1 million Euro (unless otherwise indicated)* | **1st quarter 2002** *(16 weeks)* | *change in %* | **1st quarter 2001** *(16 weeks)* |
|---|---|---|---|
| **Net earnings as reported** | **328.0** | ***3.8*** | **316.0** |
| *Adjustments to operating earnings:* | | | |
| Results on sale and divestment of tangible fixed assets: | | | |
| - U.S. Foodretail *(in dollars)* | (1.2) | | 1.3 |
| - U.S. Foodservice *(in dollars)* | - | | 0.1 |
| - Europe | (20.7) | | (7.0) |
| - Latin America | (0.2) | | (0.1) |
| - Asia | - | | - |
| | (22.3) | | (5.5) |
| Goodwill amortization | 78.2 | | 39.8 |
| *Adjustments for exchange rate differences:* | | | |
| - Devaluation result Argentina | (8.3) | | - |
| - Results on financial derivatives | - | | (22.3) |
| - Other exchange rate differences | 1.8 | | (18.2) |
| **Subtotal adjustments before income tax** | 49.4 | | (6.2) |
| Income taxes on adjustments | (2.5) | | (4.4) |
| Minority interests on adjustments | 0.2 | | 1.7 |
| **Total adjustments to reported earnings** | 47.1 | | (8.9) |
| **Pro forma net earnings** | **375.0** | ***22.1*** | **307.0** |
| Dividend preferred financing shares | (11.7) | | (11.7) |
| **Pro forma earnings common shareholders** | **363.3** | ***23.0*** | **295.3** |

## Ratios based on pro forma earnings

| | | **1st quarter 2002** *(16 weeks)* | *change in %* | **1st quarter 2001** *(16 weeks)* |
|---|---|---|---|---|
| Earnings per common share | Euro | 0.39 | *10.3* | 0.36 |
| Operating earnings as % of sales | | 3.80 | | 3.88 |
| Depreciation and amortization *(x 1 million)* | Euro | 559.4 | | 443.5 |
| EBITDA *(x 1 million)* | Euro | 1,325.2 | | 1,109.2 |
| EBITDA as % of sales | | 5.97 | | 6.10 |
| Average exchange rate of the euro | USD | 0.88 | | 0.92 |

## Consolidated statements of cash flows of Royal Ahold

| x 1 million Euro | 1st quarter *(16 weeks)* 2002 | 1st quarter *(16 weeks)* 2001 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Earnings before tax | 476.5 | 443.0 |
| *Adjustments for:* | | |
| Depreciation and amortization | 559.4 | 443.5 |
| Results on sale and divestments of tangible fixed assets | (22.3) | (5.5) |
| Changes in working capital | (208.4) | (627.3) |
| Changes in other provisions | (52.0) | (66.6) |
| Income tax paid | (170.6) | (124.9) |
| | **582.6** | **62.2** |
| **Cash flows from investing activities** | | |
| Investments in tangible and intangible fixed assets | (698.2) | (579.2) |
| Divestments of tangible and intangible fixed assets | 126.1 | 757.9 |
| Acquisitions | (170.6) | (215.8) |
| Net change in investments in unconsolidated subsidiaries | (8.6) | (13.6) |
| Change in loans receivable | 11.2 | (72.4) |
| | **(740.1)** | **(123.1)** |
| **Cash flows from financing activities** | | |
| Change in loans payable | (377.5) | (121.3) |
| Net proceeds from issuance of shares | 5.1 | 26.2 |
| Dividends paid | - | - |
| Changes in minority interests | (33.6) | (30.2) |
| | **(406.0)** | **(125.3)** |
| Exchange rate differences | (25.5) | 12.0 |
| **Net change in cash and cash equivalents** | **(589.0)** | **(174.2)** |
| Cash and cash equivalents at beginning of year | 1,972.3 | 1,335.6 |
| Cash brought in through acquisitions and new (de-)consolidations | (53.3) | 41.7 |
| **Cash and cash equivalents at the end of this quarter** | **1,330.0** | **1,203.1** |

## Consolidated balance sheet of Royal Ahold

| *x 1 million Euro* | **April 21, 2002** | **December 30, 2001** |
|---|---|---|
| **Assets** | | |
| *Current assets* | | |
| Cash and cash equivalents | 1,330 | 1,972 |
| Receivables | 3,938 | 4,005 |
| Inventories | 4,838 | 5,067 |
| | | |
| *Fixed assets* | | |
| Tangible fixed assets | 13,890 | 14,072 |
| Intangible fixed assets | 5,714 | 5,649 |
| Financial fixed assets | 1,678 | 1,471 |
| | 31,388 | 32,236 |
| | | |
| **Liabilities and shareholders' equity** | | |
| *Current liabilities* | | |
| Loans payable | 1,494 | 1,849 |
| Other current liabilities | 8,727 | 9,221 |
| | | |
| *Long-term liabilities* | | |
| Long-term debt | 10,870 | 10,795 |
| Subordinated loans | 1,780 | 1,780 |
| Provisions | 1,939 | 2,014 |
| | | |
| Minority interests | 541 | 685 |
| Shareholders' equity | 6,037 | 5,892 |
| Group equity | 6,578 | 6,577 |
| | 31,388 | 32,236 |
| | | |
| Net interest-bearing debt | 12,345 | 11,964 |
| Capital accounts | 8,358 | 8,357 |

## Ratios based on consolidated balance sheet

| | | **April 21, 2002** | | **December 30, 2001** |
|---|---|---|---|---|
| Number of common shares outstanding *(x 1,000)* | | 921,268 | | 920,979 |
| Group equity/Total assets % | | 21.0 | | 20.4 |
| Capital accounts/Total assets % | | 26.6 | | 25.9 |
| Exchange rate of the euro for balance sheet items | USD | 0.89 | USD | 0.88 |
| Group equity/Total assets in % assuming the convertible subordinated notes were fully converted | | 26.1 | | 25.5 |

## Financial results under US GAAP

| x 1 million Euro | 1st quarter (16 weeks) 2002 | 1st quarter (16 weeks) 2001 |
|---|---|---|
| *Effects of conforming to US GAAP* | | |
| Net earnings in accordance with Dutch GAAP | 328.0 | 316.0 |
| Dividends on cumulative preferred financing shares | (11.7) | (11.7) |
| Net earnings in accordance with Dutch GAAP applicable to common shares | 316.3 | 304.3 |
| *Items having the effect of increasing (decreasing) reported net earnings:* | | |
| a) Goodwill | 78.2 | (88.5) |
| b) Pensions | 5.1 | 8.0 |
| c) Revaluation of real estate | 0.5 | 0.6 |
| d) Restructuring costs | (22.8) | - |
| e) Other provisions | (12.2) | (4.5) |
| f) Real estate gains | (12.3) | (31.2) |
| g) SFAS 133 | 35.7 | (36.3) |
| h) Other adjustments | (1.3) | (1.3) |
| i) Income tax effects on reconciling items | (0.4) | 12.1 |
| j) Minority interest on reconciling items | 1.1 | 7.2 |
| Net earnings in accordance with US GAAP applicable to common shares | 387.9 | 170.4 |

Dutch GAAP results vary in certain significant respects from US GAAP. For a detailed description of these differences, reference is made to the Ahold 2001 Annual Report. In brief:

a) **Goodwill**: Under Dutch GAAP, goodwill is capitalized as per December 1, 2000, and amortized on a straight-line basis over a period no longer than 20 years. As per December 31, 2001, goodwill under US GAAP is subject to SFAS 142, and is no longer amortized on a straight-line basis, but tested on impairment. The impairment test should be finalized in the second half of 2002. In the first quarter of 2002, the amortization under Dutch GAAP has been fully reversed.

f) **Real estate gains**: For 2002, the number includes the reversal of the majority of real estate gains, offset by the amortization of the deferred gains. In 2001, the number mainly represents the losses on the leveraged lease transactions that took place in February of that year.

g) **SFAS 133**: The 2002 reconciliation includes the amortization of deferred gains from swaps that were terminated in 2001. The 2001 numbers include the transition adjustment resulting from the initial application of SFAS 133 of Euro 27 million and the net reversal of a gain on the termination of swaps, partly offset by the change in value of foreign currency leases.

**Accounting principles**
The accounting principles are unchanged compared to the accounting principles as stated in the Ahold 2001 Annual Report.

The data included in this press release is unaudited.