Ahold

Press Release

Royal Ahold
Public Relations

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Ahold net earnings surge 48% to Euro 1.1 billion

Highlights

- **Net earnings surge 48% to Euro 1.1 billion**
- **Operating results rise 61% to Euro 2.3 billion**
- **Sales increase by 56% to Euro 52.5 billion**
- **Earnings per common share up by 32% to Euro 1.51**
- **Full-year 2001 projection for earnings per common share: 15% higher excluding currency fluctuations, extraordinary items and goodwill amortization**

Zaandam, The Netherlands, March 6, 2001 - **Royal Ahold, the international food provider, achieved net earnings for the full-year 2000 (52 weeks) of Euro 1.1 billion (1999: Euro 752 million), a rise of 48%. Operating results increased by 61% to Euro 2.3 billion (1999: Euro 1.4 billion) and rose to 4.3% of net sales (1999: 4.2%). Earnings per common share rose 32% to Euro 1.51 (1999: Euro 1.14). Excluding currency fluctuations, primarily the impact of the higher average exchange rate of the U.S. dollar, earnings per common share rose 19%.**

Consolidated sales in 2000 rose 56% to Euro 52.5 billion (1999: 33.6 billion). Operating cash flow (EBITDA) increased by 51% to Euro 3.5 billion (1999: Euro 2.3 billion). EBITDA amounted to 6.6% of net sales (1999: 6.8%). Net earnings after deduction of preferred dividend totaled Euro 1.1 billion (1999: Euro 740 million).

Remarks by Ahold President & CEO Cees van der Hoeven

Commenting on the results, Ahold President & CEO Cees van der Hoeven said: ‘This is the 13th consecutive year in which our net earnings have grown significantly. Ahold has always met or exceeded expectations during this 13 year period and we intend to continue to do so. Results for the year 2000 indicate that we are on the right track with our multi-channel strategy. We have seen strong organic sales (6.6%) and organic earnings (13.6%) growth, while all new acquisitions have performed very well. We planned to double the size of our company between 1999 and 2002, but it now looks as if we will almost reach that goal by the end of 2001, with sales expected to be about Euro 65 billion. We look forward to the future with confidence and excitement.’

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Ahold 4th quarter and full year quarter 2000 results, compared to 1999

	4th Quarter			Full year		
x 1 million Euro	**2000**	*Change in %*	**1999**	**2000**	*Change in %*	**1999**
Sales	15,290.5	*78.2*	8,580.0	52,470.8	*56.3*	33,560.4
EBITDA	1,064.8	*66.2*	640.8	3,455.8	*51.4*	2,282.8
As % of sales	7.0		7.5	6.6		6.8
EBIT	733.7	*74.6*	420.1	2,274.1	*60.7*	1,414.7
As % of sales	4.8		4.9	4.3		4.2
Net earnings	370.0	*56.0*	237.2	1,116.0	*48.4*	752.1
Net earnings after preferred dividend	361.9	*54.5*	234.3	1,098.6	*48.5*	739.9
Earnings per common share in Euro	0.46	*29.3*	0.36	1.51	*32.3*	1.14

United States

	4th Quarter			Full Year		
x 1 million USD	**2000**	*Change in %*	**1999**	**2000**	*Change in %*	**1999**
Sales	7,581.9	*53.7*	4,933.5	27,757.2	*36.5*	20,340.4
Operating results	360.9	*35.4*	266.6	1,341.9	*34.0*	1,001.1

Sales in the United States rose 36% to USD 27.8 billion. This substantial increase partially reflects the acquisition in April of U.S. Foodservice. Sales were higher at all retail operating companies, particularly at Stop & Shop and Giant-Landover. Identical sales growth was 2.1% and comparable sales grew by 2.8%.

U.S. operating results rose 34% to USD 1.3 billion, partially reflecting the consolidation of U.S. Foodservice. Results at U.S. Foodservice exceeded expectations at the time of acquisition. Excluding Edwards, all supermarket chains showed market share gains, improved operating margins, significant synergy benefits and ongoing cost control. During the second half of the year, 63 Edwards stores were converted to the successful Stop & Shop format. Approximately USD 30 million for this conversion was charged to operating results. The operating losses of internet grocer Peapod amounted to USD 32 million.

Europe

	4th Quarter			Full Year		
x 1 million Euro	**2000**	*Change in %*	**1999**	**2000**	*Change in %*	**1999**
Sales	5,027.3	*84.7*	2,721.7	16,625.0	*59.0*	10,453.9
Operating results	243.3	*65.6*	146.9	669.9	*45.9*	459.1

In Europe, sales rose 59% to Euro 16.6 billion. This sharp increase partially reflects consolidation of the ICA Group effective the second quarter. In Spain, the sales rise was largely due to the acquisition of the Kampio supermarket chain. In Portugal, sales also increased. In the Czech Republic and Poland, the sales increase was mainly attributable to the opening of new supermarkets and hypermarkets. In The Netherlands, Albert Heijn, Schuitema and Deli XL achieved marked sales growth.

Operating results in Europe rose 46% to Euro 670 million, partly reflecting the consolidation of the ICA Group, which performed according to expectation. Operating results in The Netherlands, the Czech Republic and Spain also contributed to this increase. Operating results in Portugal were lower than last year, partially reflecting the costs of implementation of a new logistics system. The operating loss in Poland is due to the high cost of opening a large number of new stores.

Latin America

	4th Quarter			**Full Year**		
x 1 million Euro	**2000**	***Change in %***	**1999**	**2000**	***Change in %***	**1999**
Sales	1,439.5	*46.8*	980.6	5,081.9	*45.3*	3,497.2
Operating results	90.4	*178.2*	32.5	204.1	*111.1*	96.7

In Latin America, sales rose 45% to Euro 5.1 billion, reflecting in part the consolidation of La Fragua in Guatemala. Food retailer Bompreço in Brazil and the supermarket chains Disco in Argentina and Santa Isabel in Chile also contributed to the increased sales.

Operating results in Latin America increased by 111% to Euro 204 million, partly attributable to La Fragua, where results exceeded expectation. Substantially higher operating results at Bompreço and Disco also contributed to the rise. Operating results at Santa Isabel were positive for the fourth quarter, although a slight loss was recorded for the year as a whole.

Asia

	4th Quarter			**Full Year**		
X 1 million Euro	**2000**	***Change in %***	**1999**	**2000**	***Change in %***	**1999**
Sales	104.8	*3.4*	101.4	402.1	*(15.5)*	475.8
Operating results	(3.6)	*41.0*	(6.1)	(19.8)	*51.5*	(40.8)

In Asia, sales decreased by 15% to Euro 402 million, reflecting the sale of store chains in Shanghai and Singapore in 1999. Operating losses for the region amounted to Euro 20 million. In Thailand, operating results turned positive in 2000. Malaysia and Indonesia sustained operating losses.

Corporate costs

	4th Quarter			**Full Year**		
X 1 million Euro	**2000**	***Change in %***	**1999**	**2000**	***Change in %***	**1999**
	(11.4)	*(1.8)*	(11.2)	(46.1)	*(4.5)*	(44.1)

Corporate costs amounted to Euro 46 million (1999: Euro 44 million).

Net financial expense

X 1 million Euro	4th Quarter			Full Year		
	2000	*Change in %*	**1999**	**2000**	*Change in %*	**1999**
	(209.6)	*(140.0)*	(87.2)	(669.3)	*(82.8)*	(366.2)

Net financial expense rose to Euro 669 million, mainly reflecting the joint venture with the ICA Group and the acquisition of U.S. Foodservice as well as the higher U.S. dollar exchange rate. The interest coverage ratio was 3.15 (1999: 3.91). The ratio of net interest-bearing debt to operating cash flow was 2.42 (1999: 2.0).

Tax rate
The tax rate, expressed as a percentage of pre-tax earnings, was 25.0% (1999: 27.0%) due to changes in the composition of earnings before taxes.

Equity position
At year-end 2000, the balance sheet total increased to Euro 25.5 billion, reflecting the consolidation of acquisitions and investments in the existing business. Shareholders' equity amounted to Euro 2.5 billion at year-end 2000. Added to shareholders' equity were the proceeds of the public offering of common stock (Euro 4.1 billion), cumulative preferred financing shares issued (Euro 395 million), exercised option rights (Euro 56 million) and net results over the fiscal year after preferred dividend and cash dividend on common shares (Euro 1.1 billion). Goodwill amounting to Euro 5.4 billion, primarily for U.S. Foodservice and the ICA Group, was fully charged to shareholders' equity. Goodwill paid for the acquisition of PYA/Monarch and Superdiplo was capitalized in the balance sheet in accordance with Dutch Standard Accounting Principles published in November 2000. The negative impact of exchange rate fluctuations (Euro 25 million) was also charged to shareholders' equity. Group equity, the sum of shareholders' equity and minority interests, amounted to Euro 3.2 billion at year-end 2000. Capital accounts totaled Euro 5.0 billion, 19.5% of the balance sheet total.

Fourth Quarter 2000 net earnings rise 56% to Euro 370 million

In the fourth quarter of 2000, net earnings rose 56% to Euro 370 million (1999: Euro 237 million). Earnings per common share rose 29% to Euro 0.46 (1999: Euro 0.36). Earnings in Euro in this quarter were impacted by the higher average exchange rate of the U.S. dollar. At a constant U.S. dollar exchange rate, earnings per share rose 15%.

Fourth-quarter consolidated sales rose 78% to Euro 15.3 billion (1999: Euro 8.6 billion), partly reflecting the consolidation of the ICA Group and U.S. Foodservice. Organic sales growth for the quarter was 6.9%.

Operating results rose 75% to Euro 734 million (1999: Euro 420 million) and amounted to 4.8% of net sales (1999: 4.9%). Operating cash flow (EBITDA) rose 66% to Euro 1.1 billion (1999: Euro 641 million), 7.0% of net sales (1999: 7.5%).

In the United States, sales rose 54% to USD 7.6 billion (1999: USD 4.9 billion), partly due to the consolidation of U.S. Foodservice, Golden Gallon and Sugar Creek. The retail operating companies generated strong identical sales growth (3.2%) and comparable sales growth (4.1%).

Operating results rose 35% to USD 361 million (1999: USD 267 million), which includes the consolidation of U.S. Foodservice. The transition of the Edwards stores to the Stop & Shop format was completed in the fourth quarter and approximately USD 15 million was charged to operating results. Internet grocer Peapod recorded operating losses of USD 22 million.

In Europe, sales rose 85% to Euro 5.0 billion (1999: Euro 2.7 billion), reflecting in part the consolidation of the ICA Group in Scandinavia and the acquisition by Schuitema of A&P in The Netherlands. Operating results rose 66% to Euro 243 million (1999: Euro 147 million), in part due to the ICA Group. In The Netherlands, Albert Heijn had a strong fourth quarter. In the Czech Republic, operating results improved sharply. Portugal recorded lower results than last year. In Poland, operating losses are attributed to the high cost of supermarket and hypermarket openings.

In Latin America, sales rose 47% to Euro 1.4 billion (1999: Euro 981 million), partially reflecting the consolidation of La Fragua in Guatemala. All operating companies generated higher sales, specifically Bompreço in Brazil and Disco in Argentina. Operating results rose 178% to Euro 90 million (1999: Euro 33 million), partly due to the consolidation of La Fragua. Operating results at Bompreço and Disco were sharply higher. Santa Isabel achieved positive operating results for the fourth quarter.

In Asia, sales rose 3% to Euro 105 million (1999: Euro 101 million). Operating losses were reduced to Euro 4 million (1999 loss: Euro 6 million). Operating results were positive in Thailand, while Malaysia and Indonesia recorded marginal operating losses.

Corporate costs amounted to Euro 11 million (1999: Euro 11 million).

Net financial expense increased to Euro 210 million (1999 expense: Euro 87 million), mainly reflecting the joint venture with the ICA Group and the acquisition of U.S. Foodservice. The higher average exchange rate of the U.S. dollar also contributed to the increase.

The tax rate was 23.3% (1999: 26.7%).

2000 dividend proposal

It is proposed that a dividend of Euro 0.63 (1999: Euro 0.49) per common share of Euro 0.25 par value be paid from the 2000 results; Euro 0.18 of this amount has already been paid as interim dividend. Stockholders can choose to receive the 2000 final dividend of Euro 0.45 in the form of a cash pay-out or 2% in common shares, charged to the additional paid-in capital. This dividend will be made payable as of May 23, 2001.

Annual General Meeting of Stockholders

The General Meeting of Stockholders will be held at the Circus Theater in The Hague on Tuesday May 15, 2001 at 1:30 pm.
The 2000 annual report will be available as of April 9, 2001.

Outlook for 2001

The Corporate Executive Board expects that sales and operating results will improve in all trade areas in 2001, reflecting healthy organic growth as well as the contribution of recent acquisitions. It is anticipated that net earnings will be strongly higher. Earnings per share, excluding currency fluctuations, extraordinary items and goodwill amortization are expected to be 15% higher than in 2000.

Definition of terms:

Organic sales exclude sales from acquisitions consolidated for less than a year.

Identical sales compare sales from exactly the same stores.

Comparable sales are identical sales plus sales from replacement stores.

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Editor's note, not for publication:

The Corporate Executive Board is holding a press conference this afternoon at 2:00 p.m. at Ahold corporate headquarters on the Albert Heijnweg in Zaandam. The Board will comment on the results and on the company's future prospects.

Consolidated statement of earnings of Royal Ahold

x 1 million Euro *(unless otherwise indicated)*	4th quarter 2000 *(12 weeks)*	*increase in %*	1999 *(12 weeks)*	fiscal year 2000 *(52 weeks)*	*increase in %*	1999 *(52 weeks)*
Sales to third parties						
- United States *(in dollars)*	$7,581.9	*53.7*	$4,933.5	$27,757.2	*36.5*	$20,340.4
- Europe	5,027.3	*84.7*	2,721.7	16,625.0	*59.0*	10,453.9
- Latin America	1,439.5	*46.8*	980.6	5,081.9	*45.3*	3,497.2
- Asia Pacific	104.8	*3.4*	101.4	402.1	*(15.5)*	475.8
Total sales	15,290.5	*78.2*	8,580.0	52,470.8	*56.3*	33,560.4
Operating results						
- United States (*in dollars)*	$360.9	*35.4*	$266.6	$1,341.9	*34.0*	$1,001.1
- Europe	243.3	*65.6*	146.9	669.9	*45.9*	459.1
- Latin America	90.4	*178.2*	32.5	204.1	*111.1*	96.7
- Asia Pacific	(3.6)	*41.0*	(6.1)	(19.8)	*51.5*	(40.8)
- Corporate costs	(11.4)	*(1.8)*	(11.2)	(46.1)	*(4.5)*	(44.1)
Total operating results	733.7	*74.6*	420.1	2,274.1	*60.7*	1,414.7
Net financial income and expenses	(209.6)		(87.2)	(669.3)		(366.2)
Earnings before income taxes	524.1	*57.4*	332.9	1,604.8	*53.1*	1,048.5
Income taxes	(122.1)		(89.0)	(401.0)		(283.0)
Earnings after income taxes	402.0	*64.8*	243.9	1,203.8	*57.3*	765.5
Income from unconsolidated joint ventures and associates	5.8		5.0	14.6		7.4
Minority interests	(37.8)		(11.7)	(102.4)		(20.8)
Net earnings	370.0	*56.0*	237.2	1,116.0	*48.4*	752.1
Dividend preferred shares	(8.1)		(2.9)	(17.4)		(12.2)

Ratios

		4th quarter 2000 *(12 weeks)*	1999 *(12 weeks)*		full year 2000 *(52 weeks)*	1999 *(52 weeks)*
Average number of common shares outstanding (*x 1,000)* [1]		780,268	653,422		729,825	650,564
Earnings per common share [2]	EUR	0.46	0.36	EUR	1.51	1.14
Diluted earnings per common share [3]	EUR	0.45	0.35	EUR	1.47	1.11
Operating results as % of sales		4.80	4.90		4.33	4.22
Depreciation and amortization *(x 1 million)*	EUR	331.1	220.7	EUR	1,181.7	868.1
Operating results before depreciation *(x 1 million)*	EUR	1,064.8	640.8	EUR	3,455.8	2,282.8
Operating results before depreciation as % of sales		6.96	7.47		6.59	6.80
Earnings after income taxes as % of sales		2.63	2.84		2.29	2.28
Average exchange rate of the euro against the dollar	EUR	0.87	1.03	EUR	0.92	1.06

[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.*

Consolidated balance sheet of Royal Ahold

x 1 million Euro	**December 31, 2000 [4]**	**January 2, 2000 [4]**
Cash and cash equivalents	1,336	888
Receivables	3,426	1,697
Inventories	4,100	2,552
Intangible fixed assets	3,153	291
Tangible fixed assets	12,232	8,394
Financial fixed assets	1,214	464
	25,461	14,286
Current liabilities	10,221	5,854
Long-term debt	8,520	3,797
Provisions	1,760	1,087
Subordinated loans	1,780	860
Minority interests	677	336
Shareholders' equity	2,503	2,352
Group equity	3,180	2,688
	25,461	14,286
Net interest-bearing debt	10,940	4,874
Capital accounts	4,960	3,548

Ratios

	December 31, 2000	**January 2, 2000**
Number of common shares outstanding *(x 1,000)* [5]	816,849	653,919
Group equity/Total assets %	12.5	18.8
Capital accounts/Total assets %	19.5	24.8
Exchange rate of the euro against the dollar for balance sheet items	EUR 0.94	EUR 1.01
Group equity/Total assets in % under the assumption as if the convertible subordinated bonds were fully converted	18.9	23.7

[4] Effective fiscal year 2000, the dividend payable on common shares is included in the shareholders' equity and not in other current liabilities anymore. The figures as at January 2, 2000 are restated.
[5] Number of shares has been adjusted for stock dividends.

Consolidated statements of cash flows of Royal Ahold

x 1 million Euro	**2000**	**1999**
Cash flows from operating activities		
Net earnings	1,116.0	752.1
Minority interest in earnings	102.4	20.8
Depreciation and amortization	1,181.7	868.1
Unremitted earnings of unconsolidated associates	(10.9)	(3.3)
Result of divestment of subsidiaries	-	1.8
Changes in working capital and provisions	105.1	127.8
Changes in deferred income taxes	205.6	(37.3)
	2,699.9	**1,730.0**
Cash flows from investing activities		
Net investments in tangible and intangible fixed assets	(2,145.5)	(1,613.9)
Acquisition and sale of subsidiaries	(9,196.1)	(697.4)
	(11,341.6)	**(2,311.3)**
Cash flows from financing activities		
Net change in loans receivable/payable	4,201.5	565.9
Net proceeds from issuance of shares	4,541.2	20.8
Dividends paid	(56.0)	(46.5)
Changes in minority interests	29.3	325.9
	8,716.0	**866.1**
Exchange rate differences	(43.1)	44.2
Net change in cash and cash equivalents	**31.2**	**329.0**
Cash and cash equivalents at beginning of year	887.6	519.4
Cash brought in through acquisitions and new consolidations	416.8	39.2
Cash and cash equivalents at end of the fiscal year	**1,335.6**	**887.6**

Speech Ahold President Cees van der Hoeven, press conference 2000 full year results.

Zaandam, March 6, 2001.

Ladies and Gentlemen,

All of us at Ahold are proud that once again we can announce excellent quarterly and annual results. Our sales for the year increased by 56%, our operating earnings by 61%, our net earnings by 48% and earnings per share went up by 32%. Even after allowing for the favorable impact of currencies our net earnings per share increased by 19%, in line with our target.

In general, our ongoing business performed very well. Almost without exception we strengthened our market position and improved operating margins. Our competitive strength in existing markets is clearly evident as we leverage economies of scale, exchange best practice and focus on our local customers. We are equally pleased with the integration of newly acquired companies. U.S. Foodservice already proves to be a major contributor, exceeding our expectations. The multi-channel strategy is taking shape and we are on the right track to generate substantial benefits in and between the two channels, food retailing and food service. Also, our newly formed joint venture with ICA in Scandinavia performed very well as did the joint venture with La Fragua in Central America.

In both instances we clearly see our ability to contribute to profitable growth of these two well-managed companies. We also look forward to working with our two most recent acquisitions PYA/Monarch and Superdiplo. The early signs for successful integration are excellent.

Ladies and Gentlemen, this is the 13th consecutive year of net earnings growth and I am particularly pleased to say that never during this period did we underperform against market expectation. Few of you may realize that during the past ten years Ahold sales increased six-fold, net earnings nine-fold and market capitalization eighteen-fold. You may recall that we were seen as very ambitious when in 1995 we set a goal for 2000 of NLG 50 billion sales and NLG 1 billion net earnings. We have exceeded those numbers last year, be it in Euros rather than guilders.

I realize that making these statements may sound as if it’s all over, but I can assure you that this is certainly not the case. We have a great future ahead of us and that’s why I would like to share our vision and strategy with you today. But first, let me address the food retail environment.

The general trend of a declining share of food retail expenditure of gross national product continues everywhere. Food inflation continues to be lower than general price inflation. Also, total expenditure on food continues to grow twice as fast outside than inside the home. Against the background of slowing economic growth, this is not very encouraging. However, from our perspective there is very clear silver lining to the clouds. First, as a consequence of our multi-channel strategy, we participate in every meal occasion: at home, in a restaurant, at work, in a hospital, while on the move or just out in the street. Second, in retail as well as in food service we see unprecedented opportunities to improve market share and do new acquisitions. As competition continues unabated it is quite clear that many companies are better off teaming up with a strong, well-organized partner than to pursue long-term independence. The Ahold advantage is that we have a superb track record of integrating companies very successfully. We preserve the brand name, the heritage, keep management in place and provide all the necessary ingredients for faster profitable growth. Therefore, you will see further acquisitions, but there is none to be announced today.

Looking forward, we feel good about our multi-channel, multi-brand, multi-format and multi-regional strategy. It looks complicated from the outside as if we are trying to do too many things at the same time. However, I can assure you that it is very manageable and that in our perception it is the right way to attract our customers wherever, whenever, or whoever they are. We do not offer one-size-fits-all solutions, but instead an array of meal occasions and meal solutions to very individual, unpredictable and ever-changing consumer needs. It is our task to be flexible and respond to these needs as they arise. It also broadens our scope tremendously and puts us on an unabated growth path for the future. There is certainly no lack of opportunities, it is more a matter of choosing the right ones. As an organization we are ready for it and we look forward with confidence and excitement.

The focus inside our existing business is mainly on five points.

First, to step up organic sales growth not only by expanding square footage, but even more specifically by building sales per square foot. In a market where new stores grow faster than consumer demand this is challenging. We intend to differentiate our assortment better than ever before to local market circumstances and to offer more services to our customers. Our strong customer card programs in many countries will assist us here.

Second, we intend to further improve our margins, not by raising retail prices but by better joint sourcing of all product categories and by offering more value added products and services.

Third, we will vigorously pursue our efforts to take costs out of the business. All our processes and actions will be tested against two guiding principles: do they improve customer satisfaction and/or associate motivation. If the answer is “nothing or little”, we will change the process or declare it redundant.

Fourth, we will step up our efforts to use capital efficiently. This applies to working capital as well as fixed assets. Our cashflow will be put to better use and our call on outside funds, relative to our growth, should be decreased.

Fifth, we are very much aware of one of our most important assets, our brand equity. Special attention will be paid to further investment in the brand of our retail chains as well as our foodservice operations.

And last but not least, we continue to invest in our people. Management development, training, diversity of the workforce, internal communication and active participation in decision taking are all key programs which have been stepped up substantially.

With all these programs in place we have a full plate. However, we do not want to loose sight of some other initiatives.

Since knowledge of people constitutes our most important asset, Ahold Networking is a crucial element of our strategy. The intranet to which currently 6000 associates are actively connected ensures that the whole of Ahold is greater than the sum of its parts. Our overall business is broken up in fourteen knowledge areas and in each of these several network groups are operative. Targets are set to leverage scale, benchmark important ratio's and exchange best practice when opportunities are identified. It is a very rewarding process because it raises the bar for performance and also excites our troops as their world opens up to much broader horizons.

Being actively involved in the environment in which we operate presents its own challenges. Ahold has taken a leading role in a worldwide food safety initiative, designed to set standards in the industry, to ensure coordinated and rapid response to incidents and to improve consumer awareness. We have also embarked on several programs to further our community involvement and upgrade our role as responsive citizens to society. We see this as a natural consequence of our position as being one of the world's leading food providers. But, we also believe that the best companies take their larger responsibility as a matter of course in the interest of all stakeholders.

Ladies and Gentlemen, we are proud of our accomplishments and excited about our future. Ahold is in excellent shape and ready to make another leap forward. I have told you before that we intended to double the size of our company between 1999 and 2002. It now looks as if we will almost do that already in 2001, this year. Our sales this year are projected around Euro 65 billion, excluding further acquisitions and of course allowing for currency exchange fluctuations.

Once again, we expect that sales and operating results will improve in all trade areas in 2001, reflecting healthy organic growth as well as the contribution of recent acquisitions. It is anticipated that net earnings will be strongly higher. Earnings per share, excluding currency fluctuations, extraordinary items and goodwill amortization are expected to be 15% than in 2000.

I would like to thank our 420.000 associates around the world for their hard work and significant contributions.

With this I would like to hand over to Michael Meurs for his review of our financial performance.