

Earnings Release

Q2 2008 highlights

- Sales increased 7.3% at constant exchange rates
- Operating income EUR 235 million, down EUR 39 million
- Income from continuing operations up EUR 7 million to EUR 177 million
- New logos and brand initiatives unveiled for Stop & Shop and Giant-Landover
- Underlying retail operating margin guidance for the year unchanged at 4.8-5.3%

Amsterdam, the Netherlands – Ahold today published its interim financial report for the second quarter and half year 2008. Ahold CEO John Rishton said “We continued to invest in price and gave increased focus to promotions, both of which helped to drive sales and win customers but, as anticipated, impacted margins.

“In Europe, as part of Albert Heijn’s price positioning strategy, food price inflation was only partially passed on to customers during the quarter, and strong promotions including the Euro 2008 Football Championships temporarily impacted margins. At Albert/Hypernova, we also did not pass on all food price inflation to customers this quarter, as we continued the repositioning started a year ago.

“In the United States, the Value Improvement Program has now expanded beyond price repositioning to marketing and branding. We unveiled new logos and a number of brand initiatives for Stop & Shop and Giant-Landover last week as a further step in Ahold’s global strategy to build powerful local consumer brands. Giant-Carlisle continued to gain share in a highly competitive market.

“We are confident we will manage the balance between sales growth and margin and deliver our underlying retail operating margin guidance for 2008 of 4.8-5.3%.”

Financial performance

Second Quarter 2008

Net sales were EUR 5.8 billion, down 0.8% from the same period last year. At constant exchange rates, net sales increased by 7.3%.

Operating income was EUR 235 million, EUR 39 million lower than in the same period last year. Retail operating income was EUR 247 million, an operating margin of 4.3% compared to 5.1% in the same period last year. Corporate Center costs were EUR 12 million for the quarter, down EUR 7 million from the same period last year. Income from continuing operations was EUR 177 million, EUR 7 million higher than the same period last year. Net income was EUR 338 million, which includes EUR 162 million related to the divestment of Schuitema. Net income is down EUR 1.9 billion compared to the same quarter last year, which included EUR 2 billion related to the divestment of U.S. Foodservice and the Company’s operations in Poland.

ALBERT ALBERT HEIJN ALBERT.NL ETOS FEIRA NOVA GALL & GALL GIANT FOOD
GIANT FOOD STORES HYPERNOVA ICA PEAPOD PINGO DOCE STOP & SHOP
WE MAKE IT EASY TO CHOOSE THE BEST

Earnings Release - continued

Cash flow before financing was EUR 635 million, EUR 5 billion lower than the same period last year, which included EUR 5.2 billion proceeds from the divestment of U.S. Foodservice and the Company's operations in Poland. In the second quarter of 2008 EUR 952 million of debt was repaid as part of our targeted EUR 2 billion debt reduction.

Half year 2008

Net sales were EUR 13.3 billion, down 1.1% from the same period last year. At constant exchange rates, net sales increased by 7.0%.

Operating income was EUR 571 million, EUR 16 million lower than in the same period last year. Retail operating income was EUR 617 million, an operating margin of 4.6% compared to 4.9% in the same period last year. Corporate Center costs were EUR 46 million, down EUR 15 million from the same period last year.

Income from continuing operations was EUR 398 million, EUR 72 million higher than the same period last year. Net income was EUR 599 million, down EUR 1.9 billion compared to the same period last year, which included a EUR 2 billion result on divestments.

Cash flow before financing was EUR 906 million, EUR 4.8 billion lower than the same period last year which included EUR 5.2 billion proceeds from the divestment of U.S. Foodservice and the Company's operations in Poland.

(Euros in millions)	Q2 2008	Q2 2007	% Change	HY 2008	HY 2007	% Change
Net sales	5,783	5,832	(0.8%)*	13,321	13,466	(1.1%)*
Operating income	235	274	(14.2%)	571	587	(2.7%)
Income from continuing operations	177	170	4.1%	398	326	22.1%
Net income	338	2,228	(84.8%)	599	2,469	(75.7%)

* At constant exchange rates, net sales increased by 7.3% in the second quarter and 7.0% in the first half year.

Performance by business segment

Stop & Shop/Giant-Landover

For the second quarter, net sales of USD 4 billion were up 1.7% compared with the same period last year. Net sales included USD 29 million of sales to Tops (prior to its divestment, such sales were recorded as inter-company sales). Identical sales were up 2.2% at Stop & Shop (1.0% excluding gasoline net sales) and down 1.5% at Giant-Landover (1.7% excluding gasoline net sales), impacted by lower pharmacy sales. Operating income was USD 125 million (or 3.1% of net sales), down USD 36 million from the same period last year. Margins were impacted by price investments related to the roll-out of the Value Improvement Program, with improvements expected later in the year. Furthermore, operating income in the quarter included restructuring, severance and related charges of USD 37 million and impairment charges of USD 7 million, partially offset by gains on the sale of assets of USD 22 million.

For the first half, net sales of USD 9.2 billion were up 1.5% compared with the same period last year. Net sales included USD 85 million of sales to Tops. Identical sales were up 1.6% at Stop & Shop (0.6% excluding gasoline net sales) and down 1.5% at Giant-Landover (1.6% excluding gasoline net sales). Operating income was USD 327 million (or 3.6% of net sales), down USD 62 million from the same period last year.

Earnings Release - continued

Giant-Carlisle

For the second quarter, net sales of USD 1.1 billion were up 11.5% compared with the same period last year. Identical sales were up 7.0% (4.1% excluding gasoline net sales). Operating income was USD 51 million (or 4.6% of net sales), down USD 10 million compared to the same period last year. Operating income in the quarter included restructuring related charges of USD 8 million.

For the first half, net sales of USD 2.5 billion were up 10.2% compared with the same period last year. Identical sales were up 6.3% (3.9% excluding gasoline net sales). Operating income was USD 123 million (or 4.9% of net sales), and was flat compared to the same period last year.

Albert Heijn

For the second quarter, net sales of EUR 2.1 billion were up 14.2% compared with the same period last year. Net sales increased at Albert Heijn supermarkets by 14.4% to EUR 1.9 billion. Identical sales at Albert Heijn supermarkets increased 11.8%. Operating income was EUR 138 million (or 6.6% of net sales), up EUR 8 million from the prior year, primarily due to lower pension charges. Second quarter 2008 operating income included gains on the sale of assets of EUR 10 million (Q2 2007: EUR 9 million).

For the first half, net sales of EUR 4.8 billion were up 13.8% compared with the same period last year. Identical sales at Albert Heijn supermarkets were up 11.5%. Operating income was EUR 327 million (or 6.9% of net sales), up EUR 47 million compared to the same period last year.

Albert / Hypernova (Czech Republic and Slovakia)

For the second quarter, net sales increased 20.2% to EUR 411 million. At constant exchange rates net sales increased 4.6%. Identical sales were up 5.6%. Operating losses were EUR 4 million compared to an operating income of EUR 5 million in the same quarter last year.

For the first half, net sales increased 18.9% to EUR 923 million. At constant exchange rates net sales increased 6.4%. Identical sales were up 6.8%. Operating losses were EUR 5 million compared to nil in the same period last year.

Schuitema

We completed the sale of our majority interest in Schuitema to CVC Capital Partners on June 30, 2008. We expect to complete the transfer of stores and conversion to the Albert Heijn brand by the end of 2008.

Unconsolidated joint ventures

For the second quarter, Ahold's share in income of joint ventures increased 15.6% to EUR 37 million. The increase was primarily due to ICA, mainly as a result of strong performance in Sweden and the Baltics.

For the first half, Ahold's share in income of joint ventures was down 7.4% to EUR 50 million, mainly due to lower gains on the sale of assets at ICA.

Ahold Press Office: +31 (0)20 509 5291

Other information**Non-GAAP financial measures**

- Net sales, at constant exchange rates. Net sales, at constant exchange rates, exclude the impact of using different currency exchange rates to translate the financial information of Ahold subsidiaries or joint ventures to euros. Ahold's management believes this measure provides a better insight into the operating performance of Ahold's foreign subsidiaries or joint ventures.

Earnings Release - continued

- Identical sales, excluding gasoline net sales. Because gasoline prices have experienced greater volatility than food prices, Ahold's management believes that by excluding gasoline net sales, this measure provides a better insight into the effect of gasoline net sales on Ahold's identical sales.
- Underlying retail operating income. Total retail operating income, adjusted for impairment of non-current assets, gains and losses on the sale of assets and restructuring charges. Ahold's management believes this measure provides better insight into underlying operating performance of Ahold's retail operations.
- Operating income in local currency. In certain instances operating income is presented in local currency. Ahold's management believes this measure provides better insight into the operating performance of Ahold's foreign subsidiaries.
- Cash flow before financing activities. Cash flow before financing activities is the sum of net cash from operating activities and net cash from investing activities. Ahold's management believes that because this measure excludes net cash from financing activities, this measure is useful where such financing activities are discretionary, as in the case of voluntary debt prepayments.

(Euros in millions)	Q2 2008	Q2 2007	HY 2008	HY 2007
Cash flow before financing	635	5,678	906	5,676
Net cash from financing activities	(1,298)	(217)	(1,418)	(472)
Net cash from operating, investing and financing activities	(663)	5,461	(512)	5,204

Ahold's financial year

- Ahold's reporting calendar is based on 13 periods of four weeks. The quarters in 2008 are as follows:

First Quarter	December 31, 2007 through April 20, 2008
Second Quarter	April 21 through July 13, 2008
Third Quarter	July 14 through October 5, 2008
Fourth Quarter	October 6 through December 28, 2008

This earnings release should be read in conjunction with Ahold's interim financial report for the second quarter and half year 2008, which is available on www.ahold.com. The data provided in this earnings release are unaudited and are accounted for in accordance with IFRS, unless otherwise stated.

Cautionary notice

This press release includes forward-looking statements, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those included in such statements. These forward-looking statements include, but are not limited to, statements as to the progress with Ahold's strategy on sales growth and price positioning, the balance between sales growth and margin, the expected impact of price investments and other initiatives related to the roll-out of the Value Improvement Program on margins and sales, the transfer of the acquired Schuitema stores and conversion thereof into Albert Heijn stores, the expected underlying retail operating margin, capital expenditure and net interest expense for full year 2008. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Ahold's ability to control or estimate precisely, such as the effect of general economic or political conditions, fluctuations in exchange rates or interest rates, increases or changes in competition, Ahold's ability to implement and complete successfully its plans and strategies, the benefits from and resources generated by Ahold's plans and strategies being less than or different from those anticipated, changes in Ahold's liquidity needs, the actions of competitors and third parties and other factors discussed in Ahold's public filings. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Koninklijke Ahold N.V. does not assume any obligation to update any public information or forward-looking statements in this release to reflect subsequent events or circumstances, except as may be required by securities laws. Outside the Netherlands, Koninklijke Ahold N.V., being its registered name, presents itself under the name of "Royal Ahold" or simply "Ahold".