

**Koninklijke Ahold N.V.**  
**Interim Financial Report**  
**First three quarters 2008**

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**Consolidated interim statements of operations**

(unaudited)

	Note	Q3 YTD 2008	Q3 YTD 2007	Q3 2008	Q3 2007
(Euros in millions, except per share data)					
<b>Net sales</b>	3	<b>19,127</b>	<b>19,053</b>	<b>5,806</b>	<b>5,587</b>
Cost of sales	6	(14,060)	(13,796)	(4,259)	(4,065)
Gross profit		5,067	5,257	1,547	1,522
Selling expenses		(3,673)	(3,820)	(1,125)	(1,118)
General and administrative expenses	4,5	(561)	(614)	(160)	(168)
Total operating expenses	6	(4,234)	(4,434)	(1,285)	(1,286)
<b>Operating income</b>	3	<b>833</b>	<b>823</b>	<b>262</b>	<b>236</b>
Interest income		91	97	26	57
Interest expense		(261)	(338)	(76)	(101)
Other financial income (expense)		-	(10)	7	17
Net financial expense		(170)	(251)	(43)	(27)
<b>Income before income taxes</b>		<b>663</b>	<b>572</b>	<b>219</b>	<b>209</b>
Income taxes		(158)	(131)	(62)	(40)
Share in income of joint ventures	7	80	107	30	53
<b>Income from continuing operations</b>		<b>585</b>	<b>548</b>	<b>187</b>	<b>222</b>
Income from discontinued operations	8	209	2,135	8	(8)
<b>Net income</b>		<b>794</b>	<b>2,683</b>	<b>195</b>	<b>214</b>
Attributable to:					
Common shareholders		789	2,671	195	210
Minority interests		5	12	-	4
<b>Net income</b>		<b>794</b>	<b>2,683</b>	<b>195</b>	<b>214</b>
Net income per share					
Basic		0.67	1.75	0.17	0.15
Diluted		0.65	1.74	0.16	0.15
Income from continuing operations per share					
Basic		0.50	0.36	0.16	0.16
Diluted		0.49	0.36	0.16	0.16
Weighted average number of common shares outstanding (x 1,000)					
Basic		1,173,425	1,526,005	1,174,598	1,400,713
Diluted		1,243,139	1,533,599	1,244,159	1,455,110
Average USD exchange rate (euro per U.S. dollar)		0.6589	0.7431	0.6736	0.7253

**Consolidated interim statements of recognized income and expense**

(unaudited)

(Euros in millions)	Q3 YTD 2008	Q3 YTD 2007
<b>Net income</b>	<b>794</b>	<b>2,683</b>
Exchange rate differences in foreign interests	141	(188)
Cumulative exchange rate differences related to divestments	-	(111)
Gains (losses) on cash flow hedges - net	(7)	17
Income (expense) recognized directly in equity	134	(282)
<b>Total recognized income and expense</b>	<b>928</b>	<b>2,401</b>
Attributable to:		
Common shareholders	923	2,389
Minority interests	5	12
<b>Total recognized income and expense</b>	<b>928</b>	<b>2,401</b>

**Consolidated interim balance sheets**

(unaudited)

(Euros in millions)	Note	October 5, 2008	December 30, 2007
<b>Assets</b>			
Property, plant and equipment		5,566	5,390
Investment property		461	463
Goodwill		253	252
Other intangible assets		310	351
Investments in joint ventures		854	869
Deferred tax assets		385	370
Other non-current assets		503	422
<b>Total non-current assets</b>		<b>8,332</b>	<b>8,117</b>
Assets held for sale	<i>8</i>	176	206
Inventories		1,221	1,263
Income taxes receivable		41	7
Receivables		678	941
Other current assets		186	147
Cash and cash equivalents	<i>11</i>	2,801	3,263
<b>Total current assets</b>		<b>5,103</b>	<b>5,827</b>
<b>Total assets</b>		<b>13,435</b>	<b>13,944</b>
Quarter-end USD exchange rate (euro per U.S. dollar)		0.7262	0.6795

**Consolidated interim balance sheets – continued**

(unaudited)

(Euros in millions)	Note	October 5, 2008	December 30, 2007
<b>Group equity and liabilities</b>			
Equity attributable to common shareholders	9	4,533	3,810
Minority interests	8	-	77
<b>Group equity</b>		<b>4,533</b>	<b>3,887</b>
Pensions and other post-employment benefits		126	183
Deferred tax liabilities		100	34
Provisions		447	408
Loans	10	2,328	2,658
Other non-current financial liabilities		1,705	1,688
Other non-current liabilities		181	153
<b>Total non-current liabilities</b>		<b>4,887</b>	<b>5,124</b>
Provisions		188	196
Income taxes payable		73	126
Accounts payable		2,096	2,240
Other current financial liabilities	10	725	1,342
Other current liabilities		933	1,029
<b>Total current liabilities</b>		<b>4,015</b>	<b>4,933</b>
<b>Total group equity and liabilities</b>		<b>13,435</b>	<b>13,944</b>
Quarter-end USD exchange rate (euro per U.S. dollar)		0.7262	0.6795

**Consolidated interim statements of cash flows**

(unaudited)

(Euros in millions)	Note	Q3 YTD 2008	Q3 YTD 2007	Q3 2008	Q3 2007
Operating income		833	823	262	236
Adjustments for:					
Depreciation, amortization and impairments		502	535	155	161
Gains on the sale of assets	5	(42)	(33)	(6)	(4)
Other		23	24	7	8
Operating cash flows before working capital changes		1,316	1,349	418	401
Changes in inventories		20	43	(34)	(14)
Changes in receivables and other current assets		8	56	(20)	31
Changes in payables and other current liabilities		(155)	(128)	(65)	(23)
Changes in non-current assets and liabilities	11	(49)	(160)	(31)	(109)
Class action settlement		-	(284)	-	-
Cash generated from operations		1,140	876	268	286
Income taxes (paid) received - net		(120)	122	(32)	146
Operating cash flows from continuing operations		1,020	998	236	432
Operating cash flows from discontinued operations		20	267	(4)	8
<b>Net cash from operating activities</b>		<b>1,040</b>	<b>1,265</b>	<b>232</b>	<b>440</b>
Purchase of non-current assets		(653)	(542)	(219)	(157)
Divestments of assets/disposal groups held for sale		81	60	12	25
Acquisition of businesses, net of cash acquired		(10)	(19)	(2)	(6)
Divestment of businesses, net of cash divested	8	342	5,244	-	13
Dividends from joint ventures		70	64	-	-
Interest received		91	96	24	60
Issuance of loans receivable	8	(54)	(1)	(2)	-
Repayments of loans receivable		31	6	1	3
Other		17	-	2	-
Investing cash flows from continuing operations		(85)	4,908	(184)	(62)
Investing cash flows from discontinued operations		(2)	(128)	(1)	(9)
<b>Net cash from investing activities</b>		<b>(87)</b>	<b>4,780</b>	<b>(185)</b>	<b>(71)</b>
Interest paid		(275)	(329)	(66)	(78)
Repayments of loans	10	(963)	(188)	(2)	(22)
Changes in derivatives		(23)	(26)	(13)	(11)
Dividends paid on common shares	9	(188)	-	-	-
Capital repayment	9	-	(2,995)	-	(2,995)
Share buyback	9	-	(522)	-	(522)
Acquisition minority interest	8	(55)	-	-	-
Other		32	25	(3)	12
Financing cash flows from continuing operations		(1,472)	(4,035)	(84)	(3,616)
Financing cash flows from discontinued operations		(31)	(54)	(1)	(1)
<b>Net cash from financing activities</b>		<b>(1,503)</b>	<b>(4,089)</b>	<b>(85)</b>	<b>(3,617)</b>
<b>Net cash from operating, investing and financing activities</b>	11	<b>(550)</b>	<b>1,956</b>	<b>(38)</b>	<b>(3,248)</b>
Average USD exchange rate (euro per U.S. dollar)		0.6589	0.7431	0.6736	0.7253

## Notes to the condensed consolidated interim financial statements

(Euros in millions, unless otherwise stated)

### 1 The Company and its operations

The principal activities of Koninklijke Ahold N.V. ("Ahold" or the "Company"), a public limited liability company with its registered seat in Zaandam, the Netherlands and its head office in Amsterdam, the Netherlands, are the operation of retail food stores in the United States and Europe through subsidiaries and joint ventures. In addition, some subsidiaries finance, develop and manage store sites and shopping centers, primarily to support retail operations. The activities of Ahold are to some extent subject to seasonal influences. Ahold's retail businesses generally experience an increase in net sales in the fourth quarter of each year, resulting mainly from holiday sales.

The information in these condensed consolidated interim financial statements ("interim financial statements") is unaudited.

### 2 Accounting policies

#### Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies applied in these interim financial statements are consistent with those applied in Ahold's 2007 consolidated financial statements, except as described below under "change in accounting policies". Comparative figures for 2007 have been adjusted from those previously reported to reflect the classification of Schuitema, which was sold in Q2 2008, as a discontinued operation.

Ahold's reporting calendar is based on 13 periods of four weeks, with Q3 YTD 2008 and Q3 2008 comprising 40 and 12 weeks, respectively, and ending on October 5, 2008 (Q3 YTD 2007 and Q3 2007: 40 and 12 weeks, respectively, ending on October 7, 2007). The financial year of Ahold's unconsolidated joint venture ICA AB ("ICA") corresponds to the calendar year. Any significant transactions and/or events between ICA's quarter-end and Ahold's quarter-end are taken into account in the preparation of Ahold's interim financial statements.

Euro equivalents of foreign currency amounts stated in the notes to these interim financial statements are determined using historical rates for settled items and closing rates for items to be settled as of October 5, 2008.

#### Change in accounting policies

As of 2008, Ahold has applied IFRS 8 "Operating segments". IFRS 8 introduces new disclosure requirements with respect to segment information. The adoption of IFRS 8 did not have an impact on Ahold's segment structure, consolidated financial results or position; however, segment results no longer include intercompany royalties. Comparative information has been changed accordingly, with the effect that Giant-Carlisle's Q3 YTD 2007 operating income increased by EUR 10 (Q3 2007: EUR 3) and the Corporate Center's operating result decreased by the same amount.

### 3 Segment reporting

Ahold's operations are presented in five segments. In addition, Ahold's Corporate Center is presented separately.

Segment	Significant operations in the segment
Stop & Shop/Giant-Landover	Stop & Shop, Giant-Landover and Peapod
Giant-Carlisle	Giant-Carlisle
Albert Heijn	Albert Heijn, Etos, Gall & Gall and Ahold Coffee Company
Albert/Hypernova	Czech Republic and Slovakia
Other retail	Unconsolidated joint ventures ICA (60%) and JMR (49%) <sup>1</sup>
Corporate Center	Corporate staff (the Netherlands, Switzerland and the United States)

1. Classified as held for sale and discontinued operation, as further disclosed in note 8.

**Net sales**

Net sales per segment are as follows:

	Q3 YTD 2008	Q3 YTD 2007	% change	Q3 2008	Q3 2007	% change
<i>(Euros in millions)</i>						
Stop & Shop/Giant-Landover	8,610	9,492	(9.3%)	2,633	2,717	(3.1%)
Giant-Carlisle	2,387	2,433	(1.9%)	736	709	3.8%
Ahold USA	10,997	11,925	(7.8%)	3,369	3,426	(1.7%)
Albert Heijn	6,796	5,997	13.3%	2,026	1,806	12.2%
Albert/Hypernova	1,334	1,131	17.9%	411	355	15.8%
Ahold Europe	8,130	7,128	14.1%	2,437	2,161	12.8%
<b>Ahold Group</b>	<b>19,127</b>	<b>19,053</b>	<b>0.4%</b>	<b>5,806</b>	<b>5,587</b>	<b>3.9%</b>

Net sales of Ahold's U.S. segments in U.S. dollars are as follows:

	Q3 YTD 2008	Q3 YTD 2007	% change	Q3 2008	Q3 2007	% change
<i>(U.S. dollars in millions)</i>						
Stop & Shop/Giant-Landover	13,069	12,772	2.3%	3,910	3,747	4.4%
Giant-Carlisle	3,623	3,274	10.7%	1,092	977	11.8%
Net sales of U.S. segments in USD	16,692	16,046	4.0%	5,002	4,724	5.9%
<i>Average USD exchange rate</i>	<i>0.6589</i>	<i>0.7431</i>	<i>(11.3%)</i>	<i>0.6736</i>	<i>0.7253</i>	<i>(7.1%)</i>
Net sales of U.S. segments in EUR	<b>10,997</b>	<b>11,925</b>	<b>(7.8%)</b>	<b>3,369</b>	<b>3,426</b>	<b>(1.7%)</b>

Net sales of Ahold's unconsolidated joint venture ICA amounted to EUR 7,104 and EUR 6,515 for Q3 YTD 2008 and Q3 YTD 2007, respectively (Q3 2008 and Q3 2007: EUR 2,405 and EUR 2,234, respectively).

**Operating income**

Operating income (loss) per segment is as follows:

	Q3 YTD 2008	Q3 YTD 2007*	% change	Q3 2008	Q3 2007*	% change
<i>(Euros in millions)</i>						
Stop & Shop/Giant-Landover	328	401	(18.2%)	114	109	4.6%
Giant-Carlisle	114	122	(6.6%)	33	30	10.0%
Ahold USA	442	523	(15.5%)	147	139	5.8%
Albert Heijn	468	412	13.6%	141	132	6.8%
Albert/Hypernova	(8)	(5)	(60.0%)	(3)	(5)	40.0%
Ahold Europe	460	407	13.0%	138	127	8.7%
Corporate Center	(69)	(87)	20.7%	(23)	(26)	11.5%
Unallocated	-	(20)	100.0%	-	(4)	100.0%
<b>Ahold Group</b>	<b>833</b>	<b>823</b>	<b>1.2%</b>	<b>262</b>	<b>236</b>	<b>11.0%</b>

\* Comparative figures reflect the change in accounting policies as disclosed in note 2.

Operating income of Ahold's U.S. segments in U.S. dollars is as follows:

(U.S. dollars in millions)	Q3 YTD 2008	Q3 YTD 2007*	% change	Q3 2008	Q3 2007*	% change
Stop & Shop/Giant-Landover	494	539	(8.3%)	167	150	11.3%
Giant-Carlisle	173	165	4.8%	50	42	19.0%
Operating income of U.S. segments in USD	667	704	(5.3%)	217	192	13.0%
<i>Average USD exchange rate</i>	<i>0.6589</i>	<i>0.7431</i>	<i>(11.3%)</i>	<i>0.6736</i>	<i>0.7253</i>	<i>(7.1%)</i>
Operating income of U.S. segments in EUR	<b>442</b>	<b>523</b>	<b>(15.5%)</b>	<b>147</b>	<b>139</b>	<b>5.8%</b>

\* Comparative figures reflect the change in accounting policies as disclosed in note 2.

#### Stop & Shop/Giant-Landover

In Q3 2008, the Company decided to transition its current defined benefit pension plan for active salaried, non-union and certain union employees in the United States to a defined contribution pension plan, resulting in a restructuring gain, net of accrued transition contributions, of USD 8 (EUR 5) in the quarter. Furthermore, in addition to advertising costs for Stop & Shop/Giant-Landover's rebranding program, Q3 2008 included one-off rebranding costs of USD 8 (EUR 6), primarily for signs, displays, training and uniforms.

Operating income in HY 2008 included restructuring, severance and related charges of USD 43 (EUR 27) and impairments of USD 10 (EUR 6), mainly resulting from the lease termination of an office building used by Ahold USA's IT organization and store closures. Furthermore, HY 2008 included gains on the sale of assets of USD 29 (EUR 19), mainly related to the sale of a shopping center.

Operating income in HY 2007 included restructuring charges of USD 35 (EUR 26), consisting primarily of severance charges and impairment losses, mainly resulting from the closure of ten stores in the southern New Jersey market area. Operating income in HY 2007 also included expenses of USD 9 (EUR 6) related to an adjustment of payroll tax accruals related to prior years and gains on the sale of assets of USD 16 (EUR 12), primarily related to the sale of a distribution facility.

#### Giant-Carlisle

The pension plan change described above for Stop & Shop/Giant-Landover had a negative impact of USD 4 (EUR 2) on Q3 2008 operating income.

Operating income in HY 2008 included restructuring related charges of USD 8 (EUR 5), mainly resulting from the lease termination of an office building used by Ahold USA's IT organization.

#### Albert Heijn

Operating income in Q3 2008 included gains on the sale of assets of EUR 5 (Q3 YTD: EUR 20), mainly related to the sale of stores to both franchisees and third parties. Operating income in Q3 2008 included higher income from the Company's defined benefit pension plans compared to Q3 2007 of EUR 6 (Q3 YTD: EUR 18). Q3 2008 also included one-off costs of EUR 4 for the integration of former Schuitema stores transferred to Albert Heijn.

Albert Heijn recognized gains on the sale of assets of EUR 3 in Q3 2007 (Q3 YTD 2007: EUR 19). This included the sale of some stores required by the Netherlands Competition Authority, following the acquisition of Konmar stores in 2006.

#### Corporate Center

Operating result in Q3 2008 included higher charges from the Company's self-insurance activities compared to Q3 2007 of EUR 3 (Q3 YTD: EUR 16). This is primarily caused by lower interest rates used to discount the Company's self-insurance provision.

Operating result in Q3 2007 included a gain of EUR 11 resulting from the settlement of legal proceedings (Q3 YTD 2007: EUR 18). Furthermore, operating income in Q3 2007 included impairment charges of EUR 5. Operating income in HY 2007 included restructuring charges of EUR 4.

### Unallocated

Unallocated costs included various general and administrative expenses that prior to the qualification of Tops and Poland as held for sale and discontinued operations were allocated to those entities within their respective segments. These costs were not allocable to Tops and Poland as costs from discontinued operations. Classification of these costs as "unallocated" ceased as of divestment date.

For an overview of impairment of assets and gains and losses on the sale of assets per segment, see notes 4 and 5 below.

## 4 Impairment of assets

General and administrative expenses include the following impairments and reversals of impairments of non-current assets and disposal groups held for sale:

(Euros in millions)	Q3 YTD 2008	Q3 YTD 2007	Q3 2008	Q3 2007
Stop & Shop/Giant-Landover	(6)	(5)	-	(1)
Giant-Carlisle	-	(1)	-	-
Ahold USA	(6)	(6)	-	(1)
Albert Heijn	-	(4)	-	-
Albert/Hypernova	-	-	-	-
Ahold Europe	-	(4)	-	-
Corporate Center	-	(5)	-	(5)
<b>Ahold Group</b>	<b>(6)</b>	<b>(15)</b>	<b>-</b>	<b>(6)</b>

For a discussion of significant impairments, see note 3.

## 5 Gains and losses on the sale of assets

General and administrative expenses include the following gains and losses on the sale of non-current assets and disposal groups held for sale:

(Euros in millions)	Q3 YTD 2008	Q3 YTD 2007	Q3 2008	Q3 2007
Stop & Shop/Giant-Landover	19	13	-	1
Giant-Carlisle	-	-	-	-
Ahold USA	19	13	-	1
Albert Heijn	20	19	5	3
Albert/Hypernova	3	1	1	-
Ahold Europe	23	20	6	3
Corporate Center	-	-	-	-
<b>Ahold Group</b>	<b>42</b>	<b>33</b>	<b>6</b>	<b>4</b>

For a discussion of significant gains and losses on the sale of assets, see note 3.

## 6 Expenses by nature

The aggregate of cost of sales and operating expenses is specified by nature as follows:

(Euros in millions)	Q3 YTD 2008	Q3 YTD 2007	Q3 2008	Q3 2007
Cost of product	13,378	13,119	4,052	3,865
Employee benefit expenses	2,494	2,704	747	763
Other store expenses	1,218	1,174	381	347
Depreciation and amortization	496	520	155	155
Rent expenses	376	393	110	114
Impairment losses and reversals - net	6	15	-	6
Gains on the sale of assets - net	(42)	(33)	(6)	(4)
Other expenses	368	338	105	105
<b>Total</b>	<b>18,294</b>	<b>18,230</b>	<b>5,544</b>	<b>5,351</b>

## 7 Share in income of joint ventures

The Company's share in income of joint ventures is net of income taxes and is specified as follows:

(Euros in millions)	Q3 YTD 2008	Q3 YTD 2007	Q3 2008	Q3 2007
ICA	76	105	30	53
Other	4	2	-	-
<b>Total</b>	<b>80</b>	<b>107</b>	<b>30</b>	<b>53</b>

Ahold's share in ICA's net income included losses on the sale of assets of EUR 3 for Q3 2008 and gains on the sale of assets of EUR 15 for Q3 2007 (Q3 YTD 2008 and Q3 YTD 2007: gains of EUR 8 and EUR 37, respectively).

## 8 Assets held for sale and discontinued operations

### Schuitema

On January 21, 2008, Ahold announced that it had entered into negotiations with Schuitema and CVC Capital Partners ("CVC") about a potential divestment of its 73.2% interest in Schuitema to CVC. An agreement was announced on April 23, 2008 and the sale was completed on June 30, 2008 for proceeds of EUR 515. At the same time, Ahold, Schuitema and CVC entered into a store purchase agreement for the acquisition of 56 Schuitema stores, including owned real estate, for a total purchase price of EUR 208, valuing Ahold's previously owned 73.2% interest in these stores at EUR 153. Taken together, the net consideration for the sale of Ahold's 73.2% interest in Schuitema (i.e., net of the 56 stores retained) amounted to EUR 362, as summarized below, resulting in a provisional gain on divestment of EUR 164.

(Euros in millions)	Total Schuitema	56 stores retained	Total sold
Fair value Schuitema shares (100%)	703	208	495
Minority interest (26.8%)	(188)	(55)	(133)
<b>Fair value of Ahold's 73.2% interest</b>	<b>515</b>	<b>153</b>	<b>362</b>

The acquired stores are to be transferred in several tranches, with the last two expected in January 2009. Until the date of transfer, the stores are operated by Schuitema under its trading name and for its benefit. Following their transfer, they will be converted into Albert Heijn stores. At the end of Q3 2008, 37 stores had been transferred to Albert Heijn, of which 28 had been opened. The assets and liabilities related to the Schuitema stores yet to be transferred to Albert Heijn will be determined definitively at the transfer date. The provisional result on divestment will be adjusted accordingly upon transfer.

Schuitema's results for 2008 and prior years have been classified as results from discontinued operations in their entirety. However, the assets and liabilities related to the 56 stores that are to be transferred to Albert Heijn (primarily land and buildings and finance lease assets and liabilities) have been retained in Ahold's consolidated balance sheet at their carrying amounts. The 26.8% minority interest related to the 56 retained stores has effectively been acquired by Ahold as part of the transaction, with the excess of the fair value paid over the existing carrying amount of the minority interest related to the retained stores, amounting to EUR 55, being recognized directly in equity.

As part of the transaction, Ahold acquired preference shares for EUR 50, carrying a fixed cumulative dividend of 6.5% per year, representing a 20% indirect interest in Schuitema. The preference shares are presented in the balance sheet as a loan receivable within other non-current assets. Ahold also acquired real estate related to certain of the retained stores from a third party for EUR 51.

### Other

At the end of Q3 2008, JMR continues to be classified as held for sale and discontinued operation. During 2007, Ahold divested U.S. Foodservice (Q2), its retail activities in Poland (Q2) and Tops (Q4). Their results are presented as part of income from discontinued operations.

Income from discontinued operations, consisting of results from discontinued operations and results on divestments, is specified as follows:

Segment	Discontinued operation	Q3 YTD 2008	Q3 YTD 2007	Q3 2008	Q3 2007
Giant-Carlisle	Tops	-	5	-	6
Albert/Hypernova	Poland	-	1	-	-
Schuitema	Schuitema	17	39	-	13
Other retail	JMR	13	16	-	2
U.S. Foodservice	U.S. Foodservice	-	94	-	(6)
Results from discontinued operations		30	155	-	15
Giant-Carlisle	Tops	10	-	-	-
Albert/Hypernova	Poland	(4)	253	-	-
Schuitema	Schuitema	164	-	2	-
U.S. Foodservice	U.S. Foodservice	10	1,732	6	(22)
Various	Various	(1)	(5)	-	(1)
Results on divestments		179	1,980	8	(23)
<b>Income from discontinued operations – net of income taxes</b>		<b>209</b>	<b>2,135</b>	<b>8</b>	<b>(8)</b>

Schuitema's Q3 YTD 2008 operating income included restructuring charges of EUR 12. As a result of JMR's classification as held for sale and discontinued operation as of December 31, 2006, JMR is no longer accounted for using the equity method. JMR's results represent dividends and fees received.

The following table presents a reconciliation between the cash received and the results on divestments of discontinued operations:

(Euros in millions)	Q3 YTD 2008	Q3 YTD 2007
Cash received (net of cash divested of EUR 16 and EUR 281, respectively)	342	5,244
Net assets divested	(188)	(3,322)
Changes in accounts receivable/payable - net	17	(48)
Cumulative exchange rate differences transferred from equity	-	111
Income taxes	8	(5)
<b>Results on divestments</b>	<b>179</b>	<b>1,980</b>

## 9 Equity attributable to common shareholders

### Dividend

On April 23, 2008, the General Meeting of Shareholders determined the dividend over 2007 at EUR 0.16 per common share (EUR 188 in the aggregate). The dividend was paid on May 13, 2008.

### Capital repayment and reverse stock split

On August 22, 2007, a reverse stock split took place whereby every five existing shares were consolidated into four new shares. A capital repayment of EUR 1.89 per existing share, EUR 3 billion in the aggregate, took place on August 28, 2007. The capital repayment and reverse stock split were approved at an Extraordinary General Meeting of Shareholders on June 19, 2007.

### Share buyback

On August 30, 2007, Ahold announced its decision to return EUR 1 billion to its shareholders by way of a share buyback program. In Q3 2007, the Company repurchased 53,655,465 of its own common shares under this program for a total amount of EUR 557 (of which EUR 522 was cash settled in Q3 2007).

## 10 Loans

Repayments of loans amounted to EUR 963 for the first three quarters of 2008 (Q3 2008: EUR 2), mainly related to the notes with a principal amount of EUR 949, which matured on May 9, 2008. The loans were repaid from the Company's cash balances.

## 11 Cash flow

The following table presents the changes in cash and cash equivalent balances for Q3 YTD 2008 and Q3 YTD 2007:

(Euros in millions)	Q3 YTD 2008	Q3 YTD 2007
Cash and cash equivalents of continuing operations at the beginning of the year	3,263	1,844
Restricted cash	(21)	(23)
Cash and cash equivalents related to discontinued operations	-	23
Cash and cash equivalents beginning of the year, including discontinued operations and excluding restricted cash	3,242	1,844
Net cash from operating, investing and financing activities	(550)	1,956
Effect of exchange rate differences on cash and cash equivalents	91	(52)
Restricted cash	18	23
Cash and cash equivalents related to discontinued operations	-	(21)
<b>Cash and cash equivalents of continuing operations at the end of the quarter</b>	<b>2,801</b>	<b>3,750</b>

The change in non-current assets and liabilities in Q3 2007, as presented in the statements of cash flows, included an additional voluntary contribution of USD 139 (EUR 101) to one of the Company's U.S. pension plans.

## 12 Commitments and contingencies

### Legal proceedings

#### ***D&S c.s. litigation***

On April 26, 2005, the public companies Distribucion y Servicio D&S S.A. and Servicios Profesionales y de Comercializacion S.A. (together, "D&S c.s.") initiated legal proceedings against Ahold before the District Court of Haarlem in the Netherlands, in connection with Disco's acquisition in 2000 of Supermercados Ekono S.A., which owned supermarkets in Buenos Aires, Argentina. D&S c.s. sought payment of approximately USD 47 (EUR 34) plus interest. On May 30, 2007, the District Court of Haarlem in its judgment decided against D&S and dismissed its claim against Ahold. On August 29, 2007, D&S appealed against this judgment with the Court of Appeals in Amsterdam, which appeal was further substantiated by D&S on March 20, 2008. Ahold expects to submit to the Court its material defense in Q4 2008. D&S has started arbitration proceedings against Disco in Argentina. An arbitration panel was appointed on February 7, 2008. D&S and Disco are in the process of exchanging arguments before the arbitration panel. Disco believes it has meritorious defenses in these proceedings. As part of the sale of Disco to Cencosud in 2004, Ahold has indemnified Cencosud and Disco against this claim from D&S.

#### ***Waterbury litigation***

In October 2006, a putative class action was filed against U.S. Foodservice by Waterbury Hospital and Cason, Inc. and Frankie's Franchise Systems Inc. with the United States District Court for the District of Connecticut in relation to certain U.S. Foodservice pricing practices (the "Waterbury Litigation"). Two additional putative class actions were filed in August 2007 by customers of U.S. Foodservice, Catholic Healthcare West and Thomas & King, Inc., in the U.S. District Courts for the Northern District of California and the Southern District of Illinois, respectively. These two new actions involve the same pricing practices as those in the Waterbury Litigation. The new actions also name Ahold and two individuals as defendants. In accordance with the decision of the Judicial Panel on Multidistrict Litigation, the actions have now been consolidated with the Waterbury litigation before the U.S. District Court in Connecticut. In the consolidated complaint Ahold is (among other parties) named as defendant. Ahold submitted to the Court a motion to dismiss in Q3 2008. A Court decision is not expected before Q1 2009. Ahold believes it has meritorious defenses to the claims set forth in the consolidated complaint and intends to defend vigorously against the lawsuit. Ahold cannot at this time provide a reasonable estimate of any potential liability.

A comprehensive overview of commitments and contingencies as of December 30, 2007 is included in Ahold's 2007 financial statements.

## Other financial and operating information

### Identical<sup>1</sup>/comparable<sup>2</sup> sales growth (% year over year)

	Q3 YTD 2008 identical	Q3 YTD 2008 comparable	Q3 2008 identical	Q3 2008 comparable
Stop & Shop	2.5%	2.8%	4.6%	4.8%
Giant-Landover	(0.9%)	(0.6%)	0.7%	1.0%
Giant-Carlisle	6.8%	7.6%	8.0%	8.7%
Albert Heijn <sup>3</sup>	10.5%		8.3%	
Albert/Hypernova	5.5%		2.6%	

1. Net sales from exactly the same stores in local currency.
2. Identical sales plus net sales from replacement stores in local currency. Comparable sales are only reported for Ahold's U.S. retail companies.
3. Identical sales represent the identical sales of Albert Heijn supermarkets.

### Operating margin

Operating margin is defined as operating income as a percentage of net sales. For a discussion of operating income, see note 3 to the interim financial statements included in this report.

	Q3 YTD 2008	Q3 YTD 2007*	Q3 2008	Q3 2007*
Stop & Shop/Giant-Landover	3.8%	4.2%	4.3%	4.0%
Giant-Carlisle	4.8%	5.0%	4.6%	4.3%
Albert Heijn	6.9%	6.9%	7.0%	7.3%
Albert/Hypernova	(0.6%)	(0.4%)	(0.7%)	(1.4%)
<b>Total retail</b>	<b>4.7%</b>	<b>4.9%</b>	<b>4.9%</b>	<b>4.8%</b>

\* Comparative figures reflect the change in accounting policies as disclosed in note 2 to the interim financial statements included in this report.

### Store portfolio<sup>1</sup>

	End of 2007	Opened/ Acquired <sup>3</sup>	Closed/ sold <sup>3</sup>	End of Q3 2008	End of Q3 2007
Stop & Shop/Giant-Landover	560	15	(19)	556	562
Giant-Carlisle	145	6	(3)	148	144
Albert Heijn <sup>2</sup>	1,756	84	(33)	1,807	1,734
Albert/Hypernova	321	34	(42)	313	319
<b>Total retail</b>	<b>2,782</b>	<b>139</b>	<b>(97)</b>	<b>2,824</b>	<b>2,759</b>

1. Including franchise stores.
2. Number of stores at the end of Q3 2008 includes 1,021 specialty stores (Etos and Gall & Gall).
3. Including stores that were opened after/closed for remodelings longer than 4 weeks.

Other financial and operating information

**EBITDA**

EBITDA is defined as net income before net financial expense, income taxes, depreciation and amortization. However, EBITDA does not exclude impairments. Impairments per segment are disclosed in note 4 to the interim financial statements included in this report.

(Euros in millions)	Q3 YTD 2008	Q3 YTD 2007*	% change	Q3 2008	Q3 2007*	% change
Stop & Shop/Giant-Landover	595	703	(15.4%)	197	198	(0.5%)
Giant-Carlisle	179	189	(5.3%)	53	49	8.2%
Ahold USA	774	892	(13.2%)	250	247	1.2%
Albert Heijn	593	524	13.2%	182	167	9.0%
Albert/Hypernova	30	32	(6.3%)	8	6	33.3%
Ahold Europe	623	556	12.1%	190	173	9.8%
Corporate Center	(68)	(85)	20.0%	(23)	(25)	8.0%
Unallocated	-	(20)	100.0%	-	(4)	100.0%
	1,329	1,343	(1.0%)	417	391	6.6%
Share in income of joint ventures	80	107	(25.2%)	30	53	(43.4%)
Income from discontinued operations	209	2,135	(90.2%)	8	(8)	200.0%
<b>Total EBITDA</b>	<b>1,618</b>	<b>3,585</b>	<b>(54.9%)</b>	<b>455</b>	<b>436</b>	<b>4.4%</b>

\* Comparative figures reflect the change in accounting policies as disclosed in note 2 to the interim financial statements included in this report.

**Net debt**

(Euros in millions)	October 5, 2008	July 13, 2008	December 30, 2007
Loans	2,328	2,115	2,658
Finance lease liabilities	1,055	931	1,032
Cumulative preferred financing shares	497	497	497
Non-current portion of long-term debt	3,880	3,543	4,187
Short-term borrowings and current portion of long term debt	610	553	1,192
Gross debt	4,490	4,096	5,379
Less: cash and cash equivalents <sup>1</sup>	2,801	2,662	3,263
<b>Net debt</b>	<b>1,689</b>	<b>1,434</b>	<b>2,116</b>

1. Book overdrafts, representing the excess of total issued checks over available cash balances within the Group cash concentration structure, are classified in accounts payable and do not form part of net debt. Net cash book overdrafts amounted to EUR 131, EUR 125 and EUR 156 as of October 5, 2008, July 13, 2008, and December 30, 2007, respectively.

## Use of non-GAAP financial measures

The reconciliation from EBITDA per segment to operating income (loss) per segment is as follows for Q3 YTD 2008 and Q3 YTD 2007 and for Q3 2008 and Q3 2007, respectively:

(Euros in millions)	EBITDA Q3 YTD 2008	Depre- ciation and amorti- zation	Operating income Q3 YTD 2008	EBITDA Q3 YTD 2007*	Depre- ciation and amorti- zation	Operating income Q3 YTD 2007*
Stop & Shop/Giant-Landover	595	(267)	328	703	(302)	401
Giant-Carlisle	179	(65)	114	189	(67)	122
Ahold USA	774	(332)	442	892	(369)	523
Albert Heijn	593	(125)	468	524	(112)	412
Albert/Hypernova	30	(38)	(8)	32	(37)	(5)
Ahold Europe	623	(163)	460	556	(149)	407
Corporate Center	(68)	(1)	(69)	(85)	(2)	(87)
Unallocated	-	-	-	(20)	-	(20)
<b>Total</b>	<b>1,329</b>	<b>(496)</b>	<b>833</b>	<b>1,343</b>	<b>(520)</b>	<b>823</b>

\* Comparative figures reflect the change in accounting policies as disclosed in note 2 to the interim financial statements included in this report.

(Euros in millions)	EBITDA Q3 2008	Depre- ciation and amorti- zation	Operating income Q3 2008	EBITDA Q3 2007*	Depre- ciation and amorti- zation	Operating income Q3 2007*
Stop & Shop/Giant-Landover	197	(83)	114	198	(89)	109
Giant-Carlisle	53	(20)	33	49	(19)	30
Ahold USA	250	(103)	147	247	(108)	139
Albert Heijn	182	(41)	141	167	(35)	132
Albert/Hypernova	8	(11)	(3)	6	(11)	(5)
Ahold Europe	190	(52)	138	173	(46)	127
Corporate Center	(23)	-	(23)	(25)	(1)	(26)
Unallocated	-	-	-	(4)	-	(4)
<b>Total</b>	<b>417</b>	<b>(155)</b>	<b>262</b>	<b>391</b>	<b>(155)</b>	<b>236</b>

\* Comparative figures reflect the change in accounting policies as disclosed in note 2 to the interim financial statements included in this report.

This interim financial report includes the following non-GAAP financial measures:

1. Net sales in local currency.  
In certain instances, net sales are presented in local currency. Ahold's management believes this measure provides a better insight into the operating performance of Ahold's foreign subsidiaries.
2. 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.
3. EBITDA.  
EBITDA is net income before net financial expense, income taxes, depreciation and amortization. EBITDA is commonly used by investors to analyze profitability between companies and industries by eliminating the effects of financing (i.e., net financial expense) and capital investments (i.e., depreciation and amortization).
4. Net debt.  
Net debt is the difference between (i) the sum of long-term debt and short-term debt (i.e., gross debt) and (ii) cash and cash equivalents. Management believes that net debt is a useful measure for investors. In management's view, because cash and cash equivalents can be used, among other things, to repay indebtedness, netting this against gross debt is a useful measure of Ahold's leverage. Net debt may include certain cash items that are not readily available for repaying debt.

Management believes that these non-GAAP financial measures allow for a better understanding of Ahold's operating and financial performance. These non-GAAP financial measures should be considered in addition to, but not as substitutes for, the most directly comparable IFRS measures.

## Cautionary notice

This interim financial report includes forward-looking statements, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those included in such statements. These forward-looking statements include, but are not limited to, statements as to Ahold's plans to divest its stake in JMR, the impact of the pension curtailment in the US on operating income, the transfer of stores acquired from Schuitema and the conversion thereof into Albert Heijn stores and the final determination of the assets and liabilities related to these stores. 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 interim financial report. Koninklijke Ahold N.V. does not assume any obligation to update any public information or forward-looking statements in this report 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".