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Ahold 1st quarter 2001 earnings rise 50.6% to Euro 346.6 million

First Quarter Highlights:

- Earnings surge 50.6% to Euro 346.6 million
- Operating earnings climb 57.2% to Euro 711.0 million
- Earnings per share increase by 18.3% to Euro 0.41
- Sales rise 65.9% to Euro 18.2 billion
- Earnings per share growth for full-year 2001, excluding currency fluctuations, expected at 15%

Zaandam, The Netherlands, June 7, 2001 - Royal Ahold, the international food retail and foodservice company, today announced a 50.6% rise in first quarter 2001 earnings (first 16 weeks of the year through April 22, 2001) before goodwill amortization to Euro 346.6 million (2000: Euro 230.2 million). After goodwill amortization as of first quarter 2001, earnings total Euro 316.0 million. Earnings per common share before goodwill amortization rose 18.3% to Euro 0.41 (2000: Euro 0.35). Excluding currency fluctuations, mainly the higher average exchange rate of the U.S. dollar, earnings per share increased by 13.2%.

Remarks by Cees van der Hoeven, President & CEO Royal Ahold

Commenting on the first-quarter results, Ahold President & CEO Cees van der Hoeven said: 'Once again our operating companies generated excellent results in the first quarter. In the United States, both our food retail and foodservice activities boosted earnings substantially. The costs of remodeling the Grand Union stores to the Stop & Shop and Tops format are incorporated in these results. In addition, operating losses at Peapod were smaller than anticipated. The integration of ICA in Scandinavia and Superdiplo in Spain strengthened our position in Europe, to which our Dutch operations also contributed significantly. Our Latin American activities had outstanding performance, certainly in the light of the economic circumstances in the region. Ahold is on track to deliver on its objectives for full-year 2001.'

Ahold 1st quarter 2001 results, compared to last year

x 1 million Euro	1 st Quarter		
	2001	2000	Change in %
Sales	18,173.6	10,954.1	65.9
EBITDA	1,114.7	743.8	49.9
EBITDA as a percentage of sales	6.1	6.8	
Depreciation of fixed assets	403.7	291.4	38.5
EBITA	711.0	452.4	57.2
EBITA as a percentage of sales	3.9	4.1	
Goodwill amortization	39.8	-	
EBIT	671.2	452.4	48.4
EBIT as a percentage of sales	3.7	4.1	
Net earnings after goodwill amortization	316.0	230.2	37.3
Net earnings before goodwill amortization	346.6	230.2	50.6
Earnings per share before goodwill amortization	0.41	0.35	18.3

Sales and results in the first quarter were positively impacted by the higher average exchange rate of the U.S. dollar (0.92 vs 0.98). Consolidated sales rose 65.9% to Euro 18.2 billion (2000: Euro 11.0 billion). Excluding currency fluctuations, organic sales growth amounted to 7.4% and organic earnings growth to 15.8%. Operational cash flow (EBITDA) rose 49.9% to Euro 1,114.7 million. Operating earnings before goodwill amortization (EBITA) increased by 57.2% to Euro 711.0 million (2000: Euro 452.4 million). Earnings after goodwill amortization (EBIT) amounted to Euro 671.2 million. Earnings per share before goodwill amortization amounted to Euro 0.41, a rise of 18.3%. Excluding currency impact, the rise amounted to 13.2%.

United States

x 1 million USD	1 st Quarter		
	2001	2000	Change in %
Sales	10,237.7	6,399.9	60.0
Operating earnings	454.4	313.7	44.9

Sales in the United States rose 60% to USD 10.2 billion, mainly reflecting the consolidation of U.S. Foodservice and PYA/Monarch. Sales from Ahold's retail operations in the U.S. grew to USD 6.8 billion. Organic retail sales rose 7.2%, comparable retail sales 3.3% and identical retail sales 2.9%. All five Ahold USA retail operating companies contributed to sales growth. U.S. Foodservice had sales of USD 3.4 billion and organic sales growth amounted to 16.0%.

Operating earnings rose 44.9% to USD 454.4 million, partially reflecting the consolidation of U.S. Foodservice and PYA/Monarch. Operating earnings for retail amounted to USD 331.8 million. The costs of remodeling the Grand Union stores (USD 13.9 million) were charged to operating results. The operating loss of internet grocer Peapod amounted to USD 14.4 million. Operating earnings for foodservice amounted to USD 122.6 million.

Europe

x 1 million Euro	1 st Quarter		
	2001	2000	Change in %
Sales	5,692.5	3,200.0	77.9
Operating earnings	188.3	122.4	53.8

In Europe, sales rose 77.9 % to Euro 5.7 billion, mainly reflecting the consolidation of the ICA Group in Scandinavia and Superdiplo in Spain. In The Netherlands, sales were positively impacted by Schuitema's acquisition of the A&P stores. Albert Heijn also had excellent sales growth. All European operating units generated higher sales. Organic retail sales growth amounted to 8.0%.

Operating earnings rose 53.8% to Euro 188.3 million, partly reflecting the consolidation of the ICA Group and Superdiplo. In The Netherlands, Albert Heijn, Schuitema and Deli XL were the main contributors to the increase in operating earnings. In the Czech Republic, results improved over last year. The operating loss in Poland is partially due to the cost of opening new hypermarkets. In Portugal, operating earnings were virtually unchanged.

Latin America

x 1 million Euro	1 st Quarter		
	2001	2000	Change in %
Sales	1,216.5	1,113.6	9.2
Operating earnings	47.2	28.7	64.5

In Latin America, sales rose 9.2% to Euro 1.2 billion. Despite difficult economic circumstances, all operating units achieved higher sales. Organic retail sales growth amounted to 6.5% . Operating earnings increased by 64.5% to Euro 47.2 million. All operating units, particularly Bompreço in Brazil and Disco in Argentina, contributed to the further increase in operating results.

Asia

x 1 million Euro	1 st Quarter		
	2001	2000	Change in %
Sales	101.3	103.3	(1.9)
Operating earnings	(4.9)	(6.1)	19.7

In Asia, the impact of currency fluctuations marginally depressed sales compared to last year, although in local currency sales were higher. Operating losses for the region amounted to Euro 4.9 million (2000 loss: Euro 6.1 million).

Corporate costs

Corporate costs amounted to Euro 15.1 million (2000: Euro 13.0 million).

Net financial expense

x 1 million Euro	1st Quarter		
	2001	2000	Change in %
	(228.2)	(128.4)	77.7

Net financial expense rose to Euro 228.2 million, mainly reflecting financing of acquisitions and consolidation of interest expenses at U.S. Foodservice, PYA/Monarch, the ICA Group and Superdiplo. The rolling interest coverage ratio was 3.1. The rolling ratio of net interest-bearing debt to EBITDA was 2.7.

Tax rate

The tax rate, expressed as a percentage of pre-tax earnings, was 25.3% (2000: 26.5%).

Group equity

Group equity, expressed as a percentage of the balance sheet total, amounted to 13.4% (at year end 2000: 12.5%). Assuming conversion of the convertible subordinated notes outstanding, group equity amounts to 19.7%. Capital accounts amounted to 20.3% of the balance sheet total (at year end 2000: 19.5%). Stockholders' equity amounted to Euro 2.8 billion. In the first quarter of 2001, net earnings after deduction of the dividend on preferred shares were added to stockholders' equity. In addition, the proceeds from exercised option rights were added to stockholders' equity. The negative balance of exchange rate fluctuations was deducted from stockholders' equity. Goodwill related to acquisitions through November 2000 was charged to stockholders' equity. Goodwill related to acquisitions after November 2000 was capitalized.

Changes to stockholders' equity

x 1 million Euro	1 st Quarter	
	2001	2000
Stockholders' equity at beginning of quarter	2,502.6	2,351.9
Net earnings after preferred dividend	304.3	226.4
Exercise of stock options	26.2	1.4
Goodwill adjustment	(40.3)	(57.1)
Exchange rate differences and other changes	(26.4)	207.6
Stockholders' equity at end of quarter	2,766.4	2,730.2

Outlook for full-year 2001 confirmed

The Corporate Executive Board expects that sales and operating earnings will improve in all trade areas in 2001, reflecting increased 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 and goodwill amortization are expected to be 15% higher than in 2000. Earlier disclosed extraordinary items are included in this expectation.

Definition of terms:

1 Organic sales exclude sales from acquisitions and currency fluctuations.

2 Identical sales compare sales from exactly the same stores.

3 Comparable sales are identical sales plus sales from replacement stores.

Editor's Note

Graphics and photos related to this quarterly report can be obtained from the media section of www.ahold.com.

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This Royal Ahold press release contains 'forward-looking statements'. Actual results may differ from such statements as they may have been influenced by factors beyond the company's ability to control, as more fully discussed in Royal Ahold's annual report.

Consolidated statement of earnings of Royal Ahold

<i>x 1 million Euro</i> <i>(unless otherwise indicated)</i>	2001 <i>(16 weeks)</i>	1st quarter <i>increase in %</i>	2000 <i>(16 weeks)</i>
Sales to third parties			
- United States <i>(in dollars)</i>	10,237.7	60.0	6,399.9
- Europe	5,692.5	77.9	3,200.0
- Latin America	1,216.5	9.2	1,113.6
- Asia Pacific	101.3	(1.9)	103.3
Total sales	<u>18,173.6</u>	<u>65.9</u>	<u>10,954.1</u>
Operating earnings			
- United States <i>(in dollars)</i>	454.4	44.9	313.7
- Europe	188.3	53.8	122.4
- Latin America	47.2	64.5	28.7
- Asia Pacific	(4.9)	19.7	(6.1)
- Corporate costs	(15.1)	(16.2)	(13.0)
Total operating earnings	<u>711.0</u>	<u>57.2</u>	<u>452.4</u>
Goodwill amortization	(39.8)		-
Earnings before interest & taxes	<u>671.2</u>	<u>48.4</u>	<u>452.4</u>
Net financial income and expenses	(228.2)		(128.4)
Earnings before income taxes	<u>443.0</u>	<u>36.7</u>	<u>324.0</u>
Income taxes	(112.3)		(85.7)
Earnings after income taxes	<u>330.7</u>	<u>38.8</u>	<u>238.3</u>
Income from unconsolidated joint ventures and associates	3.3		0.4
Minority interests	(18.0)		(8.5)
Net earnings	<u>316.0</u>	<u>37.3</u>	<u>230.2</u>
Dividend preferred shares	(11.7)		(3.8)

Ratios

	1 st quarter		
	2001 (16 weeks)	2000 (16 weeks)	
Average number of common shares outstanding (<i>x 1,000</i>) ¹	817,267	653,955	
Earnings per common share (before goodwill amortization) ²	EU R	0.41	0.35
Earnings per common share (after goodwill amortization) ²	EU R	0.37	0.35
Diluted earnings per common share ³	EU R	0.37	0.34
Operating results as % of sales		3.91	4.13
Depreciation and amortization (<i>x 1 million</i>)	EU R	443.5	291.4
Operating earnings before depreciation and amortization (<i>x 1 million</i>)	EU R	1,114.7	743.8
Operating earnings before depreciation and amortization % of sales		6.13	6.79
Earnings after income taxes as % of sales		1.82	2.18
Average exchange rate of the euro	US D	0.92	0.98

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

<i>x 1 million Euro</i>	April 22, 2001	December 31, 2000
Cash and cash equivalents	1,203	1,336
Receivables	3,578	3,426
Inventories	4,172	4,100
Intangible fixed assets	3,142	3,153
Tangible fixed assets	12,435	12,232
Financial fixed assets	1,248	1,214
	<u>25,778</u>	<u>25,461</u>
Current liabilities	10,134	10,221
Long-term debt	8,603	8,520
Provisions	1,811	1,760
Subordinated loans	1,780	1,780
Minority interests	684	677
Shareholders' equity	2,766	2,503
Group equity	<u>3,450</u>	<u>3,180</u>
	<u>25,778</u>	<u>25,461</u>
Net interest-bearing debt	<u>11,286</u>	<u>10,940</u>
Capital accounts	<u>5,230</u>	<u>4,960</u>

Ratios

	April 22, 2001	December 31, 2000
Number of common shares outstanding (<i>x 1,000</i>) ⁴	817,920	816,849
Group equity/Total assets %	13.4	12.5
Capital accounts/Total assets %	20.3	19.5
Exchange rate of the euro for balance sheet items	US D 0.90	US D 0.94
Group equity/Total assets in % under the assumption as if the convertible subordinated bonds were fully converted	19.7	18.9

⁴ Number of shares has been adjusted for stock dividends.

Consolidated statements of cash flows of Royal Ahold

<i>x 1 million Euro</i>	first quarter <i>(16 weeks)</i>	
	2001	2000
Cash flows from operating activities		
Net earnings	316.0	230.2
Minority interest in earnings	18.0	8.5
Depreciation and amortization	443.5	291.4
Unremitted earnings of unconsolidated associates	(2.4)	0.6
Changes in working capital and provisions	(755.4)	(94.1)
Changes in deferred income taxes	37.4	(3.4)
	57.1	433.2
Cash flows from investing activities		
Net investments in tangible and intangible fixed assets	96.7	(389.3)
Acquisition and sale of subsidiaries	(230.3)	(3,019.6)
	(133.6)	(3,408.9)
Cash flows from financing activities		
Net change in loans receivable/payable	(105.8)	3,166.6
Net proceeds from issuance of shares	26.2	1.4
Changes in minority interests	(30.2)	(2.0)
	(109.8)	3,166.0
Exchange rate differences	12.1	54.8
Net change in cash and cash equivalents	(174.2)	245.1
Cash and cash equivalents at beginning of quarter	1,335.6	887.6
Cash brought in through acquisitions and new consolidations	41.7	4.6
Cash and cash equivalents at end of quarter	1,203.1	1,137.3

Accounting principles:

The accounting principles are unchanged compared to the accounting principles as used at year-end 2000.

The data included in this press-release are unaudited.