Press Release

Royal Ahold
Corporate Communications

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Ahold Q2 2004: net income EUR 32 million

Highlights of Q2 2004

- **Net income EUR 32 million (Q2 2003: net income EUR 3 million) favorably impacted by lower net financial expenses**
- **Operating income EUR 169 million (Q2 2003: operating income EUR 222 million)**
- **Net sales EUR 12.3 billion, a decrease of 4.9% compared to Q2 2003. Net sales growth was 3.0% excluding currency impact and impact of divestments**
- **Net cash flow before financing activities amounted to an outflow of EUR 5 million (Q2 2003: net cash inflow before financing activities EUR 399 million)**

Zaandam, The Netherlands, August 26, 2004 – Ahold today published its second quarter 2004 results.
"Many of our main operating companies showed improved performance against the same quarter of last year," commented Anders Moberg, Ahold President and CEO. "The recovery of U.S. Foodservice is well underway and we are pleased to show a positive operating income this quarter. In Europe, the ongoing repositioning of Albert Heijn is strengthening the company's market leadership while cost reductions have led to higher operating income."

"Our results for U.S. Retail continue to be impacted by strong competition. We've also experienced pressure on operating expenses and incurred certain fixed asset impairment charges and costs associated with the integration of Giant-Landover and Stop & Shop into one business arena," Mr. Moberg continued. "This integration process, a part of our Road to Recovery program, is proceeding according to plan. As this huge task and other ongoing projects progress towards completion, we will begin to see the full impact on our competitive position."

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Summary Q2 2004

Net sales increased excluding impact of currency and divestments
In the second quarter of 2004 net sales amounted to EUR 12.3 billion, a decrease of 4.9% compared to the same period in 2003. Net sales growth was 3.0% excluding currency impact and the impact of divestments.

Operating income below last year
Operating income amounted to EUR 169 million in the second quarter of 2004 (Q2 2003: operating income EUR 222 million). Europe Retail and U.S. Foodservice reported higher operating income while U.S. Retail reported significantly lower operating income. U.S. Retail and South America were both negatively impacted by fixed asset impairment charges. The costs related to the settlement with AIG Europe (Netherlands) N.V., as announced on July 16, 2004, have also been included.

Net income favorably impacted by lower net interest expenses
The improvement of net income to EUR 32 million in the second quarter of 2004 (Q2 2003: net income EUR 3 million) was primarily caused by lower net interest expenses related to the early repayment of debt in the second quarter and during 2003.

Net debt substantially unchanged
Net debt only changed marginally in the second quarter of 2004. Gross debt, however, was further reduced from EUR 10.6 billion at the end of the first quarter of 2004 to EUR 9.6 billion at the end of the second quarter of 2004, the result of Ahold's ongoing efforts to strengthen its balance sheet.

Net cash flow
In the second quarter a small net cash outflow before financing activities of EUR 5 million was reported (Q2 2003: net cash inflow EUR 399 million). This decrease was mainly due to lower real estate divestments, higher income taxes paid and a net cash outflow for working capital.

Ahold reiterates its outlook for 2004: a year of transition
2004 is a year focused on continued efforts to strengthen the organization, and restructure and integrate the businesses in order to build a solid platform for future growth and profitability. Management will concentrate on achieving the previously announced Road to Recovery performance objectives for 2005 and beyond.

Ahold continues to strengthen and improve its internal controls and corporate governance, as well as solidify compliance with the regulatory environment in 2004. All of these changes are important cornerstones of our Road to Recovery program. They require considerable resources and effort from our operations and corporate support office in 2004.

Retail operations continue to face increased competition and price pressure. Specifically the competitive pressure on the U.S. Retail operations continues to be very challenging. On the other hand, Ahold expects healthy sales development in the foodservice sector. Operating income before impairment and amortization of goodwill and exceptional items at U.S. Foodservice is expected to be positive for 2004 and exceed the level of 2002, no later than 2006.

Operating expenses are impacted by costs related to legal proceedings and investigations as well as initiatives underway to begin reporting under International Financial Reporting Standards and ongoing work to comply with the U.S. Sarbanes-Oxley Act.

As previously announced, the accumulated foreign currency adjustments ("CTA losses") related to certain divestments, of which a substantial portion was booked in the first quarter, will have a significant impact on net income for 2004. However, this will have no net impact on equity or cash.

Ahold expects to record an expense in the profit and loss account under Dutch GAAP resulting from the transfer of shares to ICA Förbundet under the agreement with ICA Förbundet (as announced on July 19, 2004) following Canica exercising its relevant put option to Ahold. The timing of the transfer is subject to the arbitration and valuation process of the underlying share price relating to the put option.

Net cash from operations is expected to improve as a result of initiatives to reduce working capital. Capital expenditure will be approximately in line with depreciation level.

Ahold's divestment program is on track. Based on the current state of the processes underway, the company reasonable expectation is to close the divestments of its operations in Spain and at BI-LO/Bruno's later this year.

The general economic outlook in the U.S. has become more difficult to predict for the remainder part of the year, due to the uncertainty regarding macro-economic developments.

More detailed consolidated financial statements are included in Annex A.

Ahold prepares its financial statements in accordance with accounting principles generally accepted in the Netherlands ("Dutch GAAP"). Dutch GAAP differs in certain material respects from accounting principles generally accepted in the United States ("US GAAP"). All financial information in this press release is based on Dutch GAAP unless otherwise noted.

The quarterly figures reported in this press release are unaudited.

Ahold's reporting is based on 13 periods of 4 weeks. The fiscal year of our operations in Central Europe, Spain and South America corresponds to the calendar year and ends on December 31. The quarters that these entities use for interim financial reporting end on March 31, June 30 and September 30.

The following three non-GAAP financial measures appear in this press release (1) operating income (loss) before impairment and amortization of goodwill and exceptional items, (2) net sales excluding currency impact and the impact of divestments and (3) the effective income tax rate, excluding the impact of non-tax-deductible impairment and amortization of goodwill and exceptional items. For more information regarding these non-GAAP financial measures, see "Non-GAAP Financial Measures" below.

The results for the second quarter of 2003 and the first half of 2003 presented in this press release have been adjusted to make them comparable to the results for the second quarter of 2004 and the first half of 2004. For a discussion of these adjustments, see "Adjustments" below.

Ahold Q2 2004 Results

x 1 million Euro	2nd Quarter 2004	Change in %	2003	First Half Year 2004	Change in %	2003
Net sales	12,317	-4.9%	12,953	27,687	-8.6%	30,284
Operating income (loss) before impairment and amortization of goodwill and exceptional items	207	-20.1%	259	558	-21.8%	714
As % of net sales	1.7%	-0.3%-pt	2.0%	2.0%	-0.4%-pt	2.4%
Operating income	169	-23.9%	222	24	-96.2%	624
Net income (loss)	32	966.7%	3	-373		87

Net sales increased excluding impact of currency and divestments

In the second quarter of 2004 net sales amounted to EUR 12.3 billion, a decrease of 4.9% compared to the same period in 2003. Net sales growth excluding currency impact and impact of divestments was 3.0% in the second quarter.
Ahold's retail operations in the United States reported in USD a net sales growth in the second quarter of 2004 of 2.0% excluding the impact of the divestment of Golden Gallon in 2003. Net sales were positively impacted by the Easter impact (soft post-Easter sales in 2004 included in the first quarter rather than in the second quarter) and the stable food price inflation compared to the first quarter and negatively impacted by increased competitive activities. In the European retail operations net sales growth excluding currency impact and the impact of divestments compared to the same quarter of 2003 amounted to 0.5%. Net sales at U.S. Foodservice increased in U.S. dollars by 7.5% to USD 4.4 billion, mainly driven by higher pricing and increased volumes.

Net sales in the first half-year of 2004 amounted to EUR 27.7 billion (first half-year of 2003: EUR 30.3 billion), a decrease of 8.6%. Net sales growth excluding currency impact and impact of divestments was 2.0% in the first half-year of 2004.

Operating income in Q2 2004 lower than last year

Operating income before impairment and amortization of goodwill and exceptional items

Operating income before impairment and amortization of goodwill and exceptional items, decreased in the second quarter by 20.1% to EUR 207 million compared to the same period last year.

Operating income before impairment and amortization of goodwill and exceptional items in the second quarter of 2004 showed improvement at all major European operating companies compared to the same period last year. U.S. Foodservice realized operating income before impairment and amortization of goodwill and exceptional items in the second quarter of 2004 compared to an operating loss in the second quarter of 2003. This improvement was mainly due to a decrease of operating expenses as a percentage of net sales. Operating expenses benefited from selling and distribution efficiencies. The improvements at the European retail operations and U.S. Foodservice were outweighed by significantly lower results at U.S. retail, impacted by pressure on operating expenses, fixed asset impairment charges, integration costs, as well as lower sales volumes in the second quarter of 2004, and also lower real estate gains.
The costs related to the settlement with AIG regarding the directors and officers liability insurance policy for Ahold, are included in the Corporate costs of the second quarter.

Operating income before impairment and amortization of goodwill and exceptional items for the first half-year of 2004 decreased 21.8% compared to the same period last year, impacted by the lower U.S. dollar to Euro exchange rate.

Operating income
Operating income of EUR 169 million for the second quarter of 2004 (Q2 2003: operating income EUR 222 million) was lower than for the same period last year. In the second quarter of 2004 and 2003 no exceptional losses were included.

Operating income of EUR 24 million for the first half-year was substantially lower than the same period last year (first half-year of 2003: EUR 624 million), primarily as a result of the exceptional losses of EUR 450 million related to the divestments of Bompreço and the operations in Thailand. These exceptional losses, which were expected and discussed in previous press releases, have no impact on shareholders' equity or cash.

Goodwill amortization and impairment
Goodwill amortization in the second quarter of 2004 amounted to EUR 36 million compared to EUR 37 million in the same period last year. During the second quarter of 2004 Ahold recorded a small goodwill impairment charge relating to its South American operations.

Exceptional loss
In the second quarter of 2004 and the second quarter of 2003 no exceptional items were reported.

The exceptional loss of the first half-year was related to the divestments of Bompreço and the operations in Thailand. Of these exceptional items, EUR 322 million related to accumulated foreign currency translation adjustments ("CTA losses") and EUR 213 million to the partial reversal of goodwill, both of which had previously been charged to shareholders' equity. These negative impacts were partly offset by an EUR 85 million gain representing the difference between the selling price and the book value of certain assets. See "Definitions" below.

Net income: favorable impact of lower net interest expenses

Ahold reported net income of EUR 32 million in the second quarter of 2004 compared to net income of EUR 3 million in the second quarter of 2003. This improvement was primarily caused by lower net interest expenses.

Net financial expense

	2nd Quarter			First Half Year		
x 1 million Euro	2004	Change in %	2003	2004	Change in %	2003
Net interest	-166	23.9%	-218	-389	27.0%	-533
Gain (loss) on foreign exchange	-3	0.0%	-3	2	-90.0%	20
Other financial income and expense	0		-5	0		-5
Net financial expense	-169	25.2%	-226	-387	25.3%	-518

Net financial expense showed a significant decrease

Net financial expense for the second quarter of 2004 was EUR 169 million compared to EUR 226 million in the same period last year. Net interest amounted to EUR 166 million in the second quarter, a decrease of 23.9% compared to the same period last year. The decrease was primarily caused by lower interest expenses resulting from lower cost of borrowing and substantially decreased gross debt. This reduction in gross debt was related, among others, to the repayment of the convertible subordinated notes in September 2003, the March credit facility in December 2003 and the convertible subordinated loan in the second quarter of 2004. Interest income increased as a result of a high outstanding cash balance. In addition, the lower USD to EUR exchange rate favorably impacted net interest.

Net financial expense for the first half of 2004 amounted to EUR 387 million compared to EUR 518 million in the same period last year.

Tax information

	2nd Quarter			First Half Year		
x 1 million Euro	2004	Change in %	2003	2004	Change in %	2003
Income (loss) before impairment & amortization of goodwill and exceptional items and currency impact before income taxes	39	14.7%	34	171	-13.2%	197
Income taxes*	-18	21.7%	-23	-82	-6.5%	-77
Effective tax rate*	46.2%	-21.4%-pt	67.6%	48.0%	8.9%-pt	39.1%

* adjusted for goodwill impairment, goodwill amortization and exceptional items

Income taxes

The effective income tax rate, excluding the impact of non-tax-deductible impairment and amortization of goodwill and exceptional items, decreased to 46.2% in the second quarter of 2004 compared to 67.6% in the second quarter of 2003, mainly as a result of the impact of a different geographic mix of income and consequences of divestments.

Share in income (loss) of joint ventures and equity investees

x 1 million Euro	2nd Quarter 2004	Change in %	2003	First Half Year 2004	Change in %	2003
Share in income (loss)						
European joint ventures	43	53.6%	28	63	31.3%	48
Paiz Ahold, South America	3	50.0%	2	6	50.0%	4
Others	1		-1	-1	0.0%	-1
Total share in income (loss) of joint ventures and equity investees	47	62.1%	29	68	33.3%	51

Share in income of joint ventures and equity investees
Share in income of joint ventures and equity investees in the second quarter of 2004 increased as a result of divestments by ICA.

Balance sheet strengthened

In the second quarter of 2004 the balance sheet was impacted by the early repayment of the convertible subordinated notes in the aggregate principal amount of EUR 920 million and a lower USD to EUR exchange rate. No divestments were completed in the second quarter of 2004.

Balance sheet

x 1 million Euro (except share data)	July 11, 2004	2nd Quarter Change	April 18, 2004
Balance sheet total	21,869	-1,400	23,269
Shareholders' equity	4,994	-113	5,107
Net debt	7,110	-16	7,126
Common shares outstanding (mln)	1,553	0	1,553

Balance sheet total reduced
The USD to EUR exchange rate decreased to EUR 0.805 per U.S. dollar at the end of the second quarter of 2004 compared to EUR 0.833 at the end of the first quarter of 2004. The company lowered its balance sheet total by repaying debt with part of the outstanding cash balances. The balance sheet total was posively impacted by the lower U.S. dollar against the Euro. The balance sheet total decreased by EUR 1.4 billion.

Shareholders’ equity decreased by EUR 113 million, mainly resulting from currency exchange rate differences
Details related to changes in shareholders’ equity are outlined in Annex D.

Net Debt

x 1 million Euro	July 11, 2004	April 18, 2004
Subordinated loans	91	91
Bonds, mortgages & other debt	5,285	6,561
Loans	5,376	6,652
Financial lease commitments	2,239	2,258
Total long-term debt	7,615	8,910
Current portion of long-term debt and short-term loans	1,949	1,731
Gross debt	**9,564**	**10,641**
Cash and cash investments*	-2,454	-3,515
Net debt	**7,110**	**7,126**

* excludes cash on hand. Cash and cash investments + cash on hand = cash and cash equivalents presented in the balance sheet

Net debt reduced by EUR 16 million

In the second quarter of 2004 Ahold repaid early, in cash, its EUR 920 million 4% convertible subordinated notes, on June 2, 2004 versus the original due date of May 19 2005.

Net debt at the end of the second quarter of 2004 decreased compared to the end of the first quarter of 2004, primarily due to the lower USD to EUR exchange rate.

The EUR 1.5 billion 6.375% notes maturing June 8, 2005 have been classified as the current portion of long term debt as of the second quarter of 2004 onwards.

Cash flow

	2nd Quarter			First Half Year		
x 1 million Euro	2004	Change	2003	2004	Change	2003
Net cash from operating activities	207	-242	449	426	-250	676
Net cash from investing activities	-212	-162	-50	54	355	-301
Net cash before financing activities	-5	-404	399	480	105	375
Net cash from financing activities	-983	-861	-122	-996	-1,471	475
Net change in cash and cash equivalents	-988	-1,265	277	-516	-1,366	850

Cash flow

In the second quarter of 2004 net cash outflow before financing activities was EUR 5 million compared to a net cash inflow of EUR 399 million in the same period of last year. The net cash inflow from operating activities decreased from EUR 449 million in the second quarter of 2003 to EUR 207 million in the second quarter of 2004 as a result of, a net cash outflow for working capital (53%), lower real estate divestments (27%) and higher taxes paid (20%).

The net cash outflow from investing activities increased from EUR 50 million in the second quarter of 2003 to EUR 212 million in the second quarter of 2004, as a result of lower real estate divestments.
The increased net cash outflow from financing activities in the second quarter of 2004 reflects the early repayment of the EUR 920 million aggregate principal amount of the 4% convertible subordinated notes.

Operational information

US Retail

x 1 million	2nd Quarter 2004	Change in %	2003	First Half Year 2004	Change in %	2003
Net sales						
Net sales in USD	6,262	0.5%	6,230	14,446	-0.5%	14,516
Net sales in EUR	5,183	-4.2%	5,412	11,772	-10.3%	13,131
Operating income before impairment and amortization of goodwill and exceptional items						
Total in USD	253	-29.9%	361	658	-20.4%	827
Total in EUR	209	-33.2%	313	536	-28.3%	748
As % of net sales	4.0%	-1.8%-pt	5.8%	4.6%	-1.1%-pt	5.7%
Operating income						
Total in USD	250	-30.0%	357	652	-20.5%	820
Total in EUR	207	-33.2%	310	530	-28.5%	741

Lower operating income at U.S. retail impacted by continued competitive pressure
Net sales at the U.S. retail trade operations in the second quarter of 2004 increased 0.5% in U.S. dollars compared to the same period last year. Excluding the impact of the divestment of Golden Gallon in 2003, net sales in U.S. dollars increased by 2.0%. Identical sales growth in U.S. dollars was 0.3% and comparable sales growth was 0.9%, reflecting the positive Easter impact and the stable food price inflation in the second quarter of 2004 compared to the first quarter of 2004.

Operating income before impairment and amortization of goodwill and exceptional items in the U.S. retail trade business in U.S. dollars decreased in the second quarter of 2004 by 29.9% compared to the second quarter of 2003.
At Stop & Shop and Giant-Landover, increased promotional activities and additional sales area of competitors, as well as the ongoing integration initiatives (costs included in the second quarter amounted to USD 15 million) had an impact on net sales and operating income in the second quarter. In the second quarter higher operating expenses and fixed asset impairment charges negatively impacted operating income. Additionally, lower real estate gains were recorded in the second quarter of 2004 compared to the same period of 2003. Giant Carlisle's performance remained strong and at Tops initiatives related to pricing and operational performance have begun to yield a positive trend in sales.

During the second quarter of 2004, significant progress was made on the integration of the administrative and managerial functions of Stop & Shop and Giant-Landover into one business arena. The store system conversion was substantially completed, as scheduled, during the second quarter.

The integration is expected to streamline the company and improve long-term efficiency. Additionally, during the second quarter of 2004, work continued according to plan on the divestment of BI-LO and Bruno's.

During the first half year of 2004, operating income before impairment and amortization of goodwill and exceptional items was negatively impacted by promotional activities and additional sales area of competitors, impairment charges, increased health and welfare costs, integration costs, and lower real estate gains.

Europe Retail

x 1 million Euro	2nd Quarter 2004	2nd Quarter Change in %	2nd Quarter 2003	First Half Year 2004	First Half Year Change in %	First Half Year 2003
Net sales						
Total	3,056	0.0%	3,056	6,749	-0.6%	6,788
Operating income before impairment and amortization of goodwill and exceptional items						
Total	67	109.4%	32	144	13.4%	127
As % of net sales	2.2%	1.2%-pt	1.0%	2.1%	0.2%-pt	1.9%
Operating income						
Total	61	125.9%	27	132	13.8%	116

Improved operating income at the major operating companies in Europe

Net sales during the second quarter of 2004 were in line with the second quarter of 2003 in the European retail operations. Excluding currency impact in Central Europe and impact from the divestments of Jamin and De Tuinen in 2003, net sales growth was 0.5% compared to the same quarter of 2003. Identical sales growth at Albert Heijn was 1.4% in the second quarter of 2004; the increase in transactions was partly offset by a lower average basket size, due to food price deflation. Net sales growth in Central Europe from store openings was largely offset by lower currency exchange rates. Net sales in Spain decreased as a consequence of a lower store count, declining tourism in the Canary Islands and increased competition.

Operating income before impairment and amortization of goodwill and exceptional items for the European retail operations increased in the second quarter of 2004 to EUR 67 million compared to EUR 32 million in the same period of last year, driven by all major retail companies. At Albert Heijn higher operating income was mainly the result of ongoing cost reductions. The operations in Central Europe reported a lower operating loss due to improved margins and lower costs. Spain reduced its operating loss by improving its margins and reducing shrinkage.

During the second quarter Albert Heijn continued to make progress with its repositioning in the Dutch retail market. Strong commercial programs continued to be put in place and the price position was further improved, supported by the cost reduction program, which was started in 2003.

Central Europe continued to fully integrate all back-office functions, further optimized the store portfolio and reduced working capital. In Spain considerable progress was made according to plan in the divestment program, while at the same time, the company continued to rationalize its store portfolio and control operating expenses.

In the first half-year of 2004, net sales amounted to EUR 6.7 billion (2003: EUR 6.8 billion). Net sales growth excluding currency impact and impact from divestments amounted to 0.2%. Identical sales growth at Albert Heijn was 0.4%.
Operating income before impairment and amortization of goodwill and exceptional items in the European retail operations increased in the first half year of 2004 to EUR 144 million compared to EUR 127 million in the same period of last year, driven by improved performance at the major operating companies in the second quarter of 2004.

Foodservice

	2nd Quarter			First Half Year		
x 1 million	2004	Change in %	2003	2004	Change in %	2003
Net sales						
U.S. Foodservice in USD	4,438	7.5%	4,130	9,980	5.9%	9,426
U.S. Foodservice in EUR	3,673	2.4%	3,588	8,135	-4.5%	8,522
Europe Foodservice	191	-2.1%	195	429	-5.3%	453
Total	3,864	2.1%	3,783	8,564	-4.6%	8,975
Operating income (loss) before impairment and amortization of goodwill and exceptional items						
U.S. Foodservice in USD	36		-18	8		-51
U.S. Foodservice in EUR	30		-20	8		-51
Europe Foodservice	3	50.0%	2	3	-50.0%	6
Total	33		-18	11		-45
As % of net sales	0.9%	1.4%-pt	-0.5%	0.1%	0.6%-pt	-0.5%
Operating income (loss)						
U.S. Foodservice in USD	3		-51	-70	46.2%	-130
U.S. Foodservice in EUR	2		-49	-56	54.1%	-122
Europe Foodservice	3	50.0%	2	3	-50.0%	6
Total	5		-47	-53	54.3%	-116

U.S. Foodservice favorably impacted by net sales growth

U.S. Foodservice showed an increase in net sales in U.S. dollars of 7.5% in the second quarter of 2004, compared to the same period last year. The increase was primarily attributable to higher pricing and improved volumes.

The operating income before impairment and amortization of goodwill and exceptional items at U.S. Foodservice in the second quarter of 2004 was USD 36 million, an improvement of USD 54 million compared to the same quarter last year. This improvement was mainly due to a decrease in operating expenses as a percentage of net sales. Operating expenses benefited from selling and distribution efficiencies.

During the second quarter of 2004, U.S. Foodservice continued to make progress in implementing its key initiatives including: fortifying its governance and controls, renegotiating major procurement contracts, improving its customer mix, controlling operating expenses and improving working capital.

In the first half-year of 2004 U.S. Foodservice showed an increase in net sales in U.S. dollars of 5.9% compared to the same period last year, primarily attributable to higher pricing and improved volumes. The operating income before impairment and amortization of goodwill and exceptional items in the first half of 2004 was USD 8 million compared to a loss of USD 51 million during the same period of 2003. This improvement was mainly due to a decrease in operating expenses as a percentage of net sales.

Other Business Areas

x 1 million Euro	2nd Quarter 2004	2nd Quarter Change in %	2nd Quarter 2003	First Half Year 2004	First Half Year Change in %	First Half Year 2003
Net sales						
South America	214	-64.9%	609	551	-53.7%	1,189
Asia	0		93	51	-74.6%	201
Corporate	0		0	0		0
Total	214	-69.5%	702	602	-56.7%	1,390
Operating income (loss) before impairment and amortization of goodwill and exceptional items						
South America	-13	-30.0%	-10	-14	-75.0%	-8
Asia	0		-14	0		-21
Corporate	-89	-102.3%	-44	-119	-36.8%	-87
Total	-102	-50.0%	-68	-133	-14.7%	-116
As % of net sales	-47.7%	-38%-pt	-9.7%	-22.1%	-13.8%-pt	-8.3%
Operating income (loss)						
South America	-15	-50.0%	-10	-448	-4877.8%	-9
Asia	0		-14	-18	14.3%	-21
Corporate	-89	-102.3%	-44	-119	-36.8%	-87
Total	-104	-52.9%	-68	-585	-400.0%	-117

South America

Net sales in the South American retail trade operations in the second quarter of 2004 were heavily impacted by the divestments of Santa Isabel in 2003 and Bompreço in the first quarter of 2004. Excluding currency impact and the impact of divestments, the net sales decrease was limited to 1.8%.
Operating loss before impairment and amortization of goodwill and exceptional items increased to EUR 13 million in the second quarter of 2004 compared to a loss of EUR 10 million in the same period last year. Included in the 2004 results is an impairment charge of fixed assets within the South American operations.

The first half-year operating loss of 2004 of EUR 448 million was heavily impacted by the CTA loss and reversal of goodwill resulting from the divestment of Bompreço.

Corporate

Beginning in the second quarter of 2004 this segment excludes the operations of three real estate companies that acquire, develop and manage store locations in Europe and the U.S. These entities are now accounted for under the segment U.S. Retail and Europe Retail. The 2003 figures used in this release have been adjusted accordingly.

Operating loss at Corporate increased, fully as a result of the costs related to the settlement with AIG. On July 16, 2004, Ahold announced that it had settled all pending insurance coverage litigation with AIG Europe (Netherlands) N.V. regarding the directors' and officers' liability insurance policies for Ahold and its subsidiary U.S. Foodservice. Under the terms of this settlement giving Ahold and its subsidiary U.S. Foodservice and current and former directors and officers access to USD 125 million of coverage (and extending the discovery periods under the insurance), Ahold has committed to make payments to AIG Europe (Netherlands) N.V. which in the aggregate, after reduction of costs already reimbursable under those insurance policies, amount to approximately EUR 44 million. The Corporate segment also includes the costs related to compliance with the Sarbanes-Oxley Act and the International Financial Reporting Standards (IFRS) and the Business Support Organization, which is responsible for harmonizing back office processes and systems as part of the Road to Recovery program.

Ahold will adopt IFRS accounting standards in 2005, as required under EU regulations. Applying IFRS to our financial statements may have a significant impact on a number of important areas. Ahold is currently analyzing and calculating the differences between Dutch GAAP, IFRS and US GAAP to assess in detail the impact on its consolidated financial position and results.

Annexes

ANNEX A Consolidated Statements of Operations
Consolidated Balance Sheet
Consolidated Statements of Cash Flows

ANNEX B Reconciliation of operating income (loss) to operating income (loss) before impairment and amortization of goodwill and exceptional items

ANNEX C Reconciliation of effective tax rate*

ANNEX D Shareholders' equity

ANNEX E Quarterly net sales and trends per region

Definitions

- Identical net sales compare net sales from the same stores.
- Comparable sales are identical net sales plus net sales from replacement stores.
- Net debt / EBITDA: Net debt includes long- and short-term interest bearing debt as well as capitalized lease commitments, netted with cash and cash investments (excluding cash on hand), divided by EBITDA excluding exceptional items.
- EBITDA / net interest: EBITDA excludes exceptional items. For this ratio net interest excludes financing arrangement fees.
- Currency impact: the impact using different exchange rates to translate the financial figures of Ahold's subsidiaries to Euros. For comparison reasons the financial figures of the previous year are adjusted using the actual exchange rates in order to eliminate this currency impact.
- Impact of divestments: the impact on our financial figures of divested operations. The financial figures from divested operations are excluded from prior year's financial figures.
- Explanation on CTA losses (currency translation adjustments) and reversal of goodwill as a result of divestments: upon the divestment of some of our foreign operations, Ahold is required to recognize accumulated foreign currency translation adjustments and reverse goodwill, both of which were previously charged to shareholders' equity. This loss on divestments has no impact on the overall level of shareholders' equity. Exchange rate differences related to the translation of the financial results of foreign subsidiaries are recorded directly in shareholders' equity. When these exchange rate differences are realized, which occurs upon the sale of the underlying foreign subsidiary, the cumulative foreign currency translation adjustments are recognized in the statement of operations as part of the gain or loss on the sale. Also goodwill previously deducted directly from shareholders' equity upon acquisition has to be reclassified pro rata to the statement of operations if sold within six years of the initial acquisition.

Non-GAAP Financial Measures

In certain instances, results presented in this press release either exclude the impact of fluctuations in currency exchange rates used in the translation of Ahold's foreign subsidiaries' financial results into Euro or are presented in local currencies, which Ahold's management believes provides a better insight into the operating performance of foreign subsidiaries. For more information regarding the non-GAAP financial measure 'excluding currency impact', see "Definitions" below.
In addition, in certain instances, operating income for Ahold's business segments is presented excluding the impact of the impairment and amortization of goodwill and exceptional items. Operating income before impairment and amortization of goodwill and exceptional items is a non-GAAP financial measure. A reconciliation of this non-GAAP financial measure to the Dutch GAAP measure of operating income, as well as management's explanation for the use of this measure, are set forth in Annex B.

The press release also includes two other non-GAAP financial measures (1) net sales excluding currency impact and the impact of divestments and (2) the effective income tax rate, excluding the impact of non-tax-deductible impairment and amortization of goodwill and exceptional items. A reconciliation of the non-GAAP financial measure of income taxes excluding the impact of non-tax-deductible impairment and amortization of goodwill and exceptional items to the Dutch GAAP measure of income taxes, as well as management's explanation for the use of this measure, are set forth in Annex C.

In this press release net cash flow before financing activities refers to the sum of net cash from operating activities and net cash from investing activities.

Adjustments

The results for Q2 2003 presented in this press release have been adjusted to make them comparable to the results for Q2 2004. These adjustments to the Q2 2003 results relate to accounting for vendor allowances, and reflect the following:

- *In the fourth quarter of 2003 Ahold adopted EITF 02-16 "Accounting by a Customer (including a Reseller) for certain Consideration Received from a Vendor"("EITF 02-16"). As the adoption of EITF 02-16 in the fourth quarter includes the effect of EITF 02-16 from December 30, 2002, Ahold adjusted the results for Q2 2003 for the portion of the effect that related to Q2 2003, which resulted in a decrease in results for Q2 2003 by EUR 1.0 million (as previously announced); and*

- *In response to the irregularities announced in February 2003 relating to vendor allowances Ahold conservatively deferred the recognition of certain vendor allowances in Q1 2003 until Q2 2003. After analyzing the accounting of its vendor allowance arrangements Ahold determined that EUR 65 million of operating income from vendor allowances, net of tax effect, could have been recognized in Q1 2003 in accordance with the current accounting policies and therefore made the related adjustment.*

During the second quarter of 2004, Ahold changed the organizational and managerial responsibilities of the companies reported in the Other Business segment (including the separately managed Real Estate companies and Ahold Coffee Company). Beginning in the second quarter of 2004, the managerial responsibilities of these companies were transferred to the management of the relevant retail companies. The consequence is that what was the Other Business segment now represents the Group support activities at the Corporate level and therefore has been renamed "Group Support." The reported net sales, operating income before impairment and amortization of goodwill and exceptional items and operating income figures for the second quarter of 2003 and the first half year of 2003 therefore have been reconciled. A full reconciliation can be found on Ahold's website.

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Certain statements in this press release are "forward-looking statements" within the meaning of U.S. federal securities laws. Ahold intends that these statements be covered by the safe harbors created under these laws. These forward-looking statements include, but are not limited to statements regarding Ahold's intention to integrate certain retail chains and the expected impact and timing of such integration, and statements as to the timing and scope of certain divestments. 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. Important factors that could cause actual results to differ materially from the information set forth in these forward-looking statements include, but are not limited to Ahold's ability to implement its strategy successfully, the costs of implementing the strategy, difficulties in the cooperation efforts among Ahold's subsidiaries, changes in general market, economic and political conditions, increases in the levels of competition in the markets in which Ahold and its subsidiaries and joint ventures operate, the actions of government and law enforcement agencies, Ahold's ability to find buyers for the operations it is divesting on terms that are acceptable to Ahold, Ahold's ability to complete the divestments, the inability to satisfy, or delays in satisfying, closing conditions to the divestments and other factors discussed in Ahold's public filings. Many of these factors are beyond Ahold's ability to control or predict. Given these uncertainties, readers are cautioned not to place undue reliance on the forward-looking statements, which only speak as of the date of this press release. Ahold does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events or circumstances, except as may be required under applicable securities laws. Outside The Netherlands, Koninklijke Ahold N.V., being its registered name, presents itself under the name of "Royal Ahold" or simply "Ahold."

Annex A

Consolidated Statements of Operations

x 1 million Euro (unless otherwise indicated)	2nd Quarter 2004	Change in %	2003	First Half Year 2004	Change in %	2003
Net sales						
U.S. Retail	5,183	-4.2%	5,412	11,772	-10.3%	13,131
Europe Retail	3,056	0.0%	3,056	6,749	-0.6%	6,788
Foodservice	3,864	2.1%	3,783	8,564	-4.6%	8,975
Other business areas	214	-69.5%	702	602	-56.7%	1,390
Total	**12,317**	**-4.9%**	**12,953**	**27,687**	**-8.6%**	**30,284**
Operating income (loss) before impairment and amortization of goodwill and exceptional items						
U.S. Retail	209	-33.2%	313	536	-28.3%	748
Europe Retail	67	109.4%	32	144	13.4%	127
Foodservice	33		-18	11		-45
Other business areas	-102	-50.0%	-68	-133	-14.7%	-116
Total	**207**	**-20.1%**	**259**	**558**	**-21.8%**	**714**
Goodwill amortization	-36	2.7%	-37	-82	8.9%	-90
Goodwill impairment	-2		0	-2		0
Exceptional loss:						
Results of divestments	0		0	-450		0
Operating income	**169**	**-23.9%**	**222**	**24**	**-96.2%**	**624**
Financial expense						
Net interest	-166	23.9%	-218	-389	27.0%	-533
Gain (loss) on foreign exchange	-3	0.0%	-3	2	-90.0%	20
Other financial income and expense	0		-5	0		-5
Net financial expense	**-169**	**25.2%**	**-226**	**-387**	**25.3%**	**-518**
Income (loss) before income taxes	**0**		**-4**	**-363**		**106**
Income taxes	-11	45.0%	-20	-69	-7.8%	-64
Income (loss) after income taxes	**-11**	**54.2%**	**-24**	**-432**		**42**
Share in income of joint ventures and equity investees	47	62.1%	29	68	33.3%	51
Minority interest	-4	-100.0%	-2	-9	-50.0%	-6
Net income (loss)	**32**	**966.7%**	**3**	**-373**		**87**
Dividends on cumulative preferred financing shares	-11	-22.2%	-9	-24	-14.3%	-21
Net income (loss) after preferred dividends	**21**		**-6**	**-397**		**66**
Net income (loss) after preferred dividends per common share - basic (Euro)	0.01		0.00	-0.26		0.07
Weighted average number of common shares outstanding (x 1,000) - basic*	1,552,609	54.3%	1,006,425	1,552,606	54.3%	1,006,364
Average USD exchange rate 1 USD = Euro	0.8277	-4.7%	0.8688	0.8148	-9.9%	0.9046

Note: * retroactively adjusted for the dilution from the rights issue

Consolidated Balance Sheet

x 1 million Euro	July 11, 2004	2nd Quarter Change in %	April 18, 2004
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	2,361	-4.4%	2,469
Other intangible assets	615	-4.7%	645
Total intangible assets	**2,976**	**-4.4%**	**3,114**
Tangible fixed assets	**8,943**	**-1.7%**	**9,102**
Financial assets			
Investment in joint ventures and equity investees	855	4.4%	819
Deferred tax assets	529	10.7%	478
Other financial assets	595	-1.8%	606
Total financial assets	**1,979**	**4.0%**	**1,903**
Total non-current assets	**13,898**	**-1.6%**	**14,119**
Current assets			
Inventories	2,877	-3.8%	2,991
Accounts receivable	2,151	0.3%	2,145
Other current assets	166	-11.2%	187
Cash and cash equivalents	2,777	-27.4%	3,827
Total current assets	**7,971**	**-12.9%**	**9,150**
TOTAL ASSETS	**21,869**	**-6.0%**	**23,269**

Consolidated Balance Sheet

x 1 million Euro		July 11, 2004	2nd Quarter Change in %	\pril 18, 2004
LIABILITIES AND SHAREHOLDERS' EQUITY				
Shareholders' equity		**4,994**	**-2.2%**	**5,107**
Minority interest		**72**	**5.9%**	**68**
Provisions				
Pensions and other retirement benefits		674	-1.0%	681
Deferred tax liability		448	-3.2%	463
Restructuring provisions		91	16.7%	78
Other provisions		723	-2.6%	742
Total provisions		**1,936**	**-1.4%**	**1,964**
Non-current liabilities				
Loans		5,376	-19.2%	6,652
Financial lease commitments		2,239	-0.8%	2,258
Other non-current liabilities		185	3.9%	178
Total non-current liabilities		**7,800**	**-14.2%**	**9,088**
Current liabilities				
Loans payable		1,949	12.6%	1,731
Accounts payable		3,364	-0.3%	3,375
Other current liabilities		1,754	-9.4%	1,936
Total current liabilities		**7,067**	**0.4%**	**7,042**
TOTAL LIABILITIES AND SHAREHOLDERS' E(		**21,869**	**-6.0%**	**23,269**
USD Exchange rate	1 USD = Euro	0.8055	-3.3%	0.8333

Consolidated Statements of Cash Flows

	2nd Quarter		First Half Year	
	2004	2003	2004	2003
x 1 million Euro				
CASH FLOW FROM OPERATING ACTIVITIES:				
Income (loss) before income taxes	0	-4	-363	106
Adjustments for:				
Depreciation, amortization and impairments	354	353	755	807
Gain on disposal of tangible fixed assets	-5	-18	1	-26
Exceptional items:				
Exceptional loss	0	0	0	0
Results of divestments	0	-3	450	-3
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL	349	328	843	884
Changes in working capital:				
Accounts receivables	-53	55	59	-22
Other current assets	8	102	-26	26
Inventory	42	178	159	587
Accounts payable	58	-3	-377	-615
Current liabilities	-129	-195	-153	-117
TOTAL CHANGES IN WORKING CAPITAL	-74	137	-338	-141
Change in other long term assets	3	30	9	28
Change in other provisions	27	5	44	5
Corporate income taxes paid	-110	-28	-134	-49
Change in other long term liabilities	12	-23	2	-51
NET CASH FROM OPERATING ACITIVITIES	**207**	**449**	**426**	**676**
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investments in intangible assets	-44	-22	-59	-64
Investments in tangible assets	-256	-202	-480	-548
Divestments of tangible fixed and intangible assets	40	148	138	260
Acquisitions of group companies	0	-55	-10	-63
Divestments of group companies	0	12	380	12
Investments in joint ventures and equity investees	0	-9	-1	-13
Income from joint ventures and equity investees	40	42	56	81
Proceeds from sale of joint ventures & equity investees	3	1	4	2
Change in loans receivable	5	35	26	32
NET CASH FROM INVESTING ACTIVITIES	**-212**	**-50**	**54**	**-301**
NET CASH BEFORE FINANCING ACTIVITIES	**-5**	**399**	**480**	**375**
CASH FLOW FROM FINANCING ACTIVITIES:				
Change in long-term debt	-896	-103	-975	-365
Repayments of capital lease commitments	-29	-11	-40	-26
Change in short-term debt	-20	-9	65	870
Net proceeds from issuance of shares	0	1	1	1
Dividend paid	-38	0	-38	0
Change in minority interest	0	0	-9	-5
NET CASH FROM FINANCING ACTIVITIES	**-983**	**-122**	**-996**	**475**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**-988**	**277**	**-516**	**850**
Cash and cash equivalents at beginning of period	3.827	1.585	3.340	1.002
Cash acquired in business acquisistions	0	0	0	1
Cash divested through sale of companies	0	-1	-13	-1
Effect of exchange rate differences on cash and cash equivalents	-62	-109	-34	-100
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**2.777**	**1.752**	**2.777**	**1.752**

Note: The interim cash flow statement of Q2 2003 has been adjusted for EITF 02-16, the U.S. Foodservice vendor allowances reclass from Q2 to Q1. In addition a reclassification has been made for exchange rate differences that were incorrectly classified as a repayment of long term debt in the presentation cashflow statement of the second quarter of 2003 . This reclassification was already reflected in the audited annual 2003 cash flow statement.

Annex B

Reconciliation of operating income (loss) to operating income (loss) before impairment and amortization of goodwill and exceptional items

Operating income before impairment and amortization of goodwill and exceptional items is a non-GAAP financial measure. Ahold believes that it is a relevant and useful measure as it provides a more meaningful comparison of Ahold's underlying operating performance between periods. It is also a measure used by Ahold management to assess the effectiveness of its operating strategies and to evaluate its operating performance trends in different periods. Operating income before impairment and amortization of goodwill and exceptional items, as defined herein, may not be comparable to similarly titled measures reported by other companies. It should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with Dutch GAAP.

2nd Quarter 2004

Business segments x 1 million Euro		Operating income (loss)	Goodwill impairment	Goodwill amortization	Exceptional items	Operating income (loss) before impairment and amortization of goodwill and exceptional items
U.S. Retail	USD	250	0	-3	0	253
U.S. Retail	EUR	207	0	-2	0	209
Europe Retail	EUR	61	0	-6	0	67
U.S. Foodservice	USD	3	0	-33	0	36
U.S. Foodservice	EUR	2	0	-28	0	30
Foodservice Europe	EUR	3	0	0	0	3
Total Foodservice	EUR	5	0	-28	0	33
South America	EUR	-15	-2	0	0	-13
Asia Pacific	EUR	0	0	0	0	0
Corporate	EUR	-89	0	0	0	-89
Total other business areas	EUR	-104	-2	0	0	-102
Total	**EUR**	**169**	**-2**	**-36**	**0**	**207**

2nd Quarter 2003

Business segments x 1 million Euro		Operating income (loss)	Goodwill impairment	Goodwill amortization	Exceptional items	Operating income (loss) before impairment and amortization of goodwill and exceptional items
U.S. Retail	USD	357	0	-4	0	361
U.S. Retail	EUR	310	0	-3	0	313
Europe Retail	EUR	27	0	-5	0	32
U.S. Foodservice	USD	-51	0	-33	0	-18
U.S. Foodservice	EUR	-49	0	-29	0	-20
Foodservice Europe	EUR	2	0	0	0	2
Total Foodservice	EUR	-47	0	-29	0	-18
South America	EUR	-10	0	0	0	-10
Asia Pacific	EUR	-14	0	0	0	-14
Corporate	EUR	-44	0	0	0	-44
Total other business areas	EUR	-68	0	0	0	-68
Total	**EUR**	**222**	**0**	**-37**	**0**	**259**

First Half year 2004

Business segments x 1 million Euro		Operating income (loss)	Goodwill impairment	Goodwill amortization	Exceptional items	Operating income (loss) before impairment and amortization of goodwill and exceptional items
U.S. Retail	USD	652	0	-6	0	658
U.S. Retail	EUR	530	0	-6	0	536
Europe Retail	EUR	132	0	-12	0	144
U.S. Foodservice	USD	-70	0	-78	0	8
U.S. Foodservice	EUR	-56	0	-64	0	8
Foodservice Europe	EUR	3	0	0	0	3
Total Foodservice	EUR	-53	0	-64	0	11
South America	EUR	-448	-2	0	-432	-14
Asia Pacific	EUR	-18	0	0	-18	0
Corporate	EUR	-119	0	0	0	-119
Total other business areas	EUR	-585	-2	0	-450	-133
Total	**EUR**	**24**	**-2**	**-82**	**-450**	**558**

First Half year 2003

Business segments x 1 million Euro		Operating income (loss)	Goodwill impairment	Goodwill amortization	Exceptional items	Operating income (loss) before impairment and amortization of goodwill and exceptional items
U.S. Retail	USD	820	0	-7	0	827
U.S. Retail	EUR	741	0	-7	0	748
Europe Retail	EUR	116	0	-11	0	127
U.S. Foodservice	USD	-130	0	-79	0	-51
U.S. Foodservice	EUR	-122	0	-71	0	-51
Foodservice Europe	EUR	6	0	0	0	6
Total Foodservice	EUR	-116	0	-71	0	-45
South America	EUR	-9	0	-1	0	-8
Asia Pacific	EUR	-21	0	0	0	-21
Corporate	EUR	-87	0	0	0	-87
Total other business areas	EUR	-117	0	-1	0	-116
Total	**EUR**	**624**	**0**	**-90**	**0**	**714**

Annex C

Reconciliation of effective tax rate*

x 1 million Euro	2nd Quarter 2004	2nd Quarter Change in %	2nd Quarter 2003	First Half Year 2004	First Half Year Change in %	First Half Year 2003
Income (loss) before income taxes	0		-4	-363		106
Impairment & amortization of goodwill and exceptional items	39	2.6%	38	534	486.8%	91
Income (loss) before impairment & amortization of goodwill and exceptional items and currency impact before income taxes	39	14.7%	34	171	-13.2%	197
Income taxes	-11	47.6%	-21	-69	-6.2%	-65
Taxes on impairment & amortization of goodwill and exceptional items	-7	-250.0%	-2	-13	-8.3%	-12
Income taxes before impairment & amortization of goodwill and exceptional items	-18	21.7%	-23	-82	-6.5%	-77
Effective tax rate*	46.2%	-21.4%-pt	67.6%	48.0%	8.9%-pt	39.1%

* adjusted for goodwill impairment, goodwill amortization and exceptional items

Annex D

Shareholders' equity

x 1 million Euro	2nd Quarter July 11, 2004	April 18, 2004
Shareholders' equity opening balance	5,107	4,851
Issuance of preferred shares	0	0
Issuance of common shares	0	0
Net income (loss)	32	-405
Preferred dividend	-10	-13
EITF 02-16 opening balance sheet adjustment	0	0
Exercise of stock options	0	0
Goodwill	5	213
Minimum pension liability	0	0
Transfer cumulative translation difference of the divestments to the statement of operations ("CTA losses")	0	322
Exchange rate differences and other changes	-140	139
Shareholders' equity closing balance	4,994	5,107

Annex E

Quarterly sales and trends per region

x 1 million		Q2 - 2004 (12 weeks)	Q1 - 2004 (16 weeks)	Q4 - 2003 (12 weeks)	Q3 - 2003 (12 weeks)
Royal Ahold	EUR				
Net sales		12,317	15,370	12,739	13,045
Net sales growth (%)		-4.9%	-11.3%	-10.9%	-7.1%
Number of stores		4,992	5,011	5,066	5,257
US Retail	USD				
Net sales		6,262	8,184	6,265	6,172
Net sales growth (%)		0.5%	-1.2%	0.8%	3.3%
Number of stores		1,473	1,491	1,489	1,631
U.S. Foodservice	USD				
Net sales		4,438	5,542	4,152	4,259
Net sales growth (%)		7.5%	4.6%	6.0%	5.9%
Europe Retail	EUR				
Net sales		3,056	3,692	3,189	3,006
Net sales growth (%)		0.0%	-1.1%	-0.5%	0.5%
Number of stores		3,132	3,133	3,144	3,156
Europe Foodservice	EUR				
Net sales		191	240	197	189
Net sales growth (%)		-2.1%	-6.6%	-5.3%	-2.6%
South America	EUR				
Net sales		214	337	519	510
Net sales growth (%)		-64.9%	-41.9%	-19.8%	-13.1%
Number of stores		387	387	386	423
Asia Pacific	EUR				
Net sales		0	51	85	78
Net sales growth (%)			-53.2%	-28.0%	-28.4%
Number of stores		0	0	47	47
Corporate	EUR				
Net sales		0	0	0	0
Net sales growth (%)					