

March 1, 2017

Q4/Full year

2016

Better Together - Ahold Delhaize Strategic Framework

Our purpose

Together, we build Great Local Brands, bringing Fresh Inspiration Every Day

Our sustainable business model

Save for our customers:

- Buy better
- Operate smarter
- Waste less

Fund growth in key channels:

- Supermarkets
- eCommerce
- Smaller formats



Invest in our customer proposition:

- Affordable for all
- Best own brands
- Fresher & healthier
- Most local & personal service

Our promises



Our values

Courage

We drive change, are open-minded, bold, and innovative.

Integrity

We do the right thing and earn customers' trust.

Teamwork

Together, we take ownership, collaborate, and win.

Care

We care for our customers, our colleagues, and our communities.

Humor

We are humble, down-to-earth, and we don't take ourselves too seriously.

Ahold Delhaize... *Better Together*

Recap of our new strategy presented at the Capital Markets Day

Well positioned to win...

- Great local brands
- Best-in-class Supermarkets
- Superior Omni-channel / Digital
- Operating cash flow among industry leaders
- Proven skills in:
 - Fresh
 - Own brands
 - Focus on affordability
- Sustainable retailing and community engagement
- Great talent and leadership track record

...by building on our *Better Together* strategy

- Save for our customers:
 - Buy better
 - Operate smarter
 - Waste less
- Fund growth in key channels:
 - Supermarkets
 - eCommerce
 - Smaller formats
- Invest in our customer proposition:
 - Affordable for all
 - Best own brands
 - Fresher & healthier
 - Most local & personal service



Together, we build **Great Local Brands**, bringing **Fresh Inspiration Every Day**

Highlights

Strong fourth quarter, raised dividend for 2016, integration progressing well

- Pro forma Q4 net sales of €15.5 billion, up 2.8% at constant exchange rates, adjusted for week 53 in 2015
- Pro forma Q4 underlying operating margin of 3.9%, driven by strong performance in the Netherlands and at Delhaize America
- Pro forma full year underlying operating margin of 3.7%, up 20 basis points compared to 2015
- Strong free cash flow of €874 million in Q4, resulting in €1.4 billion full year free cash flow
- Proposed dividend of €0.57, up 9.6% compared to the Ahold dividend last year
- Integration on track, with synergies from the *Better Together* strategy delivering according to plan

Integration on track

- Merger related store divestments almost completed in the U.S.
- Richmond and Belgium store divestment process ongoing
- Ahold USA and Delhaize America announced plans to further strengthen their brands, while leveraging scale at Retail Business Services
- Synergy programs in both U.S. and Europe on track



Group performance

Pro forma operating performance

€ in million	Quarter 4				Full year			
	2016	2015	Change actual rates	Change constant rates	2016	2015	Change actual rates	Change constant rates
Net sales	15,505	15,667	(1.0%)	(2.2%)	62,331	60,881	2.4%	2.1%
Net sales adj. for 53 rd week				2.8%				3.4%
Underlying EBITDA	1,045	1,049	(0.4%)	(1.6%)	4,063	3,862	5.2%	4.9%
Underlying EBITDA margin	6.7%	6.7%			6.5%	6.3%		
Underlying operating income	608	633	(3.9%)	(5.1%)	2,298	2,155	6.6%	6.3%
Underlying operating margin	3.9%	4.0%			3.7%	3.5%		

- Strong margin performance, when adjusting for the benefits of the 53rd week in Q4 2015
- Margin performance especially driven by The Netherlands and Delhaize America
- Net synergies of €19 million included in Q4 2016

Group performance

Pro forma income from continuing operations

€ in million	Full year		
	2016	2015	Change actual rates
Underlying operating income	2,298	2,155	6.6%
Restructuring and related charges	246	193	27.5%
Other	78	63	23.8%
Operating income	1,974	1,899	3.9%
Net financial expenses	(601)	(425)	41.4%
Income taxes	(331)	(298)	11.1%
Share in income (loss) of joint ventures	36	26	38.5%
Income from continuing operations	1,078	1,202	(10.3%)
Underlying income from continuing operations	1,486	1,410	5.4%
Underlying EPS from continuing operations	1.17	1.11	5.4%
Dividend per share	€0.57¹	€0.52	9.6%
Dividend payout %²	48%	49%	

¹ Subject to shareholder approval

² Dividend payout ratio for 2016 is based on underlying income from continuing operations (on a pro forma basis). In 2015 this was based on a payout ratio of adjusted income from continuing operations for Ahold

Performance by segment

Pro forma

€ in million

Quarter 4

	Ahold USA		Delhaize America		The Netherlands		Belgium		CSE	
	2016	Change constant rates	2016	Change constant rates	2016	Change	2016	Change	2016	Change constant rates
Net sales	5,590	(7.0%)	3,969	2.0%	3,208	(1.1%)	1,280	(1.0%)	1,458	4.3%
Net sales adj. for 53 rd week		0.7%		2.0%		7.5%		(1.0%)		6.7%
Underlying EBITDA	380	(9.4%)	271	8.1%	230	7.0%	66	6.5%	112	(6.7%)
Underlying EBITDA margin	6.8%	(0.2)	6.8%	0.4	7.2%	0.6	5.2%	0.4	7.7%	(0.9)
Underlying operating income	221	(14.7%)	141	10.9%	161	7.3%	30	7.1%	75	(11.8%)
Underlying operating margin	4.0%	(0.3)	3.6%	0.3	5.0%	0.4	2.3%	0.1	5.1%	(1.0)
Comparable sales growth excl gas	(0.2)	(2.1)	2.2%	0.0	6.6%	3.1	(0.9%)	(4.9)	3.4%	(2.1)

2015 results included benefits from the 53rd week for former Ahold brands

Performance by segment

Pro forma

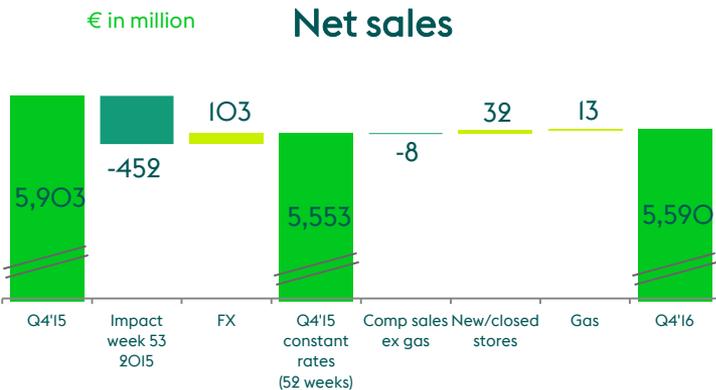
€ in million

	Full year									
	Ahold USA		Delhaize America		The Netherlands		Belgium		CSE	
	2016	Change constant rates	2016	Change constant rates	2016	Change	2016	Change	2016	Change constant rates
Net sales	23,316	0.5%	15,501	1.9%	13,015	3.1%	4,942	1.7%	5,557	8.1%
Net sales adj. for 53 rd week		2.5%		1.9%		5.3%		1.7%		8.8%
Underlying EBITDA	1,591	0.8%	1,030	3.1%	917	9.2%	266	14.2%	378	13.5%
Underlying EBITDA margin	6.8%	0.0	6.6%	0.0	7.0%	0.3	5.4%	0.6	6.8%	0.3
Underlying operating income	921	(0.5%)	538	3.3%	629	10.4%	121	40.7%	231	20.9%
Underlying operating margin	4.0%	0.0	3.5%	0.1	4.8%	0.3	2.4%	0.6	4.2%	0.4
Comparable sales growth excl gas	0.7%	(0.4)	2.1%	0.0	4.1%	0.4	1.7%	1.5	5.7%	3.1

2015 results included benefits from the 53rd week for former Ahold brands

Ahold USA

Pro forma results Q4 2016



- Net sales grew 0.7% at constant rates excl week 53 in 2015
- Deflation of 1.2%
- Market share growth across its divisions
- Comp sales impacted by 2015 competitive closures in NY market

Comparable sales growth ¹



¹ Comparable sales growth excl gas

Underlying EBITDA margin



- Underlying operating margin decrease vs. LY due to week 53 in 2015 (30-40bps impact)
- Margin benefited from synergies

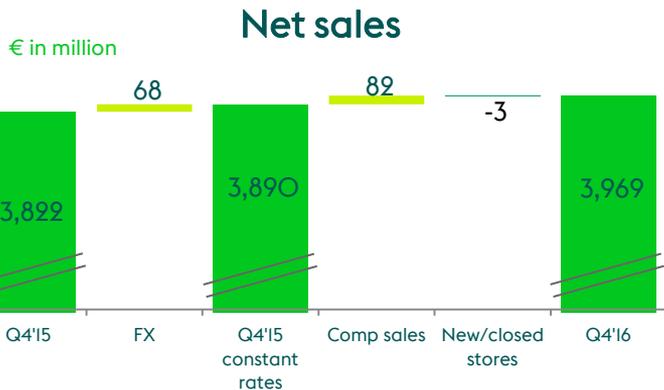
Underlying operating margin



* Including the 53rd week in 2015

Delhaize America

Pro forma results Q4 2016



- Net sales grew 2.0% at constant rates
- Deflation of 1.7%
- Continued strong volume growth at both Food Lion and Hannaford
- 142 Food Lion stores in Charlotte relaunched under Easy, Fresh & Affordable

Comparable sales growth



Underlying EBITDA margin



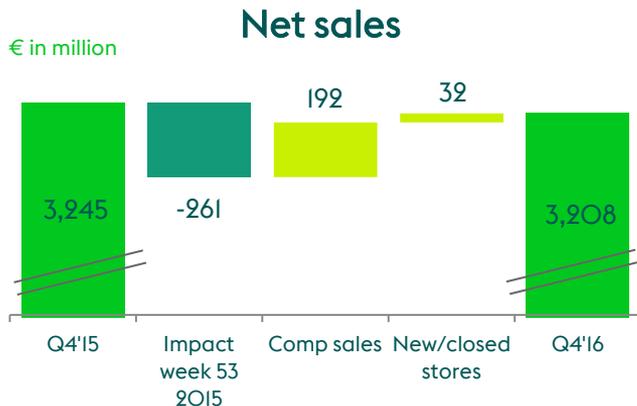
- Underlying operating margin increase vs. LY resulting from volume growth, synergies and assortment changes
- Partly offset by higher labor expenses

Underlying operating margin



Netherlands

Pro forma results Q4 2016



- Net sales grew 7.5% adjusted for week 53 in 2015
- Inflation of 1.2%
- Strong Comp sales growth in supermarkets
- Online net consumer sales growth >30%

Comparable sales growth



Underlying EBITDA margin



- Underlying operating margin increased 40 bps vs. LY as a result of synergies and buy-for-less savings
- Margin excl bol.com up 40 bps to 5.4%

Underlying operating margin



Belgium

Pro forma results Q4 2016



- Net sales decreased by 1.0%
- Inflation of 1.9%
- Softer holiday sales compared to 2015
- Stable FY market share vs. LY

Comparable sales growth



Underlying EBITDA margin



- Underlying operating margin increase vs. LY resulting from synergies and Transformation Plan savings
- Partly offset by negative impact from lower sales

Underlying operating margin

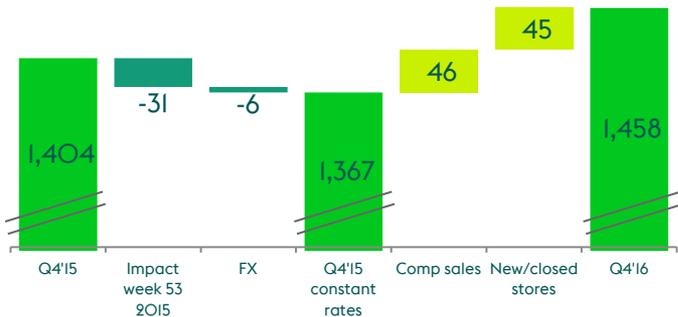


Central and Southeastern Europe

Pro forma results Q4 2016

Net sales

€ in million

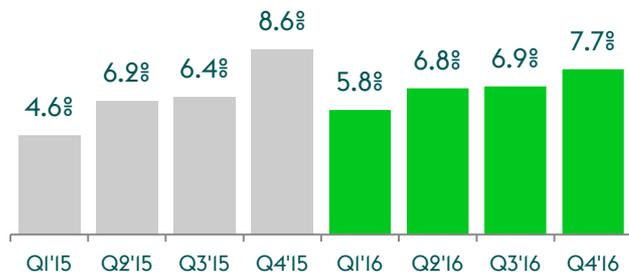


- Net sales grew 6.7% adjusted for week 53 in 2015 at constant rates
- Comp sales growth driven by Romania and Serbia, flat in Czech Republic

Comparable sales growth ¹



Underlying EBITDA margin



- Underlying operating margin decrease vs. LY driven by cycling very strong Q4 '15 and one-off benefits in Czech and Serbia in Q4 '15

Underlying operating margin

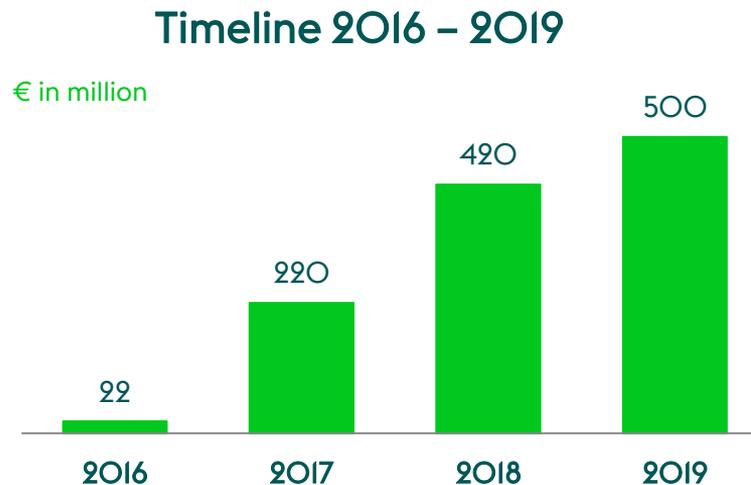


Synergies

2016 delivered according to plan, on track for €500 million in 2019

€ in million	Q4 2016	2016
United States	8	8
Europe	7	7
GSO*	4	7
Total	19	22

* Global Support Office

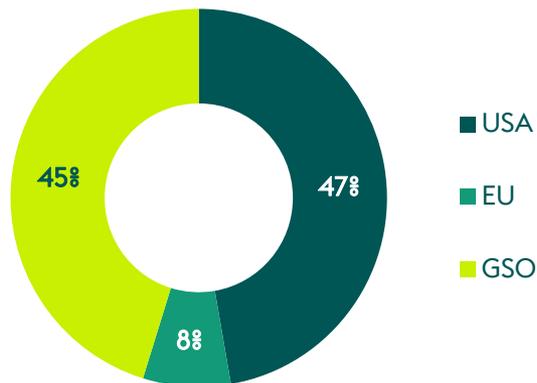


- Net synergies 2016: €22 million
- Net synergies target 2017: €220 million, including synergies realized in 2016, incremental to pro forma underlying operating income

Integration & transaction costs

In line with prior guidance

2016 integration costs €147 million

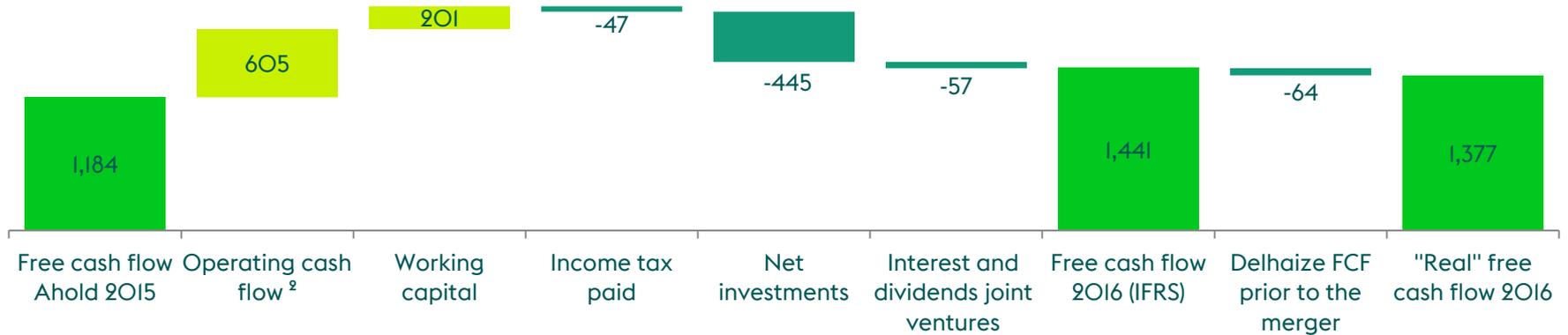


€ in million	Total one-off costs update				Total
	2015 FY	2016 FY	Expected 2017	Balance to go	
Integration costs	23	147	123	57	350
Transaction costs	62	73	-	-	135

Includes Delhaize Group integration & transaction costs prior to merger

Free cash flow generation ¹

Strong delivery at €1.4 billion for the year



- Strong operating cash flow
- 2016 full year capex³ of €1.7 billion

¹ Free cash flow changes are included for Delhaize as of merger date, pre-merger Delhaize cash flow included separately in graph

² From continuing operations before changes in working capital and income tax paid

³ Capex is defined as "real" cash capex, i.e. including the Delhaize Group for the full year and net of proceeds from divestments

Capital structure and net debt evolution

Net debt in line with guidance at €3.2 billion, leverage at 2.0x

€ in billion



- 2016 full year leverage ratio of S&P Lease adj. net debt/EBITDA at 2.0x
- €1 billion share buyback commenced in January 2017
- PPA adjustments related to fair value adjustments of Delhaize debt and finance leases affected gross and net debt by €0.7 billion as of merger date
- Gross-up of notional cash pooling impacted gross debt and cash by €1.2 billion at year-end 2016

* Cash, cash equivalents and short-term deposits and similar instruments and current portion of available-for-sale financial assets

- Focused on implementing our strategic initiatives to further improve the customer proposition and drive volumes, however deflationary environment expected to continue in the United States through the first quarter of 2017
- We confirm our target for 2017 of realizing €220 million net synergies, including €22 million realized in 2016, incremental to pro forma underlying operating income
- Free cash flow FY 2017 expected at €1.6 billion, after €1.8 billion of capital expenditure



Business highlights

Business highlights

Ahold USA

AUSA

- Our Nature's Promise own brand voted as best-in-class brand, by the 2016 Brand Tracker
- Giant Carlisle recently opened 18 beer & wine stores in Pennsylvania resulting in 33 in total and planning for an additional 36 in 2017
- Hundreds of savings offered weekly through digital coupons on the bonus card, in addition to the new round of price investments in early October
- Healthier own brand products; over 21 thousand pounds of salt from over 75 products and 272 thousand pounds of sugar (the equivalent of 30 school buses) removed during 2016



pod pass™

UNLIMITED ORDERS. ONE LOW PRICE.



Peapod

- Increased capacity and order volume in Jersey City facility by 25% in Q4
- PodPass customer base grew by 14%; continue to see loyalty gains from this one-fee, unlimited delivery annual subscription service

Business highlights

Delhaize America

Food Lion

- 142 stores in Charlotte market relaunched in Q4 under Easy, Fresh & Affordable
- Next wave of 160 stores will be remodeled in during 2017 of which 93 in Greensboro market
- Implemented Taste of Inspirations deli, meats, cheeses and in-store prepared sandwiches to all Food Lion stores



Hannaford

- Successful early learnings from concept store in Bedford, to be deployed to 2017 remodels
- “Harvest to Home” initiative to further improve produce freshness
- 34 Hannaford To Go’s in 5 states with strong sales performance and customer perception
- Continued success of 20,000 square foot small store prototype



Business highlights

The Netherlands

Albert Heijn

- Innovative assortment through new partnerships, adding more than 1,000 products to the assortment
- Successful second edition of the Allerhande Christmas festival; completely sold out, welcoming 36,000 visitors while giving 80 workshops varying from cooking workshops to wine tastings
- Local differentiation; implementing specialized modules by store
- Voted best supermarket in the Netherlands by research company GfK

Online - bol.com and AH.nl

- Highest consumer sales at bol.com breaking through €1 billion in 2016
- Record of ca. 500.000 products processed in 1 day during holiday season at bol.com
- AH.nl reported record sales and levels of traffic of 1 million visits a day in week 51
- Record levels of order completeness of over 99.6% at AH.nl



Business highlights

Delhaize Belgium

- New store organization successfully introduced in all company-operated stores as part of the Transformation Plan
- Enhanced shopping experience by 70 stores renovations in 2016 and 120 more planned for 2017
- Launch of “natural branding” initiative to reduce packaging of organic products which leads to a saving of 13 tons of packaging per year
- Improving quality and innovation: Delhaize nr 1 with 77 first places in media product comparisons and 1900 new product introductions



Business highlights

Central & Southeastern Europe

- In Greece, Alfa Beta celebrated the 20-year anniversary of its successful loyalty card program – the first in Greece when it was launched
- Overall improved performance of former-Spar stores in Czech Republic, including larger stores
- Mega Image is the fastest-growing food retailer in Romania. In 2016, the brand opened 28 supermarkets and 40 convenience stores – resulting in 526 stores at year-end
- Premia private label products, sold at Maxi, Tempo and Shop & Go stores in Serbia, won the “Best of Serbia 2016” award for the third time



Sustainable retailing

Achievements 2016 – some examples



Healthy eating

Delhaize Belgium stripped 17 tons of salt from its range of own-brand bread. And that was after it already removed 38 tons of salt in 16 million breads sold between 2010 and 2015



Inclusive & healthy
workplace

Delhaize America was the only U.S. grocery store to receive a perfect LGBT Corporate Equality Index score from the HRC Foundation – for the 6th consecutive year!



Product safety &
sustainability

All of our brands combined offer over 100 own-brand sustainable seafood species. 92% of our own-brand seafood sales are from products that are certified or from credible fisheries or aquaculture improvement projects



Climate impact

The renovated Albert Heijn's XL store in Purmerend, the Netherlands, is 100% CO₂ neutral, and powered by a system that is comparable to a small, local energy plant



Food waste

The Stop & Shop Green Energy Facility at the Freetown DC, Massachusetts converts inedible food into energy, the facility is a major step forward in reducing our food waste



Development of
associates

Delhaize America University integrates learning and development opportunities into the organization's talent strategy for its 95,000 associates

Sustainable retailing

Targets 2020

Focus areas	Promote healthier eating	Reduce food waste	Create healthy and inclusive workplace		
Essentials	Product safety & sustainability	Climate impact	Associate development	Safety at work	Local community connection

Focus areas:

- 45% own brand sales from healthy products
- Reduce food waste by 20%, and move towards zero food waste to landfill
- Make our workplaces healthier and more inclusive

Essentials:

- 100% Private Label production units meet safety standards
- 80% Private Label production units in high risk countries meet social compliance standards
- 100% sustainable sourcing of 7 commodities in own-brand products
- Reduce CO₂ emissions by 30% - from 2008 baseline
- Reduce climate impact of refrigerants
- Recycle 90% of total waste

Important dates

2017-2018

- Annual General Meeting April 12, 2017
- Pro forma information aligning calendars April 13, 2017
- Ahold Delhaize Q1 2017 results May 10, 2017
- Ahold Delhaize Q2 2017 results August 9, 2017
- Ahold Delhaize Q3 2017 results November 8, 2017
- Ahold Delhaize Q4/FY 2017 results February 28, 2018

- Proud to have brought together two strong food retailers in 2016
- Our great local brands showed a solid financial performance throughout the year
- Continued strong free cash flow delivered of €1.4 billion
- Proposed dividend of €0.57, up 9.6% compared to Ahold dividend last year
- Announced €1 billion share buyback for 2017
- Working hard on the integration, leveraging best practices and realizing synergy targets
- Looking forward to implementing our *Better Together* strategy

**Together, we build Great Local Brands,
bringing Fresh Inspiration Every Day**

Cautionary notice

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements.

Words such as sustainable, invest, growth, promises, well positioned, strategy, customer proposition, proposed, on track, ongoing, plans, further, incremental, focus, improve, drive, expected, ambition, reduce, move forward, make, recycle and looking forward or other similar words or expressions are typically used to identify forward-looking statements.

Forward-looking statements are subject to risks, uncertainties and other factors that are difficult to predict and that may cause actual results of Koninklijke Ahold Delhaize N.V. (the “Company”) to differ materially from future results expressed or implied by such forward-looking statements. Such factors include, but are not limited to risks relating to competition and pressure on profit margins in the food retail industry; the impact of the Company’s outstanding financial debt; future changes in accounting standards; the Company’s ability to generate positive cash flows; general economic conditions; the Company’s international operations; the impact of economic conditions on consumer spending; turbulences in the global credit markets and the economy; the significance of the Company’s U.S. operations and the concentration of its U.S. operations on the east coast of the U.S.; increases in interest rates and the impact of downgrades in the Company’s credit ratings; competitive labor markets, changes in labor conditions and labor disruptions; environmental liabilities associated with the properties that the Company owns or leases; the Company’s inability to locate appropriate real estate or enter into real estate leases on commercially acceptable terms; exchange rate fluctuations; additional expenses or capital expenditures associated with compliance with federal, regional, state and local laws and regulations in the U.S., the Netherlands, Belgium and other countries; product liability claims and adverse publicity; risks related to corporate responsibility and sustainable retailing; the Company’s inability to successfully implement its strategy, manage the growth of its business or realize the anticipated benefits of acquisitions; its inability to successfully complete divestitures and the effect of contingent liabilities arising from completed divestitures; unexpected outcomes with respect to tax audits; disruption of operations and other factors negatively affecting the Company’s suppliers; the unsuccessful operation of the Company’s franchised and affiliated stores; natural disasters and geopolitical events; inherent limitations in the Company’s control systems; the failure or breach of security of IT systems; changes in supplier terms; antitrust and similar legislation; unexpected outcome in the Company’s legal proceedings; adverse results arising from the Company’s claims against its self-insurance programs; increase in costs associated with the Company’s defined benefit pension plans; and other factors discussed in the Company’s public filings and other disclosures. Forward-looking statements reflect the current views of the Company’s management and assumptions based on information currently available to the Company’s management. Forward-looking statements speak only as of the date they are made, and the Company does not assume any obligation to update such statements, except as required by law.



Thank you

