Summary Report

Fourth quarter and Full year 2018

Ahold Delhaize reports a strong quarter with full-year underlying earnings per share up 29.6%

Fourth quarter:

- Net sales of €16.5 billion, up 3.0% at constant exchange rates
- Net consumer online sales up 25.0% at constant exchange rates
- Operating income of €627 million, up 9.1% at constant exchange rates
- Underlying operating margin of 4.2%, up 0.2% points, supported by synergies
- Performance in the U.S. continued good momentum, underlying operating margin up 0.2% points
- Solid growth in the Netherlands, with bol.com net consumer sales up 32.3%
- New strategy in Belgium gaining traction, with sales growth and margin recovery

Full year:

- Free cash flow €2.3 billion, up 24.0% at constant exchange rates
- Underlying income per share* €1.60, up 29.6% at constant exchange rates
- Proposed dividend of €0.70, up 11.1% compared to 2017

* from continuing operations

Zaandam, the Netherlands, February 27, 2019 – Ahold Delhaize, one of the world's largest food retail groups and a leader in both supermarkets and eCommerce, reports a strong fourth quarter with 29.6% growth of full-year underlying earnings per share from continuing operations, at constant exchange rates.

Frans Muller, President and CEO of Ahold Delhaize, said: "In 2018 we essentially completed the merger integration process and delivered on the synergies we promised. At the same time, we continued our strong business performance, while investing in meeting the needs of our customers in a rapidly changing industry. Today, Ahold Delhaize is fit for the future, with a very robust financial profile and the right structure to further grow our brands, both in-store and online.

"With our Leading Together strategy in place, our focus turns to further strengthening our great local brands by accelerating investments in omnichannel growth, technology, and a healthy and sustainable offering to customers. The Save for Our Customers program will support the funding of our investments in future profitable growth.

"Total net consumer online sales reached €3.5 billion in 2018, growing by 24.8% at constant exchange rates, and is firmly on track to double to around €7 billion in 2021. Throughout our business we are adding capacity and developing and sharing digital capabilities to stay ahead and meet increasing customer expectations regarding range, speed and convenience.

"In the U.S. we continued to see good momentum in the financial performance across the brands. We are excited about the program to refresh the look and feel of our Stop & Shop brand and the rapid expansion of our Click and Collect options for our customers. In addition, Food Lion reported its 25th quarter of positive comparable sales and volumes, supported by the rollout of its 'Easy, Fresh and Affordable' program.

"In the Netherlands Albert Heijn reported another solid quarter and bol.com continued its strong consumer sales growth during the year, reaching €2.1 billion with positive EBITDA margins. The new strategy for our Delhaize brand in Belgium is gaining traction, reflected by both improved sales performance and margin recovery in 2018. In Central and Southeastern Europe, we expanded our store network by 130 stores in 2018, mainly in Romania and Greece, and continued to see a strong performance in the Czech Republic.

"With synergy savings of €432 million in 2018 and a run-rate of €120 million in the last quarter, we are close to our target of €500 million net synergies on an annual basis. For 2019, we expect to realize €540 million of cost savings, which allows us to invest in organic and inorganic growth while keeping group margins in line with 2018.

"For the full year we delivered a strong free cash flow of €2.3 billion, supported by further improvements in net working capital. We expect free cash flow for 2019 of around €2.0 billion, with capital expenditure of €2.0 billion. We will return €1 billion through our share buy back program for 2019 and are pleased to propose a €0.70 dividend to our shareholders, an increase of 11.1% compared to 2017, reflecting of our ambition of sustainable growth of the dividend per share. For 2019 we expect underlying income per share from continuing business to grow by high single digits as a percentage."

Group performance

€ million, except per share data	Q4 2018	Q4 2017	% change	% change constant rates	2018	2017	% change	% change constant rates
Net sales	16,547	15,763	5.0 %	3.0 %	62,791	62,890	(0.2)%	2.5%
Of which: online sales	866	725	19.4 %	18.5 %	2,817	2,393	17.7 %	19.3%
Net consumer online sales[1]	1,097	872	25.8 %	25.0 %	3,494	2,831	23.4 %	24.8%
Operating income	627	564	11.3 %	9.1 %	2,395	2,225	7.7 %	10.5%
Income from continuing operations	517	744	(30.5)%	(32.2)%	1,809	1,817	(0.4)%	0.9%
Net income	517	744	(30.5)%	(32.2)%	1,793	1,817	(1.4)%	0.0%
Basic income per share from continuing operations	0.45	0.60	(24.7)%	(26.5)%	1.54	1.45	5.8 %	7.3%
Underlying EBITDA[1]	1,129	1,081	4.5 %	2.4 %	4,305	4,249	1.4 %	4.1%
Underlying EBITDA margin[1]	6.8%	6.9%			6.9%	6.8%		
Underlying operating income[1]	691	631	9.5 %	7.2 %	2,554	2,456	4.0 %	6.7%
Underlying operating margin[1]	4.2%	4.0%			4.1%	3.9%		
Underlying income per share from continuing operations[1]	0.45	0.32	43.0 %	40.3 %	1.60	1.26	26.3 %	29.6%
Free cash flow[1]	670	903	(25.8)%	(27.1)%	2,342	1,926	21.6 %	24.0%

1. *Net consumer online sales, Underlying EBITDA, underlying operating income and free cash flow are alternative performance measures that are used throughout the report. For a description of alternative performance measures, refer to section* Use of alternative performance measures *at the end of this report.*

Performance by segment

The United States

	Q4 2018	Q4 2017	% change	% change constant rates	2018	2017	% change	% change constant rates
$ million								
Net sales	11,173	10,892	2.6%		44,174	43,357	1.9 %	
Of which: online sales	232	206	12.1%		886	803	10.3 %	
€ million								
Net sales	9,798	9,249	5.9%	2.6%	37,460	38,440	(2.5)%	1.9%
Of which: online sales	203	175	15.8%	12.1%	751	713	5.4 %	10.3%
Operating income	393	337	17.1%	13.3%	1,482	1,371	8.2 %	12.9%
Underlying operating income	424	382	11.1%	7.4%	1,563	1,535	1.9 %	6.2%
Underlying operating margin	4.3%	4.1%			4.2%	4.0%		
Comparable sales growth	2.6%	1.3%			2.3%	0.7%		
Comparable sales growth excluding gasoline	2.7%	1.0%			2.1%	0.5%		

In the fourth quarter of 2018, net sales in the United States grew by 2.6% at constant exchange rates to €9,798 million. Comparable sales excluding gasoline increased by 2.7%, including a slightly favorable weather impact. Online sales increased by 12.1% at constant exchange rates to €203 million, driven by same-day delivery, Peapod and Hannaford To Go. Full-year 2018 market share across our brands is expected to have increased compared to last year.

As part of our continued focus on technology transformation, Stop & Shop and Giant/Martin's will introduce robots to the stores, marking one of the largest deployments of robotics innovation in the U.S. grocery industry.

Stop & Shop announced that, following the remodeling of its stores in the Hartford area in Connecticut, it will roll out its Re-imagine Stop & Shop program to the rest of the store network in the coming years, providing a fresh new look to the stores, along with an expanded fresh range and home meal solutions, lower prices and optimized assortment. Further, the brand has agreed to acquire King Kullen Grocery Co., a family-owned retailer on Long Island, New York. The acquisition includes King Kullen's 32 supermarkets and 5 Wild by Nature stores.

Food Lion continued to benefit from the rollout of the "Easy, Fresh and Affordable" program, now in 70% of its stores.

The total number of Click and Collect points across Ahold Delhaize USA brands further increased, with the Food Lion To Go service available at 53 Food Lion stores allowing customers to pick up groceries ordered online. In addition, Peapod expanded its grocery delivery service by opening the fifth Peapod wareroom on Long Island, increasing its order delivery capacity by 10% in the New York region. Stop & Shop launched its first micro fulfillment center and is planning to build several more in 2019 with further expansion into 2020.

Underlying operating margin in the U.S. was 4.3%, up 0.2% points from the same quarter last year. The higher margin was driven by improved gross margins mainly as a result of synergies, partly offset by increased labor costs.

The Netherlands

€ million	Q4 2018	Q4 2017	% change	2018	2017	% change
Net sales	3,805	3,673	3.6%	14,218	13,706	3.7 %
Of which: online sales	643	535	20.3%	1,999	1,627	22.9 %
Net consumer online sales	874	682	28.3%	2,677	2,065	29.6 %
Operating income	177	167	5.4%	698	669	4.2 %
Underlying operating income	185	174	6.6%	715	676	5.8 %
Underlying operating margin	4.9%	4.7%		5.0%	4.9%	
Comparable sales growth	3.3%	6.0%		3.8%	4.5%	

Net sales in the Netherlands of €3,805 million increased by 3.6% compared to the previous year. Comparable sales grew by 3.3%, including a limited negative impact this year by the timing of New Year's and cycling a strong fourth quarter in 2017. For the full year 2018, Albert Heijn grew comparable sales in both supermarkets and online, albeit reporting a slightly lower market share.

Bol.com and ah.nl continued their strong sales performance, with net consumer online sales for the segment increasing by 28.3% compared to last year. Sales at bol.com on Black Friday were their highest recorded ever in one day. Bol.com net consumer online sales increased by 32.3% in the quarter, resulting in €2.1 billion net consumer online sales for the full year 2018.

Ahold Delhaize announced that it is partnering with Delft University of Technology in the Netherlands to expand its Artificial Intelligence for Retail (AIR) Lab with a robotics research program and test site, aimed at developing state-of-the-art innovations in the retail industry.

The underlying operating margin in the Netherlands was 4.9%, up 0.2% points compared to the same quarter last year as a result of better margins at bol.com. The margin excluding bol.com was 5.2%, slightly lower compared to last year.

Belgium

€ million	Q4 2018	Q4 2017	% change	2018	2017	% change
Net sales	1,338	1,290	3.6%	5,095	4,953	2.9 %
Of which: online sales	15	11	28.8%	51	40	25.7 %
Operating income	33	12	159.4%	126	86	46.2 %
Underlying operating income	40	13	196.2%	141	111	26.6 %
Underlying operating margin	2.9%	1.0%		2.8%	2.2 %	
Comparable sales growth	3.0%	0.0%		2.2%	(0.2)%	

Net sales in Belgium were €1,338 million, up 3.6% versus the same quarter last year. Comparable sales increased by 3.0%. Sales growth benefited from a positive calendar impact with one additional opening day compared to last year. The online sales growth of delhaize.be for the quarter was 28.8% driven by a consistent growth of the home delivery service. Full-year 2018 market share of Delhaize has increased compared to last year.

Ahold Delhaize announced an update on its brand strategy in Belgium, focused on further improving its omnichannel offer and accelerating growth. Delhaize will continue to deliver on its ambitious expansion plans that include the opening of around 100 new supermarkets in the next three to four years, strengthening its online proposition and stepping up the expansion of convenience stores. In 2019, Delhaize will start a collaboration with bol.com, adding in-store bol.com pick-up points for orders from the largest online retailer in the Benelux.

Additionally, following positive customer feedback, Albert Heijn will continue its expansion by opening 30 to 50 new supermarkets in Flanders in the next few years. Reporting of the results of Albert Heijn in Belgium will remain under The Netherlands heading.

Underlying operating margin in Belgium was 2.9%, up 1.9% points compared to last year. The improvement was mainly driven by an improved gross profit margin, supported by synergies and lower shrink as well as by less underlying operating expenses mainly as a result of lower operational labor costs and lower depreciation and amortization. For the full year the underlying operating income increased by 26.6% compared to 2017 as a result of commercial and operational improvements.

Central and Southeastern Europe (CSE)

€ million	Q4 2018	Q4 2017	% change	% change constant rates	2018	2017	% change	% change constant rates
Net sales	1,606	1,551	3.5 %	3.9 %	6,018	5,791	3.9 %	3.1 %
Operating income	74	80	(6.7)%	(6.4)%	222	236	(5.8)%	(6.0)%
Underlying operating income	84	84	0.5 %	0.7 %	237	242	(1.8)%	(2.0)%
Underlying operating margin	5.3%	5.4%			3.9%	4.2%		
Comparable sales growth	1.9%	0.2%			0.9%	0.9%		
Comparable sales growth excluding gasoline	2.0%	0.3%			0.9%	1.0%		

Net sales in Central and Southeastern Europe increased by 3.9% at constant exchange rates to €1,606 million. Net sales growth in the fourth quarter resulted from comparable sales growth of 2.0%, excluding gasoline and the net addition of 130 stores - most of them convenience stores - that opened in Romania and Greece.

The Czech Republic reported a strong sales performance with a successful new store concept focusing on health, freshness and convenience and other commercial improvements, resulting in both increased transactions and basket size in supermarkets as well as in its compact hypers. In Greece, as a consequence of competitive re-openings, comparable sales growth remained under pressure but gradually improved compared to the previous quarters and with slightly positive volume growth this quarter. Mega Image, our brand in Romania, launched a personalized loyalty card called "Connect," offering participating customers personalized discounts.

CSE's underlying operating margin was 5.3%, down 0.1% points versus last year, mainly driven by a number of non-recurring items in Romania.

Global Support Office

€ million	Q4 2018	Q4 2017	% change	% change constant rates	2018	2017	% change	% change constant rates
Underlying operating loss	(42)	(22)	90.4%	93.8%	(102)	(108)	(4.8)%	(3.7)%
Underlying operating loss excluding insurance results	(50)	(41)	20.6%	19.9%	(153)	(148)	3.3 %	4.2 %

Underlying Global Support Office costs were €42 million, which was €20 million higher than the prior year. Excluding insurance results, underlying costs were €50 million compared to €41 million in Q4 2017, mainly due to higher IT expenses and non-recurring costs.

Synergy savings

Ahold Delhaize remains committed to delivering gross synergies of €750 million[1] in 2019, resulting in €500 million net synergies from the integration of the two companies. The expected synergies are to be delivered in addition to the Save for Our Customers programs in the brands. At the end of the quarter, cumulative net synergies amounted to €432 million, an increase of €164 million compared to the cumulative net synergies at the end of the fourth quarter last year. The increase is mainly driven by our buying activities across all parts of the Group.

In the fourth quarter of 2018, the following net synergy savings have been delivered:

€ million	Q4 2018	Q4 2017	2018	2017
The United States	81	51	291	159
Europe	29	25	102	78
Global Support Office	10	7	39	31
Ahold Delhaize Group	**120**	**83**	**432**	**268**

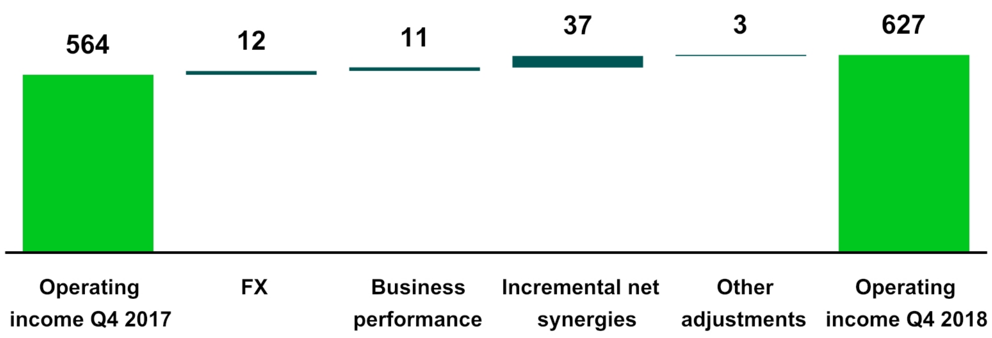
Operating income in the fourth quarter included €18 million (Q4 YTD: €79 million) of integration costs and €9 million of brand-centric setup costs (Q4 YTD €11 million).

1. Amounts are based on HY1 2017 exchange rates.

Financial review

Fourth quarter 2018 (compared to fourth quarter 2017)

Operating income increased by €63 million to €627 million, which can be explained by:



Other adjustments to operating income compared to Q4 2017 include the decrease in restructuring and related charges (€10 million) and the increase in gains on sale of assets (€1 million), offset by the increase in impairments (€8 million).

To arrive at underlying operating income of €691 million (up €60 million over Q4 2017), operating income is mainly adjusted for impairments of €37 million and restructuring and related charges of €31 million. The restructuring and related charges of €31 million mainly included integration costs.

Income from continuing operations was €517 million, which was €227 million lower than last year. This follows from the increase in operating income of €63 million, higher income taxes of €325 million, lower financial expenses of €33 million and higher income from joint ventures of €2 million. The low income tax expense in 2017 was due to statutory corporate income tax rate changes as a consequence of the U.S. and Belgian tax reforms.

Free cash flow of €670 million decreased by €233 million compared to Q4 2017. This decrease is mainly driven by:

- Decline in working capital of €24 million;
- Lower divestment of assets of €7 million;
- Higher purchases of non-current assets of €213 million;
- Lower dividends received from joint ventures of €54 million;
- Partially offset by increased cash flows from operations of €61 million.

Net debt decreased in Q4 2018 by €252 million to €3,105 million, which is mainly a result of the free cash flow of €670 million, partially offset by our share buyback of €356 million.

Full year 2018 (compared to full year 2017)

Operating income increased by €170 million to €2,395 million. Recorded in operating income are:

- Restructuring and related charges of €108 million (2017: €214 million);
- Impairments of €58 million (2017: €64 million);
- Gain on the sale of assets of €7 million (2017: €47 million).

These total €159 million (2017: €231 million) and are adjusted to arrive at underlying operating income of €2,554 million (2017: €2,456 million).

Income from continuing operations was €1,809 million, which was €8 million lower than last year. This results from higher income taxes of €226 million and lower income from joint ventures of €3 million, partially offset by the increase in operating income of €170 million and lower net financial expenses of €51 million. The low income tax expense in 2017 was due to statutory corporate income tax rate changes as a consequence of the U.S. and Belgian tax reforms.

Free cash flow was €2,342 million, €416 million higher than last year. The increase is mainly due to increased cash flows from operations of €75 million, improvement in changes in working capital of €353 million and lower income taxes paid of €200 million, partially offset by higher capital expenditures of €82 million, lower cash from divestments of €115 million and lower dividends received from joint ventures of €53 million.

Outlook

We confirm our target for 2019 of realizing €750 million gross synergies, resulting in €500 million net synergies from the integration of the two companies.

In addition, we expect to save €540 million in 2019 as part of our €1.8 billion Save for Our Customers program for 2019-2021. As previously announced, we expect the full 2019 group margins to be in line with last year.

Underlying income per share from continuing operations is expected to grow by high single digits as a percentage compared to last year.

We expect free cash flow in 2019 to be around €2.0 billion, as we are increasing our capital expenditures to €2.0 billion, in particular at Stop & Shop and our eCommerce business, as well as to further strengthen our digital capabilities.

In 2019, we will implement a new accounting standard, IFRS 16 "Leases." We refer to *Note 3* of Ahold Delhaize's 2018 Financial Statements as included in the 2018 Annual Report for an explanation of the impact of this new accounting standard. On March 25, 2019, we will provide the restated 2018 quarterly financial statements, as well as an update on the impact of IFRS 16 on our guidance for 2019.

Dividend per share

We propose a cash dividend of €0.70 for the financial year 2018, an increase of 11.1% compared to 2017, reflecting our ambition of sustainable growth of the dividend per share. This represents a payout ratio of 42%, based on the expected dividend payment on underlying income from continuing operations.

We will introduce an interim dividend of 40% of our first half 2019 underlying income from continuing operations, paid after publication of our second quarter Interim Report on August 7, 2019.

Auditor's involvement

The full-year 2018 and 2017 information in the summary financial statements, as set out on pages 8 to 21 of this summary report, is based on Ahold Delhaize's 2018 Financial Statements, as included in the 2018 Annual Report (the Financial Statements), published on February 27, 2019. In accordance with article 2:395 of the Dutch Civil Code, we state that our auditor, PricewaterhouseCoopers Accountants N.V., has issued an unqualified opinion on the Financial Statements, dated February 26, 2019. For a better understanding of the company's financial position and results and of the scope of the audit of PricewaterhouseCoopers Accountants N.V., this report should be read in conjunction with the Financial Statements. The General Meeting of Shareholders has not yet adopted the Financial Statements.

Consolidated income statement

€ million, except per share data	Note	Q4 2018	Q4 2017	2018	2017
Net sales	4/5	16,547	15,763	62,791	62,890
Cost of sales	6	(12,055)	(11,578)	(45,839)	(46,121)
Gross profit		**4,492**	**4,185**	**16,952**	**16,769**
Selling expenses		(3,216)	(3,043)	(12,236)	(12,245)
General and administrative expenses		(649)	(578)	(2,321)	(2,299)
Total operating expenses	6	(3,865)	(3,621)	(14,557)	(14,544)
Operating income	4	**627**	**564**	**2,395**	**2,225**
Interest income		21	9	70	32
Interest expense		(81)	(71)	(310)	(294)
Net interest expense on defined benefit pension plans		(5)	(5)	(19)	(22)
Other financial income (expense)		32	1	13	(13)
Net financial expenses		(33)	(66)	(246)	(297)
Income before income taxes		**594**	**498**	**2,149**	**1,928**
Income taxes	7	(90)	235	(372)	(146)
Share in income of joint ventures		13	11	32	35
Income from continuing operations		**517**	**744**	**1,809**	**1,817**
Loss from discontinued operations		—	—	(16)	—
Net income attributable to common shareholders		**517**	**744**	**1,793**	**1,817**
Net income per share attributable to common shareholders					
Basic		0.45	0.60	1.52	1.45
Diluted		0.45	0.59	1.50	1.43
Income from continuing operations per share attributable to common shareholders					
Basic		0.45	0.60	1.54	1.45
Diluted		0.45	0.59	1.52	1.43
Income from discontinued operations per share attributable to common shareholders					
Basic		—	—	(0.02)	—
Diluted		—	—	(0.02)	—
Weighted average number of common shares outstanding (in millions)					
Basic		1,137	1,232	1,176	1,251
Diluted		1,163	1,262	1,203	1,281
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.8768	0.8491	0.8476	0.8868

Consolidated statement of comprehensive income

€ million	Note	Q4 2018	Q4 2017	2018	2017
Net income		**517**	**744**	**1,793**	**1,817**
Remeasurements of defined benefit pension plans					
Remeasurements before taxes - income (loss)		(6)	5	66	44
Income taxes		2	(52)	(18)	(66)
Other comprehensive income (loss) that will not be reclassified to profit or loss		(4)	(47)	48	(22)
Currency translation differences in foreign interests:					
Continuing operations		150	(157)	495	(1,308)
Income taxes		—	—	—	(1)
Cash flow hedges:					
Fair value result for the period		—	2	1	(3)
Transfers to net income		—	—	1	1
Income taxes		—	(1)	—	—
Non-realized gains (losses) on debt and equity instruments:					
Fair value result for the period		—	—	—	4
Income taxes		—	(1)	—	(1)
Other comprehensive income (loss) reclassifiable to profit or loss		150	(157)	497	(1,308)
Total other comprehensive income (loss)		**146**	**(204)**	**545**	**(1,330)**
Total comprehensive income attributable to common shareholders		**663**	**540**	**2,338**	**487**
Attributable to:					
Continuing operations		663	540	2,354	487
Discontinued operations		—	—	(16)	—
Total comprehensive income attributable to common shareholders		**663**	**540**	**2,338**	**487**

Consolidated balance sheet

€ million	Note	December 30, 2018	December 31, 2017
Assets			
Property, plant and equipment		11,147	10,689
Investment property		629	650
Intangible assets		12,013	11,634
Investments in joint ventures and associates		236	230
Other non-current financial assets		238	192
Deferred tax assets		149	436
Other non-current assets		77	70
Total non-current assets		**24,489**	**23,901**
Assets held for sale		23	14
Inventories		3,196	3,077
Receivables		1,759	1,606
Other current financial assets		461	238
Income taxes receivable		53	154
Prepaid expenses and other current assets		228	300
Cash and cash equivalents	9	3,122	4,581
Total current assets		**8,842**	**9,970**
Total assets		**33,331**	**33,871**
Equity and liabilities			
Equity attributable to common shareholders	8	**14,816**	**15,170**
Loans	10	3,683	3,289
Other non-current financial liabilities		2,055	2,098
Pensions and other post-employment benefits		532	567
Deferred tax liabilities		864	1,105
Provisions		794	808
Other non-current liabilities		566	529
Total non-current liabilities		**8,494**	**8,396**
Accounts payable		5,816	5,277
Other current financial liabilities		1,232	2,210
Income taxes payable		110	136
Provisions		326	355
Other current liabilities		2,537	2,327
Total current liabilities		**10,021**	**10,305**
Total equity and liabilities		**33,331**	**33,871**
Year-end U.S. dollar exchange rate (euro per U.S. dollar)		0.8738	0.8330

Consolidated statement of changes in equity

€ million	Note	Share capital	Additional paid-in capital	Currency translation reserve	Cash flow hedging reserve	Other reserves including retained earnings	Equity attributable to common shareholders
Balance as of January 1, 2017		**13**	**15,802**	**754**	**(2)**	**(291)**	**16,276**
Net income attributable to common shareholders		—	—	—	—	1,817	**1,817**
Other comprehensive loss		—	—	(1,309)	(2)	(19)	**(1,330)**
Total comprehensive income (loss) attributable to common shareholders		—	—	(1,309)	(2)	1,798	**487**
Dividends		—	—	—	—	(720)	**(720)**
Issuance of shares	8	—	42	—	—	—	**42**
Share buyback		—	—	—	—	(998)	**(998)**
Cancellation of treasury shares		(1)	(669)	—	—	670	**—**
Share-based payments		—	—	—	—	83	**83**
Balance as of December 31, 2017		**12**	**15,175**	**(555)**	**(4)**	**542**	**15,170**
Opening balance adjustment[1]		—	—	—	—	(1)	(1)
Balance as of January 1, 2018		**12**	**15,175**	**(555)**	**(4)**	**541**	**15,169**
Net income attributable to common shareholders		—	—	—	—	1,793	**1,793**
Other comprehensive income		—	—	495	2	48	**545**
Total comprehensive income attributable to common shareholders		—	—	495	2	1,841	**2,338**
Dividends	8	—	—	—	—	(757)	**(757)**
Share buyback	8	—	—	—	—	(1,997)	**(1,997)**
Cancellation of treasury shares		—	(1,176)	—	—	1,176	**—**
Share-based payments		—	—	—	—	63	**63**
Balance as of December 30, 2018		**12**	**13,999**	**(60)**	**(2)**	**867**	**14,816**

1. *The opening balance adjustment is related to the implementation of IFRS standards effective for 2018. Refer to* Accounting policies *for more information.*

Consolidated statement of cash flow

€ million	Note	Q4 2018	Q4 2017	2018	2017
Income from continuing operations		517	744	1,809	1,817
Adjustments for:					
Net financial expenses		33	66	246	297
Income taxes		90	(235)	372	146
Share in income of joint ventures		(13)	(11)	(32)	(35)
Depreciation, amortization and impairments	6	482	479	1,816	1,857
(Gains) losses on the sale of assets / disposal groups held for sale	6	(4)	(3)	(7)	(47)
Share-based compensation expenses		13	18	60	79
Other changes to operating income		(3)	(1)	(4)	(7)
Operating cash flows before changes in operating assets and liabilities		1,115	1,057	4,260	4,107
Changes in working capital:					
Changes in inventories		(76)	(64)	(35)	(44)
Changes in receivables and other current assets		(29)	(39)	(6)	(97)
Changes in payables and other current liabilities		603	625	525	272
Changes in other non-current assets, other non-current liabilities and provisions		(11)	(14)	(136)	(58)
Cash generated from operations		1,602	1,565	4,608	4,180
Income taxes paid - net		(148)	(152)	(280)	(480)
Operating cash flows from continuing operations		1,454	1,413	4,328	3,700
Operating cash flows from discontinued operations		(2)	(1)	(5)	(5)
Net cash from operating activities		**1,452**	**1,412**	**4,323**	**3,695**
Purchase of non-current assets		(698)	(485)	(1,780)	(1,698)
Divestments of assets / disposal groups held for sale		7	14	27	142
Acquisition of businesses, net of cash acquired	3	(17)	(5)	(30)	(50)
Divestment of businesses, net of cash divested		(1)	(1)	(3)	(3)
Changes in short-term deposits and similar instruments		202	123	(242)	100
Dividends received from joint ventures		—	54	17	70
Interest received		22	9	74	32
Other		40	—	38	(3)
Investing cash flows from continuing operations		(445)	(291)	(1,899)	(1,410)
Net cash from investing activities		**(445)**	**(291)**	**(1,899)**	**(1,410)**
Proceeds from long-term debt	10	1	1	798	747
Interest paid		(115)	(102)	(324)	(320)
Repayments of loans		(759)	(8)	(783)	(474)
Changes in short-term loans		(1,630)	97	(733)	212
Repayments of finance lease liabilities		(45)	(46)	(177)	(190)
Dividends paid on common shares	8	—	—	(757)	(720)
Share buyback	8	(356)	(170)	(2,003)	(992)
Other cash flows from derivatives		(25)	—	(29)	262
Other		—	1	(3)	17
Financing cash flows from continuing operations		(2,929)	(227)	(4,011)	(1,458)
Net cash from financing activities		**(2,929)**	**(227)**	**(4,011)**	**(1,458)**
Net cash from operating, investing and financing activities		**(1,922)**	**894**	**(1,587)**	**827**
Cash and cash equivalents at the beginning of the period (excluding restricted cash)		4,974	3,693	4,542	3,990
Effect of exchange rates on cash and cash equivalents		58	(45)	155	(275)
Cash and cash equivalents at the end of the period (excluding restricted cash)	9	**3,110**	**4,542**	**3,110**	**4,542**
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.8768	0.8491	0.8476	0.8868

Notes to the consolidated summary financial statements

1. The Company and its operations

The principal activity of Koninklijke Ahold Delhaize N.V. ("Ahold Delhaize" or the "Company" or "Group" or "Ahold Delhaize Group"), a public limited liability company with its registered seat and head office in Zaandam, the Netherlands, is the operation of retail food stores and eCommerce primarily in the United States and Europe.

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

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting.” The accounting policies applied in these financial statements are consistent with those applied in Ahold Delhaize’s 2018 Financial Statements, except as otherwise indicated below.

Taxes on income in the interim periods are accrued for using the tax rate that is expected to be applicable to the total annual profit or loss.

Ahold Delhaize's reporting calendar in 2018 and 2017 is based on a 4/4/5-week calendar, with four equal quarters of 13 weeks, for a total of 52 weeks.

The full-year 2018 and 2017 financial information included in the primary statements in this communication is based on Ahold Delhaize's 2018 Financial Statements as included in the 2018 Annual Report (the Financial Statements) published on February 27, 2019. This Annual Report has been authorized for issue. The Annual Report has been published and is subject to adoption by the annual General Meeting of Shareholders on April 10, 2019.

In accordance with section 393, Title 9, Book 2 of the Dutch Civil Code, PricewaterhouseCoopers Accountants N.V. has issued an unqualified Independent auditor's report on the 2018 Annual Report.

The full 2018 Annual Report is available for download on the Ahold Delhaize website (www.aholddelhaize.com).

Segmentation

Ahold Delhaize’s operating segments are its retail operating companies that engage in business activities from which they earn revenues and incur expenses and whose operating results are regularly reviewed by the Executive Committee to make decisions about resources to be allocated to the segments and to assess their performance. In establishing the reportable segments, certain operating segments with similar economic characteristics have been aggregated. As Ahold Delhaize’s operating segments offer similar products using complementary business models, and there is no discernible difference in customer bases, Ahold Delhaize’s policy on aggregating its operating segments into reportable segments is based on geography, functional currency and management oversight.

As of the first quarter of 2018, the previous Ahold USA and Delhaize America segments are combined into one reporting segment, "The United States."

New and revised IFRSs effective in 2018

A comprehensive overview of the new and revised IFRSs effective in 2018 is included in *Note 3* of Ahold Delhaize’s 2018 Financial Statements, part of Ahold Delhaize's 2018 Annual Report.

New accounting policies not yet effective for 2018

The IASB issued several standards, or revisions to standards, that are not yet effective for 2018, but will become effective in coming years. For the assessment of the effects of these standards, including the impact of IFRS 16, “Leases,” refer to *Note 3* of Ahold Delhaize’s 2018 Financial Statements, part of Ahold Delhaize's 2018 Annual Report.

3. Business combinations and goodwill

Ahold Delhaize completed various store acquisitions for a total purchase consideration of €31 million. The allocation of the fair values of the identifiable assets acquired, liabilities assumed and the goodwill arising from the acquisitions during 2018 are as follows:

€ million	The United States	Belgium	Other	Total acquisitions
Goodwill	16	5	1	22
Other intangible assets	5	—	—	5
Property, plant and equipment	6	1	2	9
Investment in joint ventures and associates	—	—	(1)	(1)
Other non-current assets	1	—	—	1
Cash and cash equivalents	—	—	1	1
Other current assets	1	—	1	2
Finance lease liabilities	(3)	—	—	(3)
Other non-current liabilities	(1)	—	—	(1)
Fair value of assets and liabilities recognized	**25**	**6**	**4**	**35**
Gain on bargain purchase (negative goodwill)	(4)	—	—	(4)
Total purchase consideration	**21**	**6**	**4**	**31**
Cash acquired	—	—	(1)	(1)
Acquisition of businesses, net of cash	**21**	**6**	**3**	**30**

The gain on bargain purchases was the result of favorable purchase terms on stores that competitors were selling at discounts as they exited local markets. The gain has been reported as (gains) losses on the sale of assets within general and administrative expenses.

Goodwill is attributable to the profitability of the acquired businesses and the synergies that are expected to result. The goodwill resulting from the acquisitions in Belgium is not deductible for tax purposes but the remaining goodwill is tax deductible. A reconciliation of Ahold Delhaize's goodwill balance, which is presented within intangible assets, is as follows:

€ million	Goodwill
As of December 31, 2017	
At cost	6,868
Accumulated impairment losses	(8)
Opening carrying amount	**6,860**
Acquisitions through business combinations	22
Exchange rate differences	212
Closing carrying amount	**7,094**
As of December 30, 2018	
At cost	7,102
Accumulated impairment losses	(8)
Closing carrying amount	**7,094**

4. Segment reporting

Ahold Delhaize's retail operations are presented in four reportable segments. In addition, "Other retail," consisting of Ahold Delhaize's unconsolidated joint ventures JMR - Gestão de Empresas de Retalho, SGPS, S.A. ("JMR") and P.T. Lion Super Indo ("Super Indo"), as well as Ahold Delhaize's Global Support Office, are presented separately. The accounting policies used for the segments are the same as the accounting policies used for the Financial Statements as described in *Note 2*.

All reportable segments sell a wide range of perishable and non-perishable food and non-food consumer products.

Reportable segment	Operating segments included in the Reportable segment
The United States	Stop & Shop, Food Lion, Giant/Martin's, Hannaford, Giant Food and Peapod
The Netherlands	Albert Heijn (including the Netherlands and Belgium), Etos, Gall & Gall and bol.com (including the Netherlands and Belgium)
Belgium	Delhaize (including Belgium and Luxembourg)
Central and Southeastern Europe	Albert (Czech Republic), Alfa Beta (Greece), Mega Image (Romania), Delhaize Serbia (Republic of Serbia)

Other	Included in Other
Other retail	Unconsolidated joint ventures JMR (49%) and Super Indo (51%)
Global Support Office	Global Support Office staff (the Netherlands, Belgium, Switzerland and the United States)

Net sales

Net sales per segment are as follows:

	Q4 2018	Q4 2017	2018	2017
$ million				
The United States	11,173	10,892	44,174	43,357
Average U.S. dollar exchange rate (euro per U.S. dollar)	*0.8768*	*0.8491*	*0.8476*	*0.8868*
€ million				
The United States	9,798	9,249	37,460	38,440
The Netherlands	3,805	3,673	14,218	13,706
Belgium	1,338	1,290	5,095	4,953
Central and Southeastern Europe	1,606	1,551	6,018	5,791
Ahold Delhaize Group	**16,547**	**15,763**	**62,791**	**62,890**

Operating income

Operating income (loss) per segment is as follows:

	Q4 2018	Q4 2017	2018	2017
$ million				
The United States	449	396	1,748	1,548
Average U.S. dollar exchange rate (euro per U.S. dollar)	*0.8768*	*0.8491*	*0.8476*	*0.8868*
€ million				
The United States	393	337	1,482	1,371
The Netherlands	177	167	698	669
Belgium	33	12	126	86
Central and Southeastern Europe	74	80	222	236
Global Support Office	(50)	(32)	(133)	(137)
Ahold Delhaize Group	**627**	**564**	**2,395**	**2,225**

5. Net sales

Q4 2018

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Ahold Delhaize Group
Sales from owned stores	9,524	2,377	654	1,555	14,110
Sales to and fees from franchisees and affiliates	—	776	662	36	1,474
Online sales	203	643	15	5	866
Wholesale sales	34	—	4	9	47
Other sales	37	9	3	1	50
Net sales	**9,798**	**3,805**	**1,338**	**1,606**	**16,547**

Q4 2017

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Ahold Delhaize Group
Sales from owned stores[1]	9,007	2,356	648	1,507	13,518
Sales to and fees from franchisees and affiliates	—	772	622	32	1,426
Online sales[1]	175	535	11	4	725
Wholesale sales	33	—	6	8	47
Other sales	34	10	3	—	47
Net sales	**9,249**	**3,673**	**1,290**	**1,551**	**15,763**

1. *Comparable numbers have been adjusted to reflect the updated online sales definition.*

Full year 2018

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Ahold Delhaize Group
Sales from owned stores	36,459	9,204	2,478	5,812	53,953
Sales to and fees from franchisees and affiliates	—	2,983	2,539	153	5,675
Online sales	751	1,999	51	16	2,817
Wholesale sales	135	—	15	35	185
Other sales	115	32	12	2	161
Net sales	**37,460**	**14,218**	**5,095**	**6,018**	**62,791**

Full year 2017

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Ahold Delhaize Group
Sales from owned stores[1]	37,471	9,109	2,473	5,597	54,650
Sales to and fees from franchisees and affiliates	—	2,931	2,410	145	5,486
Online sales[1]	713	1,627	40	13	2,393
Wholesale sales	134	—	19	35	188
Other sales	122	39	11	1	173
Net sales	**38,440**	**13,706**	**4,953**	**5,791**	**62,890**

1. *Comparable numbers have been adjusted to reflect the updated online sales definition.*

6. Expenses by nature

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

€ million	Q4 2018	Q4 2017	2018	2017
Cost of product	11,529	11,091	43,846	44,210
Labor costs	2,344	2,203	9,014	9,014
Other operational expenses	1,332	1,194	4,798	4,652
Depreciation and amortization	445	450	1,758	1,793
Rent expenses and income – net	237	235	929	979
Impairment losses and reversals – net	37	29	58	64
(Gains) losses on the sale of assets – net	(4)	(3)	(7)	(47)
Total expenses by nature	**15,920**	**15,199**	**60,396**	**60,665**

7. Income taxes

Ahold Delhaize's effective tax rate in its consolidated income statement differed from the Netherlands' statutory income tax rate of 25.0%. The following table reconciles the statutory income tax rate with the effective income tax rate in the consolidated income statement:

€ million	2018	Tax rate	2017	Tax rate
Income before income taxes	2,149		1,928	
Income tax expense at statutory tax rate	(537)	25.0 %	(482)	25.0 %
Adjustments to arrive at effective income tax rate:				
Rate differential (local rates versus the statutory rate of the Netherlands)	66	(3.1)%	(45)	2.3 %
Deferred tax income (expense) related to recognition of deferred tax assets – net	3	(0.1)%	(2)	0.1 %
Non-taxable income (expense)	16	(0.7)%	14	(0.7)%
Other	57	(2.7)%	(38)	2.0 %
Subtotal income taxes[1]	(395)	18.4 %	(553)	28.7 %
Tax rate changes as a result of local tax reforms	23	(1.1)%	407	(21.1)%
Total income taxes	**(372)**	**17.3 %**	**(146)**	**7.6 %**

1 Excluding the impact of tax rate changes due to local tax reforms.

Rate differential indicates the effect of Ahold Delhaize's taxable income being generated and taxed in jurisdictions where tax rates differ from the statutory tax rate in the Netherlands. The difference compared to 2017 mainly relates to the decrease of statutory corporate income tax rates in the U.S. and Belgium as of 2018. Other includes discrete items and one-time transactions (for 2018 it includes €41 million deferred tax income related to restructuring).

On December 18, 2018, new Dutch tax legislation was substantively enacted. The new law includes a reduction of the statutory corporate income tax rate from 25% in 2018 and 2019 to 22.55% in 2020 and 20.5% as of 2021, which affected Ahold Delhaize's Dutch deferred income tax position at the end of 2018. In addition, on December 3, 2018, new Greek tax legislation was enacted. The new Greek tax law includes a reduction of the statutory corporate income tax rate from 29% to 28% in 2019, 27% in 2020, 26% in 2021 and 25% as of 2022, which affected Ahold Delhaize's Greek deferred income tax position at the end of 2018. The tax rate changes show the effect of applying the reduced statutory corporate income tax rates to the calculation of Ahold Delhaize's Dutch and Greek deferred income tax positions, as well as the 2018 effect related to the Belgian statutory corporate income tax rate change of 2017.

8. Equity attributable to common shareholders

Dividend on common shares

On April 11, 2018, the General Meeting of Shareholders approved the dividend over 2017 of €0.63 per common share. This dividend was paid on April 26, 2018.

Share buyback 2018

The share buyback program of €2 billion that started on January 2, 2018, was successfully completed on December 20, 2018. In total, 100,723,877 of the Company's own shares were repurchased at an average price of €19.86 per share. On January 2, 2019, the Company commenced the €1 billion share buyback program that was announced on November 13, 2018. The program is expected to be completed before the end of 2019.

Conversion of cumulative preferred financing shares

On August 9, 2017, Ahold Delhaize converted 45,000,000 cumulative preferred financing shares into 2,515,827 common shares. The 45,000,000 cumulative preferred financing shares had a par value of €42,541,895.

The number of outstanding common shares as of December 30, 2018, was 1,130,200,138 (December 31, 2017: 1,227,589,734).

9. Cash

The following table presents the reconciliation between the cash and cash equivalents as presented in the statement of cash flows and on the balance sheet:

€ million	December 30, 2018	December 31, 2017
Cash and cash equivalents as presented in the statement of cash flows	3,110	4,542
Restricted cash	12	39
Cash and cash equivalents as presented on the balance sheet[1]	**3,122**	**4,581**

1. *Cash and cash equivalents include an amount held under notional cash pooling arrangement of €695 million (December 31, 2017: €1,367 million), which is offset by an identical amount included under Other current financial liabilities.*

10. Financial instruments

Fair values of financial instruments

The following table presents the fair values of financial instruments, based on Ahold Delhaize's categories of financial instruments, including current portions, compared to the carrying amounts at which these instruments are included on the balance sheet:

	December 30, 2018		December 31, 2017	
€ million	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortized cost				
Loans receivable	69	72	59	65
Trade and other (non-)current receivables	1,750	1,750	1,605	1,605
Cash and cash equivalents	3,122	3,122	4,581	4,581
Short-term deposits and similar instruments	266	266	9	9
	5,207	5,210	6,254	6,260
Financial assets at fair value through other comprehensive income (FVOCI)				
Available-for-sale financial assets[1]	—	—	167	167
Financial assets at fair value through profit or loss (FVPL)[1]				
Reinsurance assets	218	218	195	195
Investments in debt instruments	128	128	—	—
	346	346	195	195
Derivative financial instruments				
Derivatives	1	1	—	—
Total financial assets	**5,554**	**5,557**	**6,616**	**6,622**

€ million	December 30, 2018 Carrying amount	Fair value	December 31, 2017 Carrying amount	Fair value
Financial liabilities at amortized cost				
Notes	(3,476)	(3,500)	(3,407)	(3,518)
Other loans	(3)	(3)	(3)	(3)
Financing obligations	(277)	(235)	(325)	(291)
Mortgages payable	(89)	(103)	(22)	(23)
Finance lease liabilities	(1,559)	(1,840)	(1,607)	(1,932)
Cumulative preferred financing shares	(455)	(481)	(455)	(491)
Dividend cumulative preferred financing shares	(17)	(17)	(18)	(18)
Accounts payable	(5,816)	(5,816)	(5,277)	(5,277)
Short-term borrowings	(753)	(753)	(1,432)	(1,432)
Interest payable	(38)	(38)	(40)	(40)
Other	(93)	(95)	(75)	(81)
	(12,576)	(12,881)	(12,661)	(13,106)
Financial liabilities at fair value through profit or loss				
Reinsurance liabilities	(223)	(223)	(205)	(205)
Derivative financial instruments				
Derivatives	—	—	(18)	(18)
Total financial liabilities	**(12,799)**	**(13,104)**	**(12,884)**	**(13,329)**

1 Following the adoption of IFRS 9, certain investments in U.S. Treasury bond funds that were classified as available-for-sale financial assets do not meet the criteria to be classified as either at fair value through other comprehensive income (FVOCI) or at amortized cost and €157 million has been reclassified to financial assets at fair value through profit or loss (FVPL); see Note 3 of Ahold Delhaize's 2018 Financial Statements.

Issuance of €800 million dual tranche debt offering of fixed rate notes and floating rate notes

On March 19, 2018, Ahold Delhaize issued €500 million fixed rate notes due in 2026 and €300 million floating rate notes due in 2021. The 8-year fixed rate notes bear a coupon of 1.125% per annum and were issued at a price of 99.107% of the nominal value. The 3-year floating rate notes bear a coupon of 18 basis points over 3-month EURIBOR per annum and were issued at a price of 100.449% of the nominal value. The bonds are listed on Euronext Amsterdam.

Financial assets and liabilities measured at fair value on the balance sheet

Of Ahold Delhaize's categories of financial instruments, only derivatives, investments in debt instruments and reinsurance assets (liabilities) are measured and recognized on the balance sheet at fair value. These fair value measurements are categorized within Level 2 of the fair value hierarchy. The Company uses inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The fair value of derivative instruments is measured by using either a market or income approach (mainly present value techniques). Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates that match the maturity of the contracts. Interest rate swaps are measured at the present value of expected future cash flows. Expected future cash flows are discounted by using the applicable yield curves derived from quoted interest rates.

To the extent that no cash collateral is contractually required, the valuation of Ahold Delhaize's derivative instruments is adjusted for the credit risk of the counterparty, called Credit Valuation Adjustment (CVA), and adjusted for Ahold Delhaize's own credit risk, called Debit Valuation Adjustment (DVA). The valuation technique for the CVA / DVA calculation is based on relevant observable market inputs.

No CVA / DVA adjustments are made to the valuation of certain derivative instruments, for which both Ahold Delhaize and its counterparties are required to post or redeem cash collaterals if the value of a derivative exceeds a threshold defined in the contractual provisions. Such cash collaterals materially reduce the impact of both the counterparty and Ahold Delhaize's own non-performance risk on the value of the instrument. The portion of outstanding derivatives that was collateralized is specified as follows:

€ million	December 30, 2018	December 31, 2017
Cross-currency interest rate swaps	—	18
Total net derivative liabilities subject to collateralization	**—**	**18**
Collateralized amount	—	—

The carrying amount of trade and other (non-)current receivables, cash and cash equivalents, accounts payable, short-term deposits and similar instruments, and other current financial assets and liabilities approximate their fair values because of the short-term nature of these instruments and, for receivables, because any expected recoverability loss is reflected in an impairment loss. The fair values of quoted borrowings for which an active market exists are based on quoted prices at the end of the reporting period. The fair value of other non-derivative financial assets and liabilities that are not traded in an active market are estimated using discounted cash flow analyses based on prevailing market rates.

The fair value of the cumulative preferred financing shares is measured as the present value of expected future cash flows. Such cash flows include the dividend payments and the payments of the nominal value, plus paid-in capital. Expected future cash flows are discounted by using the yield curves derived from quoted interest rates and Credit Default Swap rates that match the maturity of the contracts. The conditions for redemption and conversion of the cumulative preferred financing shares are disclosed in *Note 22* of Ahold Delhaize's 2018 Financial Statements. The accrued interest is included in other current financial liabilities and not in the carrying amounts of non-derivative financial assets and liabilities.

11. Commitments and contingencies

A comprehensive overview of commitments and contingencies as of December 30, 2018 is included in *Note 34* of Ahold Delhaize's 2018 Financial Statements.

12. Subsequent events

On January 4, 2019, Ahold Delhaize announced that Stop & Shop has agreed to acquire King Kullen Grocery Co., based in Long Island, New York. The agreement includes King Kullen's 32 supermarkets, 5 Wild by Nature stores and the use of its corporate offices located in Bethpage, New York. The acquisition is currently expected to close during the first half of 2019, subject to customary closing conditions.

Zaandam, the Netherlands, February 26, 2019

Management Board
Frans Muller (President and Chief Executive Officer)
Jeff Carr (Chief Financial Officer)
Kevin Holt (Chief Executive Officer Ahold Delhaize USA)
Wouter Kolk (Chief Executive Officer Ahold Delhaize Europe and Indonesia)

Other financial and operating information

Free cash flow[1]

€ million	Q4 2018	Q4 2017	2018	2017
Operating cash flows from continuing operations before changes in working capital and income taxes paid	1,104	1,043	4,124	4,049
Changes in working capital	498	522	484	131
Income taxes paid - net	(148)	(152)	(280)	(480)
Purchase of non-current assets	(698)	(485)	(1,780)	(1,698)
Divestments of assets / disposal groups held for sale	7	14	27	142
Dividends received from joint ventures	—	54	17	70
Interest received	22	9	74	32
Interest paid	(115)	(102)	(324)	(320)
Free cash flow	**670**	**903**	**2,342**	**1,926**

1. *Free cash flow is an alternative performance measure. For a description of this alternative performance measure refer to section* Use of alternative performance measures *at the end of this report.*

Net debt[1]

€ million	December 30, 2018	September 30, 2018	December 31, 2017
Loans	3,683	4,057	3,289
Finance lease liabilities	1,379	1,376	1,430
Cumulative preferred financing shares	455	455	455
Non-current portion of long-term debt	5,517	5,888	5,174
Short-term borrowings and current portion of long-term debt	1,095	3,104	2,076
Gross debt	6,612	8,992	7,250
Less: Cash, cash equivalents, short-term deposits and similar instruments and short-term portion of investments in debt instruments[2, 3, 4, 5]	3,507	5,635	4,747
Net debt	**3,105**	**3,357**	**2,503**

1. *Net debt is an alternative performance measure. For a description of this alternative performance measure refer to section* Use of alternative performance measures *at the end of this report.*
2. *Short-term deposits and similar instruments include investments with a maturity of between three and 12 months. The balance of these instruments at December 30, 2018, was €266 million (September 30, 2018: €462 million, December 31, 2017: €9 million) and is presented within Other current financial assets in the consolidated balance sheet.*
3. *Included in the short-term portion of investments in debt instruments is a US treasury investment fund in the amount of €119 million (September 30, 2018: €160 million, December 31, 2017: €157 million).*
4. *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. This balance at December 30, 2018, was €292 million (September 30, 2018: €228 million, December 31, 2017: €172 million).*
5. *Cash and cash equivalents include an amount held under a notional cash pooling arrangement of €695 million (September 30, 2018: €2,303 million, December 31, 2017: €1,367 million). This cash amount is fully offset by an identical amount included under Short-term borrowings and current portion of long-term debt.*

Underlying operating income[1]

Underlying operating income per segment is as follows:

Q4 2018

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Global Support Office	Ahold Delhaize Group
Operating income (loss)	**393**	**177**	**33**	**74**	**(50)**	**627**
Impairments	20	8	—	9	—	37
(Gains) losses on the sale of assets	(4)	—	—	—	—	(4)
Restructuring and related charges and other	15	—	7	1	8	31
Adjustments to operating income	*31*	*8*	*7*	*10*	*8*	*64*
Underlying operating income (loss)	**424**	**185**	**40**	**84**	**(42)**	**691**

1. *Underlying operating income is an alternative performance measures. For a description of this alternative performance measures refer to section* Use of alternative performance measures *at the end of this report.*

Underlying operating income in local currency for Q4 2018 was $483 million for the United States.

Q4 2017

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Global Support Office	Ahold Delhaize Group
Operating income (loss)	**337**	**167**	**12**	**80**	**(32)**	**564**
Impairments	26	(1)	—	4	—	29
(Gains) losses on the sale of assets	(7)	—	4	—	—	(3)
Restructuring and related charges and other	26	8	(3)	—	10	41
Adjustments to operating income	*45*	*7*	*1*	*4*	*10*	*67*
Underlying operating income (loss)	**382**	**174**	**13**	**84**	**(22)**	**631**

Underlying operating income in local currency for Q4 2017 was $450 million for the United States.

Full year 2018

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Global Support Office	Ahold Delhaize Group
Operating income (loss)	**1,482**	**698**	**126**	**222**	**(133)**	**2,395**
Impairments	32	12	—	14	—	58
(Gains) losses on the sale of assets	(7)	—	—	—	—	(7)
Restructuring and related charges and other	56	5	15	1	31	108
Adjustments to operating income	*81*	*17*	*15*	*15*	*31*	*159*
Underlying operating income (loss)	**1,563**	**715**	**141**	**237**	**(102)**	**2,554**

Underlying operating income in local currency for full-year 2018 was $1,842 million for the United States.

Full year 2017

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Global Support Office	Ahold Delhaize Group
Operating income (loss)	**1,371**	**669**	**86**	**236**	**(137)**	**2,225**
Impairments	61	(2)	—	5	—	64
(Gains) losses on the sale of assets	(39)	(16)	8	—	—	(47)
Restructuring and related charges and other	142	25	17	1	29	214
Adjustments to operating income	*164*	*7*	*25*	*6*	*29*	*231*
Underlying operating income (loss)	**1,535**	**676**	**111**	**242**	**(108)**	**2,456**

Underlying operating income in local currency for full-year 2017 was $1,734 million for the United States.

Underlying EBITDA[1]

€ million	Q4 2018	Q4 2017	2018	2017
Underlying operating income	**691**	**631**	**2,554**	**2,456**
Depreciation and amortization[2]	438	450	1,751	1,793
Underlying EBITDA	**1,129**	**1,081**	**4,305**	**4,249**

1. *Underlying EBITDA is an alternative performance measures. For a description of this alternative performance measures refer to section* Use of alternative performance measures *at the end of this report.*
2. *The €7 million difference between the total amount of depreciation and amortization for 2018 of €1,758 million and the €1,751 million mentioned above relates to an item that was excluded from underlying operating income.*

Underlying income from continuing operations[1]

€ million, except per share data	Q4 2018	Q4 2017	2018	2017
Income from continuing operations	**517**	**744**	**1,809**	**1,817**
Adjustments to operating income	64	67	159	231
Unusual items in net financial expenses	(29)	—	(7)	—
Tax effect on adjusted and unusual items	(16)	(15)	(59)	(59)
Tax rate changes due to local tax reforms[2]	(22)	(407)	(22)	(407)
Underlying income from continuing operations	**514**	**389**	**1,880**	**1,582**
Basic income per share from continuing operations[3]	0.45	0.60	1.54	1.45
Underlying income per share from continuing operations[3]	0.45	0.32	1.60	1.26

1. *Underlying income from continuing operations is an alternative performance measure. For a description of this alternative performance measure refer to section* Use of alternative performance measures *at the end of this report.*
2. *The statutory corporate income tax rate changes as a result of local tax reforms show the impact of recalculating Ahold Delhaize Netherlands' deferred tax positions and applying the reduced statutory Dutch corporate income tax rates. In 2017, this line shows the impact of recalculating Ahold Delhaize USA's and Ahold Delhaize Belgium's deferred tax positions and applying the reduced statutory U.S. and Belgium corporate income tax rates; see* Note 7 to the consolidated summary financial statements *for more information.*
3. *Basic and underlying earnings per share from continuing operations are calculated by dividing the (underlying) income from continuing operations attributable to equity holders by the average numbers of shares outstanding. The weighted average number of shares used for calculating the basic and underlying earnings per share for Q4 2018 is 1,137 million (Q4 2017: 1,232 million).*

Store portfolio (including franchise and affiliate stores)

	End of 2017	Opened / acquired	Closed / sold	End of Q4 2018
The United States	1,960	9	(8)	1,961
The Netherlands[1,2]	2,163	34	(46)	2,151
Belgium	764	28	(15)	777
Central and Southeastern Europe	1,750	151	(21)	1,880
Total	**6,637**	**222**	**(90)**	**6,769**

1. *The number of stores at the end of Q4 2018 includes 1,139 specialty stores (Etos and Gall & Gall); (end of 2017: 1,153).*
2. *The closed/sold number of stores in the Netherlands includes 11 stores related to our exit of Germany.*

Use of alternative performance measures

This summary report includes alternative performance measures (also known as non-GAAP measures). The descriptions of the alternative performance measures are included on pages 50 and 51 of Ahold Delhaize's 2018 Annual Report.

Vesting of shares under the GRO plan

On April 11, 2019, a maximum of 0.4 million shares granted in 2016 to current and former members of the Management Board under the (new) Ahold Delhaize GRO plan are expected to vest. On March 15, 2019, a maximum of 0.1 million shares granted in 2016 to a member of the Management Board under the Delhaize European long-term incentive plan are expected to vest. Except to finance taxes and social security charges due on the vesting date, members of the Management Board cannot sell shares for a period of at least five years following the grant date, or until the date of resignation from the Management Board, if this period is shorter.

On April 11, 2019, a maximum of 3.0 million shares granted in 2016 to Ahold Delhaize employees under the (new) Ahold Delhaize GRO plan are expected to vest. As of the vesting date, participants are allowed to sell all or part of the shares vested, subject to insider trading restrictions as applicable from time to time.

The Company will use treasury shares for the delivery of the vested shares.

Financial calendar

Ahold Delhaize's financial year consists of 52 or 53 weeks and ends on the Sunday nearest to December 31.

Ahold Delhaize's 2018 financial year consists of 52 weeks and ends on December 30, 2018. The quarters in 2018 are:

First quarter	January 1 through April 1, 2018
Second quarter	April 2 through July 1, 2018
Third quarter	July 2 through September 30, 2018
Fourth quarter	October 1 through December 30, 2018

Cautionary notice

This communication contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words such as strategy, propose, promise, (fit for the) future, focus, sustainable, will, on track, stay ahead, expect, target, ambition, plan, expand, aim, commit, to be, can, outlook, guidance, policy, estimated 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 the Company's inability to successfully implement its strategy, manage the growth of its business or realize the anticipated benefits of acquisitions; risks relating to competition and pressure on profit margins in the food retail industry; the impact of economic conditions on consumer spending; turbulence in the global capital markets; natural disasters and geopolitical events; climate change; raw material scarcity and human rights developments in the supply chain; disruption of operations and other factors negatively affecting the Company's suppliers; the unsuccessful operation of the Company's franchised and affiliated stores; changes in supplier terms and inability to pass on costs to prices; risks related to corporate responsibility and sustainable retailing; food safety issues resulting in product liability claims and adverse publicity; environmental liabilities associated with the properties that the Company owns or leases; competitive labor markets, changes in labor conditions and labor disruptions; increases in costs associated with the Company's defined benefit pension plans; the failure or breach of security of IT systems; the Company's inability to successfully complete divestitures and the effect of contingent liabilities arising from completed divestitures; antitrust and similar legislation; unexpected outcomes in the Company's legal proceedings; additional expenses or capital expenditures associated with compliance with federal, regional, state and local laws and regulations; unexpected outcomes with respect to tax audits; the impact of the Company's outstanding financial debt; the Company's ability to generate positive cash flows; fluctuation in interest rates; the change in reference interest rate; the impact of downgrades of the Company's credit ratings and the associated increase in the Company's cost of borrowing; exchange rate fluctuations; inherent limitations in the Company's control systems; changes in accounting standards; adverse results arising from the Company's claims against its self-insurance program; the Company's inability to locate appropriate real estate or enter into real estate leases on commercially acceptable terms 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.

For more information:

Press office: +31 88 659 5134 Investor relations: +31 88 659 5213 Social media: Twitter: @AholdDelhaize
YouTube: @AholdDelhaize
LinkedIn: @Ahold-Delhaize

Ahold Delhaize is one of the world's largest food retail groups and a leader in both supermarkets and eCommerce. Its family of great, local brands serves more than 50 million customers each week in Europe, the United States, and Indonesia. Together, these brands employ more than 370,000 associates in more than 6,700 grocery and specialty stores and include the top online retailer in the Benelux and the leading online grocers in the Benelux and the United States. Ahold Delhaize brands are at the forefront of sustainable retailing, sourcing responsibly, supporting local communities and helping customers make healthier choices. Headquartered in Zaandam, the Netherlands, Ahold Delhaize is listed on the Euronext Amsterdam and Brussels stock exchanges (ticker: AD) and its American Depositary Receipts are traded on the over-the-counter market in the U.S. and quoted on the OTCQX International marketplace (ticker: ADRNY). For more information, please visit www.aholddelhaize.com.

Proud companies of Ahold Delhaize