

Contents: In Brief – Governance – Chiefs – Executive Pay – Business Ethics – Ownership – Corporate Social Responsibility – Financial Results – Employment Numbers and Conditions – Employee Policies – Global Presence – Country Activities – Annex: Ahold Employee Policy Guidelines.

Ahold

Koninklijke Ahold N.V. (Royal Ahold)

An international food retailer and foodservice operator. 2001 sales of Euro 66.6 billion. More than 8,800 stores. Operates in 28 countries, in Europe, the United States, Latin America and Asia.

World's third largest food providing group, and, along with France's Carrefour, the most internationally diverse one.

Directly employs more than 400 thousand people worldwide, about two-thirds outside Europe.

The company declares that it is committed to Corporate Social Responsibility (CSR), including support for the UN's Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the core Conventions of the International Labour Organisation.

Head office: Zaandam, The Netherlands

Corporate address: Albert Heijnweg 1, Zaandam, The Netherlands.

Mailing address: P.O. Box 3050, 1500 HB Zaandam, The Netherlands.

Corporate Internet site: www.ahold.com

Stock market symbols: Euronext Exchanges of Amsterdam, Paris and Brussels, AHLN; Swiss Exchange in Zürich, AHO; New York Stock Exchange, AHO.

In Brief

Ahold is incorporated as a holding company conducting business through subsidiaries and partnerships. The company traces its origins back to May 1887, when 22 year-old Albert Heijn took over and developed his father's small grocery store near Zaandam, West Holland.

The company's five largest operating units are U.S. Foodservice, Stop & Shop (USA), Albert Heijn (Netherlands), Giant-Landover (USA) and ICA Sweden (controlling participation of 50%).

Although Europe remains one of Ahold's two most important business areas, a greater proportion of its total sales are realised in the other regions. In 2001, the

USA accounted for 59% of its world sales, Europe for 33%, Latin America for 7%, and Asia-Pacific for 1%.

Sales (in millions)	2001	2000
United States	USD 35,346	USD 26,901
Europe	Euro 21,807	Euro 16,625
Latin America	Euro 4,900	Euro 5,082
Asia	Euro 400	Euro 402
Total	Euro 66,593	Euro 51,542

(Ahold Annual Report 2001)

In recent years, Ahold has used acquisitions and partnerships to broaden the geographical scope of its business.

In a report to the US's Securities and Exchange Commission, Ahold notes that, beginning in 1977, acquisitions and the formation of new partnerships were a key component of its growth strategy. From 1999 to 2001 they had enabled the company to establish a significant presence in a number of new markets, including Scandinavia, Guatemala, Spain, Brazil, Argentina and Chile, in addition to significantly expanding operations in the United States (SEC Form 20-F, 9 April 02, Annual Report 2001).

In early 2002 Ahold announced a shift in its growth strategy: a focus on organic growth and a "slowdown in acquisition activity", except for the "the occasional smaller acquisition". The shift was accentuated later in the year, when, faced by financial setbacks, Ahold said it would divest non-core or underperforming businesses. Smaller acquisitions would still be considered if they would strengthen Ahold's core businesses and improve profitability.

Ahold says that its marketing strategy is "to go to market through two channels, retail and foodservice, with a focus on local brands and formats. ... Everything the customer sees is local and we try to make all things the customer does not see either regional or global. Behind the scenes we are a close-knit family with a strong support system and a structure to ensure that the whole of our company is worth substantially more than the sum of its parts." (Ahold Annual Report 2001)

The principal business is retail trade, which accounted for 78% of total sales in 2001. That comprises sales to consumers at Ahold's own stores as well as sales to its franchise and associated stores. Ahold's other business, foodservice, accounted for 22% of total 2001 sales.

The store format that Ahold uses most is the supermarket. But it also operates or services hypermarkets, discount stores, specialty stores, cash and carry stores and convenience stores. Ahold also operates two real estate companies in the United States and one in The Netherlands. They are engaged in the acquisition, development and management of store locations in the United States and Europe.

The foodservice business distributes food and other services to healthcare and government facilities, sports stadiums, restaurants and company cafeterias. Most of these fields are relatively recession proof and the potential for growth is good, says Ahold.

Individual operating companies (chains) are responsible for merchandising, store formats and marketing strategies. Decisions regarding the strategic direction and overall management of the companies are taken at the holding company level.

Ahold stresses that, to stay competitive, its companies must co-operate worldwide by sharing best practices and using economies of scale and synergies

Governance

There is a Supervisory Board and a Corporate Executive Board. The members of both Boards are appointed by the General Meeting of Shareholders.

There are no workers' representatives on the Supervisory Board.

The Corporate Executive Board is responsible for the management of the business.

Chiefs - Certain Members of the Corporate Executive Board

Cees van der Hoeven, President and Chief Executive Officer (CEO). Joined Ahold in 1985 as Executive Vice President of Finance and Administration. Appointed President/CEO in March 1993. Responsible for management, communications, global sourcing, and legal affairs.

Jan Andreae joined Ahold in 1980 and was appointed to the Corporate Executive Board in 1997. Former president of Albert Heijn, Ahold's Dutch flagship company. Responsible for European operations.

William Grize joined Stop & Shop, USA, in 1967. On Ahold Board since 2001. Also President and CEO of Ahold USA, Inc. He is the liaison officer for retail operations in the United States.

James Miller founded U.S. Foodservice in 1989. He is the Liaison officer for foodservice operations in the United States.

A detailed organisation chart of Ahold's Executive Board and management (7 March 2002) is presented on Ahold's web site at:

http://www.ahold.com/investorrelations/reports/downloads/Board&Management_EN_04042002-14.pdf

Executive Pay

In 2001, Cees van der Hoeven, president and ceo, received Euro 3,374 thousand (3.4 million), comprising a base salary of Euro 917 thousand (0.9 million), bonuses of Euro 1,171 thousand (1.2 million), and pension benefit of Euro 1,286 thousand (1.3 million) (See Annual Report, 2001).

The aggregate amount of compensation paid in 2001 for services to the Supervisory Board (all the "Directors") and the Corporate Executive Board, the Senior Vice Presidents and the Corporate Secretary (all the "Officers") was Euro 15.9 million. In addition, there were contributions of Euro 6.2 million to pension plans on behalf of the Directors and Officers. A portion of the compensation of the members of the Corporate Executive Board is based on the outcome of key performance indicators. (See SEC Form 20-F, 9 April 02, Annual Report for 2001).

Not included in the above is the value of any stock options received by Officers and Directors. Ahold has established stock option plans in The Netherlands and the United States, and less significant plans elsewhere in Europe and Latin America. By the end of 2001, options had been granted to approximately 6,700 employees. Ahold accounts do not recognise stock options as a compensation cost. (See SEC Form 20-F, 9 April 02, Annual Report for 2001)

Ahold's policy has appeared to be one of raising "stakeholder value" rather than solely "shareholder value". As to the latter, its Policy Guidelines state: "By providing excellent service to our customers and an excellent workplace for our associates (employees), we will deliver the best results for our investors."

However, faced by financial setbacks, Ahold in November 2002 proposed a special incentive and retention pay scheme to "align the interests of our troops with those of our shareholders". The one-time scheme is based on Ahold's total shareholder return, compared to that of a "best in class" peer group of competitor companies.

Business Ethics

Ahold has issued a six-page code "Code of Professional Conduct", which is addressed to all its employees (called "associates") as well as to Ahold's business partners, including joint venture partners. The code focuses on anti-corruption policy; gifts, gratuities and entertainment; conflicts of interest; insider trading; confidential information; ensuring open competition; keeping accurate records; and reporting inappropriate, unethical or illegal behaviour.

Ownership

No-one holds more than 5% of voting rights. Five institutions each hold (22 March 2002) more than 5% of "depository receipts", without holding the corresponding voting rights. The five institutions are Fortis N.V.(7,95%), ING Groep N.V.(7,42%), Cooperatie Achmea U.A.(7,21%), Aegon N.V.(6,11%) and CGNU plc.(5,10%).

The geographical spread of shareholders reflects Ahold's global presence, although the single largest group of shares remains in The Netherlands.

The Netherlands	28.9%
North America	19.1%
UK/Ireland	15.4%
Germany	7.4%
France	3.0%
Rest of world	11.8%
Unidentified	14.4%

(Ahold Annual Report 2001)

Corporate Social Responsibility (CSR)

Ahold stresses its commitment to Corporate Social Responsibility (CSR). Its 2001 Annual Report contains the following statement: "Ahold is a socially and environmentally responsible company in every market it serves. We try to find the right balance in serving the interests of all stakeholders, customers, associates, shareholders, suppliers and the community at large. We are convinced that a leading company should also set an example in corporate social responsibility and that this will set a positive cycle in motion, benefiting all in the longer term. We want to be a quality company in everything we do."

What are the respective roles of the central management and local companies in fulfilling CSR? Ahold describes this balance in the following terms: "Ahold's business model is characterised by strong local management within a global network of companies. This means that we address social and environmental issues in ways that meet the needs of local markets while using our influence as a global company to affect positive change in the industry."

Ahold does not seek to impose "a standard CSR blueprint" from the centre, but it does expect its operating companies and joint venture partners "to exhibit leadership in corporate social responsibility in their local markets by addressing the main environmental and social impacts of their business."

In 2001 Ahold reviewed its business principles, in order to make the company's core values more explicit for its employees and to guide operating companies and joint venture partners. The principles are set down in three leaflet-style statements, which can be downloaded from Ahold's web site: "Mission, Vision and Common Values"; "Code of Professional Conduct"; and "Policy Guidelines".

Reflected in these principles are Ahold's recognition of "the UN Universal Declaration of Human Rights as a common standard for all members of the global community. We strive to realize its ambitions everywhere we do business. Ahold also supports the principles set out in the OECD Guidelines for Multinational Enterprises, including the core conventions of the International Labour Organisation."

Ahold published its first Corporate Social Responsibility Report in spring 2002.

Ahold conducted several formal stakeholder surveys in 2001, in order to help define global priorities and determine topics for CSR reporting. Several issues were

perceived as important across all stakeholder audiences. They included food safety, food integrity and origin, energy, labour standards and diversity.

Ahold promotes CSR in various other ways: establishing company-wide networking groups that focus on issues such as diversity, food safety, energy, environmental affairs and community relations; integrating CSR into operating company management reviews; funding multidisciplinary research at the University of Groningen, the Netherlands, to develop a model for the measurement of Corporate Sustainable Performance; being an active participant in several international organisations that address social responsibility topics, including Amnesty International Dutch Business Round Table, CSR Europe and Eurocommerce.

However, Ahold's CSR programme does not appear to include a permanent, independent monitoring system. The company has also been less than enthusiastic concerning contacts between central management and trade unions.

Financial Results

*In thousands of Euros

	2001	2000	1999	1998	1997
Net sales*	66,593,065	51,541,601	32,824,327	25,863,943	22,592,911
% change	+29%	+57%	+27%	+14%	+36%
Operating results*	2,705,392	2,274,093	1,414,672	1,017,266	833,517
% change	+19%	+61%	+39%	+22%	+48%
Net earnings*	1,113,521	1,115,991	752,107	547,199	423,754
% change	-0%	+48%	+37%	+29%	+48%

Data: Ahold Annual Report 2001

Table/%: UNI

In order to make it easier to compare Ahold's sales and net income (net profit) with those of US companies, it is possible to apply both Dutch and US GAAP (generally accepted accounting principles):

Net sales in fiscal 2001 were Euro 66,593 million, up from Euro 51,542 million in 2000 and Euro 32,824 million in fiscal 1999, representing increases in of 29% in 2001 and 57% in 2000.

Operating expenses - the costs incurred in the operation of a company, including wages and salaries - were Euro 12,011 million in 2001, Euro 9,613 million in 2000 and Euro 6,939 million in 1999. These expenses have declined as a percentage of net sales to 18.0% in 2001, from 18.7% in 2000 and 21.1% in 1999. Ahold attributes this decline partly to the growth in its food service activities, which have lower operating expenses than the retail trade does. Ahold also says it has benefited from its focus on creating synergies among its operating companies, particularly by improving IT operations, leveraging economies of scale, reducing costs through the company-wide sharing of knowledge by managers and staff, and consolidating financial and human resource administrative services.

Net earnings (profit) in 2001 were Euro 1,114 million, a decline of 0.2% from 2000. Ahold attributes the decline to, among other things, restructuring charges (Euro 106 million, including severance pay to laid-off workers) and a Euro 214 million charge taken for the devaluation of the Argentine Peso.

Ahold proposed a 2001 dividend of Euro 0.73 per common share, a 16% increase over the 2000 dividend of Euro 0.63.

2002 – financial setback

In March 2002, Mr van der Hoeven forecast 15% earnings (profit) per share growth for 2002, but warned that the situation in Argentina might lead to further exceptional charges. In July 2002, Ahold halved that forecast to 5-8%, citing the deterioration in Argentina, “developments” in Spain, and higher than expected interest expenses.

In Argentina, Ahold’s joint venture partner, Velox Retail Holdings (VRH), defaulted on several bank debts secured by its shares in Disco Ahold International Holdings (DAIH), the joint venture. As a result, Ahold said it would be required to make payments of about US\$ 490 million.

Despite these problems, Ahold pointed to the “the underlying strength of our core business” and observed that most Ahold companies were performing according to or better than expectation, with performance at the five largest operating units continuing to be “particularly solid”.

In November 2002, Ahold made a second downward revision of its earnings (profit) per share growth for 2002, this time from plus 5-8% to minus 6-8%. The company announced that third quarter 2002 (July to October) sales had risen 5.8% from the same quarter in 2001 (+14.5% excluding the impact of currency fluctuations), mainly due to the inclusion of the US’s Alliant and Bruno’s Supermarkets. But net earnings had declined by 15.3%. Ahold attributed the decline to difficult trading conditions in most markets, South America in particular, currency devaluations, higher financial expenses as a result of the default of Velox (Ahold’s former Argentine partner), and a higher average tax rate.

In response to these financial difficulties, Ahold said it would focus on profitable sales growth, cost reductions and the divestment of non-core businesses.

investment

Amounts incurred for capital expenditures and acquisitions of businesses:

(Euro millions)	2001	2000	1999
Purchases of tangible and intangible fixed assets	3,019	2,650	1,764
Acquisitions of businesses	2,943	7,719	718
Fixed assets disposals and other	(1,220)	(428)	(215)
<u>Net cash used in investing activities</u>	<u>4,742</u>	<u>9,941</u>	<u>2,267</u>

Data: SEC Form 20-F, 9 April 02, Annual Report for 2001.

Of the capital expenditures (purchases of tangible and intangible fixed assets), about 26% in 2001 and 75% in 2000 was spent for new stores and store improvements, while the remainder was spent for distribution centres, computer hardware and other assets.

Ahold's 2001 Annual Report states that total net capital investment was expected to reach about Euro 3.2 billion in 2002, up from Euro 2.6 billion in 2001.

Employment Numbers and Conditions

In 2001 Ahold increased the number of directly employed part-time and full time associates to 404,453, from 377,485 in 2000. The increase reflects eight acquisitions and considerable organic growth. Forty percent of employees work part-time, a situation that is especially common in the United States, The Netherlands and Sweden.

To facilitate comparisons, the tables below present full-time equivalent employment.

Store workers are by far the largest group of Ahold workers. Ahold points to significant turnover of store workers.

Full-time equivalent workforce, by business segment

	2001	2000
Food retail	252,870	233,702
Foodservice	17,052	13,749
Real estate and other	582	395
Corporate	235	207
Total	270,739	248,053

Ahold Annual Report 2001

Ahold's employees are globally deployed - a majority are outside Europe.

Full-time equivalent workforce, by region

	2001	2000
United States	123,036	118,114
Europe	86,888	70,293
Latin America	53,162	52,157
Asia	7,418	7,282
Corporate	235	207
Total	270,739	248,053

Ahold Annual Report 2001

The full-time-equivalent workforce has more than doubled since 1996.

Full-time equivalent workforce, 2001-1996

	2001	2000	1999	1998	1997	1996
FTEs	270,739	248,053	208,893	162,746	142,020	101,697
% change	+9.1%	+18.7%	+28.3%	+14.6%	+39.6%	+20.4%

Data: Ahold Annual Report 2001

Table/%: UNI

Despite the rapid increase in Ahold's workforce, and the role of acquisitions in that growth, the integration of acquired companies has on occasion caused severe job cuts. In its 2001 Annual Report to the US's Securities and Exchange Commission (SEC), Ahold referred, in connection with the purchase of Alliant (USA), to the termination of 1,200 employees, 150 by the end of 2001. Ahold also reported decisions to reorganise its operations in Spain, after several recent acquisitions. The reorganisation included the closure of several stores and distribution centers, with the termination of 1,317 employees, 456 by the end of 2001.

Faced by financial setbacks, Ahold in November 2002 shifted its focus from acquisitions to divestments. "All non-core business will be divested either in whole or in part. Consistently underperforming core business will be rigorously scrutinized with a view to significantly improved performance or divestment." It remains to be seen whether the envisaged divestments will result in job losses or changed working conditions or both.

Wages and benefits

Total salaries and wages were Euro 6.8 billion in 2001, up from Euro 5.4 billion in 2000. With benefits (pension costs and other social security charges) the total is Euro 8.2 billion in 2001, up 26% from Euro 6.5 billion in 2000.

Ahold says it offers "favourable remuneration aligned with industry and local market circumstances".

Ahold has a number of defined benefit pension plans covering most of its employees. Benefits are generally based upon wages and salaries, and years of service.

The company also maintains various other employee benefit plans. Ahold's Dutch subsidiaries participate in a profit sharing plan for their employees. For employees of its US subsidiaries there are savings, incentive compensation and bonus plans.

Employee Policies

In a general policy statement, Ahold refers to high standards of performance and conduct; creating an attractive and rewarding workplace; equal opportunity, non-discrimination and diversity; respect, dignity and non-harassment; learning and sharing; an innovative and entrepreneurial culture.

Ahold supports the principles set out in the OECD Guidelines for Multinational Enterprises, as well as the core conventions of the International Labour Organisation.

"Ahold does business in many different countries with different prevailing labour practices. Wherever we operate, we seek to maintain high employment standards and to ensure fundamental labour rights." (Corporate Social Responsibility Report 2002)

Ahold does not impose a single set of human resource policies and practices worldwide. It says that different national and regional legislation makes this impractical. "Ahold companies implement human resources policies that meet local needs within the parameters of Ahold's shared business principles."

In 2001, Ahold initiated a global planning and control cycle for the Human Resources function. The cycle focuses on spreading best practice and monitoring progress. To assist Ahold companies with prioritising and managing HR policies, Ahold formulated a set of key performance indicators (KPIs). The companies choose from the corporate "menu card" of KPIs those that are relevant to their local situation. Consolidated Ahold-wide data is not the focus, but rather regional and local plans to address relevant issues and to assess current performance against past performance.

The KPIs that have been developed fall under the following categories: Organisation Development, Staffing, Performance Management and Appraisal, Management Development and Training, Compensation and Benefits, Labour Relations, Employment Branding and Retention, Quality of HR, HR Information Management, Health and Safety and Equal Opportunity/Diversity.

Ahold attaches importance to workforce diversity, seeing it as crucial to the company's success. "Maintaining a workforce that reflects a highly diverse customer base allows the company to better anticipate and serve customers' needs." There are various programmes to promote diversity. Ahold says it has a proactive approach to recruiting and retaining female talent and talent from minority groups. "Ahold has many women in middle management positions, but wants to increase female representation at the most senior level."

Training is another point of emphasis: approximately 85% of associates (employees) currently participate in training programs, courses, and additional study, reports the company.

In 2001, formal management development programs were extended to Spain, Brazil and Poland and they were scheduled for Argentina, Norway, Sweden and Central America.

Other Ahold training programmes are the Ahold Academy; Ahold Centres of Excellence, and Ahold Networking, through which thousands of key associates and managers throughout the world connect with each other. For example, reports Ahold, successful store formats from one market were locally adapted and transferred to other markets in both Europe and Latin America. A new low energy supermarket project at Stop & Shop in the USA tapped the knowledge of Ahold energy specialists from all over the world.

More detailed Ahold policy guidelines on employees ("Associates") are reproduced in the Annex of this profile. These cover important subjects. The section on fundamental rights refers to the ILO standards. However, there is a discrepancy between the terms used by the ILO and those used by Ahold. The ILO refers to "the right to organise and to bargain collectively" and "effective recognition", whereas Ahold speaks of freedom of choice in that respect. Ahold's choice of words suggests a weaker commitment to trade union rights than would normally be expected under ILO standards. The company is more positive about its relations with civil society, with whom it "promotes an active dialogue".

On non-discrimination, the Ahold policy guidelines refer to "equal remuneration for equal work" and not to the broader ILO principle of "equal remuneration for work of equal value". (In another context, Ahold does refer to "work of equal value"). In the "safe workplace" paragraph, Ahold refers to local occupational health and safety laws. The ILO Tripartite Declaration says that multinationals should also bear in mind experience and share information within the company as a whole. Ahold policy statements do refer to the importance of intra-company information sharing in other respects. On the related issue of the environment, for example, Ahold says that it encourages "transfer of knowledge, technologies and best practices".

As in its CSR programme in general, Ahold's principles for employees do not appear to include permanent, independent monitoring. Ahold upholds the OECD Guidelines for Multinationals, and therefore presumably also accepts the procedures to monitor those guidelines. However, a company-wide commitment to respect and promote the OECD Guidelines and the core ILO Conventions would normally require global procedures, agreed at the international level with the trade unions concerned.

Global Presence – Region by Region

Ahold divides its businesses into four regions: Europe, United States, Latin America and Asia.

Europe

By the end of 2001, Ahold operated over 6,500 stores in 13 European countries, employing a total of 130,000 people. Combined 2001 sales amounted to Euro 21.8 billion, 33% of Ahold's worldwide sales.

In many of its 13 European markets, Ahold holds a leading position. It continues to monitor European markets where it is as yet unrepresented

According to its 2001 Annual Report, Ahold operates over 2,300 stores in The Netherlands, including Albert Heijn, the leading Dutch food retailer, and specialty stores. Ahold holds a three-quarters stake in wholesaler Schuitema. Its Dutch foodservice operation Deli XL is also active in Belgium.

In November 2001, Albert Heijn teamed up with four of Ahold's other Dutch operating companies to provide customers with an Internet-based home delivery system called "Albert".

In Northern Europe, Ahold has a 50/50 joint venture with the ICA Group, Scandinavia's largest food retailer, with over 3,000 stores in Sweden, Norway, Denmark, Latvia, Lithuania and Estonia. Northern European sales in 2001 amounted to Euro 7.0 billion.

In Spain, Ahold operates more than 620 Supersol supermarkets and Hipersol hypermarkets on the Spanish mainland, and Hiperdino hypermarkets on the Canary Islands. Ahold acquired several supermarket chains in 1999 and 2000. Their integration into Ahold Spain has proved more difficult than expected. In May 2002 Ahold reported that its 2002 operating profit in Spain was expected to total approximately Euro 70 million, some Euro 30 million short of Ahold's original target. Ahold co-owns 198 supermarkets and hypermarkets in Portugal.

In October 2002, Ahold announced the integration of its operations in Poland, the Czech Republic and Slovakia to create a new organisation, Ahold Central Europe (ACE), based in Prague. Jacquot Boelen, previously CEO Ahold Polska, was appointed Chief Executive Officer of ACE. Functions such as sourcing, human resource development, marketing and administration would be merged into ACE, between 1 January 2003 and the end of the year. Ahold operates 400 Albert supermarkets and Hypernova hypermarkets in the region.

United States

Ahold is a leading food provider in the United States and generated 2001 sales of USD 35.3 billion, over 60% of Ahold's worldwide sales.

Ahold USA, Inc, the retail holding company, employs over 170,000 people. To service its operations, Ahold USA has three integrated companies: American Sales Company, which co-ordinates store formats and marketing strategies, Ahold Information Services (data processing center) and Ahold Financial Services (accounting and financial services).

Six Ahold USA retail companies operate stores along the eastern seaboard under the regional brand names of Stop & Shop, Giant-Landover, Giant-Carlisle, Tops, BI-LO and Bruno's. They serve approximately 20 million customers every week, making Ahold one of the country's top seven food retailers. Ahold also wholly owns Peapod, the US's leading food e-tailer, which operates in Chicago, New England and Washington, D.C.

U.S. Foodservice, the second largest food service distributor in the United States, operates nation-wide and has long-term relationships with restaurants, hotels, schools, healthcare facilities and sports stadiums. U.S. Foodservice employs about 16,000 people.

At the end of 2001 Ahold still considered that there was a lot of work to be done to integrate recently acquired companies into a streamlined US service network.

Latin America

By the end of 2001, Ahold operated 608 stores in Latin America, either through wholly-owned operations or joint ventures with local partners. 2001 total sales of Euro 4.9 billion were 4% down on 2000, due to adverse currency fluctuations. But sales increased in local currencies and market share increased too. There were approximately 59,000 Ahold employees in Latin America.

In Brazil, Ahold is the sole owner of Bompreço, with 110 supermarkets and hypermarkets the leading food retailer in the north east. In December 2001, Ahold acquired G. Barbosa, a chain of 32 hypermarkets and supermarkets in north-eastern Brazil. Through these two chains, Ahold now operates close to 150 supermarkets and hypermarkets in north-eastern Brazil with combined annual sales of approximately Euro 1.6 billion.

In Argentina, Ahold operates 230 Disco supermarkets, the country's largest supermarket chain. In Chile, Peru and Paraguay it operates 118 Santa Isabel supermarkets, the second largest supermarket company in Chile and Peru.

In Central America a three-way joint venture was launched in 2001, called CARHCO (Central American Retail Holdings Company). This joint venture, between Ahold, its existing partner La Fragua in Guatemala, El Salvador and Honduras, and CSU in Costa Rica, Nicaragua and Honduras, operates over 250 stores - hypermarkets, supermarkets and discount stores - and production facilities.

Asia

By the end of 2001, Ahold operated 104 TOPS supermarkets in Malaysia, Thailand and Indonesia, some of them through partnerships.

Sales were Euro 400 million in 2001, earned by approximately 8,500 people.

In March 2001, the TOPS Retail Training Center was opened in Malaysia. It can cater for 150 people and run five training programmes simultaneously.

Country by Country Summary

By the end of 2001, Ahold operated or serviced 8,842 stores, including 3,778 franchise and associated stores. There were also foodservice activities in the USA and Europe. Here is a summary of Ahold's current operations.

Most of the data below is from the Operating Companies page on Ahold's web site, which contains more company details by country:

<http://www.ahold.com/operatingcompanies/>

A full list of subsidiaries and affiliates worldwide (on 30 December 2001) can be found in Ahold's annual report online:

http://www.ahold.com/investorrelations/reports/downloads/FinancialStatements_EN_04042002-12.pdf (go to page 6 of the pdf document, which is page 47 of Ahold Annual Report 2001)

Retail operations - primarily conducted through the following subsidiaries or partnerships:

Region	Number of stores, including franchises and associated stores (Q3 2002)	Number of associates (workers) (Q4 2001)
Europe:		
The Netherlands:		
Albert Heijn B.V.	698	46,616
Gall & Gall B.V.	485	1,350
Schuitema N.V. (73% Ahold owned)	486	5,900
Etos B.V.	491	2,515
Jamin B.V.	141(Q4 2001)	
Scandinavia--ICA A.B (50% Ahold owned)	2,971	17,575
Spain--Ahold SuperMercados S.L.	613	13,475
Portugal--Jeronimo Martins Retail, SGPS, S.A (joint venture)	198	14,492
The Czech Republic--Ahold Czech Republic A.S.	217	11,954
Slovakia--Ahold Slovakia	164	
Poland--Ahold Polska Sp. z o.o	169	8,854
United States:		
The Stop & Shop Supermarket Company	324	55,792
Giant Food Stores, LLC (Giant-Carlisle)	113	17,780
BI-LO, LLC	445	25,942
Tops Markets, LLC	376	24,595
Giant Food, Inc. (Giant-Landover)	188	27,642
Bruno's Supermarkets Inc.	187	14,000
Peapod, Inc.		891
Latin America:		
Brazil--Bompreco S.A. Supermercados do Nordeste	116	22,156
--G. Barbosa Comercial Ltda	35	5,600
Argentina--Disco S.A. (Ahold controlled)	237	17,673
Chile, Peru, Paraguay--Santa Isabel S.A.	118	11,773
Central America--CARHCO (33% Ahold owned)	283	15,010
Asia Pacific:		
Malaysia--Tops Retail (Malaysia) Sdn Bhd.	40	2,063
Thailand--CRC Ahold Company Ltd..	45	5,085
Indonesia--PT Putra Serasi Pioneerindo	23	1,356

Foodservice activities in the United States, The Netherlands and Sweden.

United States: U.S. Foodservice (15,709 employees in Q4 2001), the second largest food service distributor in the United States based on net sales.

Europe: Deli XL (2,019 employees in Q4 2001) in The Netherlands and ICA Menyforetagen in Sweden.

Annex: Ahold Policy Guidelines on Associates (employees) (Source: Ahold: "Policy Guidelines", April 2002, 6p)

REGARDING ASSOCIATES

- **Respect:** We strive to create a workplace based on mutual respect, where open communication is valued and conflicting opinions are voiced. Respect for the individual is a cornerstone of our policy. We believe our associates are capable, loyal and concerned about the success of the business.

- **Equal opportunity:** Ahold is an equal opportunity employer. Unlawful discrimination or harassment is prohibited. Decisions about recruitment, employment, promotion and termination are made on the basis of objective and non-discriminatory criteria.
- **Diversity:** We value diversity and strive to create a diverse workforce. We believe this makes good business sense.
- **Communication:** We strive to communicate openly at all levels in the company to keep associates keenly aware of the company mission, vision and objectives, and to listen to the concerns of our associates.
- **Fundamental rights:** We respect the fundamental rights of associates codified in local laws and by the International Labor Organization. These rights include freedom of association, freedom of choice with respect to organizing and collective bargaining, prevention of forced and child labor, non-discrimination and equal remuneration for equal work.
- **Exemplary integrity:** We expect from our associates a high degree of integrity.
- **Fair pay:** We strive to provide fair remuneration to our associates, which is aligned with the sector and local market circumstances. Salary structures are based on objective systems. We strive to provide our associates with access to clear information regarding their jobs and the terms and conditions of their employment.
- **Safe workplace:** We strive to provide a safe workplace and monitor compliance with local occupational health and safety laws and regulations.
- **Opportunity through learning:** We are committed to continuous learning and invest in training and development opportunities for our associates.
- **Creativity and innovation:** We encourage our associates to use their initiative, creativity and common sense to satisfy customers and innovate to improve the business. We respect their opinions and ideas.

Ahold companies' associates are employed at will, unless contractual agreements provide otherwise. Nothing herein should be construed as altering any associate's existing employment relationship with Ahold or any of its companies.