

Internal announcement

Dear Colleagues,

The recent substantial derating of our stock merits an explanation.

In recent months the sentiment in the world stock markets has been extremely bearish. We can read about the reasons for that every day. Most retail companies have been hard hit and US supermarket stocks in particular have suffered. However, Ahold stock has been derated more than any other and we are currently trading at a significant discount to our competitors. In recent weeks this trend has continued and in fact accelerated.

Essentially the reason for this development is that markets currently have no confidence in Ahold's ability to live up to its promises. Every detail is being questioned and our explanations are not always accepted. In these circumstances it is important for you to know that:

1. There are no accounting issues at Ahold.
2. There are no skeletons in Ahold's closet.
3. Most operating companies including all the major ones are performing according or better than expectation.
4. We are determined to reverse the trend and to show that we are the best company in our sector.
5. We highly appreciate the level of dedication and motivation of all of you in this challenging environment.

We are proud to see that our company not only does well in favorable circumstances but is also able to fight, perform and deliver when the going gets tough. We are addressing the issues that face us with vigor and determination. Don't let yourselves be discouraged by any of this because we are convinced that in the not too distant future we will be rewarded again. It is all of you who then deserve the credit.

Zaandam, July 3, 2002

Cees van der Hoeven
President & CEO