Interim Report
Third quarter 2018

Ahold Delhaize delivers strong sales and earnings growth, increasing free cash flow guidance for 2018

- Net sales of €15.8 billion, up 3.6% at constant exchange rates
- US comparable sales up 3.0% (excluding hurricane up 2.5%) with positive volume growth
- Net consumer online sales up 27.6% at constant exchange rates
- Underlying operating margin of 4.1%, up 0.2% points, supported by synergies
- Net income up 26.7% to €459 million, up 26.0% at constant exchange rates
- Strong free cash flow of €538 million, up €112 million, full year guidance raised to at least €2.0 billion

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Zaandam, the Netherlands, November 7, 2018 – Ahold Delhaize, one of the world's largest food retail groups and a leader in both supermarkets and e-commerce, reports a strong third quarter with improved sales across the board and strong growth of underlying operating income.

Frans Muller, CEO of Ahold Delhaize, said: "We are pleased with these results, demonstrating the strength of our great local brands, which is underpinned by their leading market positions. We are proud of the strong engagement of our 370,000 associates serving local communities and especially those that were affected by natural disasters.

"Third quarter sales rose 3.6% at constant exchange rates, while margins improved by 0.2% points to 4.1%, supported by synergies. Net consumer online sales were up 27.6%, boosted by another very strong quarter for bol.com. This puts us firmly on track to realize at least €5 billion in net consumer online sales by 2020.

"We continued to renew our store network and invest in our digital capabilities and new technologies to make shopping easier for customers, while offering them even more options to live healthier lives. In the U.S., Stop & Shop remodeled all its stores in the Hartford area, as the first phase of its repositioning program. In the Netherlands, Albert Heijn to go opened its first checkout-free stores, offering customers super-fast shopping without waiting in line. Delhaize Belgium became our latest brand to provide customers with at-a-glance guidance on the nutritional quality of own brand products.

"In the United States, comparable sales grew significantly by 3.0% compared to the previous quarter, excluding gasoline, with positive volume growth. Comparable sales were up 2.5% adjusted for the impact of extreme weather events on the performance of Food Lion. Online sales rose 11.8%, supported by improving sales trends at Peapod.

"In the Netherlands, performance was very strong with comparable sales up 5.9%. Net consumer online sales grew 33.2% as bol.com continued its rapid growth as the leading e-commerce platform in the Benelux. In Belgium, Delhaize grew sales and margins as the implementation of its new strategy and improvement plans continued to make steady progress. In Central and Southeastern Europe, we are particularly pleased by the performance of our Czech business. Sales in the segment were impacted by negative comparable sales in Greece, which we expect to improve during the fourth quarter of 2018.

"Free cash flow was €538 million and we expect free cash flow this year to be at least €2.0 billion, exceeding our previous guidance of €1.9 billion. Our strong cash generation enables us to provide a balance between investing in further growth of our business, while at the same time returning excess liquidity to shareholders through our share buyback program in 2018.

"Ahold Delhaize will provide an update on our strategy at the Capital Markets Day on November 13 in New York City. We're excited to share our plans on e-commerce and digital in the U.S. and Europe and on the repositioning program at Stop & Shop along with further plans to drive growth in the years ahead as we continue the expansion of the leading position of our great local brands."

Group performance

€ million, except per share data	Q3 2018	Q3 2017	% change	% change constant rates	Q3 YTD 2018	Q3 YTD 2017	% change	% change constant rates
Net sales	15,780	15,136	4.3%	3.6%	46,244	47,127	(1.9)%	2.3%
Of which: online sales	677	558	21.5%	21.1%	1,951	1,668	17.0 %	19.7%
Net consumer online sales[1]	846	661	28.0%	27.6%	2,398	1,959	22.4 %	24.8%
Operating income	612	545	12.1%	11.4%	1,768	1,661	6.4 %	11.0%
Income from continuing operations	475	362	31.3%	30.6%	1,292	1,073	20.4 %	25.5%
Net income	459	362	26.7%	26.0%	1,276	1,073	18.9 %	23.9%
Basic income per share from continuing operations	0.41	0.29	41.4%	41.4%	1.09	0.85	28.2 %	32.9%
Underlying EBITDA[1]	1,080	1,026	5.4%	4.6%	3,176	3,168	0.3 %	4.7%
Underlying EBITDA margin[1]	6.9%	6.8%			6.9%	6.7%		
Underlying operating income[1]	647	591	9.6%	8.8%	1,863	1,825	2.1 %	6.5%
Underlying operating margin[1]	4.1%	3.9%			4.0%	3.9%		
Underlying income per share from continuing operations[1]	0.43	0.31	38.7%	34.4%	1.15	0.95	21.1 %	26.4%
Free cash flow[1]	538	426	26.4%	26.1%	1,672	1,023	63.5 %	72.6%

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

	Q3 2018	Q3 2017	% change	% change constant rates	Q3 YTD 2018	Q3 YTD 2017	% change	% change constant rates
$ million								
Net sales	11,178	10,828	3.2%		33,001	32,465	1.6 %	
Of which: online sales	215	192	11.8%		654	597	9.6 %	
€ million								
Net sales	9,612	9,216	4.3%	3.2%	27,662	29,191	(5.2)%	1.6 %
Of which: online sales	185	164	13.0%	11.8%	548	538	2.0 %	9.6 %
Operating income	373	331	12.3%	11.1%	1,089	1,034	5.2 %	12.8 %
Underlying operating income	395	359	10.1%	8.8%	1,139	1,153	(1.2)%	5.8 %
Underlying operating margin	4.1%	3.9%			4.1%	4.0%		
Comparable sales growth	3.3%	1.6%			2.2%	0.5%		
Comparable sales growth excluding gasoline	3.0%	1.3%			1.8%	0.3%		

In the third quarter of 2018, net sales in the United States grew by 3.2% at constant exchange rates to €9,612 million. Comparable sales excluding gas increased by 3.0%, with positive volume growth in the quarter. The incremental impact on comparable sales growth of Hurricane Florence was estimated at 0.5% points for the segment, resulting in adjusted comparable sales growth of 2.5%. Online sales increased by 11.8% at constant exchange rates to €185 million, supported by improving sales trends at Peapod.

Stop & Shop unveiled a fresh new look starting for its 21 stores in the Hartford area in Connecticut. The new look comes with a $70 million capital investment to improve the in-store experience with a focus on delivering more fresh, fast, local and healthy options. The changes include a modernized store format and a new logo, which is a nod to the brand's past and its legacy of leading in convenience. Learnings from this first wave will be implemented during the further rollout in other markets next year.

Food Lion has now rolled out the Easy, Fresh and Affordable format to 712 of its 1,029 stores, including 168 stores in Virginia's Norfolk and greater Roanoke markets this year.

Retail Business Services held a ceremony to break ground for a new 200,000 square-foot, state-of-the-art meat processing facility. The new facility will create more than 700 food manufacturing and distribution jobs in Rhode Island and account for more than $100 million of investment in the state.

Underlying operating margin in the U.S. was 4.1%, up 0.2% points from the same quarter last year. The higher margin was driven by higher gross margins mainly as a result of synergies and improved promotional efficiency, partly offset by higher underlying expenses, including onetime costs as a result of Hurricane Florence.

The Netherlands

€ million	Q3 2018	Q3 2017	% change	Q3 YTD 2018	Q3 YTD 2017	% change
Net sales	3,469	3,279	5.8%	10,413	10,033	3.8 %
Of which: online sales	477	381	25.2%	1,356	1,092	24.1 %
Net consumer online sales	647	485	33.2%	1,803	1,384	30.2 %
Operating income	176	162	8.4%	521	502	3.8 %
Underlying operating income	177	161	10.2%	530	502	5.6 %
Underlying operating margin	5.1%	4.9%		5.1%	5.0%	
Comparable sales growth	5.9%	3.6%		4.0%	3.9%	

Net sales in the Netherlands of €3,469 million increased by 5.8% compared to the previous year. Comparable sales grew by 5.9%. Comparable sales growth excluding bol.com was 4.2%.

Albert Heijn to go started to roll out its first checkout-free stores in the quarter, offering busy customers super-fast shopping and no more waiting in line. Customers can pay right at the shelf with a "tap to go" card or using an app on their Android phone. Albert Heijn plans to roll out the technology to all its 80 Albert Heijn to go convenience stores, making it available for tens of thousands of customers each day.

Albert Heijn has taken the next step in offering transparency to customers by using blockchain technology to make the production chain of its own-brand products more transparent. Through a QR code on the packaging, they can, for example, track the entire route traveled by a bottle of orange juice from the grove to the store shelf, with more products being added in the near future.

Bol.com and ah.nl continued their strong sales performance. Net consumer online sales increased by 33.2% compared to last year. Albert Heijn and bol.com are offering an even better online shopping experience for customers including a single sign-on and combined subscription model. Both brands also started to sell the Dutch-language Google Home device.

The underlying operating margin in the Netherlands was 5.1%, up 0.2% points compared to the same quarter last year. The margin excluding bol.com was 5.7%, which was up 0.2% points compared to last year mainly driven by lower operational expenses as a result of cost saving programs.

Belgium

€ million	Q3 2018	Q3 2017	% change	Q3 YTD 2018	Q3 YTD 2017	% change
Net sales	1,226	1,215	1.0%	3,757	3,663	2.6 %
Of which: online sales	12	10	18.0%	36	29	24.5 %
Operating income	34	22	59.7%	93	74	26.7 %
Underlying operating income	38	37	6.2%	101	98	3.7 %
Underlying operating margin	3.2%	3.0 %		2.7%	2.7 %	
Comparable sales growth	0.6%	(0.3)%		2.0%	(0.3)%	

Net sales in Belgium were €1,226 million, up 1.0% versus the same quarter last year. Comparable sales increased by 0.6% points, adversely impacted by calendar effects. The online sales growth of delhaize.be for the quarter was 18.0%.

Delhaize introduced the Nutri-Score food label, which is a visual that summarizes food nutrition information, helping customers understand complex nutrient tables more easily to make balanced food choices and quickly compare products. Customers will find the Nutri-Score label on all Delhaize own-brand fresh soups, cereals, yogurt and prepared meals. Delhaize's goal is to provide all own-brand products with the label within two years.

Delhaize opened the first five remodeled stores based on a new format reflecting the brand's updated positioning in the quarter. A highlight of the new concept store in Nivelles is the "Fresh Atelier" that offers freshly prepared ready-to-eat meals, using recipes that contribute to a balanced diet.

Underlying operating margin in Belgium was 3.2%, up 0.2% points compared to last year. The improvement was mainly driven by an improved gross profit margin, supported by synergies.

Central and Southeastern Europe (CSE)

€ million	Q3 2018	Q3 2017	% change	% change constant rates	Q3 YTD 2018	Q3 YTD 2017	% change	% change constant rates
Net sales	1,473	1,426	3.4 %	3.0 %	4,412	4,240	4.1 %	2.8 %
Operating income	52	61	(14.1)%	(14.1)%	148	156	(5.4)%	(5.8)%
Underlying operating income	56	62	(10.2)%	(10.3)%	153	158	(3.1)%	(3.5)%
Underlying operating margin	3.7%	4.3%			3.5%	3.7%		
Comparable sales growth	0.6%	0.4%			0.5%	1.2%		
Comparable sales growth excluding gasoline	0.6%	0.5%			0.6%	1.2%		

Net sales in Central and Southeastern Europe increased by 3.0% at constant exchange rates to €1,473 million. Net sales growth in the third quarter resulted from comparable sales growth of 0.6%, and the net addition of 123 stores, of which most were convenience stores. Romania and the Czech Republic reported strong growth. In Greece, comparable sales growth remained negative, although sales trends improved compared to the previous quarter.

In the Czech Republic, Albert has created a new urban supermarket concept featuring fresh, healthy foods and a fast, easy shopping experience. The wide assortment of fresh and healthy products includes many items from local suppliers.

CSE's underlying operating margin was 3.7%, down 0.6% points versus last year, mainly due to the impact of lower sales in Greece and higher labor costs in the rest of the region.

Global Support Office

€ million	Q3 2018	Q3 2017	% change	% change constant rates	Q3 YTD 2018	Q3 YTD 2017	% change	% change constant rates
Underlying operating loss	(19)	(28)	(29.6)%	(29.5)%	(60)	(86)	(29.5)%	(28.9)%
Underlying operating loss excluding insurance results	(33)	(35)	(6.2)%	(6.5)%	(103)	(107)	(3.4)%	(1.9)%

Underlying Global Support Office costs were €19 million, €9 million lower than the prior year. Excluding insurance results, underlying costs were €33 million compared to €35 million in Q3 2017, due to synergies.

Synergy savings

Ahold Delhaize remains committed to delivering net synergies of €500 million in 2019, resulting from the integration of the two companies. Total identified gross synergies are €750 million, of which more than €250 million will be reinvested in our brands.[1] 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, net cumulative synergies amounted to €312 million, an increase of €127 million compared to the same period last year. The increase is mainly driven by our buying activities across all parts of the Group.

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

€ million	Q3 2018	Q3 2017	Q3 YTD 2018	Q3 YTD 2017
The United States	77	36	210	108
Europe	24	22	73	53
Global Support Office	12	10	29	24
Ahold Delhaize Group	**113**	**68**	**312**	**185**

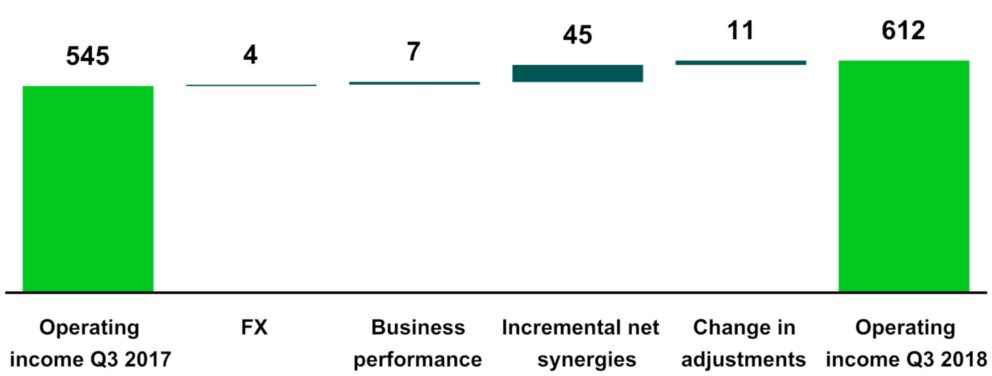
Operating income in the third quarter included €17 million (Q3 2017: €42 million) of integration costs.

1. Amounts are based on HY1 2017 exchange rates.

Financial review

Third quarter 2018 (compared to third quarter 2017)

Operating income increased by €67 million to €612 million, which can be explained by:



The change in adjustments to operating income compared to Q3 2017 includes the decrease in restructuring and related charges (€33 million) and the decrease in impairments (€1 million), offset by the decrease in gains on sale of assets (€23 million).

To arrive at underlying operating income of €647 million (up €56 million over Q3 2017), operating income is adjusted for impairments of €10 million and restructuring and related charges of €27 million.

The restructuring and related charges of €27 million mainly included integration costs and €8 million of additional losses from a hurricane in the United States that are expected to be reimbursed from insurance coverage.

Income from continuing operations was €475 million; which was €113 million higher than last year. This follows from the increase in operating income of €67 million, lower income taxes of €47 million, higher financial expenses of €2 million and higher income from joint ventures of €1 million.

Free cash flow of €538 million increased by €112 million compared to Q3 2017. This increase is mainly driven by:

- Increased cash flows from operations of €44 million;
- Improvement in working capital of €79 million;
- Lower income taxes paid of €73 million;
- Lower divestment of assets of €62 million;
- Higher purchases of non-current assets of €18 million.

Net debt increased in Q3 2018 by €158 million to €3,357 million, which is mainly a result of the share buyback of €686 million, partly offset by our free cash flow of €538 million.

First three quarters 2018 (compared to first three quarters 2017)

Operating income increased by €107 million to €1,768 million. Recorded in operating income are:

- Restructuring and related charges of €77 million (Q3 YTD 2017: €173 million);
- Impairments of €21 million (Q3 YTD 2017: €35 million);
- Gain on the sale of assets of €3 million (Q3 YTD 2017: €44 million).

These total €95 million (Q3 YTD 2017: €164 million) and are adjusted to arrive at underlying operating income of €1,863 million (Q3 YTD 2017: €1,825 million).

Income from continuing operations was €1,292 million, which was €219 million higher than last year. This reflects the increase in operating income of €107 million, lower income taxes of €99 million and lower net financial expenses of €18 million, partially offset by lower income from joint ventures of €5 million.

Free cash flow was €1,672 million, €649 million higher than last year. The increase is mainly due to the improvement in changes in working capital of €377 million, lower capital expenditures of €131 million and lower income taxes paid of €196 million, partially offset by lower cash from divestments of €108 million.

Outlook

We confirm our target for 2018 of realizing €420 million net synergies, including €268 million realized in 2017, and we remain confident to reach €750 million of gross synergies for 2019, of which more than €250 million will be reinvested in addition to our "save for our customers" savings.

We expect free cash flow in 2018 to exceed our previous guidance of €1.9 billion and to be at least €2.0 billion. Capital expenditure is expected to be €1.8 billion in 2018, compared to our previous guidance of €1.9 billion.

Consolidated income statement

€ million, except per share data	Note	Q3 2018	Q3 2017	Q3 YTD 2018	Q3 YTD 2017
Net sales	4/5	15,780	15,136	46,244	47,127
Cost of sales	6	(11,524)	(11,103)	(33,784)	(34,543)
Gross profit		**4,256**	**4,033**	**12,460**	**12,584**
Selling expenses		(3,075)	(2,951)	(9,020)	(9,202)
General and administrative expenses		(569)	(537)	(1,672)	(1,721)
Total operating expenses	6	(3,644)	(3,488)	(10,692)	(10,923)
Operating income	4	**612**	**545**	**1,768**	**1,661**
Interest income		18	8	49	23
Interest expense		(80)	(68)	(229)	(223)
Net interest expense on defined benefit pension plans		(5)	(6)	(14)	(17)
Other financial income (expenses)		—	1	(19)	(14)
Net financial expenses		(67)	(65)	(213)	(231)
Income before income taxes		**545**	**480**	**1,555**	**1,430**
Income taxes	7	(83)	(130)	(282)	(381)
Share in income of joint ventures		13	12	19	24
Income from continuing operations		**475**	**362**	**1,292**	**1,073**
Loss from discontinued operations		(16)	—	(16)	—
Net income attributable to common shareholders		**459**	**362**	**1,276**	**1,073**
Net income per share attributable to common shareholders					
Basic		0.39	0.29	1.07	0.85
Diluted		0.39	0.29	1.06	0.84
Income from continuing operations per share attributable to common shareholders					
Basic		0.41	0.29	1.09	0.85
Diluted		0.40	0.29	1.07	0.84
Income from discontinued operations per share attributable to common shareholders					
Basic		(0.02)	—	(0.02)	—
Diluted		(0.01)	—	(0.01)	—
Weighted average number of common shares outstanding (in millions)					
Basic		1,163	1,244	1,190	1,257
Diluted		1,191	1,278	1,218	1,292
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.8600	0.8510	0.8378	0.8994

Consolidated statement of comprehensive income

€ million	Note	Q3 2018	Q3 2017	Q3 YTD 2018	Q3 YTD 2017
Net income		**459**	**362**	**1,276**	**1,073**
Remeasurements of defined benefit pension plans					
Remeasurements before taxes - income		11	23	72	39
Income taxes		(3)	(10)	(20)	(14)
Other comprehensive income that will not be reclassified to profit or loss		8	13	52	25
Currency translation differences in foreign interests:					
Continuing operations		74	(325)	345	(1,151)
Income taxes		—	—	—	(1)
Cash flow hedges:					
Fair value result for the period		—	(2)	1	(5)
Transfers to net income		1	1	1	1
Income taxes		—	—	—	1
Non-realized gains (losses) on debt and equity instruments					
Fair value result for the period		—	1	—	4
Other comprehensive income (loss) reclassifiable to profit or loss		75	(325)	347	(1,151)
Total other comprehensive income (loss)		**83**	**(312)**	**399**	**(1,126)**
Total comprehensive income (loss) attributable to common shareholders		**542**	**50**	**1,675**	**(53)**
Attributable to:					
Continuing operations		558	50	1,691	(53)
Discontinued operations		(16)	—	(16)	—
Total comprehensive income (loss) attributable to common shareholders		**542**	**50**	**1,675**	**(53)**

Consolidated balance sheet

€ million	Note	September 30, 2018	December 31, 2017
Assets			
Property, plant and equipment		10,795	10,689
Investment property		656	650
Intangible assets		11,850	11,634
Investments in joint ventures and associates		220	230
Other non-current financial assets		256	192
Deferred tax assets		149	436
Other non-current assets		80	70
Total non-current assets		**24,006**	**23,901**
Assets held for sale		5	14
Inventories		3,101	3,077
Receivables		1,605	1,606
Other current financial assets		700	238
Income taxes receivable		104	154
Prepaid expenses and other current assets		320	300
Cash and cash equivalents	9	5,013	4,581
Total current assets		**10,848**	**9,970**
Total assets		**34,854**	**33,871**
Equity and liabilities			
Equity attributable to common shareholders	8	**14,495**	**15,170**
Loans	10	4,057	3,289
Other non-current financial liabilities		2,072	2,098
Pensions and other post-employment benefits		545	567
Deferred tax liabilities		896	1,105
Provisions		817	808
Other non-current liabilities		545	529
Total non-current liabilities		**8,932**	**8,396**
Accounts payable		5,348	5,277
Other current financial liabilities		3,277	2,210
Income taxes payable		185	136
Provisions		323	355
Other current liabilities		2,294	2,327
Total current liabilities		**11,427**	**10,305**
Total equity and liabilities		**34,854**	**33,871**
Year-end U.S. dollar exchange rate (euro per U.S. dollar)		0.8618	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		—	—	—	—	1,073	**1,073**
Other comprehensive income (loss)		—	—	(1,152)	(3)	29	**(1,126)**
Total comprehensive income (loss) attributable to common shareholders		—	—	(1,152)	(3)	1,102	**(53)**
Dividends		—	—	—	—	(720)	**(720)**
Issuance of shares		—	42	—	—	—	**42**
Share buyback		—	—	—	—	(822)	**(822)**
Share-based payments		—	—	—	—	62	**62**
Balance as of October 1, 2017		**13**	**15,844**	**(398)**	**(5)**	**(669)**	**14,785**
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		—	—	—	—	1,276	**1,276**
Other comprehensive income		—	—	345	2	52	**399**
Total comprehensive income attributable to common shareholders		—	—	345	2	1,328	**1,675**
Dividends	8	—	—	—	—	(757)	**(757)**
Share buyback	8	—	—	—	—	(1,641)	**(1,641)**
Share-based payments		—	—	—	—	49	**49**
Balance as of September 30, 2018		**12**	**15,175**	**(210)**	**(2)**	**(480)**	**14,495**

1. *The opening balance adjustment is related to the implementation of IFRS 9. Refer to Accounting policies paragraph for more information.*

Consolidated statement of cash flow

€ million	Note	Q3 2018	Q3 2017	Q3 YTD 2018	Q3 YTD 2017
Income from continuing operations		475	362	1,292	1,073
Adjustments for:					
Net financial expenses		67	65	213	231
Income taxes		83	130	282	381
Share in income of joint ventures		(13)	(12)	(19)	(24)
Depreciation, amortization and impairments	6	443	446	1,334	1,378
Gains on the sale of assets / disposal groups held for sale	6	(2)	(25)	(3)	(44)
Share-based compensation expenses		16	21	47	61
Other changes to operating income		1	(1)	(1)	(6)
Operating cash flows before changes in operating assets and liabilities		1,070	986	3,145	3,050
Changes in working capital:					
Changes in inventories		78	15	41	20
Changes in receivables and other current assets		7	27	23	(58)
Changes in payables and other current liabilities		(58)	(94)	(78)	(353)
Changes in other non-current assets, other non-current liabilities and provisions		(75)	(35)	(125)	(44)
Cash generated from operations		1,022	899	3,006	2,615
Income taxes paid - net		(38)	(111)	(132)	(328)
Operating cash flows from continuing operations		984	788	2,874	2,287
Operating cash flows from discontinued operations		(1)	(1)	(3)	(4)
Net cash from operating activities		**983**	**787**	**2,871**	**2,283**
Purchase of non-current assets		(415)	(397)	(1,082)	(1,213)
Divestments of assets / disposal groups held for sale		3	65	20	128
Acquisition of businesses, net of cash acquired	3	(3)	(39)	(13)	(45)
Divestment of businesses, net of cash divested		—	(1)	(2)	(2)
Changes in short-term deposits and similar instruments		(98)	(123)	(444)	(23)
Dividends received from joint ventures		1	2	17	16
Interest received		16	7	52	23
Other		6	(2)	(2)	(3)
Investing cash flows from continuing operations		(490)	(488)	(1,454)	(1,119)
Net cash from investing activities		**(490)**	**(488)**	**(1,454)**	**(1,119)**
Proceeds from long-term debt	10	—	746	797	746
Interest paid		(51)	(39)	(209)	(218)
Repayments of loans		(6)	(5)	(24)	(466)
Changes in short-term loans		1,021	(81)	897	115
Repayments of finance lease liabilities		(44)	(47)	(132)	(144)
Dividends paid on common shares	8	—	—	(757)	(720)
Share buyback	8	(686)	(295)	(1,647)	(822)
Other cash flows from derivatives		—	(2)	(4)	262
Other		—	13	(3)	16
Financing cash flows from continuing operations		234	290	(1,082)	(1,231)
Net cash from financing activities		**234**	**290**	**(1,082)**	**(1,231)**
Net cash from operating, investing and financing activities		**727**	**589**	**335**	**(67)**
Cash and cash equivalents at the beginning of the period (excluding restricted cash)		4,226	3,169	4,542	3,990
Effect of exchange rates on cash and cash equivalents		21	(65)	97	(230)
Cash and cash equivalents at the end of the period (excluding restricted cash)	9	**4,974**	**3,693**	**4,974**	**3,693**
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.8600	0.8510	0.8378	0.8994

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 e-commerce 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 2017 consolidated 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.

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:

IFRS 9, "Financial Instruments"

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. The adoption of the new standard has the following effects on the financial assets and liabilities on January 1, 2018.

The majority of the Company’s debt instruments that were measured at amortized cost satisfy the conditions to be classified at amortized costs under IFRS 9, so there is no change in how we account for these assets. However, 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). Related fair value losses of €3 million were transferred from the available-for-sale financial assets reserve to retained earnings on January 1, 2018. There were no other changes to the classification and measurement of other financial assets.

There is no effect on the Group’s accounting for financial liabilities. The new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss. For the Group, only derivatives and reinsurance liabilities are designated at fair value through profit or loss and there are no changes in the accounting for these liabilities as a result of IFRS 9. The derecognition rules have not changed from IAS 39, “Financial Instruments: Recognition and Measurement.”

The new hedge accounting rules align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships could be eligible for hedge accounting, as the standard introduces a more principles-based approach. The Company has assessed that its current hedge relationships will qualify as continuing hedges upon the adoption of IFRS 9.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets measured at amortized cost, debt instruments measured at FVOCI, contract assets under IFRS 15, "Revenue from Contracts with Customers," lease receivables, loan commitments and certain financial guarantee contracts. Due to the change in the impairment model the loss allowance for the financial receivables increased by €1 million at January 1, 2018.

IFRS 9 applies for annual periods beginning on or after January 1, 2018. The Company applies the new rules retrospectively from January 1, 2018, applying the practical expedients permitted under the standard. Comparatives for 2017 have not been restated.

IFRS 15, "Revenue "from Contracts with Customers"

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue from contracts with customers. IFRS 15 supersedes the previous revenue recognition guidance, including IAS 18, "Revenue," IAS 11, "Construction Contracts," and the related interpretations. Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e., when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The majority of the Company's revenue is derived from sales of retail products whereby control is transferred to the customer as purchases occur at the register. For goods shipped to customers, control transfers to the customer when the product is delivered and accepted. The Company previously recognized revenue as control passed and the adoption of IFRS 15 has no effect on when revenue is recognized.

The Company's policy is to allow customers to return product for replacement or refund. Revenue was previously recognized with an allowance for a reasonable estimate of the returns that can be made for a refund and this remained unchanged after adoption of IFRS 15. However, under IFRS 15, the Company is now required to recognize an asset that represents the right to receive returned product. The value of this asset represents the purchase cost of only the goods that will be of value to Ahold Delhaize. A returned product has value to Ahold Delhaize if it can be restocked for future resale or returned to the vendor for a refund. Based on the limited amount of sales that result in refunds to customers, the value of this new asset was €1 million at January 1, 2018.

IFRS 15 applies for annual periods beginning on or after January 1, 2018. The Company applies the new rules retrospectively from January 1, 2018, with the cumulative effect of initially applying the standard recognized as of that date. Comparatives for 2017 have not been restated.

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, refer to the description in Ahold Delhaize's Annual Report 2017.

One of these standards is IFRS 16, "Leases", which is an important upcoming accounting change for the Company. This standard will replace existing lease guidance.

Our work on implementing this new standard for leases is progressing and we continue to consider the implications of the standard on our Group's consolidated results and financial position. The Company completed the data collection and enrichment process of its lease contracts and is currently implementing a lease accounting tool to determine the impact assessment on a contract by contract basis to prepare for the transition at January 1, 2019.

The Company will adopt IFRS 16 on January 1, 2019, and will apply the full retrospective transition approach.

3. Business combinations and goodwill

Ahold Delhaize completed various store acquisitions for a total purchase consideration of €13 million. The allocation of the fair values of the identifiable assets acquired, liabilities assumed and the goodwill arising from the acquisitions through Q3 2018 are as follows:

€ million	Store acquisitions
Goodwill	5
Other intangibles	3
Property plant and equipment	10
Investment in joint ventures and associates	(2)
Receivables and other current assets	3
Other non-current liabilities	(4)
Other current liabilities	(1)
Fair value of assets and liabilities recognized	**14**
Gain on bargain purchase (negative goodwill)	(1)
Total purchase consideration	**13**
Cash acquired	—
Acquisition of business, net of cash	**13**

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	5
Exchange rate differences	149
Closing carrying amount	**7,014**
As of September 30, 2018	
At cost	7,022
Accumulated impairment losses	(8)
Closing carrying amount	**7,014**

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 consolidated 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:

	Q3 2018	Q3 2017	Q3 YTD 2018	Q3 YTD 2017
$ million				
The United States	11,178	10,828	33,001	32,465
Average U.S. dollar exchange rate (euro per U.S. dollar)	*0.8600*	*0.8510*	*0.8378*	*0.8994*
€ million				
The United States	9,612	9,216	27,662	29,191
The Netherlands	3,469	3,279	10,413	10,033
Belgium	1,226	1,215	3,757	3,663
Central and Southeastern Europe	1,473	1,426	4,412	4,240
Ahold Delhaize Group	**15,780**	**15,136**	**46,244**	**47,127**

Operating income

Operating income (loss) per segment is as follows:

	Q3 2018	Q3 2017	Q3 YTD 2018	Q3 YTD 2017
$ million				
The United States	433	390	1,299	1,152
Average U.S. dollar exchange rate (euro per U.S. dollar)	*0.8600*	*0.8510*	*0.8378*	*0.8994*
€ million				
The United States	373	331	1,089	1,034
The Netherlands	176	162	521	502
Belgium	34	22	93	74
Central and Southeastern Europe	52	61	148	156
Global Support Office	(23)	(31)	(83)	(105)
Ahold Delhaize Group	**612**	**545**	**1,768**	**1,661**

5. Net sales

Q3 2018

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Ahold Delhaize Group
Sales from owned stores	9,364	2,245	585	1,411	13,605
Sales and fees to franchisees / affiliates	—	740	623	50	1,413
Online sales	185	477	12	3	677
Wholesale sales	37	—	3	9	49
Other sales	26	7	3	—	36
Net sales	**9,612**	**3,469**	**1,226**	**1,473**	**15,780**

Q3 2017

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Ahold Delhaize Group
Sales from owned stores[1]	8,990	2,184	600	1,367	13,141
Sales and fees to franchisees / affiliates	—	704	596	45	1,345
Online sales[1]	164	381	10	3	558
Wholesale sales	34	—	6	11	51
Other sales	28	10	3	—	41
Net sales	**9,216**	**3,279**	**1,215**	**1,426**	**15,136**

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

First three quarters 2018

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Ahold Delhaize Group
Sales from owned stores	26,935	6,827	1,824	4,257	39,843
Sales and fees to franchisees / affiliates	—	2,207	1,877	117	4,201
Online sales	548	1,356	36	11	1,951
Wholesale sales	101	—	11	26	138
Other sales	78	23	9	1	111
Net sales	**27,662**	**10,413**	**3,757**	**4,412**	**46,244**

First three quarters 2017

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Ahold Delhaize Group
Sales from owned stores[1]	28,464	6,753	1,825	4,090	41,132
Sales and fees to franchisees / affiliates	—	2,159	1,788	113	4,060
Online sales[1]	538	1,092	29	9	1,668
Wholesale sales	101	—	13	27	141
Other sales	88	29	8	1	126
Net sales	**29,191**	**10,033**	**3,663**	**4,240**	**47,127**

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	Q3 2018	Q3 2017	Q3 YTD 2018	Q3 YTD 2017
Cost of product	11,020	10,636	32,317	33,119
Labor costs	2,263	2,187	6,670	6,811
Other operational expenses	1,207	1,116	3,466	3,458
Depreciation and amortization	433	435	1,313	1,343
Rent expenses and income – net	237	231	692	744
Impairment losses and reversals – net	10	11	21	35
(Gains) losses on the sale of assets – net	(2)	(25)	(3)	(44)
Total expenses by nature	**15,168**	**14,591**	**44,476**	**45,466**

7. Income taxes

The decrease in income tax expense and the effective tax rate for Q3 2018 is mainly caused by the reduction of the U.S. and Belgian statutory tax rates. Further, the effective tax rate of Q3 2018 is relatively low due to one-time events, including return to provision adjustments.

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

On January 2, 2018, the Company commenced the €2 billion share buyback program that was announced on November 8, 2017. During 2018, 83,846,708 of the Company's own shares were repurchased at an average price of €19.63 per share. The program is expected to be completed before the end of 2018.

The number of outstanding common shares as of September 30, 2018, was 1,146,490,634 (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	September 30, 2018	December 31, 2017
Cash and cash equivalents as presented in the statement of cash flows	4,974	4,542
Restricted cash	39	39
Cash and cash equivalents as presented on the balance sheet[1]	**5,013**	**4,581**

1. *Cash and cash equivalents include an amount held under notional cash pooling arrangement of €2,303 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:

€ million	September 30, 2018		December 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans receivable	53	56	59	65
Trade and other (non-)current receivables	1,598	1,598	1,605	1,605
Reinsurance assets	216	216	195	195
Total loans and receivables	1,867	1,870	1,859	1,865
Cash and cash equivalents	5,013	5,013	4,581	4,581
Short-term deposits and similar instruments	462	462	9	9
Derivatives	1	1	—	—
Investments in debt instruments	171	171	167	167
Total financial assets	**7,514**	**7,517**	**6,616**	**6,622**

€ million	September 30, 2018		December 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Notes	(4,225)	(4,214)	(3,407)	(3,518)
Other loans	(3)	(3)	(3)	(3)
Financing obligations	(290)	(244)	(325)	(291)
Mortgages payable	(104)	(120)	(22)	(23)
Finance lease liabilities	(1,554)	(1,810)	(1,607)	(1,932)
Cumulative preferred financing shares	(455)	(483)	(455)	(491)
Dividend cumulative preferred financing shares	(13)	(13)	(18)	(18)
Accounts payable	(5,348)	(5,348)	(5,277)	(5,277)
Short-term borrowings	(2,361)	(2,361)	(1,432)	(1,432)
Interest payable	(75)	(75)	(40)	(40)
Reinsurance liabilities	(228)	(228)	(205)	(205)
Other	(91)	(94)	(75)	(81)
Total non-derivative financial liabilities	(14,747)	(14,993)	(12,866)	(13,311)
Derivatives	(18)	(18)	(18)	(18)
Total financial liabilities	**(14,765)**	**(15,011)**	**(12,884)**	**(13,329)**

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 net proceeds from the offering will be used for the refinancing of existing debt and for general corporate purposes.

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	September 30, 2018	December 31, 2017
Cross-currency interest rate swaps	18	18
Total net derivative liabilities subject to collateralization	**18**	**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 2017 consolidated 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 31, 2017, is included in *Note 34* of Ahold Delhaize's 2017 consolidated financial statements, part of Ahold Delhaize's Annual Report 2017 dated February 27, 2018.

During 2018, Tops Markets, a former subsidiary of Ahold, filed for bankruptcy protection. As part of the legal proceedings Tops Markets provided an update on options that they exercised to extend the lease terms of a number of real estate leases, for which Ahold Delhaize has guaranteed payments to the landlords. These extensions could increase our gross exposure on our issued lease guarantees by an amount of €250 million. Ahold Delhaize will vigorously challenge whether its guarantee includes these extensions if it is called upon to satisfy its obligations under the outstanding lease guarantee. In addition, Ahold Delhaize has several remediation options, if necessary, to reduce our gross exposure.

As part of the bankruptcy proceedings, Tops Markets has abandoned five stores whose rent are guaranteed by Ahold Delhaize. The Company has also reached an agreement with Tops Markets to continue the rent for nine locations for 72 months. These actions have resulted in Ahold Delhaize recognizing an onerous contract liability of €23 million, which is presented as an after-tax loss from discontinued operations of €16 million.

12. Subsequent events

There have been no significant subsequent events from the end of the quarter up to the publication date of these interim financial statements.

Zaandam, the Netherlands, November 6, 2018

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

Other financial and operating information

Free cash flow[1]

€ million	Q3 2018	Q3 2017	Q3 YTD 2018	Q3 YTD 2017
Operating cash flows from continuing operations before changes in working capital and income taxes paid	995	951	3,020	3,006
Changes in working capital	27	(52)	(14)	(391)
Income taxes paid - net	(38)	(111)	(132)	(328)
Purchase of non-current assets	(415)	(397)	(1,082)	(1,213)
Divestments of assets / disposal groups held for sale	3	65	20	128
Dividends received from joint ventures	1	2	17	16
Interest received	16	7	52	23
Interest paid	(51)	(39)	(209)	(218)
Free cash flow	**538**	**426**	**1,672**	**1,023**

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	September 30, 2018	July 1, 2018	December 31, 2017
Loans	4,057	4,055	3,289
Finance lease liabilities	1,376	1,399	1,430
Cumulative preferred financing shares	455	455	455
Non-current portion of long-term debt	5,888	5,909	5,174
Short-term borrowings and current portion of long-term debt	3,104	2,076	2,076
Gross debt	8,992	7,985	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]	5,635	4,786	4,747
Net debt	**3,357**	**3,199**	**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 September 30, 2018, was €462 million (July 1, 2018: €360 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 €160 million (July 1, 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 September 30, 2018, was €228 million (July 1, 2018: €204 million, December 31, 2017: €172 million).*
5. *Cash and cash equivalents include an amount held under a notional cash pooling arrangement of €2,303 million (July 1, 2018: €1,262 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:

Q3 2018

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Global Support Office	Ahold Delhaize Group
Operating income (loss)	**373**	**176**	**34**	**52**	**(23)**	**612**
Impairments	6	—	—	4	—	10
(Gains) losses on the sale of assets	(2)	—	—	—	—	(2)
Restructuring and related charges and other	18	1	4	—	4	27
Adjustments to operating income	*22*	*1*	*4*	*4*	*4*	*35*
Underlying operating income (loss)	**395**	**177**	**38**	**56**	**(19)**	**647**

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 Q3 2018 was $461 million for the United States.

Q3 2017

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Global Support Office	Ahold Delhaize Group
Operating income (loss)	**331**	**162**	**22**	**61**	**(31)**	**545**
Impairments	10	—	—	1	—	11
(Gains) losses on the sale of assets	(15)	(13)	3	—	—	(25)
Restructuring and related charges and other	33	12	12	—	3	60
Adjustments to operating income	*28*	*(1)*	*15*	*1*	*3*	*46*
Underlying operating income (loss)	**359**	**161**	**37**	**62**	**(28)**	**591**

Underlying operating income in local currency for Q3 2017 was $422 million for the United States.

First three quarters 2018

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Global Support Office	Ahold Delhaize Group
Operating income (loss)	**1,089**	**521**	**93**	**148**	**(83)**	**1,768**
Impairments	12	4	—	5	—	21
(Gains) losses on the sale of assets	(3)	—	—	—	—	(3)
Restructuring and related charges and other	41	5	8	—	23	77
Adjustments to operating income	*50*	*9*	*8*	*5*	*23*	*95*
Underlying operating income (loss)	**1,139**	**530**	**101**	**153**	**(60)**	**1,863**

Underlying operating income in local currency for the first three quarters of 2018 was $1,359 million for the United States.

First three quarters 2017

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Global Support Office	Ahold Delhaize Group
Operating income (loss)	**1,034**	**502**	**74**	**156**	**(105)**	**1,661**
Impairments	35	(1)	—	1	—	35
(Gains) losses on the sale of assets	(32)	(16)	4	—	—	(44)
Restructuring and related charges and other	116	17	20	1	19	173
Adjustments to operating income	*119*	—	*24*	*2*	*19*	*164*
Underlying operating income (loss)	**1,153**	**502**	**98**	**158**	**(86)**	**1,825**

Underlying operating income in local currency for the first three quarters of 2017 was $1,284 million for the United States.

Underlying EBITDA[1]

€ million	Q3 2018	Q3 2017	Q3 YTD 2018	Q3 YTD 2017
Underlying operating income	**647**	**591**	**1,863**	**1,825**
Depreciation and amortization	433	435	1,313	1,343
Underlying EBITDA	**1,080**	**1,026**	**3,176**	**3,168**

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.*

Underlying income from continuing operations[1]

€ million, except per share data	Q3 2018	Q3 2017	Q3 YTD 2018	Q3 YTD 2017
Income from continuing operations	**475**	**362**	**1,292**	**1,073**
Adjustments to operating income	35	46	95	164
Unusual items in net financial expenses	—	—	22	—
Tax effect of unusual items and unusual tax items	(13)	(16)	(43)	(44)
Underlying income from continuing operations	**497**	**392**	**1,366**	**1,193**
Basic income per share from continuing operations[2]	0.41	0.29	1.09	0.85
Underlying income per share from continuing operations[2]	0.43	0.31	1.15	0.95

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. *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 Q3 2018 is 1,163 million (Q3 2017: 1,244 million).*

Store portfolio (including franchise and affiliate stores)

	End of 2017	Opened / acquired	Closed / sold	End of Q3 2018
The United States	1,960	6	(7)	1,959
The Netherlands[1,2]	2,163	18	(38)	2,143
Belgium	764	21	(13)	772
Central and Southeastern Europe	1,750	90	(16)	1,824
Total	**6,637**	**135**	**(74)**	**6,698**

1. *The number of stores at the end of Q3 2018 includes 1,140 specialty stores (Etos and Gall & Gall) (end of 2017: 1,153).*
2. *The closed/sold number of stores in the Netherlands includes the stores related to our exit of Germany.*

Use of alternative performance measures

This interim report includes alternative performance measures (also known as non-GAAP measures). The descriptions of the alternative performance measures are included on pages 80 and 81 of Ahold Delhaize's Annual Report 2017.

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 press release 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 on track, by 2020, expect, plans, years ahead, improve, continue, will, be, next year, will be, plans, goal, within two years, to be, target, for 2019, estimate, future, will become, coming years, upcoming, is, could or other similar words or expressions are typically used to identify forward-looking statements.

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

Forward-looking statements reflect the current views of the Company's management and assumptions based on information currently available to the Company's management. Forward-looking statements speak only as of the date they are made, and the Company does not assume any obligation to update such statements, except as required by law.

For more information:

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Ahold Delhaize is one of the world's largest food retail groups and a leader in both supermarkets and e-commerce. 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 6,500 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