Ahold proposes capital repayment and reverse stock split to return €1 billion to shareholders

November 14, 2013

Capital repayment and reverse stock split

- **We are committed to our financial guidelines of leverage, liquidity and credit rating**
- **Allocation of excess cash: maintain a balance between investing in profitable growth and returning cash to our shareholders**
- **In addition to the current €2 billion share buy back program, we are proposing to return an additional €1 billion to shareholders via a capital repayment and reverse stock split**
- **We will ask for shareholder approval at an extraordinary general meeting in January 2014 and plan to complete this transaction in the first quarter of 2014**
- **Advantages:**
  - Quick return of excess cash to shareholders, enhancing earnings per share (EPS)
  - Not subject to 15% Dutch dividend withholding tax

Ahold

How does it work? As an example:

Explanation is based on Q3 2013 data and information

- **€1 billion capital repayment**
  - 1.0 billion common shares outstanding
  - Ahold to pay out 1.0 billion common shares @ € 1.00 = € 1.0 billion in cash

- **Reverse stock split**
  - 1.0 billion common shares outstanding
  - Market capitalization will be reduced after paying out €1 billion to shareholders
  - €1.0 billion is approximately 7% of total market capitalization (of €14 billion, at a share price of €14)
  - 7% is equivalent to a 13 for 14 consolidation
  - 1.0 billion x 13/14th = 929 million outstanding shares remaining

An example

You own 1,000 shares

- **Capital Repayment**
  - you receive € 1.00 per share
  - your 1,000 shares x € 1.00 = € 1,000.- in cash

- **Reverse Stock Split**
  - your 1,000 shares will be reduced by 1/14 to 929 shares
  - if number of shares cannot be divided by 14, fractions will be settled in cash

- **Combined**
  - Ahold will buy 71 (or 1/14th) of your shares at a share price of €14 for total € 994 in cash
  - You will get additional €6 in cash for the share fractions

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