

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND

In re ROYAL Ahold N.V. SECURITIES &  
ERISA LITIGATION

No. 1:03-MD-01539  
RELATED TO ALL ERISA ACTIONS

NOTICE OF CLASS ACTION SETTLEMENT

**TO ALL MEMBERS OF THE FOLLOWING CLASS**

All persons who were participants or beneficiaries in the Ahold U.S.A., Inc. 401(k) Savings Plan, the Ahold U.S.A. Inc. 401(k) Savings Plan for Hourly Associates, the Ahold U.S.A., Inc. 401(k) Savings Plan for Union Associates, Stop & Shop Supermarket Company 401(k) Plan for Eligible Bargaining Unit Employees and the U.S. Foodservice 401(k) Retirement Savings Plan and all predecessor plans (collectively, the "Plans") at any time between March 6, 2001 and February 23, 2003.

PLEASE READ THIS NOTICE CAREFULLY.  
A FEDERAL COURT AUTHORIZED THIS NOTICE.  
THIS IS NOT A SOLICITATION.

This Notice advises you of a proposed class action settlement. The Settlement will provide a \$2,500,000 settlement fund for Class Members to resolve fully the lawsuit. The Settlement resolves a lawsuit over whether Royal Ahold N.V. ("Royal Ahold"), U.S. Foodservice, Inc., Ahold U.S.A., Inc. and certain of their subsidiaries, affiliates, officers and directors, and current and former fiduciaries of the Plans breached their fiduciary duties by violating the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§1001, *et seq.* You should read the entire Notice carefully because your legal rights are affected whether you act or not. Unless otherwise defined herein, capitalized terms shall have the same meaning set forth in the Stipulation and Agreement of Settlement of ERISA Actions, available at [www.gardencitygroup.com](http://www.gardencitygroup.com).

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
YOU CAN DO NOTHING	You do not need to do anything for the Settlement to be approved. The claims process will be done automatically by the Plans' Administrators.
YOU CAN OBJECT	You can write to the Court about why you don't like the Settlement.
YOU CAN GO TO A HEARING	You can ask to speak in Court about the fairness of the Settlement.

- Your rights and options, and the date by which you must object if you are opposed to the Settlement are explained in this Notice.

1. Why did I get this notice package?

You or someone in your family may have been a participant or a beneficiary in the Plans at any time between March 6, 2001 and February 23, 2003.

The Court sent you this Notice because you have a right to know about a proposed Settlement of a class action lawsuit and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the District of Maryland, Northern Division, and the case is known as *In re Royal Ahold N.V. Securities & ERISA Litigation*, No. 1:03-MD-01539. The people who sued are called Plaintiffs, and the people they sued, Royal Ahold, U.S. Foodservice, Inc., Ahold U.S.A., Inc. and certain of their subsidiaries, affiliates, officers and directors, and their auditors are called the Defendants.

2. How do I get more information?

You can call 1-888-257-8214 toll-free, to obtain answers to common questions about the Settlement. Please do not contact the Court, Royal Ahold, or the Plans' record keeper. They will not be able to answer your questions.

3. What is this lawsuit about?

In the Amended and Consolidated Complaint for Violation of ERISA (the "Amended Complaint"), Plaintiffs allege that the Defendants breached their fiduciary duties and otherwise violated ERISA, by permitting the Plans' assets to be invested in Royal Ahold stock; failing to adequately investigate and monitor the merits of the Plans' investments in Royal Ahold stock; failing to take steps to eliminate or reduce the amount of Royal Ahold stock in the Plans; failing to adhere to the Plans' purpose of providing retirement security to eligible employees; failing to provide adequate information about the composition of the Plans' portfolio and accurate information about Royal Ahold and its financial prospects; promoting Royal Ahold stock as a prudent Plan investment; and failing to avoid conflicts of interest caused by investing

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participants' and beneficiaries' money in Royal Ahold stock and imposing restrictions on the sale of Royal Ahold stock despite the alleged unsuitability of Royal Ahold stock as a Plan investment. The Amended Complaint seeks to recover from the Defendants any losses to the Plans, and indirectly, to its participants and beneficiaries caused by Defendants' alleged conduct.

After filing the Amended Complaint in February of 2004, Defendants sought to have the ERISA action dismissed by challenging the adequacy of the pleadings. The Court heard argument on the motions to dismiss the Amended Complaint on July 13, 2005 and took the matter under advisement.

Further, the parties entered into arm's-length settlement discussions after the filing of the Amended Complaint in an attempt to resolve the action. Counsel, with the benefit of expert advisors, met several times throughout the pendency of this action. In April 2006, the parties agreed in principal to settle the action and executed the final settlement in June 2006.

4. Why is this a class action?

In a class action, one or more persons called Class Representatives sue on behalf of people who have similar claims. All of these people who have similar claims make up the Class and are Class Members. One court resolves the issues for all Class Members. Because Plaintiffs alleged wrongful conduct that affected a large group of people in a similar way, Plaintiffs filed this case as a class action.

5. Why is there a Settlement?

The Court has not decided in favor of Plaintiffs or Defendants. Defendants deny any wrongdoing and, in connection with this Settlement, do not admit that they breached their fiduciary duties to the Plaintiffs or otherwise are liable to the Class. Instead, both sides agreed to a Settlement. By agreeing to a Settlement, parties avoid the costs and risk of a trial, and the Class will get compensation. The Class Representatives and their attorneys believe that the Settlement is in the best interest for all Class Members.

6. How do I know if I am part of the Settlement?

To see if you will get money from this Settlement, you first have to decide if you are a Class Member. The Court has conditionally certified this case as a class action, in which everyone who fits the following description is a Class Member:

*All persons who were participants or beneficiaries in the Plans at any time between March 6, 2001 and February 23, 2003. This includes both present and former employees of Royal Ahold, U.S. Foodservice, Inc., Ahold U.S.A., Inc. and their subsidiaries and affiliates.*

If you were a participant or beneficiary under the Plans, you will only be entitled to recover with respect to investments you made in the Ahold Stock Funds during the relevant period.

7. Are there exceptions to being included?

You are not a Class Member if you were named as a defendant in any of the complaints filed in the action. Also, immediate family members of named Defendants are not in the Class.

You are not entitled to recovery if you did not hold any investment in the Ahold Stock Funds during the relevant time period.

8. I'm still not sure if I'm included.

If you are still not sure whether you are included, you can ask for free help. Please call 1-888-257-8214.

9. Can I exclude myself from the Settlement?

In some class actions, class members have the opportunity to exclude themselves from a settlement. This is sometimes referred to as "opting out" of the settlement. **You do not have the right to exclude yourself from the Settlement in this case.** The case was certified under Fed. R. Civ. P. 23(b)(1) and (b)(2) as a "non-opt out" class action because of the way ERISA operates. Some breach of fiduciary duty claims must be brought by participants on behalf of the Plans, and any judgment or resolution necessarily applies to all Plans' participants and beneficiaries. As such, it is not possible for any participants or beneficiaries to exclude themselves from the benefits to the Settlement. Therefore, you will be bound by any judgments or orders that are entered in this action, and, if the Settlement is approved, you will be deemed to have released each and all of the Defendants from any and all claims that were or could have been asserted in this case on your behalf or on behalf of the Plans or otherwise included in the release in the Settlement, other than your right to obtain the relief provided to you, if any, by the Settlement.

Although you cannot opt out of the Settlement, you can object to the Settlement and ask the Court not to approve the Settlement. See Question 16 on page 3.

## THE SETTLEMENT BENEFITS

10. What does this Settlement provide?

In exchange for the settlement and dismissal of the action, the Defendants have agreed to create a \$2,500,000 fund to be divided, after fees and expenses, on a *pro rata* basis, among all Class Members who invested in the Ahold Stock Funds. Class Members may also claim into the fund established to settle the related class action against Royal Ahold, U.S. Foodservice, Inc. and certain of their officers and directors, alleging violations of the federal securities laws, and any recovery obtained in this case shall not be applied as a set-off to recovery.

11. How much will my payment be?

The Settlement Administrators shall calculate Claimants' Settlement Recoveries according to the following methodology:

Claimant's Settlement Recovery shall be the *pro rata* distribution of the Net Settlement Fund based on a distribution to each Plan based on the shares of Ahold common stock or ADRs held by each Plan as of February 23, 2003 and the subsequent *pro rata* distribution to Claimants based on the units of the Ahold Stock Funds held by Claimants in each respective Plan as of February 23, 2003.

Additionally, the Plan Administrators will make a claim on behalf of the Plans under a related securities class action settlement. You will receive your *pro rata* share of the Securities Action Settlement Fund and the \$2,500,000 referenced herein.

IT IS NOT NECESSARY FOR YOU TO FILL OUT ANY CLAIM FORMS IN ORDER TO RECOVER.

12. When will I get my payment?

The Court will hold a hearing on February 9, 2007, to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals which follow. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Please be patient.

Within 60 days after transfer of the Net Settlement Fund to the Plan Administrators and calculation of the Claimants' Settlement Recoveries, the Plans shall allocate to each Claimant's account an amount equal to such individual's Settlement Recovery. Such amount shall be allocated to the Claimant's contribution source sub-account holding the Ahold Stock Fund during the Class Period in accordance with the existing investment elections in effect for such sub-account on the day of the allocation, shall be treated and administered thereafter for all purposes under the Plans as income credited to the Claimant's contribution source sub-account under the Plans, and shall thereafter be distributed only in accordance with the applicable provisions of the Plans. In the event a participant's investment election in effect at the time of the allocation includes the Ahold Stock Fund, such allocation shall be made to a stable value fund or interest-bearing cash equivalent account. Any Claimant who is a former participant in the Plans shall, to the extent necessary, have his or her account reinstated in the Plan(s) in which he or she held the Ahold Stock Fund during the Class Period, for the sole purpose of receiving his or her allocation from the Net Settlement Fund.

## THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court appointed the law firms of Lerach Coughlin Stoia Geller Rudman & Robbins LLP and Wechsler Harwood LLP to represent you and other Class Members. These lawyers are called Class Counsel. You will not be charged for these lawyers. These lawyers will be paid under the terms of the Settlement. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

Class Counsel are asking the Court to award attorneys' fees and expenses from the Settlement Fund in the amount of \$1,100,000, plus interest on such fees and expenses as earned by the Settlement Fund.

15. What does it mean to object?

## OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

16. How do I tell the Court that I don't like the Settlement?

You can object to the Settlement if you dislike any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *In re Royal Ahold N.V. Securities & ERISA Litigation*. Be sure to include your name, address, telephone number, your signature, and the reasons you object to the Settlement.

QUESTIONS? CALL 1-888-257-8214 TOLL FREE

Mail the objection to the three different places *below*, postmarked no later than January 19, 2007. You must mail your objection by this date. If you fail to do so, the Court will not consider your objection.

Court	Class Counsel	Defense Counsel
Clerk of the Court UNITED STATES DISTRICT COURT DISTRICT OF MARYLAND NORTHERN DIVISION 4415 Edward A. Garmatz Federal Bldg. and United States Courthouse 101 West Lombard Street Baltimore, MD 21201-2605	Ellen Gusikoff Stewart LERACH COUGHLIN STOIA GELLER RUDMAN & ROBBINS LLP 655 West Broadway Suite 1900 San Diego, CA 92101-3301	Glenn M. Kurtz WHITE & CASE LLP 1155 Avenue of the Americas New York, NY 10036

ALL PAPERS SUBMITTED MUST INCLUDE THE CASE NUMBER 1:03-MD-01539

#### THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you are not required to do so.

17. When and where will the Court decide whether to approve the Settlement?

The Court will hold a fairness hearing at 10 a.m., on February 9, 2007, at the United States District Court for the District of Maryland, Northern Division, before the Honorable Catherine C. Blake. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Blake will listen to people who have asked to speak at the hearing. The Court will also decide whether the Class Counsel fees and expenses are reasonable. At or after the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

18. Do I have to go to the fairness hearing?

No, Class Counsel will answer questions Judge Blake may have. You are, however, welcome to go at your own expense. If you send an objection, you do not have to go to Court to talk about it. As long as your objection is postmarked by January 19, 2007, the Court will consider it. You also may pay your own lawyer to attend, but it is not necessary.

19. May I speak at the hearing?

You must ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear in *In re Royal Ahold N.V. Securities & ERISA Litigation*." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be postmarked no later than January 19, 2007 and sent to the Clerk of the Court, Class Counsel, and Defense Counsel, at the three addresses indicated above in Question 16.

#### IF YOU DO NOTHING

20. What happens if I do nothing at all?

The Settlement does not require you to do anything, and if the Settlement is approved, if eligible, you will receive distributions as described in this Notice.

#### GETTING MORE INFORMATION

21. Are there more details about the Settlement?

This Notice summarized the proposed Settlement. More details are in the parties' Stipulation and Settlement Agreement. You can get a copy of the Agreement by calling 1-888-257-8214.

**Remember, please do not contact the Court. It cannot help you with additional information.**

DATED: November 29, 2006

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