



## Press Release

**Royal Ahold**

Public Relations

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# Ahold to acquire Alliant Foodservice

## *Background information*

*Zaandam, The Netherlands, September 4, 2001* – **Ahold, the international food retail and foodservice company, today announced it has entered into an agreement through its wholly-owned subsidiary U.S. Foodservice to acquire all outstanding shares of Alliant Exchange, Inc., the parent company of Alliant Foodservice Inc. (“Alliant”). Alliant is a leading foodservice operator in the United States with fiscal 2000 net sales of approximately USD 6.6 billion and EBITDA of approximately USD 174 million.**

### **Alliant well known in foodservice sector**

Alliant delivers food and related products to approximately 125,000 healthcare, restaurant, lodging and other institutional accounts across the United States. Through 48 distribution centers, Alliant reaches approximately 200,000 locations in all segments of the foodservice market. Alliant was formed in 1976 as a division of Kraft Foods and separately incorporated in 1990. The company was sold in 1996 to an affiliate of the New York-based investment firm, Clayton, Dubilier & Rice, and to Alliant’s management. Now headquartered in Deerfield, Illinois, the company distributes over 135,000 items including produce, refrigerated and frozen foods, meat, seafood, poultry, grocery products and foodservice equipment.

### **Over 6,000 private label products**

Alliant distributes over 6,000 private label products, which accounted for almost one-third of sales last year. Its main customers include the growing U.S. healthcare sector, to whom Alliant is a leading foodservice distributor, independent and chain restaurants, lodging providers and contract managers. Alliant employs approximately 12,000 people.

### **Excellent fit with existing Ahold activities in U.S.**

Following the acquisitions of U.S. Foodservice and PYA/Monarch in 2000, the acquisition of Alliant should enhance Ahold's position in the foodservice market in the United States. The acquisition of Alliant strengthens Ahold's ability to serve foodservice and institutional accounts throughout the United States and offers cross-selling opportunities with its current food retail operations. Regionally, Alliant adds broadline facilities to U.S. Foodservice in a number of new territories throughout the Midwest and Western United States.

The acquisition of Alliant will add 17 large U.S. cities to Ahold's current service range. After completion of the transaction, Ahold's foodservice activities should be able to serve approximately 95% of the U.S. population.

### **Significant synergy benefits**

Ahold expects that synergies and cost savings in the year following closing of the transaction will amount to USD 70 million increasing to USD 120 million in the third year of full operation. Ahold anticipates achieving operational synergies in a number of areas including procurement, marketing, IT, private label development, logistics and distribution.

### **Financial details of transaction**

The transaction is expected to make an immediate and positive contribution to Ahold's earnings per share on a cash basis. The acquisition, through Ahold's wholly-owned subsidiary U.S. Foodservice, involves a total consideration of USD 2.2 billion, including the assumption of USD 750 million in debt.

The transaction is expected to close by the first quarter of 2002, pending regulatory approval, and will be partially financed through an equity offering commencing today. The transaction is subject to the approval of Alliant's shareholders. The holder of approximately 90% of Alliant's outstanding shares, an affiliate of Clayton, Dubilier & Rice, has agreed to the acquisition.

### **Comments by Jim Miller, President & CEO of U.S. Foodservice and member of the Ahold Corporate Executive Board**

'The planned acquisition of Alliant goes hand-in-glove with our growth strategy,' said Jim Miller, President & CEO of U.S. Foodservice and member of the Ahold Corporate Executive Board. 'Alliant's position in the healthcare and lodging sectors and its advanced distribution network strategy complements the place U.S. Foodservice holds in institutional and restaurant distribution. By expanding our geographic scope, we should become a key player in 15 new states. Furthermore, Alliant's business-to-business e-commerce platform complements other ongoing initiatives within U.S. Foodservice.'

### **Comments by Alliant Chairman & CEO James Rogers**

James Rogers, Chairman & CEO of Alliant added: 'We realized we needed a strong partner familiar with the foodservice business to achieve our true potential in this growing sector. Joining forces with Ahold and its foodservice company U.S. Foodservice complements our experience and enables us to speed up our development while improving the service to our customers. We are confident Ahold's "think-local-act-global" approach will help preserve and build on our various brands. Merging with one of the world's respected food retail and foodservice companies is good for our customers, suppliers and partners – and good for our employees too.'

**Ahold in the United States**

Ahold has been active in the United States since 1977. With five retail operating companies – Stop & Shop, Giant-Landover, Giant-Carlisle, Tops and BI-LO – Ahold currently operates almost 1,400 stores, of which 1,050 are supermarkets, along the eastern seaboard. In 2000, Ahold put its multi-channel strategy into practice by acquiring U.S. Foodservice and its former sister company PYA/Monarch. Overall sales in 2000 from Ahold's food retail and foodservice activities in the United States amounted to approximately USD 27.8 billion.

**Ahold worldwide**

Ahold currently operates approximately 8,600 supermarkets, hypermarkets and other store formats in the United States, Europe, Latin America and Asia. The company has a significant presence in the foodservice sector and is developing a range of other products, including financial services and internet-based home delivery. Ahold employs approximately 420,000 people in 25 countries. Ahold's website can be found at [www.ahold.com](http://www.ahold.com). The information on the Ahold website is not incorporated by reference into this press release.

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## Alliant Exchange, Inc. (parent company of Alliant Foodservice, Inc.)

### Corporate Profile

Name	Alliant Exchange, Inc.
Head Office	1 Parkway North Deerfield, Illinois, USA
Number of distribution centers (as of July 19, 2001)	48
Number of employees	Approximately 12,000
Main geographic areas	Nationwide with no particular concentration
Main trade areas	Healthcare, independent, multi-unit and chain restaurants, lodging, and contract management
Main product areas	Over 135,000 products including 6,000 private label products. Products include fresh and frozen produce, tabletop items, cleaning supplies, disposables and foodservice supplies
Executive Board	James Rogers, Chairman & CEO Cathy Anderson, EVP & General Counsel James Flanagan, SVP & COO George Sperzel, SVP & CFO Edward Obuchowski, SVP & CIO
Fiscal year	January 1- December 31, ending on the last Saturday in December
Fiscal year 2000 Net Sales	approximately USD 6.6 billion
Fiscal year 2000 EBITDA	approximately USD 174 million
Fiscal year 2000 EBIT	approximately USD 119 million
Fiscal year 2000 Depreciation & Amortization	approximately USD 55 million
Fiscal year 2000 Capital Expenditures	approximately USD 96 million
Current ownership	90% owned by an affiliate of Clayton, Dubilier & Rice, 10% owned by management following spin-off from Philip Morris in 1995

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*Certain statements in this press release, including expectations as to completion of the acquisitions referred to herein and future performance, are “forward-looking statements” within the meaning of U.S. federal securities laws and are intended to be covered by the safe harbors created thereby. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from these statements. Such factors include, but are not limited to, the effect of general economic conditions and changes in interest rates in the countries in which the company operates, increased competition in the markets in which the company operates, changes in marketing methods utilized by competitors and difficulties encountered in the integration of new acquisitions. Fluctuation in exchange rates between the Euro and the other currencies in which the company’s assets, liabilities and results are denominated, in particular the U.S. dollar, can also influence the forward-looking statements as can other factors discussed in the company’s public filings. Readers are cautioned not to place undue reliance on such forward-looking statements. For a more detailed discussion of such risks and other factors, see Royal Ahold’s Annual Report on Form 20-F for its most recent fiscal year.*

*This press release does not constitute an offer to sell or a solicitation of an offer to buy shares of Ahold common shares or ADSs. An offer may only be made by means of a prospectus supplement and related prospectus. Investors should base their decision to subscribe to an equity offering purely on information provided in the prospectus supplement (and information incorporated by reference therein) and the related prospectus – available no later than September 11, 2001 – from Ahold corporate headquarters in Zaandam, The Netherlands. Outside the Netherlands the company presents itself under the name of Royal Ahold or simply Ahold. For reader convenience, Royal Ahold or Ahold are also used throughout the financial statements. The registered name of the company is Koninklijke Ahold N.V.*

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**Stabilisation / FSA.**

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