

News Release



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Colorado PERA Announces Settlement of Royal Ahold N.V. Securities Litigation

DENVER—Royal Ahold N.V. (Ahold) has agreed to pay a total of \$1.1 billion to settle all securities law claims asserted against Ahold and certain other defendants in the securities litigation pending in the United States District Court for the District of Maryland, Gregory W. Smith, General Counsel of Lead Plaintiff, the Public Employees' Retirement Association of Colorado (Colorado PERA) announced today. The settlement resolves all securities law claims against Ahold, and all other defendants, other than Deloitte & Touche entities. The settlement is global in nature and is designed to provide a recovery to all persons who purchased Ahold common stock and/or American Depository Receipts from July 30, 1999, through February 23, 2003, regardless of where such persons live or purchased their Ahold shares.

"This settlement is an extraordinary recovery for Ahold shareholders, and a good result for the company. We are extremely pleased that the settlement will provide a recovery for persons in the United States as well as in Europe and in other areas outside the United States. The result that we have achieved in this litigation underscores the importance of having institutional investors like Colorado PERA lead securities class actions while working side-by-side with their selected Lead Counsel, Entwistle & Cappucci, LLP. We look forward to presenting the settlement to the Court for the Court's consideration and approval," said Gregory W. Smith, Colorado PERA's General Counsel.

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Lead Plaintiffs will seek the Court's preliminary approval of the settlement in January 2006. If the Court grants preliminary approval, Lead Plaintiffs will disseminate a Court-approved form of notice to all persons who purchased Ahold common stock and/or American Depository Receipts from July 30, 1999, through February 23, 2003 (the "Class"), regardless of where such persons live or purchased their Ahold shares. The notice documents approved by the Court and sent to Class members will include all documents that must be reviewed and completed by persons who wish to participate in the settlement. These documents will also be available at www.royalaholdsecuritieslitigation.com, and at Lead Counsel's website, www.entwistle-law.com.

Ahold will fund two-thirds of the \$1.1 billion settlement amount upon the Court's preliminary approval of the settlement, and Ahold will fund the remaining one-third of the settlement amount within six months of the Court's final approval of the settlement. Interest will be earned on the settlement proceeds immediately upon funding. Lead Plaintiffs anticipate obtaining the Court's final approval of the settlement approximately 120 days after the Court's preliminary approval of the settlement. Distributions of the settlement amount will be made pursuant to a Court-approved plan of allocation of settlement proceeds. The amount of the settlement fund available for distribution will exclude fees, costs, and expenses incurred in prosecuting this litigation. Distributions to members of the Class will be made approximately 12 months after the Court's final approval of the settlement.

Colorado PERA and Generic Trading of Philadelphia, LLC, are the Court-appointed Lead Plaintiffs in the consolidated securities class action, *In re Royal Ahold N.V. Securities & ERISA Litigation*, which is pending before Judge Catherine C. Blake in Federal Court in Maryland. This settlement was arrived at after extensive negotiation between the parties under the supervision of retired United States District Court Judge, Nicholas Politan.

Colorado PERA and the investor class are represented by the law firm of Entwistle & Cappucci, LLP, which was appointed as Lead Counsel by Judge Blake in November 2003. Colorado PERA's role as Lead Plaintiff was endorsed by the District of Columbia Retirement Board, the City of Philadelphia Board of Pensions and Retirement, the State Retirement and Pension System of Maryland, the Office of the Maryland Attorney General, and the State Universities Retirement System of Illinois.

If you wish to receive a direct mailing (or e-mail) of the materials needed to make a claim, please e-mail your contact information to Lead Counsel at: Royalaholdclaims@entwistle-law.com. Please direct all such inquiries to Lead Counsel.

Background

The first securities class action lawsuit against Ahold was filed in February 2003. On February 24, 2003, Ahold announced that it had improperly inflated its earnings by approximately \$500 million dollars. Subsequent disclosures revealed that Ahold's publicly reported earnings for previous years had been overstated by more than \$1 billion and that Ahold's prior revenues had been overstated by more than \$24 billion.

Following a June 18, 2003 transfer from the Judicial Panel on Multidistrict Litigation, the securities class actions against Ahold were consolidated before the Honorable Catherine C. Blake in the United States District Court for the District of Maryland on November 4, 2003. Judge Blake also appointed Colorado PERA and Generic Trading of Philadelphia, LLC, as Lead Plaintiffs to prosecute the litigation on behalf of all members of the Class. Also at this time, Entwistle & Cappucci, LLP, was appointed as Lead Counsel.

On February 17, 2004, Lead Plaintiffs filed their Consolidated Amended Securities Class Action Complaint. The Complaint alleged claims against Ahold and Ahold USA, Inc., Ahold USA Holdings, Inc., U.S. Foodservice, Inc., Cees Van der Hoeven, Michiel Meurs, Henny de Ruiten, Cor Boonstra, James L. Miller, Mark Kaiser, Michael Resnick, Tim Lee, Robert G. Tobin, William J. Grize, Roland Fahlin, Jan G. Andreae, ABN AMRO Rothschild, Goldman Sachs International, Merrill Lynch International, ING Bank N.V., Rabo Securities N.V., and Kempen & Co. N.V., based upon the matters that Ahold first announced on February 24, 2003.

The Court largely denied the defendants' motions to dismiss the Complaint in December 2004. Among other things, the Court rejected Ahold's argument that the Court could not hear the claims of non-United States investors who purchased their Ahold shares on securities exchanges located outside the United States. As of this date, Lead Counsel were reviewing a million pages of documents that the Court ordered Ahold to produce at an early stage based upon a motion that Lead Plaintiffs filed in December 2003.

Document discovery in the class action has been proceeding since May 2004, and Lead Plaintiffs have conducted broader discovery since the Court's December 2004 decision on defendants' motions to dismiss the Complaint. The Court had ordered a trial of the Class's claims to proceed in May 2007.

Colorado PERA has been active in the securities litigation arena, fulfilling the PERA Board of Trustees' commitment to corporate governance reforms and enforcement of shareholder rights. Colorado PERA has been active in seeking increased corporate transparency through participation in the Council of Institutional Investors ("CII"), and prior to the Ahold case, was awarded one of the largest settlements in securities litigation history against Oxford Health Plans.

Colorado PERA provides retirement and other benefits to 375,000 current and former employees of over 400 government and public entities in the state of Colorado. Colorado PERA is the 25th largest public pension plan in the U.S. with assets of \$33.6 billion.

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