Ahold Finance USA, LLC

Ahold Finance U.S.A., LLC (“AFUSA”) is an indirectly wholly owned subsidiary of Koninklijke Ahold N.V. (“Ahold”). As such, AFUSA is part of an international group of leading supermarket companies based in the United States and Europe. The purpose of AFUSA is to engage in financing activities.

AFUSA’s home Member State is The Netherlands, as referred to in the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht)*. The 2012 Notes and the 2017 Notes (as further described in Note 6 to the accompanying interim financial statements) are partly still outstanding and are admitted to trading at Euronext Amsterdam and at the Luxembourg Stock Exchange.

This interim report is a half-year report as referred to in section 5:25d sub section 1 of the Dutch Financial Markets Supervision Act and comprises regulated information within the meaning of section 1:1 of this act.

Highlights

During the first half of 2009, AFUSA initiated a public cash tender for the USD 700 million notes, due July 2010, which resulted in USD 187 million of the principal amounts being repurchased and cancelled. In May 2009, the USD 500 million notes were redeemed on maturity.

Financial performance

(U.S. dollars in millions)	HY 2009	HY 2008	% change
Net financial expense	(1)	(16)	94%
Income taxes	(2)	(14)	86%
Net income	(3)	(30)	90%

Risks and uncertainties

As a wholly owned subsidiary of Ahold, AFUSA benefits from the Ahold Group’s risk management and control systems, including its enterprise risk management program. These risk management and control systems are designed to ensure that a structured and consistent approach is taken to risk management and internal control in order to provide reasonable assurance that business objectives are achieved.

Counterparty risk

As a wholly owned finance subsidiary, AFUSA’s counterparties are related parties within the Ahold Group and its obligations under the Notes are fully guaranteed by Ahold. Were AFUSA's counterparties to default on their obligations to AFUSA this could have a material adverse effect on AFUSA's financial position and its ability to service the Notes.

Taxation risk

AFUSA may face unforeseen tax liabilities in the future. Considering its activities, AFUSA is exposed to a number of different tax risks including, but not limited to, changes in tax laws or the interpretation of tax laws. An adverse outcome resulting from any settlement or future examination of AFUSA’s tax returns may result in additional tax liabilities and may adversely affect AFUSA’s effective tax rate, which could have a material adverse effect on AFUSA’s financial position, financial results and liquidity.

Management of AFUSA does not anticipate any material changes to the risks affecting AFUSA during the second half of 2009.

Auditors' involvement

The content of this interim report has not been audited or reviewed by an external auditor.

Declarations

The managers of AFUSA hereby declare that, to the best of their knowledge, the half-year financial statements included in this interim report, which have been prepared in accordance with IAS 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position and profit or loss of AFUSA, and the half-year management report included in this interim report includes a fair review of the information required pursuant to section 5:25d, subsection 8 of the Dutch Financial Markets Supervision Act.

Management
Kimberly Ross (President and CEO)
Guy Thomson (Treasurer and CFO)

Ahold Press Office: +31 (0)20 509 5291

Cautionary notice

This interim report includes forward-looking statements, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those included in such statements. These forward-looking statements include, but are not limited to, statements as to counterparty risks and taxation risks. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed implied by the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Ahold Finance U.S.A., LLC's or its parent company Koninklijke Ahold N.V.'s ability to control or estimate precisely, such as the effect of general economic or political conditions, fluctuations in exchange rates or interest rates, increases or changes in competition, the ability to implement and complete successfully its plans and strategies, the benefits from and resources generated by plans and strategies being less than or different from those anticipated, changes in liquidity needs, the actions of competitors and third parties and other factors discussed in Ahold's public filings. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this interim report. Neither Ahold Finance U.S.A., LLC nor Koninklijke Ahold N.V. assumes any obligation to update any public information or forward-looking statements (referred to) in this report to reflect subsequent events or circumstances, except as may be required by securities laws.

Interim income statement
(unaudited)

(U.S. dollars in millions)	Note	HY 2009	HY 2008
Net financial expense	*3*	(1)	(16)
Income before income taxes		**(1)**	**(16)**
Income taxes	*4*	(2)	(14)
Net income attributable to common shareholders		**(3)**	**(30)**

Interim statement of comprehensive income
(unaudited)

(U.S. dollars in millions)	HY 2009	HY 2008
Net income	(3)	(30)
Cash flow hedges:		
Fair value gains in the year	8	38
Transfers to net income	5	(49)
Income taxes	(3)	-
Other comprehensive income (loss)	10	(11)
Total comprehensive income attributable to common shareholders	**7**	**(41)**

Interim statement of changes in equity
(unaudited)

(U.S. dollars in millions)	Share capital	Additional paid-in capital	Cash flow hedging reserve	Other reserves	Retained earnings / (Accumulated deficit)	Equity attributable to common shareholders
Balance as of December 30, 2007	**-**	**100**	**-**	**(2)**	**22**	**120**
Total comprehensive income	-	-	(11)	-	(30)	(41)
Capital contribution	-	116	-	-	-	116
Balance as of July 13, 2008	**-**	**216**	**(11)**	**(2)**	**(8)**	**195**
Balance as of December 28, 2008	**-**	**216**	**(2)**	**(2)**	**38**	**250**
Total comprehensive income	-	-	10	-	(3)	7
Balance as of July 12, 2009	**-**	**216**	**8**	**(2)**	**35**	**257**

Interim balance sheet

(unaudited)

(U.S. dollars in millions)	Note	July 12, 2009	December 28, 2008
Assets			
Loans to related parties	*5*	2,413	2,913
Other non-current financial assets	*5, 6*	415	364
Total non-current assets		2,828	3,277
Interest receivable	*5*	5	-
Total current assets		5	-
Total assets		**2,833**	**3,277**
Equity and liabilities			
Equity attributable to common shareholders	*7*	257	250
Notes payable	*6*	1,936	2,087
Loans from related parties	*6*	204	-
Deferred tax liabilities	*4*	16	10
Total non-current liabilities		2,156	2,097
Notes payable	*6*	-	500
Loans from related parties	*6*	345	345
Accounts payable	*6*	27	2
Interest payable	*6*	48	83
Total current liabilities		420	930
Total equity and liabilities		**2,833**	**3,277**

Interim statement of cash flows

(unaudited)

(U.S. dollars in millions)	Note	HY 2009	HY 2008
Interest received and paid on loans to and from related parties		72	128
Interest paid on notes		(128)	(119)
Changes in loans and receivables to and from related parties		730	323
Changes in derivatives		12	(456)
Income taxes (paid) received - net		1	8
Net cash from operating activities		***687***	***(116)***
Repayments of notes	*6*	(687)	-
Capital contribution	*7*	-	116
Net cash from financing activities		***(687)***	***116***
Net increase (decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period		-	-

Notes to the interim financial statements

1. AFUSA and its operations

AFUSA (or the "Company") is a limited liability company duly organized and validly existing under the laws of Delaware (in the United States), having its statutory seat in Delaware and having its principal place of business in Amsterdam, The Netherlands. AFUSA was formed on December 18, 2001 and is governed by its operating agreement, which was lastly amended and restated on June 20, 2002. Until April 24, 2002, AFUSA was known as "Ahold Finance U.S.A., Inc.". On April 24, 2002, Ahold Finance U.S.A., Inc. merged into Ahold International Finance LLC and changed its name to Ahold Finance U.S.A., LLC.

The purpose of AFUSA is to engage in financing activities, and any other lawful business activity in connection with the foregoing.

The parent company of AFUSA is Ahold Finance Company N.V. ("AFC") and AFUSA's ultimate controlling entity is Ahold.

2. Accounting policies

Basis of preparation

These interim financial statements are AFUSA's first financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as required pursuant to changes to the Dutch Financial Markets Supervision Act, which came into force on January 1, 2009.

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies applied by AFUSA are fully compliant with the standards and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") - effective for the first half-year 2009. The Company has not opted to utilize the IAS39 carve out as permitted by the European Union. Historical cost is used as the measurement basis unless otherwise indicated.

AFUSA's reporting calendar is based on Ahold's reporting calendar and consists of 13 periods of four weeks, with the half-year ("HY") 2009 comprising 28 weeks, and ending on July 12, 2009 (HY 2008: 28 weeks ending on July 13, 2008).

Significant accounting policies

Foreign currency translation

The financial statements of AFUSA are prepared in its functional currency, U.S. dollar ("USD" or "$"), which is determined based on the primary economic environment in which AFUSA operates. Transactions in currencies other than the U.S. dollar are recorded at the rates of exchange prevailing at the transaction dates. At each balance sheet date, monetary items denominated in foreign currencies are translated into U.S. dollars at the then prevailing rates. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in net income for the period.

Income taxes

Income tax expense represents the sum of current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity. Current tax expense is based on the best estimate of taxable income for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, and adjustments for current taxes payable (receivable) for prior years. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and the corresponding tax basis used in the computation of taxable income. Deferred tax assets and liabilities are generally recognized for all temporary differences. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized.

Deferred tax assets, including deferred tax assets for tax loss carryforward positions and tax credit carryforward positions, are recognized to the extent that it is probable that future taxable income will be available against temporary differences, unused tax losses or unused tax credits can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not discounted. Deferred income tax assets and liabilities are offset in the balance sheet when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to income taxes levied by the same fiscal authority. Current income tax assets and liabilities are offset in the balance sheet when there is a legally enforceable right to offset and when the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The ultimate tax effects of some transactions can be uncertain for a considerable period of time, requiring management to estimate the related current and deferred tax positions. The Company recognizes liabilities for uncertain tax positions when it is more likely than not that additional tax will be due. These liabilities are presented as current income taxes payable, except in the event that prior tax losses are being carried forward to be used to offset future taxes that will be due; in that instance the liabilities are presented as a reduction to deferred tax assets.

Financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire, or if the Company transfers the financial asset to another party and does not retain control or substantially all risks and rewards of the asset. Financial liabilities are derecognized when the Company's obligations specified in the contract expire or are discharged or cancelled.

At initial recognition, management classifies its financial assets as either (i) at fair value through profit or loss or (ii) loans and receivables, depending on the purpose for which the financial assets were acquired. Financial assets are initially recognized at fair value. For instruments not classified as at fair value through profit or loss, any directly attributable transaction costs are initially recognized as part of the asset value. Directly attributable transaction costs related to financial assets at fair value through profit or loss are expensed when incurred.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method, less any impairment losses. They are included in current assets, except for loans and receivables with maturities greater than 12 months after the balance sheet date.

Loans and short-term borrowings

Loans and short-term borrowings are recognized initially at fair value, net of transaction costs incurred. Loans and short-term borrowings are subsequently stated at amortized cost. Any difference between the proceeds and redemption value is recognized in the income statement over the period of the loans and short-term borrowings using the effective interest method. Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Derivative financial instruments

All derivative financial instruments are recognized initially on a settlement date basis and subsequently remeasured at fair value. Gains and losses resulting from the fair value remeasurement are recognized in the income statement as fair value gains (losses) on financial instruments, unless the derivative qualifies and is effective as a hedging instrument in a designated hedging relationship. In order for a derivative financial instrument to qualify as a hedging instrument for accounting purposes, the Company must document (i) at the inception of the transaction the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking various hedging transactions and (ii) its assessment, both at hedge inception and on an ongoing basis, of whether the derivative that is used in the hedging transaction is highly effective in offsetting changes in fair values or cash flows of hedged items. Derivatives are classified as held for trading unless they are designated as hedges. Derivatives that are designated as hedges are accounted for as either cash flow hedges or fair value hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized initially in the cash flow hedging reserve, a separate component of equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are reclassified into the income statement in the same period in which the related exposure impacts the income statement. When a cash flow hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately recognized in the income statement. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss existing in equity is immediately recognized in the income statement.

The Company does not have any derivative instruments that are designated as fair value hedges for accounting purposes.

Equity
Equity instruments issued by the Company are recorded at the value of proceeds received.

3. Net financial expense

(U.S. dollars in millions)	HY 2009	HY 2008
Interest income	89	95
Interest expense	(96)	(99)
Gain (loss) on foreign exchange	(39)	1
Fair value gains (losses) on financial instruments	55	(13)
Other financial expense	(10)	-
Net financial expense	**(1)**	**(16)**

Interest income and interest expense originate from financial assets and financial liabilities measured at amortized cost (mainly notes and loans from related parties).

The losses on foreign exchange in 2009 mainly include a foreign exchange translation loss on the GBP 250 million notes. This is partly offset by fair value changes of the related GBP 250 million swaps, which do not qualify for hedge accounting treatment, and which are recorded in fair value gains (losses) on financial instruments.

Other financial expense primarily consists of a one time loss of USD 10 million incurred on the buyback of certain notes. For more information, see Note 6.

4. Income taxes

Income taxes
The following table specifies the current and deferred tax components of income taxes in the income statement:

(U.S. dollars in millions)	HY 2009	HY 2008
Total current tax expense	-	-
Total deferred tax expense	(2)	(14)
Total income taxes	**(2)**	**(14)**

Effective income tax rate
AFUSA's management moved from the United States to the Netherlands on January 1, 2008 and, therefore, AFUSA became a Dutch resident tax payer as of that date. AFUSA's effective tax rates in the income statement differed from the statutory income tax rate of the Netherlands of 25.5% in both 2009 and 2008. The following table reconciles these statutory income tax rates with the effective tax rates in the income statement:

	2009		2008	
	$ million	%	$ million	%
Income before income taxes	(1)		(16)	
Income tax expense at statutory tax rates	-	25.5%	4	25.5%
Adjustments to arrive at effective income tax rates:				
Financing and related costs[1]	(2)	n/m	(18)	(115)%
Total income taxes	**(2)**	**n/m**	**(14)**	**(93.7)%**

[1] Financing and related costs include in 2008 a one-time Dutch tax effect as a consequence of the movement of AFUSA's effective management from the United States to the Netherlands on January 1, 2008.

Deferred income tax

Significant components of deferred income tax assets and liabilities as of July 12, 2009 and December 28, 2008, are as follows:

	Balance sheet		Income statement	
(U.S. dollars in millions)	July 12, 2009	December 28, 2008	HY 2009	HY 2008
Tax losses and tax credits	5	1	5	4
Total recognized tax losses and tax credits	5	1	5	4
Total net tax assets position	5	1	5	4
Derivatives	14	7	(4)	
Other	7	4	(3)	(18)
Total deferred tax liabilities	21	11	(7)	(18)
Deferred income tax benefit / (expense)			**(2)**	**(14)**
Net deferred tax assets / (liabilities)	**(16)**	**(10)**		

Significant judgment is required in determining whether deferred tax assets are realizable. AFUSA makes such judgment on the basis of expected taxable profits arising from the reversal of recognized deferred tax liabilities and on the basis of budgets, cash flow forecasts and impairment models. Where utilization is not considered probable, deferred tax assets are not recognized.

As per July 12, 2009, AFUSA had an operating loss carry forward available in the amount of USD 21 million (recognized deferred tax asset was USD 5 million). As per December 31, 2008 the available operating loss carry forward amounted to USD 3 million (recognized deferred tax asset was USD 1 million).

5. Financial assets

	July 12, 2009			December 28, 2008		
(U.S. dollars in millions)	Current	Non-current	Total	Current	Non-current	Total
Loans to related parties	-	2,413	2,413	-	2,913	2,913
Hedging derivatives[1]	-	214	214	-	222	222
Other derivatives[1]	-	201	201	-	142	142
Interest receivable	5	-	5	-	-	-
Total financial assets	**5**	**2,828**	**2,833**	**-**	**3,277**	**3,277**

[1] In situations where a derivative contract qualifies for hedge accounting treatment in the financial statements, it is presented as 'Hedging derivatives'. Otherwise, the derivative contracts are presented as 'Other derivatives'.

For further information regarding related parties see Note 8. For more information on derivative financial instruments, see Note 9.

6. Financial liabilities

(U.S. dollars in millions)	July 12, 2009			December 28, 2008		
	Current	Non-current	Total	Current	Non-current	Total
EUR 600 notes 5.875%, due March 2012[1]	-	567	567	-	573	573
USD 500 notes 6.25%, due May 2009	-	-	-	500	-	500
USD 700 notes 8.25%, due July 2010[2]	-	*503*	*503*	-	690	690
USD 500 notes 6.875%, due May 2029	-	*500*	*500*	-	500	500
GBP 500 notes 6.50%, due March 2017[3]	-	*366*	*366*	-	324	324
Total notes	**-**	**1,936**	**1,936**	**500**	**2,087**	**2,587**
Loans from related parties	345	204	549	345	-	345
Accounts payable	27	-	27	2	-	2
Interest payable	48	-	48	83	-	83
Total financial liabilities	**420**	**2,140**	**2,560**	**930**	**2,087**	**3,017**

1 Notes were swapped to USD at an interest rate of 6.835%. During 2005, AFUSA bought back a part of the notes in a principal amount of EUR 193 million and terminated a notional portion of the corresponding swap in the same amount.

2 USD 10 million was repaid early via an open market repurchase in October 2008. USD 187 million was early repaid in July 2009 as result of a public tender for the notes, with the Company paying a repurchase price of USD 197 million. The one time loss of USD 10 million incurred on the buyback of these notes is reported in the income statement as other financial expense.

3 During 2005 AFUSA bought back GBP 250 million of the notes. The remaining notional amount of GBP 250 million was, through two swap contracts, swapped to USD 356 million and carries a six-month floating U.S. dollar interest rate. AFUSA is required under these swap contracts to redeem the U.S. dollar notional amount through semi-annual installments that commenced in September 2004. USD 137 million has been paid down as of July 12, 2009.

The notes were issued by AFUSA and are guaranteed by Ahold. All related swap contracts have the same maturity as the underlying debt unless otherwise noted. The EUR 600 million and GBP 500 million notes were issued under the Euro Medium Term Note Program (“EMTN Program”). These notes contain customary restrictive covenants, including but not limited to negative pledge covenants and default provisions in the event of a change of control. During the first half-year of 2009, AFUSA was in compliance with the covenants.

7. Equity attributable to common shareholders

Member Interest

The capital of the Company is composed of uncertificated membership interests, which are not divided into classes or numbers. The members of the Company have an interest in the capital and profit and loss of AFUSA, relative to their respective capital contributions to the Company (the “Member Interest”). At present, AFUSA only has one single member, AFC, which therefore has an interest of 100% in the capital, profit and loss of the Company.

There were no changes in the members of the Company and to their respective Member Interest in 2008 and in the first half-year 2009.

Share capital and additional paid-in capital

The Company’s share capital is USD 10.

On December 31, 2007, the additional paid-in capital of AFUSA was increased in the amount of USD 116 million by means of a capital contribution from Ahold Atlantic Inc, the holder of all Membership Interests in AFUSA at that time.

8 Related parties

AFUSA has entered into arrangements with related parties within the Ahold Group in the ordinary course of business. These arrangements relate to financing agreements. Transactions were conducted at market prices. For the periods shown below, AFUSA had the following transactions and positions with its related parties:

(U.S. dollars in millions)	Income statement - HY 2009 Interest income	Interest expense	Fair value changes in derivatives	Balance sheet - July 12, 2009 Amounts owed by related parties	Amounts owed to related parties
Ahold (ultimate parent company)	89	-	69	2,833	-
AFC (parent company)	-	(10)	-	-	(576)
Other related parties	-	(2)	-	-	-
Total financial assets	**89**	**(12)**	**69**	**2,833**	**(576)**

(U.S. dollars in millions)	Income statement - HY 2008 Interest income	Interest expense	Fair value changes in derivatives	Balance sheet - December 28, 2008 Amounts owed by related parties	Amounts owed to related parties
Ahold (ultimate parent company)	95	-	1	3,277	(1)
AFC (parent company)	-	-	-	-	(346)
Other related parties	-	(2)	-	-	-
Total financial assets	**95**	**(2)**	**1**	**3,277**	**(347)**

AFUSA does not have any employees.

9 Financial risk management and financial instruments

Financial risk management

AFUSA is subject to the financial risk management of the Ahold Group. In accordance with Ahold treasury policy, AFUSA enters into derivative instruments solely for the purpose of hedging exposures, which correspond to managing interest rate and currency risks arising from the Ahold Group's operations and its sources of finance. AFUSA does not enter into derivative financial instruments for speculative purposes.

Currency translation risks and currency transaction risks

AFUSA is exposed to foreign currency translation risks and currency transaction risks relating to cash flows, including liabilities denominated in foreign currencies (Euro and British Pounds). Currency exchange rate volatility and movement could, therefore, have an adverse effect on the financial position, financial results and liquidity. To protect the value of future foreign currency cash flows, including interest on notes and principal payments and the value of liabilities denominated in foreign currency, AFUSA seeks to mitigate its foreign currency exchange exposure by entering into various derivative financial instruments, including currency swaps.

Interest rate risk

AFUSA's interest rate risk arises from its debt. To manage interest rate risk, AFUSA complies with Ahold's interest rate management policy for reducing volatility in its interest expense and maintaining a target percentage of its debt in fixed rate instruments. AFUSA's financial position is fixed by long-term debt issues and the use of derivative financial instruments such as interest rate swaps and cross-currency interest rate swaps: As of July 12, 2009, after taking into account the effect of interest rate swaps and cross currency swaps, approximately 83 percent of AFUSA's long-term borrowings are at fixed rate of interest.

Credit risk with respect to certain financial instruments

All financial assets of AFUSA are held from the related parties of the Ahold Group, therefore AFUSA has no direct exposure to third party credit risk.

Liquidity risk

AFUSA's notes including interest payments are fully guaranteed by its ultimate parent company Ahold. All other financial liabilities of AFUSA are held against the related parties from the Ahold Group.

The following tables summarize the maturity profile of the AFUSA's derivative financial instruments and non-derivative financial liabilities as of July 12, 2009 and December 28, 2008 respectively, based on contractual undiscounted payments:

July 12, 2009 (U.S. dollars in millions)	Net carrying amount	Contractual cash flows Within 1 year	Between 1 and 5 years	After 5 years	Total
Non-derivative financial liabilities					
Notes	(1,936)	(135)	(1,400)	(1,500)	(3,035)
Loans from related parties	(549)	(345)	(204)	-	(549)
Accounts payable and interest payable	(75)	(75)	-	-	(75)
Derivative financial assets					
Cross currency derivatives and interest flows	393	(20)	154	388	522
Interest derivatives and interest flows	22	11	14	(1)	24

December 28, 2008 (U.S. dollars in millions)	Net carrying amount	Contractual cash flows Within 1 year	Between 1 and 5 years	After 5 years	Total
Non-derivative financial liabilities					
Notes	(2,586)	(664)	(1,653)	(1,494)	(3,811)
Loans from related parties	(345)	(345)	-	-	(345)
Accounts payable and interest payable	(85)	(85)	-	-	(85)
Derivative financial assets					
Cross currency derivatives and interest flows	326	(15)	164	326	475
Interest derivatives and interest flows	38	-	20	23	43

All financial instruments held at the reporting date, and for which payments are already contractually agreed, have been included. Amounts in foreign currency have been translated using the reporting date closing rate. Cash flows arising from financial instruments carrying variable interest payments have been calculated using the forward curves interest rates as of July 12, 2009 and December 28, 2008, respectively.

Financial instruments

Fair values of financial instruments

The following table presents the fair values of financial instruments, based on AFUSA's categories, including their current portions, compared to the carrying amounts at which these instruments are included in the balance sheet:

(U.S. dollars in millions)	July 12, 2009 Carrying amount	Fair value	December 28, 2008 Carrying amount	Fair value
Loans to related parties	2,413	2,842	2,913	3,540
Derivatives	415	415	364	364
Interest receivable	5	5	-	-
Total financial assets	**2,833**	**3,262**	**3,277**	**3,893**
Notes	(1,936)	(2,023)	(2,587)	(2,508)
Loans from related parties	(549)	(556)	(345)	(355)
Accounts payable	(27)	(27)	(2)	(2)
Interest payable	(48)	(48)	(83)	(83)
Total financial liabilities	**(2,560)**	**(2,654)**	**(3,017)**	**(2,948)**

The fair values of quoted borrowings are based on year-end ask-market quoted prices. The fair values 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 market rates prevailing at year-end. The fair values of derivative financial assets and liabilities are estimated by discounting future cash flows with prevailing market rates or based on the rates and quotations obtained from third parties. The accrued interest is included in other current financial assets and liabilities and not in the carrying amounts of non-derivative financial assets and liabilities.

Derivatives

The number and maturities of AFUSA's derivative contracts, the fair values and the qualification of the instruments for accounting purposes are presented in the table below:

	July 12, 2009			December 28, 2008		
	Number of contracts	Assets $ million	Liabilities $ million	Number of contracts	Assets $ million	Liabilities $ million
Cross currency swap – cash flow hedges[1] between one and five years	1	214	-	1	222	-
Cross currency swap – no hedge accounting treatment after five years[2]	1	179	-	1	104	-
Interest rate swap – no hedge accounting treatment after five years[2]	1	22	-	1	38	-
Total derivative financial instruments	**3**	**415**	-	**3**	**364**	**-**

[1] Cross-currency swap accounted for as a cash flow hedges is used to hedge the currency exposure on the EUR 600 million notes (with EUR 407 million outstanding amount).

[2] The valuation of the cross currency swaps includes the impact of the mark-to-market of an embedded credit clause in a GBP 250 million cross currency swap. The extreme volatility in the financial markets resulted in USD 16 million gain related to this credit clause in the first half-year 2009 (USD 9 million loss in the second half-year 2008).

The notional amounts of the derivative financial instruments outstanding as of July 12, 2009, based on the currency of the exposures being hedged, are summarized below.

	Interest rate swaps	Cross-currency interest rate swaps		Total notional amount
	After 5 years	Between 1 and 5 years	After 5 years	
GBP million	250	-	250	500
EUR million	-	407	-	407