Results
2017 H1
Lisbon, 26 July 2017

JERÓNIMO MARTINS

Focus on sales boosted growth across all banners

+11.4% SALES
TO €7.8 BN
(+9.4% at constant exchange rates)

+7.2% EBITDA
TO €416 MN
(+5.9% at constant exchange rates)

+1.9% EPS
TO €0.28
(excl. non-recurrent)

FOCUS ON SALES GROWTH led Group LFL to reach 6.9% in H1 (+7.8% in Q2, incl. Easter effect)

- **BIEDRONKA** - sales grew 10.8% in zloty (+11.8% in Q2), with LFL at 9.0% (+9.5% in Q2)
- **HEBE** - sales in zloty grew 32.9% (+33.1% in Q2)
- **PINGO DOCE** - sales increased 3.1% (+5.2% in Q2), with LFL (excl. fuel) at 0.9% (+3.1% in Q2)
- **RECHEIO** - sales increased 8.6% (+9.9% in Q2), with LFL at 6.8% (+8.1% in Q2)
- **ARA** - sales in local currency grew 65.7% (+73.0% in Q2)

EBITDA, excluding the impact of the investment in Ara and Hebe, grew 11.3%

NET PROFIT TO JM was €173 mn. Excluding Monterroio's contribution in H1 16, net profit was up 5.5% on previous year

Even after the c.€380 mn dividend payment in May, **NET DEBT** stood at €84 mn by the end of June

MESSAGE FROM CHAIRMAN AND CEO

PEDRO SOARES DOS SANTOS

Following a solid first half of the year, sales remain as our number one priority and we are determined to continue balancing sustainable growth and profitability, both in the short and in the medium-long term.

The commitment to continuously adjust the offer, to reinforce engagement and to create the best opportunities for Polish consumers led Biedronka to intensify its promotional dynamics and to further invest in key products. This effort paid off and drove an excellent performance for the Group in the first six months of the year.

In Portugal, both Pingo Doce and Recheio delivered on their targets. Recheio leveraged on its commercial strength to fully capture the opportunities resulting from the increase in tourism. Once again, Pingo Doce confirmed its commitment to lead competitiveness in the market place.

In Colombia, Ara continued to adapt its value proposition to the different regions, particularly in Bogota and is now ready to step up store expansion in the second half of the year.

Our strong sales momentum coupled with our goal to grow profitably led us to reinforce our focus on cost efficiency, particularly in Poland, in a context of increased pressure on labour costs.

The first six months validate our established banners' ability to create growth opportunities, deliver solid performance in their respective markets and fuel the Group's future development.

OUTLOOK 2017

In the second half, and in line with our defined strategy, all our banners will remain focused on driving sales performance and on reinforcing their market positions.

Since mid-2016, Biedronka has been able to take advantage of the improved household income in Poland. Aware that it will face tougher comparison terms going forward, our main Company will keep improving the shopping experience in its stores while providing valuable opportunities for the Polish families. Despite the promotional environment and continuous cost inflation, particularly labour-related, Biedronka expects a relatively stable EBITDA margin for 2017 full year, with sales being the main driver of improved returns.

The Group's capex guidance for the entire year is held at c.€700 mn, with the execution of the refurbishment programmes in both Biedronka and Pingo Doce continuing to be a priority.

Biedronka will open its new distribution centre in Q3 while focusing on the remaining store openings in the pipeline that are expected to add more than 100 net locations to the network in the full year.

In Colombia, the expansion pipeline for this year was confirmed during H1. This will allow Ara to add at least 150 new stores to its network in 2017 while building three new DCs which will become operational at the beginning of next year. The Company is now preparing the 2018 store pipeline and the next improvements in its logistic infrastructure.

The excellent performance delivered by our established businesses reinforces our belief that this is the right moment to accelerate the development of our most recent venture. Focus on execution and on recruitment and training in Colombia is particularly intense. Therefore, losses generated by Ara and Hebe at the EBITDA level are expected to increase c.30% when compared with the previous year (at constant exchange rates).

Jerónimo Martins, SGPS, S.A. Public Company | Head office: Rua Actor António Silva, n. º7, 1649-033 Lisbon | Share Capital: Euro 629,293,220.00 | Registered at the C.R.C. of Lisbon and Tax Number: 500 100 144 | www.jeronimomartins.com

KEY FIGURES

CONSOLIDATED RESULTS

(Million Euro)	H1 17		H1 16		Δ	Q2 17		Q2 16		Δ
Net Sales and Services	**7,754**		**6,959**		**11.4%**	**4,075**		**3,583**		**13.7%**
Gross Profit	1,634	21.1%	1,469	21.1%	11.2%	856	21.0%	758	21.2%	12.9%
Operating Costs	-1,218	-15.7%	-1,081	-15.5%	12.7%	-632	-15.5%	-553	-15.4%	14.1%
EBITDA	**416**	**5.4%**	**388**	**5.6%**	**7.2%**	**224**	**5.5%**	**204**	**5.7%**	**9.6%**
Depreciation	-160	-2.1%	-146	-2.1%	9.7%	-82	-2.0%	-73	-2.0%	13.1%
EBIT	**256**	**3.3%**	**242**	**3.5%**	**5.7%**	**142**	**3.5%**	**132**	**3.7%**	**7.7%**
Net Financial Costs	-4	0.0%	-11	-0.2%	-66.0%	-4	-0.1%	-6	-0.2%	-45.5%
Gains in Joint Ventures and Associates	0	0.0%	8	0.1%	n.a.	0	0.0%	5	0.1%	n.a.
Non-Recurrent Items	-7	-0.1%	-3	0.0%	n.a.	-6	-0.1%	-2	-0.1%	n.a.
EBT	**245**	**3.2%**	**236**	**3.4%**	**3.8%**	**133**	**3.3%**	**128**	**3.6%**	**3.8%**
Income Tax	-62	-0.8%	-54	-0.8%	16.0%	-33	-0.8%	-29	-0.8%	16.9%
Net Profit	**183**	**2.4%**	**182**	**2.6%**	**0.2%**	**99**	**2.4%**	**99**	**2.8%**	**0.0%**
Non Controlling Interests	-10	-0.1%	-10	-0.1%	-6.0%	-4	-0.1%	-5	-0.1%	-15.5%
Net Profit Attributable to JM	**173**	**2.2%**	**172**	**2.5%**	**0.6%**	**95**	**2.3%**	**95**	**2.6%**	**0.7%**
EPS (€)	0.27		0.27		0.6%	0.15		0.15		0.7%
EPS without non-recurrent (€)	0.28		0.28		1.9%	0.16		0.15		2.7%

CONSOLIDATED BALANCE SHEET

(Million Euro)	H1 17	2016	H1 16
Net Goodwill	643	630	628
Net Fixed Assets	3,324	3,180	3,026
Total Working Capital	-2,142	-2,201	-1,919
Others	74	46	97
Invested Capital	**1,899**	**1,656**	**1,833**
Total Borrowings	467	335	468
Leasings	6	4	0
Accrued Interest	1	0	1
Marketable Sec. & Bank Deposits	-390	-674	-195
Net Debt	**84**	**-335**	**274**
Non Controlling Interests	248	253	248
Share Capital	629	629	629
Reserves and Retained Earnings	938	1,109	681
Shareholders Funds	**1,815**	**1,991**	**1,558**
Gearing	*4.6%*	*-16.8%*	*17.6%*

CASH FLOW

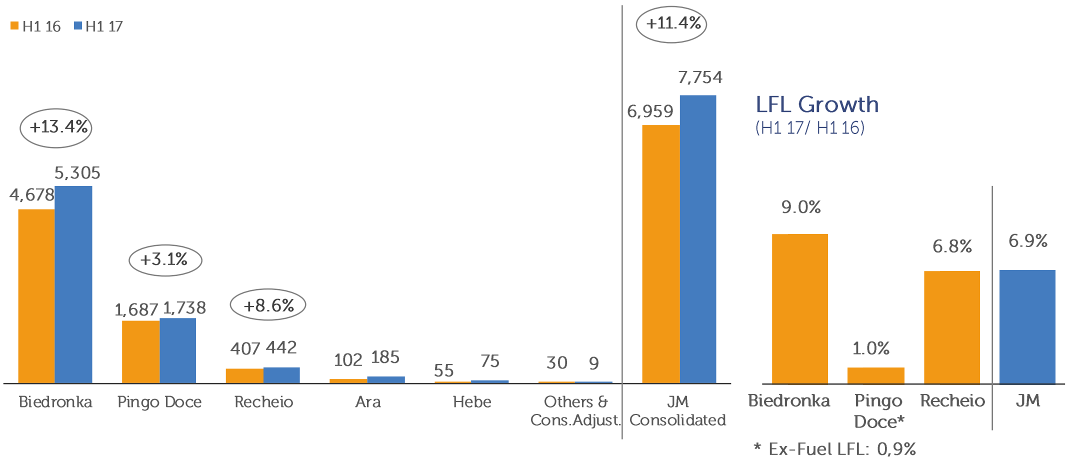
(Million Euro)	H1 17	H1 16
EBITDA	416	388
Interest Payment	-7	-8
Other Financial Items	0	3
Income Tax	-91	-60
Funds From Operations	**317**	**323**
Capex Payment	-288	-184
Change in Working Capital	-67	-39
Others	-3	0
Free Cash Flow	**-40**	**99**

SALES PERFORMANCE

Group sales reached €7.8 bn in H1 17, 11.4% above the same period in the previous year (+9.4% at constant exchange rates).

Group LFL sales growth reached an excellent 6.9% in H1, driven by the strong performance in Biedronka and also by a very solid delivery of both Pingo Doce and Recheio.

Sales (Million Euro)



In Poland, the consumer environment remained positive despite price increases in some categories, which led food inflation in the country to accelerate to 3.7% in May and June. The competitive environment remained intense and highly promotion-driven.

Biedronka maintained its consumer focus and further invested in promoting products that posted strong inflation in recent months, thus reinforcing its price positioning.

As a result of this strategy, the increase in sales growth, beyond the effect of Easter and higher inflation, fully offset the challenges raised by the tougher comparison basis. LFL was at 9.5% in Q2 with total sales reaching €2.8 bn, +15.9% growth over Q2 16 (+11.8% in local currency).

In the six months period, LFL growth reached 9.0%, driving sales growth to 10.8% (local currency). In euros, sales reached €5.3 bn, 13.4% ahead of the previous year.

The Company opened 29 stores in the 6M, operating a total of 2,741 locations by the end of June. The refurbishment programme advanced according to the plan, with 91 stores being completed in the first 6M of the year.

Hebe performed well, reaching sales of €75 mn, 36.0% up on H1 16 (+32.9% at constant exchange rates), and ended the period with 160 stores (8 additions in the first six months of 2017).

In Portugal, the Food Retail sector remained competitive and promotional while the HoReCa channel continued to benefit from strong tourist activity.

Pingo Doce maintained the intensity of promotions in its commercial offer while continuing to guarantee the quality of the overall value proposition. LFL sales (excl. fuel) grew 3.1% in Q2 also benefiting from the positive Easter effect. In the 6M, total sales grew 3.1% to €1.7 bn with a LFL (excl. fuel) of 0.9%.

In the first six months of the year, Pingo Doce refurbished 15 stores and opened 5, ending June with a total network of 417 locations.

Recheio continued to fully reap the benefits from the favourable backdrop and delivered a sound 6.8% LFL sales increase (+8.1% in Q2), driving the 6M sales to reach €442 mn, 8.6% more than in 6M 16.

Ara achieved sales of €185 mn, 81.9% ahead of previous year (+65.7% at constant exchange rate). In the first half of the year the banner opened 49 stores, with a total network of 269 locations on the 30th of June.

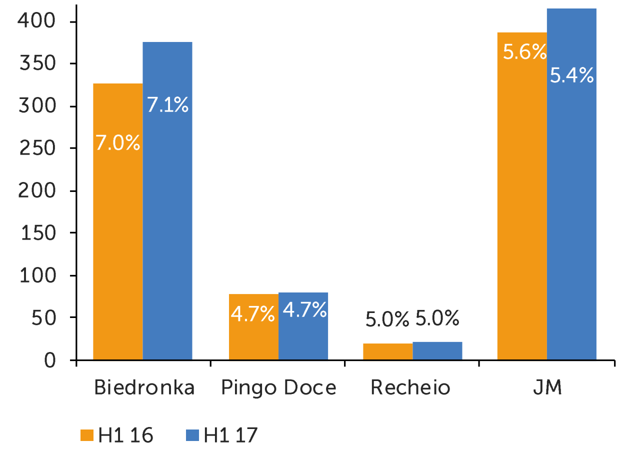
RESULTS PERFORMANCE

Group EBITDA reached €416 mn in the period, a 7.2% growth on previous year (+5.9% at constant exchange rates).

EBITDA from the established businesses (excluding Ara and Hebe) increased by 11.3%.

EBITDA & EBITDA Margin

€' 000.000



Biedronka recorded EBITDA of €375 mn, 14.6% more than in 6M 16 (+11.9% at constant exchange rate). The respective EBITDA margin was at 7.1%, marginally up on the same period in the previous year.

This strong EBITDA progression reflects the sales-focused strategy, which delivered well on investments and that, together with a strict cost management, compensated for the registered labour and fuel inflation.

Pingo Doce and Recheio generated EBITDA of €103 mn, 3.3% above the previous year. The respective EBITDA margins were 4.7% and 5.0%, broadly in line with 6M 16.

Ara and Hebe, together, recorded losses of €47 mn at the EBITDA level, with Ara accounting for about 85% of the total. Ara's losses evolution reflects the acceleration in investment to step up expansion in Colombia, while losses at Hebe continued to decrease, in line with our expectation. A stronger colombian peso and a stronger zloty also had a negative impact on losses in euro terms.

Net financial costs were at €4 mn reflecting the Group's debt value and structure, where, in line with its financial and risk management policies, there has been an increase in colombian peso denominated loans.

Group capex was at €249 mn, on track with the plan for the year. Both Biedronka and Ara will concentrate their biggest expansion effort in H2. In Portugal, as in Poland, the first six months of 2017 have been focused on both the execution of the refurbishing programme and the replacement of targeted locations.

Non recurrent items, at €7 mn in the 6M, include restructuring costs in Portugal namely the write-off of certain assets related to the logistic re-dimensioning in the country.

Group net profit reached €173 mn, 5.5%[1] above the same period last year. The sound performance of the established business enabled Group's earnings to grow despite higher investment in Colombia.

Cash flow in the period was negative €40 mn, mainly reflecting the planned step up in capex.

Group net debt, after the €380 mn dividend payment in May, stood at €84 mn by the end of June.

[1] excluding Monterroio contribution in H1 16

FINANCIAL CALENDAR

9M 2017 Results: 25 October 2017

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DISCLAIMER

Statements in this release that are forward-looking statements are based on current expectations of future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. The risks and uncertainties relate to factors that are beyond Jerónimo Martins' ability to control or estimate precisely, such as general economic conditions, credit markets, foreign exchange fluctuations and regulatory developments.

Except as required by any applicable law or regulation, Jerónimo Martins assumes no obligation to update the information contained in this release or to notify a reader in the event that any matter stated herein changes or becomes inaccurate.

APPENDIX

INCOME STATEMENT BY FUNCTIONS

(Million Euro)	H1 17	H1 16
Net Sales and Services	**7,754**	**6,959**
Cost of Sales	-6,120	-5,490
Gross Profit	**1,634**	**1,469**
Distribution Costs	-1,255	-1,111
Administrative Costs	-123	-115
Exceptional Operating Profits/losses	-7	-2
Operating Profit	**248**	**240**
Net Financial Costs	-4	-11
Gains/Losses in Other Investments	0	-1
Gains in Disposal of Business	0	0
Gains in Joint Ventures and Associates	0	8
Profit Before Taxes	**245**	**236**
Income Tax	-62	-54
Profit Before Non Controlling Interests	**183**	**182**
Non Controlling Interests	-10	-10
Net Profit Attributable to JM	**173**	**172**

SALES BREAKDOWN

(Million Euro)	H1 17		H1 16		Δ %		Q2 17		Q2 16		Δ %	
		% total		% total	w/o FX	Euro		% total		% total	w/o FX	Euro
Biedronka	5,305	68.4%	4,678	67.2%	10.8%	13.4%	2,778	68.2%	2,397	66.9%	11.8%	15.9%
Pingo Doce	1,738	22.4%	1,687	24.2%		3.1%	915	22.5%	870	24.3%		5.2%
Recheio	442	5.7%	407	5.8%		8.6%	241	5.9%	219	6.1%		9.9%
Ara	185	2.4%	102	1.5%	65.7%	81.9%	98	2.4%	54	1.5%	73.0%	82.0%
Hebe	75	1.0%	55	0.8%	32.9%	36.0%	39	1.0%	28	0.8%	33.1%	38.0%
Others & Cons. Adjustments	9	0.1%	30	0.4%		n.a.	5	0.1%	15	0.4%		n.a.
Total JM	**7,754**	**100%**	**6,959**	**100%**		**11.4%**	**4,075**	**100%**	**3,583**	**100%**		**13.7%**

SALES GROWTH

	Total Sales Growth			LFL Sales Growth		
	Q1 17	Q2 17	H1 17	Q1 17	Q2 17	H1 17
Biedronka						
Euro	10.8%	15.9%	13.4%			
PLN	9.7%	11.8%	10.8%	8.4%	9.5%	9.0%
Pingo Doce	0.8%	5.2%	3.1%	-1.1%	3.0%	1.0%
Ex-Fuel	0.6%	5.3%	3.0%	-1.4%	3.1%	0.9%
Recheio	7.2%	9.9%	8.6%	5.2%	8.1%	6.8%

STORE NETWORK

Number of Stores	2016	Openings		Closings	H1 17	H1 16
		Q1 17	Q2 17	H1 17		
Biedronka	2,722	11	18	10	2,741	2,693
Pingo Doce	413	2	3	1	417	404
Recheio	42	0	1	0	43	42
Ara	221	23	26	1	269	161
Hebe	153	7	1	1	160	135

Sales Area (sqm)	2016	Openings		Closings/ Remodellings	H1 17	H1 16
		Q1 17	Q2 17	H1 17		
Biedronka	1,768,293	7,442	12,089	-1,094	1,788,918	1,746,547
Pingo Doce	493,089	2,242	4,051	690	498,692	484,839
Recheio	130,597	0	1,399	0	131,996	130,837
Ara *	71,263	8,342	10,284	217	89,672	50,644
Hebe	35,479	1,815	222	0	37,516	31,150

* Restated: figures published in 2016, Q1 17 and H1 16

EBITDA BREAKDOWN

(Million Euro)	H1 17	Mg	H1 16	Mg
Biedronka	375	7.1%	327	7.0%
Pingo Doce	81	4.7%	79	4.7%
Recheio	22	5.0%	20	5.0%
Others & Cons. Adjustments	-62	n.a.	-39	n.a.
JM Consolidated	**416**	**5.4%**	**388**	**5.6%**

FINANCIAL RESULTS

(Million Euro)	H1 17	H1 16	Δ
Net Interest	-6	-6	-3%
Exchange Differences	4	-3	n.a.
Others	-2	-2	-9%
Financial Results	**-4**	**-11**	**-66%**

CAPEX

(Million Euro)	H1 17	Weight	H1 16	Weight
Biedronka	86	34.8%	77	42.6%
Distribution Portugal	55	22.1%	74	41.2%
Ara	62	25.0%	20	11.0%
Others	45	18.2%	9	5.1%
Total CAPEX	**249**	**100%**	**180**	**100%**

WORKING CAPITAL

(Million Euro)	H1 17	2016	H1 16
Inventories	777	720	657
in days of sales	18	18	17
Customers	57	45	58
in days of sales	1	1	2
Suppliers	-2,526	-2,514	-2,233
in days of sales	-59	-63	-58
Trade Working Capital	**-1,691**	**-1,749**	**-1,518**
in days of sales	**-39**	**-44**	**-39**
Others	-450	-452	-400
Total Working Capital	**-2,142**	**-2,201**	**-1,919**
in days of sales	**-50**	**-55**	**-50**

DEBT DETAIL

(Million Euro)	H1 17	H1 16
Long Term Debt	**177**	**329**
as % of Total Borrowings	*38.0%*	*70.3%*
Average Maturity (years)	*2.4*	*2.7*
Bond Loans	0	150
Commercial Paper	0	65
Other Debt	177	114
Short Term Debt	**290**	**139**
as % of Total Borrowings	*62.0%*	*29.7%*
Total Borrowings	**467**	**468**
Average Maturity (years)	*0.9*	*1.6*
Leasings	6	0
Marketable Securities & Bank Deposits	-390	-195
Net Debt	**84**	**274**
% Debt in Euros (Total Borrowings + Leasings)	*31.7%*	*47.2%*
% Debt in Zlotys (Total Borrowings + Leasings)	*40.6%*	*34.5%*
% Debt in Pesos (Total Borrowings + Leasings)	*27.7%*	*18.3%*

NOTES

1. DEFINITIONS

Like For Like (LFL) sales: sales made by stores that operated under the same conditions in the two periods. Excludes stores opened or closed in one of the two periods. Sales of stores that underwent profound remodelling are excluded for the remodelling period (store closure)

Gearing: Net Debt / Shareholder Funds

2. INCOME STATEMENT RECONCILIATION NOTE

Following ESMA guidelines on Alternative Performance Measures from October 2015

Income Statement	Income Statement by Functions in the Consolidated Report & Accounts - First Half 2017 Results
Net Sales and Services	Net Sales and Services
Gross Profit	Gross Profit
Operating Costs	Includes headings of Distribution costs; Administrative costs; Other operating costs and excludes Depreciations of €-159.9mn
EBITDA	
Depreciation	Value reflected in the Segments reporting note. The difference to the operating costs note or the tangible and intangibles assets note is related with the non-recurrent Depreciations (€18th)
EBIT	
Net Financial Costs	Net Financial Costs
Gains in Joint Ventures and Associates	Gains (Losses) in Joint Ventures and Associates
Non-Recurrent Items	Includes headings of Exceptional operating profits/losses; Gains in disposal of business and Gains/Losses in other investments
EBT	
Income Tax	Income Tax
Net Profit	
Non-Controlling Interests	Non-Controlling Interests
Net Profit attributable to JM	

3. BALANCE SHEET RECONCILIATION NOTE

Following ESMA guidelines on Alternative Performance Measures from October 2015

Balance Sheet in this Release	Balance Sheet in the Consolidated Report & Accounts - First Half 2017 Results
Net Goodwill	Included in the heading of Intangible assets
Net Fixed Assets	Includes the headings Tangible and Intangible assets excluding the net goodwill value (€642.9mn)
Total Working Capital	Includes the headings Current trade debtors, accrued income and deferred costs; Inventories; Biological assets; Trade creditors, accrued costs and deferred income; Employee benefits; the value of €3.8mn Cash and cash equivalents (note - Cash and cash equivalents) and the value of €8.0mn related to 'Others' due to its operational nature. Excludes the value of €-1.6mn related to interest accruals and deferrals (note - Financial debt)
Others	Includes the headings Investment property; Investments in joint ventures and associates; Available-for-sale financial assets; Non-current trade debtors, accrued income and deferred costs; Deferred tax assets and liabilities; Income tax receivable and payable; and Provisions for risks and contingencies. Excludes the value of €34.4mn related to Collateral deposits associated to financial debt (note - Trade debtors, accrued income and deferred costs); and also the value of €8.0mn related to others due to its operational nature
Invested Capital	
Total Borrowings	Includes the heading Borrowings excluding leasings
Leasings	Value reflected in Borrowings note
Accrued Interest & Hedging	Includes the heading Derivative financial instruments and the value of €1.6mn related to Interest accruals and deferrals (value reflected in note - Financial debt)
Marketable Sec. & Bank Deposits	Includes the heading Cash and cash equivalents and the value of €34.4mn related to Collateral deposits associated to financial debt (reflected in Trade debtors note) and excludes the value of €3.8mn in Cash and cash equivalents (reflected in note - Cash and cash equivalents)
Net debt	
Non-Controlling Interests	Non-controlling interests
Share Capital	Share capital
Reserves and Retained Earnings	Includes the heading Share premium, Own shares, Other reserves and Retained earnings
Shareholders' Funds	

4. CASH FLOW RECONCILIATION NOTE

Following ESMA guidelines on Alternative Performance Measures from October 2015

Cash Flow in this Release	Cash Flow in the Consolidated Report & Accounts - First Half 2017 Results
EBITDA	Included in the heading of Cash generated from operations
Interest Payment	Includes the headings of Interest paid and Interest received
Other Financial Items	Dividends received
Income Tax	Income tax paid
Funds From Operations	
Capex Payment	Includes the headings Disposal of tangible assets; Disposal of Intangible assets; Disposal of financial assets and investment property; Acquisition of tangible assets; Acquisition of intangible assets; Acquisition of financial assets and investment properties
Change in Working Capital	Included in the heading of Cash generated from operations
Others	Includes the headings Disposal of business, being the remaining amount Included in the heading Cash generated from operations
Free Cash Flow	

5. NET PROFIT ON A COMPARABLE BASIS

(Million Euro)	H1 17	H1 16
Net Profit Attributable to JM	173	172
Deducted from the impact of discontinued businesses:		
Gains in joint ventures and associates (sold)	0	8
Net Profit Mkt. Repr. and Rest. Serv. (sold)	0	0
Net Profit on a comparable basis	**173**	**164**