Nine Months
2017 Results

Lisbon, 25 October 2017

Jerónimo Martins

Permanent focus on sales drives another sound quarter, while the Group reinforces the foundations for continuous growth

+11.1% SALES
TO €11.9 BN
(+9.3% at constant exchange rates)

+6.7% EBITDA
TO €669.2 MN
(+5.1% at constant exchange rates)

+0.6% EPS
TO €0.46
(excluding non-recurrent)

- **GROUP LFL PERFORMANCE** at 6.6% (+6.2% in Q3) driving Group's sales growth
  - **BIEDRONKA SALES** grew 10.7% in zloty (+10.5% in Q3), with LFL at 9.0% (+8.9% in Q3)
  - **PINGO DOCE SALES** increased 2.4% (+1.3% in Q3), with LFL (excl. fuel) at 0.3% (-0.9% in Q3)
  - **RECHEIO SALES** increased 7.6% (+5.9% in Q3), with LFL at 6.0% (+4.9% in Q3)
  - **ARA SALES** in local currency grew 71.4% (+81.6% in Q3), while **HEBE TOP LINE** increased, in local currency, by 33.1% (+33.5% in Q3)
- **GROUP EBITDA**, excluding impact of Ara and Hebe, grew 9.7%
- **NET PROFIT TO JM** was €285 mn. Excluding Monterroio's contribution and associated capital gain in 9M 16, net profit was up 7.1% on previous year
- **NET DEBT** was negative at €39 mn by the end of September

MESSAGE FROM THE CHAIRMAN AND CEO

PEDRO SOARES DOS SANTOS

'After nine months of a demanding and challenging year and as result of the absolute priority given to top line growth, all our banners reinforced market shares, a special highlight being Biedronka's strong performance. The strict management of the permanent assortment together with the promotional and in&out campaigns' dynamics allowed Biedronka to strengthen its leadership in the food retail sector in Poland.

In Portugal, Pingo Doce maintained its robust stance, despite being impacted by the deflation registered in fruit and vegetables. The third quarter was also positive for Recheio, which captured the opportunities and advantages of a revitalized HoReCa channel.

The good sales performance of our main banners reflects the investment in the attractiveness of the commercial offer and store environment, in addition to the commitment and the delivery of our operational teams. In the context of rising minimum wages in Poland and Portugal, and following what was done in Biedronka, Pingo Doce also initiated a review of its compensation package.

In Colombia, Ara continues to adjust its model and is implementing an ambitious expansion plan, with a particular focus on the opportunities and challenges of the Bogota region.

After three quarters of solid performance, I reaffirm both our confidence in our business's ability to deliver a positive year, as well as our commitment to a growth-strategy that combines necessary measures to strengthen market leadership in the short term with investments in fixed assets and margin to ensure the medium to long-term business solidity."

OUTLOOK FOR 2017

In the fourth quarter we will continue to focus on sales and on further strengthening market positions in all countries where we operate.

For Biedronka, which will face the toughest comparable quarter in the year, the last three months will be dedicated to drive sales and completing the investment programme, including the opening of a distribution centre, around 70 new stores and the remodeling of c.70 units.

The context in Poland is expected to remain challenging, with intense competition and pressure on costs, particularly those related to labour. However, Biedronka remains confident that it will maintain a relatively stable EBITDA margin for the year, focusing on sales as the main driver of returns.

Pingo Doce and Recheio will also maintain sales as their priority. In Pingo Doce, the process of revising and adjusting the remuneration packages currently in progress will, in the fourth quarter, add additional pressure on the EBITDA margin that is expected to be partially offset by the good performance of the Company.

In Colombia, in the last quarter of the year we will add c.60 stores to Ara's network, which is advancing with the construction of its logistics infrastructure and an ambitious recruitment and training program to support the expansion effort.

In line with expectations, the losses generated by Ara and Hebe at EBITDA level are expected to increase by c.30% when compared to the previous year (at constant exchange rates).

The execution of the capex program for the year at around €700 million is one of the essential conditions to enable our businesses to continue strengthening their market positions and to support the Group's capacity to continue to grow.

Jerónimo Martins

KEY FIGURES

CONSOLIDATED RESULTS

(Million Euro)	9M 17		9M 16		Δ	Q3 17		Q3 16		Δ
Net Sales and Services	**11,926**		**10,738**		**11.1%**	**4,172**		**3,780**		**10.4%**
Gross Profit	2,527	21.2%	2,275	21.2%	11.1%	893	21.4%	806	21.3%	10.9%
Operating Costs	-1,858	-15.6%	-1,648	-15.3%	12.8%	-640	-15.3%	-567	-15.0%	12.9%
EBITDA	**669**	**5.6%**	**627**	**5.8%**	**6.7%**	**253**	**6.1%**	**239**	**6.3%**	**6.0%**
Depreciation	-242	-2.0%	-220	-2.0%	10.0%	-82	-2.0%	-74	-2.0%	10.6%
EBIT	**428**	**3.6%**	**407**	**3.8%**	**5.0%**	**172**	**4.1%**	**165**	**4.4%**	**3.9%**
Net Financial Costs	-9	-0.1%	-12	-0.1%	-27.8%	-5	-0.1%	-2	0.0%	186.4%
Gains in Joint Ventures and Associates	0	0.0%	10	0.1%	n.a.	0	0.0%	3	0.1%	n.a.
Non-Recurrent Items	-11	-0.1%	201	1.9%	n.a.	-4	-0.1%	204	5.4%	n.a.
EBT	**407**	**3.4%**	**606**	**5.6%**	**-32.7%**	**163**	**3.9%**	**370**	**9.8%**	**-56.0%**
Income Tax	-101	-0.8%	-86	-0.8%	18.3%	-39	-0.9%	-32	-0.8%	22.1%
Net Profit	**306**	**2.6%**	**520**	**4.8%**	**-41.1%**	**124**	**3.0%**	**338**	**8.9%**	**-63.4%**
Non Controlling Interests	-21	-0.2%	-19	-0.2%	12.8%	-11	-0.3%	-8	-0.2%	35.3%
Net Profit Attributable to JM	**285**	**2.4%**	**502**	**4.7%**	**-43.1%**	**112**	**2.7%**	**330**	**8.7%**	**-65.9%**
EPS (€)	0.45		0.80		-43.1%	0.18		0.52		-65.9%
EPS without non-recurrent (€)	0.46		0.46		0.6%	0.18		0.19		-1.5%

CONSOLIDATED BALANCE SHEET

(Million Euro)	9M 17	2016	9M 16
Net Goodwill	637	630	636
Net Fixed Assets	3,375	3,180	3,095
Total Working Capital	-2,198	-2,201	-2,004
Others	68	46	11
Invested Capital	**1,883**	**1,656**	**1,739**
Total Borrowings	494	335	326
Leasings	6	4	0
Accrued Interest	1	0	1
Marketable Sec. & Bank Deposits	-540	-674	-507
Net Debt	**-39**	**-335**	**-179**
Non Controlling Interests	258	253	254
Share Capital	629	629	629
Reserves and Retained Earnings	1,034	1,109	1,035
Shareholders Funds	**1,921**	**1,991**	**1,918**
Gearing	-2.0%	-16.8%	-9.3%

CASH FLOW

(Million Euro)	9M 17	9M 16
EBITDA	669	627
Interest Payment	-11	-11
Other Financial Items	0	3
Income Tax	-123	-88
Funds From Operations	**536**	**531**
Capex Payment	-468	-291
Change in Working Capital	19	20
Others*	-4	296
Free Cash Flow	**83**	**556**

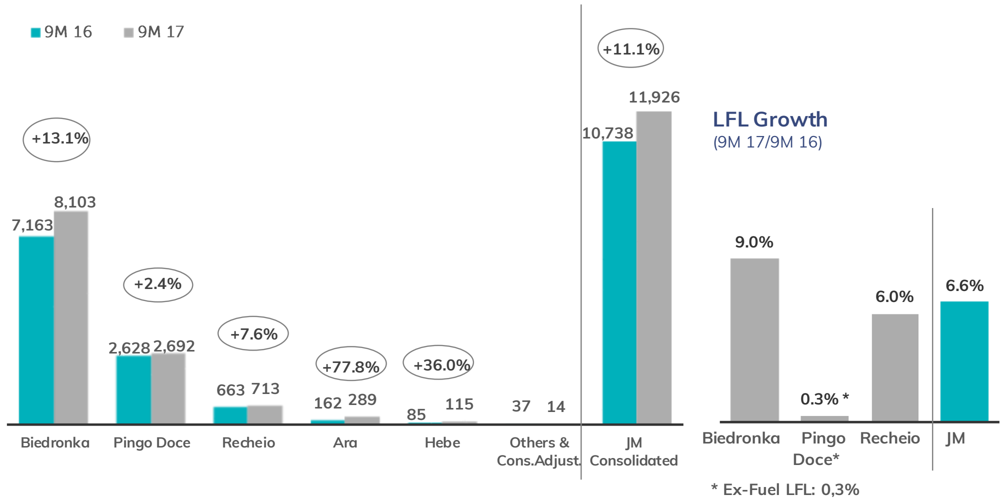
* Includes in 9M16 €305 million from the proceeds of Monterroio sale

SALES PERFORMANCE

Group sales reached €11.9 bn in 9M 17, 11.1% above the same period in the previous year (+9.3% at constant exchange rates).

Group LFL sales growth was at 6.6% in the 9M, driven by the strong performance of both Biedronka and Recheio and a resilient delivery of Pingo Doce.

Sales (Million Euro)



In Poland, the consumption environment remained favourable while competitive landscape continued to be intense and promotion-driven. Food inflation in the country was slightly ahead of 4.5% in Q3 17 (+3.8% in the 9M).

Biedronka maintained its sales-focused strategy using promotions, advertising and the loyalty card as key instruments to continue delivering a strong LFL sales growth that was at 8.9% in Q3. Total sales in the same period grew 12.6% (+10.5% in local currency), reaching €2.8 bn.

In the nine months period, LFL growth was at 9.0%, driving total sales in euros to increase 13.1% (+10.7% in local currency) to reach €8.1 bn.

The banner opened 46 stores (31 net additions) in the 9M and refurbished a total of 150 stores.

Hebe delivered sales of €115 mn, 36% up on previous year (+33.1% at constant exchange rate), having opened a total of 14 stores in the 9M. At the end of September, the network was 166 locations.

In Portugal, the Food Retail sector, remained highly competitive while deflation in certain key categories added new challenges leading overall food inflation in Q3 to be reduced to 0.6% (+1.4% in 9M).

Pingo Doce in Q3 faced the toughest year-on-year comparable which together with the basket deflation registered, led to a LFL (excl. fuel) of -0.9%. Total sales grew, in the quarter, by 1.3% and market share was reinforced.

In the 9M, total sales grew 2.4% to €2.7 bn with a LFL (excl. fuel) of 0.3%.

By the end of September, 19 Pingo Doce stores had been refurbished and 7 new locations (6 net) added to the network.

Recheio continued to invest to maintain the good sales momentum in the context of favourable tourist activity. It delivered a 6.0% LFL sales increase (+4.9% in Q3), driving sales in the 9M to €713 mn, 7.6% more than in the same period in the previous year.

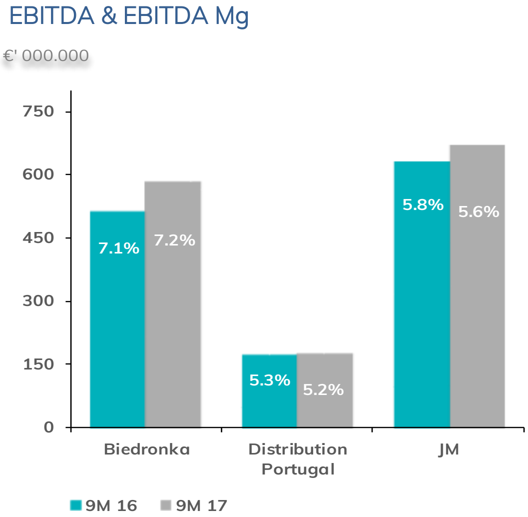
In Colombia, food inflation remained consistently low in the 9M, softening a bit more in Q3 to 1.4% (2.7% in 9M). Consumer sentiment which is still negative has been improving since April.

Ara achieved sales of €289 mn, 77.8% ahead of previous year (+71.4% at constant exchange rate). In the 9M the banner opened 92 stores, running a total network of 312 locations by the end of September.

RESULTS PERFORMANCE

Group EBITDA came at €669 mn in the 9M period, a 6.7% growth on previous year (+5.1% at constant exchange rates).

EBITDA from established businesses (excluding Ara and Hebe) increased 9.7%.



Biedronka's EBITDA was €583mn, up 13.9% when compared to 9M 16 (+11.5% at constant exchange rate). EBITDA margin was at 7.2%, broadly in line with the previous year.

This solid EBITDA performance is the direct result of the focus on sales and of the strong LFL momentum, that compensated for labour costs increase.

Pingo Doce and Recheio registered a combined EBITDA of €177 mn, 1% above 9M 16. The respective EBITDA margin for the distribution businesses in Portugal was 5.2%. The decline from previous year margin reflects, mainly, the pressure from the softer Q3 LFL at Pingo Doce.

Ara and Hebe, together, recorded losses of €67 mn at the EBITDA level, with Ara accounting for c.85% of the total. Ara's losses evolution, in line with the plan, reflects the acceleration in investment on expansion in Colombia.

Net financial costs reached €9 mn, reflecting the increase of loans in the local currencies of the respective businesses' geographies, in line with the Group's financial and risk management policies.

Group capex was at €422 mn of which c.40% invested in Biedronka and c.27% in Ara.

Non-recurrent items, at -€11 mn in the 9M, include, among other, the write-off of certain assets related to the logistic re-dimensioning in Portugal.

Group net profit resulted in €285 mn, 7.1%[1] above 9M 16, with the higher investment in Colombia being more than compensated by the strong delivery of our established businesses.

Cash flow in the 9M was €83 mn, mainly reflecting the expected evolution of the working capital and the step up in capex.

Group net debt, was negative at €39 mn by the end of September with gearing staying at -2%.

[1] excluding in 9M 16 Monterroio contribution and associated capital gain

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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)	9M 17	9M 16
Net Sales and Services	**11,926**	**10,738**
Cost of Sales	-9,399	-8,464
Gross Profit	**2,527**	**2,275**
Distribution Costs	-1,911	-1,693
Administrative Costs	-188	-174
Exceptional Operating Profits/losses	-11	-20
Operating Profit	**416**	**387**
Net Financial Costs	-9	-12
Gains/Losses in Other Investments	0	-4
Gains in Disposal of Business	0	224
Gains in Joint Ventures and Associates	0	10
Profit Before Taxes	**407**	**606**
Income Tax	-101	-86
Profit Before Non Controlling Interests	**306**	**520**
Non Controlling Interests	-21	-19
Net Profit Attributable to JM	**285**	**502**

SALES BREAKDOWN

(Million Euro)	9M 17		9M 16		Δ %		Q3 17		Q3 16		Δ %	
		% total		% total	w/o FX	Euro		% total		% total	w/o FX	Euro
Biedronka	8,103	67.9%	7,163	66.7%	10.7%	13.1%	2,798	67.1%	2,485	65.7%	10.5%	12.6%
Pingo Doce	2,692	22.6%	2,628	24.5%		2.4%	954	22.9%	941	24.9%		1.3%
Recheio	713	6.0%	663	6.2%		7.6%	271	6.5%	256	6.8%		5.9%
Ara	289	2.4%	162	1.5%	71.4%	77.8%	104	2.5%	61	1.6%	81.6%	71.0%
Hebe	115	1.0%	85	0.8%	33.1%	36.0%	41	1.0%	30	0.8%	33.5%	36.1%
Others & Cons. Adjustments	14	0.1%	37	0.3%		n.a.	5	0.1%	6	0.2%		n.a.
Total JM	**11,926**	**100%**	**10,738**	**100%**		**11.1%**	**4,172**	**100%**	**3,780**	**100%**		**10.4%**

SALES GROWTH

	Total Sales Growth					LFL Sales Growth				
	Q1 17	Q2 17	H1 17	Q3 17	9M 17	Q1 17	Q2 17	H1 17	Q3 17	9M 17
Biedronka										
Euro	10.8%	15.9%	13.4%	12.6%	13.1%					
PLN	9.7%	11.8%	10.8%	10.5%	10.7%	8.4%	9.5%	9.0%	8.9%	9.0%
Pingo Doce	0.8%	5.2%	3.1%	1.3%	2.4%	-1.1%	3.0%	1.0%	-1.0%	0.3%
Ex-Fuel	0.6%	5.3%	3.0%	1.5%	2.5%	-1.4%	3.1%	0.9%	-0.9%	0.3%
Recheio	7.2%	9.9%	8.6%	5.9%	7.6%	5.2%	8.1%	6.8%	4.9%	6.0%

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STORE NETWORK

Number of Stores	2016	Openings Q1 17	Openings Q2 17	Openings Q3 17	Closings 9M 17	9M 17	9M 16
Biedronka	2,722	11	18	17	15	2,753	2,700
Pingo Doce	413	2	3	2	1	419	405
Recheio	42	0	1	0	0	43	42
Ara	221	23	26	43	1	312	183
Hebe	153	7	1	6	1	166	141

Sales Area (sqm)	2016	Openings Q1 17	Openings Q2 17	Openings Q3 17	Closings/ Remodellings 9M 17	9M 17	9M 16
Biedronka	1,768,293	7,442	12,089	12,361	-2,422	1,802,607	1,751,374
Pingo Doce	493,089	2,242	4,051	2,000	1,307	500,075	485,952
Recheio	130,597	0	1,399	0	-1	131,997	130,837
Ara *	71,263	8,342	10,284	15,557	217	105,229	57,710
Hebe	35,479	1,815	222	1,485	0	39,001	32,369

* Restated: figures published in 2016 and Q1 17

EBITDA BREAKDOWN

(Million Euro)	9M 17	Mg	9M 16	Mg
Biedronka	583.3	7.2%	512.0	7.1%
Distribution Portugal	176.6	5.2%	174.8	5.3%
Others & Cons. Adjustments	-90.7	n.a.	-59.9	n.a.
JM Consolidated	**669.2**	**5.6%**	**626.9**	**5.8%**

FINANCIAL RESULTS

(Million Euro)	9M 17	9M 16	Δ
Net Interest	-9	-9	-1%
Exchange Differences	2	-1	n.a.
Others	-3	-2	10%
Financial Results	**-9**	**-12**	**-28%**

CAPEX

(Million Euro)	9M 17	Weight	9M 16	Weight
Biedronka	174	41.2%	126	42.6%
Distribution Portugal	82	19.4%	115	39.0%
Ara	112	26.6%	34	11.6%
Others	54	12.8%	20	6.8%
Total CAPEX	**422**	**100%**	**295**	**100%**

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. P&L RECONCILIATION NOTE

(Following ESMA guidelines on Alternative Performance Measures from October 2015)

Income Statement	Income Statement by Functions in the Consolidated Report & Accounts - First Nine Months 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 €-241.5mn
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 (€-2th)
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 Nine Months 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 (€637.3mn)
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 €3.9mn Cash and cash equivalents (note - Cash and cash equivalents) and the value of €-7.4mn related to 'Others' due to its operational nature. Excludes the value of €-1.7mn 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 €-7.4mn 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 €-1.7mn 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 €3.9mn 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 Nine Months 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)	9M 17	9M 16
Net Profit Attributable to JM	285	502
Deducted from the impact of discontinued businesses:		
Gains in joint ventures and associates (sold)	0	10
Net Profit Mkt. Repr. and Rest. Serv. (sold)	0	1
Non-Recurrent Items - Monterroio sale	0	224
Net Profit on a comparable basis	**285**	**266**