Consolidated Report & Accounts
1st Quarter 2014

Unaudited

JERÓNIMO MARTINS

INDEX

I. CONSOLIDATED MANAGEMENT REPORT

Message from the Chairman and the CEO – Pedro Soares dos Santos

'Jerónimo Martins' results reflect Biedronka's slow start to the year. We will continue to address the challenges of a very competitive market and we remain fully committed to further strengthening our leadership position and relevance for the Polish consumers.

In Portugal, Pingo Doce delivered strong sales growth, also in like-for-like terms.

After one year since the start-up in Colombia and approaching 40 stores, Ara is performing according to plan.

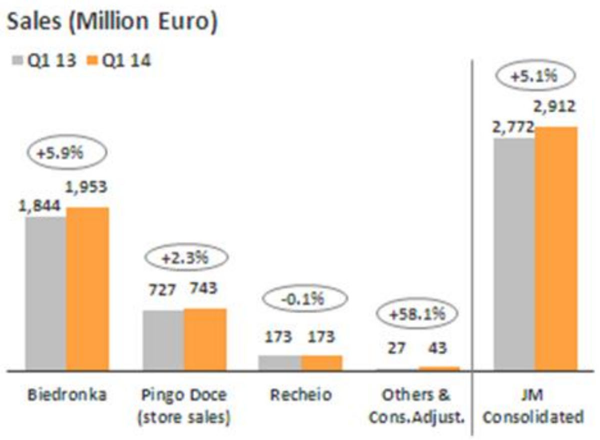
All in all, the solid cash generation from our main businesses allows us to keep investing in their development, whilst at the same time building our new businesses and preserving a strong balance sheet.'

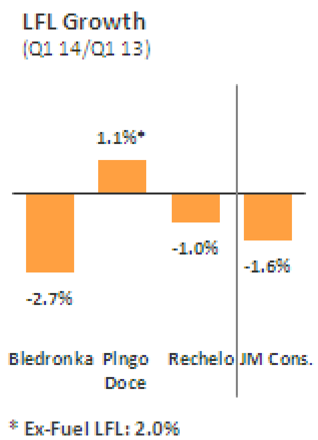
1. Sales Analysis

Net Sales and Services

(Million Euro)	Q1 14		Q1 13		Δ %	
		% total		% total	Pln	Euro
Biedronka	1,953	67.0%	1,844	66.5%	6.6%	5.9%
Pingo Doce (store sales)	743	25.5%	727	26.2%		2.3%
Recheio	173	5.9%	173	6.3%		-0.1%
Mkt. Repr. and Rest. Serv.	17	0.6%	18	0.7%		-5.3%
Others & Cons. Adjustments	26	0.9%	9	0.3%		n.a.
Total JM	**2,912**	**100%**	**2,772**	**100%**		**5.1%**

Consolidated sales reached EUR 2,912 million, a growth of 5.1% on the first three months of the previous year, including a small negative forex effect of -0.5%.





In line with the previous quarters, the food retail environment in Poland remained highly competitive with strong promotional activities by all major players.

Although like-for-like (LFL) traffic increased in the period by c. 1.5%, **Biedronka's** LFL sales declined 2.7%, impacted by a later Easter.

In a more volatile pricing environment, Biedronka continued its strong promotional campaigns initiated in July 2013 and maintained its price leadership position.

Biedronka's sales grew by 6.6% in local currency (+5.9% in Euro) to €1,953m.

Expansion remains a strategic priority and the Company continues to invest in new and remodelled stores.

In Portugal continuous promotions kept dominating the commercial strategies of all players. **Pingo Doce** continued to deliver strongly, driven by the very effective execution of its promotional programmes. Despite a strong price deflation, LFL sales, excluding fuel, grew 2.0% in first quarter (Q1).

Total sales of the Company reached EUR 743 million, a growth of 2.3% (excluding fuel, sales increased by 2.7%), and two new stores were opened in the quarter.

Recheio's sales were in line with the same period last year, a solid performance in a difficult market.

The new businesses of **Ara** and **Hebe** generated sales of EUR 29 million in the first three months compared with EUR 13 million in Q1 2013.

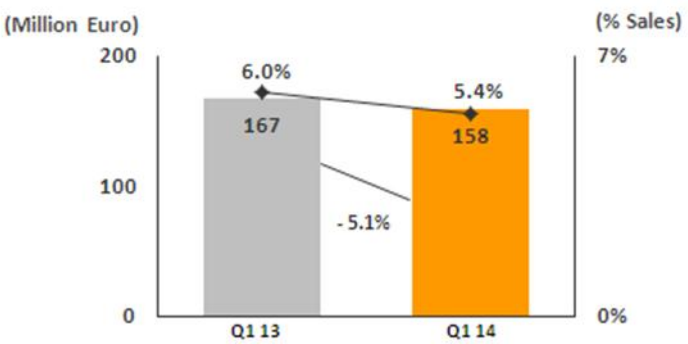
2. Results Analysis

Net Consolidated Profit

(Million Euro)	Q1 14		Q1 13		Δ
Net Sales and Services	**2,912**		**2,772**		**5.1%**
Total Margin	623	21.4%	595	21.5%	4.7%
Operating Costs	-464	-15.9%	-428	-15.4%	8.5%
EBITDA	**158**	**5.4%**	**167**	**6.0%**	**-5.1%**
Depreciation	-67	-2.3%	-60	-2.2%	10.5%
EBIT	**91**	**3.1%**	**106**	**3.8%**	**-14.0%**
Financial Results	-9	-0.3%	-11	-0.4%	-18.5%
Profit in Associated Companies	3	0.1%	2	0.1%	24.8%
Non-Recurrent Items	0	0.0%	-1	0.0%	-56.3%
EBT	**85**	**2.9%**	**97**	**3.5%**	**-12.3%**
Taxes	-20	-0.7%	-20	-0.7%	-1.3%
Net Profit	**66**	**2.3%**	**77**	**2.8%**	**-15.2%**
Non Controlling Interests	-3	-0.1%	-2	-0.1%	54.4%
Net Profit attributable to JM	**62**	**2.1%**	**75**	**2.7%**	**-17.1%**
EPS (€)	0.10		0.12		-17.1%

Operating Profit

Consolidated EBITDA declined 5.1% to EUR 158 million. The EBITDA margin was 5.4%, 60bps down on the previous year's quarter due to calendar effect, the price investments in the main retail businesses and Euro 2.4 million of additional start-up costs in Ara and Hebe.



In Poland, Biedronka's EBITDA margin declined by 70bps to 6.5%, mainly due to soft sales and price investments.

The EBITDA margin of the Distribution businesses in Portugal at 5.2% was in line with the prior year's quarter, supported by the strong sales performance of Pingo Doce.

Financial Result

Financial charges for the Group were EUR 9 million, slightly down on the same quarter last year partly as a result of a lower exchange rate impact from the zloty depreciation.

Net Result

Net Profit attributable to Jerónimo Martins was EUR 13 million lower at EUR 62 million (excluding the dilution of the new businesses was down by EUR 8 million).

3. Balance Sheet

(Million Euro)	Q1 14	2013	Q1 13
Net Goodwill	647	648	646
Net Fixed Assets	2,974	2,940	2,712
Total Working Capital	-1,548	-1,686	-1,598
Others	109	92	71
Invested Capital	**2,182**	**1,995**	**1,831**
Total Borrowings	811	688	648
Leasings	4	6	14
Accrued Interest	24	20	13
Marketable Sec. & Bank Deposits	-367	-368	-404
Net Debt	**471**	**346**	**271**
Non Controlling Interests	269	267	291
Share Capital	629	629	629
Reserves and Retained Earnings	813	753	639
Shareholders Funds	**1,711**	**1,649**	**1,560**
Gearing	*27.6%*	*21.0%*	*17.4%*

Net Debt increased to EUR 471 million and Gearing was 27.6%.

Investment Programme

The Group capex was EUR 109 million in the quarter, of which 87% was invested in Biedronka.

Cash Flow

(Million Euro)	Q1 14	Q1 13
EBITDA	158	167
Net Interest	-5	-5
Income Tax	-36	-17
Funds From Operations	**118**	**145**
Capex Payment	-138	-119
Working Capital Movement	-101	28
Free Cash Flow	**-122**	**54**

The Free Cash Flow in the period was EUR -122 million, after capex payments of EUR 138 million and the normal seasonality associated to working capital in Q1.

4. Outlook 2014

In the current market conditions we will improve our efficiency and invest, as necessary, in commercial actions to maintain our competitive positions and grow sales ahead of the markets.

Expansion will remain a key priority in our growth strategy and the capex programme is expected to be in the range of EUR 600 to EUR 700 million, including c.300 new Biedronka stores.

Lisbon, 29th April, 2014

The Board of Directors

II. CONSOLIDATED MANAGEMENT REPORT APPENDIX

1. Sales Growth

	Total Sales Growth Q1 14	LFL Sales Growth Q1 14
Biedronka		
Euro	5.9%	
PLN	6.6%	-2.7%
Pingo Doce	2.3%	1.1%
Ex-Fuel	*2.7%*	*2.0%*
Recheio	-0.1%	-1.0%

2. Stores Network

Number of Stores	2013	Openings Q1 14	Closings Q1 14	Network Q1 14	Network Q1 13
Biedronka	2,393	19	7	2,405	2,145
Pingo Doce	376	2	1	377	373
Recheio	41	0	0	41	41

Sales Area (sqm)	2013	Openings Q1 14	Closings/ Remodellings Q1 14	Network Q1 14	Network Q1 13
Biedronka	1,500,038	13,212	-4,448	1,517,698	1,317,779
Pingo Doce	457,171	2,400	1,146	458,425	453,771
Recheio	129,295	0	0	129,295	129,295

3. EBITDA Margin Breakdown

(% of sales)	Q1 14	% total	Q1 13	% total
Biedronka	6.5%	79.8%	7.2%	79.3%
Distribution Portugal	5.2%	29.9%	5.2%	27.9%
Others & Cons. Adjustments	n.a.	-9.6%	n.a.	-7.2%
JM Consolidated	**5.4%**	**100%**	**6.0%**	**100%**

4. Financial Costs Breakdown

(Million Euro)	Q1 14	Q1 13
Net Interest	-8	-7
Exchange Differences	0	-1
Others	-1	-2
Financial Results	**-9**	**-11**

5. 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);

Cash Flow per share: (Net Profit + Depreciation – Deferred tax – Non-recurrent items) / Number of Shares;

Gearing: Net Debt / Shareholder Funds.

6. Information Regarding Individual Financial Statements

In accordance with number 3 of article 10 of the Regulation number 5/2008 of the Portuguese Securities Market Commission (CMVM), the 1st Quarter Individual Financial Statements of Jerónimo Martins SGPS, S.A. will not be disclosed as they do not include significant information.

III. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT BY FUNCTIONS

FOR THE QUARTERS ENDED AT 31 MARCH 2014 AND 2013

Euro thousand

	Notes	2014	2013
Sales and services rendered	3	2,912,458	2,771,701
Cost of sales	4	(2,289,884)	(2,177,000)
Total margin		**622,574**	**594,701**
Distribution costs	5	(478,227)	(439,826)
Administrative costs	5	(52,959)	(48,557)
Exceptional operating profits/losses	8	(275)	(629)
Operating profit		**91,113**	**105,689**
Net financial costs	6	(8,648)	(10,606)
Profit in joint-ventures and associates		3,015	2,416
Profit before taxes		**85,480**	**97,499**
Income taxes	7	(19,900)	(20,168)
Profit before non-controlling interests		**65,580**	**77,331**
Attributable to:			
Non-controlling interests		3,207	2,077
Jerónimo Martins Shareholders		**62,373**	**75,254**
Basic and diluted earnings per share- Euros	15	0.0993	0.1197

To be read with the attached notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTERS ENDED AT 31 MARCH 2014 AND 2013

Euro thousand

	2014	2013
Net profit	**65,580**	**77,331**
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
	-	-
Items that may be reclassified to profit or loss		
Currency translation differences	(3,302)	(21,871)
Change in fair value of cash flow hedges	1,060	583
Change in fair value of hedging instruments on foreign operations	(627)	2,498
Change in fair value of available-for-sale financial assets	124	41
	(2,745)	**(18,749)**
Income tax effect	(145)	228
Other comprehensive income, net of income tax	**(2,890)**	**(18,521)**
Total comprehensive income	**62,690**	**58,810**
Attributable to:		
Non-controlling interests	3,492	1,628
Jerónimo Martins Shareholders	59,198	57,182
Total comprehensive income	**62,690**	**58,810**

To be read with the attached notes to the consolidated financial statements

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2014 AND DECEMBER 2013

Euro thousand

	Notes	31 March 2014	31 December 2013
Assets			
Tangible assets	9	2,815,662	2,782,821
Investment properties	9	44,638	47,471
Intangible assets	9	805,681	805,849
Investments in joint-ventures and associates	11	84,446	81,431
Available-for-sale financial assets	12	1,332	1,208
Trade debtors and deferred costs		88,513	87,999
Deferred tax assets		51,650	51,013
Total non-current assets		**3,891,922**	**3,857,792**
Inventories		579,906	574,992
Income tax receivable		2,924	41,126
Trade debtors, accrued income and deferred costs		264,845	253,578
Derivative financial instruments	10	1	-
Cash and cash equivalents	13	371,098	371,671
Total current assets		**1,218,774**	**1,241,367**
Total assets		**5,110,696**	**5,099,159**
Shareholders' equity and liabilities			
Share capital		629,293	629,293
Share premium		22,452	22,452
Own shares		(6,060)	(6,060)
Fair value and other reserves	14.1	25,387	27,312
Retained earnings		770,784	709,661
		1,441,856	**1,382,658**
Non-controlling interests		**268,788**	**266,604**
Total Shareholders' equity		**1,710,644**	**1,649,262**
Borrowings	16	451,607	369,073
Trade creditors, accrued costs and deferred income		855	861
Derivative financial instruments	10	3,405	2,953
Employee benefits	17	37,592	37,464
Provisions for risks and contingencies	17	79,866	77,949
Deferred tax liabilities		75,110	77,750
Total non-current liabilities		**648,435**	**566,050**
Trade creditors, accrued costs and deferred income		2.357.393	2.477.738
Derivative financial instruments	10	15,910	15,599
Borrowings	16	362,922	324,716
Income tax payable		15,392	65,794
Total current liabilities		**2,751,617**	**2,883,847**
Total Shareholders' equity and liabilities		**5,110,696**	**5,099,159**

To be read with the attached notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Euro thousand

	Shareholders' equity attributable to Shareholders of Jerónimo Martins, SGPS, S.A.								
	Notes	**Share capital**	**Share premium**	**Own shares**	**Fair value and other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Shareholders' equity**
Balance sheet at 31 December 2012		**629,293**	**22,452**	**(6,060)**	**52,125**	**513,721**	**1,211,531**	**290,395**	**1,501,926**
Equity changes in 2013									
Currency translation differences in the 1st Quarter of 2013	14.1				(21,493)		(21,493)		(21,493)
Change in fair value of cash flow hedging	14.1				882		882	(449)	433
Change in fair value of hedging instruments on foreign operations	14.1				2,498		2,498		2,498
Change in fair value of available-for-sale financial assets	14.1				41		41		41
Other comprehensive income		-	-	-	(18,072)	-	(18,072)	(449)	(18,521)
Net profit in 1st Quarter of 2013		-	-	-	-	75,254	75,254	2,077	77,331
Total comprehensive income		**-**	**-**	**-**	**(18,072)**	**75,254**	**57,182**	**1,628**	**58,810**
Dividends								(1,113)	(1,113)
Balance sheet at 31 March 2013		**629,293**	**22,452**	**(6,060)**	**34,053**	**588,975**	**1,268,713**	**290,910**	**1,559,623**
Balance sheet at 31 December 2013		**629,293**	**22,452**	**(6,060)**	**27,312**	**709,661**	**1,382,658**	**266,604**	**1,649,262**
Equity changes in 2014									
Currency translation differences in the 1st Quarter of 2014	14.1				(3,191)		(3,191)		(3,191)
Change in fair value of cash flow hedging	14.1				519		519	285	804
Change in fair value of hedging instruments on foreign operations	14.1				(627)		(627)		(627)
Change in fair value of available-for-sale financial assets	14.1				1,374	(1,250)	124		124
Other comprehensive income		-	-	-	(1,925)	(1,250)	(3,175)	285	(2,890)
Net profit in 1st Quarter of 2014						62,373	62,373	3,207	65,580
Total comprehensive income		**-**	**-**	**-**	**(1,925)**	**61,123**	**59,198**	**3,492**	**62,690**
Dividends	14.3							(1,308)	(1,308)
Balance sheet at 31 March 2014		**629,293**	**22,452**	**(6,060)**	**25,387**	**770,784**	**1,441,856**	**268,788**	**1,710,644**

To be read with the attached notes to the consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTERS ENDED AT 31 MARCH 2014 AND 2013

Euro thousand

	Notes	2014	2013
Operating activities			
Cash received from customers		3,270,183	3,127,060
Cash paid to suppliers		(3,001,237)	(2,737,610)
Cash paid to employees		(212,031)	(194,115)
Cash generated from operations		56,915	195,335
Interest paid		(4,882)	(5,922)
Income taxes paid		(35,749)	(16,828)
Cash flow from operating activities		**16,284**	**172,585**
Cash flow from investment activities		**(138,044)**	**(117,861)**
Cash flow from financing activities		**121,555**	**(17,136)**
Net changes in cash and cash equivalents		**(205)**	**37,588**
Cash and cash equivalents changes			
Cash and cash equivalents at the beginning of 1st Quarter		371,671	375,072
Net changes in cash and cash equivalents		(205)	37,588
Effect of currency translation differences		(368)	(4,922)
Cash and cash equivalents at the end of 1st Quarter	13	**371,098**	**407,738**

To be read with the attached notes to the consolidated financial statements

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1 Activity

Jerónimo Martins, SGPS, S.A. (JMH), is the parent Company of Jerónimo Martins Group (Group) and has its head office in Lisbon.

Jerónimo Martins Group is devoted to the production, distribution and sale of food and other fast moving consumer goods products. The Group operates in Portugal, Poland and Colombia.

Head Office: Largo Monterroio Mascarenhas, n.º1 – 9.º andar - 1099-081 Lisbon

Share Capital: 629,293,220 euros

Registered at the Commercial Registry Office of Lisbon and Tax Number: 500 100 144

JMH has been listed on Euronext Lisbon since 1989.

The Board of Directors approved these consolidated financial statements on 29th April 2014.

2 Accounting policies

All amounts are shown in thousand euros (EUR thousand) unless otherwise stated.

The JMH consolidated financial statements were prepared in accordance with the interim financial reporting standard (IAS 34), and all other International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union.

The consolidated financial statements were prepared in accordance with the same standards and accounting policies adopted by the Group in the preparation of the annual financial statements, including an explanation of the events and relevant changes for the understanding of variations in the financial position and Group performance since the last annual report. Thus, some of the notes from the 2013 annual report are omitted because no changes occurred or they are not materially relevant for the understanding of the interim financial statements.

As mentioned in the Corporate Governance chapter of the 2013 Annual Report, the Company, as a result of its normal activity, is exposed to several risks which are monitored and mitigated throughout the year. During the first three months of 2014, there were no material changes in addition to the notes in this annex that could significantly change the assessment of the risks that the group is exposed to.

In January 2014, the IASB issued the new standard IFRS 14 – Regulatory Deferral Accounts, which have not yet been endorsed by the European Union.

The new standard is applied to first-time adopters of IFRS subjected to rate-regulated prices of goods or services sold to customers, that recognized regulatory deferral account balances in their financial statements in accordance with their previous accounting standards, as defined in IFRS 1 – First-time Adoption of International Financial Reporting Standards.

Their application is mandatory for financial years beginning on or after January 1, 2016. The application of this new standard will not have any impact on the Group’s Financial Statements.

Reclassifications in the financial statements

The Group balance sheet headings "Taxes receivable " and "Taxes payable" included not only figures relating to income tax, but also amounts related to other taxes.

Considering the recommendations included in IAS 1 and IAS 12, as well the best practices adopted by the market, the Group decided to present in the balance sheet the amounts for the income tax payable or receivable in separate lines. The other taxes were reclassified to "Trade creditors, accrued costs and deferred income” and "Trade debtors, accrued income and deferred costs".

In order to have comparable consolidated financial information, the financial statements of the previous year were reclassified, as shown below:

	31 December 2013		
	Published	**Reclassifications**	**Restated**
Current assets			
Taxes receivable	53,455	(53,455)	-
Trade debtors, accrued income and deferred costs	241,249	12,329	253,578
Income tax receivable	-	41,126	41,126
	294,704	**-**	**294,704**
Current liabilities			
Taxes payable	138,479	(138,479)	-
Trade creditors, accrued costs and deferred income	2,405,028	72,685	2,477,713
Income tax payable	-	65,794	65,794
	2,543,507	**-**	**2,543,507**

2.1. Transactions in foreign currencies

Transactions in foreign currencies are translated into Euros at the exchange rate prevailing on the transaction date.

On the balance sheet date, monetary assets and liabilities expressed in foreign currencies are translated at the exchange rate prevailing on that date, and exchange differences arising from this conversion are recognised in the income statement. When qualifying as hedges on investments in foreign subsidiaries the exchange differences are deferred in equity.

The main exchange rates applied on the balance sheet date are those listed below:

Euro foreign exchange reference rates (foreign exchange units per 1 Euro)	**Rate on 31 March 2014**	**Average rate for the year**
Polish Zloty (PLN)	4.1719	4.1847
US Dollar (USD)	1.3777	-
Swiss Franc (CHF)	1.2194	-
Colombian Peso (COP)	2,709.7800	2,756.7000

3 Segment reporting

Management monitors the performance of the business based on a geographical and business nature. Due to the fact that the business units in the distribution area in Portugal share a set of competences, the Group analyses, on a quarterly basis, its segments in an aggregate performance perspective. In addition, the Group also separates the distribution business unit in Poland. Apart from these, there are also other businesses, but due to their low materiality they are not reported separately.

Business segments:

- Portugal Distribution: comprises the business unit of JMR (Pingo Doce supermarkets), the wholesale business unit Recheio;
- Poland Distribution: the business unit using the brand Biedronka;
- Others, eliminations and adjustments: includes i) the business units with reduced materiality (Marketing Services and Representations, Restaurants in Portugal, Health and Beauty Retail in Poland, retail business in Colombia), ii) the Holding companies and iii) the Group’s consolidation adjustments.

Management evaluates the performance of segments based on the Earnings Before Interest and Taxes (EBIT). This indicator excludes the effects of exceptional operating profits/losses.

Detailed information by segment at March 2014 and 2013

	Portugal Distribution		Poland Distribution		Others, eliminations and adjustments		Total JM consolidated	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Net sales and services	**918,268**	**901,177**	**1,952,724**	**1,844,415**	**41,466**	**26,109**	**2,912,458**	**2,771,701**
Inter-segments	54	49	365	337	(419)	(386)	-	-
External customers	918,214	901,128	1,952,359	1,844,078	41,885	26,495	2,912,458	2,771,701
Operational cash-flow (EBITDA)	**47,285**	**46,503**	**126,185**	**132,291**	**(15,261)**	**(11,999)**	**158,209**	**166,795**
Depreciations and amortisations	(27,517)	(27,589)	(36,711)	(31,791)	(2,593)	(1,097)	(66,821)	(60,477)
Operational result (EBIT)	**19,768**	**18,914**	**89,474**	**100,500**	**(17,854)**	**(13,096)**	**91,388**	**106,318**
Exceptional operating profits/losses							(275)	(629)
Financial results							**(5,633)**	**(8,190)**
Income tax							(19,900)	(20,168)
Net result attributable to JM							**62,373**	**75,254**
Total assets (1)	**2,174,444**	**2,171,944**	**2,633,176**	**2,631,255**	**303,076**	**295,960**	**5,110,696**	**5,099,159**
Total liabilities (1)	**1,564,123**	**1,547,585**	**1,784,671**	**1,837,811**	**51,258**	**64,501**	**3,400,052**	**3,449,897**
Investments in fixed assets	7,427	4,499	94,879	80,408	6,916	14,476	109,222	99,383

(1) The comparable amounts of total assets and liabilities are reported to 31 December 2013

Reconciliation between EBIT and the operational result of the income statement by functions

	March 2014	March 2013
EBIT	91,388	106,318
Exceptional operating profits/losses	(275)	(629)
Operational result	**91,113**	**105,689**

4 Cost of sales

	March 2014	March 2013
Net cost of products sold	2,283,375	2,170,471
Net cash discount and interest paid to suppliers	1,816	1,714
Electronic payment commissions	3,112	3,262
Other supplementary costs	1,581	1,553
	2,289,884	**2,177,000**

5 Distribution and administrative costs

	March 2014	March 2013
Supplies and services	114,516	107,373
Advertising costs	13,159	13,222
Rents	73,755	65,133
Staff costs	224,120	206,306
Amortisations	66,251	59,877
Profit/loss with tangible and intangible assets	550	556
Transportation costs	35,208	34,065
Other operational profit/loss	3,627	1,851
	531,186	**488,383**

6 Net financial costs

	March 2014	March 2013
Interest expense	(7,869)	(7,618)
Interest received	345	479
Net foreign exchange	(199)	(1,001)
Other financial costs and gains	(919)	(2,466)
Fair value of financial investments held for trade:		
Derivative instruments	(6)	-
	(8,648)	**(10,606)**

The interest expense heading includes the interest regarding loans measured at amortised cost, as well as interest on fair value and cash flow hedging instruments (note 10).

Other financial costs and gains include costs with debt issued by the Group.

7 Income tax recognised in the income statement

	March 2014	March 2013
Current income tax		
Current tax of the year	(24,160)	(26,275)
Adjustment to prior year estimation	480	(102)
	(23,680)	**(26,377)**
Deferred tax		
Temporary differences created and reversed	3,993	6,057
Change to the recoverable amount of tax losses and temporary differences from previous years	(571)	8
	3,422	6,065
Other gains/losses related to taxes		
Impact of changes in estimates for tax litigations	358	144
	358	**144**
Total income taxes	**(19,900)**	**(20,168)**

8 Exceptional operating profits/losses

	March 2014	March 2013
Losses from organizational restructuring programmes	(251)	(379)
Assets write-offs	(24)	-
Others	-	(250)
	(275)	**(629)**

9 Fixed assets and investment properties

	Tangible assets	Investment properties	Intangible assets	Total
Net value at 31 December 2013	**2,782,821**	**47,471**	**805,849**	**3,636,141**
Foreign exchange differences	(7,041)	-	(1,902)	(8,943)
Increases	103,758	-	5,464	109,222
Disposals and write-offs	(707)	(2,847)	(35)	(3,589)
Transfers	156	29	(156)	29
Depreciation and impairment losses	(63,296)	-	(3,539)	(66,835)
Transfers to/from investment properties	(29)	-	-	(29)
Fair value changes	-	(15)	-	(15)
Net value at 31 March 2014	**2,815,662**	**44,638**	**805,681**	**3,665,981**

As a consequence of currency translation adjustment of the assets in the Group's businesses reported in foreign currency, the net amount of tangible and intangible assets was reduced by EUR 8,943 thousand, of which the amount of EUR 1,341 thousand is related to Goodwill.

No valuations were made on the land allocated to operational activities, which are recognised at their market value.

The difference to total of amortisations stated in note 5, relates mainly to the production activities that were attributable to the cost of the goods sold.

10 Derivative financial instruments

	March 2014					December 2013				
	Notional	Assets		Liabilities		Notional	Assets		Liabilities	
		Current	Non-current	Current	Non-current		Current	Non-current	Current	Non-current
Derivatives held for trading										
Interest rate swap	10 million EUR	-	-	66	-	10 million EUR	-	-	66	-
Currency forwards (PLN)	7 million PLN	-	-	6	-					
Fair value hedging derivatives										
USD loan hedging	96 million USD	-	-	9,219	-	96 million USD	-	-	9,104	-
Cash flow hedging derivatives										
Interest rate swap (EUR)	438 million EUR	-	-	1,948	2,253	438 million EUR	-	-	2,385	1,933
Interest rate swap (PLN)	500 million PLN	-	-	-	1,152	500 million PLN	-	-	-	1,020
Investments in foreign entities hedging derivatives										
Interest rate swap (PLN)	1,200 million PLN	1	-	4,671	-	960 million PLN	-	-	4,044	-
Total derivatives held for trading		-	-	72	-		-	-	**66**	**-**
Total hedging derivatives		1	-	15,838	3,405		-	-	**15,533**	**2,953**
Total assets/liabilities derivatives		**1**	**-**	**15,910**	**3,405**		-	-	**15,599**	**2,953**

In March 2014 the values shown include interest receivable or payable related with these financial instruments that are due. The net payable amount is EUR 1,778 thousand.

11 Investments in joint ventures and associates

During the 1st Quarter of 2014, the movement under this heading was as follows:

	Joint ventures		Associates		Total	
	March 2014	**December 2013**	**March 2014**	**December 2013**	**March 2014**	**December 2013**
Opening balance	**80,536**	**76,351**	**895**	**1,006**	**81,431**	**77,357**
Equity method:						
Net result	3,029	18,477	(14)	361	3,015	18,838
Dividends and other income received	-	(13,209)	-	(472)	-	(13,681)
Other comprehensive income	-	(1,083)	-	-	-	(1,083)
Closing balance	**83,565**	**80,536**	**881**	**895**	**84,446**	**81,431**

12 Available-for-sale financial assets

Regarding the financial assets available-for-sale, the increase of EUR 124 thousand relates to changes in the fair value of listed equity holdings, at the reporting date of these financial statements.

13 Cash and cash equivalents

	March 2014	December 2013
Bank deposits	153,560	188,489
Short-term investments	213,857	179,376
Cash and cash equivalents	3,681	3,806
	371,098	**371,671**

14 Capital and reserves

14.1 Fair value and other reserves

	Land revaluation reserves	Cash-flow hedging	Available-for-sale financial assets	Ajust. in joint ventures and associates	Currency translation reserve	Total
Balance as at 1 January 2014	**76,230**	**(2,453)**	**(1,251)**	**2,897**	**(48,111)**	**27,312**
Fair value adjustment of financial investments:						
- Gross value		1,060			(627)	433
- Deferred tax		(256)			-	(256)
- Non-controlling interests		(285)				(285)
Fair value adjustment of available-for-sale financial instruments:						
- Gross value			1,374			1,374
Currency translation differences:						
- In the year	(125)	4			(3,181)	(3,302)
- Deferred tax	24	(1)			88	111
Balance as at 31 March 2014	**76,129**	**(1,931)**	**123**	**2,897**	**(51,831)**	**25,387**

	Land revaluation reserves	Cash-flow hedging	Available-for-sale financial assets	Ajust. In joint ventures and associates	Currency translation reserve	Total
Balance as at 1 January 2013	**85,197**	**(4,097)**	**(1,437)**	**4,248**	**(31,786)**	**52,125**
Fair value adjustment of financial investments:						
- Gross value		583			2,498	3,081
- Deferred tax		(150)				(150)
- Non-controlling interests		449				449
Fair value adjustment of available-for-sale financial instruments:						
- Gross value			41			41
Currency translation differences:						
- In the year	(765)	8			(21,114)	(21,871)
- Deferred tax	145	(2)			235	378
Balance as at 31 March 2013	**84,577**	**(3,209)**	**(1,396)**	**4,248**	**(50,167)**	**34,053**

14.2 Retained earnings

	2014	2013
Balance at 1 January	**709,661**	**513,721**
Net profit	62,373	75,254
Gains/losses on available-for-sale- financial investments	(1,250)	-
Remeasurements of post-employment benefit obligations	-	-
Balance at 31 March	**770,784**	**588,975**

14.3 Dividends

Dividends in the amount of EUR 1,308 thousand were distributed and paid to non-controlling interests in the Group companies.

15 Basic and diluted earnings per share

	March 2014	March 2013
Ordinary shares issued at the beginning of the year	629,293,220	629,293,220
Own shares at the beginning of the year	(859,000)	(859,000)
Shares issued during the year	-	-
Weighted average number of ordinary shares	**628,434,220**	**628,434,220**
Diluted net result attributable to ordinary shares	62,373	75,254
Basic and diluted earnings per share – Euros	**0.0993**	**0.1197**

16 Borrowings

In March, Jerónimo Martins Colombia negotiated an increase of the credit line, with Citi Bank Colombia, to the amount of COP 100.000.000 thousand. The interest rate is floating and indexed to the IBR.

16.1 Current and non-current loans

	March 2014	December 2013
Non-current loans		
Bank loans	225,860	142,910
Bond loans	225,000	225,000
Financial lease liabilities	747	1,163
	451,607	**369,073**
Current loans		
Bank overdrafts	108,118	74,021
Bank loans	28,824	22,243
Bond loans	222,936	223,852
Financial lease liabilities	3,044	4,600
	362,922	**324,716**

16.2 Financial debt

The net consolidated financial debt at the balance sheet date is as follows:

	March 2014	December 2013
Non-current loans (note 16.1)	451,607	369,073
Current loans (note 16.1)	362,922	324,716
Derivative financial instruments (note 10)	19,314	18,552
Interest on accruals and deferrals	4,887	1,367
Bank deposits (note 13)	(153,560)	(188,489)
Short-term investments (note 13)	(213,857)	(179,376)
	471,313	**345,843**

17 Provisions and employee benefits responsibilities

	Risks and contingencies	Employee benefits
Balance at 1 January	**77,949**	**37,464**
Set up, reinforced and transfers	488	775
Unused and reversed	1,482	-
Foreign exchange difference	(5)	-
Used	(48)	(647)
Balance at 31 March	**79,866**	**37,592**

18 Contingencies

Following the contingencies mentioned in the 2013 Annual Report, changes occurred on the headings **a)**, **b)**, **g)** and **p)**:

a) Proherre Internacional, Lda. claimed an indemnity payment of EUR 2,500 thousand from Pingo Doce – Distribuição de Produtos Alimentares, S.A. (Pingo Doce), alleging the termination of a lease agreement by Pingo Doce, without the minimum period agreed between the parties having elapsed. Pingo Doce contested this claim based on the fact that the lease was terminated through mutual agreement. The court has decided that Pingo Doce should indemnify the plaintiff in an amount slightly below the claimed amount (EUR 2,300 thousand), from which should be deducted the amounts received in the meantime by Proherre from the new tenants. The amount due has to be determined in new judicial proceedings. Each litigant has filed its appeal to the Lisbon Court of Appeal. Meanwhile, Pingo Doce offered a voluntary mortgage over an immovable property belonging to Imoretalho in order to assure that it will pay the amount due at the end of the process, which Proherre has opposed. The court accepted such opposition and rejected the said mortgage. Pingo Doce filed an appeal regarding the decision of the Court not to accept the mortgage and offered a bank guarantee of the same amount. Lisbon Court of Appeal accepted Pingo Doce position regarding the guarantee matter and determined that the bank guarantee may be replaced by the mortgage, should Pingo Doce so decide. The same Court of Appeal also accepted Pingo Doce position regarding the excessiveness of the penalty clause and lowered the amount of compensation to EUR 1,100 thousand. The parties await the decision to became final;

b) Rui Ribeiro Construções, S.A., filed indemnity proceedings with the Tribunal Arbitral da Associação Comercial de Lisboa (Arbitration Court of the Lisbon Commercial Association), with a view to condemning Pingo Doce to pay approximately EUR 800 thousand for breaking a contracted work services agreement. The trial has now taken place and the Arbitration Court partially condemned Pingo Doce for the claim (EUR 220 thousand). The Group has appealed to the Court of Appeal, the complainant having done the same for the part of the sentence that was not in its favour. Lisbon Court of Appeal, accepting one of the arguments of Pingo Doce, revoked the decision of the Arbitration Court on the ground that the decision was substantiated in facts that were not carried into the process and that were not to be dealt by the Court. Rui Ribeiro did not appeal to the Supreme Court. Accordingly the decision is now final;

g) The Portuguese Tax Authorities assessed, regarding 2002, 2003 and 2004, Feira Nova and Pingo Doce the amounts of EUR 2,966 thousand and EUR 2,324 thousand, respectively. These additional assessments are related to the amount booked by these companies as shrinkage (loss of inventory through crime or wastage), which was not accepted as a tax deductible cost for CIT purposes and also the associated VAT, since there was no evidence that the goods were not sold. Meanwhile, Feira Nova was notified by the Lisbon Tax Court that the judicial claims filed against the 2002 and 2004 assessments, regarding VAT amounting to approximately, EUR 1,805 thousand, were ruled in favor of the company. As the tax authorities have not appealed, the Court decision is final. The remaining judicial claims are still under discussion in Court. The Board of Directors believe that their outcome should be the same;

p) At the end of 2012, DST, SGPS, S.A. initiated judicial proceedings against Pingo Doce, claiming that Pingo Doce breached a promissory share purchase agreement, dated 2000, regarding a company that owns real estate in Barcelos. The plaintiff (promissory seller) claims to be entitled to keep part of the purchase price paid by the defendant (promissory buyer) in the amount of EUR 5,000 thousand, as indemnity. Pingo Doce presented a counterclaim, alleging that the contract was no longer in force and asking for the reimbursement of the amount paid, plus interest accrued in a total amount of EUR 6,062 thousand. The trial took place before the end of 2013. Meanwhile the Court has decided in favor of Pingo Doce and determined DST to pay EUR 5,000 thousand plus interest as of 2011 (up to now c.EUR 1,200 thousand).

19 Related parties

56.14% of the Group is owned by the Sociedade Francisco Manuel dos Santos and no transactions occurred between this Company and any company of the Group in the 1st Quarter of 2014, neither were there any amounts payable or receivable between them on March 31st, 2014.

Balances and transactions of Group companies with related parties are as follows:

	Sales and services rendered		Stocks purchased and services supplied	
	March 2014	**March 2013**	**March 2014**	**March 2013**
Joint ventures	156	25	21,068	18,778
Associates	-	-	9	11
Other related parties (*)	22	-	65	-

	Trade debtors, accrued income and deferred costs		Trade creditors, accrued costs and deferred income	
	March 2014	**December 2013**	**March 2014**	**December 2013**
Joint ventures	498	477	17,858	7,253
Associates	-	-	9	10
Other related parties (*)	11	6	26	-

(*) Entities controlled by the major Shareholder of Jerónimo Martins and entities owned or controlled by members of the Board of Directors.

All the transactions with these related parties were made under normal market conditions, i.e. the transaction value corresponds to prices that would be applicable between non-related parties.

Outstanding balances between Group companies and related parties, being a result of a trade agreement, are settled in cash, and are subject to the same payment terms as those applicable to other agreements celebrated between Group companies and their suppliers.

The amounts receivable are not covered by insurance and no guarantees are given or received, as the Group holds a relevant influence over these companies.

There are no provisions for doubtful debts and no costs were recognised during the year related with bad debts or doubtful debts with these related parties.

20 Events after the balance sheet date

On April 10th 2014, the distribution of dividends in the amount of EUR 191,672 thousand was approved in the Shareholders Meeting and, will be distributed to shareholders on May 8th 2014.

Lisbon, 29th April, 2014

The Certified Accountant **The Board of Directors**