Jerónimo Martins SGPS, S.A.

First Quarter 2016 Results

Strong operational performance across all banners drove Group sales to grow by 5.9% to 3.4 billion euro, an increase of 9.3% excluding currency impact. This evolution clearly reflects the solid LFL sales on top of a positive calendar effect.

- **Biedronka sales increased by 9.3% (in local currency) and LFL sales grew 7.6%**
- **Pingo Doce sales (excluding fuel) grew 6.3% with LFL at 2.1%**
- **Recheio sales increased by 4.3% following the strong LFL performance of 3.8%**
- **Group EBITDA reached 183.4 million euro, +10.7% than previous year**
- **Net Profit to JM increased 19.3% to 77.3 million euro**

Lisbon, 28 April 2016

Message from the Chairman and CEO
Pedro Soares dos Santos

'The first quarter results reflect a strong start to the year and confirm the LFL momentum in both Poland and Portugal.

Biedronka continued to be strongly committed to its new sales growth path. The renewed focus on efficiency has been allowing the Company to increase sales and profitability while reinforcing competitive positioning.

In Portugal, despite a competitive environment that was even tougher than last year, Pingo Doce and Recheio delivered solid growth.

In Colombia, where we opened 8 stores in the quarter, the two regions continue to perform well which validates our plans to open the third region in the second half of the year.

Our performance in the first three months reinforces my confidence in the strength and effectiveness of our value propositions and on the ability for our businesses to continue outperforming their respective markets.'

(Million Euro)	Q1 16	Q1 15	Δ% (Euro)	Δ% (w/o F/X)
Consolidated Sales	3,375.7	3,187.2	+5.9	+9.3
EBITDA	183.4	165.7	+10.7	+12.8
EBITDA Mg (%)	5.4	5.2		
Net Profit JM	77.3	64.8	+19.3	+18.9
w/o non-recurrent	77.7	64.9	+19.8	+19.4
EPS (€)	0.12	0.10	+19.3	
Net Debt	211.5	331.8		
Gearing (%)	12.7	19.1		

FINANCIAL CALENDAR

Dividend Payment: 12 May 2016
H1 2016 Results: 27 July 2016
9M 2016 Results: 24 November 2016

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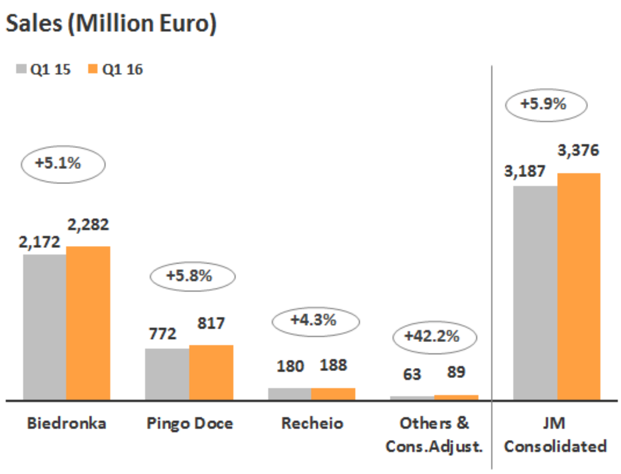
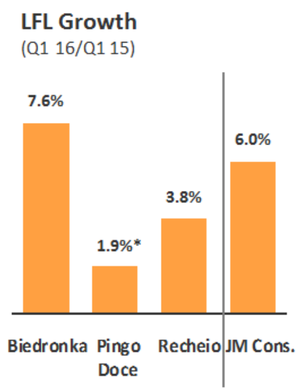
Key Performance Figures

NET CONSOLIDATED PROFIT

(Million Euro)	Q1 16		Q1 15		Δ
Net Sales and Services	**3,376**		**3,187**		**5.9%**
Total Margin	711	21.1%	676	21.2%	5.1%
Operating Costs	-527	-15.6%	-511	-16.0%	3.3%
EBITDA	**183**	**5.4%**	**166**	**5.2%**	**10.7%**
Depreciation	-73	-2.2%	-73	-2.3%	0.8%
EBIT	**110**	**3.3%**	**93**	**2.9%**	**18.5%**
Financial Results	-4	-0.1%	-5	-0.2%	-20.9%
Profit in Associated Companies	3	0.1%	3	0.1%	-18.6%
Non-Recurrent Items	-1	0.0%	0	0.0%	n.a.
EBT	**108**	**3.2%**	**91**	**2.9%**	**18.3%**
Taxes	-25	-0.7%	-22	-0.7%	13.3%
Net Profit	**83**	**2.5%**	**69**	**2.2%**	**19.9%**
Non Controlling Interests	-6	-0.2%	-4	-0.1%	27.9%
Net Profit attributable to JM	**77**	**2.3%**	**65**	**2.0%**	**19.3%**
EPS (€)	0.12		0.10		19.3%

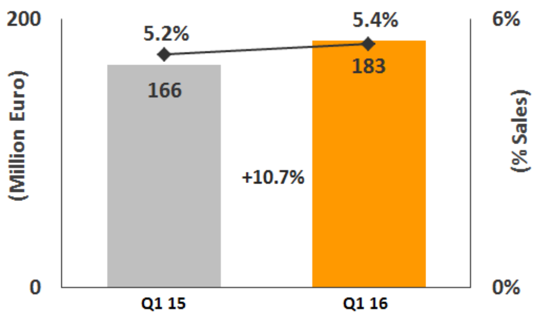
SALES EVOLUTION





* Ex-Fuel LFL: 2.1%

EBITDA EVOLUTION



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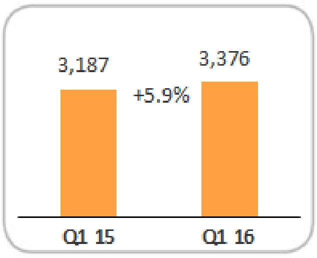
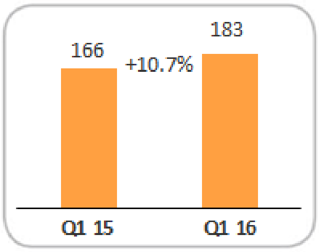
Sales & Profit Analysis

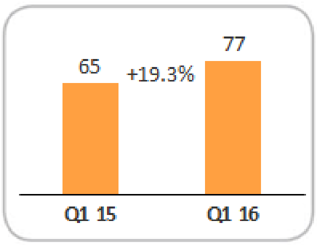
SALES



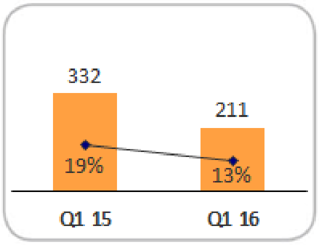
EBITDA



NET PROFIT



DEBT & GEARING



Consolidated sales reached €3,376m, growing 5.9% versus the same quarter last year (+9.3% excluding negative currency impact).

All companies contributed to the solid performance of the Group maintaining a good sales momentum mainly driven by volume increase. The growth registered also reflected the positive calendar impact (leap year and Easter in Q1 16).

In both Poland and Portugal, food retail sales continued to be promotionally driven, whilst food inflation in the market, despite positive trend, remained very low at +0.4% in Poland and negative in Portugal at -0.4%.

Biedronka maintained its promotional intensity along with the improved offer. The Company sales, in local currency, grew by 9.3% year on year, with LFL maintaining the momentum created in 2015 and reaching a sound 7.6% increase in the quarter. Calendar and a good Easter season for the Company also supported this performance.

Impacted by the zloty devaluation, sales in euros grew 5.1% to reach €2,282m.

Biedronka opened 26 stores in the first three months of the year, corresponding to 16 net additions.

Facing a tougher comparison after a remarkable performance in 2015, **Pingo Doce** maintained good volume growth that more than compensated the basket deflation, and drove LFL sales (excl. fuel) to reach 2.1% growth in the quarter. Sales grew 5.8% (+6.3% excluding fuel) to €817m.

Promotions and improved shopping experience will continue to be the focus of Pingo Doce in 2016.

Recheio kept its attractive commercial actions and fully benefited from its strong competitive positioning during Easter season. In an improving HoReCa environment, it delivered a LFL sales growth of 3.8% in the quarter.

Ara generated sales of €48m in the period. The Company opened 8 stores and is building its third distribution centre in Colombia which is planned to open towards the end of this year.

Group EBITDA grew 10.7% (+12.8% excluding the negative currency impact), reaching €183m. The respective margin was at 5.4% (5.2% in Q1 15). This improvement was the combined result of good sales performance, strict cost management and Easter falling in Q1 16.

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Biedronka's EBITDA grew 10.4% (+14.9% in local currency) to €151m. The respective margin was of 6.6% (6.3% in Q1 15). This strong delivery was driven by good sales performance and operating efficiency.

In Portugal, the Distribution businesses delivered EBITDA of €50m, +6.9% versus previous year. EBITDA margin was 5.0% (from the 4.9% in Q1 15).

The depreciation of the Polish Zloty and Colombian Peso reduced the Euro value of the EBITDA losses in Ara and Hebe which reached €13m in the quarter.

Financial charges for the Group were of €4.0m, €1.1m below the same quarter last year, due to both a lower cost of debt and a lower level of average debt.

Net Profit attributable to Jerónimo Martins amounted to €77.3m, 19.3% higher than in the same quarter of prior year.

The Group Capex was €83.4m in the quarter, with Biedronka absorbing 50% of the total.

The Free Cash Flow in the period was €-17m, broadly in line with the same period in 2015.

Net Debt was at €211m and Gearing stood at 12.7%.

Outlook for 2016

In line with what we had anticipated, we continue to see a very competitive operating environment and low food inflation in both Poland and Portugal.

Benefiting from the momentum created by a good first quarter, we will continue to focus on top line performance in order to maximise profitability and cash generation.

In Poland, Biedronka will keep committed to being the first choice of food store for the Polish consumers. That goal will require a mind-set ever more focused on anticipating trends and growth opportunities without hampering the efficiency that is the base of our business model.

In Colombia, Ara will move forward with its expansion plan, now focused on validating the model in the recently opened region while preparing the entrance into the next one.

Losses in Ara and Hebe, at the EBITDA level, are expected to be below 2015 level (€55.5 million), excluding F/X.

Despite some socio-economic and political uncertainty, we are confident that our businesses will deliver their targets, focusing on top line growth. As such, in 2016, the Group expects to invest €550-650 million, with Biedronka absorbing c.45% of this value.

Taxation of Suspended Internal Results/Book Gains

The 2016 Portuguese State Budget law includes a transitory rule that could have a material impact for our Group and, in particular, for the JMR and Recheio subsidiaries.

According to this law 1/4 (one quarter) of all the book gains derived from internal transactions (i.e. transactions between affiliated companies within the same fiscal group) - that under the previous legal framework were not taxable unless (i) a transaction with third parties took place or (ii) the tax group was dissolved – are to be added to the 2016 collectable income and subject to Corporate Income Tax, with an advanced payment to take place next July.

In the late nineties JMR and Recheio and its respective subsidiaries went through a significant restructuring process following several acquisitions and the decision to reorganise the Group's assets. The transactions between the several companies within the JMR and Recheio Groups were made according to the existing legal framework and in line with best practices (arm’s length at market value) having generated suspended internal book gains.

Considering that the transactions were all internal, these book gains are obviously eliminated in the consolidation process while still being reflected in the individual accounts.

Based on the initial assessment of our legal and fiscal advisors, we firmly believe that there is sufficient ground to oppose the said rule. Therefore, we are not incorporating the considered amount that results from the application of this 2016 transitory rule - c. 50 million euros in taxes – in Jerónimo Martins’ first quarter results.

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)	Q1 16	Q1 15
Net Sales and Services	**3,376**	**3,187**
Cost of Sales	-2,665	-2,511
Total Margin	**711**	**676**
Distribution Costs	-545	-528
Administrative Costs	-55	-55
Exceptional Operating Profit/Loss	-1	0
Operating Profit	**109**	**93**
Net Financial Costs	-4	-5
Profit in Associated Companies	3	3
Profit Before Taxes	**108**	**91**
Income Taxes	-25	-22
Profit Before Non Controlling Interests	**83**	**69**
Non Controlling Interests	-6	-4
Net Profit attributable to JM	**77**	**65**

Note: 'Non Recurrent Items' in the 'Net Consolidated Profit' table in page 2 of this report include the values in 'Exceptional Operating Profit/Loss' and in 'Gains/Losses in other investments' shown in the table above.

SALES BREAKDOWN

(Million Euro)	Q1 16		Q1 15		Δ %	
		% total		% total	Pln	Euro
Biedronka	2,282	67.6%	2,172	68.1%	9.3%	5.1%
Pingo Doce	817	24.2%	772	24.2%		5.8%
Recheio	188	5.6%	180	5.7%		4.3%
Ara	48	1.4%	26	0.8%		81.9%
Hebe	27	0.8%	23	0.7%		15.6%
Mkt. Repr. and Rest. Serv.	19	0.6%	18	0.6%		6.8%
Others & Cons. Adjustments	-4	-0.1%	-5	-0.1%		n.a.
Total JM	**3,376**	**100%**	**3,187**	**100%**		**5.9%**

SALES GROWTH

	Total Sales Growth Q1 16	LFL Sales Growth Q1 16
Biedronka		
Euro	5.1%	
PLN	9.3%	7.6%
Pingo Doce	5.8%	1.9%
Ex-Fuel	*6.3%*	*2.1%*
Recheio	4.3%	3.8%

Q1 2016
Results

STORE NETWORK

Number of Stores	2015	Openings Q1 16	Closings Q1 16	Q1 16	Q1 15
Biedronka	2,667	26	10	2,683	2,639
Pingo Doce	399	3	0	402	382
Recheio	41	0	0	41	41
Ara	142	8	0	150	37
Hebe	134	1	0	135	108

Sales Area (sqm)	2015	Openings	Closings/ Remodellings	Network	
		Q1 16	Q1 16	Q1 16	Q1 15
Biedronka	1,721,897 *	19,329	3,916	1,737,309	1,688,005
Pingo Doce	479,113	3,500	-51	482,664	462,115
Recheio	128,141	0	0	128,141	128,665
Ara	43,891	2,732	0	46,623	28,244
Hebe	30,955	225	0	31,180	27,056

* Restated figure from 1,717,944 published in 2015 FY.

EBITDA MARGIN BREAKDOWN

(% of sales)	Q1 16	% total	Q1 15	% total
Biedronka	6.6%	83%	6.3%	83%
Distribution Portugal	5.0%	27%	4.9%	28%
Others & Cons. Adjustments	n.a.	-10%	n.a.	-11%
JM Consolidated	**5.4%**	**100%**	**5.2%**	**100%**

BALANCE SHEET

(Million Euro)	Q1 16	2015	Q1 15
Net Goodwill	641	640	654
Net Fixed Assets	3,072	3,060	3,042
Total Working Capital	-1,926	-2,001	-1,745
Others	96	82	117
Invested Capital	**1,883**	**1,780**	**2,067**
Total Borrowings	536	658	821
Leasings	0	0	1
Accrued Interest	2	0	17
Marketable Sec. & Bank Deposits	-326	-471	-506
Net Debt	**211**	**187**	**332**
Non Controlling Interests	255	252	245
Share Capital	629	629	629
Reserves and Retained Earnings	787	712	861
Shareholders Funds	**1,671**	**1,593**	**1,735**
Gearing	*12.7%*	*11.7%*	*19.1%*

CASH FLOW

(Million Euro)	Q1 16	Q1 15
EBITDA	183	166
Interest Payment	-3	-4
Other Financial Items	0	0
Income Tax	-38	-26
Funds From Operations	**142**	**135**
Capex Payment	-93	-94
Working Capital Movement	-67	-75
Others	0	0
Free Cash Flow	**-17**	**-34**

FINANCIAL COSTS BREAKDOWN

(Million Euro)	Q1 16	Q1 15
Net Interest	-3	-6
Exchange Differences	0	2
Others	-1	-1
Financial Results	**-4**	**-5**

CAPEX

(Million Euro)	Q1 16	Q1 15
Biedronka	42	56
Distribution Portugal	34	21
Others	7	12
Total CAPEX	**83**	**89**

NOTES

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