

## 5. Outlook for the Jerónimo Martins Businesses

### Biedronka

For 2018, Biedronka is maintaining sales growth, essentially focused on the LFL, and the reinforcement of its market share as strategic priorities. The Company is aware of the challenges ahead and is prepared to the market changes following the new regulation on the Sunday trade ban.

The price positioning and perception will continue to be essential parts of the banner's strategy, as well as the permanent focus on the needs and aspirations of the consumer, by continuously adjusting the offer.

This strategic vision implies the permanent investment in the quality of the value proposition, where the pricing policy, the refurbishing plan and the teams are of key importance.

The efficiency of the operation, a fundamental competitive advantage, is also one of the Company's permanent focal points which, for the year, will be centred in developing automation solutions which will make it possible not only to increase efficiency but also the speed of some operational processes.

### Hebe

In 2018, Hebe will leverage on its value proposition, through a differentiating and unique assortment and by maintaining competitive pricing. Meanwhile, store expansion will accelerate, focusing on locations with greater consumer traffic, in order to gain scale but also to increase Hebe's penetration in the market.

### Pingo Doce

The Company's priority for 2018 will be to continue to focus on the defined strategic pillars - price, Perishables, Private Brand and the quality of the shopping experience – that should enable us to achieve an increase in market share.

Within the framework of this vision, the investment in the stores, the assortment and the teams will play a key role in executing the strategy for the year, always geared towards identifying the best opportunities for serving the consumer.

### Recheio

In 2018, the Company intends to remodel some locations, in order to improve the shopping experience and customer service and to develop the Perishables category, an area where it has strong expertise.

Focus will also be on the expansion of the partnership with Traditional Retail and the continued development of the Amanhecer chain.

Recheio will continue to develop its information systems to simplify processes and further strengthen relations with its customers.

## Ara

In 2018, Ara aims to continue focus in its store expansion, mainly in the Bogota region, while consolidating the locations in the other regions where it is already present - the Coffee Growing region and the Caribbean Coast.

The communication strategy will be centred on strengthening our positioning and price leadership.

After five years in operation, analysing and seeking to understand the consumer and the specific regional aspects of the competitive market, we have drawn up a new, more flexible and dynamic organizational structure that has been fully operational since 1 January 2018, which gives greater autonomy to the regions to better meet the local needs of the consumer. We believe this new organisational design to be crucial for us to succeed in a market where price and emotion go hand in hand.

## Jeronymo & Hussel

In 2018, both banners will continue to be focused on the operation and commercial dynamics as means of reinforcing their liaison with consumers.

Jeronymo will continue to be focused on identifying potential new locations and on opening new stores, investing in the renewed image, while Hussel will remain focused on refurbishing some of its stores, adapting them to the new concept, and in developing the new image of its website.

## Agribusiness

In 2018, it is expected that JMA will achieve expansion in all its areas of activity: i. start of production in the new dairy factory, reinforcing efficiency, innovation and capacity in this area; ii. increase domestic Angus beef production and fattening through two new farms acquired in 2017; and iii. expansion of the Aquaculture business to other regions and start of gilt-bream fishing on the island of Madeira.