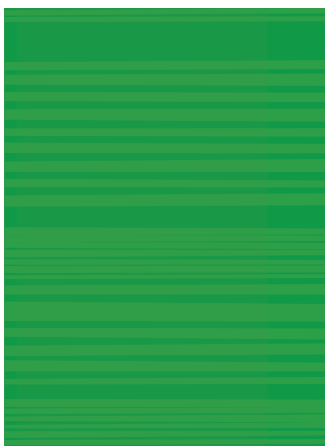


1. PROFILE AND STRUCTURE

This Annual Report of the Jerónimo Martins Group covers the period from January 1st to December 31st, 2017, and includes the areas of Distribution and Agribusiness in Portugal and the area of Distribution in Poland and Colombia, describing the results of the entities directly held by the Group.



Portugal



Poland



Colombia

1.1. Identity and Responsibilities

Asset Portfolio

Jerónimo Martins is a Group that has assets in the Food area, mostly in Distribution, with market leadership positions in Poland and Portugal. In 2017, it achieved sales of 16.3 billion euros (68% in Poland) and an EBITDA of 922 million euros (87% in Poland). The Group has a total of 104,203 employees and ended the year with a market capitalisation of 10.2 billion euros on the Euronext Lisbon.

We are present in all three countries, serving daily more than four million consumers.



In Poland, **Biedronka**, a chain of food stores with a positioning that combines the quality of its assortment, store environment and proximity locations with the most competitive prices in the market, is the Food Retail sales leader, operating 2,823 stores spread across the entire country. At the end of 2017, the Company reached 11.1 billion euros of sales, recording around 1.4 billion customer tickets.



Also in Poland, since May 2011, the Group has a chain in the drugstore sector, under the **Hebe** banner, which has 182 stores. This business concept is based on the offer of a Health and Beauty assortment with high quality advice, at very competitive prices.



In Colombia, **Ara** currently operates in three regions of the country: the Coffee Growing Region, the Caribbean Coast and Bogota. It is a chain of proximity food stores, mostly set up in residential neighbourhoods, with a positioning of quality at the best price, combining competitiveness with promotional opportunities in key categories for the Colombian consumer. At the end of the year, Ara was operating in 389 locations.



In Portugal, the Jerónimo Martins Group holds a leading position in Food Distribution, having reached a combined turnover of 4.6 billion euros in 2017. It operates with the banners **Pingo Doce** (422 supermarkets, including four Pingo Doce & Go) and **Recheio** (39 Cash & Carry and four platforms, three of them related to Food Service), which are leaders in the Supermarket and Cash & Carry segments, respectively.



Also in Portugal, through Pingo Doce, Jerónimo Martins has invested in developing projects that are complementary to the Food Retail business, namely **Refeições no Sítio do Costume** Restaurants, **Bem-Estar** Stores, Petrol Stations, as well as Clothing (for adults and children) and Shoes and Accessories, through the **New Code** and **Spot** banners, respectively. These last two are developed within the scope of partnerships with specialised operators.

The main objective of **Jerónimo Martins Agro-Alimentar (JMA)** is to safeguard the Group's Companies ability to have a supply of some strategic products. It currently operates in the areas of Dairy Products, Livestock (angus beef) and Aquaculture (sea bass and sea bream).



Jerónimo Martins Restauração e Serviços is engaged in developing projects in the Restaurants sector and, at the end of 2017, was operating the Jeronymo chain of kiosks and coffee shops with 21 points of sales.

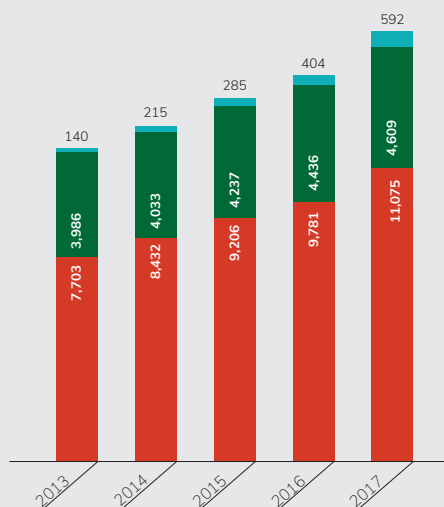


Husel, a Specialised Retail chain selling chocolates and confectionery, had 24 stores at the end of 2017.

1.2. Operating and Financial Indicators

Sales & Services

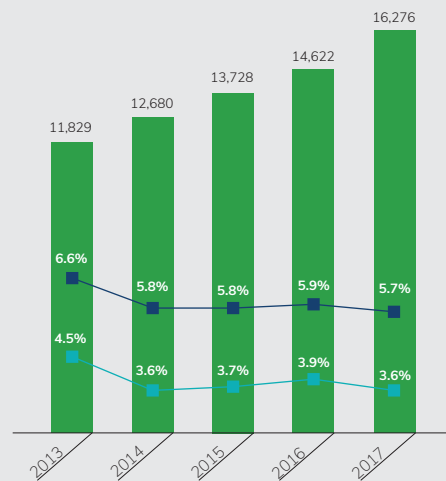
€' 000,000



■ Biedronka
■ Distribution Portugal
■ Others

Sales, EBITDA Margin & EBIT Margin

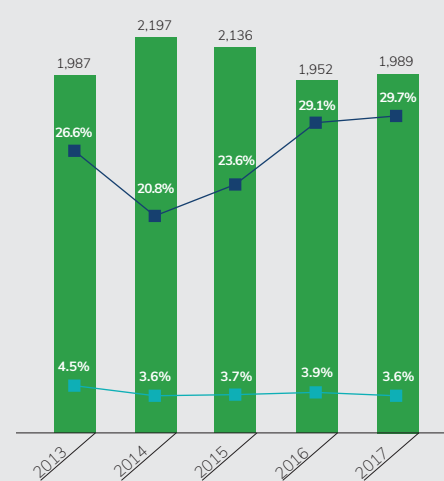
€' 000,000



■ Sales end Services
■ Mg EBITDA
■ Mg EBIT

Pre-Tax ROIC

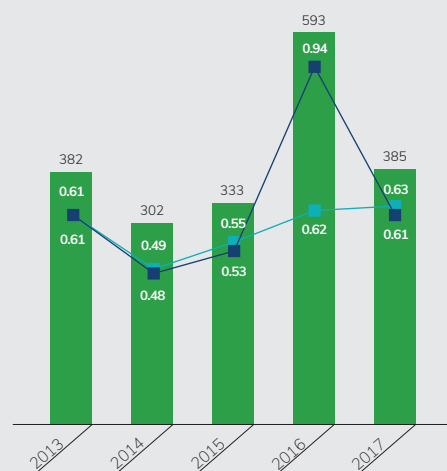
€' 000,000



■ Average OIC
■ Pre-Tax ROIC
■ EBIT Margin

Net Results and Net Results per Share

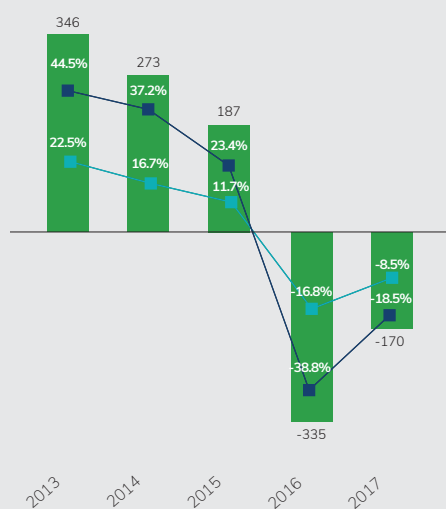
€' 000,000



■ Net Results attr. to JM
■ Net Results per Share
■ Net Results per Share without other profits/losses

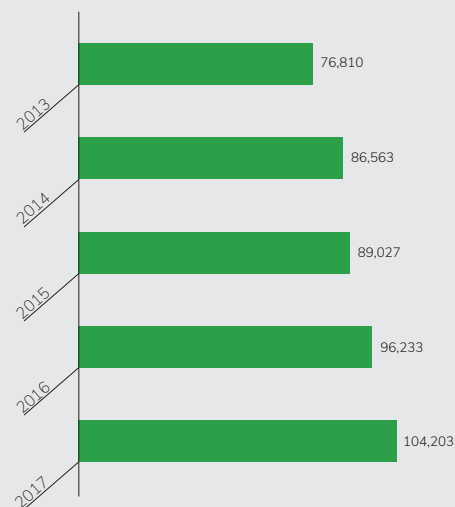
Net Debt

€' 000,000

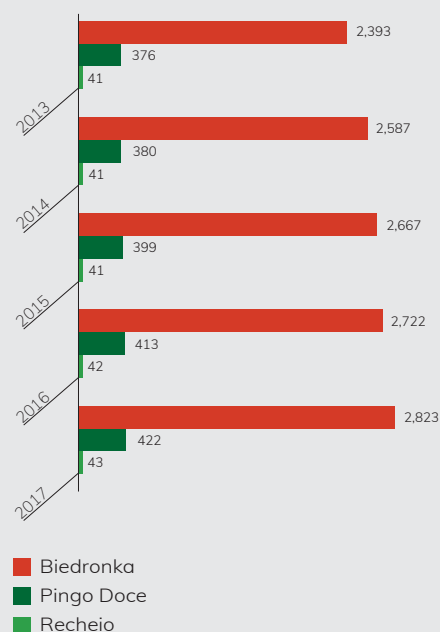


■ Net Debt
■ Net Debt/EBITDA
■ Gearing

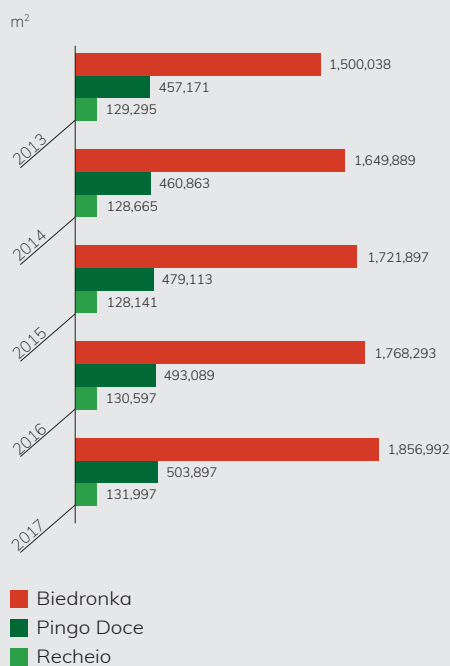
Employees



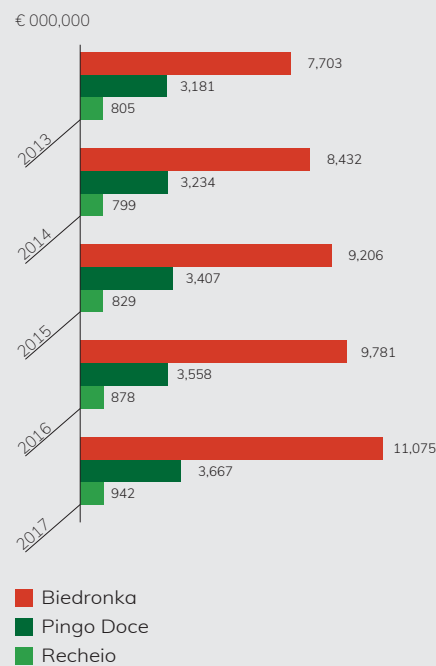
Number of Stores



Sales Area

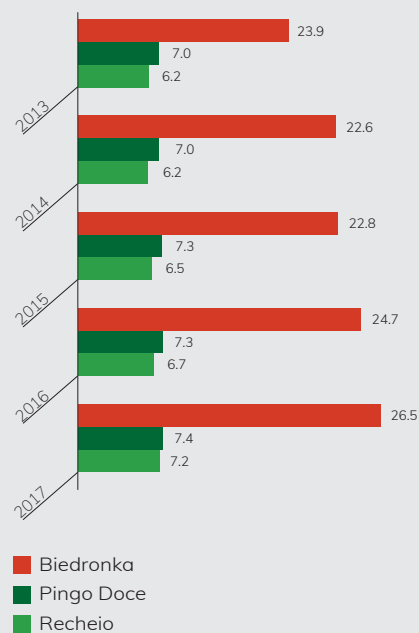


Sales

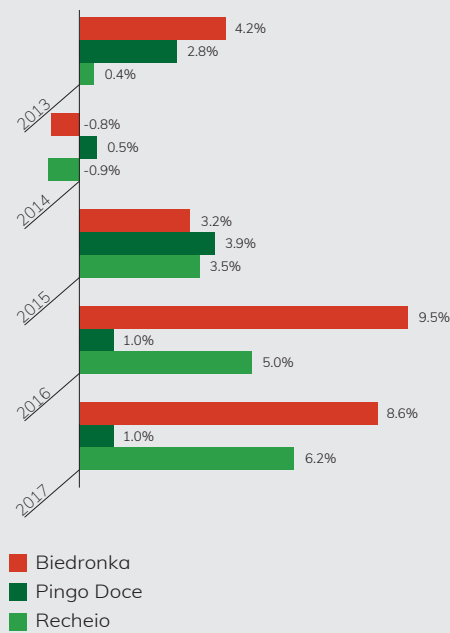


Sales/sqm

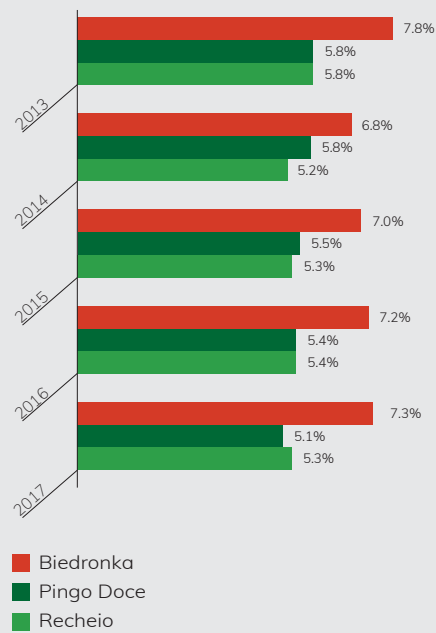
Local currency ('000)



LFL Sales Growth



EBITDA Margin



1.3. Statutory Bodies and Structure

1.3.1. Statutory Bodies

Election date: 14 April 2016

Composition of the Board of Directors
elected for the 2016-2018 term



Pedro Soares dos Santos
**Chairman of the Board of Directors
and Chief Executive Officer**

Born on 7 March 1960

- Chairman of the Board of Directors since December 2013
- Chief Executive Officer of the Group since April 2010
- Member of the Board of Directors since March 1995



Andrzej Szlezak

Born on 7 July 1954

- Member of the Board of Directors since April 2013



António Viana-Baptista

Born on 19 December 1957

- Member of the Board of Directors since April 2010



A. Stefan Kirsten

Born on 22 February 1961

- Member of the Board of Directors since April 2015



Clara Christina Streit

Born on 18 December 1968

- Member of the Board of Directors since April 2015
- Member of the Audit Committee since April 2016



Francisco Seixas da Costa

Born on 28 January 1948

- Member of the Board of Directors since April 2013



Hans Eggerstedt

Born on 12 March 1938

- Member of the Board of Directors since June 2001
- Member of the Audit Committee since March 2007

Statutory Auditor and External Auditor:

Ernst & Young Audit & Associados, SROC, S.A.*
Av. República 90, 6.º, 1600 – 206 Lisboa, Portugal

Represented by:

João Carlos Miguel Alves
(R.O.C. n.º 896).

Substitute:

Rui Abel Serra Martins
(R.O.C. n.º 1119).



Henrique Soares dos Santos

Born on 7 November 1968

- Member of the Board of Directors since April 2015



Sérgio Tavares Rebelo

Born on 29 October 1959

- Member of the Board of Directors since April 2013
- Chairman of the Audit Committee since April 2016

Company Secretary:

Ana Luísa Abreu Coelho Virgínia

Substitute:

Carlos Miguel Martins Ferreira

Board of the Shareholders' Meeting

Chairman:

Abel Bernardino Teixeira Mesquita

Secretary:

Nuno de Deus Pinheiro

* Appointed on 6 April 2017.

WHERE WE ARE

POLAND

PORTUGAL

COLOMBIA

1.3.2. Business Structure

Food Distribution

POLAND



100%

Neighbourhood stores

PORTUGAL



51%

Supermarket



100%

Cash & Carry

COLOMBIA



100%

Neighbourhood stores

**Jerónimo
Martins
Agro-Alimentar**
Agribusiness

Specialised Retail

POLAND



100%

Drugstore

PORTUGAL



100%

Coffee Shops



51%

Chocolates and Confectionery

FINANCIAL INDICATORS

SALES

€ 16,276 M

EBITDA

€ 922 M

EBITDA MARGIN

5.7%

JERÓNIMO MARTINS SHARE

€ 16.20

(31/12/2017)

SHARE YTD 2017

+ 9.9%

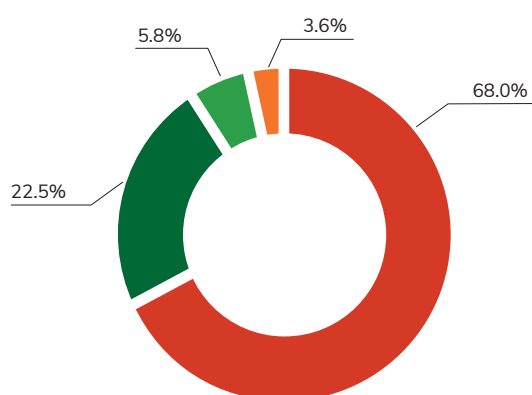
MARKET CAP

€ 10,200 M

PRE-TAX ROIC

29.7%

Sales by Business Area 2017



■ Biedronka ■ Recheio
■ Pingo Doce ■ Others

EBITDA by Business Area 2017

(Million euros)

	EBITDA	Total
Biedronka	805	87.3%
Pingo Doce	188	20.4%
Recheio	50	5.5%
Others	-122	-13.2%
JM	922	100%