

	(million euros)				
Market Ratios	2016	2015	2014	2013	2012
Share Capital (€)	629,293,220	629,293,220	629,293,220	629,293,220	629,293,220
Total Number of Shares	629,293,220	629,293,220	629,293,220	629,293,220	629,293,220
Own Shares	859,000	859,000	859,000	859,000	859,000
Free Float	29.7%	31.7%	26.9%	32.0%	27.2%
EPS (€)	0.94	0.53	0.48	0.61	0.57
Dividend per share (€)	0.27	0.62 *	0.31	0.30	0.51 **
Stock Market Performance					
High (€)	16.35	13.81	14.25	18.47	15.62
Low (€)	10.92	7.70	6.98	13.61	11.87
Average(€)	14.24	11.84	10.94	15.51	13.71
Closing (End of year) (€)	14.74	12.00	8.34	14.22	14.60
Market Capitalisation (31 Dec) (€ 000.000)	9,276	7,548	5,245	8,945	9,188
Transactions (volume) (1,000 shares)	251,292	344,797	274,146	202,709	157,916
Annual Growth	22.9%	43.9%	-41.4%	-2.6%	14.2%
Annual Growth – PSI 20	-11.9%	10.7%	-26.8%	16.0%	2.9%

*The value refers to the payment of a gross dividend of 0.245 euros per share, on May 07, 2015, regarding the distribution of 2014 results and to the distribution of free reserves corresponding to a gross dividend of 0.375 euros per share, paid on December 22, 2015.

**The value refers to the payment of a gross dividend of 0.275 euros per share, on April 30, 2012, regarding the distribution of 2011 results and to the distribution of free reserves corresponding to a gross dividend of 0.239 euros per share, paid on December 31, 2012.

Performance of the Business Areas

Biedronka opened 83 stores during 2016, resulting in a net increase of 55 locations, ending the year with 2,722 stores.

4.

4.1. Food Distribution

4.1.1. Biedronka

Message from the Managing Director

2016 was a year of important achievements. With regard to the team, we worked on alignment and trust and developed a strong group spirit, which enabled us to transform the organisation, particularly with regard to operations, with a view to preparing Biedronka for new challenges.

We established new, more competitive commercial dynamics, with all the teams demonstrating a high level of flexibility, ambition and creativity. The goals were clearly defined and we managed to serve our increasingly discerning consumers even better, and gain market share.

We developed our assortment and brought innovation to the market and, above all, we surprised our consumers with new promotional activities and with a major loyalty initiative, which enabled systematic communication between the Company and the consumers.

Biedronka proved that it is capable of quickly adapting and continuing on the success path it has been creating. We are proud of our employees who have proven to be capable of adapting and facing new challenges, through methodical organisation and great resilience, in order to continue to be the consumer's first choice in the Polish Food Retail market.



2016 Performance

In Poland, the increase of the minimum wage and the allocation of subsidies to families with more than one child provided a favourable consumer environment, which was also reflected in terms of Food Retail's positive performance, while there is still fierce competition focused on promotions.

At Biedronka, 2016 began under a new leadership in order to consolidate the changes initiated in 2015, maintaining additional focus on the consumer. With sales as the main priority, the Company aimed to capture the potential that it identifies in the value of the shopping basket in order to achieve an increase in like-for-like and strengthen its position in the Polish market.

Taking into account these objectives, the first measure implemented consisted of reorganising the operations, enabling the respective structure to be simplified and efficiency to be increased, namely regarding the Supply Chain or the Technical and Expansion areas.

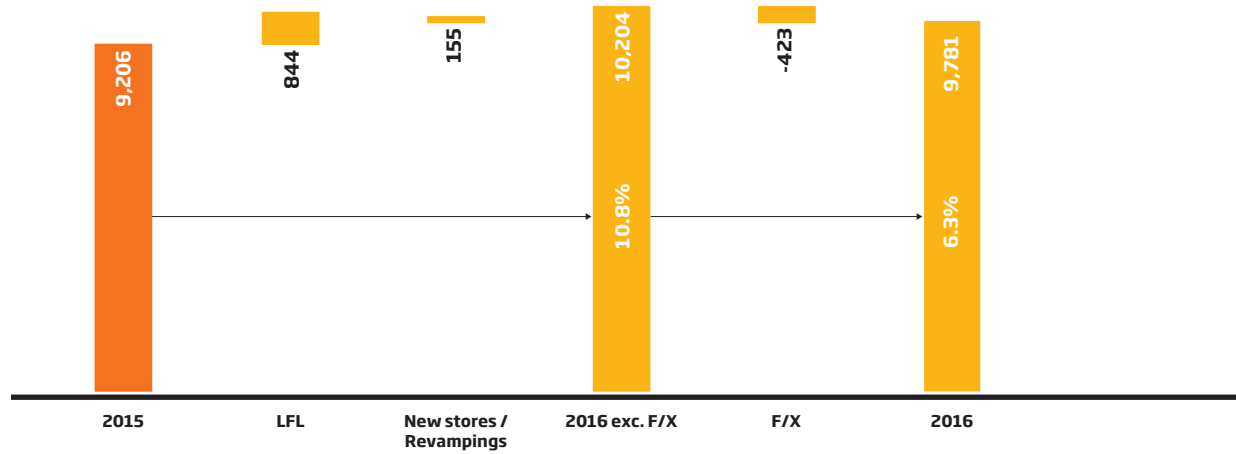
Biedronka continued to consolidate the review of the assortment, which began in 2015, promoting a more integrated approach and, therefore being more streamlined in adapting to the needs and aspirations of an increasingly discerning consumer.

In 2016, sales increased by 6.3% to 9,781 million euros (+10.8% in local currency), with a 9.5% like-for-like during the year, mainly driven by the evolution

2. What we did in 2016

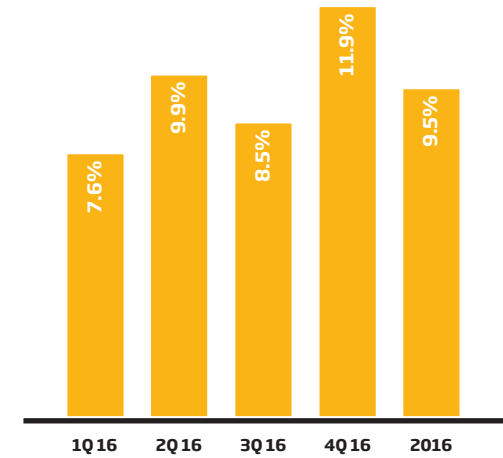
of the average basket and greater relevance in the categories of Specialised Perishables, given the strong investment that the Company has been making and also as a result of the strong commercial dynamics implemented throughout the year.

Biedronka - Net Sales
(million euros)

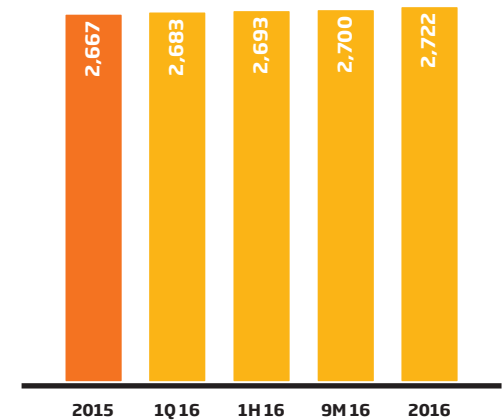


Biedronka opened 83 stores during 2016, resulting in a net increase of 55 locations, ending the year with 2,722 stores. Among the 28 stores closed, 15 were to replace old stores or smaller ones, in order to better serve the target public.

Biedronka
Like-for-like Sales Growth



Biedronka
Number of Stores



In order to improve the customer shopping experience and to maintain the standards of quality in the stores, throughout the year the Company refurbished 221 stores, and, whenever possible, increased the sales area to give greater visibility to some key categories, namely Fruit and Vegetables, Wine and Cosmetics.

The food in & outs campaigns played an important role in enhancing the value proposition offered to consumers, contributing towards the positive evolution of the basket and towards strengthening the relevance of Biedronka in the market.

Also worth highlighting in 2016 is the launch of the “Moja Biedronka” loyalty card in September. This will enable the Company to have a closer communication with the consumers and at the same time direct promotions to increase customer loyalty to the banner. In the last quarter of the year, strong commercial activity linked to the use of the card enabled it to significantly increase its penetration.

Within a strategy geared towards serving the consumer with innovation and efficiency, the opening of the Fresh soup factory should be mentioned, which enabled the launch of nine varieties of high quality soup, sold exclusively in Biedronka stores at very competitive prices.

Biedronka remained strongly focused on cost control and the permanent search for efficiencies gains at an operational level, in order to counter the pressure regarding the increase in staff costs, the Company's EBITDA margin having reached 7.2% a rise over the 7% registered in 2015.

4.1.2. Pingo Doce

Message from the Managing Director

In 2016, even though price continued to be the main factor to be taken into account by Portuguese households when choosing the store to do their shopping, Pingo Doce grew above the average market for the fifth consecutive year, increasing its market share and its leading position in consumers' preference.

This is the result of an intense promotional dynamic, improving the shopping experience - with the revamping of 21 stores - and an investment in strengthening Pingo Doce's strategic pillars.

Celebrating its 25th anniversary, the Private Brand maintained its momentum of innovation, with the launch of 221 new references, and is the banner that consumers consider to have the best quality products.

In the Meal Solutions area, Pingo Doce posted a remarkable growth as a partner of Portuguese households for convenient food solutions, especially during the Christmas season, when it more than doubled its orders.

In 2016, Pingo Doce consolidated its position as a specialist in Fresh Produce, with Perishables gaining weight in the total sales.

As such, Pingo Doce has proven to be well prepared to continue to address the needs of Portuguese consumers, in a competitive and increasingly demanding market.



2. What we did in 2016

2016 Performance

In 2016, Pingo Doce successfully coped with the challenge of increasing its sales, even compared with the excellent performance recorded in 2015.

On the other hand, throughout the year, there was a strong increase in the installed capacity in proximity modern retail, with several players concentrating their efforts on opening stores.

The Company itself opened 14 stores during the year, five of which with a third-party management system and two stores in the new Pingo Doce & Go concept, set up in BP petrol stations.

Sales increased by 4.4%, (1% including fuel) in the same store network, which enabled Pingo Doce

to strengthen its market share, despite the deflation registered in the basket.

2016 marked the 25th anniversary of the Pingo Doce Private Brand. This was celebrated with a television campaign and exclusive promotions to leverage the reputation of its products and associate its quality to low prices. During the year, 221 Private Brand products were launched.

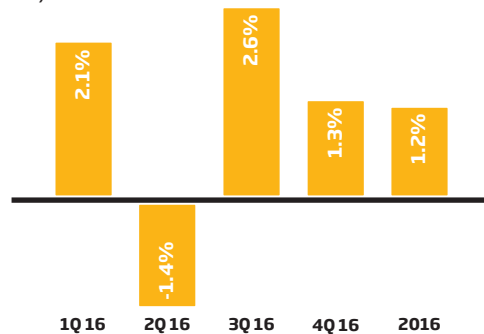
In terms of communication, the Company simultaneously invested in weekly leaflets and leaflets dedicated exclusively to Fresh products. The weekly leaflets were one of the most prevalent communication tools, with increasing importance for consumers in recent years - whether in hard or digital format. Its active role in the consumer's journey, influencing

both the shopping location and the choice of what to buy, imposes the need for renewal and continuous improvement.

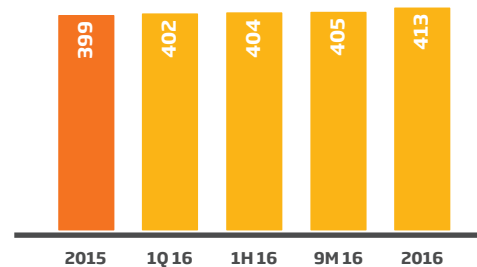
Remaining focused on Perishables, various actions were carried out, with particular emphasis on the differentiating offer, at more affordable prices, of Angus beef and on the development of new pastries, recovering traditional Portuguese recipes.

Pingo Doce's EBITDA margin stood at 5.4%, compared to 5.5% registered in 2015, in a year marked by a social and economic environment that brought greater pressure in terms of costs and which forced the Company to strengthen its efficiency, in order to minimise that pressure, as well as the impact of the continuous investment in price.

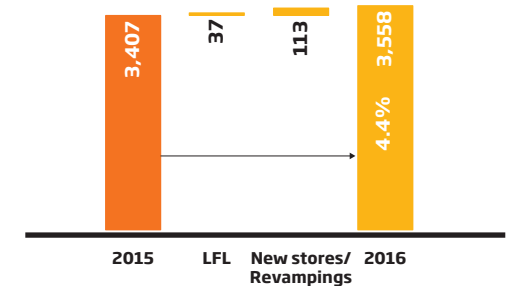
Pingo Doce Like-for-like Sales Growth
(excl. fuel)



Pingo Doce Number of Stores



Pingo Doce Net Sales
(million euros)



4.1.3. Recheio

Message from the Managing Director

2016 was a historic year for Recheio. Continuing the work of previous years, it has hit sales records, while maintaining a sustained and above-market growth with progress in all its strategic areas. The continuous focus on process improvement and customer service has led to the development of a logistic operation in the region of Leiria. The commitment with renovation made Recheio become the first Cash & Carry with an online store in Portugal. It has opened a new store in Sines, which reinforced the presence of Recheio in terms of presence in the country. The Exports and Food Service businesses have grown significantly and the Amanhecer project totalled 285 stores at the end of the year, being a certainty in the Retail scenario in Portugal.



2016 Performance

Recheio sales increased by 5.9% in 2016, driven by growth in all segments in which it operates: HoReCa, Traditional Retail and Exports channels.

The HoReCa channel was the one registering higher growth, driven mainly by the increase of tourism in Portugal. Also regarding Traditional Retail, Recheio managed to increase its sales, although this segment registered a decrease in the country. With regard to Exports, Recheio managed to increase sales, either by enlarging the number of countries to which it exports, or by the growing number of customers.

In 2016, Recheio opened a new store in Sines, introducing a more efficient and innovative concept regarding the use of energy resources. It has further strengthened its focus on the HoReCa channel with the remodelling of one store, to which the Meat and Fish areas were added, in order to reinforce the Recheio position as a specialist in Perishables category.

Regarding the Amanhecer project, 36 stores were added to the network, ending the financial year with 285 partner stores.

In order to respond to the increased customer demand for distribution services, a logistic operation was developed in Leiria and a *Transport Management System* was implemented in 11 Recheio stores. These developments have allowed the increase of the efficiency of operations and the improvement of the customer service level.

In 2016, progress was also made with the online presence, through an innovative proposal in the Cash & Carry area in Portugal, since there was no operator working in this channel. First months of operation have proved to be interesting, attracting new customers, increasing brand awareness, developing new means to target clients and streamlining communication with international clients.

Throughout the year, Recheio maintained the focus on Private Brand and launched 160 products, increasing its sales by 6.1%.

In order to continue its growth, also through the development and valorisation of employees, Recheio launched the 2nd edition of General Store Management Programme, as well as the 1st edition of the Executive Management Programme for Managers and Sales Academy.

Recheio managed to increase its EBITDA margin by 10 basis points to 5.4% in 2016, despite strong investment in price and promotional initiatives that were carried out.

4.1.4. Ara

Message from the Managing Director

2016 left a positive mark on our operation in Colombia, which achieved two important objectives:

1. market leadership in the Coffee Growing Region - after three years of operation, we are market leaders in this region, reaching a market share in excess of 22%. This is without a doubt a strong sign that the Colombian consumer values our proximity business model, based on competitive prices, with an offer of quality and variety in the Private Brand and a warm customer service.
2. start of operations in Bogota - following the Coffee Growing Region and the Caribbean Coast, in September, we entered in the third region - Bogota. This region has a population of more than 14 million inhabitants, representing around 40% of the country's GDP. As in the first two regions, here we also have an assortment adapted to the characteristics and preferences of the local consumer, namely a wider offer.

All this was only possible both because we are able to listen to and understand the consumer in each region and therefore carry out the necessary adjustments to our project and assortment, and because we have a very determined and dedicated



team, that gives its very best every day to serve and satisfy our customers.

We believe we are building a solid project, which in the near future will be relevant for the Jerónimo Martins Group and recognised and appreciated by the Colombian people.

2016 Performance

After three years of operation, Ara has reached a leading position in the Coffee Growing Region, and is one of the main modern retailers in that region, thus confirming the Colombian consumers' recognition and awareness of the Ara brand.

2016 was once again a historic milestone for the operation in Colombia, with the entry into Bogota, the Company's third operating region. Expansion continues to be a priority and Ara network ended the year with 221 stores.

By the end of December, Ara had 102 stores in the Coffee Growing Region, 97 stores in the Caribbean Coast and 22 stores in the Bogota region.

The Private Brand assortment, which already has more than 500 references, is an important feature of differentiation and growth pillar, achieving over 37% of sales. In order to guarantee service levels, as well as sustainability in the supply chain, Ara extended its range of Private Brand suppliers, which increased more than 50% in the last year, thereby managing to improve the quality of its products and strengthen the ability to supply its stores more efficiently.

Ara remained focused on operational efficiency, placing a priority on developing operational and logistics projects, where of particular note is the implementation of the Transport Management System. This tool will allow optimizing the entire transport operation and management system, reducing costs and enabling processes at a logistics level to be better planned. Cost efficiency continues to be crucial for the Company's profitability evolution, as well for its price leadership.

During the year, Ara launched weekly themed campaigns - "El Rebajón" - and improved communication in the stores, through leaflets and in-store prizes dynamics, maintaining continuous dialogue with the consumers.

In the second half of the year, the Company started reinforcing its teams, in order to achieve stronger presence in the market, with a greater ability to rise to the challenge of growth that the banner has set itself for the next years.

4.2. Agro Business

4.2.1. Jerónimo Martins Agro-Alimentar (JMA)

Message from the Managing Director

2016 was the second year of activity of JMA, the main purpose of which is to ensure the protection of sources of supply for the Group, thus ensuring a differentiated offering in categories considered crucial to the food distribution chains. JMA extended its activity to Aquaculture with the setting up of Sociedade Seaculture, dedicated to the production of sea Bass in Sines, and the setting up of Sociedade Marismar, for the production of sea Bream in Madeira, in partnership with a local operator. In June 2016, we started the construction of a new Dairy Product factory in Portalegre, after a long process of obtaining the necessary licenses. In the current factory, we optimized efficiency by more than 20% in order to meet the needs of our Private Brand of UHT Milk for Pingo Doce. The Angus operation in the North of the country has already ensured 20% of the sales of Pingo Doce for this product, and JMA is preparing to extend this production to other locations.



2016 Performance

JMA ended the year 2016 with a strong presence in three areas of operation: Dairy Products, production of Angus beef cattle and Aquaculture.

In the area of Dairy Products, 2016 was a year dedicated to operational improvements, optimization of the existing factory, reorganization of teams, training of employees and adapting information systems. The current Dairy Products factory significantly improved its efficiency and its processed milk production, with a significant increase in its production volume.

2016 also saw the start of the construction of the new Dairy Products factory, which will substitute the present one and enable production capacity to triple.

In the area of Angus production, various measures were implemented to maximize the production capacity of the unit at Manhente (Barcelos). The introduction of new technologies has enabled significant improvements in environmental conditions and animal welfare, as well as increasing overall levels of efficiency.

JMA also established an agreement with local producers, to supply food for the animals, thereby ensuring the desired standards of quality, and strengthening the relationship with local communities.

Given that the main objective of protecting the supply sources for differentiated products, in order to guarantee the internal needs of the Group in terms of competitive cost, efficiency and quality, in July, JMA started its Aquaculture project, thus fulfilling one of the major objectives set for 2016. The project consists of a partnership on the Madeira Island, for the production of sea Bream, and the concession in the Port of Sines, where, with the setting up of the Sociedade Seaculture, began the production of sea Bass.

4.3. Specialised Retail

4.3.1. Hebe

Message from the Managing Director

For Hebe, 2016 was a year of strong performance through the consolidation of our business model, marked by openings and revamping. Hebe ended the year with 153 locations throughout Poland.

Over the course of the year, we concentrated on implementing the main strategic lines: i. to guarantee an assortment with relevance for the consumer strongly focused on brands sold exclusively at Hebe, in order to reinforce differentiation; ii. to maintain price competitiveness in a highly competitive market environment for the discerning Polish consumer; iii. to increase the focus on digital through strong campaigns on social networks and the loyalty card; iv. to expand internal capacity in order to accelerate and gain scale in the coming years.



2016 Performance

Hebe's main performance indicators continue to record a positive evolution, with the team focused on the set objectives. In 2016, Hebe opened 26 new stores and posted a sales volume of 534 million zlotys, mostly as a result of the increase in the number of customers.

This sales momentum was reflected in the market share evolution, Hebe being the chain with the highest growth in the Polish Health and Beauty and Personal Care markets.

With the objective of enhancing sales performance and brand awareness, seasonal campaigns took place throughout the year related to Valentine's Day, Women's Day, Easter, Christmas and New Year.

A new category management approach was developed as a way of leveraging consumption opportunities, optimising sales and margins.

In order to increase the efficiency of the operation and service levels to the stores, measures were introduced in the stores and warehouses, with new solutions being implemented for goods-in and replenishment. The launch of an e-learning platform also helped to strengthen the quality of service provided to customers.

Hebe's loyalty programme has nearly reached two million members, 90% of whom are women. Close to 60% of the Company's total sales are made to customers who are holders of the loyalty card, showing the relevance of this programme, which still has room for development.

The new store concept has been very well accepted by the consumer and that was reflected in the financial indicators, as for the second year running the Company managed to reduce its operating losses.

4.3.2. Jeronymo and Husssel

Message from the Managing Director

In 2016, despite the macroeconomic situation in the country, JMRS' performance once again exceeded our expectations, namely in terms of results.

Jeronymo proved the resilience of its value proposition, having achieved double digit like-for-like growth in the second half.

Hussel launched its 5th generation store concept, which was very warmly welcomed by its customers.



2016 Performance

In 2016, the Company's sales increased compared to the previous year, with a like-for-like growth in both the Hussen (1.2%) and Jeronymo (8.7%) banners.

Jeronymo inaugurated two new stores in the centre of Oporto, in the S. Bento Railway Station, classified as a national monument, and in the recently renovated Rua das Flores, thereby strengthening its presence in highly renowned locations.

The Company carried out various promotional initiatives, notably a pop-up store in Lisbon, in the Museu da Cidade, as well as the World Children's Day initiative in partnership with Museu da Misericórdia do Porto.

In 2016, the Jeronymo coffee shops consolidated its offer with an assortment of exclusive recipes and products better adapted to Portuguese taste. During the year, various themed campaigns took place, with communication at the point of sale and on Facebook, among which the initiative on Valentine's Day and the Christmas campaign are highlighted.

In 2016, Hussen presented the market with its 5th generation store in the Amoreiras and Alegro Shopping Centres. It developed a more modern concept in its business sector, proving its ability to reinvent itself.

In marketing terms, Hussen continued to invest in the innovation of its portfolio with regard to regular campaigns (Valentine's Day, Easter and Christmas) and also created new campaigns, such as Back to School and Autumn, as a way of boosting the softer sales seasons.

An institutional line of new packaging was also launched and in-store decoration and communication were improved, focusing on information about allergens.

