

JERÓNIMO MARTINS SGPS, S.A.

Results 2009FY

Lisbon, March 3rd 2010

Strong sales and results performance in 2009 confirmed the soundness of the Group's main formats in an adverse macroeconomic environment.

Sales growth of 6.1% (+18.4% at constant exchange rate), surpassed by the 22.8% increase in the net attributable results were the result of strong competitive market positions and of a clear focus on increasing productivity together with a greater scale in sourcing.

The balance sheet strengthening led the gearing to be reduced to 64.9% and was achieved through strong operational cash flow generation along with a rigorous management of working capital.

Due to its vast experience and solid know-how of the formats and the markets in which it operates, Jerónimo Martins believes it is prepared to face the challenges expected for 2010. The Group maintains intact its growth potential as well as its ability to improve the competitive positioning of the different formats.

(Euro Million)	2009	2008	Δ% (Euro)	Δ% (w/o f/x)
Net Sales	7,317.1	6,893.7	+6.1	+18.4
EBITDA	528.0	473.0	+11.6	+24.8
<i>EBITDA Mg (%)</i>	7.2	6.9		
Net Results JM	200.3	163.2	+22.8	
w/o non recurr.	205.4	164.5	+24.9	
EPS (€)	0.32	0.26	+22.8	

The Board of Directors proposes the distribution of a **gross dividend of Euro0.143 per share**, an increase of 30.0% against 2008

Next Events:

Shareholders Meeting: 9 April 2010
Results Q1: 28 April 2010
Results Q2: 28 July 2010
Results Q3: 28 October 2010

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2009 - Performance Analysis

Key Figures

- **+6.1%** growth (**+18.4%** at constant exchange rate) in **Consolidated Sales** which reached Euro**7,317.1** mn
- **+11.6%** growth (**+24.8%** at constant exchange rate) in **Consolidated EBITDA** reaching Euro**528.0** mn
- **+22.8%** growth in **Net Profit attributable to JM** which reached Euro**200.3** mn
- **Net Debt** was reduced to Euro**692.0** mn and gearing reached 64.9%

The Group started 2009 with solid value propositions in its main businesses whilst also anticipating some deterioration on the macroeconomic environment. With these perspectives the Companies operated under the principle of prudence with special focus on the consumer monitoring, in order to be able to anticipate their needs, as well as on the value of flexibility as a key element to the competitiveness of the formats.

During 2009, the Group focused its efforts on three fundamental areas:

■ Commercial Response to the New Macroeconomic Environment

Pingo Doce, on top of a very competitive price positioning, has remained attentive to the changes in consumer habits and made price adjustments in those categories that have become more important to the consumers. Anticipating the decline in the prices of raw materials in the World markets, the Company's objective was to reduce the prices of its private brand assortment with the vital support of its suppliers, successfully achieving the targets. Thus, Pingo Doce's average basket registered a deflation of 5.4% that was more than offset by a very positive evolution in volumes sold (+8% in LFL terms).

At the end of 2008, **Recheio** already felt the softening in the growth of the HoReCa channel, and also perceived increasing difficulties in the traditional retail sector. In this context the Company implemented commercial actions focused on increasing the competitiveness of its clients in key areas (such as perishables, beverages and the launching of an exclusive brand for traditional retailers). The Company registered sales growth in both HoReCa and Traditional segments despite market contraction, showing clear signs of an increase in Recheio's market share.

Biedronka, the leading low-price chain in the Polish market, entered into this more difficult phase of the economic cycle with a clear advantage vis-à-vis the other players in the sector. Nevertheless, this banner also decided to implement some adjustments to its value proposition. Due to the cautious consumption environment in Poland, Biedronka decided to reduce the number of non-food products in its assortment. With this measure the Company reduced the risk of slow-moving stocks that would have had a negative effect on the Company's profitability, remaining focused on competitively managing the food assortment, which is the core of its value proposition (c.93% of total sales) ending the year with a healthy c.+12% growth on a LFL basis.

The +6.1% growth in the Group sales (+18.4% at a constant exchange rate) to Euro7,317.1 mn was the result of the strong value propositions of the main formats of the Group – Pingo Doce, Recheio and Biedronka – and also of a deep and clear business and market understanding that allowed the Group to anticipate and adapt to consumers' new preferences.

■ Operational Efficiency Projects

All the banners of the Group have developed their activities under the principle of high cost-efficiency. This LCO (Lowest Cost Operator) philosophy has given the different business areas the flexibility needed to anticipate new market trends, while maintaining the levels of profitability.

In 2009, the objective of the Group Companies was to carry out an in-depth review of the working processes to reduce costs or increase the flexibility of operations. The most remarkable results were obtained in the



rationalisation of stock management, which in consolidated terms led to a four-day stock reduction in 2009 compared to 2008.

Along with the increased scale of sourcing, the cost efficiency projects were essential for the positive evolution of the Group's EBITDA margin that in 2009 reached 7.2% vs. 6.9% in 2008. **Consolidated EBITDA increased by 11.6%** (+24.8% at constant exchange rate), above the sales growth and reached Euro528.0 mn.

■ Investment Program

Despite a prudent approach towards markets' developments, Jerónimo Martins remained confident regarding mid and long term prospects and the execution of the investment plan was one of the key projects for the year.

Total Capex for the Group reached Euro312.0 mn, expansion in Poland remaining the top priority, where 163 stores were opened and which accounted for 58.4% of total investment.

Apart from opening 10 new locations, Pingo Doce focused its efforts on the revamping of 22 stores, the majority of which were former Plus stores, in order to optimise its growth potential.

Dividend Distribution Proposal

Taking into consideration the solidity of the year's results and following the Group's dividend policy, at the next Shareholders' Meeting, the Board of Directors of Jerónimo Martins, SGPS, S.A. will propose the distribution of a gross dividend of Euro0.143 per share, an increase of 30.0% against the previous year end, and a dividend yield of 2.9% versus average share price in 2009. Payout ratio increased from 42.4% in 2008 to 44.9% in 2009.

Outlook

The Group remains positive with regards to the evolution of sales and earnings for 2010. Biedronka will still be the Group's major growth driver, both through expanding its store network, where an increase in sales area of over 10% is expected in 2010, and through maintaining a solid LFL sales evolution. At Biedronka, the growing operation scale should continue to strengthen its competitive position, which shall remain focused on price leadership in the Polish market along with a strong value proposition.

In Portugal, where the macroeconomic environment will probably remain tough, the targets set for 2010 were of growing sales and results.

Whilst maintaining a prudent approach towards the macroeconomic environment, Jerónimo Martins believes that its business models operate unique value propositions, focused on price and efficiency of the operations and are well positioned to continue outperforming the sectors in which they operate.

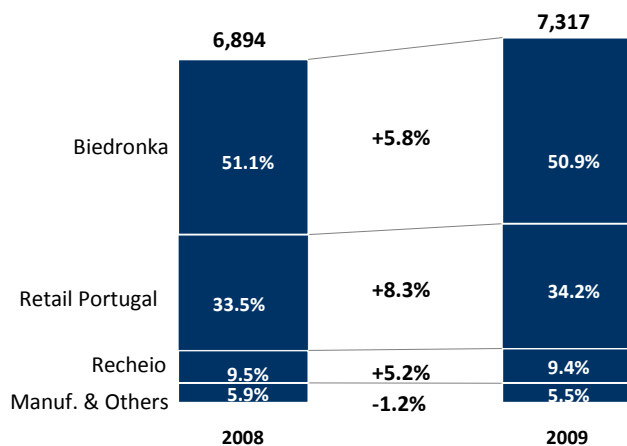


Sales and Results Analysis

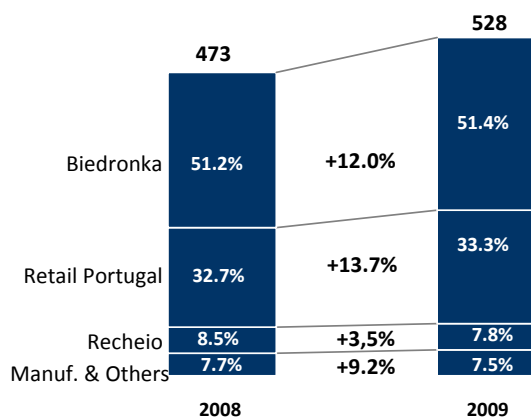
CONSOLIDATED RESULTS

	2009 FY		2008 FY		Δ%	Q4 09		Q4 08		Δ%
	Tho. Euro	%	Tho. Euro	%		Tho. Euro	%	Tho. Euro	%	
Net Sales & Services	7,317,108		6,893,737		6.1%	1,998,789		1,867,999		7.0%
Total Margin	1,717,734	23.5%	1,582,102	22.9%	8.6%	476,337	23.8%	440,094	23.6%	8.2%
Operating Costs	-1,189,686	-16.3%	-1,109,129	-16.1%	7.3%	-321,983	-16.1%	-299,048	-16.0%	7.7%
EBITDA	528,048	7.2%	472,974	6.9%	11.6%	154,354	7.7%	141,046	7.6%	9.4%
Depreciation	-168,312	-2.3%	-157,583	-2.3%	6.8%	-43,746	-2.2%	-42,829	-2.3%	2.1%
EBIT	359,736	4.9%	315,391	4.6%	14.1%	110,608	5.5%	98,217	5.3%	12.6%
Net Financial Results	-70,435	-1.0%	-85,337	-1.2%	-17.5%	-17,209	-0.9%	-23,542	-1.3%	-26.9%
Non Recurrent Items	-10,410	-0.1%	-7,943	-0.1%	31.1%	-4,201	-0.2%	-15,747	-0.8%	-73.3%
EBT	278,891	3.8%	222,111	3.2%	25.6%	89,197	4.5%	58,928	3.2%	51.4%
Taxes	-55,624	-0.8%	-46,130	-0.7%	20.6%	-17,254	-0.9%	-8,156	-0.4%	111.5%
Net Profit	223,267	3.1%	175,981	2.6%	26.9%	71,943	3.6%	50,772	2.7%	41.7%
Minority Interests	-22,918	-0.3%	-12,764	-0.2%	79.5%	-10,264	-0.5%	-8,961	-0.5%	14.5%
Net Profit attr. to JM	200,349	2.7%	163,216	2.4%	22.8%	61,680	3.1%	41,811	2.2%	47.5%
EPS (euro)	0.32		0.26		22.8%	0.10		0.07		47.5%
Cash Flow per share (euro)	0.69		0.55		25.9%	0.23		0.17		36.4%

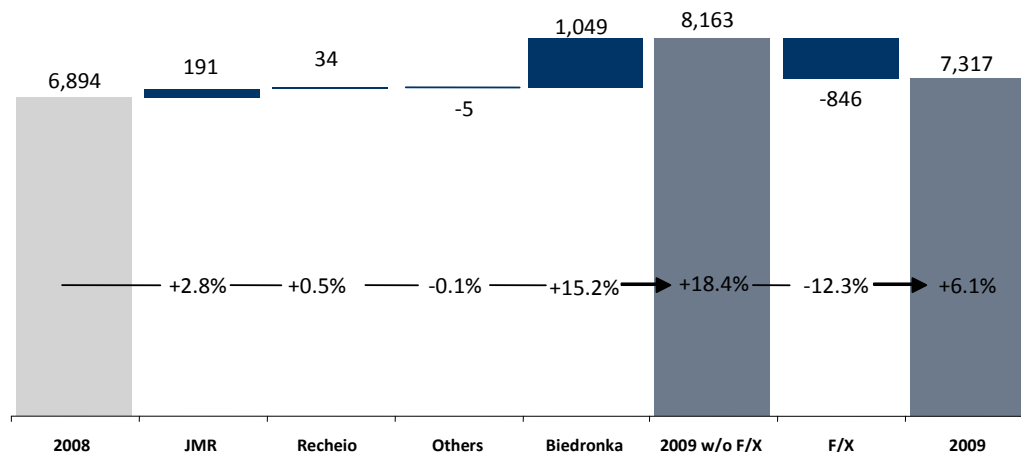
Consolidated Sales (Euro Million)



Consolidated EBITDA (Euro Million)



Contribution to Consolidated Sales Growth (Euro Million)





Sales Analysis

SALES GROWTH										
	Total Sales Growth					LFL Sales Growth				
	Q1 09	Q2 09	Q3 09	Q4 09	09 FY	Q1 09	Q2 09	Q3 09	Q4 09	09 FY
JMR	11.2%	12.8%	4.1%	6.0%	8.3%	-4.6%	3.1%	0.7%	3.9%	0.9%
Supermarkets	16.1%	17.4%	8.4%	10.4%	12.8%	-3.6%	4.6%	2.7%	6.0%	2.7%
Hypers *	-12.9%	-13.3%	-20.3%	-16.0%	-16.0%	-10.1%	-8.4%	-13.9%	-10.3%	-10.7%
Recheio	5.2%	7.7%	4.7%	3.3%	5.2%	1.8%	2.6%	1.7%	0.8%	1.7%
Madeira	-4.3%	5.9%	2.8%	5.0%	2.5%	-4.4%	0.4%	2.8%	5.0%	1.1%
Biedronka										
Euro	5.2%	2.8%	5.6%	9.2%	5.8%					
PLN	32.3%	34.3%	34.0%	20.6%	29.8%	7.7%	8.1%	7.9%	9.4%	8.3%
Manufacturing	-8.2%	-3.0%	-6.5%	-8.1%	-6.3%	-8.2%	-3.0%	-6.5%	-8.1%	-6.3%
Mkt. Repr. and Rest. Serv.	5.0%	19.4%	5.4%	-0.7%	6.5%	-7.3%	0.5%	-9.3%	-5.9%	-5.6%

* excluding two stores under revamping

Jerónimo Martins' **consolidated sales** reached **Euro7,317.1 mn**, which represents a 6.1% growth (+18.4% at a constant exchange rate) versus 2008.

This evolution is the result of i) a 4.4% growth in the Group's LFL sales, including a strong contribution by Pingo Doce and Biedronka, ii) the success of the integration of the Plus stores acquired in 2008, both in Portugal and in Poland, and iii) the execution of the organic expansion plan for 2009, which has resulted in an additional 61,000 sqm of sales area for the Group (4.6% growth against 2008).

PORTUGAL – DISTRIBUTION

In Portugal, it is worth mentioning the food deflation that followed the decrease in the prices of raw materials. This trend has affected the food distribution sector in general.

In 2009, the food retail sector registered an increase in sales area of around 6%, with the smaller and proximity formats dominating the total number of openings.

Pingo Doce continued its trend for sales growth and strengthened market share demonstrated during the previous years. The banner registered a LFL sales growth of 2.7% which, discounting the deflation effect, corresponded to a volume increase of 8%. Pingo doce total sales increased by 12.8% in 2009, reaching Euro2,193.6 mn, including the contribution of Euro262.5 mn from the acquired Plus stores.

Recheio posted a total sales increase of 5.2%, demonstrating a solid LFL evolution and also reflecting the contribution of one store acquired in November 2008. The Group's Cash & Carry business registered a LFL sales growth of 1.7%, with a volume evolution of more than 4%, taking the 3% deflation into consideration.

For **Madeira**, the LFL sales growth of 1.1% includes double digit sales volumes growth as the result of the price repositioning policy initiated in the second half of 2008.

POLAND - DISTRIBUTION

The food retail sector in Poland remained competitive, with Biedronka maintaining its price leadership in the market. Although consumption slowed down a little, there were no substantial changes in retailer commercial policies, nor in their relative competitive positions.



Biedronka total sales in 2009 reached Zloty16,066.7 mn, a 29.8% growth against last year (+5.8% in euros). This evolution is derived from a good LFL performance, the opening of new stores with an added sales area of 8.1% compared to last year and the success of the Plus operations' integration process, which in 2009 represented almost 11% of the Company's sales.

Biedronka's LFL sales registered a growth of 8.3%, which corresponded to an increase of around 12% of the food categories on a LFL basis.

PORTUGAL - MANUFACTURING AND SERVICES

The **Manufacturing** area has reinforced its support to the leading brands in the portfolio, so as to defend their market leadership positions. Sales volume evolution has been positive in the majority of categories, though with a negative sales value (-6.3%), reflecting mainly the significant decrease in the price of raw materials in various categories (mainly olive oils and seed oil).

In the area of **Marketing, Representations and Restaurants**, total sales registered a 6.5% growth during the year, mainly due to the entrance of 4 new representations.

Results Analysis

EBITDA MARGIN							
	Sales & Services (Tho. Euro)			EBITDA Margin			
	2009	2008	Δ %	2009	% total	2008	% total
Retail Mainland -store sales	2,500,799	2,310,199	8.3%	7.0%	33.3%	6.7%	32.7%
Cash & Carry Mainland	688,544	654,484	5.2%	6.0%	7.8%	6.1%	8.5%
Madeira	131,552	128,386	2.5%	4.8%	1.2%	3.6%	1.0%
Poland - Biedronka	3,724,684	3,520,934	5.8%	7.3%	51.4%	6.9%	51.2%
Mkt, Repr. and Rest. Services	87,159	81,809	6.5%	1.6%	0.3%	1.3%	0.2%
Manufacturing	237,755	253,868	6.5%	15.3%	6.9%	14.3%	7.7%
JM Consolidated	7,317,108	6,893,737	6.1%	7.2%	100.0%	6.9%	100.0%

Consolidated EBITDA reached Euro528.0 mn, a growth rate of 11.6% (+24.8% at a constant exchange rate), which was higher than the sales growth.

The EBITDA margin increased from 6.9% in 2008 to 7.2% in 2009. This performance was the result of i) a greater operational scale, both in Portugal and in Poland, which has compensated the effect of the dilution of the Plus operations acquired in 2008, ii) positive LFL sales performance for the Group and iii) the cost rationalization in most business areas.

PORTUGAL – DISTRIBUTION

Retail in Portugal reached an EBITDA of Euro175.7 mn, a notable growth of 13.7%, with a margin increase of 30b.p. to 7.0%.

This evolution reflects, not only the Company's constant work on cost efficiency, but also the greater operational scale of Pingo Doce. Even though the Plus stores acquired in 2008 have been in operation for less than 20 months (and have been therefore operating in 2009 below normal levels of sales and EBITDA) they have already contributed with an important increase of scale in the sourcing volumes for Pingo Doce, with the consequent benefits associated with this greater purchasing capacity.

Pingo Doce has managed to reinforce its value proposition in some categories, resulting from the combination of: i) the abovementioned increase in sourcing scale, ii) a balanced management of the deflationary situation in the raw material markets, managing to capture this trend and pass the cost reductions on to the customers, and iii) efficiencies in processes obtained throughout the value chain.



Although **Recheio** already operates with a very efficient cost structure, through greater internal efficiency and positive LFL, it was able to implement commercial campaigns in very relevant categories for its clients, maintaining the EBITDA margin relatively stable compared to last year. EBITDA reached a value of Euro41.4 mn, 6.0% of sales.

Also in this banner, the Group's sourcing capacity and quality were key to the successful implementation of a commercial strategy which led to an increase in market share.

For **Madeira**, the positive sales reaction to a more aggressive price positioning initiated in 2008 brought some cost dilution benefits, which together with a more efficient sourcing has led to an increase in the EBITDA margin from 3.6% to 4.8%.

POLAND – DISTRIBUTION

In Poland, **Biedronka** registered a notable increase in EBITDA of 37.4% in local currency (+12.0% in Euros), with the respective margin reaching 7.3% versus 6.9% in 2008.

Biedronka is in a phase of the business development cycle, where economies of scale are having positive impact on several key levels of the Companies.

The acquisition of the former Plus stores along with an accelerated rhythm of expansion of the store network has brought strong benefits in the sourcing power of the company. Moreover, the integration of the new stores was made without any visible pressure on the Company's cost structure, whose size and solid LFL performance have supported the normal dilution of the stores operating below the level of maturity.

PORTUGAL - MANUFACTURING AND SERVICES

In the **Manufacturing** business, EBITDA margin reached 15.3%, i.e. an increase of 100p.b. against the previous year, benefiting from the internal restructuring program implemented by the Company to increase the competitiveness of its operation in the market.

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Net profit attributable to Jerónimo Martins reached Euro200.3 mn, an increase of 22.8% over 2008, corresponding to earnings per share of Euro0.32.

The consolidated financial charges amounted to Euro70.4 mn and mainly reflected a reduction in the average cost of debt by 170p.b..

Non-recurrent results reached Euro-10.4 mn and include restructuring costs in Manufacturing, impairments and provisions of various kinds.



Reconciliation of the “Consolidated Net Results” with the table “Income Statement by Functions”

The EBIT shown in the table “Consolidated Net Results” does not include non-recurrent operational items which appear itemised in the “Statement by Functions” in Exceptional Operating Profit/Loss and are included in the Operating Profit shown there.

The Financial Results shown in the table “Consolidated Net Results” include the Profit in Associated Companies as shown in the “Income Statement by Functions”.

The non-recurrent Items shown in the table “Consolidated Net Results” include the Exceptional Operating Profit/Loss and the Gains/Losses in Other Investments as shown in the Income Statement by Functions.

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: $(\text{Net Profit} + \text{Depreciation} - \text{Deferred tax} - \text{Non-recurrent items}) / \text{Number of Shares}$

Gearing: $\text{Net Debt} / \text{Shareholder Funds}$



Appendix

INCOME STATEMENT BY FUNCTIONS

(Thousand Euro)	2009	2008
Sales and services rendered	7,317,108	6,893,737
Cost of sales	-5,925,918	-5,595,128
Supplementary income and costs	326,544	283,493
Gross Profit	1,717,734	1,582,102
Distribution costs	-1,201,820	-1,108,154
Administrative costs	-156,178	-158,557
Excepcional operating losses	-9,895	-12,576
Operating Profit	349,841	302,815
Net financial costs	-70,769	-78,728
Gains/Losses in other investments	-514	-2,294
Profit in associated companies	333	318
Profit before taxes	278,891	222,111
Income taxes	-55,624	-46,131
Profit before minority interests	223,267	175,980
Minority interests	-22,918	-12,764
JM Profit	200,349	163,216

BALANCE SHEET

(Thousand Euro)	2009	2008
Net Goodwill	736,633	734,126
Net Fixed Assets	2,101,566	1,967,459
Net Working Capital	-1,201,479	-1,065,131
Others	120,976	140,521
Invested Capital	1,757,696	1,776,975
Financial Debt	796,296	946,018
Leasings	84,560	101,659
Accrued interest	30,914	21,811
Marketable sec. & Bank deposits	-219,769	-223,638
Net Debt	692,000	845,850
Minority Interests	287,637	281,307
Share Capital	629,293	629,293
Reserves and Retained Earnings	148,765	20,525
Shareholders Funds	1,065,695	931,125
Gearing	64.9%	90.8%

CAPEX

(Million Euro)	2009	Weight
Distribution Portugal	125.0	40.1%
Distribution Poland	182.2	58.4%
Manufacturing & Others	4.8	1.5%
Total CAPEX	312.0	100.0%



WORKING CAPITAL

(Thousand Euro)	2009	2008
Inventories	334,478	385,653
in days of sales	17	20
Customers	76,795	70,109
in days of sales	4	4
Suppliers	-1,345,218	-1,273,131
in days of sales	-67	-66
Working Capital Trade	-933,946	-817,369
in days of sales	-47	-43
Others	-267,533	-247,762
Total Working Capital	-1,201,479	-1,065,131
in days of sales	-60	-56

DEBT BREAKDOWN

(Thousand Euro)	2009
Long Term Debt	707,614
<i>as % of Financial Debt</i>	88.9%
<i>Maturity</i>	3.1
Bond Loans	375,000
Private Placement	151,007
Fair value adjustment	-16,880
Commercial Paper	70,000
Other LT Debt	128,487
Short Term Debt	88,682
<i>as % of Financial Debt</i>	11.1%
Financial Debt	796,296
<i>Maturity</i>	2.9
Leasings	84,560
Accrued Interest & Hedging	30,913
Marketable Securities & Bank Deposits	-219,769
Net Debt	692,000
% Debt in Euros (Financial Debt + Leasings)	84.1%
% Debt in Zlotys (Financial Debt + Leasings)	15.9%



NET SALES AND SERVICES

	2009		2008		Δ %		Q4 09		Q4 08		Δ %	
	Tho. Euro	% total	Tho. Euro	% total	Pln	Euro	Tho. Euro	% total	Tho. Euro	% total	Pln	Euro
	Retail Mainland	2,708,312	37.0%	2,503,354	36.3%		8.2%	734,882	36.8%	693,221	37.1%	
Cash & Carry Mainland	688,544	9.4%	654,484	9.5%		5.2%	168,847	8.4%	163,508	8.8%		3.3%
Madeira	131,552	1.8%	128,387	1.9%		2.5%	35,457	1.8%	33,757	1.8%		5.0%
Poland - Biedronka	3,724,684	50.9%	3,520,934	51.1%	29.8%	5.8%	1,050,485	52.6%	962,362	51.5%	20.6%	9.2%
Manufacturing	237,755	3.2%	253,868	3.7%		-6.3%	50,636	2.5%	55,118	3.0%		-8.1%
Mkt. Repr. and Rest. Serv.	87,159	1.2%	81,809	1.2%		6.5%	24,904	1.2%	25,072	1.3%		-0.7%
Consolidation Adjustments	-260,896	-3.6%	-249,099	-3.6%		4.7%	-66,420	-3.3%	-65,039	-3.5%		2.1%
Total JM	7,317,108	100.0%	6,893,737	100.0%		6.1%	1,998,789	100.0%	1,867,999	100.0%		7.0%
p.m. Retail Mainland (store sales)	2,500,799		2,310,199			8.3%	681,215		642,599			6.0%

NUMBER OF STORES

	08 YE	Openings				Closings 09 FY	Network			
		Q1 09	Q2 09	Q3 09	Q4 09		Q1 09	H1 09	9M 09	09 FY
JMR	343	1	3	4	2	10	344	342	342	343
Supermarkets	334	1	3	4	2	10	335	333	333	334
Hypers	9	0	0	0	0	0	9	9	9	9
Recheio	35	0	0	0	0	0	35	35	35	35
Madeira	15	0	0	0	0	0	15	15	15	15
Biedronka	1,359	27	42	30	64	56	1,372	1,408	1,432	1,466

SALES AREA (sqm)

	08 YE	Openings				Closings* 09 FY	Network			
		Q1 09	Q2 09	Q3 09	Q4 09		Q1 09	H1 09	9M 09	09 FY
JMR	433,049	1,000	2,307	5,330	1,903	8,845	432,509	431,850	433,426	434,744
Supermarkets	350,396	1,000	2,307	5,330	1,903	8,660	350,041	349,382	350,958	352,276
Hypers	82,653	0	0	0	0	185	82,468	82,468	82,468	82,468
Recheio	115,724	0	0	0	0	1,314	115,724	115,724	114,410	114,410
Madeira	14,626	0	0	0	0	326	14,300	14,300	14,300	14,300
Biedronka	753,531	17,452	24,775	17,737	39,068	38,069	764,502	772,353	789,038	814,493

* including changes of sales area due to remodellings