

# 3. GROUP PERFORMANCE

## 3.1. MAIN PROJECTS OF 2015

The Group's Companies in Portugal and in Poland began 2015 anticipating the continued reduction in food inflation (or even deflation) on the one hand, and on the other hand, strong promotional dynamics in the Food Retail sector.

In general, all the defined strategies and objectives of the Management Teams were implemented and achieved, and duly monitored by the Board of Directors, which oversaw the business activities without any constraints.

Being aware of the market challenges, the Group defined three fundamental strategic objectives for the year, which it successfully achieved and which are structural for strengthening its competitiveness in the mid and long-term:

- i. Execution of the programme to improve Biedronka's offer, whilst maintaining the efficiency of the business model at all levels;
- ii. Strengthening of the strategic pillars of differentiation in both the Pingo Doce and Recheio models in Portugal;
- iii. Entry into a new region in Colombia with the opening of a second Distribution Centre at the Caribbean Coast.

### 3.1.1. EXECUTION OF THE PROGRAMME TO IMPROVE BIEDRONKA'S OFFER

In 2014, Biedronka outlined and began implementing a programme for improving its value proposition, with the objective of increasing its share-of-wallet.

In view of the development of the food basket in Poland, with very positive trends in the categories with better added value, Biedronka enlarged its assortment in the existing categories and developed its offer in areas that are drivers of future growth.

Between the fourth quarter of 2014 and the end of the second quarter of 2015, the Company focused on enlarging the offer, which had to be executed with great control regarding the supply chain and logistics, so that the change would not cause disruption in supply to the stores or in the efficiency of the logistics processes.

Throughout the second half of the year, Biedronka concentrated on adapting the stores in order to be able to operate the assortment, combining efficiency, consistency and the necessary visibility, so that customers could recognise the quality and variety of the offer.

The entire programme was executed without affecting the efficiency of the business model and while enabling flexibility to be incorporated into the assortment that is managed in the stores in urban locations. These locations can now have a set of products which, in addition to the Company's basic assortment, make it better adapted to urban consumption trends.

### 3.1.2. STRENGTHENING OF THE STRATEGIC PILLARS OF DIFFERENTIATION IN BOTH THE MODELS IN PORTUGAL

Pingo Doce and Recheio began 2015 with good sales dynamics, largely as a result of a strong promotional strategy, which was maintained throughout the year and complemented by measures for strengthening the strategic pillars of the two banners.

Pingo Doce accelerated its store remodelling plan, which covered 29 stores in 2015, with a very clear improvement in the shopping experience, which is one of its traditionally recognised strengths.

Also with regard to the offer of Private Brand, another differentiation pillar, Pingo Doce reinforced its innovation with 214 new products launches and reformulations throughout the year.



Recheio began the investment in improving the layout of two stores, enabling them to enhance their operation of Perishables, a strategic category for its positioning.

### 3.1.3. ENTRY INTO A NEW REGION IN COLOMBIA

In Colombia, Ara's major objective for 2015 was to enter the Caribbean Coast region, with the opening of a new Distribution Centre.

The construction of the new Distribution Centre took place whilst the Company prepared the pipeline of stores to be inaugurated. The Distribution Centre opened in September and, at the end of the year, there was a total of 41 stores in this region, in addition to the 101 already existing in the Coffee Growing Region.

As there are substantial differences in food habits and tastes between the various regions of Colombia, operating in a new region is fundamental for Ara to validate the flexibility of its value proposition, and to assess the impact of the increasing scale of operations in the country.

The opening of the operation and the expansion of the store network were successful in this new Colombian region and the value proposition was well accepted, reinforcing the belief that the opportunity in this new market has a great potential.

## 3.2. EXECUTION OF THE INVESTMENT PROGRAMME

The investment programme is a fundamental pillar of the Group's growth strategy and also plays an important role regarding the quality of the operations and the innovation of the value propositions.

In 2015, the Group invested 412.3 million euros, 223.6 million euros (54%) of which were for expansion.

(million euros)

Business Area	2015			2014		
	Expansion	Others	Total	Expansion	Others	Total
<b>Biedronka</b>	<b>90</b>	<b>114</b>	<b>204</b>	<b>235</b>	<b>126</b>	<b>361</b>
Stores	84	110	193	182	119	302
Logistics & Head Office	6	5	11	53	6	59
<b>Pingo Doce</b>	<b>75</b>	<b>59</b>	<b>133</b>	<b>13</b>	<b>42</b>	<b>55</b>
Stores	54	57	111	13	41	54
Logistics & Head Office	21	2	23	0	1	2
<b>Recheio</b>	<b>5</b>	<b>14</b>	<b>18</b>	<b>2</b>	<b>7</b>	<b>9</b>
<b>Ara</b>	<b>49</b>	<b>0</b>	<b>49</b>	<b>28</b>	<b>0</b>	<b>28</b>
Stores	31	0	31	22	0	23
Logistics & Head Office	17	0	17	5	0	5
<b>Total Food Distribution</b>	<b>218</b>	<b>187</b>	<b>404</b>	<b>278</b>	<b>175</b>	<b>453</b>
<b>Hebe</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>13</b>	<b>3</b>	<b>15</b>
Services & Others	3	1	4	0	1	2
<b>Total JM</b>	<b>224</b>	<b>189</b>	<b>412</b>	<b>291</b>	<b>179</b>	<b>470</b>
<b>% of EBITDA</b>	<b>28.0%</b>	<b>23.6%</b>	<b>51.6%</b>	<b>39.6%</b>	<b>24.5%</b>	<b>64.1%</b>

Biedronka inaugurated 102 stores, 48 in cities with more than 100 thousand inhabitants, therefore pursuing the expansion plan as defined, and continuing to strengthen its position in the market.

Pingo Doce intensified its store opening efforts, inaugurating 21 stores in locations that are important for reinforcing its national presence. Of these new stores, eight were opened under third-party management, bringing the total number of locations operating under this regime to 15.

Ara, in Colombia, inaugurated 56 stores and a new Distribution Centre, moving ahead with its programme to enter the second region.

Hebe inaugurated 15 stores, ending the year with 134 locations in the Polish market.

	New Stores		Revampings <sup>1</sup>		Closed Stores	
	2015	2014	2015	2014	2015	2014
<b>Biedronka</b>	102	211	155	127	22	17
<b>Pingo Doce</b>	21	5	29	26	2	1
<b>Recheio</b>	0	0	2	1	0	0
<b>Ara</b>	56	50	0	0	0	0
<b>Hebe</b>	15	18	10	23	0	3
<b>Other Businesses <sup>2</sup></b>	13	8	1	2	11	9

<sup>1</sup> Only includes the revampings that implied the closing of the food selling area, with exception for Recheio.

<sup>2</sup> Including the stores NewCode, Spot, Bem Estar, Refeições no Sítio do Costume, Fuel Stations, Jeronymo, Kropka Relaks, Olá, Hussel and Jeronymo Food with Friends.

In 2015, investments in remodelling received special attention following the programme for strengthening Biedronka's assortment and as a result of accelerating Pingo Doce's remodelling programme. This kind of investment represented 34% of the Group's total capex programme for the year.

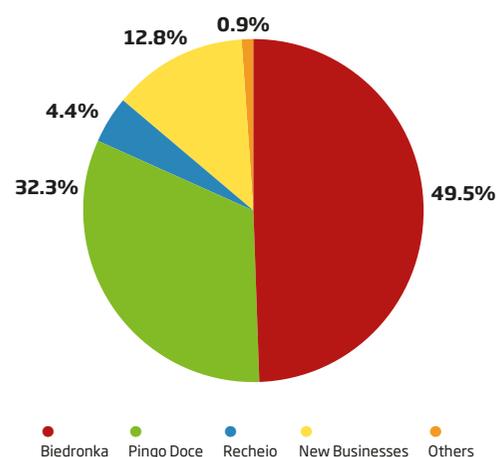
Apart from its annual store remodelling programme, which covered 155 locations during the year, in 2015, Biedronka also made investments with a view to optimising the operation of the new assortment in the stores and with specific work on the store layout.

Pingo Doce having defined as a priority the reinforcement of its differentiation pillars, namely the shopping experience accelerated its remodelling programme that began in 2014, and refurbished 29 stores in 2015.

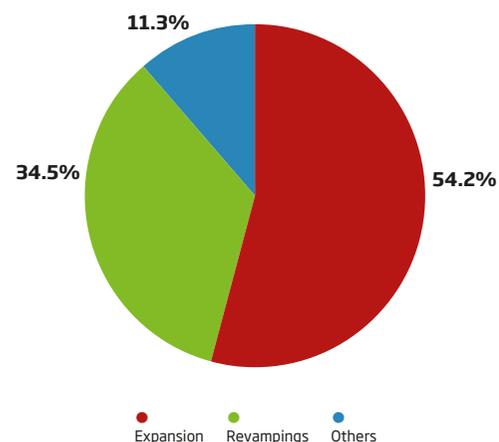
Paying attention to the specific nature of each location and according to the type of customer it serves, Recheio remodelled two of its stores, having focused the investment on reinforcing the areas of the stores that are most important for the local markets.



## INVESTMENT BY BUSINESS AREA



## INVESTMENT BREAKDOWN



## 3.3. CONSOLIDATED ACTIVITY IN 2015

### 3.3.1. CONSOLIDATED SALES

The Group's sales reached 13,728 million euros, +8.3% vs. previous year, with the like-for-like reaching a solid 3.4% growth for the year.

	2015		2014		Δ %		LFL
		% total		% total	Zloty	Euro	
<b>Sales &amp; Services</b>							
Biedronka	9,206	67.1%	8,432	66.5%	9.1%	9.2%	3.2%
Pingo Doce	3,407	24.8%	3,234	25.5%		5.4%	3.9%
Recheio	832	6.1%	799	6.3%		4.1%	3.5%
Mkt, Repr. and Rest. Services	81	0.6%	79	0.6%		2.6%	n.a.
Others & Cons. Adjustments	202	1.5%	137	1.1%		n.a.	n.a.
<b>Total JM</b>	<b>13,728</b>	<b>100%</b>	<b>12,680</b>	<b>100%</b>	<b>8.3%</b>		<b>3.4%</b>

(million euros)

The focus on sales led the banners to post good performances, reaching solid like-for-like growth and increasing their market shares.

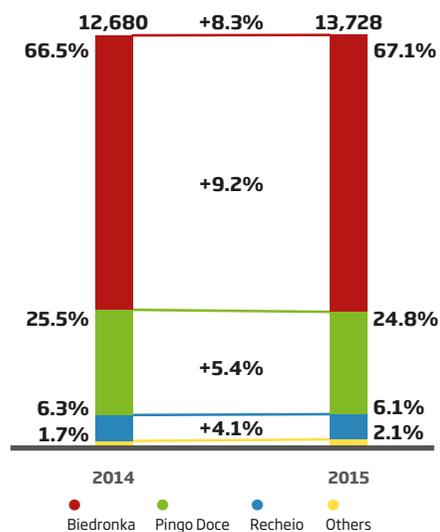
In Poland, the competitive environment remained dominated by promotions and consumers remained value-oriented, despite the positive trends registered in food consumption.

Food inflation was negative (-1.7%), having moved towards positive ground throughout the year, with the last three months recording some positive values (+0.4%, +0.1% and -0.1% in October, November and December 2015, respectively).

In 2015, Biedronka gave priority to improving its offer, with the objective of reinforcing its relevance to consumers and increasing penetration (share-of-wallet).

## CONSOLIDATED SALES

(million euros)



The results of this focus were visible in the like-for-like performance, which quarter after quarter was supported by growth in volume more than offsetting the deflation in the basket. Growth in the value of like-for-like sales in the year was 3.2%, with a positive contribution from both the number of visits and the value of the average basket.

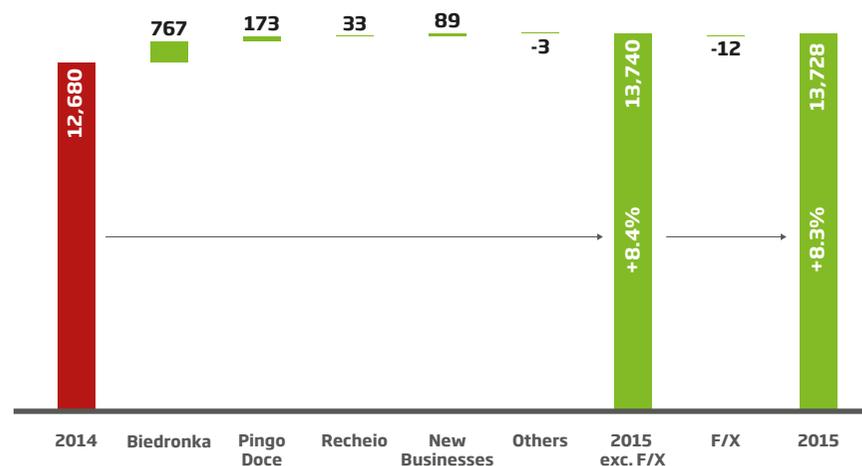
As predicted, the Company executed its expansion programme, inaugurating 102 stores (80 net additions) and ended the year with a total of 2,667 locations.

Biedronka's sales increased by 9.2% in the year (+9.1% in local currency) to 9,205.7 million euros.

In Portugal, the Food Retail environment remained extremely competitive throughout the year and was marked by ongoing promotions.

## CONTRIBUTION TO CONSOLIDATED SALES GROWTH

(million euros)



Food inflation in the country was positive, reaching 1.0%.

Pingo Doce maintained an intense promotional strategy whilst at the same time investing in improving the shopping experience for customers, through the store remodelling programme and through improvements in service levels. Taking advantage of the boost created last year, the like-for-like sales growth accelerated in 2015, reaching 4.6% (excluding fuel).

Combining the like-for-like growth with 21 store openings in the year, total sales increased by 5.4%, reaching 3,407.3 million euros.

Recheio's sales benefited from improved trends in the HoReCa channel and the Company's strong commercial position. Total sales increased by 4.1%, reaching 832.2 million euros with a like-for-like of 3.5%.

As planned, Ara opened its second Distribution Centre in a new region of Colombia (Caribbean Coast), where it ended the year with 41 stores. In 2015, Ara ended the year with a total of 142 stores and sales of 122.5 million euros.

At the end of 2015, Hebe had 134 stores and had surpassed 100 million euros of sales.



### 3.3.2. CONSOLIDATED OPERATING RESULTS

	2015		2014		Δ %
		%		%	
<b>Net Sales &amp; Services</b>	<b>13,728</b>		<b>12,680</b>		<b>8.3%</b>
Gross Margin	2,937	21.4%	2,692	21.2%	9.1%
Operating Costs	-2,138	-15.6%	-1,958	-15.4%	9.2%
<b>EBITDA</b>	<b>800</b>	<b>5.8%</b>	<b>733</b>	<b>5.8%</b>	<b>9.1%</b>
Depreciation	-294	-2.1%	-277	-2.2%	6.4%
<b>EBIT<sup>1</sup></b>	<b>505</b>	<b>3.7%</b>	<b>457</b>	<b>3.6%</b>	<b>10.7%</b>

<sup>1</sup> The EBIT above presented does not include operational items with non recurrent nature that in the Income Statement by Functions are classified as Exceptional Operating Losses and are included in the Operating Profit therein presented.

(million euros)

The year 2015 was important for all our banners:  
i. Biedronka was totally focused on executing an ambitious programme to improve its offer, whilst maintaining efficiency at all levels; ii. in Portugal, maintaining their promotional strategy, Pingo Doce and Recheio reinforced their overall value proposition, substantially outperforming their respective markets and iii. in Colombia, Ara planned and successfully carried out its entry into a new region, providing the business model with the necessary flexibility to better adapt to the specific nature of the markets.

The good sales performance and the cost discipline in Portugal and in Poland led to a strong performance with regard to the Group's operating results, with EBITDA increasing by 9.1% to 799.6 million euros.

The EBITDA margin was 5.8%, in line with the previous year, despite: i. the deflation that persisted at Biedronka and the efforts by the Company to implement its plan for improving the value proposition and ii. the promotional investment carried out by Pingo Doce and Recheio, simultaneously with the investment in improving their store experience.

	2015		2014		(million euros)
	% total		% total		Δ %
Biedronka	641	80.2%	573	78.2%	11.9%
Pingo Doce	188	23.5%	187	25.6%	0.3%
Recheio	44	5.5%	42	5.7%	5.7%
Others & Cons. Adjustments	-73	-9.2%	-69	-9.4%	6.5%
<b>Consolidated EBITDA</b>	<b>800</b>	<b>100%</b>	<b>733</b>	<b>100%</b>	<b>9.1%</b>

Biedronka posted an EBITDA of 641.1 million euros, a growth of 11.9% against the previous year. This performance reflected: i. the strong increase in sales, ii. the cost discipline and execution of the plan, and iii. the positive impact on the margin mix, related to an improvement in the assortment.

Biedronka's EBITDA margin was 7.0% (vs. +6.8% in 2014).

At Pingo Doce, the EBITDA generated was 187.9 million euros, in line with the previous year. The EBITDA margin was 5.5% of sales, the reduction compared to the 5.8% recorded in 2014 being due to the focus on sales, which led to the competitive position being strengthened without deterioration in cash EBITDA.

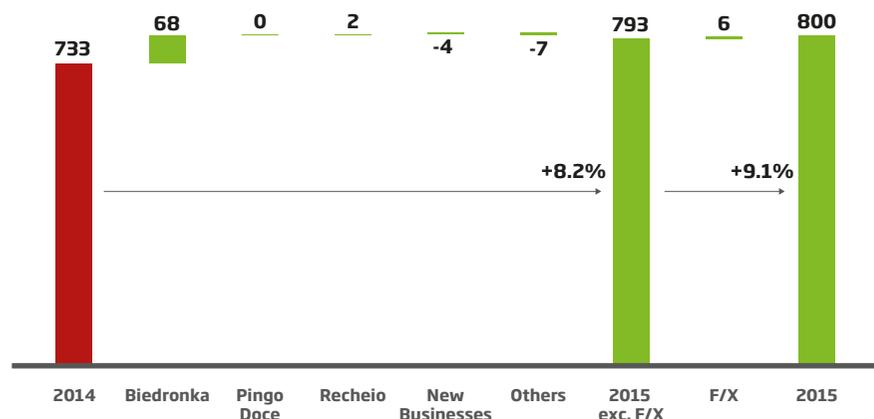
At Recheio, EBITDA reached 43.9 million euros, a growth of 5.7% compared to the previous year, and the EBITDA margin was 5.3% (+10 bps vs. 2014), as a result of the good sales performance.

Ara and Hebe recorded a combined EBITDA loss of 55.5 million euros, 2.2 million euros less than the previous year and slightly better than expected, essentially as a consequence of the depreciation of the Colombian peso.

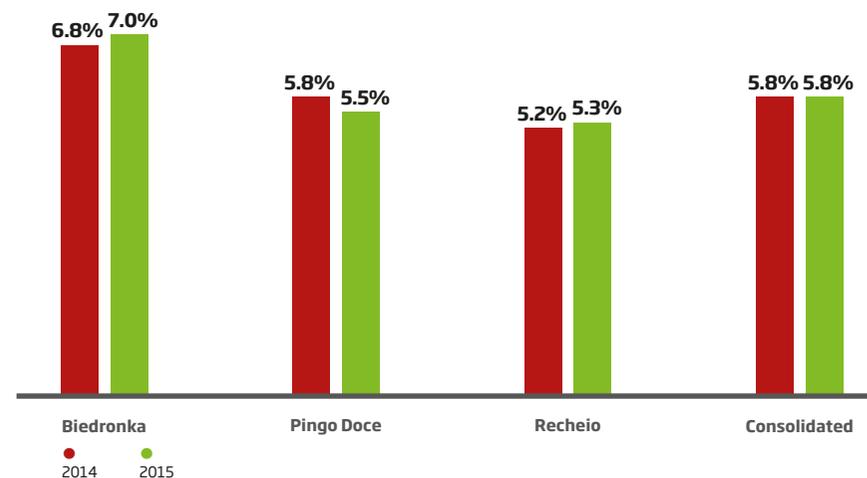


## CONTRIBUTION TO CONSOLIDATED EBITDA GROWTH

(million euros)



## EBITDA MARGIN



### 3.3.3. NET CONSOLIDATED RESULT

	2015		2014		Δ %
	(million euros)	%	(million euros)	%	
<b>EBIT<sup>1</sup></b>	<b>505</b>	<b>3.7%</b>	<b>457</b>	<b>3.6%</b>	<b>10.7%</b>
Net Financial Results	-26	-0.2%	-34	-0.3%	-22.8%
Profit in Associated Companies	17	0.1%	15	0.1%	9.4%
Non Recurrent Items <sup>2</sup>	-20	-0.1%	-9	-0.1%	n.a.
<b>EBT</b>	<b>475</b>	<b>3.5%</b>	<b>429</b>	<b>3.4%</b>	<b>10.7%</b>
Taxes	-117	-0.8%	-104	-0.8%	12.4%
<b>Net Profit</b>	<b>358</b>	<b>2.6%</b>	<b>325</b>	<b>2.6%</b>	<b>10.2%</b>
Non Controlling Interest	-25	-0.2%	-23	-0.2%	6.4%
<b>Net Profit attr. to JM</b>	<b>333</b>	<b>2.4%</b>	<b>302</b>	<b>2.4%</b>	<b>10.5%</b>
EPS (euros)	0.53		0.48		10.5%

<sup>1</sup> The EBIT shown in the "Net Consolidated Result" table does not include non-recurrent operational items which appear itemised in the "Statement by Functions" under Exceptional Operating Profit/Loss and are included in the Operating Result shown therein.

<sup>2</sup> Non Recurrent Items presented in the table "Net Consolidated Result" include the Exceptional Operating Results and Gains/Losses on Other Investments as reported in the "Statement by Functions".

The good sales performance, common to all the business areas, was fundamental for the positive evolution of the EBITDA generated in value terms.

The net results attributable to Jerónimo Martins were 333.3 million euros, an increase of 10.5% compared to 2014.

This result was the direct consequence of a good operating performance and strict management of the Group's balance sheet.

The financial results were 26.5 million euros, 7.8 million euros less than in 2014, as a result of lower average debt throughout the year as well as a lower cost of debt.

Profit in associated companies, which reflects the consolidation of the result generated by the partnership that the Group has with Unilever in Portugal, was 16.6 million euros (vs. 15.2 million euros in 2014).

### 3.3.4. CASH FLOW

	(million euros)	
	2015	2014
EBITDA	800	733
Interest Payment	-29	-32
Other Financial Items	14	20
Income Tax	-108	-109
<b>Funds From Operations</b>	<b>677</b>	<b>612</b>
Capex Payment	-394	-486
Δ Working Capital	212	146
Others	-12	-5
<b>Free Cash Flow</b>	<b>482</b>	<b>267</b>

Cash flow generated in the year reached 482.2 million euros, 215.0 million euros more than in the previous year.

The good cash flow performance was the result of:  
i. the solid sales performance; ii. very strict execution of the improvements to Biedronka's assortment;  
iii. capex efficiency in Poland and Colombia; and iv. strong working capital management.

In view of the cash flow generated, and on the proposal of the Group's Board of Directors, the distribution of free reserves in the sum of 235.7 million euros was approved at the Extraordinary General Shareholders' Meeting that was held in December 2015.

### 3.3.5. CONSOLIDATED BALANCE SHEET

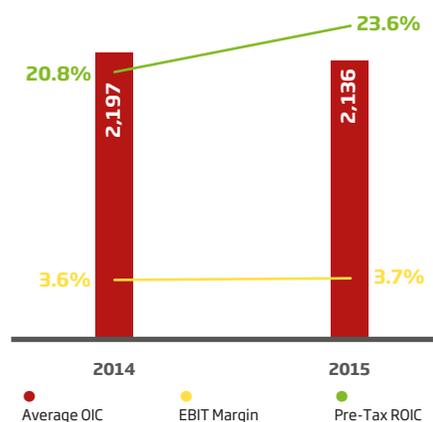
	(million euros)	
	2015	2014
Net Goodwill	640	640
Net Fixed Assets	3,060	2,940
Total Working Capital	-2,001	-1,778
Others	82	111
<b>Invested Capital</b>	<b>1,780</b>	<b>1,912</b>
Total Borrowings	658	714
Leasings	0	1
Accrued Interest & Hedging	0	4
Marketable Sec. & Bank Deposits	-471	-446
<b>Net Debt</b>	<b>187</b>	<b>273</b>
Non Controlling Interests	252	243
Share Capital	629	629
Retained Earnings	712	767
<b>Shareholders Funds</b>	<b>1,593</b>	<b>1,639</b>
Gearing	11.7%	16.7%

The solidity of the balance sheet is reflected in the gearing of 11.7% at the end of the year, even after paying dividends in May (in line with the dividend policy for the year) and the distribution of reserves in December. In total, a sum of 389.6 million euros was paid to the shareholders in 2015.



## PRE-TAX ROIC

(million euros)



### 3.3.6. RETURN ON INVESTED CAPITAL

Return on invested capital, calculated on a Pre-Tax ROIC basis, rose from 20.8% in 2014 to 23.6% in 2015.

This evolution was the result of the increase in return on capital, which benefited from the growth in sales on a like-for-like basis (+3.4% at Group level) and the strict management of working capital and investments.

### 3.3.7. DEBT BREAKDOWN

Net debt at the end of the year was 187.0 million euros (273.0 million euros in 2014), even after the distribution of reserves which was paid in December 2015 and reflects the Group's good performance in the various business areas.

Regarding medium and long-term financing, there was an increase in maturity from 2 to 2.4 years following the renewal of the bond loan.

	(million euros)	
	2015	2014
<b>Long Term Debt</b>	<b>534</b>	<b>374</b>
as % of Total Borrowings	81.2%	52.4%
Average Maturity (years)	2.4	2.0
Bond Loans	150	0
Commercial Paper	100	0
Other LT Debt	284	374
<b>Short Term Debt</b>	<b>123</b>	<b>340</b>
as % of Total Borrowings	18.8%	47.6%
<b>Total Borrowings</b>	<b>658</b>	<b>714</b>
Average Maturity (years)	1.9	1.5
Leasings	0	1
Accrued Interest & Hedging	0	4
Marketable Securities & Bank Deposits	-471	-446
<b>Net Debt</b>	<b>187</b>	<b>273</b>
% Debt in Euros (Financial Debt + Leasings)	47.4%	31.6%
% Debt in Zlotys (Financial Debt + Leasings)	40.4%	57.3%
% Debt in Pesos (Financial Debt + Leasings)	12.2%	11.1%

### 3.3.8. JERÓNIMO MARTINS IN THE CAPITAL MARKETS

#### SHARES DESCRIPTION

<b>Listed Stock Exchange</b>	NYSE Euronext Lisbon	
<b>IPO</b>	November 1989	
<b>Share Capital (€)</b>	629,293,220	
<b>Nominal Value</b>	€ 1,00	
<b>Number of Shares Issued</b>	629,293,220	
<b>Symbol</b>	JMT	
<b>Codes</b>	<b>ISIN</b>	PTJMT0AE0001
	<b>Reuters</b>	JMT.LS
	<b>Bloomberg</b>	JMT PL
	<b>Sedol</b>	B28JPDO
	<b>WKN</b>	878605

Jerónimo Martins' shares are part of 51 indices, the most relevant being the PSI-20 (the reference index of the NYSE Euronext Lisbon), the Euronext 100 and the EuroStoxx Index, and are negotiated on 36 different platforms, mostly in the main European markets.

#### CAPITAL STRUCTURE

For information on the capital structure of Jerónimo Martins, please see point 9. Notes to the Consolidated Management Report in this chapter.

#### PSI-20 PERFORMANCE

In 2015, the reference index in the Portuguese market - PSI-20 - closed the year increasing 10.7% in value to 5,313.17 points. It was one of the European indices with the largest increase in value, well above the reference index for Europe, the Stoxx600, which rose 6.9% compared to the previous year.

The PSI-20 saw Banif de-listed, moving from 18 to 17 members, as well as the transformation of PT SGPS into Pharol, whose securities reached successive all-time lows. The index's increase in value benefited essentially

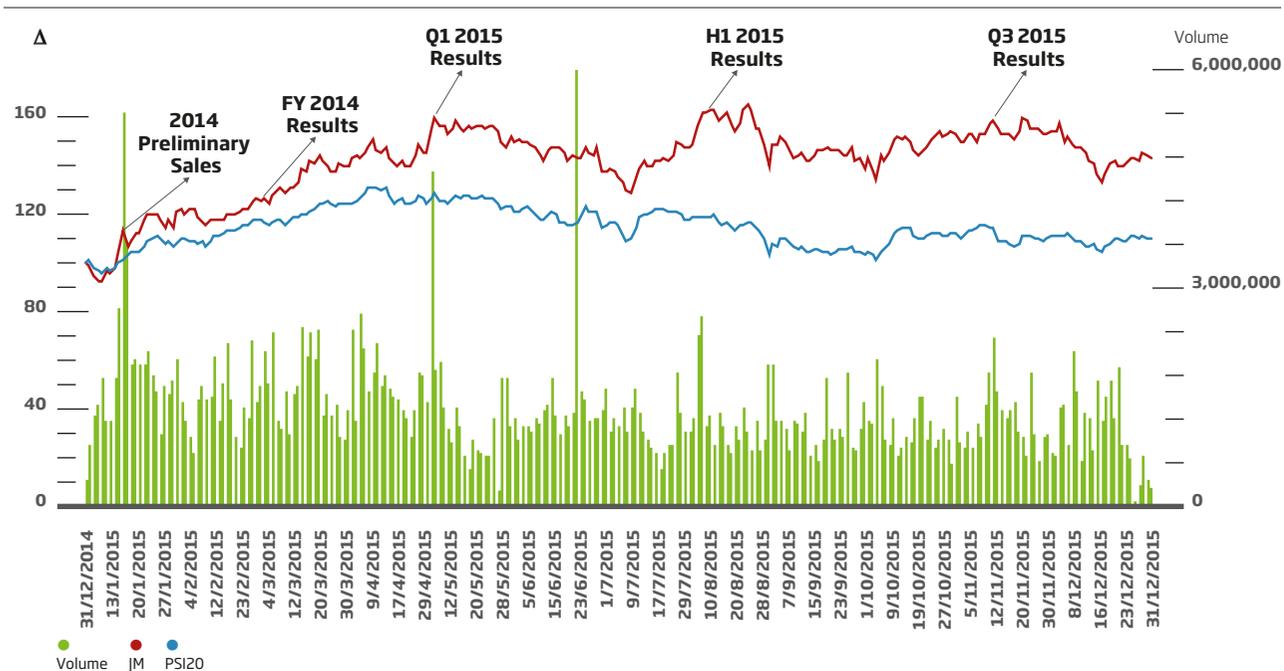
from the gains by Altri, as it almost doubled its stock exchange value (+92.1%), by Jerónimo Martins (+43.9%) and by NOS (+38.4%). As far as losses are concerned, five listed companies recorded significant devaluations: BCP (-25.6%), Mota-Engil (-27.7%), Impresa (-40.2%), Teixeira Duarte (-55.8%) and Pharol (-68.6%).

In a year that was marked by the prospects of an increase in interest rates in the United States and by signs of a slow-down in China and other emerging markets, the domestic reference index reached its lowest value of the year on January 7<sup>th</sup>, at 4,602.48 points, and its highest on April 10<sup>th</sup>, at 6,348.46 points.

February was the best month for the PSI-20 in 2015, with a climb of 10.6%, and August the worst, a month when the markets were affected by fears concerning the slowdown of the world economy. In that month, the PSI-20 dropped 8%.

The Portuguese stock market index was above the main European indices, whilst the IBEX35, the WIG20 and the FTSE100 were the only indices to have a negative performance during the year, having devalued 7.2%, 23.3% and 4.9% respectively.





### JERÓNIMO MARTINS SHARE PRICE PERFORMANCE

After showing a devaluation of 41.4% in 2014, Jerónimo Martins posted a 43.9% increase in value in 2015.

According to the NYSE Euronext Lisbon, in 2015 Jerónimo Martins was the Portuguese company with the third highest market capitalisation, having closed the year with a relative weight of 13.3% in the PSI-20. The Group closed 2015 with a market capitalisation of 7.5 billion euros versus 5.2 billion euros at the end of 2014. Jerónimo Martins is one of the three Portuguese companies to be part of the Euronext 100 index, with a weight of 0.32% (0.25% in 2014).

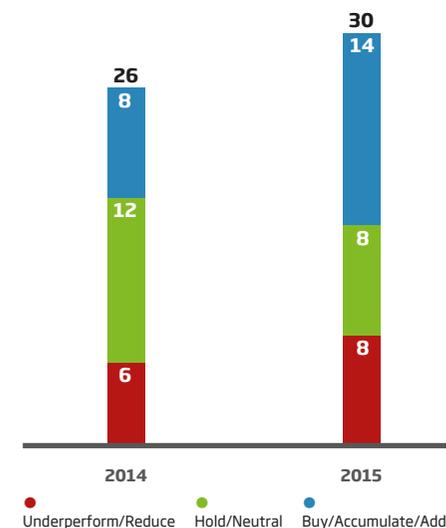
Jerónimo Martins' shares were among the most traded on the NYSE Euronext Lisbon, with around 345 million shares traded, meaning a daily average of 1.3 million shares (26%

higher than that recorded in 2014), at an average price of 11.84 euros. In terms of turnover, these shares represented the equivalent of 14.6% (4 billion euros) of the overall volume of shares traded on the PSI-20 index in 2015 (27.6 billion euros).

Jerónimo Martins' shares showed a positive trend during the most part of the year, having recorded a minimum price of 7.70 euros on January 7<sup>th</sup> and a maximum price of 13.81 on August 17<sup>th</sup>. In the first-half, the average volume of shares traded increased by 17% compared to an average monthly volume in the previous 12 months, despite the negative share performance after the first news in the market about the potential new tax on the retail sector in Poland.

Throughout the year, except for the first few days in January, the performance of Jerónimo Martins' shares

### NO. OF RECOMMENDATIONS



always remained above the PSI-20, ending 2015 with a price of 12.00 euros, which represents a 43.9% increase in value compared to 2014.

### ANALYSTS

In 2015, six investment companies began covering Jerónimo Martins (Berenberg, Dom Maklerski mBanku, Nomura, MainFirst Bank, Bryan, Garnier & Co., PKO BP Securities) and two others stopped covering this security (Berenberg and VTB Capital). At the end of the year, 30 analysts were following Jerónimo Martins. 14 of the 30 analysts issued a positive recommendation on the security, eight issued a neutral recommendation and eight issued a negative recommendation. At the end of 2015, the average target price of the analysts was 13.44 euros, which corresponded to a potential rise compared to the closing price on 31<sup>st</sup> December of 12.0%.

## JERÓNIMO MARTINS FINANCIAL PERFORMANCE 2011-2015

(million euros)

Balance Sheet	2015	2014	2013	2012	2011
Net Goodwill	640	640	648	655	627
Net Fixed Assets	3,060	2,940	2,810	2,557	2,227
Total Working Capital	-2,001	-1,778	-1,686	-1,615	-1,495
Others	82	111	112	99	135
<b>Invested Capital</b>	<b>1,780</b>	<b>1,912</b>	<b>1,885</b>	<b>1,695</b>	<b>1,495</b>
Net Debt	187	273	346	321	204
Total Borrowings	658	714	688	660	676
Leasings	0	1	6	18	38
Accrued Interest	0	4	20	15	14
Marketable Securities and Bank Deposits	-471	-446	-368	-372	-524
Non Controlling Interests	187	243	236	251	260
Equity	1,342	1,396	1,304	1,122	1,030

(million euros)

Income Statement	2015	2014	2013	2012	2011
<b>Net Sales &amp; Services</b>	<b>13,728</b>	<b>12,680</b>	<b>11,829</b>	<b>10,683</b>	<b>9,646</b>
<b>EBITDA</b>	<b>800</b>	<b>733</b>	<b>777</b>	<b>740</b>	<b>693</b>
EBITDA margin	0	5.8%	6.6%	6.9%	7.2%
Depreciation	-294	-277	-249	-221	-206
<b>EBIT</b>	<b>505</b>	<b>457</b>	<b>528</b>	<b>518</b>	<b>487</b>
EBIT margin	3.7%	3.6%	4.5%	4.9%	5.0%
Financial Results	-26	-34	-39	-30	-30
Profit in Associated Companies	17	15	19	13	17
Non Recurrent Items <sup>1</sup>	-20	-9	-4	-19	-11
<b>EBT</b>	<b>475</b>	<b>429</b>	<b>503</b>	<b>483</b>	<b>463</b>
Taxes	-117	-104	-111	-116	-106
<b>Net Income</b>	<b>358</b>	<b>325</b>	<b>393</b>	<b>366</b>	<b>357</b>
Non Controlling Interests	-25	-23	-10	-6	-17
<b>Net Income attributable to JM</b>	<b>333</b>	<b>302</b>	<b>382</b>	<b>360</b>	<b>340</b>

<sup>1</sup> Non Recurrent Items include the Exceptional Operating Losses and Gains in Others Investments as presented in the Income Statement by Functions and detailed in the notes to Consolidated Accounts.

(million euros)

Market Ratios	2015	2014	2013	2012	2011
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	31.7%	26.9%	32.0%	27.2%	29.0%
EPS (€)	0.53	0.48	0.61	0.57	0.54
Dividend per share (€)	0.62 *	0.31	0.30	0.51 **	0.21 ***
<b>Stock Market Performance</b>					
High (€)	13.81	14.25	18.47	15.62	14.34
Low (€)	7.70	6.98	13.61	11.87	10.64
Average (€)	11.84	10.94	15.51	13.71	12.33
Closing (End of year) (€)	12.00	8.34	14.22	14.60	12.79
Market Capitalisation (31 Dec) (€ 000,000)	7,548	5,245	8,945	9,188	8,049
Transactions (volume) (1,000 shares)	344,797	274,146	202,709	157,916	254,571
Annual Growth	43.9%	-41.4%	-2.6%	14.2%	12.2%
Annual Growth - PSI-20	10.7%	-26.8%	16.0%	2.9%	-27.6%

\* 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.

\*\*\* This dividend, regarding the 2010 financial year, was paid by the end of 2010.