Jerónimo Martins, SGPS, S.A.
First Quarter 2006 Results

1. Summary

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Next Event:

1H2006 Results release on 27 July, 2006.

- **Net Consolidated Sales reached Euro 964.3 million in the first quarter of 2006, an outstanding 10.1% increase, especially relevant when considering that Q1 2005 included Easter that in 2006 was only registered in April.**
- **Pingo Doce posted strong sales evolution with LFL growth of 6.9%, an acceleration from Q4 2005 (+4.4%). This confirms the success of Pingo Doce format in Portugal and that its competitive repositioning is paying-off.**
- **Feira Nova has maintained its progression, accordingly to the recent repositioning implemented, reflecting the Easter effect in its sales figure (-2% LFL sales). The Company opened two new stores in the first quarter of the year.**
- **In Poland, Biedronka continued its healthy growth with net sales of Euro 381.7 million (22.9% growth vs Q1 2005), driven by both, strong LFL sales (+6.4%) and organic expansion (+19 new stores in the quarter). The EBITDA of this business area posted a strong growth of 29.3% in euro.**
- **Consolidated EBITDA reached Euro 61.8 million. Considering the negative Easter calendar effect and the fact that 11 Pingo Doce stores were closed 6 weeks for revamping in the first quarter, EBITDA reflected the resilience of the margins in Distribution.**
- **Net attributable profit reached Euro 17.3 Million, a 3% increase on Q1 2005. EPS was 0.14 euro.**
- **Profitable growth continues to be our key priority in the Group. This positive evolution of sales in our main retail formats makes the Management confident about strengthening the Company's competitive positioning in all its formats. We intend to accelerate expansion in our strongest concepts.**

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2. Consolidated performance

Pingo Doce and Biedronka counter Easter effect, strongly contributing to the 10.1% increase in consolidated sales.

Net Profit reaches euro 17.3 million in the first quarter of 2006.

CONSOLIDATED RESULTS

	1Q06		1Q05		
	Eur Tho.	%	Eur Tho.	%	Δ%
Net Sales & Services	**964.270**		**875.650**		**10,1%**
Gross Margin	231.332	24,0%	214.181	24,5%	8,0%
Operating Costs	-168.759	-17,5%	-150.575	-17,2%	12,1%
Provisions	-781	-0,1%	-560	-0,1%	39,4%
EBITDA	**61.793**	**6,4%**	**63.045**	**7,2%**	**-2,0%**
Depreciation	-25.716	-2,7%	-24.614	-2,8%	4,5%
EBIT	**36.077**	**3,7%**	**38.431**	**4,4%**	**-6,1%**
Net Financial Results	-9.687	-1,0%	-13.274	-1,5%	-27,0%
Non Recurrent Items	-208	0,0%	527	0,1%	-139,4%
EBT	**26.182**	**2,7%**	**25.684**	**2,9%**	**1,9%**
Taxes	-3.455	-0,4%	-2.961	-0,3%	16,7%
Net Profit	**22.728**	**2,4%**	**22.723**	**2,6%**	**0,0%**
Minority Interests	-5.402	-0,6%	-5.906	-0,7%	-8,5%
Net Profit attr. to JM	**17.326**	**1,8%**	**16.817**	**1,9%**	**3,0%**
EPS (euro)	0,14		0,13		3,0%
Cash Flow per share (euro)	0,39		0,37		5,1%

Consolidated sales grew by 10.1% (8.0% excluding foreign exchange effect). This is particularly significant if we consider that this year Easter fell in April – with an estimated effect of 2.5% on first quarter sales.

The Group's EBITDA margin dropped from 7.2% of sales in the first three months of 2005 to 6.4% in the first quarter of 2006. This performance reflects several important factors:

- the fact that this year Easter fell in April penalised consolidated sales;
- the remodelling of 11 Pingo Doce stores meant that they were closed for an average period of 6 weeks each, during which they did not contribute to the Company's margin with sales but only with costs;
- the dilution effect of the increase in Biedronka's contribution to the Group's margin;
- the increase in the price of electricity in Portugal;
- the overall continuation of the policies of competitive prices followed by the different distribution formats;
- and finally, also the intensification of the price and promotional activity in the manufacturing side had a significant effect on consolidated EBITDA margin.

Financial charges declined by 27% in the quarter as the result of several factors: debt reduction, better spreads and hedging efficiency.

Net profit in Q1 2006 reached Euro 17.3 million, up by 3% year-on-year. Cash flow per share increased by 5.1% to Euro 0.39.

3. Performance by Business Area

3.1. Distribution in Portugal

Pingo Doce volume sales grow at double digit and the chain was considered by DECO(1) in the first place among the cheapest operators in the market.

Feira Nova opened two compact-hyper stores in the quarter.

DISTRIBUTION IN PORTUGAL	Sales	Nr. Stores			Sales area (sqm)			LFL Growth
	Δ%	1Q06	1Q05	Δ	1Q06	1Q05	Δ	1Q06
Pingo Doce	5,4%	179	177	2	149.042	145.801	3.241	6,9%
Feira Nova	3,4%	31	28	3	135.175	128.665	6.510	-2,0%
Hypers	-2,5%	9	9	0	82.653	82.653	0	-2,5%
Mini Hypers	12,2%	22	19	3	52.522	46.012	6.510	-1,2%
Recheio	0,1%	32	32	0	107.202	107.202	0	0,0%
Madeira	1,9%	15	14	1	13.697	13.697	0	-6,4%

Pingo Doce's business model continues to bear positive results: LFL growth reached 6.9% in the quarter (sales volume growth exceeded 10%).

Private label sales were up by 34% year-on-year, increasingly standing out as a key pillar of the concept implemented.

Pingo Doce accelerated its remodelling plan, fully refurbishing 10 stores in the quarter.

Feira Nova's LFL sales (-2%) suffered from Easter's shift to the second quarter - seasonal effects being considerably stronger in this format, where the non-food area's attraction potential is higher.

The chain opened two new stores, respectively in January and in February (average area of 2,250 sqm).

Recheio maintained sales, countering the drop in sales to the traditional channel through a 2.7% increase in sales to the HoReCa channel.

In Madeira, the Easter shift's negative effect was further emphasised by its impact on tourism. The Company has revamped one store that was closed during one month.

3.2. Distribution in Poland

Biedronka raises sales by 17% in local currency and EBITDA in 23.1%.

DISTRIBUTION IN POLAND	Sales				Nr. Stores			Sales area (sqm)			LFL Growth
	1Q06 (Eur tho.)	1Q05 (Eur tho.)	Δ% (Eur)	Δ% (Pln)	1Q06	1Q05	Δ	1Q06	1Q05	Δ	1Q06
Biedronka	381.691	310.569	22,9%	17,0%	821	732	89	404.703	353.840	50.863	6,4%

With LFL sales rising by a significant 6.4% and having 89 more stores than in the 1st quarter of 2005, Biedronka raised first quarter sales to zloty 1.5 billion, which represents a 17% year-on-year increase (22.9% in euro). Easter effect in Poland is by far the biggest within all the retail formats of the Group.

The strength of this growth is clearly shown by EBITDA's 29.3% increase in euro, in this business area.

The stores' network expansion keeps being the top priority for the Company that opened, in Q1 2006, 19 stores and revamped 13.

1) Research developed and published by DECO Proteste (Portuguese Association for the Consumers Rights) in May 2006, embracing 100 products with manufacturing brands.

JERÓNIMO MARTINS

3.3. Manufacturing

The Companies boosted advertising support and increased price competitiveness of its brands.

MANUFACTURING	Sales att. to JM		Eur Thousand
	1Q06	1Q05	∆ %
Food Manufacturing	57.304	57.234	0,1%

The announced strategy of emphasising the advertising support to the brands and increasing the investment in price for some key categories has already yielded very positive results in volumes sold, namely in Personal Care, although other categories continue to operate in adverse competitive environment with consequent pressure on sales and margins.

3.4. Marketing Services, Representation and Restaurant

Growth underpinned by portfolio diversification.

Marketing, Representation and Restaurant Services	Sales		Eur Thousand
	1Q06	1Q05	∆ %
Marketing, Representantion and Restaurant Services	16.617	16.035	3,6%

Sales by this business area were up by 3.6% in the quarter, reflecting new brand representations in 2005, as well as an expanded portfolio in catering businesses.

4. Balance Sheet

BALANCE SHEET	1Q06	1Q05
		Eur Thousand
Net Goodwill	395.346	391.027
Net Fixed Assets	1.162.705	1.051.368
Net Working Capital	-448.917	-415.287
Others	129.195	167.628
Invested Capital	**1.238.329**	**1.194.735**
Debt	640.028	706.197
Leasings	30.580	25.953
Accrued interest	11.985	16.822
Marketable sec. & Bank deposits	-74.241	-93.500
Net Debt	**608.352**	**655.472**
Minority Interests	245.410	222.823
Share Capital	629.293	629.293
Retained Earnings	-244.727	-312.853
Shareholders Funds	**629.977**	**539.263**
Gearing	*96,6%*	*121,5%*

The reduction of the debt by Euro 47.1 million versus the 1st quarter of 2005, and the reinforcement of equity through the strong performance of the business areas translated into the improvement of gearing.

The debt's increase when compared to the 2005 year-end is a reflex of normal business seasonality, which implies that the debt's lowest point is reached at the end of every year.

Capex in Q1 reached Euro 65.8 million.

5. Outlook

Positive evolution of sales reinforces confidence towards 2006 Objectives.

Positive evolution of sales in the quarter makes the Management confident about improving our competitive position in the different retail formats.

In Portugal, the opening of the market will undoubtedly increase capacity in the food retail sector. We believe, however, we are ready to accelerate expansion to maintain, if not increase, our market share. Management is convinced about the strength of Pingo Doce and compact Feira Nova as successful business models in the Portuguese market and considers increasing the number of Pingo Doce stores opened in the year.

In Poland, as previously announced, we are accelerating expansion to take the opportunity of consolidating the leadership positioning of Biedronka. Organic growth will remain as strong as possible and margins should remain solid following the operations efficiency evolution.

6. Definitions

LFL sales: sales by stores that operated under the same conditions in two periods. Excludes stores opened, closed or which suffered major remodelling works in one of the periods.

Cash Flow per Share: (Net Profit + Depreciation + Provisions – Deferred Taxes – Non recurrent items) / Number of shares.

Gearing: Net debt / Shareholders' funds

7. Annexes

Consolidated Income Statement by Functions
Sales Breakdown

May 3rd, 2006.

Consolidated Income Statement by functions

Jerónimo Martins, SGPS, S.A. Consolidated Income statement by functions for the 3 months ended 31 March of 2006 and 2005	2006 Tho. Euros	2005 Tho. Euros
Sales and services rendered	964.270	875.650
Cost of sales	(769.964)	(691.988)
Supplementary income and costs	36.502	30.519
Gross Profit	**230.808**	**214.181**
Distribution costs	(164.423)	(143.660)
Administrative costs	(30.309)	(32.090)
Excepcional operating losses	(764)	
Operating Profit	**35.312**	**38.431**
Net financial costs	(9.115)	(12.780)
Profit/Losses in associated companies	(15)	33
Profit before taxes	**26.182**	**25.684**
Income taxes	(3.454)	(2.961)
Profit before minority interests	**22.728**	**22.723**
Minority interests	(5.402)	(5.906)
JM Profit	**17.326**	**16.817**

Sales Breakdown

CONSOLIDATED REVENUES	1Q06		1Q05		Δ %	
	Eur Tho.	% total	Eur Tho.	% total	Pln	Euro
Sales & Services						
Retail mainland	396.346	41,1%	376.827	43,0%	n.a.	5,2%
p.m. Store Sales	365.784	37,9%	349.881	40,0%	n.a.	4,5%
Cash & Carry mainland	131.453	13,6%	131.356	15,0%	n.a.	0,1%
Madeira	23.238	2,4%	22.807	2,6%	n.a.	1,9%
Poland - Biedronka	381.691	39,6%	310.569	35,5%	17,0%	22,9%
Manufacturing	57.304	5,9%	57.233	6,5%	n.a.	0,1%
Mkt, Repr. and Rest. Services	16.617	1,7%	16.035	1,8%	n.a.	3,6%
Total JM	**964.270**	**100,0%**	**875.650**	**100,0%**	**n.a.**	**10,1%**