



PRESS RELEASE

METRO REPORTS 2016 SECOND-QUARTER RESULTS

(Montréal, April 20, 2016) - METRO INC. (TSX: MRU) today announced its results for the second quarter of fiscal 2016 ended March 12, 2016.

2016 SECOND QUARTER HIGHLIGHTS

- Sales of \$2,882.0 million, up 6.5%
- Same-store sales up 5.0%
- Net earnings of \$124.9 million, up 11.9%
- Fully diluted net earnings per share of \$0.51, up 18.6%
- Declared dividend of \$0.14 per share, up 20.0%

	12 weeks / Fiscal Year				
	2016	%	2015	%	Change (%)
<i>(Millions of dollars, except for net earnings per share/EPS)</i>					
Sales	2,882.0	100.0	2,707.1	100.0	6.5
Operating income before depreciation and amortization and associate's earnings	202.0	7.0	182.8	6.8	10.5
Net earnings	124.9	4.3	111.6	4.1	11.9
Fully diluted EPS	0.51	—	0.43	—	18.6

	24 weeks / Fiscal Year				
	2016	%	2015	%	Change (%)
<i>(Millions of dollars, except for net earnings per share/EPS)</i>					
Sales	5,843.6	100.0	5,547.6	100.0	5.3
Operating income before depreciation and amortization and associate's earnings	412.3	7.1	372.8	6.7	10.6
Net earnings	264.7	4.5	224.1	4.0	18.1
Fully diluted EPS	1.07	—	0.86	—	24.4
Adjusted net earnings ⁽¹⁾	264.7	4.5	228.4	4.1	15.9
Adjusted fully diluted EPS ⁽¹⁾	1.07	—	0.88	—	21.6

PRESIDENT'S MESSAGE

"We had an excellent second quarter. Our effective merchandising strategies, solid execution and sustained investments in our network drove our strongest increase in same-store sales since 2009, resulting in market share growth. We will continue⁽²⁾ to execute our business plan and are confident we will sustain⁽²⁾ our growth", stated Eric R. La Flèche, President and Chief Executive Officer.

⁽¹⁾ See table on "Net earnings adjustments" and section on "Non-IFRS Measurements"

⁽²⁾ See section on "Forward-looking Information"

2016 SECOND QUARTER RESULTS

SALES

Sales in the second quarter of 2016 reached \$2,882.0 million, up 6.5% compared to \$2,707.1 million in the second quarter of 2015. Same-store sales increased by 5.0% (4.5% in the same quarter last year). Our aggregate food basket inflation was 3.0%. Our constant focus on customer expectations and major investments in our stores fueled our growth in a highly competitive market.

Sales in the first 24 weeks of fiscal 2016 totalled \$5,843.6 million versus \$5,547.6 million for the corresponding period of fiscal 2015, an increase of 5.3%.

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND ASSOCIATE'S EARNINGS

This earnings measurement excludes financial costs, taxes, early redemption fees, depreciation and amortization and associate's earnings.

Operating income before depreciation and amortization and associate's earnings (Alimentation Couche-Tard) for the second quarter of 2016 totalled \$202.0 million or 7.0% of sales versus \$182.8 million or 6.8% of sales for the same quarter last year.

For the first 24 weeks of fiscal 2016, operating income before depreciation and amortization and associate's earnings totalled \$412.3 million or 7.1% of sales versus \$372.8 million or 6.7% of sales for the same period last year.

Gross margin on sales for the second quarter and the first 24 weeks of 2016 were 19.9% and 19.7% respectively versus 19.9% and 19.6% for the corresponding periods of 2015. Operating expenses as a percentage of sales for the second quarter and the first 24 weeks of 2016 were 12.9% and 12.6% respectively versus 13.1% and 12.8% for the corresponding periods of 2015, leveraging our sales growth.

DEPRECIATION AND AMORTIZATION, NET FINANCIAL COSTS AND EARLY REDEMPTION FEES

Total depreciation and amortization expenses for the second quarter and the first 24 weeks of 2016 were \$42.2 million and \$82.5 million respectively versus \$39.8 million and \$79.8 million for the corresponding periods of 2015.

Net financial costs for the second quarter of 2016 totalled \$14.7 million compared to \$13.6 million for the corresponding quarter last year. For the first 24 weeks of 2016, net financial costs totalled \$29.1 million compared to \$27.0 million in 2015, including early redemption fees of \$5.9 million of Series A Notes that were incurred in the first quarter of 2015.

SHARE OF AN ASSOCIATE'S EARNINGS

Our share of earnings in Alimentation Couche-Tard was \$21.2 million for the second quarter of 2016 versus \$16.3 million for the corresponding quarter of 2015.

Our share of earnings in Alimentation Couche-Tard was \$51.8 million for the first 24 weeks of 2016 versus \$34.2 million in 2015.

INCOME TAXES

The 2016 second quarter income tax expense of \$41.4 million represented an effective tax rate of 24.9% compared with the 2015 second quarter tax expense of \$34.1 million for an effective tax rate of 23.4%.

The 24-week period income tax expense of \$87.8 million for 2016 and \$70.2 million for 2015 represented effective tax rates of 24.9% and 23.9% respectively.

NET EARNINGS

Net earnings for the second quarter of 2016 were \$124.9 million, an increase of 11.9% over net earnings of \$111.6 million for the same quarter of 2015. Fully diluted net earnings per share rose 18.6% to \$0.51 from \$0.43 last year.

Net earnings for the first 24 weeks of 2016 were \$264.7 million, an increase of 18.1% over net earnings of \$224.1 million for the same period of 2015. Fully diluted net earnings per share rose 24.4% to \$1.07 from \$0.86 last year.

⁽¹⁾ See table on "Net earnings adjustments" and section on "Non-IFRS Measurements"

⁽²⁾ See section on "Forward-looking Information"

ADJUSTED NET EARNINGS⁽¹⁾

Excluding after-tax Series A Notes early redemption fees of \$4.3 million in the first 24 weeks of 2015, net earnings and fully diluted net earnings per share for the first 24 weeks of 2016 were up 15.9% and 21.6% over adjusted net earnings⁽¹⁾ and adjusted fully diluted net earnings per share⁽¹⁾ for 2015.

Net earnings adjustments

	24 weeks / Fiscal Year				Change (%)	
	2016		2015		Net earnings	Fully diluted EPS
	(Millions of dollars)	Fully diluted EPS (Dollars)	(Millions of dollars)	Fully diluted EPS (Dollars)		
Net earnings	264.7	1.07	224.1	0.86	18.1	24.4
Early redemption fees after taxes	—	—	4.3	0.02		
Adjusted net earnings ⁽¹⁾	264.7	1.07	228.4	0.88	15.9	21.6

NORMAL COURSE ISSUER BID PROGRAM

Under its normal course issuer bid program, the Corporation may repurchase up to 18,000,000 of its Common Shares between September 10, 2015 and September 9, 2016. Between September 10, 2015 and April 11, 2016, the Corporation has repurchased 7,376,764 Common Shares at an average price of \$36.94 for a total of \$272.5 million.

DIVIDENDS

On April 19, 2016, the Corporation's Board of Directors declared a quarterly dividend of \$0.14 per Common Share payable June 9, 2016, an increase of 20.0% over the dividend declared for the same quarter last year. This dividend of \$0.14 equals the dividend declared in the first quarter of 2016. On an annualized basis, this dividend represents approximately 25% of 2015 adjusted net earnings⁽¹⁾, compared to the percentages of the previous two fiscal years which were 24% and 22%.

FORWARD-LOOKING INFORMATION

We have used, throughout this press release, different statements that could, within the context of regulations issued by the Canadian Securities Administrators, be construed as being forward-looking information. In general, any statement contained herein that does not constitute a historical fact may be deemed a forward-looking statement. Expression such as "continue", "sustain" and other similar expressions are generally indicative of forward-looking statements. The forward-looking statements contained herein are based upon certain assumptions regarding the Canadian food industry, the general economy, our annual budget, as well as our 2016 action plan.

These forward-looking statements do not provide any guarantees as to the future performance of the Corporation and are subject to potential risks, known and unknown, as well as uncertainties that could cause the outcome to differ significantly. The arrival of a new competitor is an example described under the "Risk Management" section of the 2015 Annual Report which could have an impact on these statements. We believe these statements to be reasonable and pertinent as at the date of publication of this report and represent our expectations. The Corporation does not intend to update any forward-looking statement contained herein, except as required by applicable law.

NON-IFRS MEASUREMENTS

In addition to the International Financial Reporting Standards (IFRS) earnings measurements provided, we have included certain non-IFRS earnings measurements. These measurements are presented for information purposes only. They do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measurements presented by other public companies.

ADJUSTED NET EARNINGS AND ADJUSTED FULLY DILUTED NET EARNINGS PER SHARE

Adjusted net earnings and adjusted fully diluted net earnings per share are earnings measurements that exclude non-recurring items. They are non-IFRS measurements. We believe that presenting earnings without non-recurring items leaves readers of financial statements better informed as to the current period and corresponding prior year's period's earnings, thus enabling them to better evaluate the Corporation's performance and judge its future outlook.

⁽¹⁾ See table on "Net earnings adjustments" and section on "Non-IFRS Measurements"

⁽²⁾ See section on "Forward-looking Information"

CONFERENCE CALL

Financial analysts and institutional investors are invited to participate in a conference call for the **2016 second quarter** results at **10:00 a.m. (EDT) today, April 20, 2016**. To access the conference call, please dial (647) 427-7450 or 1 (888) 231-8191. The media and investing public may access this conference via a listen mode only.

Notice to readers: METRO INC. second quarter of 2016 interim condensed consolidated financial statements and management's discussion and analysis are available on the Internet at www.metro.ca - Corporate Site - Investor Relations - 2016 Quarterly Results - 2016 Second Quarter Results.

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⁽¹⁾ See table on "Net earnings adjustments" and section on "Non-IFRS Measurements"

⁽²⁾ See section on "Forward-looking Information"