



PRESS RELEASE

METRO REPORTS 2017 FIRST QUARTER RESULTS

(Montréal, January 24, 2017) - METRO INC. (TSX: MRU) today announced its results for the first quarter of fiscal 2017 ended December 17, 2016.

2017 FIRST QUARTER HIGHLIGHTS

- Fully diluted net earnings per share of \$0.58, up 3.6%
- Sales of \$2,971.3 million, up 0.3%
- Same-store sales up 0.7%
- Operating income before depreciation and amortization and associate's earnings up 3.1 %
- Net earnings of \$138.1 million, down 1.2%
- Declared dividend of \$0.1625 per share, up 16.1%

| (Millions of dollars, except for net earnings per share/EPS) | 12 weeks / Fiscal Year | | | | |
|---|------------------------|-------|---------|-------|------------|
| | 2017 | % | 2016 | % | Change (%) |
| Sales | 2,971.3 | 100.0 | 2,961.6 | 100.0 | 0.3 |
| Operating income before depreciation and amortization and associate's earnings | 216.8 | 7.3 | 210.3 | 7.1 | 3.1 |
| Net earnings | 138.1 | 4.6 | 139.8 | 4.7 | (1.2) |
| Fully diluted EPS | 0.58 | — | 0.56 | — | 3.6 |

PRESIDENT'S MESSAGE

"We are pleased with our first quarter results as we grew sales and operating income in a challenging environment of food deflation and intense competition. We will continue⁽¹⁾ to execute our business plan and are confident of sustaining⁽¹⁾ our growth in 2017", stated Eric R. La Flèche, President and Chief Executive Officer.

2017 FIRST QUARTER RESULTS

SALES

Sales in the first quarter of 2017 reached \$2,971.3 million, up 0.3% compared to \$2,961.6 million in the first quarter of 2016. Same-store sales were up 0.7% (2.8% in the same quarter last year). Our aggregate food basket experienced deflation of 1.0% versus an inflation of 2.8% last year, which largely explains our lower sales growth. Certain other factors also impacted our sales negatively, namely our decision not to renew a supply agreement for a network of hospitals in our wholesale pharmaceutical business, as well as the closure for conversion of some Metro stores that has not been offset in the first quarter by sales of the newly-opened discount stores.

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND ASSOCIATE'S EARNINGS

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

⁽¹⁾ See section on "Forward-looking Information"

Operating income before depreciation and amortization and associate's earnings (Alimentation Couche-Tard) for the first quarter of 2017 totalled \$216.8 million or 7.3% of sales versus \$210.3 million or 7.1% of sales for the same quarter last year, up 3.1%.

Gross margin on sales for the first quarter of 2017 was 19.7% versus 19.4% for the corresponding quarter of 2016. Operating expenses as a percentage of sales for the first quarter were 12.4% versus 12.3% for the corresponding quarter last year.

DEPRECIATION AND AMORTIZATION AND NET FINANCIAL COSTS

Total depreciation and amortization expense for the first quarter of 2017 was \$43.2 million versus \$40.3 million for the corresponding quarter of 2016.

Net financial costs for the first quarter of 2017 totalled \$14.6 million compared to \$14.4 million for the same quarter last year.

SHARE OF AN ASSOCIATE'S EARNINGS

Our share of earnings in Alimentation Couche-Tard was \$23.9 million for the first quarter of 2017 versus \$30.6 million for the corresponding quarter of 2016.

INCOME TAXES

The 2017 first quarter income tax expense of \$44.8 million represented an effective tax rate of 24.5% compared with the 2016 first quarter tax expense of \$46.4 million for an effective tax rate of 24.9%.

NET EARNINGS

Net earnings for the first quarter of 2017 were \$138.1 million, a decrease of 1.2% from \$139.8 million for the first quarter of 2016. Fully diluted net earnings per share rose 3.6% to \$0.58 from \$0.56 last year. The decrease in net earnings is due to a \$6.7 million decline in our share of an associate's earnings (Alimentation Couche-Tard).

NORMAL COURSE ISSUER BID PROGRAM

Under its normal course issuer bid program, the Corporation may repurchase up to 12,000,000 of its Common Shares between September 12, 2016 and September 11, 2017. Between September 12, 2016 and January 13, 2017, the Corporation has repurchased 5,376,346 Common Shares at an average price of \$41.13 for a total of \$221.1 million.

DIVIDENDS

On January 23, 2017, the Corporation's Board of Directors declared a quarterly dividend of \$0.1625 per Common Share payable March 13, 2017, an increase of 16.1% over the dividend declared for the same quarter last year. On an annualized basis, this dividend represents approximately 25% of 2016 net earnings, in accordance with the payout target communicated to shareholders in January 2014.

FORWARD-LOOKING INFORMATION

We have used, throughout this report, 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. Expressions 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 2017 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 2016 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.

⁽¹⁾ See section on "Forward-looking Information"

CONFERENCE CALL

Financial analysts and institutional investors are invited to participate in a conference call for the **2017 first quarter** results at **2:00 p.m. (EST) today, January 24, 2017**. 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. first quarter of 2017 interim condensed consolidated financial statements and management's discussion and analysis are available on the Internet at **www.metro.ca** - Corporate Site - Investor Relations - 2017 Quarterly Results - 2017 First Quarter Results.

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⁽¹⁾ See section on "Forward-looking Information"