



PRESS RELEASE

METRO REPORTS 2012 THIRD QUARTER ADJUSTED FULLY DILUTED NET EARNINGS PER SHARE⁽¹⁾ GROWTH OF 18.7%

(Montreal, August 9, 2012) - METRO INC. (TSX : MRU) announced its results today for the third quarter ended June 30, 2012.

HIGHLIGHTS

- Adjusted net earnings⁽¹⁾ of \$147.4 million, up 16.0%
- Adjusted fully diluted net earnings per share⁽¹⁾ of \$1.46, up 18.7%
- Sales of \$3,703.5 million, up 3.8%
- Same store sales up 1.0%
- Declared dividend of \$0.215 per share, up 11.7%

(Millions of dollars, except for net earnings per share/EPS)	16 weeks / Fiscal Year				
	2012	%	2011	%	Change (%)
Sales	3,703.5	100.0	3,566.9	100.0	3.8
EBITDA ⁽¹⁾	272.2	7.3	246.7	6.9	10.3
Adjusted net earnings ⁽¹⁾	147.4	4.0	127.1	3.6	16.0
Adjusted fully diluted EPS ⁽¹⁾	1.46	—	1.23	—	18.7

(Millions of dollars, except for net earnings per share/EPS)	40 weeks / Fiscal Year				
	2012	%	2011	%	Change (%)
Sales	9,067.1	100.0	8,746.9	100.0	3.7
EBITDA ⁽¹⁾	648.0	7.1	599.5	6.9	8.1
Adjusted net earnings ⁽¹⁾	347.2	3.8	308.3	3.5	12.6
Adjusted fully diluted EPS ⁽¹⁾	3.41	—	2.96	—	15.2

PRESIDENT'S MESSAGE

"We are very pleased with our strong third quarter results, which reflect our efficient merchandising programs, excellent cost control and strong execution by the Metro team. Despite increasing competition, we are confident that we can continue⁽²⁾ on our growth path", stated Eric R. La Flèche, President and Chief Executive Officer.

⁽¹⁾ See section "Non-IFRS Measurements"

⁽²⁾ See section "Forward-looking Information"

2012 THIRD QUARTER RESULTS

SALES

Sales in the third quarter and first 40 weeks of 2012 reached \$3,703.5 million and \$9,067.1 million, up 3.8% and 3.7% respectively compared to sales of \$3,566.9 million and \$8,746.9 million for the corresponding periods last year. Adonis stores and distributor Phoenicia's third quarter and 40-week sales contributed \$81.3 million and \$173.3 million respectively to the Corporation's sales. Same store sales were up 1.0% for the third quarter of 2012 compared to the corresponding period in 2011. We experienced very modest inflation in the third quarter, which was lower than in the first two previous quarters.

EARNINGS BEFORE FINANCIAL COSTS, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)⁽¹⁾

EBITDA⁽¹⁾ for the third quarter of 2012 was \$272.2 million, up 10.3% from \$246.7 million for the same quarter last year. Third-quarter EBITDA⁽¹⁾ represented 7.3% of sales versus 6.9% last year.

EBITDA⁽¹⁾ for the first 40 weeks of 2012 was \$648.0 million or 7.1% of sales compared to \$599.5 million or 6.9% of sales for the same period last year.

Gross margins for the third-quarter and the first 40 weeks of 2012 were 18.3% and 18.4% respectively, up from 18.2% for each of the corresponding periods of 2011. Our merchandising strategies and the Adonis stores contributed to this increase.

Our share of earnings in Alimentation Couche-Tard for the third quarter and the first 40 weeks of 2012 were \$13.6 million and \$35.5 million respectively, compared to \$6.9 million and \$27.1 million for the corresponding periods of fiscal 2011. In its last interim report, Couche-Tard stated that non-recurring items are included in the quarter, and excluding these items, Couche-Tard's adjusted net earnings⁽¹⁾ were lower by US\$15.4 million. Excluding our share of earnings from our investment in Alimentation Couche-Tard, EBITDA⁽¹⁾ for the third quarter of 2012 was \$258.6 million or 7.0% of sales versus \$239.8 million or 6.7% of sales for the third quarter of 2011, an increase of 7.8%. For the 40-week period of 2012, EBITDA⁽¹⁾ was \$612.5 million or 6.8% of sales versus \$572.4 million or 6.5% of sales for the corresponding period of 2011, an increase of 7.0%.

NET EARNINGS

Net earnings for the third quarter of 2012 were \$144.4 million, an increase of 13.6% over net earnings of \$127.1 million for the same quarter of 2011. Fully diluted net earnings per share rose 16.3% to \$1.43 from \$1.23 last year. Excluding the non-recurring tax expense of \$3.0 million, our adjusted net earnings⁽¹⁾ were \$147.4 million and our adjusted fully diluted net earnings per share⁽¹⁾ were \$1.46, a 16.0% and 18.7% increase respectively.

Net earnings for the first 40 weeks of 2012 reached \$344.2 million, up 11.6% from \$308.3 million last year. Fully diluted net earnings per share were \$3.38 compared to \$2.96 last year, an increase of 14.2%. Excluding the non-recurring tax expense of \$3.0 million, our adjusted net earnings⁽¹⁾ were \$347.2 million and our adjusted fully diluted net earnings per share⁽¹⁾ were \$3.41, a 12.6% and 15.2% increase respectively.

NORMAL COURSE ISSUER BID PROGRAM

The Company intends to renew its normal course issuer bid program as an additional option for using excess funds. Thus, we could be able to decide, in the shareholders' best interest, to reimburse debt or to repurchase Company shares. The Common Shares so repurchased would be cancelled. Under the existing normal course issuer bid program, the Company repurchased, during the period from September 8, 2011 to July 27, 2012, 4,239,800 Common Shares at an average price of \$50.99 per share for a total of \$216.2 million.

DIVIDENDS

On August 8, 2012, the Corporation's Board of Directors declared a quarterly dividend of \$0.215 per Common Share payable September 13, 2012, an increase of 11.7% over the dividend declared for the same quarter last year. On an annualized basis, this dividend represents approximately 21% of 2011 net earnings.

⁽¹⁾ See section "Non-IFRS Measurements"

⁽²⁾ See section "Forward-looking Information"

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, which does not constitute a historical fact, may be deemed a forward-looking statement. Expressions such as “continue”, “anticipate” 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 2012 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. An economic slowdown or recession, or the arrival of a new competitor, are examples described under the “Risk Management” section of the 2011 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 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.

EARNINGS BEFORE FINANCIAL COSTS, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

EBITDA is a measurement of earnings that excludes financial costs, taxes, depreciation and amortization. We believe that EBITDA is a measurement commonly used by readers of financial statements to evaluate a company's operational cash-generating capacity and ability to discharge its financial expenses.

ADJUSTED EBITDA, ADJUSTED NET EARNINGS AND ADJUSTED FULLY DILUTED NET EARNINGS PER SHARE

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

CONFERENCE CALL

Financial analysts and institutional investors are invited to participate in a conference call on the 2012 third quarter results at **10:00 a.m. (EDT) on Thursday, August 9, 2012**. 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. third quarter of 2012 interim condensed consolidated financial statements and management's discussion and analysis are available on the Internet at www.metro.ca - Corporate Site - Annual Report and Other Documents - Quarterly Results - 2012 third Quarter Results.

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⁽¹⁾ See section “Non-IFRS Measurements”

⁽²⁾ See section “Forward-looking Information”