metro

PRESS RELEASE

METRO REPORTS GROWTH OF 27.8% IN 2012 FOURTH QUARTER ADJUSTED NET EARNINGS PER SHARE[1]

(Montreal, November 14, 2012) – METRO INC. (TSX : MRU) announced its results today for the fourth quarter and fiscal year ended September 29, 2012.

2012 FOURTH QUARTER HIGHLIGHTS

- 13-week quarter versus 12 weeks in 2011
- Net earnings of $145.1 million, or $1.46 per share, up 75.9%
- Adjusted net earnings[1] of $123.4 million, or $1.24 per share, up 27.8%
- Sales of $2,943.7 million, up 11.1%
- Same store sales up 1.1%
- Declared dividend of $0.215 per share, up 11.7%

FISCAL 2012 HIGHLIGHTS

- 53-week fiscal year versus 52 weeks in 2011
- Net earnings of $489.3 million, or $4.84 per share, up 27.7%
- Adjusted net earnings[1] of $470.6 million, or $4.65 per share, up 18.3%
- Sales of $12,010.8 million, up 5.4%
- Same store sales up 1.2%

	Fiscal Year				
(Millions of dollars, except for net earnings per share/EPS)	**2012 (13 weeks)**	**%**	2011 (12 weeks)	%	Change %
Sales	**2,943.7**	**100.0**	2,649.5	100.0	11.1
EBITDA[1]	**246.3**	**8.4**	166.8	6.3	47.7
Adjusted EBITDA[1] excluding share of earnings from our investment in Alimentation Couche-Tard	**209.2**	**7.1**	172.0	6.5	21.6
Net earnings	**145.1**	**4.9**	84.4	3.2	71.9
Adjusted net earnings[1]	**123.4**	**4.2**	98.9	3.7	24.8
Fully diluted EPS	**1.46**	**—**	0.83	—	75.9
Adjusted fully diluted EPS[1]	**1.24**	**—**	0.97	—	27.8

	Fiscal Year				
(Millions of dollars, except for net earnings per share/EPS)	**2012 (53 weeks)**	**%**	2011 (52 weeks)	%	Change %
Sales	**12,010.8**	**100.0**	11,396.4	100.0	5.4
EBITDA[1]	**894.3**	**7.4**	766.3	6.7	16.7
Adjusted EBITDA[1] excluding share of earnings from our investment in Alimentation Couche-Tard	**821.7**	**6.8**	744.4	6.5	10.4
Net earnings	**489.3**	**4.1**	392.7	3.4	24.6
Adjusted net earnings[1]	**470.6**	**3.9**	407.2	3.6	15.6
Fully diluted EPS	**4.84**	**—**	3.79	—	27.7
Adjusted fully diluted EPS[1]	**4.65**	**—**	3.93	—	18.3

[1] See section on "IFRS and Non-IFRS Measurements"
[2] See section on "Forward-looking Information"

PRESIDENT'S MESSAGE

"We are very pleased with our strong fourth quarter and fiscal 2012 performance, resulting from our team's excellent execution, effective cost control, and sustained investments in our network. While we expect competitive activity will remain strong in 2013, we will continue[(2)] to emphasize our customer first strategies to drive our future growth," stated Eric R. La Flèche, President and Chief Executive Officer.

PRESS RELEASE

This press release sets out the financial position and consolidated results of METRO INC. on September 29, 2012. It should be read in conjunction with the unaudited interim condensed consolidated financial statements and accompanying notes in this press release.

As of September 25, 2011, the Corporation has prepared its financial statements according to International Financial Reporting Standards (IFRS). The unaudited interim condensed consolidated financial statements for the 13-week and 53-week periods ended September 29, 2012 have been prepared by management in accordance with IAS 34 “Interim Financial Reporting” and IFRS 1 “First-time Adoption of International Financial Reporting Standards”. They should be read in conjunction with the audited annual consolidated financial statements and accompanying notes which were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) and the Management's Discussion & Analysis, including the IFRS conversion plan, presented in the Corporation's 2011 Annual Report. Given the change in accounting standards, they should be read in conjunction with the following information as well:

a) the unaudited interim condensed consolidated financial statements for the 12-week period ended December 17, 2011, particularly the explanations on the transition to IFRS on September 26, 2010 (note 2), significant accounting policies (note 3) and additional annual information requirements under IFRS (note 13) since all of this information is not included in this press release;

b) the explanations on the transition to IFRS on September 24, 2011 (note 2) and new accounting policies (note 3) in this press release.

Unless otherwise stated, this press release is based upon information as at November 2, 2012 and all figures are presented according to IFRS.

SALES

Sales in the fourth quarter and fiscal 2012 reached $2,943.7 million and $12,010.8 million, up 11.1% and 5.4% respectively compared to sales of $2,649.5 million and $11,396.4 million for the corresponding periods last year. The 2012 fiscal year was 53 weeks long, with one more week to the year and fourth quarter than last year. Excluding this extra week, fiscal 2012 and fourth quarter sales were up 3.4% and 2.5% respectively. Adonis stores and distributor Phoenicia's fourth quarter and fiscal 2012 sales contributed $63.3 million and $236.6 million respectively to the Corporation's sales. Same store sales were up 1.1% for the fourth quarter of 2012 compared to the corresponding period in 2011. We experienced very modest inflation in the fourth quarter of 2012, but lower than the Consumer Price Index reported by Statistics Canada.

[(1)] See section on "IFRS and Non-IFRS Measurements"
[(2)] See section on "Forward-looking Information"

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

EBITDA adjustments[1]

	Fiscal Year						
	2012 (13 weeks)			2011 (12 weeks)			Change %
(Millions of dollars, unless otherwise indicated)	**EBITDA**	**Sales**	**EBITDA/ Sales (%)**	EBITDA	Sales	EBITDA/ Sales (%)	EBITDA
EBITDA	**246.3**	**2,943.7**	**8.4**	166.8	2,649.5	6.3	47.7
Closure costs	**—**	**—**		20.5	—		
Couche-Tard dilution gain	**(25.0)**	**—**		—	—		
Adjusted EBITDA	**221.3**	**2,943.7**	**7.5**	187.3	2,649.5	7.1	18.2
Share of earnings in Couche-Tard	**(12.1)**	**—**		(15.3)	—		
Adjusted EBITDA excluding share of earnings	**209.2**	**2,943.7**	**7.1**	172.0	2,649.5	6.5	21.6

	Fiscal Year						
	2012 (53 weeks)			2011 (52 weeks)			Change %
(Millions of dollars, unless otherwise indicated)	**EBITDA**	**Sales**	**EBITDA/ Sales (%)**	EBITDA	Sales	EBITDA/ Sales (%)	EBITDA
EBITDA	**894.3**	**12,010.8**	**7.4**	766.3	11,396.4	6.7	16.7
Closure costs	**—**	**—**		20.5	—		
Couche-Tard dilution gain	**(25.0)**	**—**		—	—		
Adjusted EBITDA	**869.3**	**12,010.8**	**7.2**	786.8	11,396.4	6.9	10.5
Share of earnings in Couche-Tard	**(47.6)**	**—**		(42.4)	—		
Adjusted EBITDA excluding share of earnings	**821.7**	**12,010.8**	**6.8**	744.4	11,396.4	6.5	10.4

EBITDA[1] for the fourth quarter of 2012 was $246.3 million, up 47.7% from $166.8 million for the same quarter last year. EBITDA[1] for fiscal 2012 was $894.3 million, up 16.7% from $766.3 million for fiscal 2011.

In the fourth quarters of 2012 and 2011, we respectively recorded a non-recurring gain of $25.0 million before taxes and a non-recurring loss of $20.5 million before taxes.

In August 2012, Alimentation Couche-Tard issued 7.3 million shares for net proceeds of approximately $330 million to finance part of its acquisition of Statoil Fuel & Retail ASA. As the Corporation did not participate in this share issue, our interest in Couche-Tard decreased from 11.6% to 11.1%. This dilution and our share in Couche-Tard's increased value as a result of the share issue amount to a deemed disposition and deemed proceeds of disposition of part of our investment for a net pre-tax gain of $25.0 million.

In the fourth quarter of 2011, we closed our meat processing plant in Montreal and a grocery warehouse in Toronto to improve operational efficiency. Closure costs were $20.5 million before taxes.

Excluding these non-recurring items, adjusted EBITDA[1] for the fourth quarter and fiscal 2012 were $221.3 million and $869.3 million respectively. Adjusted EBITDA[1] for the 2011 fourth quarter and fiscal year were $187.3 million and $786.8 million respectively.

Adjusted EBITDA[1] for the fourth quarter and fiscal 2012 were up 18.2% and 10.5% respectively over those for the corresponding periods of fiscal 2011.

[1] See section on "IFRS and Non-IFRS Measurements"
[2] See section on "Forward-looking Information"

Our share of earnings in Alimentation Couche-Tard, excluding the dilution gain of $25.0 million before taxes, were $12.1 million for the fourth quarter and $47.6 million for fiscal 2012, versus $15.3 million and $42.4 million for the corresponding periods of fiscal 2011. In its two last quarterly reports, Couche-Tard stated that non-recurring items were included in those quarters and that excluding them had reduced the adjusted net earnings[(1)] for its fourth quarter ended April 29, 2012 by $US 15.4 million and increased its adjusted net earnings[(1)] for the first quarter ended July 22, 2012 by $US 70.1 million.

Excluding the non-recurring items and our share of earnings in Alimentation Couche-Tard, the adjusted EBITDA[(1)] for the fourth quarter and fiscal 2012 were $209.2 million and $821.7 million respectively, or 7.1% and 6.8% of their respective sales. Adjusted EBITDA[(1)] for the corresponding periods last year were $172.0 million and $744.4 million respectively, or 6.5% of sales for both periods.

Adjusted EBITDA[(1)], excluding our share of earnings in Alimentation Couche-Tard, for the fourth quarter and fiscal 2012 were up 21.6% and 10.4% respectively over those for the corresponding periods of fiscal 2011.

The significant increase in adjusted EBITDA[(1)] for the fourth quarter of 2012 compared to the same quarter of 2011 is also attributable to the results for the 53rd week of 2012 when several fixed costs were no longer in effect.

Gross margins for the fourth quarter and fiscal 2012 were 18.5% and 18.4% respectively, up from 17.7% and 18.1% for the corresponding periods of 2011. Our merchandising strategies, the decrease of in-store losses, and the Adonis stores contributed to these increases. In addition, in the fourth quarter of 2011, a reclassification of approximately $10 million for the first three quarters was made between salaries at the expense level and the cost of goods sold. Excluding this reclassification, the gross margins in the fourth quarter of 2011 was 18.1%.

DEPRECIATION AND AMORTIZATION AND NET FINANCIAL COSTS

Total depreciation and amortization expenses for the fourth quarter and fiscal 2012 amounted to $41.8 million and $183.9 million respectively compared to $41.5 million and $179.3 million for the corresponding periods last year. Fourth quarter net financial costs totalled $11.7 million in 2012 versus $9.4 million last year, while fiscal 2012 net financial costs totalled $46.4 million versus $41.5 million last year. Interest rates averaged 4.2% for fiscal 2012 and the corresponding period last year.

INCOME TAXES

The fourth quarter and fiscal 2012 income tax expenses of $47.7 million and $174.7 million represented effective tax rates of 24.7% and 26.3% respectively. The fourth quarter and fiscal 2011 income tax expenses of $31.5 million and $152.8 million represented effective tax rates of 27.2% and 28.0% respectively. On June 20, 2012, the Ontario Legislative Assembly adopted the budget tabled on March 27, 2012, thereby deferring the scheduled reductions in corporate tax rates of 0.5% on July 1, 2012 and of 1.0% on July 1, 2013 until an expected balanced budget in 2017-2018 is attained. With these reductions in tax rates being suspended and deferred conditionally, we have canceled in the third quarter of 2012, $3.0 million of deferred taxes in our statement of financial position for tax savings recorded in prior periods related to these reductions in tax rates, and recorded an equivalent non-recurring income tax expense. Excluding this non-recurring tax expense, our effective tax rate for fiscal 2012 was 25.8%.

The tax rates for the 2012 periods were lower than those for the corresponding periods last year due to two federal corporate tax rate reductions of 1.5% each effective January 1, 2011 and 2012, as well as a 0.5% reduction in Ontario's effective July 1, 2011.

(1) See section on "IFRS and Non-IFRS Measurements"
(2) See section on "Forward-looking Information"

NET EARNINGS

Net earnings for the fourth quarter of 2012 were $145.1 million, an increase of 71.9% over net earnings of $84.4 million for the same quarter of 2011. Fully diluted net earnings per share rose 75.9% to $1.46 from $0.83 last year. Excluding the Couche-Tard dilution gain of $25.0 million before taxes recorded in the fourth quarter of 2012 as well as the closure costs of $20.5 million before taxes in the corresponding quarter of 2011, our adjusted net earnings[1] for the fourth quarter of 2012 were $123.4 million and our adjusted fully diluted net earnings per share[1] were $1.24, for increases of 24.8% and 27.8% respectively.

The significant increase in adjusted net earnings[1] for the fourth quarter of 2012 over the same quarter of 2011 is also attributable to the results for the 53rd week of 2012 when several fixed costs were no longer in effect.

Net earnings for fiscal 2012 reached $489.3 million, up 24.6% from $392.7 million last year. Fully diluted net earnings per share were $4.84 compared to $3.79 last year, an increase of 27.7%. Excluding the non-recurring tax expense of $3.0 million and the Couche-Tard dilution gain of $25.0 million before taxes recorded in 2012 as well as the closure costs of $20.5 million before taxes in 2011, our adjusted net earnings[1] were $470.6 million and our adjusted fully diluted net earnings per share [1] were $4.65, increases of 15.6% and 18.3% respectively.

Net earnings adjustments

	Fiscal Year					
	2012		2011		Change *(%)*	
	(13 weeks)		(12 weeks)			
	(Millions of dollars)	**Fully diluted EPS *(Dollars)***	*(Millions of dollars)*	Fully diluted EPS *(Dollars)*	Net earnings	Fully diluted EPS
Net earnings	**145.1**	**1.46**	84.4	0.83	71.9	75.9
Closure costs after taxes	**—**	**—**	14.5	0.14		
Couche-Tard dilution gain after taxes	**(21.7)**	**(0.22)**	—	—		
Non-recurring tax expense	**—**	**—**	—	—		
Adjusted net earnings[1]	**123.4**	**1.24**	98.9	0.97	24.8	27.8

	Fiscal Year					
	2012		2011		Change *(%)*	
	(53 weeks)		(52 weeks)			
	(Millions of dollars)	**Fully diluted EPS *(Dollars)***	*(Millions of dollars)*	Fully diluted EPS *(Dollars)*	Net earnings	Fully diluted EPS
Net earnings	**489.3**	**4.84**	392.7	3.79	24.6	27.7
Closure costs after taxes	**—**	**—**	14.5	0.14		
Couche-Tard dilution gain after taxes	**(21.7)**	**(0.22)**	—	—		
Non-recurring tax expense	**3.0**	**0.03**	—	—		
Adjusted net earnings[1]	**470.6**	**4.65**	407.2	3.93	15.6	18.3

[1] See section on "IFRS and Non-IFRS Measurements"
[2] See section on "Forward-looking Information"

QUARTERLY HIGHLIGHTS

(Millions of dollars, unless otherwise indicated)	**2012** **(53 weeks)**	2011 (52 weeks)	Change %
Sales			
Q1[3]	**2,711.7**	2,622.5	3.4
Q2[3]	**2,651.9**	2,557.5	3.7
Q3[4]	**3,703.5**	3,566.9	3.8
Q4[5]	**2,943.7**	2,649.5	11.1
Fiscal	**12,010.8**	11,396.4	5.4
Net earnings			
Q1[3]	**103.7**	95.5	8.6
Q2[3]	**96.1**	85.7	12.1
Q3[4]	**144.4**	127.1	13.6
Q4[5]	**145.1**	84.4	71.9
Fiscal	**489.3**	392.7	24.6
Adjusted net earnings[1]			
Q1[3]	**103.7**	95.5	8.6
Q2[3]	**96.1**	85.7	12.1
Q3[4]	**147.4**	127.1	16.0
Q4[5]	**123.4**	98.9	24.8
Fiscal	**470.6**	407.2	15.6
Fully diluted net earnings per share ***(Dollars)***			
Q1[3]	**1.01**	0.91	11.0
Q2[3]	**0.94**	0.82	14.6
Q3[4]	**1.43**	1.23	16.3
Q4[5]	**1.46**	0.83	75.9
Fiscal	**4.84**	3.79	27.7
Adjusted fully diluted net earnings per share[1] ***(Dollars)***			
Q1[3]	**1.01**	0.91	11.0
Q2[3]	**0.94**	0.82	14.6
Q3[4]	**1.46**	1.23	18.7
Q4[5]	**1.24**	0.97	27.8
Fiscal	**4.65**	3.93	18.3

[3] 12 weeks
[4] 16 weeks
[5] 2012 - 13 weeks, 2011 - 12 weeks

First, second and third quarter sales for 2012 reached $2,711.7 million, $2,651.9 million and $3,703.5 million respectively, up 3.4%, 3.7% and 3.8% from $2,622.5 million, $2,557.5 million and $3,566.9 million for the corresponding periods last year. Adonis stores and distributor Phoenicia sales contributed $33.0 million to the Corporation's sales for eight weeks in the first quarter, $59.0 million for the second quarter and $81.3 million for the third quarter of 2012. Same store sales were up 1.7% over those for 2011 in the first quarter, 1.0% in the second quarter and 1.0% in the third quarter of 2012. We experienced moderate inflation in our food basket in the first quarter which was, however, lower than in the previous quarter and lower than levels reported by Statistics Canada. We experienced modest impact from inflation in the second quarter of 2012 albeit lower than in the previous quarter. During the third quarter of 2012, we experienced very modest inflation which was lower than in the first two quarters.

[1] See section on "IFRS and Non-IFRS Measurements"
[2] See section on "Forward-looking Information"

Fourth quarter sales for 2012 reached $2,943.7 million, up 11.1% from $2,649.5 million last year. Excluding the 53rd week of fiscal 2012, the sales increase for the fourth quarter was 2.5%. Adonis stores and distributor Phoenicia sales contributed $63.3 million to 2012 fourth quarter sales. During the fourth quarter of 2012, we experienced very modest inflation similar to the previous quarter.

Net earnings for the first and second quarters of 2012 were $103.7 million and $96.1 million compared to $95.5 million and $85.7 million for the corresponding quarters last year, increases of 8.6% and 12.1%. Fully diluted net earnings per share rose 11.0% and 14.6% to $1.01 and $0.94 from $0.91 and $0.82 last year.

Net earnings for the third quarter of 2012 were $144.4 million, up 13.6% from $127.1 million for the corresponding quarter of 2011. Fully diluted net earnings per share for the third quarter of 2012 were $1.43, up 16.3% from $1.23 for the same quarter of 2011. 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, up 16.0% and 18.7% respectively.

Net earnings for the fourth quarter of 2012 were $145.1 million versus $84.4 million for the corresponding quarter of 2011, an increase of 71.9%. Fully diluted net earnings per share were $1.46 versus $0.83 last year, an increase of 75.9%. Excluding the Couche-Tard dilution gain of $25.0 million before taxes recorded in the fourth quarter of 2012 as well as the closure costs of $20.5 million before taxes in the corresponding quarter of 2011, our adjusted net earnings[(1)] for the fourth quarter of 2012 were $123.4 million and our adjusted fully diluted net earnings per share[(1)] were $1.24, for increases of 24.8% and 27.8% respectively. The significant increase in adjusted EBITDA[(1)] for the fourth quarter of 2012 is also attributable to the results for the 53rd week of 2012 when several fixed costs were no longer in effect.

	2012					2011				
(Millions of dollars)	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal**	Q1	Q2	Q3	Q4	Fiscal
Net earnings	**103.7**	**96.1**	**144.4**	**145.1**	**489.3**	95.5	85.7	127.1	84.4	392.7
Closure costs after taxes	**—**	**—**	**—**	**—**	**—**	—	—	—	14.5	14.5
Couche-Tard dilution gain after taxes	**—**	**—**	**—**	**(21.7)**	**(21.7)**	—	—	—	—	—
Non-recurring tax expense	**—**	**—**	**3.0**	**—**	**3.0**	—	—	—	—	—
Adjusted net earnings[(1)]	**103.7**	**96.1**	**147.4**	**123.4**	**470.6**	95.5	85.7	127.1	98.9	407.2

	2012					2011				
(Dollars and per share)	**Q1**	**Q2**	**Q3**	**Q4**	**Fiscal**	Q1	Q2	Q3	Q4	Fiscal
Fully diluted net earnings	**1.01**	**0.94**	**1.43**	**1.46**	**4.84**	0.91	0.82	1.23	0.83	3.79
Closure costs after taxes	**—**	**—**	**—**	**—**	**—**	—	—	—	0.14	0.14
Couche-Tard dilution gain after taxes	**—**	**—**	**—**	**(0.22)**	**(0.22)**	—	—	—	—	—
Non-recurring tax expense	**—**	**—**	**0.03**	**—**	**0.03**	—	—	—	—	—
Adjusted fully diluted net earnings[(1)]	**1.01**	**0.94**	**1.46**	**1.24**	**4.65**	0.91	0.82	1.23	0.97	3.93

(1) See section on "IFRS and Non-IFRS Measurements"
(2) See section on "Forward-looking Information"

CASH POSITION

OPERATING ACTIVITIES

Operating activities generated cash flows of $126.8 million in the fourth quarter and $546.1 million over fiscal 2012, compared to $183.3 million and $542.4 million respectively in the corresponding periods of fiscal 2011. This decrease is due primarily to net changes in non-cash working capital items that required greater outflows in the fourth quarter of 2012 compared to last year.

INVESTING ACTIVITIES

Investing activities required outflows of $69.2 million in the fourth quarter of 2012 and $357.0 million in fiscal 2012 versus $53.0 million and $226.7 million in the corresponding periods of 2011. The increase in funds used in the fourth quarter of 2012 compared to that of 2011 is due primarily to greater fixed asset acquisitions and disposals of a net $19.3 million in 2012 and greater business acquisitions of $5.8 million in 2011. The increase in funds used during fiscal 2012 compared to fiscal 2011 is due primarily to greater business acquisitions in 2012 compared to 2011, attributable to the acquisition of Adonis stores and their distributor Phoenicia for a cash consideration of $146.8 million (net of cash acquired totalling $3.0 million) as well as increased acquisitions of $80.8 million of fixed and intangible assets.

During fiscal 2012, the Corporation and its retailers invested $281.8 million in our retail network, for a gross expansion of 383,200 square feet and a net expansion of 34,400 square feet or 0.2%. Major renovations and expansions of 19 stores were completed, 7 new stores were opened and 11 stores were closed.

FINANCING ACTIVITIES

Financing activities required outflows of $82.7 million and $371.3 million in the fourth quarter and fiscal 2012 versus 2011 fourth quarter and fiscal year outflows of $75.3 million and $274.9 million. The increase in funds used in the fourth quarter of 2012 compared to that of 2011 is due to a $57.5 million increase in net debt repayment and a $40.1 million decrease in the redemption of shares. The increase in funds used during fiscal 2012 compared to fiscal 2011 is due primarily to a $26.7 million increase in the redemption of shares and a $60.1 million increase in net debt repayment.

FINANCIAL POSITION

We do not anticipate[2] any liquidity risk and consider our financial position at the end of the fourth quarter of fiscal 2012 as very solid. We had an unused authorized revolving credit facility of $284.6 million.

At the end of the fourth quarter of 2012, the main elements of our non-current debt were as follows:

	Interest Rate	Balance *(Millions of dollars)*	Maturity
Revolving Credit Facility	Rates fluctuate with changes in bankers' acceptance rates	315.4	November 3, 2016
Series A Notes	4.98% fixed rate	200.0	October 15, 2015
Series B Notes	5.97% fixed rate	400.0	October 15, 2035

On October 12, 2012, the revolving credit facility's maturity date was extended to November 3, 2017.

At the end of the fourth quarter, we had foreign exchange forward contracts to hedge against the effect of foreign exchange rate fluctuations on our future foreign-denominated purchases of goods and services.

[1] See section on "IFRS and Non-IFRS Measurements"
[2] See section on "Forward-looking Information"

Our main financial ratios were as follows:

	As at September 29, 2012	As at September 24, 2011
Financial structure		
Non-current debt *(Millions of dollars)*	**973.9**	1,025.5
Equity *(Millions of dollars)*	**2,545.1**	2,399.3
Non-current debt/total capital *(%)*	**27.7**	29.9

	Fiscal Year	
	2012	2011
Results		
EBITDA[1]/Financial costs *(Times)*	**19.3**	18.5

SHARE CAPITAL REORGANIZATION

Following the Annual General Meeting of Shareholders held on January 31, 2012, our share capital has been changed as follows:

- each issued and outstanding Class B Share carrying 16 votes per share has been converted into one single vote Class A Subordinate Share;
- the Class B Shares, along with the rights, privileges, restrictions and conditions attached thereto, have been eliminated;
- the Class A Subordinate Shares have been redesignated as “Common Shares” and shall constitute the Corporation's sole class of equity shares carrying one vote per share;
- First Preferred Shares have been redesignated as “Preferred Shares”.

For ease of reading, we have restated all prior periods disclosed to reflect the share capital reorganization of January 31, 2012 as if it had always existed. Therefore, only the Common Shares are disclosed in this press release. This restatement is possible since Class B Shares and Class A Subordinate Shares were participating shares. The differences between these classes of shares were primarily voting rights, the exclusivity of Class B Shares held by Metro Merchants, and that Class B Shares were not listed on the Toronto Stock Exchange.

CAPITAL STOCK, STOCK OPTIONS AND PERFORMANCE SHARE UNITS

	As at September 29, 2012	As at September 24, 2011
Number of Common Shares outstanding *(Thousands)*	**97,186**	101,084
Stock options:		
Number outstanding *(Thousands)*	**1,683**	1,776
Exercise prices *(Dollars)*	**24.73 to 58.41**	20.20 to 47.14
Weighted average exercise price *(Dollars)*	**39.27**	35.38
Performance share units:		
Number outstanding *(Thousands)*	**284**	310

(1) See section on "IFRS and Non-IFRS Measurements"
(2) See section on "Forward-looking Information"

NORMAL COURSE ISSUER BID PROGRAM

The Corporation decided to renew the issuer bid program as an additional option for using excess funds. Thus, we will be able to decide, in the shareholders' best interest, to reimburse debt or to repurchase Corporation Shares. The Board of Directors authorized the Corporation to repurchase, in the normal course of business, between September 10, 2012 and September 9, 2013, up to 6,000,000 of its Common Shares representing approximately 6.2% of its issued and outstanding shares at the close of the Toronto Stock Exchange on August 31, 2012. Repurchases are made through the stock exchange at market price and in accordance with its policies and regulations, and in any other manner allowed by the stock exchange and by any other securities regulatory agency, including off-board transactions. Common Shares so repurchased will be cancelled. Under the normal course issuer bid program covering the period from September 8, 2011 to September 7, 2012, the Corporation repurchased 4,239,800 Common Shares at an average price of $50.99 for a total of $216.2 million.

Under the normal course issuer bid program covering the period from September 10, 2012 to September 9, 2013, the Corporation repurchased, up to November 2, 2012, 333,300 Common Shares at an average price of 57.65 $, for a total of $19.2 million.

DIVIDENDS

On September 25, 2012, the Corporation's Board of Directors declared a quarterly dividend of $0.215 per Common Share payable November 21, 2012, an increase of 11.7% over the dividend declared for the same quarter last year. On an annualized basis, this dividend represents 21.3% of 2011 net earnings.

SHARE TRADING

The value of METRO shares remained in the $43.76 to $59.68 range over fiscal 2012. During this period, a total of 70.0 million shares traded on the Toronto Stock Exchange. The closing price at the end of fiscal 2012 was $58.40 compared to $44.69 at the end of fiscal 2011. The closing price on Friday, November 2, 2012 was $58.86.

NEW ACCOUNTING POLICIES

RECENTLY ISSUED

Classification and measurement of financial assets and financial liabilities

In November 2009, the International Accounting Standards Board (IASB) published IFRS 9 “Financial Instruments”. This new standard simplifies the classification and measurement of financial assets set out in IAS 39 “Financial Instruments: Recognition and Measurement”. Financial assets are to be measured at amortized cost or fair value. They are to be measured at amortized cost if the two following conditions are met:

a) the assets are held within a business model whose objective is to collect contractual cash flows; and

b) the contractual cash flows are solely payments of principal and interest on the outstanding principal.

All other financial assets are to be measured at fair value through net earnings. The entity may, if certain conditions are met, elect to use the fair value option instead of measurement at amortized cost. As well, the entity may choose upon initial recognition to measure non-trading equity investments at fair value through comprehensive income. Such a choice is irrevocable.

In October 2010, the IASB issued revisions to IFRS 9, adding the requirements for classification and measurement of financial liabilities contained in IAS 39 and further points. For financial liabilities measured at fair value through net earnings using the fair value option, the amount of change in a liability’s fair value attributable to changes in its credit risk is recognized directly in other comprehensive income.

In December 2011, the IASB deferred the mandatory effective date of IFRS 9 to fiscal years beginning on or after January 1, 2015. Early adoption is permitted under certain conditions. An entity is not required to restate comparative financial periods for its first-time application of IFRS 9, but must comply with the new disclosure requirements.

(1) See section on "IFRS and Non-IFRS Measurements"
(2) See section on "Forward-looking Information"

Offsetting financial assets and financial liabilities

In December 2011, the IASB issued amendments to IAS 32 “Financial Instruments: Presentation” clarifying the requirements for offsetting financial assets and financial liabilities. These amendments shall be applied to annual periods beginning on or after January 1, 2014.

The IASB also issued amendments to IFRS 7 “Financial Instruments: Disclosures” improving disclosure on offsetting of financial assets and financial liabilities. These amendments shall be applied to annual and interim periods beginning on or after January 1, 2013.

Consolidated Financial Statements

In May 2011, the IASB published IFRS 10 “Consolidated Financial Statements” which is a replacement of SIC-12 “Consolidation – Special Purpose Entities”, and certain parts of IAS 27 “Consolidated and Separate Financial Statements”. IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, employing the following factors to identify control:

a) power over the investee;

b) exposure or rights to variable returns from involvement with the investee;

c) the ability to use power over the investee to affect the amount of the investor’s returns.

IFRS 10 shall be applied to fiscal years beginning on or after January 1, 2013. Early adoption is permitted under certain conditions.

Joint Arrangements

In May 2011, the IASB published IFRS 11 “Joint Arrangements” which supersedes IAS 31 “Interests in Joint Ventures” and SIC-13 “Jointly Controlled Entities – Non-Monetary Contributions by Venturers”. IFRS 11 requires that joint ventures be accounted for using the equity method of accounting and eliminates the need for proportionate consolidation. This new standard shall be applied to fiscal years beginning on or after January 1, 2013. Early adoption is permitted under certain conditions.

Disclosure of Interests in Other Entities

In May 2011, the IASB published IFRS 12 “Disclosure of Interests in Other Entities” which requires that an entity disclose information on the nature of and risks associated with its interests in other entities (i.e. subsidiaries, joint arrangements, associates or unconsolidated structured entities) and the effects of those interests on its financial statements. IFRS 12 shall be applied to fiscal years beginning on or after January 1, 2013. Early adoption is permitted under certain conditions. Entities may, without early adoption of IFRS 12, choose to incorporate only some of the required disclosures in their financial statements.

Fair Value Measurement

In May 2011, the IASB published IFRS 13 “Fair Value Measurement” to establish a single framework for fair value measurement of financial and non-financial items. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also requires disclosure of certain information on fair value measurements. IFRS 13 shall be applied to fiscal years beginning on or after January 1, 2013. Early adoption is permitted.

Employee Benefits

In June 2011, the IASB issued amendments to IAS 19 “Employee Benefits”. Changes in defined benefit obligations and plan assets are to be recognized in comprehensive income when they occur, thus eliminating the corridor approach and accelerating recognition of past service cost. Net interest is to be recognized in net earnings and calculated using the discount rate by reference to market yields at the end of the reporting period on high quality corporate bonds. The actual return on plan assets minus net interest is to be recognized in other comprehensive income. These amendments shall be applied to fiscal years beginning on or after January 1, 2013. Early adoption is permitted.

(1) See section on "IFRS and Non-IFRS Measurements"
(2) See section on "Forward-looking Information"

Presentation of Financial Statements

In June 2011, the IASB issued amendments to IAS 1 “Presentation of Financial Statements”. Items of other comprehensive income and the corresponding tax expense are required to be grouped into those that will and will not subsequently be reclassified through net earnings. These amendments shall be applied to fiscal years beginning on or after July 1, 2012. Early adoption is permitted.

At present, the Corporation is assessing the impact of the above-mentioned amendments on its earnings, financial position and cash flows.

EVENT AFTER THE REPORTING PERIOD

On October 22, 2012, we announced a conditional agreement to dispose of our food service operation, the Distagro division, which supplies restaurant and gas station chains. The disposal for a consideration of approximately $15 million excluding working capital and a net gain after taxes of approximately $7 million should take place in the next few weeks.

The transaction will be recorded in our financial statements as a discontinued operation and the Corporation's consolidated income statements for current and prior periods will be restated. Related Distagro sales and expenditures will be recorded as a net loss on a discontinued operation under a separate income statement section.

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 2013 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.

IFRS AND NON-IFRS MEASUREMENTS

In addition to the IFRS earnings measurements provided, we have included certain IFRS and 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. It is an additional IFRS measurement and it is presented separately in the condensed consolidated statements of income. 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. 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 period's earnings, thus enabling them to better evaluate the Corporation's performance and judge its future outlook.

(1) See section on "IFRS and Non-IFRS Measurements"
(2) See section on "Forward-looking Information"

OUTLOOK

We are very pleased with our strong fourth quarter and fiscal 2012 performance, resulting from our team's excellent execution, effective cost control, and sustained investments in our network. While we expect competitive activity will remain strong in 2013, we will continue[2] to emphasize our customer first strategies to drive our future growth.

CONFERENCE CALL

Financial analysts and institutional investors are invited to participate in a conference call on the 2012 fourth quarter and fiscal year results at **10:00 a.m. (EST) on Wednesday, November 14, 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.

Source:	METRO INC.
Information:	François Thibault Senior Vice-President, Chief Financial Officer and Treasurer Tel.: (514) 643-1003
Investor Relations Department:	Tel.: (514) 643-1055 E-mail: finance@metro.ca

[1] See section on "IFRS and Non-IFRS Measurements"
[2] See section on "Forward-looking Information"

metro

Interim Condensed Consolidated Financial Statements

METRO INC.

September 29, 2012

metro

Table of contents

metro

Condensed consolidated statements of income

Periods ended September 29, 2012 and September 24, 2011

(Unaudited) (Millions of dollars, except for net earnings per share)

	Fiscal Year		Fiscal Year	
	2012	2011	**2012**	2011
	(13 weeks)	(12 weeks)	**(53 weeks)**	(52 weeks)
Sales	**2,943.7**	2,649.5	**12,010.8**	11,396.4
Cost of sales and operating expenses *(note 5)*	**(2,734.5)**	(2,477.5)	**(11,189.1)**	(10,652.0)
Share of an associate's earnings	**37.1**	15.3	**72.6**	42.4
Closure expenses	**—**	(20.5)	**—**	(20.5)
Earnings before financial costs, taxes, depreciation and amortization	**246.3**	166.8	**894.3**	766.3
Depreciation and amortization *(note 5)*	**(41.8)**	(41.5)	**(183.9)**	(179.3)
Operating income	**204.5**	125.3	**710.4**	587.0
Financial costs, net *(note 5)*	**(11.7)**	(9.4)	**(46.4)**	(41.5)
Earnings before income taxes	**192.8**	115.9	**664.0**	545.5
Income taxes *(note 6)*	**(47.7)**	(31.5)	**(174.7)**	(152.8)
Net earnings	**145.1**	84.4	**489.3**	392.7
Attributable to:				
Equity holders of the parent	**143.3**	84.4	**481.8**	392.7
Non-controlling interests	**1.8**	—	**7.5**	—
	145.1	84.4	**489.3**	392.7
Net earnings per share *(Dollars) (note 7)*				
Basic	**1.47**	0.83	**4.87**	3.81
Fully diluted	**1.46**	0.83	**4.84**	3.79

See accompanying notes

metro

Condensed consolidated statements of comprehensive income

Periods ended September 29, 2012 and September 24, 2011

(Unaudited) (Millions of dollars)

	Fiscal Year		Fiscal Year	
	2012	2011	**2012**	2011
	(13 weeks)	(12 weeks)	**(53 weeks)**	(52 weeks)
Net earnings	**145.1**	84.4	**489.3**	392.7
Other comprehensive income *(note 10)*				
Change in the fair value of a derivative designated as cash flow hedge	**—**	—	**—**	0.4
Changes in defined benefit plans				
Actuarial losses	**(16.1)**	(83.7)	**(65.6)**	(66.8)
Asset ceiling effect	**0.1**	3.8	**(2.7)**	0.5
Minimum funding requirement	**(4.2)**	(5.1)	**0.1**	(2.5)
Share of an associate's other comprehensive income	**0.1**	—	**(0.6)**	0.1
Corresponding income taxes	**5.4**	21.7	**19.0**	17.4
Comprehensive income	**130.4**	21.1	**439.5**	341.8
Attributable to:				
Equity holders of the parent	**128.6**	21.1	**432.0**	341.8
Non-controlling interests	**1.8**	—	**7.5**	—
	130.4	21.1	**439.5**	341.8

See accompanying notes

metro

Condensed consolidated statements of financial position

(Unaudited) (Millions of dollars)

	As at September 29, 2012	As at September 24, 2011	As at September 26, 2010
ASSETS			
Current assets			
Cash and cash equivalents	**73.3**	255.5	214.7
Accounts receivable	**332.8**	300.3	311.3
Inventories	**784.4**	728.3	699.3
Prepaid expenses	**6.6**	11.7	9.7
Current taxes	**13.9**	2.2	1.7
	1,211.0	1,298.0	1,236.7
Assets held for sale	**0.6**	6.6	—
	1,211.6	1,304.6	1,236.7
Non-current assets			
Investment in an associate	**324.5**	258.7	220.9
Other financial assets	**21.6**	17.0	15.8
Fixed assets	**1,280.3**	1,226.1	1,217.2
Investment properties	**22.1**	27.0	27.8
Intangible assets	**373.1**	297.2	304.0
Goodwill	**1,859.5**	1,649.1	1,603.7
Deferred taxes	**56.3**	45.8	48.8
Defined benefit assets	**1.4**	1.6	20.3
	5,150.4	4,827.1	4,695.2
LIABILITIES AND EQUITY			
Current liabilities			
Bank loans	**0.3**	0.3	1.0
Accounts payable	**1,086.4**	1,061.1	1,064.1
Current taxes	**60.5**	46.2	50.8
Provisions	**11.2**	17.3	9.2
Current portion of debt	**12.1**	378.1	4.7
	1,170.5	1,503.0	1,129.8
Non-current liabilities			
Debt *(note 8)*	**973.9**	656.2	1,004.3
Defined benefit liabilities	**156.9**	132.2	97.0
Provisions	**3.1**	4.0	4.8
Deferred taxes	**147.7**	119.0	124.5
Other liabilities	**13.9**	13.4	15.9
Non-controlling interest	**139.3**	—	—
	2,605.3	2,427.8	2,376.3
Equity			
Capital stock *(note 9)*	**664.6**	682.6	702.1
Contributed surplus	**4.6**	3.8	8.2
Retained earnings	**1,976.1**	1,763.6	1,608.4
Accumulated other comprehensive income *(note 10)*	**(101.0)**	(51.2)	(0.3)
Equity attributable to equity holders of the parent	**2,544.3**	2,398.8	2,318.4
Non-controlling interests	**0.8**	0.5	0.5
	2,545.1	2,399.3	2,318.9
	5,150.4	4,827.1	4,695.2

See accompanying notes

metro

Condensed consolidated statements of changes in equity

Periods ended September 29, 2012 and September 24, 2011

(Unaudited) (Millions of dollars)

	Attributable to the equity holders of the parent						
(53 weeks)	Capital stock *(note 9)*	Contributed surplus	Retained earnings	Accumulated other comprehensive income *(note 10)*	Total	Non-controlling interests	Total equity
Balance as at September 24, 2011	**682.6**	**3.8**	**1,763.6**	**(51.2)**	**2,398.8**	**0.5**	**2,399.3**
Net earnings			**481.8**		**481.8**	**7.5**	**489.3**
Other comprehensive income				**(49.8)**	**(49.8)**		**(49.8)**
Comprehensive income	**—**	**—**	**481.8**	**(49.8)**	**432.0**	**7.5**	**439.5**
Shares issued for cash	**0.1**				**0.1**		**0.1**
Stock options exercised	**10.3**	**(2.3)**			**8.0**		**8.0**
Shares redeemed	**(28.7)**				**(28.7)**		**(28.7)**
Share redemption premium			**(186.3)**		**(186.3)**		**(186.3)**
Acquisition of treasury shares	**(0.3)**				**(0.3)**		**(0.3)**
Treasury share acquisition premium		**(2.3)**			**(2.3)**		**(2.3)**
Released treasury shares	**0.6**	**(0.6)**			**—**		**—**
Share-based compensation cost		**6.1**			**6.1**		**6.1**
Performance share units cash settlement		**(0.1)**			**(0.1)**		**(0.1)**
Dividends			**(82.9)**		**(82.9)**		**(82.9)**
Share conversion fees			**(0.1)**		**(0.1)**		**(0.1)**
Reclassification of non-controlling interest liability					**—**	**(7.2)**	**(7.2)**
	(18.0)	**0.8**	**(269.3)**	**—**	**(286.5)**	**(7.2)**	**(293.7)**
Balance as at September 29, 2012	**664.6**	**4.6**	**1,976.1**	**(101.0)**	**2,544.3**	**0.8**	**2,545.1**

See accompanying notes

	Attributable to the equity holders of the parent						
(52 weeks)	Capital stock *(note 9)*	Contributed surplus	Retained earnings	Accumulated other comprehensive income *(note 10)*	Total	Non-controlling interests	Total equity
Balance as at September 26, 2010	702.1	8.2	1,608.4	(0.3)	2,318.4	0.5	2,318.9
Net earnings			392.7		392.7		392.7
Other comprehensive income				(50.9)	(50.9)		(50.9)
Comprehensive income	—	—	392.7	(50.9)	341.8	—	341.8
Stock options exercised	9.1	(2.1)			7.0		7.0
Shares redeemed	(27.9)				(27.9)		(27.9)
Share redemption premium			(160.4)		(160.4)		(160.4)
Acquisition of treasury shares	(1.3)				(1.3)		(1.3)
Treasury shares acquisition premium		(7.6)			(7.6)		(7.6)
Released treasury shares	0.6	(0.6)			—		—
Share-based compensation cost		6.3			6.3		6.3
Performance share units cash settlement		(0.4)			(0.4)		(0.4)
Dividends			(77.1)		(77.1)		(77.1)
	(19.5)	(4.4)	(237.5)	—	(261.4)	—	(261.4)
Balance as at September 24, 2011	682.6	3.8	1,763.6	(51.2)	2,398.8	0.5	2,399.3

See accompanying notes

metro

Condensed consolidated statements of cash flows

Periods ended September 29, 2012 and September 24, 2011

(Unaudited) (Millions of dollars)

	Fiscal Year		Fiscal Year	
	2012 (13 weeks)	2011 (12 weeks)	**2012** (53 weeks)	2011 (52 weeks)
Operating activities				
Earnings before income taxes	**192.8**	115.9	**664.0**	545.5
Non-cash items				
Share of an associate's earnings	**(37.1)**	(15.3)	**(72.6)**	(42.4)
Closure expenses	**—**	8.9	**—**	8.9
Depreciation and amortization	**41.8**	41.5	**183.9**	179.3
Amortization of deferred financing costs	**0.1**	0.2	**0.3**	0.4
Loss (gain) on disposal and write-offs of fixed and intangible assets and investment properties	**(4.5)**	12.5	**(5.4)**	10.0
Impairment losses on fixed and intangible assets and investment properties	**2.1**	12.0	**10.3**	14.8
Impairment loss reversals on fixed and intangible assets	**(3.6)**	(5.5)	**(10.0)**	(5.5)
Share-based compensation cost	**2.0**	1.4	**6.1**	6.3
Difference between amounts paid for employee benefits and current period cost	**(24.4)**	(5.1)	**(43.3)**	(14.9)
Financial costs, net	**11.7**	9.4	**46.4**	41.5
	180.9	175.9	**779.7**	743.9
Net change in non-cash working capital items	**(19.8)**	45.1	**(44.4)**	(7.1)
Interest paid	**(3.8)**	(2.4)	**(48.0)**	(45.1)
Income taxes paid	**(30.5)**	(35.3)	**(141.2)**	(149.3)
	126.8	183.3	**546.1**	542.4
Investing activities				
Business acquisitions, net of cash acquired totalling $3.0 in 2012 *(note 4)*	**—**	(5.8)	**(146.8)**	(74.2)
Proceeds on disposal of assets held for sale	**—**	—	**6.6**	—
Net change in other financial assets	**0.1**	—	**(4.6)**	5.4
Dividends from an associate	**1.5**	1.3	**6.2**	4.7
Additions to fixed assets	**(85.9)**	(44.5)	**(210.5)**	(148.1)
Proceeds on disposal of fixed assets	**22.1**	—	**26.9**	2.6
Proceeds on disposal of investment properties	**1.9**	2.8	**3.5**	2.8
Additions to intangible assets and goodwill	**(8.9)**	(6.8)	**(38.3)**	(19.9)
	(69.2)	(53.0)	**(357.0)**	(226.7)
Financing activities				
Net change in bank loans	**(1.2)**	(0.8)	**(15.5)**	(0.7)
Shares issued *(note 9)*	**1.7**	0.3	**8.1**	7.0
Shares redeemed *(note 9)*	**(2.5)**	(42.6)	**(215.0)**	(188.3)
Acquisition of treasury shares *(note 9)*	**—**	(8.9)	**(2.6)**	(8.9)
Performance share units cash settlement	**—**	—	**(0.1)**	(0.4)
Increase in debt	**388.6**	0.7	**391.1**	8.4
Repayment of debt	**(448.2)**	(2.8)	**(454.9)**	(12.1)
Use of non-current provisions	**—**	(0.3)	**—**	(0.3)
Net change in other liabilities	**(0.2)**	(1.4)	**0.5**	(2.5)
Dividends	**(20.9)**	(19.5)	**(82.9)**	(77.1)
	(82.7)	(75.3)	**(371.3)**	(274.9)
Net change in cash and cash equivalents	**(25.1)**	55.0	**(182.2)**	40.8
Cash and cash equivalents — beginning of period	**98.4**	200.5	**255.5**	214.7
Cash and cash equivalents — end of period	**73.3**	255.5	**73.3**	255.5

See accompanying notes

1. STATEMENT PRESENTATION

METRO INC. (the Corporation) is a company incorporated under the laws of Quebec. The Corporation is one of Canada's leading food retailers and distributors and operates a network of supermarkets, discount stores and drugstores. Its head office is located at 11011 Maurice-Duplessis Blvd., Montreal, Quebec, Canada, H1C 1V6. Its various components constitute a single operating segment.

As of September 25, 2011, the Corporation has prepared its financial statements according to International Financial Reporting Standards (IFRS). The unaudited interim condensed consolidated financial statements for the 13-week and 53-week periods ended September 29, 2012 have been prepared by management in accordance with IAS 34 "Interim Financial Reporting" and IFRS 1 "First-time Adoption of International Financial Reporting Standards". They should be read in conjunction with the audited annual consolidated financial statements and accompanying notes which were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) presented in the Corporation's 2011 Annual Report. Given the change in accounting standards, they should be read in conjunction with the following information as well:

a) the unaudited interim condensed consolidated financial statements for the 12-week period ended December 17, 2011, particularly the explanations on the transition to IFRS on September 26, 2010 (note 2), significant accounting policies (note 3) and additional annual information requirements under IFRS (note 13) since all of this information is not included in this press release;

b) the explanations on the transition to IFRS on September 24, 2011 (note 2) and new accounting policies (note 3) in this press release.

Some of the corresponding figures have been reclassified in line with the presentation adopted for the current fiscal year.

2. EXPLANATIONS ON THE TRANSITION TO IFRS

This note explains the principal adjustments made in converting the unaudited consolidated financial statements from GAAP to IFRS, specifically the consolidated statement of financial position as at September 24, 2011, as well as the consolidated statements of income, consolidated statements of comprehensive income and consolidated statements of cash flows for the 12-week period and fiscal year ended September 24, 2011.

The adjustments regarding the consolidated statements of financial position as at September 26, 2010 were disclosed in note 2 to the unaudited interim condensed consolidated financial statements for the 12-week period ended December 17, 2011 and are not reproduced in this note.

To facilitate comprehension, the adjustments are presented in two different ways. In the first, the adjustments are itemized according to IFRS standards and the three following categories: 1) optional exemptions under IFRS 1 that apply only once at the time of changeover to IFRS, 2) recurring differences in accounting treatment between GAAP and IFRS, 3) reclassifications for presentation purposes that have no impact on net earnings (see page 29). In the second, the adjustments are itemized according to financial statement items (see page 36).

TERMINOLOGY

There are differences between IFRS and GAAP terminology. The following table lists the main differences:

GAAP terminology	IFRS terminology
Statement of earnings	**Statement of income**
Balance sheet	**Statement of financial position**
Long-term	Non-current
Investment in a company subject to significant influence	Investment in an associate
Future income taxes	Deferred taxes
Accrued benefit assets or liabilities	Defined benefit assets or liabilities
Shareholders' equity	Equity
Notes to financial statements	**Notes to financial statements**
Reportable segment	Operating segment
Variable interest entities	Special purpose entities
Assets or liabilities held for trading	Financial assets or liabilities at fair value through net earnings
Definite/indefinite useful lives	Finite/indefinite useful lives
Capital leases	Finance leases
Employee future benefits	Employee benefits
Projected benefit method prorated on services/ Accumulated benefit method	Projected unit credit method
Accrued benefit obligations	Defined benefit obligations
Stock-based compensation and other stock-based payments	Share-based payment transactions

FIRST-TIME ADOPTION OF IFRS

At the date of transition, IFRS 1 authorizes certain exemptions from retrospective application. The following optional exemptions were used:

Employee benefits
All actuarial gains and losses on the date of transition were recognized in retained earnings.

Business combinations
The IFRS 3 "Business Combinations" was not applied to business combinations that occurred before the transition date.

RECONCILIATION OF CONSOLIDATED FINANCIAL POSITION AND EQUITY

		As at September 24, 2011				
			Adjustments			
	Notes	GAAP	IFRS 1	Accounting treatment	Presentation	IFRS
ASSETS						
Current assets						
Cash and cash equivalents		255.5				255.5
Accounts receivable	i	306.9			(6.6)	300.3
Inventories		728.3				728.3
Prepaid expenses		11.7				11.7
Income taxes receivable		2.2				2.2
Deferred taxes	n	19.2			(19.2)	—
		1,323.8	—	—	(25.8)	1,298.0
Assets held for sale	i	—			6.6	6.6
		1,323.8	—	—	(19.2)	1,304.6
Non-current assets						
Investment in an associate	r	—		1.3	257.4	258.7
Other financial assets	s	274.7		(0.3)	(257.4)	17.0
Fixed assets	t	1,321.3		(63.7)	(31.5)	1,226.1
Investment properties	u	—		(4.5)	31.5	27.0
Intangible assets	d	308.5		(11.3)		297.2
Goodwill	e	1,649.9		(0.8)		1,649.1
Deferred taxes	q	1.2	11.2	14.2	19.2	45.8
Defined benefit assets	v	79.4	(47.3)	(30.5)		1.6
		4,958.8	(36.1)	(95.6)	—	4,827.1
LIABILITIES AND EQUITY						
Current liabilities						
Bank loans		0.3				0.3
Accounts payable	l	1,078.4			(17.3)	1,061.1
Income taxes payable		46.2				46.2
Provisions	l	—			17.3	17.3
Deferred taxes	n	11.2			(11.2)	—
Current portion of debt	m	8.8			369.3	378.1
		1,144.9	—	—	358.1	1,503.0
Non-current liabilities						
Debt	m	1,025.5			(369.3)	656.2
Defined benefit liabilities	v	44.0	38.1	50.1		132.2
Provisions	l	—			4.0	4.0
Deferred taxes	q	158.5	(10.9)	(39.8)	11.2	119.0
Other liabilities	e, l	17.9			(4.5)	13.4
		2,390.8	27.2	10.3	(0.5)	2,427.8
Equity						
Capital stock		682.6				682.6
Contributed surplus	h	1.7		2.1		3.8
Retained earnings	w	1,883.7	(63.3)	(56.8)		1,763.6
Accumulated other comprehensive income	x	—		(51.2)		(51.2)
Equity attributable to the equity holders of the parent		2,568.0	(63.3)	(105.9)	—	2,398.8
Non-controlling interests	e	—			0.5	0.5
		2,568.0	(63.3)	(105.9)	0.5	2,399.3
		4,958.8	(36.1)	(95.6)	—	4,827.1

RECONCILIATION OF CONSOLIDATED STATEMENTS OF INCOME

		12-week period ended September 24, 2011			
			Adjustments		
	Notes	GAAP	Accounting treatment	Presentation	IFRS
Sales	o	2,656.7		(7.2)	2,649.5
Cost of sales and operating expenses	y	(2,479.0)	(5.7)	7.2	(2,477.5)
Share of an associate's earnings	b	15.2	0.1		15.3
Closure expenses	c	(20.2)	(0.3)		(20.5)
Earnings before financial costs, taxes, depreciation and amortization		172.7	(5.9)	—	166.8
Depreciation and amortization	z	(45.0)	3.5		(41.5)
Operating income		127.7	(2.4)	—	125.3
Financial costs, net		(9.4)			(9.4)
Earnings before income taxes		118.3	(2.4)	—	115.9
Income taxes	aa	(32.2)	0.7		(31.5)
Net earnings		86.1	(1.7)	—	84.4
Net earnings per share *(Dollars)*					
Basic		0.85			0.83
Fully diluted		0.84			0.83

		Fiscal year ended September 24, 2011			
			Adjustments		
	Notes	GAAP	Accounting treatment	Presentation	IFRS
Sales	o	11,430.6		(34.2)	11,396.4
Cost of sales and operating expenses	y	(10,679.6)	(6.6)	34.2	(10,652.0)
Share of an associate's earnings	b	42.6	(0.2)		42.4
Closure expenses	c	(20.2)	(0.3)		(20.5)
Earnings before financial costs, taxes, depreciation and amortization		773.4	(7.1)	—	766.3
Depreciation and amortization	z	(195.2)	15.9		(179.3)
Operating income		578.2	8.8	—	587.0
Financial costs, net		(41.5)			(41.5)
Earnings before income taxes		536.7	8.8	—	545.5
Income taxes	aa	(150.4)	(2.4)		(152.8)
Net earnings		386.3	6.4	—	392.7
Net earnings per share *(Dollars)*					
Basic		3.75			3.81
Fully diluted		3.73			3.79

RECONCILIATION OF CONSOLIDATED COMPREHENSIVE INCOME

		12-week period ended September 24, 2011		
			Adjustments	
	Notes	GAAP	Accounting treatment	IFRS
Net earnings		86.1	(1.7)	84.4
Other comprehensive income				
Changes in defined benefit plans				
Actuarial losses	f	—	(83.7)	(83.7)
Asset ceiling effect	f	—	3.8	3.8
Minimum funding requirement	f	—	(5.1)	(5.1)
Corresponding income taxes	f	—	21.7	21.7
Comprehensive income		86.1	(65.0)	21.1

		Fiscal year ended September 24, 2011		
			Adjustments	
	Notes	GAAP	Accounting treatment	IFRS
Net earnings		386.3	6.4	392.7
Other comprehensive income				
Change in the fair value of a derivative designated as cash flow hedge		0.4		0.4
Changes in defined benefit plans				
Actuarial losses	f	—	(66.8)	(66.8)
Asset ceiling effect	f	—	0.5	0.5
Minimum funding requirement	f	—	(2.5)	(2.5)
Share of an associate's other comprehensive income	b	—	0.1	0.1
Corresponding income taxes	f	(0.1)	17.5	17.4
Comprehensive income		386.6	(44.8)	341.8

RECONCILIATION OF CONSOLIDATED CASH FLOWS

		12-week period ended September 24, 2011			
			Adjustments		
	Notes	GAAP	Accounting treatment	Presentation	IFRS
Operating activities					
Net earnings		86.1	(1.7)		84.4
Income taxes	aa, p	—	(0.7)	32.2	31.5
Earnings before income taxes		86.1	(2.4)	32.2	115.9
Non-cash items					
Share of an associate's earnings	b	(15.2)	(0.1)		(15.3)
Closure costs		8.9			8.9
Depreciation and amortization	z	45.0	(3.5)		41.5
Amortization of deferred financing costs		0.2			0.2
Loss on disposal and write-offs of fixed and intangible assets and investment properties	c	12.2	0.3		12.5
Deferred taxes	p	16.8		(16.8)	—
Impairment losses on fixed and intangible assets and investment properties	d	—	12.0		12.0
Impairment loss reversals on fixed and intangible assets	d	—	(5.5)		(5.5)
Share-based compensation cost		1.4			1.4
Difference between amounts paid for employee benefits and current period cost	f	(4.0)	(1.1)		(5.1)
Financial costs, net	p	—		9.4	9.4
		151.4	(0.3)	24.8	175.9
Net change in non-cash working capital items	e, l, p	32.3	0.2	12.6	45.1
Interest paid	p	—		(2.4)	(2.4)
Income taxes paid	p	—		(35.3)	(35.3)
		183.7	(0.1)	(0.3)	183.3
Investing activities					
Business acquisitions	e	(5.9)	0.1		(5.8)
Dividends from an associate		1.3			1.3
Additions to fixed assets		(44.5)			(44.5)
Proceeds on disposal of fixed assets	k	2.8		(2.8)	—
Proceeds on disposal of investment properties	k	—		2.8	2.8
Additions to intangible assets		(6.8)			(6.8)
		(53.1)	0.1	—	(53.0)
Financing activities					
Net change in bank loans		(0.8)			(0.8)
Shares issued		0.3			0.3
Shares redeemed		(42.6)			(42.6)
Acquisition of treasury shares		(8.9)			(8.9)
Increase in debt		0.7			0.7
Repayment of debt		(2.8)			(2.8)
Use of non-current provisions	l	—		(0.3)	(0.3)
Net change in other liabilities	l	(2.0)		0.6	(1.4)
Dividends		(19.5)			(19.5)
		(75.6)	—	0.3	(75.3)
Net change in cash and cash equivalents		55.0	—	—	55.0
Cash and cash equivalents — beginning of period		200.5			200.5
Cash and cash equivalents — end of period		255.5	—	—	255.5

RECONCILIATION OF CONSOLIDATED CASH FLOWS

		Fiscal year ended September 24, 2011			
			Adjustments		
	Notes	GAAP	Accounting treatment	Presentation	IFRS
Operating activities					
Net earnings		386.3	6.4		392.7
Income taxes	aa, p	—	2.4	150.4	152.8
Earnings before income taxes		386.3	8.8	150.4	545.5
Non-cash items					
Share of an associate's earnings	b	(42.6)	0.2		(42.4)
Closure costs		8.9			8.9
Depreciation and amortization	z	195.2	(15.9)		179.3
Amortization of deferred financing costs		0.4			0.4
Loss on disposal and write-offs of fixed and intangible assets and investment properties	c	9.7	0.3		10.0
Interest income from investments	p	(0.1)		0.1	—
Deferred taxes	p	14.6		(14.6)	—
Impairment losses on fixed and intangible assets and investment properties	d	—	14.8		14.8
Impairment loss reversals on fixed and intangible assets	d	—	(5.5)		(5.5)
Share-based compensation cost		6.3			6.3
Difference between amounts paid for employee benefits and current fiscal year cost	f	(11.1)	(3.8)		(14.9)
Financial costs, net	p	—		41.5	41.5
		567.6	(1.1)	177.4	743.9
Net change in non-cash working capital items	e, l, p	(24.4)	0.8	16.5	(7.1)
Interest paid	p	—		(45.1)	(45.1)
Income taxes paid	p	—		(149.3)	(149.3)
		543.2	(0.3)	(0.5)	542.4
Investing activities					
Business acquisitions	e	(74.5)	0.3		(74.2)
Net change in other financial assets		5.4			5.4
Dividends from an associate		4.7			4.7
Additions to fixed assets		(148.1)			(148.1)
Proceeds on disposal of fixed assets	k	5.4		(2.8)	2.6
Proceeds on disposal of investment properties	k	—		2.8	2.8
Additions to intangible assets		(19.9)			(19.9)
		(227.0)	0.3	—	(226.7)
Financing activities					
Net change in bank loans		(0.7)			(0.7)
Shares issued		7.0			7.0
Shares redeemed		(188.3)			(188.3)
Acquisition of treasury shares		(8.9)			(8.9)
Performance share units cash settlement		(0.4)			(0.4)
Increase in debt		8.4			8.4
Repayment of debt		(12.1)			(12.1)
Use of non-current provisions	l	—		(0.3)	(0.3)
Net change in other liabilities	l	(3.3)		0.8	(2.5)
Dividends		(77.1)			(77.1)
		(275.4)	—	0.5	(274.9)
Net change in cash and cash equivalents		40.8	—	—	40.8
Cash and cash equivalents — beginning of year		214.7			214.7
Cash and cash equivalents — end of year		255.5	—	—	255.5

NOTES TO RECONCILIATIONS BY STANDARD

IFRS 1

a) Employee benefits

At the date of transition to IFRS, use of the exemption from retrospective application, allowing all actuarial gains and losses to be recognized in retained earnings, entailed the following adjustments:

Increase / (decrease)	Notes	September 24, 2011
Financial position:		
Deferred tax assets	q	11.2
Defined benefit assets	v	(47.3)
Defined benefit liabilities	v	38.1
Deferred tax liabilities	q	(10.9)
Retained earnings	w	(63.3)

ACCOUNTING TREATMENT

b) Investment in an associate

Starting with the first quarter of its 2012 fiscal year, the publicly traded associate in which the Corporation has an interest issued its first IFRS consolidated financial statements. The Corporation's share of the adjustments related to the conversion of the associate's consolidated financial statements from GAAP to IFRS was made up of the following items:

Increase / (decrease)	Notes	September 24, 2011
Financial position:		
Investment in an associate	r	1.3
Deferred tax liabilities	q	0.1
Retained earnings	w	1.1
Accumulated other comprehensive income	x	0.1

	September 24, 2011	
Increase / (decrease)	12 weeks	52 weeks
Net earnings:		
Share in an associate's earnings	0.1	(0.2)
Comprehensive income:		
Share in an associate's comprehensive income		0.1

c) Fixed assets

Under IFRS, the roof and HVAC are separate building components whose useful life is less than the building's. The roof and HVAC are depreciated over 20 years and the rest of the building over 50 years. Under GAAP, all of the building was depreciated over 40 years. This adjustment had the following impacts:

Increase / (decrease)	Notes	September 24, 2011
Financial position:		
Fixed assets	t	16.8
Deferred tax assets	q	(1.0)
Deferred tax liabilities	q	3.4
Retained earnings	w	12.4

		September 24, 2011	
Increase / (decrease)	Notes	12 weeks	52 weeks
Net earnings:			
Depreciation and amortization	z	0.1	1.1
Closure expenses		(0.3)	(0.3)
Income taxes	aa	0.1	(0.2)
Cash flows:			
Loss on disposal and write-offs of fixed and intangible assets and investment properties		0.3	0.3

d) Impairment of assets

Under IFRS, impairment testing is conducted at the level of the asset itself, a cash generating unit (CGU) or group of CGUs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each store is a separate CGU, and impairment testing is performed at the store level. Impairment testing of warehouses is conducted at the level of the different groups of CGUs. As for goodwill, certain private labels and support assets that cannot be allocated wholly to a single CGU, impairment testing is conducted at the level of the unique operating segment. Impairment testing of investment properties, investment in an associate, banners, certain private labels and loyalty programs is conducted at the level of the asset itself. Under GAAP, impairment testing was done at the level of the asset itself, a group of assets or a reporting unit. These adjustments had the following impacts:

Increase / (decrease)	Notes	September 24, 2011
Financial position:		
Fixed assets	t	(80.5)
Investment properties	u	(4.5)
Intangible assets		(11.3)
Deferred tax assets	q	15.5
Deferred tax liabilities	q	(9.0)
Retained earnings	w	(71.8)

		September 24, 2011	
Increase / (decrease)	Notes	12 weeks	52 weeks
Net earnings:			
Impairment losses	y	(12.0)	(14.8)
Impairment loss reversals	y	5.5	5.5
Depreciation and amortization	z	3.4	14.8
Income taxes	aa	0.8	(1.4)

e) Business combinations

Under IFRS, business combination-related costs are expensed when incurred. Only restructuring costs for the acquired business that would have been incurred even if there had been no business combination may be included in the purchase price allocation. Non-controlling interests are presented in equity. Under GAAP, business combination-related costs were considered in purchase price allocation. Restructuring costs for the acquired business could be included in the purchase price allocation. Non-controlling interests were presented in other liabilities. These adjustments had the following impacts:

Increase / (decrease)	Notes	September 24, 2011
Financial position:		
Goodwill		(0.8)
Other financial assets	s	(0.3)
Deferred tax liabilities	q	(0.3)
Other liabilities		(0.5)
Retained earnings	w	(0.8)
Non-controlling interests		0.5

		September 24, 2011	
Increase / (decrease)	Notes	12 weeks	52 weeks
Net earnings:			
Operating expenses	y	(0.3)	(1.1)
Income taxes	aa	0.1	0.3
Cash flows:			
Business acquisitions		0.1	0.3
Net change in non-cash working capital items		0.2	0.8

f) Employee benefits

Actuarial gains or losses

Under IFRS, actuarial gains or losses are recognized in comprehensive income. Under GAAP, they were deferred and amortized using the corridor method and recognized in net earnings. This adjustment had the following impacts:

Increase / (decrease)	Notes	September 24, 2011
Financial position:		
Deferred tax assets	q	(1.1)
Defined benefit assets	v	(23.2)
Defined benefit liabilities	v	39.5
Deferred tax liabilities	q	(17.0)
Retained earnings	w	3.0
Accumulated other comprehensive income	x	(49.8)

		September 24, 2011	
Increase / (decrease)	Notes	12 weeks	52 weeks
Net earnings:			
Employee benefit expense	y	2.0	4.1
Income taxes	aa	(0.5)	(1.1)
Comprehensive income:			
Actuarial losses		(83.7)	(66.8)
Corresponding income taxes		21.3	17.0

Past service cost

Under IFRS, past service cost for vested benefits is recognized immediately in net earnings. Under GAAP, past service cost was amortized on a straight-line basis over the average remaining service period of active participants, regardless of vesting. This adjustment had the following impacts:

Increase / (decrease)	Notes	September 24, 2011
Financial position:		
Deferred tax assets	q	1.7
Defined benefit liabilities	v	10.6
Deferred tax liabilities	q	(0.9)
Retained earnings	w	(8.0)

		September 24, 2011	
Increase / (decrease)	Notes	12 weeks	52 weeks
Net earnings:			
Employee benefit expense	y	(0.8)	(0.2)
Income taxes	aa	0.2	

Asset ceiling and minimum funding requirement

Under IFRS, in the case of a surplus funded plan, defined benefit assets are limited to the availability of future contribution reductions calculated on a going concern and solvency basis. Furthermore, an additional liability could be recorded when minimum funding requirements exceed economic benefits available. Ceiling and minimum funding requirement effects are recognized for each period and recorded in comprehensive income. Under GAAP, in the case of a surplus funded plan, accrued benefit assets were limited to the availability of future contribution reductions calculated on a going concern basis. Any variances regarding the ceiling were recorded in net earnings. This adjustment had the following impacts:

Increase / (decrease)	Notes	September 24, 2011
Financial position:		
Defined benefit assets	v	(11.1)
Deferred tax liabilities	q	(3.0)
Retained earnings	w	(6.6)
Accumulated other comprehensive income	x	(1.5)

		September 24, 2011	
Increase / (decrease)	Notes	12 weeks	52 weeks
Net earnings:			
Employee benefit expense	y	(0.1)	(0.1)
Comprehensive income:			
Asset ceiling effect		3.8	0.5
Minimum funding requirement		(5.1)	(2.5)
Corresponding income taxes		0.4	0.5

Post-employment benefits

Post-employment benefits plans consist of pension benefits, post-employment life insurance, and post-employment health care. Certain plans provide post-employment life insurance and health care benefits only to employees with a minimum of 20 years of service and aged 65 at retirement. Under IFRS, vested rights to these plans are recognized only when employees turn 45, if hired before then. Under GAAP, recognition was from an employee's hiring date for employees hired before they were 45 years old. As the recognition date is later under IFRS than under GAAP, recognized obligations are less under IFRS. This adjustment had the following impacts:

Increase / (decrease)	Notes	September 24, 2011
Financial position:		
Defined benefit assets	v	3.8
Deferred tax assets	q	(0.9)
Retained earnings	w	2.9

g) Income taxes

Under IFRS, differences between the carrying amount and tax base of intangible assets with indefinite useful lives have to be recognized as deferred tax assets or liabilities based on applicable tax rates when the asset is to be realized. Since these intangible assets are not amortized, they are deemed to be realized upon their disposal and therefore the capital gains tax rate was used. Under GAAP, the common practice was to use the corporate tax rate in accounting for deferred taxes. This adjustment had the following impacts:

Increase / (decrease)	Notes	September 24, 2011
Financial position:		
Deferred tax liabilities	q	(13.1)
Retained earnings	w	13.1

h) Share-based payment

Under IFRS, when stock option awards vest gradually, each tranche is considered as a separate award with recognition of the compensation expense over the vesting term of each tranche. Under GAAP, all tranches were considered as a single award with straight-line recognition of the compensation expense over the total vesting term of all tranches. This adjustment had the following impacts:

Increase / (decrease)	Notes	September 24, 2011
Financial position:		
Contributed surplus		2.1
Retained earnings	w	(2.1)

PRESENTATION

i) Assets held for sale

Under IFRS, assets held for sale are presented separately in the consolidated statement of financial position. Under GAAP, they were included in accounts receivable. The impact of this reclassification as at September 24, 2011 was $6.6.

j) Investment in an associate

Under IFRS, investments accounted for using the equity method are presented separately in the consolidated statement of financial position. Under GAAP, they were included in investments and other assets. The impact of this reclassification as at September 24, 2011 was $257.4 (notes r and s).

k) Investment properties

Under IFRS, investment properties are held for capital appreciation and to earn rentals. They are not occupied by the owner for its ordinary activities. They are presented separately in the consolidated statement of financial position. Under GAAP, the concept of investment properties did not exist and such land and buildings were included in fixed assets. This reclassification has the following impacts:

Increase / (decrease)	Notes	September 24, 2011
Financial position:		
Fixed assets	t	(31.5)
Investment properties	u	31.5

	September 24, 2011	
Increase / (decrease)	12 weeks	52 weeks
Cash flows:		
Proceeds on disposal of fixed assets	(2.8)	(2.8)
Proceeds on disposal of investment properties	2.8	2.8

l) Provisions

Under IFRS, current and non-current provisions are presented separately in the consolidated statement of financial position. Under GAAP, they were included in accounts payable and other long-term liabilities. This reclassification had the following impacts:

Increase / (decrease)	September 24, 2011
Financial position:	
Current provisions	17.3
Accounts payable	(17.3)
Non-current provisions	4.0
Other liabilities	(4.0)

	September 24, 2011	
Increase / (decrease)	12 weeks	52 weeks
Cash flows:		
Net change in non-cash working capital items	(0.3)	(0.5)
Non-current provisions used	(0.3)	(0.3)
Net change in other liabilities	0.6	0.8

m) Debt

Under IFRS, financial liabilities at the closing date will mature within the next 12 months are presented in current items in the statement of financial position, even if a refinancing agreement is entered into after the closing date and before the financial statements are authorized for issue. Under GAAP, they were presented with the non-current items in the statement of financial position. The impact of this reclassification as at September 24, 2011 was $369.3 for the Credit A Facility.

n) Deferred taxes

Under IFRS, deferred tax assets and liabilities are classified as non-current items in the consolidated statement of financial position. Under GAAP, the current and non-current portions of deferred tax assets and liabilities were presented separately. The impacts of this reclassification of current deferred tax assets and liabilities as at September 24, 2011 were $19.2 and $11.2 (note q).

o) Loyalty programs

Under IFRS, the cost of loyalty program points is recorded as a reduction in sales. Under GAAP, it was recorded in the cost of sales and operating expenses. The impact of this reclassification for the 12-week period ended September 24, 2011 was $7.2 and $34.2 for the year ended September 24, 2011 (note y).

p) Interest and income taxes paid

Under IFRS, interest and income taxes paid are incorporated in the consolidated statement of cash flows. Under GAAP, interest and income taxes paid were presented as supplementary information. This reclassification had the following impacts:

	September 24, 2011	
Increase / (decrease)	12 weeks	52 weeks
Cash flows:		
Financial costs, net	9.4	41.5
Interest paid	(2.4)	(45.1)
Interest income from investments		0.1
Income taxes	32.2	150.4
Income taxes paid	(35.3)	(149.3)
Deferred income taxes	(16.8)	(14.6)
Net change in non-cash working capital items	12.9	17.0

SUMMARY OF FINANCIAL STATEMENT ADJUSTMENTS

FINANCIAL POSITION

q) Deferred tax assets and liabilities

Deferred tax assets

		September 24, 2011		
Increase / (decrease)	Notes	IFRS 1	Accounting treatment	Presentation
Exemption from retrospective application	a	11.2		
Fixed assets	c		(1.0)	
Impairment of assets	d		15.5	
Employee benefits				
Actuarial gains or losses	f		(1.1)	
Past service cost	f		1.7	
Post-employment benefits	f		(0.9)	
Reclassification of current portion	n			19.2
		11.2	14.2	19.2

Deferred tax liabilities

		September 24, 2011		
Increase / (decrease)	Notes	IFRS 1	Accounting treatment	Presentation
Exemption from retrospective application	a	(10.9)		
Investment in an associate	b		0.1	
Fixed assets	c		3.4	
Impairment of assets	d		(9.0)	
Business combinations	e		(0.3)	
Employee benefits				
Actuarial gains or losses	f		(17.0)	
Past service cost	f		(0.9)	
Asset ceiling and minimum funding requirement	f		(3.0)	
Income taxes	g		(13.1)	
Reclassification of current portion	n			11.2
		(10.9)	(39.8)	11.2

r) Investment in an associate

		September 24, 2011	
Increase / (decrease)	Notes	Accounting treatment	Presentation
Share of an associate's IFRS conversion	b	1.3	
Reclassification of other financial assets	j		257.4
		1.3	257.4

s) Other financial assets

Increase / (decrease)	Notes	September 24, 2011 Accounting treatment	Presentation
Business combinations	e	(0.3)	
Reclassification of investment in an associate	j		(257.4)
		(0.3)	(257.4)

t) Fixed assets

Increase / (decrease)	Notes	September 24, 2011 Accounting treatment	Presentation
Components	c	16.8	
Impairment of assets	d	(80.5)	
Reclassification of investment properties	k		(31.5)
		(63.7)	(31.5)

u) Investment properties

Increase / (decrease)	Notes	September 24, 2011 Accounting treatment	Presentation
Impairment of assets	d	(4.5)	
Reclassification of fixed assets	k		31.5
		(4.5)	31.5

v) Defined benefit assets and liabilities

Defined benefit assets

Increase / (decrease)	Notes	September 24, 2011 IFRS 1	Accounting treatment
Exemption from retrospective application	a	(47.3)	
Employee benefits			
Actuarial losses	f		(23.2)
Asset ceiling and minimum funding requirement	f		(11.1)
Post-employment benefits	f		3.8
		(47.3)	(30.5)

Defined benefit liabilities

Increase / (decrease)	Notes	September 24, 2011 IFRS 1	Accounting treatment
Exemption from retrospective application	a	38.1	
Employee benefits			
Actuarial losses	f		39.5
Past service cost	f		10.6
		38.1	50.1

w) Retained earnings

Increase / (decrease)	Notes	September 24, 2011 IFRS 1	Accounting treatment
Exemption from retrospective application	a	(63.3)	
Investment in an associate	b		1.1
Fixed assets	c		12.4
Impairment of assets	d		(71.8)
Business combinations	e		(0.8)
Employee benefits			
Actuarial gains or losses	f		3.0
Past service cost	f		(8.0)
Asset ceiling and minimum funding requirement	f		(6.6)
Post-employment benefits	f		2.9
Income taxes	g		13.1
Share-based payment	h		(2.1)
		(63.3)	(56.8)

x) Accumulated other comprehensive income

Increase / (decrease)	Notes	September 24, 2011 Accounting treatment
Investment in an associate	b	0.1
Employee benefits		
Actuarial losses	f	(49.8)
Asset ceiling and minimum funding requirement	f	(1.5)
		(51.2)

NET EARNINGS

y) Cost of sales and operating expenses

		September 24, 2011			
		12 weeks		52 weeks	
Decrease / (increase)	Notes	Accounting treatment	Presentation	Accounting treatment	Presentation
Impairment of assets					
Impairment losses	d	(12.0)		(14.8)	
Impairment loss reversals	d	5.5		5.5	
Business combinations	e	(0.3)		(1.1)	
Employee benefits					
Actuarial gains or losses	f	2.0		4.1	
Past service cost	f	(0.8)		(0.2)	
Asset ceiling and minimum funding requirement	f	(0.1)		(0.1)	
Loyalty programs	o		7.2		34.2
		(5.7)	7.2	(6.6)	34.2

z) Depreciation and amortization

		September 24, 2011	
		12 weeks	52 weeks
Decrease / (increase)	Notes	Accounting treatment	Accounting treatment
Fixed assets	c	0.1	1.1
Impairment of assets	d	3.4	14.8
		3.5	15.9

aa) Income taxes

		September 24, 2011	
		12 weeks	52 weeks
Decrease / (increase)	Notes	Accounting treatment	Accounting treatment
Fixed assets	c	0.1	(0.2)
Impairment of assets	d	0.8	(1.4)
Business combinations	e	0.1	0.3
Employee benefits			
Actuarial gains or losses	f	(0.5)	(1.1)
Past service cost	f	0.2	
		0.7	(2.4)

3. NEW ACCOUNTING POLICIES

RECENTLY ISSUED

Classification and measurement of financial assets and financial liabilities

In November 2009, the International Accounting Standards Board (IASB) published IFRS 9 "Financial Instruments". This new standard simplifies the classification and measurement of financial assets set out in IAS 39 "Financial Instruments: Recognition and Measurement". Financial assets are to be measured at amortized cost or fair value. They are to be measured at amortized cost if the two following conditions are met:

a) the assets are held within a business model whose objective is to collect contractual cash flows; and

b) the contractual cash flows are solely payments of principal and interest on the outstanding principal.

All other financial assets are to be measured at fair value through net earnings. The entity may, if certain conditions are met, elect to use the fair value option instead of measurement at amortized cost. As well, the entity may choose upon initial recognition to measure non-trading equity investments at fair value through comprehensive income. Such a choice is irrevocable.

In October 2010, the IASB issued revisions to IFRS 9, adding the requirements for classification and measurement of financial liabilities contained in IAS 39 and further points. For financial liabilities measured at fair value through net earnings using the fair value option, the amount of change in a liability's fair value attributable to changes in its credit risk is recognized directly in other comprehensive income.

In December 2011, the IASB deferred the mandatory effective date of IFRS 9 to fiscal years beginning on or after January 1, 2015. Early adoption is permitted under certain conditions. An entity is not required to restate comparative financial periods for its first-time application of IFRS 9, but must comply with the new disclosure requirements.

Offsetting financial assets and financial liabilities

In December 2011, the IASB issued amendments to IAS 32 "Financial Instruments: Presentation" clarifying the requirements for offsetting financial assets and financial liabilities. These amendments shall be applied to annual periods beginning on or after January 1, 2014.

The IASB also issued amendments to IFRS 7 "Financial Instruments: Disclosures" improving disclosure on offsetting of financial assets and financial liabilities. These amendments shall be applied to annual and interim periods beginning on or after January 1, 2013.

Consolidated Financial Statements

In May 2011, the IASB published IFRS 10 "Consolidated Financial Statements" which is a replacement of SIC-12 "Consolidation – Special Purpose Entities", and certain parts of IAS 27 "Consolidated and Separate Financial Statements". IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, employing the following factors to identify control:

a) power over the investee;

b) exposure or rights to variable returns from involvement with the investee;

c) the ability to use power over the investee to affect the amount of the investor's returns.

IFRS 10 shall be applied to fiscal years beginning on or after January 1, 2013. Early adoption is permitted under certain conditions.

Joint Arrangements

In May 2011, the IASB published IFRS 11 "Joint Arrangements" which supersedes IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 11 requires that joint ventures be accounted for using the equity method of accounting and eliminates the need for proportionate consolidation. This new standard shall be applied to fiscal years beginning on or after January 1, 2013. Early adoption is permitted under certain conditions.

Disclosure of Interests in Other Entities

In May 2011, the IASB published IFRS 12 "Disclosure of Interests in Other Entities" which requires that an entity disclose information on the nature of and risks associated with its interests in other entities (i.e. subsidiaries, joint arrangements, associates or unconsolidated structured entities) and the effects of those interests on its financial statements. IFRS 12 shall be applied to fiscal years beginning on or after January 1, 2013. Early adoption is permitted under certain conditions. Entities may, without early adoption of IFRS 12, choose to incorporate only some of the required disclosures in their financial statements.

Fair Value Measurement

In May 2011, the IASB published IFRS 13 "Fair Value Measurement" to establish a single framework for fair value measurement of financial and non-financial items. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also requires disclosure of certain information on fair value measurements. IFRS 13 shall be applied to fiscal years beginning on or after January 1, 2013. Early adoption is permitted.

Employee Benefits

In June 2011, the IASB issued amendments to IAS 19 "Employee Benefits". Changes in defined benefit obligations and plan assets are to be recognized in comprehensive income when they occur, thus eliminating the corridor approach and accelerating recognition of past service cost. Net interest is to be recognized in net earnings and calculated using the discount rate by reference to market yields at the end of the reporting period on high quality corporate bonds. The actual return on plan assets minus net interest is to be recognized in other comprehensive income. These amendments shall be applied to fiscal years beginning on or after January 1, 2013. Early adoption is permitted.

Presentation of Financial Statements

In June 2011, the IASB issued amendments to IAS 1 "Presentation of Financial Statements". Items of other comprehensive income and the corresponding tax expense are required to be grouped into those that will and will not subsequently be reclassified through net earnings. These amendments shall be applied to fiscal years beginning on or after July 1, 2012. Early adoption is permitted.

At present, the Corporation is assessing the impact of the above-mentioned amendments on its earnings, financial position and cash flows.

4. BUSINESS ACQUISITIONS

ADONIS AND PHOENICIA

On October 23, 2011, the Corporation acquired 55% of the net assets of Adonis, a Montreal-area retailer with four existing stores and a fifth one under construction that was opened in December 2011, as well as Phoenicia, an importer and wholesaler with a distribution centre in Montreal and another in the Greater Toronto Area. These businesses specialize in perishable and ethnic food products. In the fourth quarter of 2012, an adjustment of $0.7 was recorded for a final purchase price paid by the Corporation for the 55% interest of $161.4 with a remaining balance of $11.6 to be paid. The acquisition was accounted for using the purchase method. The Corporation controls the acquired businesses and consolidated their earnings as of the date of acquisition. The final total purchase price allocation was as follows:

Net assets acquired at their fair value	
Cash	3.0
Accounts receivable	10.6
Inventories	24.3
Prepaid expenses	0.5
Fixed assets	11.9
Intangible assets	
Finite useful life	10.7
Indefinite useful life	63.4
Goodwill	206.8
Bank loans	(15.5)
Accounts payable	(5.4)
Debt	(10.4)
Deferred tax liabilities	(6.4)
	293.5

Cash consideration	149.8
Balance due	11.6
Total consideration for the Corporation's interest (55%)	161.4
Non-controlling interest (45%)	132.1
	293.5

The non-controlling interest was measured at 45% of the fair value of the acquired companies' net assets.

The goodwill from the acquisition corresponds to the growth potential of Adonis stores and the broadening of the Corporation's customer base through improvement of the ethnic food offering in all its stores. In the goodwill's tax treatment, 53% of the goodwill will be treated as an eligible capital property with related tax deductions and 47% as non-deductible.

Since their acquisition, the acquired businesses have increased Corporation sales and net earnings by $236.6 and $16.0 respectively. If the acquisition had taken place at the beginning of fiscal 2012, the acquired businesses would have increased Corporation sales and net earnings by an additional amount of $16.5 and $1.1 respectively.

Acquisition-related costs of $1.1 were recorded in cost of sales and operating expenses.

AFFILIATED STORES

During fiscal 2011, the Company acquired 11 affiliated stores which it already supplied. The total purchase price was $74.2 in cash. The acquisition of these stores was accounted for using the purchase method. The stores' results have been consolidated as of their respective acquisition dates. The final purchase price allocation was as follows:

Net assets acquired at their fair value	
Inventories	10.2
Fixed assets	12.7
Deferred tax assets	2.4
Goodwill	48.9
Cash consideration	74.2

The goodwill resulting from the acquisition corresponds to the additional contribution expected from these stores. The tax treatment of the goodwill was an eligible capital property with the related tax deductions.

Acquisition-related costs of $0.3 were recorded in cost of sales and operating expenses.

5. ADDITIONAL INFORMATION ON THE NATURE OF EARNINGS COMPONENTS

	Fiscal Year		Fiscal Year	
	2012	2011	**2012**	2011
	(13 weeks)	(12 weeks)	**(53 weeks)**	(52 weeks)
Sales	**2,943.7**	2,649.5	**12,010.8**	11,396.4
Cost of sales and operating expenses				
Cost of sales	**(2,400.2)**	(2,181.0)	**(9,800.3)**	(9,333.6)
Wages and fringe benefits	**(161.8)**	(132.7)	**(662.1)**	(620.9)
Employee benefit expense	**(11.6)**	(8.2)	**(49.1)**	(45.7)
Rents, taxes and common costs	**(62.5)**	(56.6)	**(262.1)**	(253.8)
Electricity and natural gas	**(28.3)**	(26.8)	**(114.0)**	(111.0)
Impairment losses on fixed, intangible assets and investment properties	**(2.1)**	(12.0)	**(10.3)**	(14.8)
Impairment loss reversals on fixed and intangible assets	**3.6**	5.5	**10.0**	5.5
Other expenses	**(71.6)**	(65.7)	**(301.2)**	(277.7)
	(2,734.5)	(2,477.5)	**(11,189.1)**	(10,652.0)
Share of an associate's earnings				
Share of earnings	**12.1**	15.3	**47.6**	42.4
Dilution gain	**25.0**	—	**25.0**	—
	37.1	15.3	**72.6**	42.4
Closure costs	**—**	(20.5)	**—**	(20.5)
Depreciation and amortization				
Fixed assets	**(34.1)**	(33.9)	**(150.5)**	(146.1)
Investment properties	**—**	—	**(0.1)**	(0.1)
Intangible assets	**(7.7)**	(7.6)	**(33.3)**	(33.1)
	(41.8)	(41.5)	**(183.9)**	(179.3)
Financing costs, net				
Current interest	**(0.9)**	(0.2)	**(2.9)**	(1.1)
Non-current interest	**(11.2)**	(9.8)	**(45.1)**	(43.3)
Amortization of deferred financing costs	**(0.1)**	(0.2)	**(0.3)**	(0.4)
Interest income	**0.6**	0.8	**2.2**	3.5
Passage of time	**(0.1)**	—	**(0.3)**	(0.2)
	(11.7)	(9.4)	**(46.4)**	(41.5)
Earnings before income taxes	**192.8**	115.9	**664.0**	545.5

Impairment losses and impairment loss reversals recorded during the periods were particularly on food stores where cash flows decreased or increased due to local competition.

In August 2012, Alimentation Couche-Tard issued 7.3 million shares for net proceeds of approximately $330 to finance part of its acquisition of Statoil Fuel & Retail ASA. As the Corporation did not participate in this share issue, its interest in Couche-Tard decreased from 11.6% to 11.1%. This dilution and the Corporation's share in Couche-Tard's increased value as a result of the share issue amount to a deemed disposition and deemed proceeds of disposition of part of its investment for a net pre-tax gain of $25.0.

In the fourth quarter of 2011, non-recurring closure costs of $20.5 before taxes, consisting of dismantling expenses, asset write-offs and others, were incurred for the closure of the Montreal meat-processing plant and a grocery warehouse in Toronto.

6. INCOME TAXES

The effective income tax rates were as follows:

(Percentage)	Fiscal Year **2012** **(13 weeks)**	2011 (12 weeks)	Fiscal Year **2012** **(53 weeks)**	2011 (52 weeks)
Combined statutory income tax rate	**27.2**	28.8	**27.2**	28.8
Changes				
Impact on deferred taxes due to postponement of 1.5% future reductions of Ontario tax rate	**—**	—	**0.5**	—
Share of an associate's earnings	**(2.9)**	(2.3)	**(1.8)**	(1.3)
Others	**0.4**	0.7	**0.4**	0.5
	24.7	27.2	**26.3**	28.0

7. NET EARNINGS PER SHARE

Basic net earnings per share and fully diluted net earnings per share were calculated using the following number of shares:

(Millions)	Fiscal Year **2012** **(13 weeks)**	2011 (12 weeks)	Fiscal Year **2012** **(53 weeks)**	2011 (52 weeks)
Weighted average number of shares outstanding – Basic	**97.2**	101.5	**98.9**	103.1
Dilutive effect under:				
Stock option plan	**0.4**	0.4	**0.4**	0.4
Performance share unit plan	**0.3**	0.2	**0.3**	0.1
Weighted average number of shares outstanding – Fully diluted	**97.9**	102.1	**99.6**	103.6

8. DEBT

In the first quarter of fiscal 2012, the Corporation obtained a new $600.0 five-year revolving credit facility and cancelled the unused $400.0 revolving line of credit maturing on August 15, 2012. The Corporation used part of the new credit facility to pay back the $369.3 Credit A Facility when it matured on August 15, 2012. The new credit facility bears interest at rates that fluctuate with changes in banker's acceptance rates and is unsecured. As at September 29, 2012, $284.6 from the $600.0 revolving credit facility remained undrawn.

9. CAPITAL STOCK

AUTHORIZED

Following the Annual General Meeting of Shareholders held on January 31, 2012, the Corporation's share capital has been changed as follows:

- each issued and outstanding Class B share carrying 16 votes per share has been converted into one single vote Class A Subordinate Share;
- the Class B shares, along with the rights, privileges, restrictions and conditions attached thereto, have been eliminated;
- the Class A Subordinate Shares have been redesignated as "Common Shares" and constitute the Corporation's sole class of equity shares carrying one vote per share;
- First Preferred Shares have been redesignated as "Preferred Shares".

OUTSTANDING

To facilitate reading, the Corporation has restated all prior periods disclosed to reflect the share capital reorganization of January 31, 2012 as if it had always existed. Therefore, only the Common Shares are disclosed in this note. This restatement is possible since Class B Shares and Class A Subordinate Shares were participating shares. The differences between these classes of shares were primarily voting rights, the exclusivity of Class B Shares held by Metro Merchants, and that Class B Shares were not listed on the Toronto Stock Exchange.

The outstanding Common Shares were summarized as follows:

	Common Shares	
	Number *(Thousands)*	
Balance as at September 26, 2010	105,069	702.1
Shares issued for cash	1	—
Shares redeemed for cash, excluding premium of $160.4	(4,147)	(27.9)
Acquisition of treasury shares, excluding premium of $7.6	(190)	(1.3)
Released treasury shares	94	0.6
Stock options exercised	257	9.1
Balance as at September 24, 2011	**101,084**	**682.6**
Shares issued for cash	**2**	**0.1**
Shares redeemed for cash, excluding premium of $186.3	**(4,213)**	**(28.7)**
Acquisition of treasury shares, excluding premium of $2.3	**(50)**	**(0.3)**
Released treasury shares	**92**	**0.6**
Stock options exercised	**271**	**10.3**
Balance as at September 29, 2012	**97,186**	**664.6**

STOCK OPTION PLAN

The outstanding options were summarized as follows:

	Number *(Thousands)*	Weighted average exercise price *(Dollars)*
Balance as at September 26, 2010	1,777	32.29
Granted	290	47.06
Exercised	(257)	27.30
Cancelled	(34)	34.67
Balance as at September 24, 2011	**1,776**	**35.38**
Granted	**293**	**53.76**
Exercised	**(271)**	**29.77**
Cancelled	**(115)**	**38.44**
Balance as at September 29, 2012	**1,683**	**39.27**

The exercise prices of the outstanding options ranged from $24.73 to $58.41 as at September 29, 2012 with expiration dates up to 2019 with 521 of those options exercisable at a weighted average exercise price of $31.47.

The compensation expense for these options amounted to $0.8 for the 13-week period ended September 29, 2012 (2011 – $0.6) and to $2.3 for fiscal 2012 (2011 – $2.5).

PERFORMANCE SHARE UNIT PLAN

The number of performance share units (PSUs) outstanding was as follows:

	Number *(Units)*
Balance as at September 26, 2010	308,904
Granted	110,756
Settled	(104,153)
Cancelled	(5,778)
Balance as at September 24, 2011	**309,729**
Granted	**97,043**
Settled	**(94,499)**
Cancelled	**(28,096)**
Balance as at September 29, 2012	**284,177**

The number of Corporation Common Shares held in trust for participants was as follows:

	Number *(Units)*
Balance as at September 26, 2010	203,548
Acquisition of treasury shares	190,000
Released treasury shares	(93,608)
Balance as at September 24, 2011	**299,940**
Acquisition of treasury shares	**50,000**
Released treasury shares	**(91,907)**
Balance as at September 29, 2012	**258,033**

The compensation expense for the PSU plan amounted to $1.2 for the 13-week period ended September 29, 2012 (2011 – $0.8) and to $3.8 for fiscal 2012 (2011 – $3.8).

10. ACCUMULATED OTHER COMPREHENSIVE INCOME

	Cash flow hedge	Defined benefit plans	Share of an associate	Total
Balance as at September 26, 2010	(0.3)	—	—	(0.3)
Change in the fair value of a derivative designated as cash flow hedge	0.4			0.4
Changes in defined benefit plans				
Actuarial losses		(66.8)		(66.8)
Asset ceiling effect		0.5		0.5
Minimum funding requirement		(2.5)		(2.5)
Share of an associate's other comprehensive income			0.1	0.1
Corresponding income taxes	(0.1)	17.5		17.4
Balance as at September 24, 2011	**—**	**(51.3)**	**0.1**	**(51.2)**
Changes in defined benefit plans				
Actuarial losses		**(65.6)**		**(65.6)**
Asset ceiling effect		**(2.7)**		**(2.7)**
Minimum funding requirement		**0.1**		**0.1**
Share of an associate's other comprehensive income			**(0.6)**	**(0.6)**
Corresponding income taxes		**18.9**	**0.1**	**19.0**
Balance as at September 29, 2012	**—**	**(100.6)**	**(0.4)**	**(101.0)**

11. EVENT AFTER THE REPORTING PERIOD

On October 22, 2012, the Corporation announced a conditional agreement to dispose of its food service operation, the Distagro division, which supplies restaurant and gas station chains. The disposal for a consideration of approximately $15 excluding working capital and a net gain after taxes of approximately $7 should take place in the next few weeks.

The transaction will be recorded in the financial statements as a discontinued operation and the Corporation's consolidated income statements for current and prior periods will be restated. Related Distagro sales and expenditures will be recorded as a net loss on a discontinued operation under a separate income statement section.

12. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated financial statements for the 13-week and 53-week periods ended September 29, 2012 (including comparative figures) were approved for issue by the Board of Directors on November 13, 2012.

INFORMATION

METRO INC. Investor Relations Department
Telephone: (514) 643-1055
E-mail: finance@metro.ca

METRO INC. corporate information and press releases are available on the Internet at the following address:
www.metro.ca