



## PRESS RELEASE

### METRO REPORTS 14.9% GROWTH IN 2013 FIRST QUARTER NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS

(Montréal, January 29, 2013) - METRO INC. (TSX : MRU) announced its results today for the first quarter ended December 22, 2012.

#### HIGHLIGHTS

- Net earnings of \$121.4 million or fully diluted net earnings per share of \$1.23, up 21.8%
- Net earnings from continuing operations of \$115.0 million, up 11.0%
- Fully diluted net earnings per share from continuing operations of \$1.16, up 14.9%
- Sales of \$2,704.7 million, up 2.7%
- Same stores sales up 1.5%
- Declared dividend of \$0.25 per share, up 16.3%

	12 weeks / Fiscal Year				
	2013	%	2012	%	Change (%)
<i>(Millions of dollars, except for net earnings per share/EPS)</i>					
Sales	<b>2,704.7</b>	<b>100.0</b>	2,632.6	100.0	2.7
EBITDA <sup>(1)</sup>	<b>188.2</b>	<b>7.0</b>	179.5	6.8	4.8
Net earnings	<b>121.4</b>	<b>4.5</b>	103.7	3.9	17.1
Fully diluted EPS	<b>1.23</b>	—	1.01	—	21.8
Net earnings from continuing operations	<b>115.0</b>	<b>4.3</b>	103.6	3.9	11.0
Fully diluted EPS from continuing operations	<b>1.16</b>	—	1.01	—	14.9

#### PRESIDENT'S MESSAGE

"We are pleased with our 2013 first quarter results which were achieved in a challenging economic environment of very low food inflation, intensifying competition and cautious consumers. Our teams executed well on our business plans and we are confident that we can continue<sup>(2)</sup> on our growth path in the coming quarters," stated Eric R. La Flèche, President and Chief Executive Officer.

<sup>(1)</sup> See section "IFRS and Non-IFRS Measurements"

<sup>(2)</sup> See section "Forward-looking Information"

## 2013 FIRST QUARTER RESULTS

### SALES

Sales in the first quarter of 2013 reached \$2,704.7 million versus \$2,632.6 million last year, an increase of 2.7%. Same store sales increased by 1.5%. The first quarter for fiscal 2013 includes the sales for the week preceding Christmas whereas, in fiscal 2012, the sales for that week were included in the second quarter. The Christmas week shift will have a negative impact on 2013 second quarter sales compared to the 2012 second quarter. We experienced very low inflation in our food basket in the first quarter.

### EARNINGS BEFORE FINANCIAL COSTS, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)<sup>(1)</sup>

EBITDA<sup>(1)</sup> for the first quarter of 2013 was \$188.2 million, up 4.8% from \$179.5 million for the same quarter last year. First-quarter EBITDA<sup>(1)</sup> represented 7.0% of sales versus 6.8% last year.

Gross margin as percentage of sales in the first quarter of 2013 was 18.7% versus 18.4% in the corresponding quarter last year.

### DEPRECIATION AND AMORTIZATION AND NET FINANCIAL COSTS

Total depreciation and amortization expense for the first quarter of 2013 amounted to \$41.9 million versus \$42.2 million in 2012. First quarter net financial costs totalled \$11.1 million in 2013 compared to \$10.1 million for the corresponding quarter last year. The average financing rate was 4.5% in the first quarter of 2013 versus 4.1% for the corresponding period last fiscal year.

### SHARE OF AN ASSOCIATE'S EARNINGS

Our share of earnings in Alimentation Couche-Tard was \$19.0 million for the first quarter of 2013 versus \$13.0 million for the same quarter of 2012.

### INCOME TAXES

The income tax expense of \$39.2 million for the first quarter of 2013 represented an effective tax rate of 25.4% compared with \$36.6 million and an effective tax rate of 26.1% in 2012. The decrease in the effective tax rate is attributable notably to the 1.5% federal corporate tax rate reduction effective January 1, 2012.

### NET EARNINGS

Net earnings for the first quarter of 2013 were \$121.4 million, an increase of 17.1% over net earnings of \$103.7 million for the same quarter of 2012. Fully diluted net earnings per share rose 21.8% to \$1.23 from \$1.01 last year.

### NET EARNINGS FROM DISCONTINUED OPERATION

In the first quarter of 2013, we discontinued our food service operation and disposed of the Distagro division which supplied restaurant chains and convenience stores belonging to and operated by gas station chains. The gain on disposal is presented under the item "Discontinued operation" for the first quarter of 2013 as is the sales and the expenses associated with this division for the first quarters of 2013 and 2012. Net earnings from discontinued operation were \$6.4 million for the first quarter of 2013 versus \$0.1 million for the same quarter of 2012.

<sup>(1)</sup> See section "IFRS and Non-IFRS Measurements"

<sup>(2)</sup> See section "Forward-looking Information"

## NET EARNINGS FROM CONTINUING OPERATIONS

Net earnings from continuing operations were \$115.0 million for the first quarter of 2013, an increase of 11.0% over \$103.6 million for the same quarter last year. Fully diluted net earnings per share from continuing operations were \$1.16 for the first quarter of 2013 compared to \$1.01 last year, an increase of 14.9%.

	12 weeks / Fiscal Year					
	2013		2012		Change (%)	
	<i>(Millions of dollars)</i>	Fully diluted EPS <i>(Dollars)</i>	<i>(Millions of dollars)</i>	Fully diluted EPS <i>(Dollars)</i>	Net earnings	Fully diluted EPS
Net earnings	121.4	1.23	103.7	1.01	17.1	21.8
Net earnings from discontinued operation	(6.4)	(0.07)	(0.1)	—		
Net earnings from continuing operations	115.0	1.16	103.6	1.01	11.0	14.9

## NORMAL COURSE ISSUER BID PROGRAM

Under the normal course issuer bid program, the Corporation may repurchase up to 6,000,000 of its Common Shares between September 10, 2012 and September 9, 2013. Between September 10, 2012 and January 18, 2013, the Corporation has repurchased 1,241,000 Common Shares at an average price of \$59.15 for a total of \$73.4 million. This program offers us an additional option for using excess funds.

## DIVIDENDS

On January 28, 2013, the Corporation's Board of Directors declared a quarterly dividend of \$0.25 per Common Share payable March 15, 2013, an increase of 16.3% over the dividend declared for the same quarter last year. On an annualized basis, this dividend represents approximately 20% of 2012 net earnings.

## 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” 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 2012 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.

<sup>(1)</sup> See section “IFRS and Non-IFRS Measurements”

<sup>(2)</sup> See section “Forward-looking Information”

## **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 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 NET EARNINGS FROM CONTINUING OPERATIONS AND ADJUSTED FULLY DILUTED NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS**

Adjusted net earnings from continuing operations and adjusted fully diluted net earnings per share from continuing operations 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.

## **CONFERENCE CALL**

Financial analysts and institutional investors are invited to participate in a conference call on the 2013 first quarter results at **4:00 p.m. (EST) on Tuesday, January 29, 2013**. To access the conference call, please dial 647 427-7450 or 1 888 231-8191. The media and investing public may access this conference via a listen mode only.

***Notice to readers:*** METRO INC. first quarter of 2013 interim condensed consolidated financial statements and management's discussion and analysis are available on the Internet at [www.metro.ca](http://www.metro.ca) - Corporate Site - Annual Report and Other Documents - Quarterly Results - 2013 First Quarter Results.

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<sup>(1)</sup> See section "IFRS and Non-IFRS Measurements"

<sup>(2)</sup> See section "Forward-looking Information"