



## PRESS RELEASE

### METRO REPORTS 8.5% GROWTH IN 2013 SECOND QUARTER ADJUSTED EARNINGS PER SHARE<sup>(1)</sup>

(Montréal, April 24, 2013) - METRO INC. (TSX : MRU) today announced its results for the second quarter ended March 16, 2013. These results include the non-recurring net gain of \$266.4 million after taxes on the sale of 10 million shares of Alimentation Couche-Tard Inc.

#### HIGHLIGHTS

- Net earnings of \$366.8 million or fully diluted net earnings per share of \$3.77
- Adjusted net earnings from continuing operations<sup>(1)</sup> of \$100.5 million, up 4.4%
- Adjusted fully diluted net earnings per share from continuing operations<sup>(1)</sup> of \$1.02, up 8.5%
- Sales of \$2,513.2 million, down 2.6%
- Same-store sales flat
- 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>2,513.2</b>	<b>100.0</b>	2,580.2	100.0	(2.6)
EBITDA <sup>(1)</sup>	<b>180.0</b>	<b>7.2</b>	174.6	6.8	3.1
Net earnings	<b>366.8</b>	<b>14.6</b>	96.1	3.7	281.7
Fully diluted EPS	<b>3.77</b>	—	0.94	—	301.1
Adjusted net earnings from continuing operations <sup>(1)</sup>	<b>100.5</b>	<b>4.0</b>	96.3	3.7	4.4
Adjusted fully diluted EPS from continuing operations <sup>(1)</sup>	<b>1.02</b>	—	0.94	—	8.5

	24 weeks / Fiscal Year				
	2013	%	2012	%	Change (%)
<i>(Millions of dollars, except for net earnings per share/EPS)</i>					
Sales	<b>5,217.9</b>	<b>100.0</b>	5,212.8	100.0	0.1
EBITDA <sup>(1)</sup>	<b>368.2</b>	<b>7.1</b>	354.1	6.8	4.0
Net earnings	<b>488.2</b>	<b>9.4</b>	199.8	3.8	144.3
Fully diluted EPS	<b>4.99</b>	—	1.95	—	155.9
Adjusted net earnings from continuing operations <sup>(1)</sup>	<b>215.5</b>	<b>4.1</b>	199.9	3.8	7.8
Adjusted fully diluted EPS from continuing operations <sup>(1)</sup>	<b>2.18</b>	—	1.95	—	11.8

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

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

## PRESIDENT'S MESSAGE

*"We are pleased with our 2013 second quarter net earnings growth which was achieved despite the Christmas week sales shift versus last year. The competitive environment will remain<sup>(2)</sup> challenging in the coming quarters and we will continue<sup>(2)</sup> to execute our customer-focused strategies and exercise good cost control to continue<sup>(2)</sup> on our growth path,"* stated Eric R. La Flèche, President and Chief Executive Officer.

## 2013 SECOND QUARTER RESULTS

### SALES

Sales in the second quarter of 2013 reached \$2,513.2 million versus \$2,580.2 million last year. This decrease resulted primarily from the shift in the important week preceding Christmas (which in this fiscal year was included in the first quarter compared to the second quarter last year), the closure of a few unprofitable stores in Ontario, as well as the loss of sales in our pharmaceutical division due to temporary efficiency difficulties following the implementation of a new warehouse management system. Adjusting for the Christmas week shift, same-store sales were flat versus last year. We experienced no inflation in our food basket for the second quarter of 2013.

Sales in the first 24 weeks of 2013 reached \$5,217.9 million versus \$5,212.8 million for the corresponding period of fiscal 2012. This marginal increase was the result of very low food inflation, increased competition, the closure of underperforming stores, and the temporary problems at our pharmaceutical product warehouse.

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

EBITDA<sup>(1)</sup> for the second quarter of 2013 was \$180.0 million, up 3.1% from \$174.6 million for the same quarter last year. Second-quarter EBITDA<sup>(1)</sup> represented 7.2% of sales versus 6.8% last year.

EBITDA<sup>(1)</sup> for the first 24 weeks of 2013 was \$368.2 million which represented 7.1% of sales versus \$354.1 million and 6.8% of sales for the corresponding period last year.

Second quarter and 24-week gross margins for 2013 were 19.5% and 19.1%, increases over the 19.1% and 18.8% for the corresponding periods of 2012. Effective margin management in a highly promotional environment, reduced shrink at store level, and the closure of unprofitable stores contributed to the improvement of our gross margin rates versus last year.

### DEPRECIATION AND AMORTIZATION AND NET FINANCIAL COSTS

Total depreciation and amortization expenses for the second quarter and the first 24 weeks of 2013 amounted to \$41.4 million and \$83.3 million respectively versus \$42.2 million and \$84.4 million in 2012. Net financial costs for the second quarter and the first 24 weeks of 2013 totalled \$10.0 million and \$21.1 million compared to \$10.6 million and \$20.7 million for the corresponding periods of 2012. The average financing rate was 4.6% for the first 24 weeks 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 \$8.0 million for the second quarter and \$27.0 million for the first 24 weeks of 2013 versus \$8.9 million and \$21.9 million for the corresponding periods of 2012.

### GAIN ON DISPOSAL OF PART OF THE INVESTMENT IN AN ASSOCIATE

In the second quarter of 2013, we sold nearly half of our investment in Alimentation Couche-Tard to three financial institutions for cash consideration of \$479.0 million and a net gain of \$266.4 million after taxes.

### INCOME TAXES

Second quarter and 24-week period income tax expenses of \$77.5 million and \$116.7 million in 2013 represented effective tax rates of 17.4% and 19.5% compared with second quarter and 24-week period income tax expenses of \$34.4 million and \$71.0 million respectively in 2012 for effective tax rates of 26.3% and 26.2%.

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

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

Excluding the \$307.8 million gain on disposal of part of our investment in Alimentation Couche-Tard and related income tax of \$41.4 million, effective tax rates for the second quarter and 24-week period of 2013 were 26.4% and 25.9% respectively compared with 26.3% and 26.2% for the corresponding periods of 2012. The decrease in the adjusted effective tax rate for the 24-week period is attributable notably to the 1.5% federal corporate tax rate reduction effective January 1, 2012.

## NET EARNINGS

Net earnings for the second quarter of 2013 were \$366.8 million, an increase of 281.7% over net earnings of \$96.1 million for the same quarter of 2012. Fully diluted net earnings per share rose 301.1% to \$3.77 from \$0.94 last year.

Net earnings for the first 24 weeks of 2013 reached \$488.2 million, up 144.3% from \$199.8 million for the corresponding period of 2012. Fully diluted net earnings per share were \$4.99 compared to \$1.95 last year, an increase of 155.9%.

## NET EARNINGS (LOSS) FROM DISCONTINUED OPERATION

In the first quarter of 2013, we discontinued our foodservice operation and disposed of the Distagro division which supplied restaurant chains and convenience stores belonging to and operated by gas station chains. The division's sales and expenses are presented under the item "Discontinued operation" for 2012 and 2013.

The net loss from the discontinued operation was \$0.1 million for the second quarter of 2013 versus \$0.2 million for the same quarter of 2012. In the first 24 weeks of 2013, we recorded net earnings of \$6.3 million due chiefly to the gain on disposal versus a net loss of \$0.1 million for the same period of 2012.

## NET EARNINGS FROM CONTINUING OPERATIONS

Net earnings from continuing operations were \$366.9 million for the second quarter of 2013, an increase of 281.0% over \$96.3 million for the same quarter last year. Fully diluted net earnings per share from continuing operations were \$3.77 for the second quarter of 2013 compared to \$0.94 last year, an increase of 301.1%. Excluding the after-tax gain on disposal of part of our investment in Alimentation Couche-Tard, 2013 second quarter adjusted net earnings from continuing operations<sup>(1)</sup> were \$100.5 million, up 4.4% from \$96.3 million last year, and adjusted fully diluted net earnings per share from continuing operations<sup>(1)</sup> were \$1.02, up 8.5% from \$0.94 last year.

Net earnings from continuing operations were \$481.9 million for the 24-week period of 2013 versus \$199.9 million last year, an increase of 141.1%. Fully diluted net earnings per share from continuing operations were \$4.93 for the 24-week period of 2013 versus \$1.95 last year, an increase of 152.8%. Excluding the after-tax gain on disposal of part of the investment in Alimentation Couche-Tard, adjusted net earnings from continuing operations<sup>(1)</sup> for the 24-week period of 2013 were \$215.5 million, up 7.8% from \$199.9 million last year, and adjusted fully diluted net earnings per share from continuing operations<sup>(1)</sup> were \$2.18, up 11.8% from \$1.95 last year.

	12 weeks / Fiscal Year					
	2013		2012		Change (%)	
	(Millions of dollars)	Fully diluted EPS (Dollars)	(Millions of dollars)	Fully diluted EPS (Dollars)	Net earnings	Fully diluted EPS
Net earnings	366.8	3.77	96.1	0.94	281.7	301.1
Net loss from discontinued operation	0.1	—	0.2	—		
Net earnings from continuing operations	366.9	3.77	96.3	0.94	281.0	301.1
Gain on disposal of a portion of the investment in Couche-Tard after taxes	(266.4)	(2.75)	—	—		
Adjusted net earnings from continuing operations <sup>(1)</sup>	100.5	1.02	96.3	0.94	4.4	8.5

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

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

	24 weeks / Fiscal Year					
	2013		2012		Change (%)	
	(Millions of dollars)	Fully diluted EPS (Dollars)	(Millions of dollars)	Fully diluted EPS (Dollars)	Net earnings	Fully diluted EPS
Net earnings	488.2	4.99	199.8	1.95	144.3	155.9
Net loss (earnings) from discontinued operation	(6.3)	(0.06)	0.1	—		
Net earnings from continuing operations	481.9	4.93	199.9	1.95	141.1	152.8
Gain on disposal of a portion of the investment in Couche-Tard after taxes	(266.4)	(2.75)	—	—		
Adjusted net earnings from continuing operations <sup>(1)</sup>	215.5	2.18	199.9	1.95	7.8	11.8

### 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 April 12, 2013, the Corporation has repurchased 2,323,700 Common Shares at an average price of \$60.29 for a total of \$140.1 million.

### DIVIDENDS

On April 23, 2013, the Corporation's Board of Directors declared a quarterly dividend of \$0.25 per Common Share payable June 14, 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 excluding non-recurring items.

### FORWARD-LOOKING INFORMATION

We have used, throughout this press release, different statements that could, within the context of regulations issued by the Canadian Securities Administrators, be construed as being forward-looking information. In general, any statement contained herein, which does not constitute a historical fact, may be deemed a forward-looking statement. Expressions such as "remain", "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.

### 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.

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

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

## **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 second quarter results at **10:00 a.m. (EDT) on Wednesday, April 24, 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. second 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 Second Quarter Results.

(30)

**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](mailto:finance@metro.ca)

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