



PRESS RELEASE

METRO: 2015 FOURTH QUARTER NET EARNINGS PER SHARE INCREASE 18.2%

(Montréal, November 18, 2015) - METRO INC. (TSX: MRU) today announced its results for the fourth quarter and fiscal year ended September 26, 2015.

2015 FOURTH QUARTER HIGHLIGHTS

- Sales of \$2,833.9 million, up 4.5%
- Same-store sales up 3.4%
- Net earnings of \$131.7 million, up 13.9%
- Fully diluted net earnings per share of \$0.52, up 18.2%
- Declared dividend of \$0.117⁽¹⁾ per share, up 16.7%

FISCAL 2015 HIGHLIGHTS

- Sales of \$12,223.8 million, up 5.5%
- Same-store sales up 4.0%
- Net earnings of \$519.3 million, up 13.8%
- Adjusted net earnings⁽³⁾ of \$523.6 million, up 13.6%
- Fully diluted net earnings per share of \$2.01, up 18.9%
- Adjusted fully diluted net earnings per share⁽³⁾ of \$2.03, up 18.7%

(Millions of dollars, except for net earnings per share/EPS)	12 weeks				
	2015	%	2014	%	Change (%)
Sales	2,833.9	100.0	2,712.2	100.0	4.5
Operating income before depreciation and amortization and associate's earnings ⁽²⁾	207.4	7.3	188.4	6.9	10.1
Net earnings	131.7	4.6	115.6	4.3	13.9
Fully diluted EPS	0.52	—	0.44	—	18.2

⁽¹⁾ Actual dividend is \$0.1166667 per share

⁽²⁾ See table on "Operating income before depreciation and amortization and associate's earnings adjustments" and section on "IFRS and non-IFRS Measurements"

⁽³⁾ See table on "Net earnings adjustments" and section on "IFRS and non-IFRS Measurements"

⁽⁴⁾ See section on "Forward-looking Information"

(Millions of dollars, except for net earnings per share/EPS)	Fiscal Year				
	2015	%	2014	%	Change (%)
Sales	12,223.8	100.0	11,590.4	100.0	5.5
Operating income before depreciation and amortization and associate's earnings ⁽²⁾	857.8	7.0	781.5	6.7	9.8
Adjusted operating income before depreciation and amortization and associate's earnings ⁽²⁾	857.8	7.0	787.9	6.8	8.9
Net earnings	519.3	4.2	456.2	3.9	13.8
Fully diluted EPS	2.01	—	1.69	—	18.9
Adjusted net earnings ⁽³⁾	523.6	4.3	460.9	4.0	13.6
Adjusted fully diluted EPS ⁽³⁾	2.03	—	1.71	—	18.7

Results for 2015 and 2014 include non-recurring items, namely after-tax Series A Notes early redemption fees of \$4.3 million in 2015 and after-tax warehouse closure costs of \$4.7 million in 2014.

PRESIDENT'S MESSAGE

"Our fourth quarter results were strong to finish an outstanding 2015 fiscal year, marked by significant progress on the financial front as well as in our operational performance and customer satisfaction metrics. I congratulate all our team members and store owners for those encouraging results. We are confident that the execution of our business plans, coupled with our on-going investments in our store network, will continue⁽⁴⁾ to sustain our growth", stated Eric R. La Flèche, President and Chief Executive Officer.

2015 FOURTH QUARTER RESULTS

SALES

Sales in the fourth quarter of 2015 totalled \$2,833.9 million, up 4.5% compared to \$2,712.2 million for the same quarter last year. Same-store sales were up 3.4% (3.1% in the same quarter last year) while our aggregate food basket experienced inflation of 2.8%, lower than the last quarter. Our customer-first strategies and our investments in our retail network drove our higher sales in a very competitive market.

Sales for fiscal 2015 totalled \$12,223.8 million versus \$11,590.4 million for fiscal 2014, an increase of 5.5% and same-store sales were up to 4.0%.

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND ASSOCIATE'S EARNINGS⁽²⁾

Operating income before depreciation and amortization and associate's earnings⁽²⁾ (Alimentation Couche-Tard) for the fourth quarter of 2015 totalled \$207.4 million or 7.3% of sales versus \$188.4 million or 6.9% of sales for the same quarter last year.

For fiscal 2015, operating income before depreciation and amortization and associate's earnings⁽²⁾ totalled \$857.8 million or 7.0% of sales versus \$781.5 million or 6.7% of sales for fiscal 2014 (6.8% excluding the non-recurring warehouse closure costs of \$6.4 million).

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Operating income before depreciation and amortization and associate's earnings adjustments (OI)⁽²⁾

	Fiscal Year					
	2015			2014		
(Millions of dollars, unless otherwise indicated)	OI	Sales	(%)	OI	Sales	(%)
Operating income before depreciation and amortization and associate's earnings	857.8	12,223.8	7.0	781.5	11,590.4	6.7
Closure expenses	—			6.4		
Adjusted operating income before depreciation and amortization and associate's earnings ⁽²⁾	857.8	12,223.8	7.0	787.9	11,590.4	6.8

Gross margin on sales for the fourth quarter and fiscal 2015 were 20.0% and 19.7% respectively versus 19.3% and 19.1% for the corresponding periods of 2014. The increase is attributable in part to the acquisition of Première Moisson and to higher sales of fresh products. Operating expenses as a percentage of sales for the fourth quarter and fiscal 2015 were 12.6% and 12.7% respectively versus 12.3% for both of the corresponding periods of 2014. These changes are attributable mainly to the acquisition of Première Moisson in the fourth quarter of fiscal 2014.

DEPRECIATION AND AMORTIZATION, NET FINANCIAL COSTS AND EARLY REDEMPTION FEES

Total depreciation and amortization expenses for the fourth quarter and fiscal 2015 were \$42.9 million and \$177.0 million respectively versus \$40.1 million and \$175.8 million for the corresponding periods of 2014.

Net financial costs for the fourth quarter of 2015 totalled \$13.4 million compared to \$12.1 million for the corresponding quarter last year. For fiscal 2015, net financial costs totalled \$58.7 million compared to \$49.1 million in 2014. Early redemption fees of \$5.9 million for Series A Notes were incurred in the first quarter of 2015.

SHARE OF AN ASSOCIATE'S EARNINGS

Our share of earnings in Alimentation Couche-Tard was \$21.4 million for the fourth quarter of 2015 versus \$16.6 million for the corresponding quarter of 2014.

Our share of earnings was \$64.3 million for fiscal 2015 versus \$49.8 million in 2014.

INCOME TAXES

The 2015 fourth quarter income tax expense of \$40.8 million represented an effective tax rate of 23.7% compared with the 2014 fourth quarter tax expense of \$37.2 million for an effective tax rate of 24.3%.

The income tax expense of \$161.2 million for fiscal 2015 and \$150.2 million for fiscal 2014 represented effective tax rates of 23.7% and 24.8% respectively.

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NET EARNINGS

Net earnings for the fourth quarter of 2015 were \$131.7 million, an increase of 13.9% over net earnings of \$115.6 million for the same quarter of 2014. Fully diluted net earnings per share rose 18.2% to \$0.52 from \$0.44 last year.

Net earnings for fiscal 2015 were \$519.3 million, an increase of 13.8% over net earnings of \$456.2 million for fiscal 2014. Fully diluted net earnings per share rose 18.9% to \$2.01 from \$1.69 last year.

ADJUSTED NET EARNINGS⁽³⁾

Excluding after-tax Series A Notes early redemption fees of \$4.3 million in fiscal 2015 and after-tax warehouse closure costs of \$4.7 million in fiscal 2014, adjusted net earnings⁽³⁾ and adjusted fully diluted net earnings per share⁽³⁾ of 2015 were up 13.6% and 18.7% respectively over those for 2014.

Net earnings adjustments

	Fiscal Year				Change (%)	
	2015	Fully diluted EPS	2014	Fully diluted EPS	Net earnings	Fully diluted EPS
	(Millions of dollars)	(Dollars)	(Millions of dollars)	(Dollars)		
Net earnings	519.3	2.01	456.2	1.69	13.8	18.9
Closure expenses after taxes	—	—	4.7	0.02		
Early redemption fees after taxes	4.3	0.02	—	—		
Adjusted net earnings ⁽³⁾	523.6	2.03	460.9	1.71	13.6	18.7

NORMAL COURSE ISSUER BID PROGRAM

Under the normal course issuer bid program covering the period between September 10, 2014 and September 9, 2015, the Corporation repurchased 11,934,311 Common Shares at an average price of \$31.94 for a total of \$381.1 million.

The Corporation decided to renew its normal course issuer bid program as an additional option for using excess funds in the Corporation's best interest. The Board of Directors authorized the Corporation to repurchase, in the normal course of business, between September 10, 2015 and September 9, 2016, up to 18,000,000 of its Common Shares representing approximately 7.4% of its issued and outstanding shares at the close of the Toronto Stock Exchange on August 31, 2015. 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 private transactions. Between September 10, 2015 and October 30, 2015, the Corporation has repurchased 3,449,800 Common Shares at an average price of \$35.77 for a total of \$123.4 million.

DIVIDENDS

On September 28, 2015, the Corporation's Board of Directors declared a quarterly dividend of \$0.117⁽¹⁾ per Common Share payable November 25, 2015, an increase of 16.7% over the dividend declared for the same quarter last year. This dividend of \$0.117⁽¹⁾ equals the dividend declared in the first quarter of 2015. Dividends paid in fiscal 2015 represent approximately 25% of 2014 adjusted net earnings⁽³⁾, compared to the percentages of the previous two fiscal years which were 22% and 20%, in accordance with the payout target communicated to shareholders in January 2014.

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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 that does not constitute a historical fact may be deemed a forward-looking statement. Expression 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 2016 action plan.

These forward-looking statements do not provide any guarantees as to the future performance of the Corporation and are subject to potential risks, known and unknown, as well as uncertainties that could cause the outcome to differ significantly. The arrival of a new competitor is an example described under the “Risk Management” section of the 2014 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

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.

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND ASSOCIATE'S EARNINGS

Operating income before depreciation and amortization and associate's earnings is a measurement of earnings before financial costs, taxes, depreciation and amortization (**EBITDA**), early redemption fees and associate's earnings. It is an IFRS measurement and it is presented separately in the condensed consolidated statements of income. We believe that this measurement helps readers of financial statements to better evaluate the Corporation's operational cash-generating capacity.

ADJUSTED OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND ASSOCIATE'S EARNINGS, ADJUSTED NET EARNINGS AND ADJUSTED FULLY DILUTED NET EARNINGS PER SHARE

Adjusted operating income before depreciation and amortization and associate's earnings, 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.

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CONFERENCE CALL

Financial analysts and institutional investors are invited to participate in a conference call for the **2015 fourth quarter and fiscal year** results at **11:00 a.m. (EST) today, November 18, 2015**. 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. fourth quarter and fiscal year of 2015 interim condensed consolidated financial statements and management's discussion and analysis are available on the Internet at www.metro.ca - Corporate Site - Investor Relations - 2015 Quarterly Results - 2015 Fourth Quarter Results.

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