



PRESS RELEASE

METRO: STRONG SALES, NET EARNINGS AND DIVIDEND GROWTH IN FIRST QUARTER 2016

(Montréal, January 26, 2016) - METRO INC. (TSX: MRU) today announced its results for the first quarter of fiscal 2016 ended December 19, 2015.

2016 FIRST QUARTER HIGHLIGHTS

- Sales of \$2,961.6 million, up 4.3%
- Same-store sales up 2.8%
- Net earnings of \$139.8 million, up 24.3%
- Fully diluted net earnings per share of \$0.56, up 30.2%
- Declared dividend of \$0.14 per share, up 20.0%

(Millions of dollars, except for net earnings per share/EPS)	12 weeks / Fiscal Year				
	2016	%	2015	%	Change (%)
Sales	2,961.6	100.0	2,840.5	100.0	4.3
Operating income before depreciation and amortization and associate's earnings ⁽¹⁾	210.3	7.1	190.0	6.7	10.7
Net earnings	139.8	4.7	112.5	4.0	24.3
Fully diluted EPS	0.56	—	0.43	—	30.2
Adjusted net earnings ⁽²⁾	139.8	4.7	116.8	4.1	19.7
Adjusted fully diluted EPS ⁽²⁾	0.56	—	0.45	—	24.4

PRESIDENT'S MESSAGE

"We are pleased with our sales momentum and net earnings growth which show that our strategies, coupled with solid execution, are meeting our customers' expectations. Despite a challenging economic backdrop, we are confident that we can continue⁽³⁾ to grow in the coming quarters", stated Eric R. La Flèche, President and Chief Executive Officer.

2016 FIRST QUARTER RESULTS

SALES

Sales in the first quarter of 2016 reached \$2,961.6 million, up 4.3% compared to \$2,840.5 million in the first quarter of 2015. Same-store sales increased by 2.8% (3.8% in the same quarter last year). Our aggregate food basket inflation was 2.8%, same as in the preceding quarter. The merchandising strategies of our different banners, combined with our continued investments in our retail stores, contributed to our sales growth in a very competitive market.

⁽¹⁾ See section on "IFRS and non-IFRS Measurements"

⁽²⁾ See table on "Net earnings adjustments" and section on "IFRS and non-IFRS Measurements"

⁽³⁾ See section on "Forward-looking Information"

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND ASSOCIATE'S EARNINGS⁽¹⁾

Operating income before depreciation and amortization and associate's earnings⁽¹⁾ (Alimentation Couche-Tard) for the first quarter of 2016 totalled \$210.3 million or 7.1% of sales versus \$190.0 million or 6.7% of sales for the same quarter last year.

Gross margin on sales for the first quarter of 2016 was 19.4% versus 19.3% for the corresponding quarter of 2015. Operating expenses as a percentage of sales for the first quarter were 12.3% versus 12.6% for the corresponding quarter of 2015, leveraging our sales growth.

DEPRECIATION AND AMORTIZATION, NET FINANCIAL COSTS AND EARLY REDEMPTION FEES

Total depreciation and amortization expense for the first quarter of 2016 was \$40.3 million versus \$40.0 million for the corresponding quarter of 2015.

Net financial costs for the first quarter of 2016 totalled \$14.4 million compared to \$13.4 million for the corresponding quarter last year. In addition, early redemption fees of \$5.9 million of 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 \$30.6 million for the first quarter of 2016 versus \$17.9 million for the corresponding quarter of 2015.

INCOME TAXES

The 2016 first quarter income tax expense of \$46.4 million represented an effective tax rate of 24.9% compared with the 2015 first quarter tax expense of \$36.1 million for an effective tax rate of 24.3%.

NET EARNINGS

Net earnings for the first quarter of 2016 were \$139.8 million, an increase of 24.3% over net earnings of \$112.5 million for the same quarter of 2015. Fully diluted net earnings per share rose 30.2% to \$0.56 from \$0.43 last year.

ADJUSTED NET EARNINGS⁽²⁾

Excluding after-tax Series A Notes early redemption fees of \$4.3 million in first quarter 2015, adjusted net earnings⁽²⁾ and adjusted fully diluted net earnings per share⁽²⁾ of first quarter 2016 were up 19.7% and 24.4% over those for 2015.

Net earnings adjustments

	12 weeks / Fiscal Year					
	2016		2015		Change (%)	
	(Millions of dollars)	Fully diluted EPS (Dollars)	(Millions of dollars)	Fully diluted EPS (Dollars)	Net earnings	Fully diluted EPS
Net earnings	139.8	0.56	112.5	0.43	24.3	30.2
Early redemption fees after taxes	—	—	4.3	0.02		
Adjusted net earnings ⁽²⁾	139.8	0.56	116.8	0.45	19.7	24.4

NORMAL COURSE ISSUER BID PROGRAM

Under its normal course issuer bid program, the Corporation may repurchase up to 18,000,000 of its Common Shares between September 10, 2015 and September 9, 2016. Between September 10, 2015 and January 15, 2016, the Corporation has repurchased 6,262,291 Common Shares at an average price of \$36.18 for a total of \$226.6 million.

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⁽²⁾ See table on "Net earnings adjustments" and section on "IFRS and non-IFRS Measurements"

⁽³⁾ See section on "Forward-looking Information"

DIVIDENDS

On January 25, 2016, the Corporation's Board of Directors declared a quarterly dividend of \$0.14 per Common Share payable March 15, 2016, an increase of 20.0% over the dividend declared for the same quarter last year. On an annualized basis, this dividend represents approximately 25% of 2015 adjusted net earnings⁽²⁾, compared to the percentages of the previous two fiscal years which were 24% and 22%, in accordance with the payout target communicated to shareholders in January 2014.

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 2015 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 International Financial Reporting Standards (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 NET EARNINGS AND ADJUSTED FULLY DILUTED NET EARNINGS PER SHARE

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 prior year's period's earnings, thus enabling them to better evaluate the Corporation's performance and judge its future outlook.

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⁽²⁾ See table on "Net earnings adjustments" and section on "IFRS and non-IFRS Measurements"

⁽³⁾ See section on "Forward-looking Information"

CONFERENCE CALL

Financial analysts and institutional investors are invited to participate in a conference call for the **2016 first quarter** results at **2:00 p.m. (EST) today, January 26, 2016**. 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 2016 interim condensed consolidated financial statements and management's discussion and analysis are available on the Internet at **www.metro.ca** - Corporate Site - Investor Relations - 2016 Quarterly Results - 2016 First Quarter Results.

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