



PRESS RELEASE

METRO REPORTS RECORD FOURTH QUARTER RESULTS

(Montréal, November 16, 2016) - METRO INC. (TSX: MRU) today announced its results for the fourth quarter of fiscal 2016 ended September 24, 2016.

2016 FOURTH QUARTER HIGHLIGHTS

- Sales of \$2,928.9 million, up 3.4%
- Same-store sales up 2.8%
- Net earnings of \$145.0 million, up 10.1%
- Fully diluted net earnings per share of \$0.60, up 15.4%
- Declared dividend of \$0.14 per share, up 20.0%

2016 FISCAL HIGHLIGHTS

- Sales of \$12,787.9 million, up 4.6%
- Same-store sales up 3.7%
- Net earnings of \$586.2 million, up 12.9%
- Fully diluted net earnings per share of \$2.39, up 18.9%

(Millions of dollars, except for net earnings per share/EPS)	12 weeks / Fiscal Year				
	2016	%	2015	%	Change (%)
Sales	2,928.9	100.0	2,833.9	100.0	3.4
Operating income before depreciation and amortization and associate's earnings	221.6	7.6	207.4	7.3	6.8
Net earnings	145.0	5.0	131.7	4.6	10.1
Fully diluted EPS	0.60	—	0.52	—	15.4

(Millions of dollars, except for net earnings per share/EPS)	52 weeks / Fiscal Year				
	2016	%	2015	%	Change (%)
Sales	12,787.9	100.0	12,223.8	100.0	4.6
Operating income before depreciation and amortization and associate's earnings	931.3	7.3	857.8	7.0	8.6
Net earnings	586.2	4.6	519.3	4.2	12.9
Fully diluted EPS	2.39	—	2.01	—	18.9
Adjusted net earnings ⁽¹⁾	586.2	4.6	523.6	4.3	12.0
Adjusted fully diluted EPS ⁽¹⁾	2.39	—	2.03	—	17.7

⁽¹⁾ See table on "Net earnings adjustments" and section on "Non-IFRS Measurements"

⁽²⁾ See section on "Forward-looking Information"

PRESIDENT'S MESSAGE

"We are very pleased with our fourth quarter and fiscal 2016 results, a year that saw strong growth in same store sales, operating income and net earnings per share. I congratulate all our teams and retailers for these excellent results. Despite a highly competitive environment and current low food price inflation, we are confident that the execution of our business plans and our investments in our store network will allow⁽²⁾ us to continue to grow", stated Eric R. La Flèche, President and Chief Executive Officer.

2016 FOURTH QUARTER RESULTS

SALES

Sales in the fourth quarter of 2016 reached \$2,928.9 million, up 3.4% compared to \$2,833.9 million in the fourth quarter of 2015. Same-store sales increased by 2.8% (3.4% in the same quarter last year), while our food basket inflation was 0.7%. Our effective merchandising strategies combined with solid store execution contributed to our sales growth.

Sales for fiscal 2016 totalled \$12,787.9 million compared to \$12,223.8 million for fiscal 2015, an increase of 4.6%, and same-store sales were up 3.7%.

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND ASSOCIATE'S EARNINGS

This earnings measurement excludes financial costs, taxes, early redemption fees, depreciation and amortization and associate's earnings.

Operating income before depreciation and amortization and associate's earnings (Alimentation Couche-Tard) for the fourth quarter of 2016 totalled \$221.6 million or 7.6% of sales versus \$207.4 million or 7.3% of sales for the same quarter last year.

For fiscal 2016, operating income before depreciation and amortization and associate's earnings totalled \$931.3 million or 7.3% of sales versus \$857.8 million or 7.0% of sales for fiscal 2015.

Gross margin on sales for the fourth quarter and fiscal 2016 were 19.8% and 19.7% respectively versus 20.0% and 19.7% for the corresponding periods of 2015. Operating expenses as a percentage of sales for the fourth quarter and fiscal 2016 were 12.2% and 12.4% respectively versus 12.6% and 12.7% for the corresponding periods of 2015, leveraging our sales growth.

DEPRECIATION AND AMORTIZATION, NET FINANCIAL COSTS AND EARLY REDEMPTION FEES

Total depreciation and amortization expenses for the fourth quarter and fiscal 2016 were \$43.9 million and \$182.8 million respectively versus \$42.9 million and \$177.0 million for the corresponding periods of 2015.

Net financial costs for the fourth quarter of 2016 totalled \$14.0 million compared to \$13.4 for the same quarter last year. For fiscal 2016, net financial costs totalled \$61.4 million compared to \$58.7 million in 2015. 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 \$23.8 million for the fourth quarter of 2016 versus \$21.4 million for the corresponding quarter of 2015.

Our share of earnings in Alimentation Couche-Tard was \$91.1 million for fiscal 2016 versus \$64.3 million in 2015.

INCOME TAXES

The 2016 fourth quarter income tax expense of \$42.5 million represented an effective tax rate of 22.7% compared with the 2015 fourth quarter tax expense of \$40.8 million for an effective tax rate of 23.7%.

The income tax expense of \$192.0 million for fiscal 2016 and \$161.2 million for fiscal 2015 represented effective tax rates of 24.7% and 23.7% respectively.

⁽¹⁾ See table on "Net earnings adjustments" and section on "Non-IFRS Measurements"

⁽²⁾ See section on "Forward-looking Information"

NET EARNINGS

Net earnings for the fourth quarter of 2016 were \$145.0 million, an increase of 10.1% over net earnings of \$131.7 million for the fourth quarter of 2015. Fully diluted net earnings per share rose 15.4% to \$0.60 from \$0.52 last year.

Net earnings for fiscal 2016 were \$586.2 million, an increase of 12.9% over net earnings of \$519.3 million for fiscal 2015. Fully diluted net earnings per share rose 18.9% to \$2.39 from \$2.01 last year.

ADJUSTED NET EARNINGS⁽¹⁾

Excluding after-tax Series A Notes early redemption fees of \$4.3 million in fiscal 2015, net earnings and fully diluted net earnings per share of 2016 were up 12.0% and 17.7% over adjusted net earnings⁽¹⁾ and adjusted fully diluted net earnings per share⁽¹⁾ of 2015.

Net earnings adjustments

	52 weeks / Fiscal Year				Change (%)	
	2016		2015		Net earnings	Fully diluted EPS
	(Millions of dollars)	Fully diluted EPS (Dollars)	(Millions of dollars)	Fully diluted EPS (Dollars)		
Net earnings	586.2	2.39	519.3	2.01	12.9	18.9
Early redemption fees after taxes	—	—	4.3	0.02		
Adjusted net earnings ⁽¹⁾	586.2	2.39	523.6	2.03	12.0	17.7

NORMAL COURSE ISSUER BID PROGRAM

Under the normal course issuer bid program covering the period between September 10, 2015 and September 9, 2016, the Corporation repurchased 9,842,328 Common Shares at an average price of \$38.26 for a total of \$376.6 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 12, 2016 and September 11, 2017, up to 12,000,000 of its Common Shares representing approximately 5.1% of its issued and outstanding shares at the close of the Toronto Stock Exchange on August 31, 2016. 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 12, 2016 and October 28, 2016, the Corporation has repurchased 2,284,380 Common Shares at an average price of \$42.24 for a total of \$96.5 million.

DIVIDENDS

On September 26, 2016, the Corporation's Board of Directors declared a quarterly dividend of \$0.14 per Common Share payable November 14, 2016, an increase of 20.0% over the dividend declared for the same quarter last year. This dividend of \$0.14 equals the dividend declared in the first, second and third quarters of 2016. Dividends paid in fiscal 2016 represent approximately 24% of 2015 adjusted net earnings⁽¹⁾, compared to the percentages of the previous two fiscal years which were 24% and 22%.

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 that does not constitute a historical fact may be deemed a forward-looking statement. Expression such as "allow" 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 2017 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

⁽¹⁾ See table on "Net earnings adjustments" and section on "Non-IFRS Measurements"

⁽²⁾ See section on "Forward-looking Information"

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.

NON-IFRS MEASUREMENTS

In addition to the International Financial Reporting Standards (IFRS) earnings measurements provided, we have included certain 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.

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.

CONFERENCE CALL

Financial analysts and institutional investors are invited to participate in a conference call for the **2016 fourth quarter and fiscal year** results at **10:00 a.m. (EST) today, November 16, 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. fourth 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 Fourth Quarter Results**.

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⁽²⁾ See section on "Forward-looking Information"