



PRESS RELEASE

METRO REPORTS 2017 SECOND QUARTER RESULTS

(Montréal, April 25, 2017) - METRO INC. (TSX: MRU) today announced its results for the second quarter of fiscal 2017 ended March 11, 2017.

2017 SECOND QUARTER HIGHLIGHTS

- Fully diluted net earnings per share of \$0.56, up 9.8%
- Sales of \$2,902.4 million, up 0.7%
- Same-store sales up 0.3%
- Net earnings of \$132.4 million, up 6.0%
- Declared dividend of \$0.1625 per share, up 16.1%

| | 12 weeks / Fiscal Year | | | | |
|--|------------------------|-------|---------|-------|------------|
| | 2017 | % | 2016 | % | Change (%) |
| <i>(Millions of dollars, except for net earnings per share/EPS)</i> | | | | | |
| Sales | 2,902.4 | 100.0 | 2,882.0 | 100.0 | 0.7 |
| Operating income before depreciation and amortization and associate's earnings | 212.0 | 7.3 | 202.0 | 7.0 | 5.0 |
| Net earnings | 132.4 | 4.6 | 124.9 | 4.3 | 6.0 |
| Fully diluted EPS | 0.56 | — | 0.51 | — | 9.8 |

| | 24 weeks / Fiscal Year | | | | |
|--|------------------------|-------|---------|-------|------------|
| | 2017 | % | 2016 | % | Change (%) |
| <i>(Millions of dollars, except for net earnings per share/EPS)</i> | | | | | |
| Sales | 5,873.7 | 100.0 | 5,843.6 | 100.0 | 0.5 |
| Operating income before depreciation and amortization and associate's earnings | 428.8 | 7.3 | 412.3 | 7.1 | 4.0 |
| Net earnings | 270.5 | 4.6 | 264.7 | 4.5 | 2.2 |
| Fully diluted EPS | 1.14 | — | 1.07 | — | 6.5 |

PRESIDENT'S MESSAGE

"We are pleased with our second quarter results that show sales, net earnings and tonnage growth against a background of food deflation and intense competition. This growth reflects our effective execution and strong expense control. Also, we are pleased to announce that shortly after this fiscal year, we will acquire the minority interests of Adonis and Phoenicia, as planned in the 2011 agreement. We are confident that we will continue⁽¹⁾ on our growth path over the next quarters while food deflation should⁽¹⁾ ease", stated Eric R. La Flèche, President and Chief Executive Officer.

⁽¹⁾ See section on "Forward-looking Information"

2017 SECOND QUARTER RESULTS

SALES

Sales in the second quarter of 2017 reached \$2,902.4 million, up 0.7% compared to \$2,882.0 million in the second quarter of 2016. Same-store sales were up 0.3% (5.0% in the same quarter last year). Our food basket experienced more deflation than in the previous quarter, at about 2.0% (inflation of 3.0% last year), which largely explains our modest sales growth.

Sales in the first 24 weeks of fiscal 2017 totalled \$5,873.7 million versus \$5,843.6 million for the corresponding period of fiscal 2016, an increase of 0.5%.

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND ASSOCIATE'S EARNINGS

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

Operating income before depreciation and amortization and associate's earnings (Alimentation Couche-Tard) for the second quarter of 2017 totalled \$212.0 million or 7.3% of sales versus \$202.0 million or 7.0% of sales for the same quarter last year, up 5.0%.

For the first 24 weeks of fiscal 2017, operating income before depreciation and amortization and associate's earnings totalled \$428.8 million or 7.3% of sales versus \$412.3 million or 7.1% of sales for the same period last year, up 4.0%.

Gross margins on sales for the second quarter and the first 24 weeks of 2017 were 20.1% and 19.9% respectively versus 19.9% and 19.7% for the corresponding periods of 2016. Operating expenses as a percentage of sales for the second quarter and the first 24 weeks of 2017 were 12.8% and 12.6% respectively versus 12.9% and 12.6% for the corresponding periods of 2016, reflecting strong expense control.

DEPRECIATION AND AMORTIZATION AND NET FINANCIAL COSTS

Total depreciation and amortization expenses for the second quarter and the first 24 weeks of 2017 were \$44.7 million and \$87.9 million respectively versus \$42.2 million and \$82.5 million for the corresponding periods of 2016.

Net financial costs for the second quarter of 2017 totalled \$15.5 million compared to \$14.7 million for the corresponding quarter last year. For the first 24 weeks of 2017, net financial costs totalled \$30.1 million compared to \$29.1 million in 2016.

SHARE OF AN ASSOCIATE'S EARNINGS

Our share of earnings in Alimentation Couche-Tard was \$21.4 million for the second quarter of 2017 versus \$21.2 million for the corresponding quarter of 2016.

For the first 24 weeks of 2017, our share of earnings in Alimentation Couche-Tard was \$45.3 million versus \$51.8 million in 2016.

INCOME TAXES

The 2017 second quarter income tax expense of \$40.8 million represented an effective tax rate of 23.6% compared with the 2016 second quarter tax expense of \$41.4 million for an effective tax rate of 24.9%.

The 24-week period income tax expense of \$85.6 million for 2017 and \$87.8 million for 2016 represented effective tax rates of 24.0% and 24.9% respectively.

These decreases are mainly due to the 0.40% reduction in the corporate income tax rate over four years announced by the Government of Québec.

⁽¹⁾ See section on "Forward-looking Information"

NET EARNINGS

Net earnings for the second quarter of 2017 were \$132.4 million, an increase of 6.0% from \$124.9 million for the second quarter of 2016. Fully diluted net earnings per share rose 9.8% to \$0.56 from \$0.51 last year.

Net earnings for the first 24 weeks of 2017 were \$270.5 million, an increase of 2.2% over net earnings of \$264.7 million for the same period of 2016. Fully diluted net earnings per share rose 6.5% to \$1.14 from \$1.07 last year.

NORMAL COURSE ISSUER BID PROGRAM

Under its normal course issuer bid program, the Corporation may repurchase up to 12,000,000 of its Common Shares between September 12, 2016 and September 11, 2017. Between September 12, 2016 and April 7, 2017, the Corporation has repurchased 7,244,122 Common Shares at an average price of \$40.66 for a total of \$294.6 million.

BUYOUT OF NON-CONTROLLING INTERESTS

In accordance with the shareholder agreement, the Corporation will acquire the minority interests in Adonis and Phoenicia shortly after this fiscal year. Consequently, the Corporation has reclassified the liability for these non-controlling interests as current liabilities.

DIVIDENDS

On April 24, 2017, the Corporation's Board of Directors declared a quarterly dividend of \$0.1625 per Common Share payable June 15, 2017, an increase of 16.1% over the dividend declared for the same quarter last year. On an annualized basis, this dividend represents approximately 25% of 2016 net earnings, in accordance with the payout target communicated to shareholders in January 2014.

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. Expressions such as "continue", "should" 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 2016 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.

CONFERENCE CALL

Financial analysts and institutional investors are invited to participate in a conference call for the **2017 second quarter** results at **9:00 a.m. (EDT) today, April 25, 2017**. 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 2017 interim condensed consolidated financial statements and management's discussion and analysis are available on the Internet at **www.metro.ca** - Corporate Site - Investor Relations - 2017 Quarterly Results - 2017 Second Quarter Results.

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⁽¹⁾ See section on "Forward-looking Information"

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⁽¹⁾ See section on "Forward-looking Information"