PRESS RELEASE

METRO REPORTS 2018 SECOND QUARTER RESULTS

(Montréal, April 24, 2018) - METRO INC. (TSX: MRU) today announced its results for the second quarter of fiscal 2018 ended March 17, 2018. In a separate press release issued yesterday, the Corporation announced that the Competition Bureau has authorized the acquisition of The Jean Coutu Group.

2018 SECOND QUARTER HIGHLIGHTS

- **Sales of $2,899.0 million, down 0.1%**
- **Same-store sales up 1.0% taking into account the Christmas week shift**
- **Net earnings of $106.9 million, down 19.3%**
- **Adjusted net earnings(1) of $108.1 million, down 5.1%**
- **Fully diluted net earnings per share of $0.47, down 16.1%, and down 2.1% on an adjusted(1) basis**
- **Declared dividend of $0.18, up 10.8%**

2018 FIRST SEMESTER HIGHLIGHTS

- **Sales of $6,010.8 million, up 2.3%**
- **Same-store sales up 1.1%**
- **Net earnings of $1,406.0 million**
- **Adjusted net earnings(1) of $261.5 million, up 3.8%**
- **Fully diluted net earnings per share of $6.14**
- **Adjusted fully diluted net earnings per share(1) of $1.14, up 7.5%**

	12 weeks / Fiscal Year				
(Millions of dollars, except for net earnings per share)	**2018**	**%**	2017	%	Change (%)
Sales	**2,899.0**	**100.0**	2,902.4	100.0	(0.1)
Operating income before depreciation and amortization and associate's earnings	**206.5**	**7.1**	212.0	7.3	(2.6)
Adjusted operating income before depreciation and amortization and associate's earnings(2)	**208.1**	**7.2**	212.0	7.3	(1.8)
Net earnings	**106.9**	**3.7**	132.4	4.6	(19.3)
Fully diluted net earnings per share	**0.47**	**—**	0.56	—	(16.1)
Adjusted net earnings(1)	**108.1**	**3.7**	113.9	3.9	(5.1)
Adjusted fully diluted net earnings per share(1)	**0.47**	**—**	0.48	—	(2.1)

(1) See table on "Net earnings adjustments" and section on "Non-IFRS Measurements"
(2) See table on "Operating income before depreciation and amortization and associate's earnings adjustments" and section on "Non-IFRS Measurements"
(3) See section on "Forward-looking Information"

(Millions of dollars, except for net earnings per share)	24 weeks / Fiscal Year **2018**	**%**	2017	%	Change (%)
Sales	**6,010.8**	**100.0**	5,873.7	100.0	2.3
Operating income before depreciation and amortization and associate's earnings	**424.3**	**7.1**	428.8	7.3	(1.0)
Adjusted operating income before depreciation and amortization and associate's earnings[2]	**439.3**	**7.3**	428.8	7.3	2.4
Net earnings	**1,406.0**	**23.4**	270.5	4.6	419.8
Fully diluted net earnings per share	**6.14**	**—**	1.14	—	438.6
Adjusted net earnings[1]	**261.5**	**4.4**	252.0	4.3	3.8
Adjusted fully diluted net earnings per share[1]	**1.14**	**—**	1.06	—	7.5

PRESIDENT'S MESSAGE

"Against a challenging backdrop marked by intense competition, same-store sales continued to increase in the second quarter, while our results were impacted by the shift of the Christmas week to the first quarter. We are confident in our ability to deliver long-term growth although changes in employment laws will put pressure on our operating costs.

Finally, we are pleased to announce that we received the authorization of the Competition Bureau and expect[3] to close the acquisition of the Jean Coutu Group on May 11, thereby opening an exciting new chapter in the history of METRO", stated Eric R. La Flèche, President and Chief Executive Officer.

2018 SECOND QUARTER RESULTS

SALES

Sales in the second quarter of 2018 reached $2,899.0 million, down 0.1% compared to $2,902.4 million in the second quarter of 2017. The small decrease in sales is due to the timing shift of the week before Christmas which fell in the first quarter this year, whereas it fell in the second quarter last year. Same-store sales for the second quarter were down 1.2% but would have been up 1.0% excluding the shift (increase of 0.3% in the same quarter last year). Our food basket experienced an inflation of about 0.8%, echoing the trend started in the fourth quarter of 2017.

Sales in the first 24 weeks of fiscal 2018 totalled $6,010.8 million versus $5,873.7 million for the corresponding period of fiscal 2017, an increase of 2.3%. Same-store sales increased by 1.1%.

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND ASSOCIATE'S EARNINGS

This earnings measurement excludes financial costs, taxes, depreciation and amortization, the share of earnings and gain on disposal of our investment in an associate (Alimentation Couche-Tard "ACT") and the fair value revaluation gain on our residual investment in ACT.

Operating income before depreciation and amortization and associate's earnings for the second quarter of 2018 totalled $206.5 million or 7.1% of sales versus $212.0 million or 7.3% of sales for the same quarter last year, down 2.6%. In the second quarter of 2018, $1.6 million in expenses were recognized in connection with the proposed acquisition of The Jean Coutu Group (PJC) Inc. ("PJC"). Excluding this item, adjusted operating income before depreciation and amortization and associate's earnings[2] totalled $208.1 million or 7.2% of sales, down 1.8% from 2017.

For the first 24 weeks of 2018, operating income before depreciation and amortization and associate's earnings totalled $424.3 million or 7.1% of sales versus $428.8 million or 7.3% of sales for the same period last year, down 1.0%. During this period of 2018, we recorded a provision of $11.4 million for the Ontario distribution network modernization project and recognized expenses of $3.6 million in connection with the proposed acquisition of PJC. Excluding these items, the adjusted operating income before depreciation and amortization and associate's earnings[2] totalled $439.3 million or 7.3% of sales, up 2.4% from 2017.

(1) See table on "Net earnings adjustments" and section on "Non-IFRS Measurements"
(2) See table on "Operating income before depreciation and amortization and associate's earnings adjustments" and section on "Non-IFRS Measurements"
(3) See section on "Forward-looking Information"

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

	12 weeks / Fiscal Year					
	2018			2017		
(Millions of dollars, unless otherwise indicated)	**OI**	**Sales**	***(%)***	OI	Sales	*(%)*
Operating income before depreciation and amortization and associate's earnings	**206.5**	**2,899.0**	**7.1**	212.0	2,902.4	7.3
Proposed business acquisition-related expenses	**1.6**			—		
Adjusted operating income before depreciation and amortization and associate's earnings[2]	**208.1**	**2,899.0**	**7.2**	212.0	2,902.4	7.3

	24 weeks / Fiscal Year					
	2018			2017		
(Millions of dollars, unless otherwise indicated)	**OI**	**Sales**	***(%)***	OI	Sales	*(%)*
Operating income before depreciation and amortization and associate's earnings	**424.3**	**6,010.8**	**7.1**	428.8	5,873.7	7.3
Distribution network modernization project expenses	**11.4**			—		
Proposed business acquisition-related expenses	**3.6**			—		
Adjusted operating income before depreciation and amortization and associate's earnings[2]	**439.3**	**6,010.8**	**7.3**	428.8	5,873.7	7.3

Gross margin on sales for the second quarter and the first 24 weeks of 2018 were 20.2% and 19.8% respectively versus 20.1% and 19.9% for the corresponding periods of 2017.

Operating expenses as a percentage of sales for the second quarter were 13.1% versus 12.8% for the corresponding quarter of 2017. Excluding the $1.6 million in proposed business acquisition-related expenses recorded in the second quarter of 2018, operating expenses as a percentage of sales stood at 13.0%.

Operating expenses as a percentage of sales for the first 24 weeks of 2018 were 12.8% versus 12.6% for the corresponding period of 2017. Excluding the distribution network modernization project expenses of $11.4 million and the $3.6 million in proposed business acquisition-related expenses recorded in 2018, operating expenses as a percentage of sales stood at 12.5%.

DEPRECIATION AND AMORTIZATION AND NET FINANCIAL COSTS

Total depreciation and amortization expense for the second quarter and the first 24 weeks of 2018 were $47.2 million and $94.1 million respectively versus $44.7 million and $87.9 million for the corresponding periods of 2017.

Net financial costs for the second quarter of 2018 totalled $14.2 million compared to $15.5 million for the same quarter last year. In the second quarter of 2018, we registered $9.7 million in interest income on the short-term investments and security deposits resulting from the proceeds of the sale of the majority of our investment in ACT and the issuance of Series F, G and H notes to fund a portion of the PJC acquisition and recorded $9.8 million in interest on those notes.

Net financial costs for the first 24 weeks of 2018 totalled $26.5 million compared to $30.1 million for the same period last year. Certain items are specific to 2018. We registered $15.0 million in interest income on the short-term investments and security deposits resulting from the proceeds of the sale of the majority of our investment in ACT and the issuance of Series F, G and H notes to fund a portion of the PJC acquisition and recorded $12.0 million in interest on those notes. Furthermore, we paid $1.8 million in financial costs on the balance payable in connection with the settlement of the buyout of minority interests in Adonis and Phoenicia.

[1] See table on "Net earnings adjustments" and section on "Non-IFRS Measurements"
[2] See table on "Operating income before depreciation and amortization and associate's earnings adjustments" and section on "Non-IFRS Measurements"
[3] See section on "Forward-looking Information"

SHARE OF EARNINGS, GAIN ON DISPOSAL OF AN INVESTMENT IN AN ASSOCIATE AND FAIR VALUE REVALUATION OF AN INVESTMENT

During the first quarter of 2018, to fund a portion of the PJC acquisition, we disposed of most of our investment in ACT, for net proceeds of $1,534.0 million and a gain of $1,107.4 million. As a result of this disposal, the Corporation no longer has significant influence over ACT. Our residual investment is now considered to be an available-for-sale financial asset, reported as an investment at fair value. As a result, the investment was re-evaluated at fair value on October 13, 2017, and the Corporation recorded a $225.6 million fair value revaluation gain in net earnings. Subsequent fair value revaluations of this investment was recognized in accumulated other comprehensive income.

No share of an associate's earnings was recorded in the second quarter of fiscal 2018 in comparison with a $21.4 million recorded in the corresponding quarter of fiscal 2017.

For the first 24 weeks of 2018, our share of an associate's earnings (ACT) was $30.8 million versus $45.3 million for the corresponding period last year.

INCOME TAXES

The 2018 second quarter income tax expense of $38.2 million represented an effective tax rate of 26.3% compared with the 2017 second quarter tax expense of $40.8 million for an effective tax rate of 23.6%.

The 24-week period income tax expense of $261.5 million for 2018 and $85.6 million for 2017 represented effective tax rate of 15.7% and 24.0% respectively.The significant decline in the effective tax rate resulted from the gain on disposal of the majority of our investment in ACT and the fair value revaluation of our residual investment.

NET EARNINGS AND ADJUSTED NET EARNINGS[1]

Net earnings for the second quarter of 2018 were $106.9 million, a decrease of 19.3% from $132.4 million for the second quarter of 2017. Fully diluted net earnings per share decreased by 16.1% to $0.47 from $0.56 last year. Excluding the specific items shown in the table below, adjusted net earnings[1] for the second quarter of 2018 totalled $108.1 million compared with $113.9 million for the corresponding quarter of 2017, and adjusted fully diluted net earnings per share[1] amounted to $0.47 versus $0.48, down 5.1% and 2.1%, respectively.

Net earnings for the first 24 weeks of 2018 were $1,406.0 million, an increase of 419.8% from $270.5 million for the first 24 weeks of 2017. Fully diluted net earnings per share rose 438.6% to $6.14 from $1.14 last year. Excluding the specific items shown in the table below, adjusted net earnings[1] for the first 24 weeks of 2018 totalled $261.5 million compared with $252.0 million for the corresponding period of 2017, and adjusted fully diluted net earnings per share[1] amounted to $1.14 versus $1.06, up 3.8% and 7.5%, respectively.

Net earnings adjustments[1]

	12 weeks / Fiscal Year					
	2018		2017		Change (%)	
	(Millions of dollars)	**Fully diluted EPS (Dollars)**	(Millions of dollars)	Fully diluted EPS (Dollars)	Net earnings	Fully diluted EPS
Net earnings	**106.9**	**0.47**	132.4	0.56	(19.3)	(16.1)
Proposed business acquisition-related expenses after taxes	**1.1**		—			
Share of an associate's earnings after taxes	**—**		(18.5)			
Income on proposed business acquisition-related short-term investments and security deposits after taxes	**(7.1)**		—			
Interest on notes issued in connection with a proposed business acquisition after taxes	**7.2**		—			
Adjusted net earnings[1]	**108.1**	**0.47**	113.9	0.48	(5.1)	(2.1)

[1] See table on "Net earnings adjustments" and section on "Non-IFRS Measurements"
[2] See table on "Operating income before depreciation and amortization and associate's earnings adjustments" and section on "Non-IFRS Measurements"
[3] See section on "Forward-looking Information"

	24 weeks / Fiscal Year					
	2018		2017		Change (%)	
	(Millions of dollars)	**Fully diluted EPS (Dollars)**	(Millions of dollars)	Fully diluted EPS (Dollars)	Net earnings	Fully diluted EPS
Net earnings	**1,406.0**	**6.14**	270.5	1.14	419.8	438.6
Distribution network modernization project expenses after taxes	**8.4**		—			
Proposed business acquisition-related expenses after taxes	**2.6**		—			
Share of an associate's earnings after taxes	**—**		(18.5)			
Gain on the disposal of the majority of the investment in an associate after taxes	**(958.9)**		—			
Fair value revaluation gain on an investment after taxes	**(195.7)**		—			
Income on proposed business acquisition-related short-term investments and security deposits after taxes	**(11.0)**		—			
Interest on notes issued in connection with a proposed business acquisition after taxes	**8.8**		—			
Financial costs on the balance payable for the buyout of minority interests after taxes	**1.3**		—			
Adjusted net earnings[(1)]	**261.5**	**1.14**	252.0	1.06	3.8	7.5

DIVIDENDS

On April 23, 2018, the Corporation's Board of Directors declared a quarterly dividend of $0.18 per Common Share payable on May 25, 2018 to shareholders of record on May 3, 2018, an increase of 10.8% over the dividend declared for the same quarter last year. On an annualized basis, this dividend represents approximately 27% of 2017 net earnings.

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 “expect” 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 2018 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 2017 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.

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.

(1) See table on "Net earnings adjustments" and section on "Non-IFRS Measurements"
(2) See table on "Operating income before depreciation and amortization and associate's earnings adjustments" and section on "Non-IFRS Measurements"
(3) See section on "Forward-looking Information"

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 some items that must be recognized under IFRS. They are non-IFRS measurements. We believe that presenting earnings without these items, that are not necessarily reflective of the Corporation's performance, leaves readers of financial statements better informed as to the current period and corresponding prior year's period's operating earnings, thus enabling them to better perform trend analysis, evaluate the Corporation's financial performance and judge its future outlook. The exclusion of these items does not imply that they are non-recurring.

CONFERENCE CALL

Financial analysts and institutional investors are invited to participate in a conference call for the **2018 second quarter** results at **8:30 a.m. (EDT) today, April 24, 2018**. 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 2018 interim condensed consolidated financial statements and management's discussion and analysis are available on the Internet at* ***www.metro.ca*** *- Corporate Site - Investor Relations - 2018 Quarterly Results - 2018 Second Quarter Results.*

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