



METRO POSTS NET EARNINGS OF \$276.6 MILLION IN 2007, UP 9.3% OVER 2006, FOR A 17th CONSECUTIVE YEAR OF NET EARNINGS GROWTH

2007 FOURTH QUARTER HIGHLIGHTS

- The Company realized net earnings of \$57.6 million compared to \$78.9 million. Fully diluted net earnings per share were \$0.49 compared to \$0.68. Excluding non-recurring items recorded in the fourth quarters of 2007 and 2006 as well as the impact of the 53rd week in 2006, adjusted net earnings⁽¹⁾⁽²⁾ for the fourth quarter of 2007 would have been \$66.8 million versus \$64.6 million for the corresponding quarter of 2006, an increase of 3.4%. Adjusted fully diluted net earnings per share⁽¹⁾⁽²⁾ would have been \$0.57 versus \$0.55 for the corresponding quarter of 2006, an increase of 3.6%.
- The Company's sales for the fourth quarter of 2007 reached \$2,432.4 million compared to \$2,673.5 million recorded for the corresponding quarter of the previous fiscal year. Excluding the 53rd week of 2006, decreased sales of tobacco products and lost sales due to the disposal, in the fourth quarter of 2006, of our interest in a grocery wholesaler, sales would have increased by 0.7%. Same-store sales increased by 0.2% in the fourth quarter of 2007.
- Our integration and rationalization plan, scheduled for the first two years following the acquisition of A&P Canada, has been completed, including the conversion to our information systems of all computer applications we had been outsourcing to A&P US.

FISCAL 2007 HIGHLIGHTS

- The Company recorded net earnings of \$276.6 million compared to \$253 million, an increase of 9.3%, and fully diluted net earnings per share of \$2.37, up 8.7% from \$2.18 last year. Excluding non-recurring items recorded in 2007 and 2006 as well as the impact of the 53rd week in 2006, adjusted net earnings⁽¹⁾⁽²⁾ for 2007 would have been \$295 million, an increase of 17.4% from the \$251.2 million recorded in 2006. Adjusted fully diluted net earnings per share⁽¹⁾⁽²⁾ would have been \$2.53 versus \$2.16 for 2006, an increase of 17.1%.
- The Company's sales decreased 2.7% in fiscal 2007 to \$10,644.6 million from \$10,944 million in fiscal 2006. Excluding the 53rd week of 2006, decreased sales of tobacco products and lost sales due to the disposal, in the fourth quarter of 2006, of our interest in a grocery wholesaler, sales would have increased by 2%.
- In fiscal 2007, we realized over \$90 million in synergies, exceeding the target of \$60 million a year we had set when we acquired A&P Canada.

⁽¹⁾ See section on "Non-GAAP Measurements".

⁽²⁾ See section on "Summary of Adjustments" for more detail.

(Montréal, November 21, 2007) – METRO INC. realized net earnings of \$57.6 million in the fourth quarter of 2007, compared to \$78.9 million in the corresponding quarter of the previous fiscal year, and fully diluted net earnings per share of \$0.49 versus \$0.68 last year. Non-recurring items were recorded in the fourth quarters of 2007 and 2006, namely integration and rationalization costs of \$14.1 million before taxes in 2007 and \$3.2 million before taxes in 2006, as well as an investment disposal gain of \$10.5 million before taxes in the fourth quarter of 2006 and a \$1.4 million tax expense reduction in the same quarter of 2006. The fourth quarter of 2006 also included 53rd week earnings. Excluding these non-recurring items and 53rd week earnings, adjusted net earnings⁽¹⁾⁽²⁾ for the fourth quarter of 2007 would have been \$66.8 million compared with \$64.6 million for the corresponding quarter of 2006, an increase of 3.4%, and adjusted fully diluted net earnings per share⁽¹⁾⁽²⁾ would have been \$0.57 compared with \$0.55 for the corresponding quarter of 2006, an increase of 3.6%.

SALES

Sales for the fourth quarter of 2007 reached \$2,432.4 million versus \$2,673.5 million recorded for the corresponding quarter of the previous fiscal year, a 9% decrease. Excluding the 53rd week of 2006, decreased sales of tobacco products and lost sales due to the disposal, in the fourth quarter of 2006, of our interest in a grocery wholesaler, sales would have increased by 0.7%. Same-store sales increased by 0.2% in the fourth quarter of 2007.

Sales for fiscal 2007 reached \$10,644.6 million, down 2.7% compared to sales of \$10,944 million for fiscal 2006. Excluding the 53rd week of 2006, decreased sales of tobacco products and lost sales due to the disposal, in the fourth quarter of 2006, of our interest in a grocery wholesaler, sales would have increased by 2%.

Nature of Elements

(Millions of \$)

	2006	
	(13 weeks)	(53 weeks)
53 rd week	198.6	198.6
Tobacco products sales decrease	41.0	202.9
Disposal of interest in a grocery wholesaler	17.5	102.1
	257.1	503.6

INTEGRATION AND RATIONALIZATION COSTS

Following the acquisition of A&P Canada, we developed a plan to integrate and rationalize our operations. This initial three-part plan, dealt with our store network, the integration of our overall operations, and the implementation of our information systems at A&P Canada. Among other things, we converted to our own information systems all the computer applications we had been outsourcing to A&P US.

The integration and rationalization plan's initial anticipated cost was \$55 million over two years. With \$28 million incurred in fiscal 2006, it was revised in the third quarter of 2007 to allow for a fuller integration of Loeb Canada's operations into A&P Canada's. Costs of \$14.1 million were recorded in the fourth quarter of 2007. Total costs recorded over the two years following the acquisition of A&P Canada were \$58.5 million.

(1) See section on "Non-GAAP Measurements".

(2) See section on "Summary of Adjustments" for more detail.

Integration and Rationalization Costs

(Millions of \$)

	Incurred		2006 (53 weeks)	Total
	2007 (12 weeks)	2007 (52 weeks)		
Stores	6.2	8.4	11.9	20.3
Integration of operations	5.6	10.6	13.9	24.5
Implementation of information systems	2.3	11.5	2.2	13.7
	14.1	30.5	28.0	58.5

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)⁽¹⁾

EBITDA for the fourth quarter of 2007 were \$134.9 million versus \$170.1 million for the same quarter last year. Fourth quarter integration and rationalization costs were \$14.1 million in 2007 and \$3.2 million in 2006. We also realized an investment disposal gain of \$10.5 million before taxes in the fourth quarter of 2006. Our fourth quarter share of earnings from our investment in Alimentation Couche-Tard were \$7.6 million in 2007 compared to \$5.2 million in 2006.

Excluding these non-recurring items, the impact of the 53rd week on 2006 fourth quarter EBITDA, as well as the share of earnings from our investment in Alimentation Couche-Tard, 2007 fourth quarter EBITDA would have been \$141.4 million or 5.8% of sales versus \$146.2 million or 5.9% of sales in 2006. Despite more competitive market conditions, we managed to keep fourth quarter gross margin levels similar to those for the corresponding quarter of the previous fiscal year.

EBITDA for fiscal 2007 were \$625.5 million compared to \$610.5 million for the previous fiscal year. We incurred integration and rationalization costs of \$30.5 million in fiscal 2007 and \$28 million in fiscal 2006. We also realized an investment disposal gain of \$10.5 million before taxes in the fourth quarter of 2006. Share of earnings from our investment in Alimentation Couche-Tard were \$25.3 million for fiscal 2007 compared to \$22.3 million in 2006.

Excluding these non-recurring items, the impact of the 53rd week in fiscal 2006, as well as the share of earnings from our investment in Alimentation Couche-Tard, our 2007 EBITDA would have been \$630.7 million or 5.9% of sales versus \$594.3 million or 5.5% of sales in 2006.

Despite more competitive market conditions, we managed to improve fiscal 2007 gross margin levels against the previous year's.

In fiscal 2007, we realized over \$90 million in synergies, exceeding the target of \$60 million a year we had set when we acquired A&P Canada. These synergies consist mainly of lower costs for goods purchased for resale.

INTEREST, DEPRECIATION AND AMORTIZATION

Depreciation and amortization expenses totalled \$39.7 million for the fourth quarter and \$165.7 million for fiscal 2007, compared with \$42.7 million and \$177.9 million for the same periods last year. These decreases result primarily from additional amortization charges in fiscal 2006 following the reassessment of the useful life of certain assets. Fourth quarter interest expenses totalled \$14 million versus \$15.7 million last year, while interest expenses for fiscal 2007 totalled \$61.6 million versus \$68.7 million last year. These decreases are due primarily to a debt reduction of \$79.9 million in fiscal 2007. Interest rates for fiscal 2007 averaged 5.4% compared with 5% for the previous fiscal year.

⁽¹⁾ See section on "Non-GAAP Measurements".

INCOME TAXES

The 2007 fourth quarter and fiscal year income tax expenses of \$26.1 million and \$125.2 million represent effective tax rates of 32.1% and 31.4% respectively. The 2006 fourth quarter and fiscal year income tax expenses of \$32.7 million and \$107 million represented effective tax rates of 29.3% and 29.4% respectively. In 2007, the Canadian government completed milestones in the approval process for the federal budget providing, among other things, a 0.5% decrease in the large business tax rate, effective January 1, 2011. This future decrease in the federal tax rate reduced our future tax liabilities by \$1.8 million as well as our 2007 income tax expenses by the same amount.

In 2006, the Québec and Canadian governments completed milestones in the approval process for their respective budgets providing, among other things, for increases of the Québec large business tax rate from 8.9% to 11.9% between January 1, 2006 and January 1, 2009 and for decreases of the federal large business tax rate from 22.12% to 19% between January 1, 2008 and January 1, 2010. These rate changes reduced our future tax liabilities as well as our 2006 fourth quarter and fiscal year income tax expenses by \$1.4 million and \$5.5 million respectively.

Excluding all these additional tax expense changes, the effective tax rates for the 2007 fourth quarter and fiscal year would have been 32.1% and 31.9% respectively versus 30.5% and 30.9% respectively for the 2006 fourth quarter and fiscal year.

NET EARNINGS

Net earnings for the fourth quarter of 2007 were \$57.6 million compared to \$78.9 million for the corresponding quarter of fiscal 2006. Fully diluted net earnings per share were \$0.49 compared to \$0.68 last year. Excluding fourth quarter integration and rationalization costs of \$14.1 million before taxes in 2007 and of \$3.2 million before taxes in 2006, as well as the \$1.4 million tax expense decrease and the investment disposal gain of \$10.5 million before taxes in the fourth quarter of 2006, adjusted net earnings⁽¹⁾⁽²⁾ for the fourth quarter would have been \$66.8 million, compared to \$71 million for the same quarter last year. Adjusted fully diluted net earnings per share⁽¹⁾⁽²⁾ would have been \$0.57 compared to \$0.61 for the corresponding period of 2006. Excluding the impact of the 53rd week in 2006 estimated at \$6.4 million, adjusted net earnings⁽¹⁾⁽²⁾ and adjusted fully diluted net earnings per share⁽¹⁾⁽²⁾ for the fourth quarter of 2007 would have been up 3.4% and 3.6% respectively.

Net earnings for fiscal 2007 reached \$276.6 million versus \$253 million last year, a 9.3% increase. Fully diluted net earnings per share rose 8.7% to \$2.37 versus \$2.18 last year. Excluding integration and rationalization costs of \$30.5 million before taxes in fiscal 2007 and \$28 million before taxes in fiscal 2006, the investment disposal gain of \$10.5 million before taxes in 2006 and income tax expense decreases of \$1.8 million for 2007 and \$5.5 million for 2006, adjusted net earnings⁽¹⁾⁽²⁾ for 2007 would have been \$295 million, up 14.5% over adjusted net earnings⁽¹⁾⁽²⁾ of \$257.6 million for 2006. Adjusted fully diluted net earnings per share⁽¹⁾⁽²⁾ would have been \$2.53 compared to \$2.22 for 2006, an increase of 14%. Excluding the impact of the 53rd week in 2006, adjusted net earnings⁽¹⁾⁽²⁾ and adjusted fully diluted net earnings per share⁽¹⁾⁽²⁾ for fiscal 2007 would have been up 17.4% and 17.1% respectively.

(1) See section on "Non-GAAP Measurements".

(2) See section on "Summary of Adjustments" for more detail.

Quarterly Highlights

(Millions of dollars, except earnings per share)

	2007 (52 weeks)	2006 (53 weeks)	Variation (Percentage)
Sales (Restated – EIC-156)			
Q4	2,432.4	2,673.5	(9.0)
Q3	3,341.0	3,336.7	0.1
Q2	2,356.2	2,412.1	(2.3)
Q1	2,515.0	2,521.7	(0.3)
Net earnings			
Q4	57.6	78.9	(27.0)
Q3	89.3	85.1	4.9
Q2	61.8	57.0	8.4
Q1	67.9	32.0	112.2
Adjusted net earnings⁽¹⁾			
Q4	66.8	71.0	(5.9)
Q3	91.1	78.3	16.3
Q2	65.5	58.7	11.6
Q1	71.6	49.6	44.4
Fully diluted net earnings per share (Dollars)			
Q4	0.49	0.68	(27.9)
Q3	0.77	0.73	5.5
Q2	0.53	0.49	8.2
Q1	0.58	0.28	107.1
Adjusted fully diluted net earnings per share⁽¹⁾ (Dollars)			
Q4	0.57	0.61	(6.6)
Q3	0.78	0.68	14.7
Q2	0.56	0.50	12.0
Q1	0.62	0.43	44.2

The variations in our results over the last four quarters are due primarily to the effect of our integration plan during those quarters, and the synergies achieved.

Quarterly sales for 2007 compared with those for 2006 were affected by decreased sales of tobacco products, lost sales due to the disposal, in the fourth quarter of 2006, of our interest in a grocery wholesaler, and the fact that Christmas week fell in the first quarter of 2007 rather than the second quarter as in 2006, and the impact of the 53rd week in 2006. Excluding these items, 2007 first, second, third and fourth quarter sales would have been up 0.6%, 3%, 3.2% and 0.7% respectively over 2006.

Over the last four quarters, net earnings and fully diluted net earnings per share were impacted by, among other things, integration and rationalization costs related to the acquisition of A&P Canada, a gain on disposal of an investment, and income tax expense variations resulting from fluctuations in tax rates applicable to large corporations announced by both governments.

Excluding these non-recurring items, increases in fiscal 2007 first, second and third quarter adjusted net earnings⁽¹⁾ and adjusted fully diluted net earnings per share⁽¹⁾, compared with those for fiscal 2006, are due primarily to more effective merchandising programs and further synergies.

⁽¹⁾ See section on "Non-GAAP Measurements".

Excluding the impact of the 53rd week in 2006, adjusted net earnings⁽¹⁾ and adjusted fully diluted net earnings per share⁽¹⁾ for the fourth quarter of 2007 are up from those in the fourth quarter of 2006.

Summary of Adjustments

	2007					2006				
	Q1	Q2	Q3	Q4	FISCAL	Q1	Q2	Q3	Q4	FISCAL
<i>(Millions of dollars)</i>										
Net earnings	67.9	61.8	89.3	57.6	276.6	32.0	57.0	85.1	78.9	253.0
Integration and rationalization costs after taxes	3.7	3.7	3.6	9.2	20.2	12.3	1.7	2.6	2.1	18.7
Investment disposal gain, after taxes	—	—	—	—	—	—	—	—	(8.6)	(8.6)
(Decrease) increase in tax expense	—	—	(1.8)	—	(1.8)	5.3	—	(9.4)	(1.4)	(5.5)
Adjusted net earnings ⁽¹⁾	71.6	65.5	91.1	66.8	295.0	49.6	58.7	78.3	71.0	257.6
53 rd week	—	—	—	—	—	—	—	—	(6.4)	(6.4)
Adjusted net earnings ⁽¹⁾ excluding 53 rd week	71.6	65.5	91.1	66.8	295.0	49.6	58.7	78.3	64.6	251.2

	2007					2006				
	Q1	Q2	Q3	Q4	FISCAL	Q1	Q2	Q3	Q4	FISCAL
<i>(Dollars)</i>										
Fully diluted net earnings per share	0.58	0.53	0.77	0.49	2.37	0.28	0.49	0.73	0.68	2.18
Integration and rationalization costs after taxes	0.04	0.03	0.03	0.08	0.18	0.10	0.01	0.03	0.02	0.16
Investment disposal gain, after taxes	—	—	—	—	—	—	—	—	(0.07)	(0.07)
(Decrease) increase in tax expense	—	—	(0.02)	—	(0.02)	0.05	—	(0.08)	(0.02)	(0.05)
Adjusted fully diluted net earnings per share ⁽¹⁾	0.62	0.56	0.78	0.57	2.53	0.43	0.50	0.68	0.61	2.22
53 rd week	—	—	—	—	—	—	—	—	(0.06)	(0.06)
Adjusted fully diluted net earnings per share ⁽¹⁾ excluding 53 rd week	0.62	0.56	0.78	0.57	2.53	0.43	0.50	0.68	0.55	2.16

Cash Position

OPERATING ACTIVITIES

Operating activities generated cash flows of \$44.8 million in the fourth quarter compared to \$72.5 million for the same quarter last year, and cash flows of \$363.3 million for fiscal 2007 compared to \$392 million for fiscal 2006. The differences in 2007 fourth quarter and fiscal year cash flows compared to those for the corresponding periods of fiscal 2006 are mainly the consequence of changes in non-cash working capital from operating activities.

⁽¹⁾ See section on "Non-GAAP Measurements".

INVESTMENT ACTIVITIES

Investment activities required \$70.6 million in the fourth quarter of 2007 and \$258.9 million over the fiscal year versus \$53.2 million in the fourth quarter of 2006 and \$181.9 million over the fiscal year. These increases are due primarily to the acquisition of additional fixed assets related to new store construction, expansion, and renovation projects.

In fiscal 2007, the Company and retailers invested \$342.8 million in our retail network for a gross expansion of 858,000 square feet or 4.6%, and a net expansion of 178,000 square feet. Major renovations and expansions of 53 stores were completed and 15 new stores were opened.

FINANCING ACTIVITIES

Financing activities required outflows of \$120.7 million in the fourth quarter of 2007 and \$169.6 million over the fiscal year versus outflows of \$112 million in the fourth quarter of 2006 and \$138.2 million over the fiscal year. These increases are attributable mainly to greater share redemption in 2007.

Financial Position

Our financial position at the end of the fourth quarter of 2007 was very solid. We had \$100.5 million in cash and cash equivalents. We have not used our approved \$400 million line of credit. Our long-term debt corresponds to 35% of the combined total of long-term debt and shareholders' equity (long-term debt/total capital).

At the end of the fiscal year, the main elements of our long-term debt were as follows:

	Interest Rate	Balance (Millions of dollars)	Maturity
Credit Facility A	Rates fluctuate with changes in bankers' acceptance rates	394.5	August 15, 2012
Medium-term Series A notes	4.98% fixed rate	200.0	October 15, 2015
Medium-term Series B notes	5.97% fixed rate	400.0	October 15, 2035

At the end of the fiscal year, interest rate swap agreements in the notional amount of \$150 million were outstanding under Credit Facility A. These agreements provide for the exchange of variable interest payments for fixed interest payments according to the following terms:

Fixed Rate	Notional Amount (Millions of dollars)	Maturity
3.9480%	50.0	November 23, 2008
3.9820%	50.0	December 16, 2009
4.0425%	50.0	December 16, 2010

Giving effect to these swap agreements, at the end of the quarter, long term indebtedness comprised \$750 million at fixed rates ranging from 4.3980% to 5.97% and \$244.5 million at variable rates which fluctuate with changes in bankers' acceptance rates.

FINANCIAL RATIOS

	As at September 29, 2007	As at September 30, 2006
Financial structure		
Long-term debt (Millions of \$)	1,038.9	1,116.6
Shareholders' equity (Millions of \$)	1,932.3	1,723.8
Long-term debt/total capital (%)	35.0	39.3
	Fiscal 2007 (52 weeks)	Fiscal 2006 (53 weeks)
Results		
EBITDA ⁽¹⁾ /Interest (Times)	10.2	8.9

⁽¹⁾ See section on "Non-GAAP Measurements".

CAPITAL STOCK, STOCK OPTIONS AND PERFORMANCE SHARE UNITS

	As at September 29, 2007	As at September 30, 2006
Number of Class A Subordinate Shares outstanding (<i>Thousands</i>)	113,683	113,852
Number of Class B Shares outstanding (<i>Thousands</i>)	804	880
Stock options:		
Number outstanding (<i>Thousands</i>)	3,738	4,233
Exercise price	\$11.80 to \$39.17	\$8.73 to \$33.87
Weighted average exercise price	\$22.40	\$20.85
Number of performance share units:		
Number outstanding (<i>Thousands</i>)	124	48
Weighted average maturity	22 months	30 months

ISSUER BID PROGRAM

The Company repurchased 807,500 Class A Subordinate Shares at an average price of \$35.20 per share for a total of \$28.4 million in the fourth quarter of 2007, and 822,300 Class A Subordinate Shares at an average price of \$35.23 per share for a total of \$28.9 million over fiscal 2007. The Company repurchased no shares in 2006. Under the issuer bid program, the Company may repurchase up to 4 million of its Class A Subordinate Shares between September 5, 2007 and September 4, 2008. With this program, the Company has an additional option for using excess funds. Thus, we will be able to decide, in the shareholders' best interest, to reimburse debt or to repurchase shares of the Company.

DIVIDENDS

On September 25, 2007, the Company's Board of Directors declared a quarterly dividend of \$0.115 per Class A Subordinate Share and Class B Share payable November 20, 2007, an increase of 9.5% over the dividend for the corresponding quarter last year. On an annualized basis, this dividend represents 21% of 2006 net earnings.

SHARE TRADING

The value of METRO shares remained in the range of \$33.23 to \$41.78 in fiscal 2007. During this period, a total of 56.1 million shares were traded on the Toronto Stock Exchange. The closing price on Friday, September 28, 2007 was \$35.00, compared with \$33.60 at the end of fiscal 2006.

Recently Issued New Accounting Standards

CAPITAL AND FINANCIAL INSTRUMENTS

In December 2006, the Canadian Institute of Chartered Accountants (CICA) issued three new Handbook sections regarding capital and financial instruments, i.e. sections 1535, 3862 and 3863, which are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. We intend to apply these new standards in the first quarter ending December 22, 2007, and do not foresee that these new sections will have a material effect on our results, financial position and cash flows.

Section 1535 *Capital Disclosures* establishes standards for disclosing information about an entity's capital and how it is managed. These standards require an entity to disclose the following:

- its objectives, policies and processes for managing capital;
- summary quantitative data about what it manages as capital;
- whether during the period it complied with any externally imposed capital requirements to which it is subject;
- when the entity has not complied with such requirements, the consequences of such non-compliance.

Section 3862 *Financial Instruments – Disclosures* modifies the disclosure requirements for financial instruments that were included in Section 3861 *Financial Instruments – Disclosure and Presentation*. The new standards require entities to provide disclosures in their financial statements that enable users to evaluate:

- the significance of financial instruments for the entity's financial position and performance;
- the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

Section 3863 *Financial Instruments – Presentation* carries forward unchanged the presentation requirements of the old Section 3861 *Financial Instruments – Disclosure and Presentation*.

INVENTORIES

In March 2007, CICA issued the new Section 3031 *Inventories* which will replace Section 3030 *Inventories*. The new Section prescribes measurement of inventories at the lower of cost and net realizable value. It provides guidance on the determination of cost, allows the use of the retail method, prohibits use in the future of the last-in, first-out (LIFO) method, and requires reversal of previous write-downs when there is a subsequent increase in the value of inventories. It also requires greater disclosure regarding inventories and the cost of sales. The new standard will be effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. We are currently evaluating their effect on our results, financial position and cash flows as well as the possibility of early application.

Outlook

"We have completed our original integration and rationalization plan following the acquisition of A&P Canada and achieved over \$90 million in synergies. We are already preparing phase II of our integration plan involving the rationalization of our banners and private labels, to be completed over the next three years, which will allow us to continue our growth in the Canadian grocery market," stated President and Chief Executive Officer, Mr. Pierre H. Lessard.

Forward-looking Statements

Any statement contained in this quarterly Management's Discussion and Analysis which does not constitute an historic fact, may be considered forward-looking. Verbs such as "believe", "foresee", "estimate" and other similar expressions appearing in this discussion and analysis generally indicate forward-looking statements. These projections do not provide guarantees as to the future performance of METRO INC. and are subject to risks, both known and unknown, as well as uncertainties which may cause the outlook, profitability and actual results of METRO INC. to differ significantly from the profitability or future results stated or implied in these forward-looking statements.

Non-GAAP Measurements

In addition to the Canadian generally accepted accounting principles (GAAP) earnings measurements provided, we have included certain non-GAAP earnings measurements. These measurements are presented for information purposes only. They do not have a standardized meaning prescribed by Canadian GAAP and therefore may not be comparable to similar measures 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. 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 Company's performance and judge its future outlook.

Earnings before interest, taxes, depreciation and amortization (EBITDA)

EBITDA is a measurement of earnings that excludes interest, taxes, depreciation and amortization. We believe that EBITDA is a measurement commonly used by readers of financial statements to evaluate a company's operational cash-generating capacity and ability to discharge its financial expenses.

Conference Call

Financial analysts and investors are invited to participate in a conference call on the 2007 fourth quarter results at **10:00 a.m. EDT on Wednesday, November 21, 2007**. To access the conference call, please dial 416-644-3418 or 514-807-8791. The media and public are invited to listen to the call in real time or delayed time on the METRO INC. Web site at www.metro.ca.

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METRO INC.'s corporate information and press releases are available on the Internet at the following address:
www.metro.ca

Consolidated Statements of Earnings

Periods ended September 29, 2007 and September 30, 2006
(Unaudited) (Millions of dollars, except for earnings per share)

	Fiscal Year		Fiscal Year	
	2007 (12 weeks)	2006 (13 weeks)	2007 (52 weeks)	2006 (53 weeks)
Sales	\$ 2,432.4	\$ 2,673.5	\$10,644.6	\$10,944.0
Cost of sales and operating expenses	2,291.0	2,505.4	10,013.9	10,327.8
Share of earnings in a public company subject to significant influence	(7.6)	(5.2)	(25.3)	(22.3)
Integration and rationalization costs (note 3)	14.1	3.2	30.5	28.0
Earnings before interest, taxes, depreciation and amortization	134.9	170.1	625.5	610.5
Depreciation and amortization	39.7	42.7	165.7	177.9
Operating income	95.2	127.4	459.8	432.6
Interest, net				
Short term	(0.7)	(0.7)	(2.7)	(1.9)
Long term	14.7	16.4	64.3	70.6
	14.0	15.7	61.6	68.7
Earnings before income taxes	81.2	111.7	398.2	363.9
Income taxes (note 5)	26.1	32.7	125.2	107.0
Earnings before minority interest	55.1	79.0	273.0	256.9
Minority interest	(2.5)	0.1	(3.6)	3.9
Net earnings	\$ 57.6	\$ 78.9	\$ 276.6	\$ 253.0
Earnings per share (note 6)				
Basic	\$ 0.50	\$ 0.69	\$ 2.40	\$ 2.21
Fully diluted	\$ 0.49	\$ 0.68	\$ 2.37	\$ 2.18

See accompanying notes

Consolidated Balance Sheets

(Unaudited) (Millions of dollars)

	As at September 29, 2007	As at September 30, 2006
ASSETS		
Current assets		
Cash and cash equivalents	\$ 100.5	\$ 165.7
Accounts receivable	327.8	302.1
Inventories	588.2	565.5
Prepaid expenses	12.1	11.3
Future income taxes	26.1	16.7
	1,054.7	1,061.3
Investments and other assets	151.0	117.9
Fixed assets	1,202.8	1,129.9
Intangible assets	342.1	331.7
Goodwill	1,490.1	1,490.1
Accrued benefit assets	33.2	33.0
	\$ 4,273.9	\$ 4,163.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank loans	\$ 0.1	\$ 0.3
Accounts payable	1,043.6	1,049.5
Income taxes payable	20.3	36.8
Current portion of long-term debt	5.1	7.3
	1,069.1	1,093.9
Long-term debt	1,038.9	1,116.6
Accrued benefit obligations	54.9	60.6
Future income taxes	139.0	115.0
Other long-term liabilities	33.7	44.2
Minority interest	6.0	9.8
	2,341.6	2,440.1
Shareholders' equity		
Capital stock (note 7)	714.8	709.0
Contributed surplus	2.0	1.6
Retained earnings	1,214.3	1,013.2
Accumulated other comprehensive income (notes 2 and 8)	1.2	—
	1,932.3	1,723.8
	\$ 4,273.9	\$ 4,163.9
<i>See accompanying notes</i>		

Consolidated Statements of Cash Flows

Periods ended September 29, 2007 and September 30, 2006
(Unaudited) (Millions of dollars)

	Fiscal Year		Fiscal Year	
	2007 (12 weeks)	2006 (13 weeks)	2007 (52 weeks)	2006 (53 weeks)
Operating activities				
Net earnings	\$ 57.6	\$ 78.9	\$ 276.6	\$ 253.0
Non-cash items				
Integration and rationalization costs (note 3)	6.0	—	6.6	5.3
Share of earnings in a public company subject to significant influence	(7.6)	(5.2)	(25.3)	(22.3)
Depreciation and amortization	39.7	42.7	165.7	177.9
Amortization of deferred financing costs	0.4	0.9	2.0	2.8
Loss on disposal and write-off of fixed and intangible assets	0.5	3.5	3.3	12.0
Gain on investments disposal	(1.4)	(10.5)	(1.4)	(10.5)
Future income taxes	2.3	(4.6)	14.0	(4.6)
Stock-based compensation cost	0.7	0.5	3.5	1.7
Difference between amounts paid for employee future benefits over current period cost	(4.0)	(10.6)	(5.9)	(20.2)
Minority interest	(2.5)	0.1	(3.6)	3.9
	91.7	95.7	435.5	399.0
Net change in non-cash working capital related to operations	(46.9)	(23.2)	(72.2)	(7.0)
	44.8	72.5	363.3	392.0
Investing activities				
Net change in investments and other assets	1.8	18.1	3.4	14.5
Dividend of a public company subject to significant influence	1.3	1.1	2.5	2.1
Acquisition of fixed assets	(60.3)	(63.8)	(229.7)	(170.7)
Disposal of fixed assets	—	5.6	8.5	12.8
Acquisition of intangible assets	(13.4)	(14.2)	(43.6)	(40.6)
	(70.6)	(53.2)	(258.9)	(181.9)
Financing activities				
Net change in bank loans	(0.4)	0.2	(0.2)	—
Issuance of shares (note 7)	0.1	0.4	11.1	5.4
Redemption of shares (note 7)	(28.4)	—	(28.9)	—
Acquisition of treasury shares (note 7)	—	(0.6)	(3.2)	(2.1)
Increase of long-term debt	0.5	—	3.3	601.5
Repayment of long-term debt	(76.6)	(103.4)	(84.8)	(692.0)
Net change in other long-term liabilities	(2.7)	3.8	(14.9)	(3.1)
Dividends paid	(13.2)	(12.0)	(51.8)	(47.5)
Distribution to minority interest	—	(0.4)	(0.2)	(0.4)
	(120.7)	(112.0)	(169.6)	(138.2)
Net change in cash and cash equivalents	(146.5)	(92.7)	(65.2)	71.9
Cash and cash equivalents – beginning of period	247.0	258.4	165.7	93.8
Cash and cash equivalents – end of period	\$ 100.5	\$ 165.7	\$ 100.5	\$ 165.7
Other information				
Interest paid	\$ 4.6	\$ 7.8	\$ 62.2	\$ 52.8
Income taxes paid	\$ 24.6	\$ 21.7	\$ 127.7	\$ 88.6

See accompanying notes

Consolidated Statements of Retained Earnings

Periods ended September 29, 2007 and September 30, 2006
(Unaudited) (Millions of dollars)

	Fiscal Year	
	2007 (52 weeks)	2006 (53 weeks)
Balance – beginning of year	\$ 1,013.2	\$ 807.7
Net earnings	276.6	253.0
Dividends	(51.8)	(47.5)
Share redemption premiums	(23.7)	–
Balance – end of year	\$ 1,214.3	\$ 1,013.2

See accompanying notes

Consolidated Statements of Comprehensive Income

Periods ended September 29, 2007 and September 30, 2006
(Unaudited) (Millions of dollars) (notes 2 and 8)

	Fiscal Year		Fiscal Year	
	2007 (12 weeks)	2006 (13 weeks)	2007 (52 weeks)	2006 (53 weeks)
Net earnings	\$ 57.6	\$ 78.9	\$ 276.6	\$ 253.0
Other comprehensive income				
Change in fair value of derivatives designated as cash flow hedges	(1.8)	–	1.2	–
Corresponding income taxes	0.6	–	(0.4)	–
Comprehensive income	\$ 56.4	\$ 78.9	\$ 277.4	\$ 253.0

See accompanying notes

Notes to Interim Consolidated Financial Statements

Periods ended September 29, 2007 and September 30, 2006
(Unaudited) (Millions of dollars, except for earnings per share)

1. Statement Presentation

The unaudited interim consolidated financial statements were prepared by management in accordance with Canadian generally accepted accounting principles. The accounting policies and procedures used in preparing these interim consolidated financial statements are the same as those used in preparing the audited annual consolidated financial statements for the year ended September 30, 2006, except for the new accounting policies described in note 2. The unaudited interim consolidated financial statements should be read along with the audited annual consolidated financial statements and notes to the statements in the Company's 2006 Annual Report. The operating results for the interim period covered do not necessarily reflect overall results for the fiscal year. Certain comparative figures have been reclassified to conform to the presentation being used in the current fiscal year.

2. New Accounting Policies

ADOPTED IN 2007

Comprehensive Income, Financial Instruments, and Hedges

In the first quarter of 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

Section 1530, *Comprehensive Income*, introduces a new financial statement which shows the change in equity of an enterprise from transactions and other events and circumstances from non-owner sources.

Section 3855, *Financial Instruments — Recognition and Measurement*, establishes standards for recognizing and measuring financial instruments, namely financial assets, financial liabilities and derivatives.

The new standard lays out how financial instruments are to be recognized depending on their classification. Depending on financial instruments' classification, changes in subsequent measurements are recognized in net income or comprehensive income.

The Company has implemented the following classification:

- Cash and cash equivalents are classified as "Financial Assets Held for Trading". These financial assets are marked-to-market through net income at each period end.
- Accounts receivable and loans to certain customers are classified as "Loans and Receivables". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method. For the Company, the measured amount generally corresponds to cost.
- Investments in companies are classified as "Available-for-sale Securities". These financial assets are marked-to-market through comprehensive income at each period end.
- Bank loans, accounts payable, credit facilities, notes, loans payable, and obligations under capital leases are classified as "Other Financial Liabilities". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method. For the Company, the measured amount generally corresponds to cost.

Section 3865, *Hedges*, whose application is optional, establishes how hedge accounting may be applied. The Company, in keeping with its risk management strategy, has decided to apply hedge accounting to its interest rate swaps and treat them as cash flow hedges. These derivatives are marked-to-market at each period end and resulting gains/losses are recognized in comprehensive income to the extent the hedging relationship is effective.

These new standards have to be applied without restatement of prior period amounts. Upon initial application all adjustments to the carrying amount of financial assets and liabilities shall be recognized as an adjustment to the opening balance of retained earnings or accumulated other comprehensive income, depending on the classification of existing assets or liabilities. The Company has recognized a \$0.4 adjustment to the opening balance of accumulated other comprehensive income with respect to the interest rate swaps designated as cash flow hedges. No adjustment has been recognized to the opening balance of retained earnings.

2. New Accounting Policies (cont'd)

ADOPTED IN 2006

Accounting by a Vendor for Consideration Given to a Customer (including a Reseller of the Vendor's Products)

The Company adopted, in the third quarter of fiscal 2006, EIC-156 *Accounting by a Vendor for Consideration Given to a Customer (including a Reseller of the Vendor's Products)*. Under this new standard, certain rebates granted by the Company to its retailers have to be reclassified as a reduction in sales rather than as cost of sales. The new standard must be applied retroactively with restatement of prior interim financial statements.

RECENTLY ISSUED

Capital and Financial Instruments

In December 2006, the CICA issued three new Handbook sections regarding capital and financial instruments, i.e. sections 1535, 3862 and 3863, which are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. The Company intends to apply these new standards in the first quarter ending December 22, 2007, and do not foresee that these new sections will have a material effect on its results, financial position and cash flows.

Section 1535 *Capital Disclosures* establishes standards for disclosing information about an entity's capital and how it is managed. These standards require an entity to disclose the following:

- its objectives, policies and processes for managing capital;
- summary quantitative data about what it manages as capital;
- whether during the period it complied with any externally imposed capital requirements to which it is subject;
- when the entity has not complied with such requirements, the consequences of such non-compliance.

Section 3862 *Financial Instruments – Disclosures* modifies the disclosure requirements for financial instruments that were included in Section 3861 *Financial Instruments – Disclosure and Presentation*. The new standards require entities to provide disclosures in their financial statements that enable users to evaluate:

- the significance of financial instruments for the entity's financial position and performance;
- the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

Section 3863 *Financial Instruments – Presentation* carries forward unchanged the presentation requirements of the old Section 3861 *Financial Instruments – Disclosure and Presentation*.

Inventories

In March 2007, the CICA issued the new Section 3031 *Inventories* which will replace Section 3030 *Inventories*. The new Section prescribes measurement of inventories at the lower of cost and net realizable value. It provides guidance on the determination of cost, allows the use of the retail method, prohibits use in the future of the last-in, first-out (LIFO) method, and requires reversal of previous write-downs when there is a subsequent increase in the value of inventories. It also requires greater disclosure regarding inventories and the cost of sales. The new standard will be effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The Company is currently evaluating their effect on its results, financial position and cash flows as well as the possibility of early application.

3. Integration and Rationalization Costs

During the period ended September 29, 2007, the Company completed its plan for the integration and rationalization of its operations following the acquisition of A&P Canada. This three-part plan dealt with the store network, the integration of overall operations, and the implementation of information systems at A&P Canada.

Over fiscal 2006, integration and rationalization plan costs amounted to \$28.0. Costs incurred over the 52-week period amounted to \$30.5, which includes \$14.1 in the fourth quarter of 2007.

By Nature of Project

	Incurred		2006 (53 weeks)	Total
	2007 (12 weeks)	2007 (52 weeks)		
Stores	\$ 6.2	\$ 8.4	\$ 11.9	\$ 20.3
Integration of operations	5.6	10.6	13.9	24.5
Implementation of information systems	2.3	11.5	2.2	13.7
	\$ 14.1	\$ 30.5	\$ 28.0	\$ 58.5

By Nature of Costs for the 12-Week Period

	Liability as at July 7, 2007	Incurred 2007 (12 weeks)	Paid 2007 (12 weeks)	Liability as at Sept. 29, 2007	Incurred 2006 (53 weeks)	Total
Retention bonuses, termination benefits and others	\$ 3.2	\$ 6.0	\$ 3.8	\$ 5.4	\$ 18.1	\$ 28.4
Training and IT implementation	—	2.3	1.0	1.3	2.2	13.7
Vacant premises	2.9	(0.2)	0.4	2.3	2.4	4.5
	\$ 6.1	\$ 8.1	\$ 5.2	\$ 9.0	\$ 22.7	\$ 46.6
Asset write-offs		6.0			5.3	11.9
		\$ 14.1			\$ 28.0	\$ 58.5

3. Integration and Rationalization Costs (cont'd)

By Nature of Costs for the 52-Week Period

	Liability as at Sept. 30, 2006	Incurred 2007 (52 weeks)	Paid 2007 (52 weeks)	Liability as at Sept. 29, 2007	Incurred 2006 (53 weeks)	Total
Retention bonuses, termination benefits and others	\$ 2.1	\$ 10.3	\$ 7.0	\$ 5.4	\$ 18.1	\$ 28.4
Training and IT implementation	—	11.5	10.2	1.3	2.2	13.7
Vacant premises	1.5	2.1	1.3	2.3	2.4	4.5
	\$ 3.6	\$ 23.9	\$ 18.5	\$ 9.0	\$ 22.7	\$ 46.6
Asset write-offs		6.6			5.3	11.9
		\$ 30.5			\$ 28.0	\$ 58.5

4. Employee Future Benefits

The Company offers several defined benefit and defined contribution plans that provide most participants with pension, other retirement and other post-employment benefits. The Company's defined benefit and defined contribution plan expenses were as follows:

	Fiscal Year				Fiscal Year			
	2007 (12 weeks)		2006 (13 weeks)		2007 (52 weeks)		2006 (53 weeks)	
	Pension plans	Other plans	Pension plans	Other plans	Pension plans	Other plans	Pension plans	Other plans
Defined contribution plans	\$ 5.0	\$ 0.3	\$ 5.1	—	\$ 25.0	\$ 0.5	\$ 22.1	\$ 0.3
Defined benefit plans								
Current service cost	\$ 4.9	\$ 0.5	\$ 6.9	\$ 0.2	\$ 23.7	\$ 1.4	\$ 23.1	\$ 1.0
Interest cost	7.2	1.0	7.1	0.4	28.3	2.0	25.6	2.0
Projected return on plan assets	(8.9)	—	(8.8)	—	(38.1)	—	(34.7)	—
Amortization of actuarial losses and past service cost	(0.2)	0.3	0.6	0.2	1.1	0.3	1.2	0.2
Plans modifications	0.5	(0.3)	0.3	—	0.5	(0.3)	0.3	—
	3.5	1.5	6.1	0.8	15.5	3.4	15.5	3.2
	\$ 8.5	\$ 1.8	\$ 11.2	\$ 0.8	\$ 40.5	\$ 3.9	\$ 37.6	\$ 3.5

5. Income Taxes

The effective income tax rates were as follows:

	Fiscal Year		Fiscal Year	
	2007 (12 weeks) %	2006 (13 weeks) %	2007 (52 weeks) %	2006 (53 weeks) %
Combined statutory income tax rate	32.2	31.8	32.3	31.8
Changes				
Impact of federal tax rate decrease of 0.5% (3.12% in 2006) on future taxes (\$1.8 in 2007 and \$9.4 in 2006)	—	(1.2)	(0.5)	(3.0)
Impact of Québec tax rate increase of 3% on future taxes (\$5.3 in 2006)	—	—	—	1.5
Share of earnings of a public company subject to significant influence	(1.4)	(0.6)	(0.9)	(0.8)
Gain on investments disposal	—	(1.3)	—	(0.4)
Other	1.3	0.6	0.5	0.3
	32.1	29.3	31.4	29.4

6. Earnings per Share

Basic earnings per share and fully diluted net earnings per share were calculated based on the following number of shares:

	Fiscal Year		Fiscal Year	
	2007 (12 weeks)	2006 (13 weeks)	2007 (52 weeks)	2006 (53 weeks)
<i>(Millions)</i>				
Weighted average number of shares outstanding – Basic	115.0	114.7	115.0	114.6
Dilutive effect of stock option plan and performance share units	1.5	1.2	1.6	1.3
Weighted average number of shares outstanding – Diluted	116.5	115.9	116.6	115.9

7. Capital Stock

Issued and Outstanding

	Class A Subordinate Shares		Class B Shares		Total
	Number (Thousands)		Number (Thousands)		
Balance as at September 30, 2006	113,852	\$ 707.3	880	\$ 1.7	\$ 709.0
Share issue	659	11.1	—	—	11.1
Transfer from contributed surplus – options exercised	—	0.4	—	—	0.4
Shares redeemed for cash, excluding premium of \$23.7	(822)	(5.2)	—	—	(5.2)
Conversion of shares	76	0.1	(76)	(0.1)	—
Acquisition of treasury shares, excluding premium of \$2.7	(82)	(0.5)	—	—	(0.5)
Balance as at September 29, 2007	113,683	\$ 713.2	804	\$ 1.6	\$ 714.8

Stock Option Plan

As at September 29, 2007, 3,738,160 stock options were outstanding at exercise prices varying from \$11.80 to \$39.17, with expiry dates up to 2014. Of these stock options, 2,611,780 could be exercised for an average weighted exercise price of \$20.28.

	Fiscal Year		Fiscal Year	
	2007 (12 weeks)	2006 (13 weeks)	2007 (52 weeks)	2006 (53 weeks)
Granted stock options during the period	64,000	84,400	199,600	264,500
Weighted average exercise price	\$ 37.16	\$ 30.06	\$ 37.55	\$ 30.41
Weighted average fair value	\$ 10.50	\$ 9.47	\$ 10.49	\$ 9.60

During the 52-week period of 2007, the weighted average fair value of stock options was established at the time of grant using the Black & Scholes model and based on the following weighted average assumptions: risk-free interest rate of 4.3% (2006 – 4.2%), expected six-year term (2006 – six-year term), anticipated volatility of 25.1% (2006 – 30%) and an anticipated 1.5% dividend yield (2006 – 1.5%).

The compensation expense for these stock options amounted to \$2.1 for the 52-week period of 2007 (2006 – \$1.3) and to \$0.4 for the fourth quarter of 2007 (2006 – \$0.3).

Performance Share Unit Plan

As of September 29, 2007, a total of 123,819 performance share units (PSUs) were outstanding. No PSUs were granted in the fourth quarter.

At the end of the fourth quarter, 154,000 shares were held in trust for participants until the PSUs shall have vested or been cancelled. None of these shares have been acquired during the fourth quarter.

A compensation expense of \$1.4 pertaining to PSUs was recorded in the 52-week period of 2007 (2006 – \$0.4), \$0.3 of which was recorded in the fourth quarter (2006 – \$0.2).

8. Accumulated Other Comprehensive Income

Derivatives designated as cash flow hedges constitute the sole item in Accumulated Other Comprehensive Income. The changes that occurred during the 52-week period were as follows:

	Fiscal Year	
	2007 (52 weeks)	2006 (53 weeks)
Adjusted opening balance due to the new accounting policies adopted regarding financial instruments (net of income taxes of \$0.2) (note 2)	\$ 0.4	\$ —
Change in fair value during the period (net of income taxes of \$0.4)	0.8	—
Balance – end of period	\$ 1.2	\$ —

9. Contingency

In January 2007, the Company was named in a suit brought by beneficiaries of a multiemployer pension plan. They claim that plan assets were mismanaged and are seeking, among others, damages of \$1 billion from the trustees and the employers. The Company is one of the 443 employers affected by the suit and did not participate in managing the plan. The Company forcefully contests the suit's merits and considers that it will have no future financial obligation relating to this recourse. The Company has recently received notice from counsel for the beneficiaries who have brought this suit indicating that he has received instructions from his client to discontinue the action against the employers including the Company.

10. Financial Instruments

The financial instruments' book values and fair values were as follows:

	As at September 29, 2007		As at September 30, 2006	
	Book value	Fair value	Book value	Fair value
Investments and other assets				
Available-for-sale financial assets				
Investments in companies	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Loans and receivables				
Loans to certain customers	\$ 9.1	\$ 9.1	\$ 8.6	\$ 8.6
Derivatives designated as cash flow hedges				
Interest rate swaps	\$ 1.8	\$ 1.8	\$ —	\$ 0.6
Long-term debt				
Other financial liabilities				
Credit facility A	\$ 394.5	\$ 394.5	\$ 469.3	\$ 469.3
Series A notes	200.0	186.2	200.0	199.8
Series B notes	400.0	356.6	400.0	410.3
Loans	10.7	10.7	10.4	10.4
Obligations under capital leases	38.8	50.2	44.2	53.7
	\$1,044.0	\$ 998.2	\$1,123.9	\$1,143.5

The fair value of cash and cash equivalents, accounts receivable, bank loans and accounts payable approximates their carrying value because of the short-term maturity of these instruments.

10. Financial Instruments (cont'd)

The fair value of investments in companies, public companies for the most part, is evaluated based on stock market prices at the balance sheet date.

The fair value of loans to certain customers, credit facilities and loans payable is equivalent to their carrying value since their interest rates are comparable to market rates.

The fair value of the derivative financial instruments generally reflects the estimates of the amounts the Company would receive by way of settlement of favourable contracts or that it would pay to terminate unfavourable contracts at the balance sheet date. The fair values of the interest rate swaps are calculated using the prices obtained from major financial institutions.

The fair value of notes represents the obligations that the Company would have to face in the event of the negotiation of similar notes under current market conditions.

The fair value of the obligations under capital leases represents the obligations that the Company would have to face in the event of the negotiation of similar leases under current market conditions.