METRO INTERNATIONAL S.A.
RESULTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31st DECEMBER 2009

"Metro's best quarter ever!"

Luxembourg, 4th February, 2010 – Metro International S.A. ("Metro International" or the "Group") (MTROA, MTROB), today announced its financial results for the fourth quarter ended 31st December 2009. Information was submitted for publication on 4th February, 2010 at 8:00 A.M. CET.

FOURTH QUARTER HIGHLIGHTS

- **Net revenues declined year-on-year by 2 percent in the fourth quarter adjusting for currency movements, closed and divested operations. Total net revenues decreased year-on-year by 26 percent to EUR 61.5 million (2008: EUR 83.5 million).**
- **The total operating profit in the fourth quarter was EUR 9.3 million (2008: total operating loss of EUR 1.6 million). Excluding closed and divested operations the operating profit was 9.3 EUR million (2008: operating profit of EUR 0.9 million).**
- **The net profit in the fourth quarter was EUR 5.9 million (2008: loss of EUR 9.8 million).**
- **Operating costs declined year-on-year in the fourth quarter by 13 percent adjusting for currency movements, closed and divested operations. Costs incurred at headquarters declined year-on-year by 27 percent.**
- **The basic net profit per share for the fourth quarter was EUR 0.011 and diluted profit per share was EUR 0.004 (2008: basic and diluted loss per share of EUR 0.015).**

FULL YEAR RESULTS

- **Net revenues decreased year-on-year by 7 percent for the full year adjusting for currency movements, closed and divested operations. Total net revenues decreased year-on-year by 25 percent to EUR 220.2 million (2008: EUR 295.5 million).**
- **The total operating loss for the full year was EUR 13.4 million (2008: loss of EUR 19.9 million). Excluding closed and divested operations the operating loss was EUR 3.0 million (2008: loss of EUR 6.0 million).**
- **The net loss for the full year was EUR 21.7 million (2008: profit of EUR 4.1 million[1]).**
- **Operating costs for the full year declined by 8 percent adjusting for currency movements, closed and divested operations. Costs incurred at Headquarters declined year-on-year by 23 percent.**
- **The basic and diluted net loss per share for the full year was EUR 0.04 (2008: basic and diluted profit per share of EUR 0.017).**

Per Mikael Jensen, President and CEO of Metro International, said: "The last quarter of 2009 proved to be a success for Metro newspapers around the world. We managed to deliver the highest profits in a single quarter ever, despite the world economy still recovering from the financial crisis. I am grateful to all our employees and managers who have proven that Metro's business model is adaptable to changes in the economic climate. We want to continue to keep costs low for 2010 whilst working hard to increase revenues. We enter 2010 with a stronger market position in most of our markets."

[1] Including profit of EUR 37.3 million on sales of shares in Metro Sweden to Schibsted and acquisition of 24 Timer from JP/Politiken

Per Mikael Jensen continues:

The fourth quarter profit is the best quarterly profit in the history of Metro International. The Group delivered a total operating profit excluding closed and divested operations of EUR 9.3 million in the fourth quarter, compared to a profit of EUR 0.9 million in 2008. The successful implementation of the Group's strategy (consolidation in mature markets, expansion in emerging markets, product development and strong focus on profitability) has helped us move in the right direction.

Despite continuous challenging market conditions in the fourth quarter, performance of the subsidiaries has improved. All subsidiaries other than Hungary and Greece are profitable in the fourth quarter and for the full year. Operating costs are down by 13 percent in the fourth quarter due to the full effect of cost saving measures implemented throughout the year – mainly optimisation of circulation and pagination, better terms with key suppliers and lower overheads. Associates have performed well in the fourth quarter and have contributed EUR 1.5 million to the Group's EBIT. In 2009, Metro Canada became the biggest Metro operation in terms of total sales for Green Metro thanks to sales growth of 10 percent.

Sales in the fourth quarter are almost at last year's levels. Excluding currency movements, closed and divested operations sales are down 2 percent in the fourth quarter, compared to 13 percent down in the first and second quarters, and 8 percent down in the third quarter. Going forward the focus is profitability – top line growth while maintaining the current lower cost base.

The advertising market

2009 was a tough year in the newspaper industry. The latest industry forecast[2] suggests that the newspaper advertising market is expected to decrease by 17 percent in 2009 globally and by 23 percent in countries where Metro was published. In comparison, total Metro sales adjusting for currency movements, closed and divested operations was down by only 7 percent for the full year 2009.

It is interesting to note that Metro's performance is more in line with the development of the total advertising market, forecasted to decrease by 10 percent in 2009[3], than the newspaper advertising market. Paid for newspapers are experiencing long term structural changes and declining circulation. This is driven by ageing readership and changing media habits, for example reluctance to pay for content and rapid migration to digital platforms in segments such as classifieds where paid for newspapers are heavily exposed. Metro's readership has remained strong with the number of readers per copy going up in most markets.

Developing the business

A cornerstone of the Group's strategy to secure long term growth is to improve the quality of the product and enhance the brand perception. The new design for Metro's layout has already been introduced in 15 countries. During 2009 we invested in Metro World News ("MWN"), the global news desk based in London. More pages in all Metro newspapers now contain high-quality unique content produced by MWN, providing both a cost and a competitive advantage. The development of MWN has been supported by a global branding campaign titled "there are things only the world's largest newspaper can do". We intend to grow MWN even stronger in 2010. Furthermore, Metro executed its largest global marketing campaign ever during the fourth quarter – Metro Global Photo Challenge. The competition, held for the third consecutive year, is becoming recognized as the world's largest photo competition with 135,000 photos submitted from 18 countries.

Outlook

Metro's competitive standing relative to both paid and free newspapers is strong. The company is well positioned to benefit from a recovery of the global advertising market – although the outlook remains uncertain. However, with the flexible low cost model and the fact that there are no heavy loss-making operations remaining in the Group, we look forward to 2010 with excitement.

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[2] Zenith Optimedia Dec 2009

[3] Ibid

FINANCIAL SUMMARY

€ '000	Q4 2009	Q4 2008	2009	2008
Net Revenue	**61,504**	83,528	**220,232**	295,475
Operating profit / (loss)	**9,337**	(1,579)	**(13,420)**	(19,954)
Profit / (loss) on sale of shares in subsidiaries	**51**	(308)	**(6,606)**	37,261
Operating profit / (loss) before financial items and tax	**9,388**	(1,887)	**(20,026)**	17,307
Net interest & other financial items	**(1,368)**	(3,020)	**(3,939)**	(2,832)
Profit / (loss) after financial items and before tax	**8,020**	(4,907)	**(23,965)**	14,475
Tax	**(2,132)**	(4,858)	**2,315**	(10,409)
Net profit / (loss)	**5,888**	(9,765)	**(21,650)**	4,066
Earnings per share				
Basic earnings / (loss) per share (EUR)	0.011	(0.015)	(0.040)	0.017
Diluted earnings / (loss) per share (EUR)	0.004	(0.015)	(0.040)	0.017

Unless otherwise indicated, all commentaries in this section are based on measures used by management to assess business performance. These measures are non-IFRS methods which management consider useful for the understanding of the Group's performance. The disclosures of closed/divested operations in the condensed consolidated interim financial information and segment information have been made in accordance with IFRS 5 requirements (refer to note 4 on page 18). Accordingly, classification of operating performance and analysis of the results for the fourth quarter presented in this section of the report will differ from what is presented in the interim financial information from page 13 to page 25 in this report. In the interim financial information it is only the divested business in the US that has been classified as discontinued, whereas in the other parts of this interim report, closed/divested operations also includes the operations in Spain, Portugal and Italy.

The table below presents a reconciliation of revenues and operating profit/(loss) between the figures presented in the Financial Summary table above and the condensed consolidated interim statement of comprehensive income provided on page 13 in this report.

€ '000	Page Ref:	Q4 2009	Q4 2008	2009	2008
Net revenue:					
Net Revenues in Financial Summary	Page 3	**61,504**	83,528	**220,232**	295,475
Adjustments:					
Net sales from discontinued operations (United States)	Page 19	-	6,462	8,793	22,864
Net Revenue in Condensed Consolidated Interim Statement of Comprehensive Income	Page 13	**61,504**	77,066	**211,439**	272,611
Operating profit / (loss):					
Operating profit / (loss) in Financial Summary	Page 3	**9,337**	(1,579)	(13,420)	(19,954)
Adjustments:					
Profit /(loss) from sale of shares in subsidiaries (*)	Page 13	37	(308)	(243)	37,261
Operating profit /(loss) from discontinued operations	Page	-	(1,083)	(3,360)	(5,342)
Operating profit / (loss) in Condensed Consolidated Interim Statement of Comprehensive Income	Page 13	**9,374**	(804)	**(10,303)**	22,649
Adjustments					
Net profit /(loss) from discontinued operations -net of tax	Page 13	14	(1,083)	(9,723)	(5,342)
Operating profit / (loss) before financial items and tax	Page 3	**9,388**	(1,887)	**(20,026)**	17,307
Operating profit / (loss) excluding closed and divested operations:					
Operating profit /(loss) in Financial Summary	Page 3	9,337	(1,579)	(13,420)	(19,954)
Adjustments:					
Contribution from closed (divested operations) - print		73	(2,366)	(10,224)	(13,328)
Contribution from closed (divested operations) - online		-	(132)	(150)	(566)
		9,264	**919**	**(3,046)**	**(6,060)**

(*) Represents sale of shares in subsidiaries not classified as discontinued operations.

GROUP OVERVIEW

Metro International, its subsidiaries, associated companies and franchises publish free-of-charge newspapers, Monday to Friday. As at 31st December 2009, Metro editions were published in over 100 major cities in 19 countries across Europe, Asia, North and South America. Metro International has a global reach – attracting a young, active, well-educated, metropolitan audience – of 17 million daily readers.

Readership and circulation

Metro International's latest published readership figures increased by 4 percent year-on-year in the fourth quarter 2009 to 17.0 million (2008: 16.4 million adjusted for Spain). Like for like, daily readership was down by 3 percent year-on-year in 2009, but geographical expansion in Russia and the Americas contributed with 1.1 million readers to compensate for the loss.[4]

Daily Readership per country ('000s)	Q4'09	Q4'08	Change YoY
France*	2,534	2,419	5%
Netherlands*	1,875	1,831	2%
Italy	1,623	1,934	-16%
Sweden*	1,560	1,608	-3%
Russia (St Petersburg*, Moscow)	1,468	736	100%
USA	1,211	1,245	-3%
Canada	1,180	1,092	8%
Denmark*	822	828	-1%
Hong Kong*	740	742	0%
Korea	721	808	-11%
Portugal	501	643	-22%
Hungary*	491	504	-3%
Brazil (SP)	406	188	116%
Czech rep.	405	462	-12%
Mexico	380	380	0%
Chile*	332	364	-9%
Finland	310	330	-6%
Greece*	299	280	7%
Ecuador	148		0%
TOTAL	**17,007**	**16,393**	**4%**

*controlled operations

Source: latest published National Readership Survey (2008-09) except Mexico and new editions in Brazil (estimate)

In Metro International's nine controlled operations, the total average daily circulation decreased by 9 percent year-on-year in the fourth quarter (excluding the closed and divested operations: US, Spain, Italy, Portugal but including St Petersburg). Despite decreasing the circulation, Metro International was able to maintain the total daily readership for the nine controlled operations thanks to the increase in the number of readers per copy to 2.9. Metro ranks number 1 or 2 in readership in seven out of nine markets (Sweden, Denmark, Netherlands, France, Greece, Hungary and St Petersburg).

In Metro International's eleven associated newspapers and franchise operations (including the US, Italy, Portugal, Ecuador and Moscow), the daily circulation was approximately 4.3 million which represents a year-on-year increase of 58 percent, primarily due to re-classification of divested subsidiaries into franchises, the launch of the Moscow edition in Russia, two editions in Ecuador and two editions in Brazil. Since the re-launch in Moscow in March 2009, daily readership has increased by 90 percent to 775,000 daily readers and Metro managed to attain the position as the most read paper in Moscow by the end of the year[5]. Daily readership in Brazil more than doubled as a result of a 60 percent readership increase of the Sao Paulo City edition[6] and the launch of two new editions in the Sao Paulo region.

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[4] Moscow (Russia), Quito/Guayaquil (Ecuador), ABC/Santos (Brazil) and Halifax (Canada)

[5] Source: TNS Gallup Russia NRS (May-Oct 2009)

[6] Source: Ipsos Marplan (Oct08-Sep09)

Metro International's total daily circulation, including subsidiaries, associates and franchise editions, was 7.7 million in the fourth quarter, which makes Metro the third largest daily newspaper in the world and the world's largest international newspaper. At the end of December 2009, Metro was the highest circulated newspaper in seven of these markets (Sweden, Denmark, Russia, Hungary, Canada, Mexico and Sao Paulo, Brazil).

SEGMENTAL OPERATING REVIEW

Sweden

Metro Sweden publishes daily Metro editions in Stockholm, Gothenburg, Skåne and nationally, covering Sweden's largest cities (together referred to as "Green Metro"), a weekly real estate newspaper "Metro Bostad" (Metro Real Estate) distributed in Skåne, a weekly technology paper aimed at students, "Metro Teknik" and a student magazine for universities "Metro Student". Metro Sweden has 1.6 million daily readers nationwide and is the most read newspaper in Sweden.

€ '000	**Q4 2009**	Q4 2008	**2009**	2008
Net Sales	**17,004**	19,025	**52,328**	67,255
EBIT	**3,446**	3,744	**5,006**	7,593
EBIT %	**20%**	20%	**10%**	11%
Number of daily editions at 31st December	**4**	4	**4**	4

Note: *Excludes Online*

Metro Sweden's sales in local currency declined year-on-year by 8 percent in the fourth quarter. Sales were weighed down by a weak October with declining sales of 21 percent year-on-year. December, on the other hand, saw sales growth of 10 percent, resulting in the best ever December profit in the history of Metro Sweden. Full year local currency sales decreased by 14 percent.

Metro Sweden reported an EBIT result in the fourth quarter of EUR 3.4 million with maintained EBIT margin of 20 percent. The full year EBIT was EUR 5.0 million.

In January, a supplementary agreement between Metro Sweden and SL (Stockholm Public Transport) for distribution of the Metro newspaper in the public transportations system in Stockholm was signed. The previous agreement, due to expire on 31 December 2010, was turned into an ongoing contract with a fifteen months termination clause on behalf of SL. No other significant changes to the agreement were made.

Northern Europe

Northern Europe is comprised of the Group's operations in the Netherlands, Denmark and Hungary.

€ ' 000	**Q4 2009**	Q4 2008	**2009**	2008
Net Sales	**18,597**	20,289	**63,853**	68,915
EBIT	**2,790**	(37)	**2,079**	2,535
EBIT %	**15%**	(0%)	**3%**	4%
Number of daily editions at 31st December	**9**	11	**9**	11

Note: *All figures exclude Online.*

In the fourth quarter, Northern Europe reported a sales decline in local currency year-on-year of 8 percent and by 6 percent for the full year, mainly due to a sales drop in the Netherlands. Yet, the EBIT result for the region improved substantially in the fourth quarter compared to the same period last year reporting a profit of EUR 2.8 million compared with a loss of EUR 0.04 million, much attributed to the substantial EBIT improvement in Denmark. The full year EBIT profit was EUR 2.0 million.

In Denmark, total local currency sales excluding the distribution subsidy for Metro International's two titles, MetroXpress and 24 Timer, decreased year-on-year by 10 percent in the fourth quarter. For the full year local currency sales increased by 5 percent, including 24 Timer which was consolidated 1 July 2008. The two titles recorded substantial EBIT improvements and were together profitable in the fourth quarter. Excluding restructuring costs Denmark was profitable also for the full year. The new sales and distribution strategy which was implemented during the third quarter, by making MetroXpress the stronger title in the eastern parts of Denmark and 24 Timer the stronger paper in the western parts, has resulted in more advertisers buying into both titles.

In the Netherlands, fourth quarter local currency sales decreased year-on-year by 18%, mainly due to lower recruitment sales. Despite the 18 percent sales drop, EBIT-margins in the quarter were maintained. Full year local currency sales decreased by 23 percent and margins were pressured although the Netherlands remains a highly profitable operation. In January, Metro Netherlands announced that is has prolonged the contract with Nederlandse Spoorwegen (Dutch Railways) to distribute Metro newspapers at railway stations until 31 December 2020.

Hungary's local currency sales decreased year-on-year by 7 percent in the fourth quarter, which is an improvement from previous quarters in 2009. However, sales growth was reported in December which helped reduced the EBIT loss in the quarter. Full year local currency sales decreased by 14 percent and the EBIT loss increased by EUR 0.9 million. The sales partnership with Axel Springer launched in September, the largest publishing group in Hungary, has been well received in the market. In January, Metro Hungary implemented the re-designed layout of the paper and simultaneously introduced the smaller Half Berliner format printed with heat-set technology. The new printing contract facilitated by the partnership will reduce print and paper costs in 2010.

Southern Europe

Following the closure of the operation in Spain and the divestment of the operations in Portugal and Italy, Southern Europe consists of the operations in France and Greece.

€ '000	**Q4 2009**	Q4 2008	**2009**	2008
Net Sales	**11,859**	26,377	**51,091**	95,150
EBIT	**2,970**	75	**(6,552)**	(8,908)
EBIT %	**25%**	0%	**(13%)**	(9%)
Excluding Spain, Portugal and Italy				
Net Sales	**11,859**	12,923	**37,537**	43,548
EBIT	**2,894**	1,396	**267**	(1,005)
EBIT %	**24%**	11%	**1%**	(2%)
Number of daily editions at 31st December	**10**	27	**10**	27

Note: *Excludes Online*

In the fourth quarter sales in Southern Europe declined year-on-year by 8 percent excluding Spain, Portugal and Italy and by 14 percent for the full year. Despite difficult market conditions, the EBIT result for the region excluding Spain, Portugal and Italy improved in the fourth quarter to a profit of EUR 2.9 million compared to a profit of EUR 1.4 million the same quarter the previous year. The segment was profitable also for the full year, mainly thanks to strong EBIT improvements in Metro France.

Sales in France decreased in local currency by 4 percent year-on-year in the fourth quarter and by 11 percent for the full year, partly due to a strategy of increasing focus on high margin business. Therefore, Metro France's EBIT contribution more than doubled in the fourth quarter. France constitutes a highly competitive market and in order to secure and develop its position Metro France has introduced a differentiation strategy focusing on product launches addressing new advertising segments. Combined with a strong cost control, these measures have allowed Metro France to return to full year profitability.

In Greece, sales declined in local currency year-on-year by 48 percent in the fourth quarter and by 35 percent for the full year as a result of the declining advertising market. Metro in Greece has implemented cost cutting measures during the quarter to minimize the impact of the declining sales. In the fourth quarter and for the full year Metro Greece reported a small EBIT loss.

Rest of the World

The Rest of the World segment comprises the operations in Hong Kong, Chile and St. Petersburg (Russia).

€ ' 000	Q4 2009	Q4 2008	2009	2008
Net Sales	**10,869**	7,879	**33,300**	29,593
EBIT	**2,549**	743	**5,269**	3,871
EBIT %	**23%**	9%	**16%**	13%
Number of daily editions at 31st December	**3**	2	**3**	2

Note: *Excludes Online*

Sales in the Rest of the World segment increased year-on-year by 15 percent in the fourth quarter and were lower by 3 percent for the full year excluding St Petersburg. The segment reported EBIT profits of EUR 2.5 million for the fourth quarter compared with a profit of EUR 0.7 million in the same period last year. For the full year the segment reported a profit of EUR 5.2 million compared to EUR 4 million in the same period last year.

Sales in Hong Kong increased year-on-year in local currency by 13 percent in the fourth quarter, thereby confirming the signs of recovery that were noticed during the third quarter. Full year local currency sales decreased by 8 percent. A strong EBIT profit was also reported both on the quarterly and yearly basis, constituting a further improvement compared to the equivalent periods last year. The positive EBIT development was driven by a combination of increasing sales and a favourable cost position due to previous cost saving measures. The magazine Metro POP significantly improved its EBIT over 2008 and now represents 14 percent of total sales of Metro Hong Kong.

Metro Chile reported year-on-year sales growth of 14 percent in local currency in the fourth quarter and growth of 2 percent for the full year. EBIT improved in the fourth quarter although EBIT margins were under some pressure for the full year. In 2009, Metro invested in magazine and online businesses by acquiring controlling interest in the Publimetro Magazine Group and Diario Pyme. These businesses are expected to improve their performance in 2010 thanks to synergies.

In the fourth quarter, St. Petersburg maintained its operating margins compared to the same period previous year, partly driven by synergies both on the cost and sales side following the launch of Metro Moscow.

Associates

Metro International owns non controlling equity interests through its associated companies in Seoul (South Korea), Brazil, Mexico, Czech Republic and in its strategic investment in Chile (SubTV). In Canada, Metro International has a majority equity stake in the Toronto and Montreal sales companies (revenues in these companies are reported in other segments - refer page 19) as well as non controlling equity stakes in the publication companies in Canada. Metro International has an overall financial interest of 50 percent in all of the Canadian Metro operations except for Halifax, in which the group holds an indirect financial interest of 16.7 percent.

<u>Metro International's share of net profit/ (loss) of the Associates consolidated in the results</u>

€ '000	Q4 2009	Q4 2008	2009	2008
Net profit / (loss) - Metro's share	**1,513**	609	**1,386**	1,418
Number of daily editions at 31st December	**16**	14	**16**	14

The Group's total share of the net earnings of associated companies was a profit of EUR 1.5 million in the fourth quarter compared to a gain of EUR 0.6 million in the same period last year.

Sales (100 percent) from associated companies not consolidated in Metro International's revenues

€ '000	Q4 2009	Q4 2008	2009	2008
Canada	**16,872**	13,668	**50,597**	46,522
South Korea	**4,917**	5,040	**15,538**	19,971
Brazil	**4,234**	2,631	**11,307**	8,602
Mexico	**2,875**	2,425	**8,033**	6,873
Czech Republic	**2,597**	4,041	**8,885**	10,271
Chile (Sub TV)	**790**	642	**2,269**	1,638
Total	**32,285**	28,447	**96,629**	93,877

Metro Canada's local currency sales increased by 22 percent year-on-year in the fourth quarter, making Metro Canada the biggest operation in terms of total sales in Green Metro for 2009. Full year local currency sales have increased by 10 percent. Higher sales, in combination with a lower cost base, have resulted in significant EBIT growth in the fourth quarter and the full year. Metro International owns 50 percent of Metro Canada.

Metro Seoul, in which Metro International holds a 29.99 percent equity interest, reported a 4 percent decline in local currency sales year-on-year in the fourth quarter and a decline by 14 percent for the full year. Despite being in a highly competitive market, Metro Seoul reported an EBIT profit in the quarter and for the full year.

Metro Mexico, in which Metro International holds a 49 percent equity interest, reported a year-on-year local currency sales growth of 35 percent both in the quarter and for the full year, with growth in both Monterrey and Mexico City. Monterrey became profitable in November, only 12 months after the launch, and the total EBIT contributions from Mexico continues to grow in the quarter as well as for the full year.

During the quarter, Metro in Brazil reported a 48 percent year-on-year increase in local currency sales and the operation delivered a strong EBIT margin. Full year local currency sales increased by 37 percent. Metro International has a 30 percent equity interest in its Brazilian venture. The re-designed layout of the Metro newspaper was introduced in November, simultaneously as Metro was expanded into two additional areas in the Sao Paulo region.

Metro in the Czech Republic reported a local currency sales drop of 12 percent year-on-year in the fourth quarter and a drop of 8 percent for the full year, resulting in an EBIT loss. Metro International has a 40 percent equity interest in Metro Czech Republic.

The Chilean advertising company SubTV, in which Metro International's operation in Chile holds a 35 percent equity interest, reported a year-on-year sales increase of 24 percent and an improved EBIT in the fourth quarter.

Online

Metro International consolidates operational results from online activities in Sweden, Denmark, the Netherlands, Hungary, France, Chile and St Petersburg.

€ '000	Q4 2009	Q4 2008	2009	2008
Revenue	500	281	**1,252**	691
EBIT				
Operation Websites	**(357)**	(926)	**(2,006)**	(3,253)
Central Team and Infrastructure	**(444)**	(549)	**(2,673)**	(2,201)
Total	**(801)**	(1,475)	**(4,679)**	(5,454)

During the fourth quarter, revenues generated from Online increased by 78 percent to EUR 0.5 million. Year-on-year, the operating loss for the online business decreased by EUR 0.7 million to EUR 0.8 million in the fourth quarter due to rationalization of costs and revenue growth. EBIT for the twelve months period ended 31st December 2009 were lower by EUR 0.8 million. Metro International intends to continue to roll out its interactive properties in Europe, Latin America and Asia, a move which furthers the strategy of establishing a significant presence in key markets. Presently, further strategic developments in mobile and other digital touch-points are being assessed.

Metro Sweden (www.metro.se) saw strong growth of 112 percent in its online revenues during the fourth quarter compared to the same period last year. The recently launched Syoguiden.com, one of the largest guides for education, and Metrojobb.se played a major part in the revenue increase. The online operation delivered its first profit in December.

MetroXpress in Denmark (www.metroxpress.dk) saw a strong quarter online, with a 34 percent increase in traffic to its Clubmetroxpress.dk site. Further highlights include the November launch of metropenge.dk, a niche personal finance offering, the launch of the loyalty program 24xtra and healthy growth in audience and revenues for the main Metro and 24.dk sites.

Metro France (www.metrofrance.com) has increased average monthly unique visitors by 60 percent in the fourth quarter compared to the same period last year. The strong improvement can be attributed to the new design launched in September and an emphasis on unique editorial content, which ranks well in search engines. Also contributing to audience growth have been numerous successful Club Metro campaigns and the ongoing popularity of Metro Poker (www.metropoker.fr).

Publimetro Chile (www.publimetro.cl) re-launched its news offering on the strategic platform in November.

The English-language iPhone application launched by Metro Canada (www.metronews.ca) in September 2009, was followed by a French version in November. This established Metro as the first paper to deliver a bilingual news application on iPhone in North America. The service was well received and December saw impressive traffic with over 1.2 million page views.

Publimetro Mexico (www.publimetro.com.mx) launched the strategic platform in the third quarter of 2009 and six months after launch the site is delivering healthy revenue growth.

Headquarters

Metro International's Headquarters is comprised of several functions that provide operational support throughout the Group's global network and strategic services that are shared between operations. At the end of 2009 most of the Group's central functions were relocated from London to Stockholm. The relocation cost was EUR 0.5 million.

Revenues generated by Metro's Headquarters include Franchise Income and Other Income. Other Income is derived from the Logistics function as well as from commission generated by the Global Sales function. Franchise fees in the fourth quarter 2009 comprised fees from the Group's franchisees in South Korea, Russia (Moscow), Brazil, Mexico, Ecuador, Italy and Finland.

Headquarters costs are generated from several functions that provide services and support to the operations as well as from management and administrative functions. The main share of the costs for services and support to the operations is generated from functions such as IT, Global Sales, Metro World News ("MWN"), Logistics and Operational Management Support. Other important functions at Headquarters are Metro Life Panel, and the Global Marketing function. The majority of expenses incurred in relation to the Management and Administration functions include costs for senior management as well as for the Finance and Corporate Development functions. Other overhead costs comprise Internal Audit, Human Resources, Investor Relations and general office costs.

€ '000	Q4 2009	Q4 2008	2009	2008
Revenues				
Franchise Income	**505**	963	**2,021**	2,624
Other activities	**571**	745	**1,966**	2,984
Total	**1,076**	1,708	**3,987**	5,608
Costs				
Shared Operational Costs	**(1,707)**	(2,234)	**(6,654)**	(9,079)
Management & administration	**(2,500)**	(3,548)	**(9,902)**	(12,491)
Total	**(4,207)**	(5,782)	**(16,556)**	(21,570)

Headquarters Revenues

Headquarter revenues declined year-on-year by 37 percent in the fourth quarter to EUR 1.1 million. The decline in revenues is a result of lower income generated within the logistics functions following a reduction of global paper purchases, and lower income from Franchise fees following the acquisition of a controlling interest and subsequent consolidation of the St Petersburg edition.

Headquarters Costs

In the fourth quarter 2009, total costs relating to Metro International's Headquarters decreased year-on-year by 27 percent. The cost reductions are mainly a result of a decrease in Headquarters staff levels.

Shared operational costs at Headquarters have been significantly reduced year-on-year. This is the effect of the cost cutting programs that were undertaken during 2009.

Metro International has decided to internally fund the external business development of its software development division. Metro will consider a possible divestment at a later date as the business matures.

FINANCIAL REVIEW

Cash Flow

In the full year 2009, total cash and cash equivalents increased by EUR 0.5 million to EUR 20.2 million. During the year, the Group raised EUR 46.2 million in net proceeds from the issue of subordinated debentures and warrants. The proceeds were mainly used for re-payment of the revolving multicurrency bank facility of EUR 28.7 million and funding operating losses and closure/divestment costs. One offs cash costs related to closure/divestments of operations and restructuring amounted to EUR 11.4 million (as disclosed in one-offs table in third quarter press release).

The disposal of the US operations resulted in a net cash outflow during the period aggregating EUR 3.0 million (refer note 11) and the sale of Metro Portugal and Italy resulted in net cash inflow aggregating EUR 0.5 million.

The Group made an investment of EUR 1.0 million and EUR 0.3 million for the acquisitions of 58.5% in Metro St Petersburg and 15% equity in Metro Ecuador respectively.

In November, the Swedish Administrative Court of Appeal dismissed the appeal regarding advertising tax levied on Metro International's publishing entity in Sweden. This decision has been appealed in the Supreme Administrative Court. The tax, which amounts to SEK 90 million, has not yet been paid since the Group has been granted a deferral of the payment until a decision has been taken by the Supreme Administrative Court, but was fully provided for in the 2007 accounts.

Group Net Debt

Excluding the subordinated debentures as at 31st December 2009, the Group had a positive net debt position of EUR 11.5 million, which represents an improvement of EUR 29.1 million compared to 31st December 2008. Net debt comprised of cash and cash equivalents of EUR 20.2 million, loans payable to non controlling shareholders of EUR 6.1 million, and other short-term bank loans of EUR 2.6 million.

The liability component of the rights issue represents the present value of the nominal amount of the subordinated debenture and aggregated EUR 32.5 million as at 31st December 2009 (refer to note 7).

Financial items
Net financial items for the year ended 31st December 2009 aggregated to a loss of EUR 4.0 million (2008: loss of EUR 2.8 million) and comprised mainly of the following items:

Interest (net)

- Interest income of EUR 0.5 million (2008: EUR 1.0 million) mainly on loans outstanding with associated companies and group cash balances; and

- Interest costs aggregating to EUR 3.5 million (2008: EUR 3.7 million). Interest costs mainly represent interest on the multicurrency revolving credit facility until date of repayment and amortisation of the subordinated debentures. The cash component of the interest will be paid at the time of the redemption of the debentures (refer to note 7).

Exchange movements
The net foreign exchange loss for the full year ended 31st December aggregating to EUR 0.4 million (2008: gain of EUR 3.1 million) is mainly related to translation of monetary items in the Parent Company denominated in currencies other than SEK. The functional currency of the Parent Company changed from USD to SEK as from 1st January 2009.

Other financial items
Other financial items of EUR 0.5 million mainly relate to an impairment loss due to finalisation of the agreement to transfer equity stake in Ireland and fees to non controlling shareholders in Denmark.

Net Tax Charges and Utilization of Deferred Tax Assets
The Group's net deferred tax asset as at 31st December 2009 was EUR 3.2 million (2008: EUR 4.1 million).

A deferred tax asset and liability of EUR 5.1 million respectively was recorded in connection with the Rights Issue during the year ended 31st December 2009 (refer to note 7). The deferred tax asset and liability are netted off in the balance sheet.

The net deferred tax charge in 2009 aggregated to a gain of EUR 4.1 million, whereof a gain of EUR 5.1 million relating to the Rights Issue and a loss of EUR 1.0 million relating to utilization of tax losses to offset taxable profits in Sweden.

Non controlling interests
The net result for the year attributable to non controlling interests in the Group's subsidiaries was a loss of EUR 0.5 million (2008: loss of EUR 4.6 million).

On disposal of the subsidiaries during the year ended 31st December 2009, receivables from non controlling interests' at the date of disposal have been adjusted through the income statement or directly in equity.

Shares Outstanding
The total number of issued and outstanding shares at 31st December 2009 was 528,009,229.

The potential dilutive shares as at 31st December 2009 aggregated as shown below:

Dilutive shares as at 31 December 2009	No of shares
Warrants	1,319,531,478
CEO shares	2,777,942
Directors shares	1,180,744
	1,323,490,164

THE BOARD OF DIRECTORS' STATEMENT

The Board of Directors declare, to the best of our knowledge, that the condensed consolidated interim financial information from page 13 to 25, which has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial position and profit or loss of Metro International S.A, and undertakings included in the consolidation as a whole.

A complete set of financial statements will be subject to the approval of the Board of Directors of Metro in April 2010 after the completion of the audit. The annual report will be published in April 2010 on the Groups website and the Annual General Meeting for the year ended 31st December 2009 will take place in Luxembourg on 27th May 2010.

The Board of Directors

Luxembourg, 4th February 2010.

Metro International SA
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P.O. BOX 285
L-2132 Luxembourg
Registration no: B73790

AUDIT STATEMENT

This interim report has not been subject to review by the Group's auditors.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Condensed Consolidated Interim Statement of Comprehensive Income

€ '000	Q4 2009	Q4 2008	2009	2008
Continuing operations				
Net Sales	**60,264**	77,066	**206,815**	272,611
Other income	**1,240**	-	**4,624**	-
Net revenue	**61,504**	77,066	**211,439**	272,611
Cost of production	**(30,793)**	(45,762)	**(128,304)**	(169,177)
Gross income	**30,711**	31,304	**83,135**	103,434
Selling expenses	**(12,814)**	(17,822)	**(51,491)**	(68,673)
Administrative expenses	**(10,073)**	(14,587)	**(43,090)**	(50,791)
Profit/(loss) on sale of shares in subsidiaries	**37**	(308)	**(243)**	37,261
Share of earnings /(losses) in associated companies	**1,513**	609	**1,386**	1,418
Operating profit / (loss)	**9,374**	(804)	**(10,303)**	22,649
Interest (net)	**(1,028)**	(67)	**(3,015)**	(2,670)
Net foreign exchange gain / (loss)	**(812)**	(947)	**(426)**	3,072
Other financial items	**472**	(2,006)	**(498)**	(3,234)
Financial items	**(1,368)**	(3,020)	**(3,939)**	(2,832)
Profit / (loss) before income tax	**8,006**	(3,824)	**(14,242)**	19,817
Current tax (expense) /credit	**(1,145)**	(774)	**(1,816)**	(1,213)
Deferred tax (expense) / credit	**(987)**	(4,084)	**4,131**	(9,196)
Tax	**(2,132)**	(4,858)	**2,315**	(10,409)
Net profit / (loss) from continuing operations	**5,874**	(8,682)	**(11,927)**	9,408
Discontinued operation (refer note 4)				
Net profit / (loss) from discontinued operation (net of income tax)	**14**	(1,083)	**(9,723)**	(5,342)
Net profit / (loss)	**5,888**	(9,765)	**(21,650)**	4,066
Other comprehensive income / (expense)				
Foreign currency translation differences	**1,059**	4,443	**4,749**	(1,514)
Total comprehensive income for the period	**6,947**	(5,322)	**(16,901)**	2,552
Net profit /(loss) attributable to:				
Equity holders of the parent	**5,623**	(7,761)	**(21,117)**	8,712
Non Controlling interest	**265**	(2,004)	**(533)**	(4,646)
Net profit / (loss)	**5,888**	(9,765)	**(21,650)**	4,066
Total comprehensive income attributable to:				
Equity holders of the parent	**5,576**	(3,402)	**(16,528)**	7,471
Non Controlling interest	**1,371**	(1,920)	**(373)**	(4,919)
Total comprehensive income for the period	**6,947**	(5,322)	**(16,901)**	2,552
Basic weighted average number of shares outstanding	**528,009,229**	527,812,591	**527,931,113**	527,715,931
Diluted weighted average number of shares outstanding	**1,849,933,886**	527,812,591	**527,931,113**	527,715,931
Earnings per share (refer note 8)				
Basic earnings/(loss) per share (euro)	**0.011**	(0.015)	**(0.040)**	0.017
Diluted earnings / (loss) per share (euro)	**0.004**	(0.015)	**(0.040)**	0.017
Earnings per share - continuing operations (refer note 8)				
Basic earnings/(loss) per share (euro)	**0.011**	(0.016)	**(0.022)**	0.019
Diluted earnings / (loss) per share (euro)	**0.004**	(0.016)	**(0.022)**	0.019

Note: *For reconciliation of reported results in the comprehensive income statement with tables and narrative in the previous sections refer to page 3.*

Condensed Consolidated Interim Statement of Financial Position

€ '000			
ASSETS	**31 December 2009**	30 September 2009	31 December 2008
Non-current assets			
Intangible assets			
Trademarks and licenses	**6,024**	5,996	6,303
Capitalised development costs	**4,342**	4,620	5,095
Goodwill	**11,340**	10,932	10,027
	21,706	21,548	21,425
Property, plant and equipment			
Machinery and equipment	**2,519**	2,671	5,124
Financial assets			
Shares in associated companies	**9,819**	9,000	7,361
Other investments	**277**	463	226
Receivables from associated companies	**8,376**	6,043	5,368
Long-term receivables	**2,127**	2,054	1,364
	20,599	17,560	14,319
Deferred tax assets			
Deferred tax assets	**3,205**	4,318	4,125
Total non-current assets	**48,029**	46,097	44,993
Current assets			
Accounts receivable	**38,382**	30,943	57,932
Other current receivables	**12,201**	8,272	10,782
Prepaid expenses and accrued income	**5,583**	5,558	4,448
Cash and cash equivalents	**20,165**	18,760	19,717
Total current assets	**76,331**	63,533	92,879
TOTAL ASSETS	**124,360**	109,630	137,872
EQUITY AND LIABILITIES			
Equity attributable to the Equity Holders of the Parent	**15,437**	9,801	19,097
Non controlling interest	**(1,690)**	(3,061)	(2,328)
TOTAL EQUITY	**13,747**	6,740	16,769
Non-current liabilities			
Liability to non controllling interests	**6,067**	5,753	6,101
Subordinated debentures	**32,529**	31,519	-
Total non-current liabilities	**38,596**	37,272	6,101
Current liabilities			
Short-term bank loans	**2,624**	2,730	31,256
Accounts payable	**18,423**	15,854	31,841
Ad Tax Provision	**7,695**	8,277	7,149
Other liabilities	**19,360**	12,195	14,745
Accrued expenses and deferred income	**23,915**	26,562	30,011
Total current liabilities	**72,017**	65,618	115,002
TOTAL LIABILITIES	**110,613**	102,890	121,103
TOTAL EQUITY AND LIABILITIES	**124,360**	109,630	137,872

Condensed Consolidated Interim Statement of changes in Equity

€ '000	Equity holders of the parent	Non controlling interest	Total Equity
Balance as at 1 January 2008	**12,331**	**(801)**	**11,530**
Total comprehensive income for the year ended 31 December 2008	7,471	(4,919)	2,552
Contribution from non controlling interests	211	367	578
Change in non controlling interest - sale of shares in subsidiary	-	2,059	2,059
Contribution from majority partner	(966)	966	-
Share based payment transactions	50	-	50
Balance at 31 December 2008	**19,097**	**(2,328)**	**16,769**
Total comprehensive income for the period ended 31 December 2009	(16,528)	(373)	(16,901)
Change in non controlling interest - sale of shares in subsidiary	-	1,968	1,968
Share based payment transactions	236	-	236
Dividend distribution to non controlling shareholders	-	(957)	(957)
Equity component of the rights issue (net of deferred tax liability)	12,632	-	12,632
Balance at 31 December 2009	**15,437**	**(1,690)**	**13,747**

Condensed Consolidated Statement of Cash Flows

€'000	Note	Year ended 31 December 2009	Year ended 31 December 2008
Operating activities			
Profit / (loss) from continuing operations before income tax		**(14,242)**	19,817
Net profit / (loss) from discontinued operations		**(9,723)**	(5,342)
Profit/(loss) before income tax		**(23,965)**	14,475
Adjustments for:			
Depreciation and amortisation		**5,314**	3,419
Other non-cash items		**257**	(1,524)
Loss on disposal of discontinued operations	4 & 10	**6,363**	-
(Profit)/Loss on sale of shares in subsidiaries		**243**	(37,261)
Financial items		**3,939**	2,832
Share of (earnings)/losses in associated companies		**(1,386)**	(1,418)
Dividends from associated companies		**125**	478
Profit/(loss) before change in working capital		**(9,110)**	(18,999)
Net Working Capital (increase)/decrease		**(1,360)**	(3,387)
Cash contibuted /(used) by operations		**(10,470)**	(22,386)
Interest paid, net		**(661)**	(2,635)
Income tax paid		**(580)**	(346)
Net Cash contributed /(used) by operations		**(11,711)**	(25,367)
Investing activities			
Investment in associated and other ventures		**(338)**	(1,281)
Acquisition of subsidiaries, net of cash acquired	10	**(981)**	-
Disposal of:			
- Metro US, net of cash disposed of (discontinued operation)	4 & 10	**(3,015)**	-
- Other subsidiaries (net of cash disposed of)	10	**472**	38,912
Repayment of receivable from associate companies		**627**	-
(Increase)/decrease in long-term receivables		**(763)**	654
Investment in intangibles assets		**(914)**	(1,692)
Investment in property, plant and equipment		**(1,043)**	(1,920)
Net cash contributed / (used) in investing activities		**(5,955)**	34,673
Financing activities			
Long term bank loan paid		**(28,691)**	(63,045)
Long term bank loan proceeds		**-**	49.243
Proceeds from issue of debentures and warrants	7	**48,498**	-
Payment of transaction costs (debentures and warrants)	7	**(2,386)**	-
Net increase/(decrease) in short term bank loans		**60**	212
Proceeds from loans from minority partner		**1,234**	642
F Capital contribution from minority partner		**-**	345
Dividends paid to minority partner		**(957)**	-
Net cash contributed / (used) in financing activities		**17,758**	(12,603)
Net increase/(decrease) in cash and cash equivalents		**92**	(3,297)
Cash and cash equivalents at beginning of period		**19,717**	23,157
Currency effects on cash		**356**	(143)
Cash and cash equivalents at end of the period		**20,165**	19,717

Note 1 – Background

Metro International S.A. was formed in December 1999 as a subsidiary of the Modern Times Group AB ("MTG") for the purpose of holding all of MTG's "Metro" newspaper publishing operations. On 15th August, 2000, MTG distributed all of its shares in Metro International S.A. to its shareholders in the form of a dividend (the "spin-off"). The combination of the former MTG businesses to form the Group has been accounted for as a merger of entities under common control since MTG controlled each of the businesses. Accordingly, the assets and liabilities as presented in the accompanying statement of financial position have been combined at their historical cost and the statements of operations and cash flows include the activities of each business for all periods presented. Metro International 'A' and 'B' shares are listed on the OMX Nordic Exchange's Nordic List, category Small Cap, under the symbols MTRO SBDA and MTRO SBDB.

Metro International, its subsidiaries, associated companies and franchises publish free-of-charge newspapers, Monday to Friday. As at 31st December 2009, Metro editions were published in over 100 major cities in 19 countries across Europe, Asia, North and South America. Metro International has a global reach – attracting a young, active, well-educated, metropolitan audience – of 17 million daily readers.

The Group's revenue is derived from the sale of advertisement.

Metro International also has franchise operations in Finland, Russia (Moscow), Portugal, Italy and the US.

In June 2009 Metro exercised its option to acquire 58.5 percent of its franchise operation in St. Petersburg, Russia ("Metro St. Petersburg").

Metro also divested its equity interest in its US and Portuguese operations in June 2009 turning them into franchise operations. The results for Metro US and Metro Portugal are consolidated until the effective date of sale.

On 14th July, the Group announced that it had entered into a franchise agreement in Ecuador with the leading media group Grupo Hoy. Metro International will initially hold a 15 percent shareholding in the publishing company with an option to increase this shareholding in the future. The investment has been recorded as a financial investment.

On 31st July, 2009 Metro entered into an agreement for the sale of its Italian operations to New Media Enterprises S.r.L. as a going concern effective 31st July 2009. The net assets of the Italian operations are consolidated until the effective date of sale.

On 5th January 2010 Metro International signed a contract to transfer its 10 percent shareholder to the existing majority shareholders of Metro Ireland. Metro has recognised an impairment on the value of the shares/receivables based on this agreement.

The Group is domiciled in Luxembourg.

Note 2 – Basis of preparation of financial statements and accounting policies

The Group's condensed consolidated interim financial statements are prepared on a going concern basis and are in compliance with IAS 34 as adopted by the European Union. Metro International's accounting policies have been applied consistently to all periods presented in these interim financial statements and have been consistently applied by its group entities. The accounting policies and methods of computation applied in the condensed consolidated interim financial statements are the same as applied in the annual financial statements for the year end 2008, with the exception of revised IAS 1 (Presentation of financial statements) and IFRS 8 (Operating segments) which have been implemented in these condensed consolidated interim financial statements and have no impact on financial results or position of the Group. Further, distribution subsidy in Denmark is disclosed as other income and is accounted for on an accrual basis based on entitlement.

Note 3 – Seasonality of operations

The Group's operations are subject to seasonal fluctuations as advertising clients generally reduce advertising activity during the summer holiday period, particularly in Northern and Southern Europe. The group attempts to minimize the impact of this by reducing the number of editions published during the third quarter.

Note 4 – Segment Reporting and Discontinued Operations

IFRS 8 Operating Segments which is mandatory for the Group's consolidated financial statements from 1 January 2009 introduces the "management approach" to segment reporting. The management approach requires a presentation and disclosure of segment information based on the internal reports regularly reviewed by Group Executive Management in order to assess each segment's performance and to allocate resources to them.

Executive Management reviews segment information in respect of its geographical segments. The segment reporting is based on geographic areas for subsidiary newspaper operations – Sweden, Northern Europe, Southern Europe, US (divested in June 2009) and Rest of World. Other reporting segments include income from equity positions in Associates, Online and Headquarters. The Headquarters segment includes revenues from Franchise Fees and Other Income (Global Sales and Logistics) as well as costs for Shared Operational services and Management & Administration.

Northern Europe comprises operations in the Netherlands, Denmark and Hungary.

Southern Europe comprises operations in France, Greece and Italy (divested in July 2009). Spain (closed in January 2009) and Portugal (divested in June 2009) results are no not consolidated in the quarter end ended 31st December 2009.

Rest of the World comprises operations in Chile, Hong Kong and St Petersburg, Russia.

For these condensed consolidated interim financial statements the Group's business in the US which has been disposed in June 2009 is classified as a discontinued operation. The operating result and the loss as a result of disposal of shares/agreement for sale of the US subsidiaries is reported on a separate line in the condensed consolidated interim statement of comprehensive income. The divestment in Portugal, Italy and closure of operations in Spain have affected the segment Southern Europe, however these operations have not been classified as discontinued operations as defined in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Therefore revenues and operating losses up to the date of disposal/closure in relation to Portugal, Italy and Spain has been included in amounts relating to continuing operations in the condensed consolidated interim statement of comprehensive income.

Segment Reporting - Net Sales (External)

€ '000	Q1 2009	Q2 2009	Q3 2009	Q4 2009	2009
Sweden	12,238	13,425	9,661	**17,004**	**52,328**
Northern Europe	14,868	16,620	13,768	**18,597**	**63,853**
Southern Europe	14,609	17,367	7,256	**11,859**	**51,091**
Rest of World	6,188	6,979	9,264	**10,869**	**33,300**
Other	2,454	2,738	2,500	**3,175**	**10,867**
Sales from continuing operations	50,357	57,129	42,449	**61,504**	**211,439**
Sales from discontinued operations					
United States	5,203	3,590	-	**-**	**8,793**
Total Net Sales	55,560	60,719	42,449	**61,504**	**220,232**

€ '000	Q1 2008	Q2 2008	Q3 2008	Q4 2008	2008
Sweden	17,511	19,273	11,446	**19,025**	**67,255**
Northern Europe	16,491	18,072	14,063	**20,289**	**68,915**
Southern Europe	23,947	28,568	16,258	**26,377**	**95,150**
Rest of World	6,855	7,089	7,770	**7,879**	**29,593**
Other	3,168	2,809	2,225	**3,496**	**11,698**
Sales from continuing operations	67,972	75,811	51,762	**77,066**	**272,611**
Sales from discontinued operations					
United States	5,449	5,697	5,256	**6,462**	**22,864**
Total Net Sales	73,421	81,508	57,018	**83,528**	**295,475**

Note: *Country figures exclude Online and Web which are included in the segment 'other'. 'Others' also includes head quarter revenues and costs. There are no inter-segment sales.*

Segment Reporting - Operating profit / (loss)

€ '000	Q1 2009	Q2 2009	Q3 2009	Q4 2009	2009
Sweden	420	1,183	(43)	**3,446**	**5,006**
Northern Europe	(1,052)	788	(447)	**2.790**	**2.079**
Southern Europe	(7,483)	191	(2,230)	**2.970**	**(6.552)**
Rest of World	221	773	1,726	**2,549**	**5,269**
Other	(4,981)	(4,390)	(4,073)	**(2,418)**	**(15,862)**
Profit/(loss) on sale of shares in subsidiaries	0	(93)	(187)	**37**	**(243)**
Operating profit / (loss) from continuing operations	(12,875)	(1,548)	(5,254)	**9,374**	**(10,303)**
Net profit /(loss) from discontinued operations					
Operating profit / (loss) from discontinued operations	(1,842)	(1,518)	-	**-**	**(3,360)**
Loss on disposal	0	(3,493)	(2,884)	**14**	**(6,363)**
	(1,842)	(5,011)	(2,884)	**14**	**(9,723)**
Total Operating profit / (loss)	(14,717)	(6,559)	(8,138)	**9,388**	**(20,026)**

€ '000	Q1 2008	Q2 2008	Q3 2008	Q4 2008	2008
Sweden	1,468	2,702	(321)	3,744	7,593
Northern Europe	1,909	2,541	(1,878)	(37)	2,535
Southern Europe	(3,068)	53	(5,968)	75	(8,908)
Rest of World	1,338	859	931	743	3,871
Other	(5,219)	(4,767)	(4,696)	(5,021)	(19,703)
Profit/(loss) on sale of shares in subsidiaries	-	137	37,432	(308)	37,261
Operating profit / (loss) from continuing operations	(3,572)	1,525	25,500	(804)	22,649
Net profit /(loss) from discontinued operation					
Operating profit / (loss) from discontinued operations	(2,005)	(755)	(1,499)	(1,083)	(5,342)
Loss on disposal	-	-	-	-	-
	(2,005)	(755)	(1,499)	(1,083)	(5,342)
Total Operating profit / (loss)	(5,577)	770	24,001	(1,887)	17,307

Note: *Country figures exclude Online and Web which are included in the segment 'other'. 'Others' also includes head quarter revenues and costs. There are no inter-segment sales*

Note 5 - Change in the functional currency of Metro International S.A.

Until end of 2008 Metro International S.A.'s (hereinafter also referred to as the "Parent Company or "MISA") functional currency for consolidation purposes has been USD. The Parent Company operates and finances its business in several currencies due to its international activities. In 2009 most of the group functions will be relocated from London to Stockholm and the current external debt financing in EUR has been replaced by funding in SEK. The Parent Company's expenses and cash outflows are predominantly denominated and settled in SEK. The Group has therefore considered the functional currency of the Parent Company and changed the functional currency from USD to SEK as from 1st January 2009.

As a result, transactions in SEK no longer give rise to any foreign currency translation differences recognised in the profit and loss. Instead, transactions in USD give rise to foreign currency translation differences recognised in the profit and loss. All foreign currency translation differences in the Parent Company's profit and loss also affect the consolidated profit and loss, but in a different way in comparison with the conditions before the change in functional currency. The foreign currency translation differences from the Parent Company's functional currency to the Group's presentation currency EUR is recognised in other comprehensive income as before.

Note 6 – Shareholders' equity

Metro International S.A. was formed on 29th December, 1999.

The authorized share capital of MISA as at 31st December 2008 was USD 450,000,000 divided into 1,000,000,000 Metro class A-shares (voting shares) and 500,000,000 Metro class B-shares (non-voting) with no par value. The issued and outstanding share capital of MISA was USD 131,953,147 divided into 264,385,212 Metro class A-shares and 263,427,379 Metro class B-shares with no par value.

On 24th February 2009 after approval of majority of shareholders at the Extraordinary General Meeting, the authorized share capital of MISA was converted to EUR 13,454,500 divided into 6,200,000,000 Metro class A-shares (voting shares) and 899,999,999 Metro class B-shares (non-voting) with no par value. The shareholders decided to absorb accumulated losses and change the legal accounting currency and amount of issued and outstanding share capital of MISA to EUR 1,000,000 divided into 264,385,212 Metro class A-shares and 263,427,379 Metro class B-shares with no par value.

Pursuant to the resolutions taken by the Board of Directors of Metro International S.A, and in accordance with the authorised share capital clause contained in article 5 of the articles of association MISA's issued capital was increased by three hundred and seventy two Euros and sixty-four cents (EUR 372.64) to one million, three hundred seventy two Euros and sixty four cents (EUR 1,000,372.64) divided into two hundred sixty-four million four hundred eighty-three thousand five hundred and thirty two (264,483,532) Class A voting shares, and two hundred sixty-three million five hundred and twenty-five thousand six hundred and ninety-nine (263,525,699) Class B non-voting shares. The issue of the 98,320 Class A voting shares and 98,320 Class B non-voting shares to the Board of Directors of Metro International S.A was approved by the shareholders of MISA at the Annual General Meeting held on the 27th May 2008 as share-based compensation in relation to the period from the 2008 AGM to the 2009 AGM.

Metro A-shares carry one vote for every share while Metro B-shares carry no votes. Dividends may be paid in USD or in shares of MISA or otherwise as MISA's Board of Directors may determine in accordance with the provisions of the Luxembourg Companies Act. The Metro B-shares are entitled to the greater of (a) a cumulative preferred dividend corresponding to 0.5 percent of the accounting par value of the Metro class B-shares in MISA or (b) 2 percent of the overall dividend distributions made in a given year. Any balance of dividends must be paid equally on each Metro A- and Metro B-share.

Note 7 – Rights Issue

On May 10, 2009 Metro International's Board of Directors resolved in accordance with the authorization from the Shareholders' General Meeting held on 24th February 2009 to issue units composed of:

- 1,319,531,478 Debentures (represented by Debenture SDRs[7]), each with a nominal amount of SEK 0.50, in an aggregate nominal amount of SEK 659.7 million with maturity date at 30th December 2013; and
- 1,319,531,478 Warrants (represented by Warrant SDRs), each Warrant entitling the holder to subscribe for one new Class A-share in MISA represented by one new share SDR of series A at a strike price of SEK 0.40.

On 15th June 2009, the final results of the issue of Swedish Depository Receipts ("SDRs") regarding subordinated debentures and warrants (the "Rights Issue") were revealed. The announcement made public that 1,198,499,915 units, corresponding to 90.8 percent of the offered units were subscribed for using unit rights. In addition, 18,119,407 units were subscribed for without unit rights, corresponding to 1.4 percent of the offered units. The remainder, corresponding to 7.8 percent of the units, were subscribed for by Metro International's main owner, Investment AB Kinnevik, in accordance with the underwriting agreement. Through the Rights Issue, Metro International received (EUR 48.5 million) SEK 527.8 million, before transaction costs. The subordinated debentures and warrants are now being traded on NASDAQ OMX Stockholm.

Debenture SDRs and Warrants SDRs issued as units consisting of one debenture and one warrant are recognised as two separate financial instruments. The initial issue price for the unit is split and accounted into a financial liability component (debenture) and an equity component (warrant).

Liability component

On initial recognition, the fair value of the liability component at the time of issue was calculated by discounting future payment flows (the redemption / nominal value of the debenture) at the estimated current market yield for similar liabilities without any warrants connected to the initial issue.

Subsequent to the initial recognition, the debenture is measured at amortised cost. In an amortised cost measurement, the difference between initial value and redemption / nominal value is amortised in the profit and loss as interest expense over the remaining term using the effective rate method including transaction costs attributable to the liability component.

Equity component

The equity component, i.e. the warrant, was measured at the difference between the total initial receipts from the unit issue and the fair value of the financial liability at the time of issue. Transaction costs attributable to the equity component are deducted from equity. Subsequently, the equity component is not re-measured.

Transaction costs

Transaction costs are allocated to the two components in proportion to the initial split of the unit receipts into the liability component and the equity component.

Overview of the proceeds from the Rights Issue

A break up of the components on initial recognition is shown in the table below:

	SEK million	EUR million
Proceeds from rights issue	527.8	48.6
Transaction costs	(26.0)	(2.4)
Net proceeds of which recognised as:	501.8	46.2
-equity component	192.5	17.7
-debt component	309.3	28.5

Note: *EUR amount is indicative and is based on the exchange rate as at 30th June 2009. The actual amounts in EUR recognised and outstanding in the legal entity and the Group are different.*

[7] Swedish depository receipts

The total redemption/nominal value of the debenture is EUR 63.7 million (based on exchange rate as at 31st December 2009, SEK 659.7 million, or SEK 0.50 per debenture) with a maturity date at 30th December 2013.

The equity component originating from the warrant, was initially recognised at EUR 17.7 million (SEK 192.5 million) after deduction of pro rata transaction costs. The warrants are exercisable into Class A-shares at a strike price of SEK 0.40 during the period 28th October 2013 to 22nd November 2013. If all warrants outstanding on 31st December 2009, should by exercised during the exercise period, according to the terms, a residual of EUR 12.7 million (SEK 131.9 million) will be paid out in cash as part of the yield on the debenture on 30th December 2013.

The Parent Company issuing the units' debentures and warrants denominated in SEK, is not exposed to any currency translation risk since the functional currency of the Parent Company is SEK. However, the debenture denominated in SEK will give rise to foreign currency translation differences on translation from the functional currency SEK to the Group's presentation currency which is Euro. The translation differences will be recognised in other comprehensive income (directly in equity).

Deferred taxes

At the time of issue, a deferred tax liability of EUR 5.1 million (SEK 55.0 million) was recognised separately based on the temporary difference between the tax base and the book value (net present value of the redemption value of the subordinate debentures less transaction costs) of the debenture. The deferred tax liability was charged directly to equity. Due to available tax losses in the Parent Company a deferred tax asset has been recognised through the profit and loss to the extent a deferred tax liability has been recognised on the Rights Issue. The deferred tax asset and deferred tax liability have been offset in the balance sheet since conditions for offsetting are met as per IAS 12. The effect of deferred taxes at inception is shown in the table below:

				EUR million
	(Charged)/ credited to income statement	(Charged)/ credited directly to equity	Set-off of tax	Balance at inception and quarter end
Deferred tax asset	5.1	-	(5.1)	-
Deferred tax liability	-	(5.1)	5.1	-
	5.1	(5.1)	0.0	-

The deferred tax liability is re-measured on each reporting date based on the liability component's temporary difference for tax purposes as opposed to accounting purposes. Over the term of the debenture the temporary difference and consequently the deferred tax liability will level out and the change is recognised in the profit and loss. The deferred tax asset is also reassessed at each reporting date with any adjustments recognised in the profit and loss. Any net deferred tax asset will not be recognised unless sufficient taxable profits are expected to be available.

Note 8 – Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to the equity holders of the Parent Company by the weighted average number of shares outstanding during the year.

Diluted earnings per share -

For the calculation of diluted earnings per share the weighted average number of shares is adjusted for effects of potential ordinary shares for:

- Share based payments to the Board of Directors for the period 2009 – 2010 (which were dilutive for Q4 2009 and not full year);
- Share based payments to the CEO (which were dilutive for Q4 2009 and not full year); and
- Debentures that are to be repaid by Metro International in the end of 2013 and warrants that in the end of 2013, if exercised, require Metro International to issue Class A shares upon the reception of payment of the strike price by the warrant holders (which were dilutive for Q4 2009 and not full year).

Dilution is calculated only for series of potential ordinary shares that reduce the profit per share from continuing operations or increase the loss per share from continuing operations, i.e. for potential ordinary shares that are dilutive. Net result attributable to equity holders of the Parent Company have been adjusted for all profit and loss amounts that depend on the existence of the debentures/warrants including consequential effects. Since the net result from continuing operations for the year 2009 is negative, all the potential ordinary shares are anti-dilutive for the year and diluted earnings per share equal to basic earnings per share.

Note 9 – Provisions

As reported in the 2007 Annual Report of Metro International, Metro has contested the view of the Swedish Tax Authority regarding the advertising tax being imposed on Metro. As per 31st December 2007 the amount was fully provided for. On 31st July 2008, the County Administrative Court dismissed Metro's appeal. On 21st August 2008, Metro appealed against this judgement to the Administrative Court of Appeal and requested a deferral of payment of the tax. The Tax Authority granted such deferral on 27th August 2008. In November, the Swedish Administrative Court of Appeal dismissed the appeal regarding advertising tax levied on Metro International's publishing entity in Sweden. This decision has been appealed in the Supreme Administrative Court. The tax, which amounts to SEK 90 million, has not yet been paid since the Group has been granted a deferral of the payment until a decision has been taken by the Supreme Administrative Court

Note 10 – Significant Acquisitions and Disposals

Acquisitions

Metro St Petersburg Group

On 1st June, the Group announced that it had exercised its option to acquire 58.5 percent of the capital and votes in its franchise operation in Metro St. Petersburg, Russia. Metro International will continue to receive a franchise fee for licensing its newspaper concept and brand to Metro St. Petersburg. The excess of the cost of the business combination over the provisional fair value of the intangible assets and deferred tax has been allocated as provisional goodwill for an amount of EUR 1 million (EUR 0.6 million as at 30 September 2009) as shown in the table below:

			€ '000
	Carrying amount at acquisition date	**Adjustment**	**Provisional fair value**
Receivables	**-**	6,384	6,384
Cash and cash equivalents	138	-	138
Fixed Assets	43	-	43
Accounts receivable	266	-	266
Liabilities	(356)	(6,384)	(6,740)
Net assets acquired	**91**	**-**	**91**
Proportion of net assets acquired (58.5%)			**53**
Provisional Goodwill			**1,011**
Purchase consideration			(1,064)
Less: cash and cash equivalents acquired			138
Net cash outflow			**(926)**

Publimetro Magazine Group and Diario Pyme

In June, Metro in Chile acquired the remaining 60 percent equity interest in the company which publishes the monthly luxury magazines Golf Digest and El Grafico and formed a new entity, Publimetro Magazines Group ("PMG"). Further, in October this year Metro Chile also acquired controlling interest in its associate entity, Diario Pyme. These transactions qualify as a business combination since the Metro Group has gained the control of these entities. The excess of the cost of the business combination over the fair value of the intangible assets and deferred tax has been allocated as provisional goodwill for an aggregate amount of EUR 0.1 million.

Disposals

Metro US (discontinued operation)

In May, Metro in the US was divested to Seabay Media Holdings LLC ("Seabay Media"). Seabay Media will continue to publish Metro in the US under a service and license agreement with Metro International. A summary of the net gain/(loss) on disposal and the cash effects for these transactions is provided in the tables below:

	€ '000
Net gain/(loss) on disposal	
Disposal proceeds	(74)
Direct cash transaction costs	(1,176)
	(1,250)
Direct write downs due to disposal	(586)
Less: net assets disposed of	4,541
	(6,377)
Operating loss for the 5 month period ended 31 May 2009	**(3,360)**
Net profit / (loss) from discontinued operation (net of income tax)	**(9,737)**
Cash inflow/(outflow)	
Disposal proceeds	(74)
Direct transaction costs	(1,176)
Less: cash disposed of in operations	833
Total cash impact for transaction	**(2,083)**
Deferred disposal proceeds	1,240
Deferred transaction costs	(308)
Cash impact during the year ended 31 December 2009	**(3,015)**

Disposal of other subsidiaries

On 31st July, the Group announced the divestment of Metro Italy to New Media. The financial results in the third quarter for Metro Italy are therefore only recorded until the transfer date which took place on the day of the announcement. In November 2009 subsequent to the transfer the takeover balances were finalised and the sale consideration was finalised.

In June, Metro Portugal was fully divested to two local media companies. Concurrently Metro International signed a franchise agreement with the new owners.

A summary of the net gain/(loss) on disposal and the cash effects for these transactions is provided in the table below:

	€ '000
Net gain/(loss) on disposal	
Disposal proceeds	1,398
Direct cash transaction costs	(671)
Less: net assets disposed of	970
	(243)
Cash inflow/(outflow)	
Disposal proceeds	1,398
Direct cash transaction costs	(671)
Less: cash disposed of in operations	255
	472

Note 11 – Contingent Liabilities

Legal Proceedings in Spain

Metro Spain is party to a lawsuit from a third party sales agency for termination of a contract without notice and breach of the non-compete clause demanding damages of EUR 6.4 million. Metro Spain has contested the claims. Advice from legal counsel is that the amount of any adverse judgment cannot be reliably estimated. The Group has not made any provisions in the financial statements for the claim made. The closure of Metro International's operations in Spain in January 2009 has not resulted in any change in the status of the case.

Legal proceedings in Italy and France

Lawsuits have been filed in France and Italy requesting that the Group is prohibited to use the trademark Metro for newspapers in these countries, including claims for damages for the infringing use that has already occurred. If these lawsuits are successful, the Group must cease its use of the trademark Metro in France and Italy, which may negatively affect the business operations in these countries. The Group may also be liable for damages for infringement, currently amounting to a maximum of approximately EUR 0.8 million in France and approximately EUR 0.3 million in Italy. It should be noted, however, that the claims for damages will increase the longer infringement continues. The Group has not made any provisions in the financial statements regarding these amounts.

CONFERENCE CALL

Metro International will host a conference call today at 10.00 A.M. CET which will be broadcast live on the internet and as a conference call.

Participants can take part in the call either through the audiocast or the conference call.

To view the Internet Audiocast:
A live audiocast of the presentation will be available on www.metro.lu, 4th February 2010 at 10.00 A.M. CET.

To participate in the conference call, please dial in on the following numbers:

Sweden	Tel: +46 8 505 598 53
UK / International	Tel: +44 20 304 324 36
US free phone number	Tel: +1 866 458 40 87

Conference call participants can access the presentation slides on http://www.metro.lu/node/79.

For those unable to listen to the live broadcast, a replay will be available at Metro's website www.metro.lu approximately one hour after the event.

For further information, please visit www.metro.lu or contact:

Per Mikael Jensen, CEO and President	Tel: +46 8 1205 7000
Anders Kronborg, CFO	Tel: +44 79 1254 0800
Linda Fors, Head of IR	Tel: +46 704 315 351

DATE OF NEXT REPORT

Metro's financial results for the first quarter ended 31st March 2010 will be published on 19th April 2010.

METRO INTERNATIONAL S.A ANNUAL GENERAL MEETING 2010

The 2010 Annual General Meeting will be held on 11am, 27th May 2010 in Luxembourg. Shareholders wishing to have matters considered at the Annual General Meeting should submit their proposals in writing to agm@metro.lu or the Company Secretary, Metro International S.A. 2-4, avenue Marie-Therese, L-2132 Luxembourg, Grand Duchy of Luxembourg at least seven weeks before the Annual General Meeting, in order that the proposal may be included in the notice to the meeting. Further details on how and when to register will be published in advance of the meeting.

NOMINATION COMMITTEE FOR THE 2010 ANNUAL GENERAL MEETING

A Nomination Committee of major shareholders in Metro International has been formed in accordance with the resolution of the 2009 Annual General Meeting, The Nomination Committee is comprised of Cristina Stenbeck on behalf of Investment AB Kinnevik, Marianne Nilsson on behalf of Swedbank Robur and Annika Andersson on behalf of the 4th AP Fund.

Information about the work of the Nomination Committee can be found on Metro International's corporate website at www.metro.lu.

Shareholders wishing to propose candidates for election to the Board of Directors of Metro International S.A. should submit their proposal in writing to agm@metro.lu or to the Company Secretary, Metro International S.A, 2-4, avenue Marie-Therese, L-2132 Luxembourg, Grand Duchy of Luxembourg.