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METRO INTERNATIONAL S.A.

FINANCIAL RESULTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2003

Luxembourg, 11 February 2004 – Metro International S.A. ("Metro") (MTROA, MTROB), today announced its financial results for the fourth quarter and twelve months ended 31 December 2003.

TWELVE MONTHS ENDED 31 DECEMBER 2003

- **43% year on year increase in net sales to US$ 203.6 million (US$ 142.8 million)**
- **83% year on year reduction in operating loss to US$ 10.9 million (US$ 63.2 million)**
- **90% year on year reduction in net loss to US$ 6.9 million (US$ 71.9 million)**
- **Weighted average basic loss per share of US$ 0.03 (US$ 0.66 per share)**

FOURTH QUARTER HIGHLIGHTS

- **Net profit of US$ 15.5 million (loss of US$ 13.4 million)**
- **First quarterly net profit since the listing of Metro shares in 2000**
- **First quarterly operating profit of US$ 11.9 million (loss of US$ 10.5 million)**
- **US$ 10.7 million profit on sale of minority shareholding in Metro France**
- **Net sales up 39% year on year to US$ 64.4 million (46.4 million)**
- **First quarterly combined operating profit of US$ 2.5 million for all 24 non Swedish newspaper editions**
- **Weighted average basic earnings per share of US$ 0.03 (loss of US$ 0.12)**

Metro International S.A.

Pelle Törnberg, President and CEO of Metro International, commented: "This is a breakthrough result for Metro as we have reported our first quarterly profits as a listed company. The group recorded a record operating result in the fourth quarter, with a profit of US$ 2.3 million before goodwill and the income from the sale of the minority shareholding in Metro France. We have launched over 20 editions since our listing in August 2000 and sixteen out of our 27 editions were profitable in the fourth quarter. This result follows a 43% year on year growth in net sales in 2003 and a US$ 65 million or 90% year on year reduction in group net losses for the year.

"We have continued to generate strong top line sales growth throughout the year and have held our average cost per copy at the same level year on year despite this sales growth. Our recent expansion has focused on adding new Metro editions in markets where we already have established operations and extending our circulation to target additional advertising segments."

SUMMARY

US$ 000s	**1 October – 31 December 2003**	**1 October – 31 December 2002**	**1 January – 31 December 2003**	**1 January – 31 December 2002**
Net Sales	64,418	46,416	203,564	142,836
Operating profit (loss) from operations	6,935	(4,971)	(3,860)	(33,604)
Site closure costs	-	(115)	-	(4,519)
Sale of shares in subsidiary	10,700	-	10,700	-
Headquarters	(4,662)	(4,458)	(13,569)	(21,437)
Goodwill amortization	(1,085)	(941)	(4,151)	(3,635)
Operating profit (loss)	11,888	(10,485)	(10,880)	(63,195)
Net interest	(189)	(2,918)	(5,296)	(7,355)
Other financial items, net	549	(2,731)	3,478	(9,968)
Profit (loss) before tax and minority interests	12,248	(16,134)	(12,698)	(80,518)
Profit (loss) after tax and minority interests	15,545	(13,440)	(6,865)	(71,871)
Weighted average basic number of shares outstanding	525,710,093	109,383,131	258,804,589	109,383,131
Weighted average basic earnings per share (US$)	0.03	(0.12)	(0.03)	(0.66)

Metro International S.A.

OPERATING REVIEW

Metro reported its first quarterly operating and net profit since the listing of the group's shares in August 2000. The group achieved a US$ 22.4 million positive swing in operating profitability and a US$ 29.0 million positive swing in net profitability to record a US$ 11.9 million operating profit (loss of US$ 10.5 million) and a US$ 15.5 million net profit (loss of US$ 13.4 million) in the fourth quarter of 2003. The group also reported an 83% reduction in operating losses to US$ 10.9 million (US$ 63.2 million) for the full year 2003 and a 90% reduction in net losses to US$ 6.9 million (US$ 71.9 million).

Group net sales increased by 39% year on year in the fourth quarter to US$ 64.4 million and by 43% year on year in the full year 2003 to US$ 203.6 million.

Following an operating profit from the 24 editions in the second quarter of 2003, Metro reported a US$ 6.9 million operating profit from all 27 operations in the fourth quarter, compared to a loss of US$ 5.0 million for the same period of 2002. The group also achieved an 89% year on year reduction in operating losses for the 27 operations for the full year to US$ 3.9 million (US$ 33.6 million).

Sixteen editions achieved operating profits in the fourth quarter, which is twice as many editions as were profitable in the same period of 2002. The Swedish, Rest of Europe and Rest of World segments all reported quarterly operating profits in the same quarter for the first time. In addition, the Rest of Europe segment reported its first quarterly operating profit including the three French editions.

The average cost per Metro copy was reduced by 3% year on year for the quarter at constant exchange rates, primarily as a result of the driving down of distribution and printing costs.

The latest Gallup worldwide readership survey was conducted in November 2003 and consolidated Metro's position as the world's most read newspaper outside Japan with a 4% year on year increase in the number of daily readers to 12.8 million. Metro has 2.8 readers per copy, as at the time of the last survey in November 2002, and has also maintained its attractive demographic profile. 48% of Metro readers are between the ages of 15 and 34 and 47% of readers are women. Metro's weekly readership has increased to 28.0 million and is equivalent to a 28% weekly reach of the population of 102 million people in the Metro distribution areas around the world. Total awareness of Metro rose to 75% of the surveyed population. The worldwide survey is the largest survey of its kind in the world, with over 30,000 interviews conducted in 16 countries around the world by independent global research organization TNS Gallup. The survey provides Metro with globally comparable data for the group's internal benchmarking processes because the same methodology is used in each market. Metro now participates in the major local readership surveys in each country and these surveys provide the market specific data for advertising sales.

The number of clients advertising in Metro editions in more than one country increased by nearly 60% year on year in 2003. These multi-national clients accounted for 20% of group sales in 2003 and the average spend per multinational advertiser more than doubled year on year. Leading brand advertisers including Vodafone, British Airways and Nokia ran multinational advertising campaigns in Metro during 2003. National advertising sales, which include multinational advertising spend, increased by 50% year on year in 2003 and accounted for 41% of group revenues in 2003, compared to 34% in 2002. Recruitment advertising however dropped year on year from 15% of group revenues to 8%.

Sweden

Metro Sweden's quarterly net sales in Swedish Krona increased year on year for the first time since the first quarter of 2001. Local currency net sales for the fourth quarter were up by 1% year on year, whilst local currency sales for the year declined by 2% year on year. The Swedish Krona continued to strengthen against the US dollar both in the quarter and over the full year. Net sales for the reporting segment increased by 24% year on year to US$ 17.0 million in the fourth quarter and by 19% to US$ 56.8 million for the full year. Sweden represented 26% of group sales for the quarter and 28% for the full year, compared to 30% and 33% for the respective periods of the previous year.

Metro remained the largest daily morning newspaper during the fourth quarter, attracting over one million readers according to the local market SIFO Orvesto readership survey. Metro Stockholm also had 57% more readers than the competing local non-subscription title. Metro's share of the gross major daily morning newspaper advertising market in Sweden increased from 18% in the fourth quarter of 2002 to over 19% in the fourth quarter of 2003. The market share for the year was maintained at 19% (source: SIFO RM).

In addition to the growth in net sales for the Swedish operations, Metro Sweden also reduced its cost base by 9% year on year during the fourth quarter of 2003. The Swedish operations consequently reported a 46% increase in local currency profits for the fourth quarter and a 79% increase in reported profits to US$ 4.5 million (US$ 2.5 million). Metro Sweden reported a 1.4% growth in profits for the full year to US$ 11.4 million (US$ 11.3 million). All three Swedish editions were profitable in the fourth quarter and for the full year and Metro Sweden reported a local currency operating margin of 26% in the fourth quarter, compared to 18% for the same period of 2002.

After the end of the quarter, Metro Sweden launched a new weekly real estate newspaper on January 9. Metro Hus & Hem is targeting the SEK 500 million real estate advertising market in Sweden, which has to date been dominated by two local newspapers. 875,000 copies of the paper are printed and distributed by post to residents in the Stockholm area on Fridays, featuring editorial content from leading monthly magazine 'Hus & Hem'. The new paper is the largest real estate paper in Sweden and has already taken a significant market share by successfully attracting advertising from Sweden's major real estate advertising agencies.

France

The three French editions in Paris, Marseille and Lyon reported their first combined operating profit for the month of December, less than two years after they were launched in the first quarter of 2002. The operations also reported a 73% year on year reduction in combined losses for the fourth quarter to US$ 0.9 million (US$ 3.5 million) and a 40% reduction for the year to date to US$ 8.9 million (US$ 14.7 million).

Metro France generated a more than doubling in net sales year on year in the fourth quarter to US$ 6.0 million (US$ 2.3 million). The three editions also reported a more than tripling of sales for the full year to US$ 14.0 million (US$ 3.8 million).

Metro completed the sale of 34.3% of Metro France to leading European broadcaster Télévision Française 1 SA ("TF1") for € 12 million during the fourth quarter.

New editions were launched after the end of the quarter in the French cities of Toulouse and Lille. Metro is the second largest national newspaper in France and publishes half a million daily copies. Metro is now present in the five largest cities in France and attracts over 1.6 million daily readers.

Rest of Europe

The Rest of Europe segment comprises 14 editions, which reported their second combined quarterly operating profit of the year with a US$ 4.7 year on year swing from operating losses of US$ 2.5 million to an operating profit of US$ 2.1 million. Operating losses for the full year were reduced by 72% to US$ 5.4 million (US$ 19.3 million).

The segment reported a 33% year on year increase in net sales for the quarter to US$ 29.8 million (US$ 22.3 million) and a 43% increase in sales for the full year to US$ 94.4 million (US$ 66.0 million). The Rest of Europe segment represented 46% of total group sales for both the quarter and the full year.

The Dutch operation delivered a 16% year on year increase in local currency net sales in the fourth quarter and an 18% increase for the year. Metro Holland reported operating profits for both the fourth quarter and the full year. Metro is now the third largest newspaper in Holland by both readership and circulation. Metro successfully launched a Saturday edition on 6 September 2003 to target the lucrative weekend newspaper advertising market. 200,000 copies of the weekend edition are distributed each Saturday throughout Holland on transport networks and by hand in city centres.

The Spanish editions in the five cities of Barcelona, Madrid, Seville, Zaragoza and La Coruña reported a 52% year on year increase in local currency net sales in the fourth quarter and a 56% year on year increase for the full year. Metro Spain was profitable for both the fourth quarter and the year, in spite of launching three new editions during the last three months of the year. The La Coruña edition was launched in November following the launches in Seville and Zaragoza in late September. After the end of the quarter, Metro entered into a partnership with Ediciones Primera Plana de Alicante, S.L. for the launch of 'Metro Valencia Hoy' and 'Metro Alicante Hoy'. Metro Spain now has a daily circulation of nearly 700,000 copies, which further strengthens Metro's position as the largest newspaper in Spain.

The Italian editions in Rome and Milan reported combined year on year local currency net sales growth of 18% in the fourth quarter and were both profitable on a quarterly basis for the first time. The operations also reported a 39% year on year increase in local currency net sales for the full year and a 69% reduction in combined operating losses. According to the most recent readership survey, Metro now attracts over 40% of daily free newspaper readers, despite the presence of two rival free publications in both cities.

Athens reported its second quarterly operating profit during 2003 in the fourth quarter with a more than doubling of operating profit year on year. The Greek operation reported a record profit in December and an 88% year on year reduction in operating losses for the full year.

The Danish editions in Copenhagen and Aarhus both reported their first quarterly profit in the fourth quarter, only two years after launch. The operations also reported a 64% year on year reduction in local currency losses for 2003. A new edition was launched after the end of the quarter to reach ten additional cities in Denmark. Metro's 240,000 daily copies now cover 95% of the Danish population and enable the operation to access additional national advertising revenue streams.

Metro Helsinki reduced its operating losses in the fourth quarter by 26% year on year and by 36% for the full year in local currencies following the successful renegotiation of supplier contracts. Local currency net sales for the year were up 18% year on year but the performance in the second half was disappointing with a marginal decline in the fourth quarter. The sales department has been restructured to put the operation back on track with growing sales.

The Hungarian operation was profitable for the year and the fourth quarter following year on year local currency net sales increases of 14% for 2003 and 7% in the fourth quarter. The Prague operation has recovered from its weak performance earlier in the year to a stable position from which it can grow further. The performance of the Warsaw operation however remained unsatisfactory and the management team has been reinforced.

Rest of World

The six non-European editions reported their second combined operating profit in consecutive quarters with a US$ 2.8 million swing from operating losses of US$ 1.5 million in the fourth quarter of 2002 to an operating profit of US$ 1.3 million for the fourth quarter of 2003. The segment also reported a 91% year on year reduction in operating losses for the full year to US$ 0.9 million (US$ 10.8 million).

Combined net sales for the segment increased by 41% year on year to US$ 11.2 million (US$ 8.0 million) in the quarter and by 49% year on year to US$ 37.2 million (US$ 25.0 million) for the full year. The Rest of the World segment represented 17% of total group sales in the quarter and 18% of group sales for the year.

Metro is distributed in six cities in Chile (Santiago, Viña del Mar, Valparaíso, Concepción, Talcahuano and Rancagua), which account for 55% of the national population and together represent 85% of the Chilean advertising market. The operation generated 15% year on year net sales growth in the quarter in local currencies and reported its second full year profit with a 57% increase in profits for the quarter. Net sales for the year increased by 24% year on year and profits were up by 77%.

Metro's Canadian joint venture operations in Toronto and Montreal generated 39% and 56% year on year local currency net sales growth respectively. The Toronto joint venture with the Torstar Corporation reached rolling annual profitability in the third quarter and continued this trend to report a full year profit for 2003 on sales up 49% year on year. The younger joint venture in

Montreal with Transcontinental Group and La Presse reported a 72% year on year reduction in operating losses for the quarter and a 55% improvement for 2003. Local currency net sales in Montreal increased by 21% year on year in 2003.

Metro Boston reported its first quarterly profit in the fourth quarter and was profitable every month for the period from August until the end of the year. Net sales were up 9% year on year in the fourth quarter. The operation also reduced its annual operating losses by 74% on sales up 18% in 2003. Following restructuring during the year, Philadelphia now has a competitive cost base and reported a halving of operating losses during 2003.

The Hong Kong operation has reached annual profitability less than two years after launch and well ahead of the group target of three years to breakeven. As with the French operation, which was also launched in the first half of 2002, local currency net sales in Hong Kong more than tripled year on year in 2003. Local currency net sales in Hong Kong also more than doubled year on year for the second quarter in succession and the operation reported its second consecutive quarterly profit.

Headquarters

Results for the Headquarters include revenues from the franchising agreements in South Korea as well as expenses including administration, legal, information technology, group sales and marketing, tax and audit costs.

The Metro editions in Seoul and Pusan (South Korea), which were independently launched by franchisees, now distribute a total of 460,000 copies each day and attract 1.2 million readers in the two cities and the surrounding areas, making Metro the fourth largest daily newspaper in South Korea. Headquarters reported sales of US$ 0.5 million in the fourth quarter and US$ 1.1 million for the full year from its fixed percentage of the gross sales of the South Korean operations. Metro also retains an option to acquire equity interests in the operations in the future at investment cost.

Headquarters reported a 37% year on year reduction in headquarter operating losses to US$ 13.6 million (US$ 21.4 million) and operating losses of US$ 4.7 million (US$ 4.5 million) in the fourth quarter. The losses for the quarter were above the stated target monthly and quarterly run rate due to the increased business development activity during the second half of the year as well as non-recurring items. These items included costs associated with an out of court settlement in Sweden in relation to a historic international merchandising deal, legal fees in connection with a successful trademark dispute in France, employment and recruitment costs for new headquarters and operational personnel, the cost of the Gallup worldwide readership survey, as well as the adverse impact of the continued weakening of the US dollar on UK sterling denominated group head office operating costs.

FINANCIAL REVIEW

Net sales for the editions outside Sweden increased year on year by 45% in the fourth quarter to US$ 47.4 million and by 54% for the full year to US$ 146.8 million. The weakening of the US dollar against the group's local reporting currencies during the year impacted positively on Metro's reported net sales numbers for both the year and the fourth quarter. At constant exchange rates, the editions outside Sweden reported 26.1% year on year sales growth in the fourth quarter and 35.1% for the full year.

Metro's total operating cost base was however adversely affected by the weakening dollar during the year. Total operating costs excluding goodwill amortization and the profit on the disposal of shares to TF1 were reduced by 4.9% year on year in 2003 to US$ 192.4 million (US$ 202.4 million) on a constant exchange rate basis. Similarly, total operating costs were reduced by 3.5% to US$ 54.0 million (US$ 56.0 million) in the fourth quarter at constant exchange rates. Constant exchange rate operating costs for the newspaper operations outside Sweden were reduced by 3.8% year on year in the fourth quarter. This result was achieved despite the launch of four new editions during the second half of 2003.

The group received € 12 million from the sale of 34.3 % of Metro France to TF1 and recorded a book profit of US$ 10.7 million on the transaction, which was completed in the fourth quarter.

The continued strict management of working capital during 2003, including the further reduction of debtor receivable days to record low levels, resulted in a US$ 1.3 million positive change in working capital during the year. This was achieved despite the significant increase in the scale of the business. Cash flow used by operations (including headquarters) during 2003 was also reduced by 76% to US$ 13.6 million from US$ 57.4 million in 2002 and the operations generated a positive cash flow during the fourth quarter.

Depreciation charges on fixed assets are accounted for by each operation separately, whereas goodwill amortization arises on consolidation. Depreciation charges of US$ 0.7 million during the fourth quarter and US$ 2.4 million during the full year on Metro's tangible fixed asset base continued to be higher than the ongoing maintenance capital expenditure requirement for existing operations of US$ 0.6 million in the quarter and US$ 2.1 million in the full year.

Group goodwill amortization charges amounted to US$ 1.1 million in the fourth quarter and US$ 4.2 million for the full year.

Metro therefore reported an operating profit of US$ 11.9 million for the quarter, compared to a loss of US$ 10.5 million for the same period of 2002, as well as an 83% reduction in group operating losses for the full year to US$ 10.9 million (US$ 63.2 million).

The editions outside Sweden reported a US$ 26.4 million year on year positive swing in operating profitability from losses of US$ 7.6 million to a profit of US$ 13.2 million (including profit on TF1 transaction) for the quarter. Operating losses for these editions were reduced by 91% year on year to US$ 4.6 million (US$ 49.4 million) in 2003.

The local currency sales growth and reduction in cost in 2003 have yielded high incremental margins. The operations outside Sweden generated an incremental margin of 98% during 2003 and 119% during the fourth quarter. The Rest of Europe segment reported incremental margins of 114% and 158% for the two periods, whilst the Rest of World operations recorded 84% and 98% incremental margins respectively. The high growth French editions launched in 2002 reported a combined incremental margin of 95% for the full year and 102% in the fourth quarter.

The group incurred net interest charges of US$ 0.2 million in the quarter and US$ 5.3 million for the full year compared to US$ 2.9 million and US$ 7.4 million for the same periods of the previous year. The quarterly charge comprised interest income of US$ 0.4 million on the group's cash deposits and US$ 0.6 million of interest payable on the group's loans. Interest income for the year totaled US$ 0.9 million and interest expenses amounted to US$ 6.2 million. The group's forward interest costs were reduced substantially during the year following the conversion of SEK 1.2 billion of loans into equity during the third quarter of 2003 and the subsequent repayment of SEK 67 million of the SEK 333 million outstanding on the Nordea bank loan. Net interest and other financial items for the year also included an unrealized exchange rate gain of US$ 4.2 million during 2003, which arose principally from the translation from Swedish Krona into US dollars of the loans and capitalized interest payable to Modern Times Group MTG AB. The MTG loans were originally denominated in US dollars but were converted into Swedish Krona at the beginning of May when the terms of the debt to equity conversion transaction were set. The debt to equity conversion was completed on 22 August 2003.

The group incurred a tax charge of US$ 1.6 million (credit of US$ 1.8 million) in the fourth quarter but also booked a deferred tax credit of US$ 3.9 million (US$ 0.6 million). Metro's deferred tax asset balance stood at US$ 13.4 million at the close of the quarter. The Group has substantial tax losses carried forward, which will be used to offset future corporate tax liabilities of Metro operations.

Minority interests in losses increased during the quarter to US$ 1.0 million (US$ 0.3 million), reflecting the minority partners' share of the net losses in Denmark and France.

The combination of this strong operating performance with a sharp reduction in the group's net interest charges, foreign exchange gains, the recording of further deferred tax gains and increases in the contributions to losses by minority partners, enabled the group to report a net profit of US$ 15.5 million in the fourth quarter, compared to a net loss of US$ 13.4 million for the same period of 2002. Group net losses for the full year were reduced by 90% to US$ 6.9 million (US$ 71.9 million).

The completion of the rights issue and debt to equity conversion in August 2003 resulted in an increase in the number of Metro International shares to 263,333,963 series A shares and 262,376,130 series B shares. The weighted average number of shares outstanding was 258,804,589 for the year and 525,710,093 for the fourth quarter. The group therefore reported earnings per share of US$ 0.03 in the fourth quarter, compared to a US$ 0.12 loss per share for the same period of 2002. The group's losses per share for the full year therefore amounted to US$ 0.03 (US$ 0.66).

Metro had liquid funds of US$ 43.6 million at the end of the quarter, which included the receipt of € 12 million from the sale of shares in the French subsidiary and a further amortization payment of SEK 66.7 million on the SEK 333 million outstanding on the Nordea bank loan. The restricted element of the cash and cash equivalents fell to US$ 2.6 million at the end of the quarter from US$ 16.4 million at the end of September. The amendment of the terms of the Nordea bank loan during the quarter led to the freeing up of SEK 100 million that had previously been pledged as security for the loan and reported as restricted cash.

The loan expiration date of the Nordea loan was also extended until December 2006. The half yearly scheduled amortization payments have been reduced from SEK 66.7 million to SEK 33.0 million. The next amortization payment of SEK 33.0 million is due in June 2004.

The Group's interest bearing liabilities totaled US$ 44.2 million as at 31 December 2003, compared to US$ 163.7 million at the end of 2002, and principally comprised the outstanding SEK 267 million Nordea bank loan. The Group's short-term interest bearing loans totaled US$ 12.9 million (US$ 15.5 million) at the end of December and included the scheduled amortization payments of SEK 66.0 million, which become due over the next twelve months. The group had net debt of US$ 0.6 million at 31 December 2003, compared to US$ 139.7 million at the end of 2002.

The Board of Directors will propose to the Annual General Meeting of shareholders in 2004 that no dividend is paid to shareholders for the financial year ended 31 December 2003.

OTHER INFORMATION

Metro's shares were deregistered from the US Securities and Exchange Commission at the end of 23 December 2003 following the decision by the Board of Directors that the costs of maintaining the registration and listing were no longer justified. The volume of trading in the shares in the US was low and the Board believed that the deregistration and delisting would not have an adverse effect on the ability of Metro's principal US shareholders to hold the Company's shares.

The Board of Directors has approved long-term incentive awards for the group's executive management. The awards provide for the granting of options to over eighty executives in the Metro group to subscribe for a total of approximately 826,000 new class A shares and 826,000 new class B shares. The options are priced at SEK 11.9 per A share and SEK 12.9 per B share, based on the average trading price of each class of share on the Stockholm Stock Exchange over the ten-day period to 9 February 2004. The options will be granted in an equal proportion of A and B shares to each participant and will be exercisable in equal amounts after one, two and three years from the date of grant.

In addition, the Board of Directors has also approved a conditional allocation of 826,000 new class A shares and 826,000 new class B shares in restricted stock to the same executives, to be vested on the achievement of predetermined local operation and group performance goals. Up to one third of the award may vest in each of the three years following the award.

The allocation of options and restricted stock amounts to 0.6% of the total outstanding number of Metro shares.

The Board of Directors also intends to cancel all existing executive share options, which amounted to 10.1% of the total outstanding number of Metro shares at the end of 2002. Key Managers and Directors were granted options between 1998 and 2002 to subscribe for a total of 11.1 million new shares but none of these options have ever been exercised, due to the high exercise price relative to the trading price of the Metro shares.

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Metro's financial results for the first quarter and three months ended 31 March 2003 will be released on 21 April 2004.

Metro´s annual report will be distributed to shareholders and made available at the Group's head office in Luxembourg in April 2004. The annual general meeting of shareholders will be held on Tuesday 25 May 2004 at Chateau de Septfontaines in Luxembourg.

This full year report has not been subject to review by the Company's auditors.

11 February 2004.

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Pelle Törnberg, President and Chief Executive Officer, Metro International S.A.

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Metro is the largest international newspaper in the world, publishing 4.8 million daily copies of Metro editions in more than 70 cities in 16 countries around the world. Metro attracts 12.8 million daily readers and 28.0 million weekly readers (TNS Gallup worldwide readership survey – November 2003). Metro editions therefore reach 30% of the population of over 100 million within Metro's distribution areas in Europe, North & South America and Asia. Metro derives its revenues almost exclusively from advertising sales, which have grown at a compound annual rate of 47% since the launch of the first edition in 1995. Metro International S.A. 'A' and 'B' shares are listed on the Stockholmsbörsen 'O-List'.

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CONSOLIDATED INCOME STATEMENTS (US$ '000s)	Note	Period ended 31 December 2003	Period ended 31 December 2002
Sales		203,564	142,836
Cost of sales		(127,940)	(114,984)
Gross income		75,624	27,852
Selling expenses		(49,632)	(36,959)
Administrative and development expenses		(43,463)	(45,136)
Share of earnings in associated companies		42	(798)
Sale of shares in subsidiary		10,700	-
Site closure costs		-	(4,519)
Other operating expenses		(4,151)	(3,635)
Operating profit (loss)	(3)	(10,880)	(63,195)
Financial items, net		(1,818)	(17,323)
Profit (loss) after financial items and before income tax		(12,698)	(80,518)
Current tax		(1,808)	(1,106)
Deferred tax		6,078	8,361
Profit (loss) after income tax		(8,428)	(73,263)
Minority interests		1,563	1,392
Net profit (loss)		(6,865)	(71,871)
Weighted average basic earnings per share		(0.03)	(0.66)
Weighted average basic number of shares outstanding		258,804,589	109,383,131

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CONSOLIDATED INCOME STATEMENTS (US$ '000s)	**Note**	**Oct - Dec 2003**	**Oct - Dec 2002**
Sales		64,418	46,416
Cost of sales		(35,022)	(32,484)
Gross income		29,396	13,932
Selling expenses		(15,284)	(11,321)
Administrative and development expenses		(12,085)	(11,923)
Share of earnings in associated companies		246	(117)
Sale of shares in subsidiary		10,700	-
Site closure costs		-	(115)
Other operating expenses		(1,085)	(941)
Operating profit (loss)	(3)	11,888	(10,485)
Financial items, net		360	(5,649)
Profit (loss) after financial items and before income tax		12,248	(16,134)
Current tax		(1,624)	1,812
Deferred tax		3,926	628
Profit (loss) after income tax		14,550	(13,694)
Minority interests		995	254
Net profit (loss)		15,545	(13,440)
Weighted average basic earnings per share		0.03	(0.12)
Weighted average basic number of shares outstanding		525,710,093	109,383,131

(cont.)

CONSOLIDATED STATEMENTS OF RECOGNISED GAINS AND LOSSES (US$ '000s)	**Note**	**Jan – Dec 2003**	**Jan –Dec 2002**
Foreign exchange translation differences		(2,231)	450
Net gain (loss) not recognised in the income statement		(2,231)	450
Net profit (loss) for the period		(6,865)	(71,871)
Total recognised profit (loss)		(9,096)	(71,421)

Metro International S.A.

CONSOLIDATED BALANCE SHEETS (US$ '000s)	**Note**	**31 Dec 2003**	**31 Dec 2002**
ASSETS			
Non-current assets			
Intangible assets			
Licenses, net		50	108
Goodwill, net		8,303	10,624
		8,353	10,732
Property, plant and equipment			
Machinery and equipment, net		5,379	4,918
Financial assets			
Deferred tax assets		13,368	8,582
Shares in associated companies		158	94
Receivables from associated companies		4,455	2,872
Long-term receivables		2,244	2,343
		20,225	13,891
Total non-current assets		33,957	29,541
Current assets			
Accounts receivable, net		48,578	35,964
Other current receivables		4,791	6,705
Prepaid expenses		5,087	2,442
Cash and cash equivalents		43,614	23,989
Total current assets		102,070	69,100
TOTAL ASSETS		136,027	98,641

Metro International S.A.

CONSOLIDATED BALANCE SHEETS (US$ '000s)	Note	31 Dec 2003	31 Dec 2002
SHAREHOLDERS' EQUITY			
Shareholders' equity	(4)	39,967	(114,081)
Minority interest		(2,125)	(2,341)
Long-term liabilities			
Convertible debenture loans		-	41,631
Liabilities to related companies		-	73,565
Liability to minority partner		3,778	2,805
Long-term bank loans		27,490	30,216
Deferred tax payable		-	1,185
Total long-term liabilities		31,268	149,402
Current liabilities			
Short-term bank loans		12,901	15,498
Accounts payable		32,689	28,396
Other liabilities		7,504	6,160
Accrued expenses		13,823	15,607
Total current liabilities		66,917	65,661
Total liabilities		98,185	215,063
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		136,027	98,641
Contingent liabilities		-	-

Metro International S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS (US$ 000's)	Note	Period ended 31 Dec 2003	Period ended 31 Dec 2002
Operating activities			
Profit (loss) before income tax		(12,698)	(80,518)
Adjustments for:			
Depreciation and amortisation		6,675	6,601
Sale of shares in subsidiary		(10,700)	-
Financial items, net		1,818	17,323
Share of earnings associated companies		(42)	798
Changes in working capital:			
Change in current receivables		(18,129)	(13,378)
Change in current liabilities		19,441	11,770
Cash flow used by operations		(13,635)	(57,404)
Interest received		687	512
Interest paid		(2,673)	(4,747)
Income tax paid		(593)	(3,886)
Net cash used in operations		(16,214)	(65,525)
Investment activities			
Increase in long-term receivables		(1,510)	(1,156)
Investments in intangible assets		(365)	(6)
Investment in shares		(100)	-
Investment in property, plant and equipment		(2,155)	(2,266)
Net cash flow used in investing activities		(4,130)	(3,428)
Financing activities			
Bank loans		(17,156)	35,465
Loan from minority partner		351	682
Loans from related parties		16,997	20,000
Capital increase (net)		26,319	-
Sale of shares in subsidiary (net)		12,931	-
Other loans		-	389
Net cash flow provided by financing activities		39,442	56,536

Metro International S.A.

(cont.)

CONSOLIDATED STATEMENTS OF CASH FLOWS (US$ '000s)	**Note**	**Period ended 31 Dec 2003**	**Period ended 31 Dec 2002**
Net increase/(decrease) in cash and cash equivalents		19,098	(12,417)
Cash and cash equivalents at beginning of year		23,989	35,888
Currency effects on cash		527	518
Cash and cash equivalents at end of period		43,614	23,989

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1

Basis of preparation and scope of consolidated financial statements

Metro International S.A. was formed in December 1999 and was a wholly owned subsidiary of Modern Times Group MTG AB ("MTG"). MTG divested Metro International S.A. to its shareholders through a dividend on 18 August 2000.

Metro International S.A. and its subsidiaries (the "Company"), together with its South Korean franchise partners, publish free-of-charge newspapers, Monday through Friday. As at December 31, 2003 Metro newspapers were distributed in Stockholm, Gothenburg, Malmö, Warsaw, Prague, Budapest and 14 other Hungarian cities, the Netherlands, Helsinki, Santiago and five other cities, Philadelphia, Rome, Milan, Toronto, Athens, Madrid, Barcelona, Zaragoza, Seville, La Coruna, Boston, Denmark, Montreal, Paris, Marseilles, Lyon, Hong Kong, Seoul and Pusan. Metro derives its revenues from advertising sales.

The Company includes all of MTG's former interests in publishing Metro newspapers. The Company is domiciled in Luxembourg.

The combination of these MTG businesses in May 2000 to form the Company has been accounted for as a merger of entities under common control since MTG controlled each of the businesses for all periods presented herein. Accordingly, the assets and liabilities as presented in the accompanying balance sheets 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.

These consolidated financial statements include goodwill amortization in respect of goodwill on external acquisitions.

Note 2

Accounting and valuation policies

The accounting policies and methods of computation used are the same as in the consolidated financial statements for the three years period ended 31 December 2003. Some minor adjustments have been made in the classification of sales and costs for the period ended 31 December.

Note 3

Segment reporting

The segment reporting is based on geographic areas.

The European area represents the newspapers in Stockholm, Prague, Gothenburg, Hungary, the Netherlands, Helsinki, Malmö, Rome, Milan, Warsaw, Athens, Barcelona, Madrid, Zaragoza, Seville, La Coruna, Denmark, Paris, Marseilles and Lyon.

The "Rest of world" represents Santiago, Philadelphia, Toronto, Montreal, Boston and Hong Kong.

Metro owns 25% of the publishing entities in Toronto and Montreal and therefore accounts for 25% of the results in these entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (US$ '000s)	**Oct – Dec 2003**	**Oct – Dec 2002**	**Jan – Dec 2003**	**Jan – Dec 2002**
Segment reporting				
Net sales (external)				
Europe				
Sweden	17,016	13,782	56,752	47,756
France	5,952	2,250	14,035	3,835
Rest of Europe	29,755	22,320	94,427	66,024
Total Europe	52,723	38,352	165,214	117,615
Rest of World	11,185	7,956	37,213	25,030
Headquarters	510	108	1,137	191
	64,418	46,416	203,564	142,836

There are no inter-segment sales.

Metro International S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (US$ '000s)	Oct-Dec 2003	Oct–Dec 2002	Jan–Dec 2003	Jan-Dec 2002
Segment reporting				
Net income (loss)				
Europe				
Sweden	4,471	2,495	11,410	11,257
France	(933)	(3,500)	(8,890)	(14,720)
Rest of Europe	2,111	(2,453)	(5,433)	(19,318)
Total Europe	5,649	(3,458)	(2,913)	(22,781)
Rest of World	1,286	(1,513)	(947)	(10,823)
Operating profit (loss) from operations	6,935	(4,971)	(3,860)	(33,604)
Site closure costs / Sale of shares in subsidiary	10,700	(115)	10,700	(4,519)
Goodwill	(1,085)	(941)	(4,151)	(3,635)
Headquarters	(4,662)	(4,458)	(13,569)	(21,437)
Operating profit (loss)	11,888	(10,485)	(10,880)	(63,195)
Items to reconcile to statement of operations:				
Financial items, net	360	(5,649)	(1,818)	(17,323)
Current tax	(1,624)	1,812	(1,808)	(1,106)
Deferred tax	3,926	628	6,078	8,361
Minority interest in losses	995	254	1,563	1,392
Net profit (loss)	15,545	(13,440)	(6,865)	(71,871)

Note 4

Shareholders' equity

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

The authorised share capital of the Company is $450 million divided into 1,000,000,000 Metro A Shares (voting shares) and 500,000,000 Metro B Shares (non-voting) with no par value.

The issued and outstanding share capital of the Company is $131,427,523 divided into 263,333,963 Metro A Shares and 262,376,130 Metro B Shares with no par value. Metro A Shares carry one vote for every share while Metro B Shares carry no votes. Dividends may be paid in U.S dollars or in shares of the Company or otherwise as the company Board may determine in accordance with the provisions of the Luxembourg Companies Act. The Metro B Shares are entitled to a preferred dividend of 2% on any dividend distributions. Any balance of dividends must be paid equally on each Metro A and Metro B Share.

Total shareholders equity (US$ '000s)	***31 Dec 2003***	***31 Dec 2002***
Balance beginning of year	(114,081)	(43,202)
Currency translation adjustment	(2,231)	450
Equity part of debenture loan	-	542
Capital increase	163,144	-
Net loss for the period	(6,865)	(71,871)
Balance as of end of December	39,967	(114,081)