METRO INTERNATIONAL S.A.

FINANCIAL RESULTS
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2004

Luxembourg, 15 February 2005 – Metro International S.A. ("Metro") (MTROA, MTROB), today announced its financial results for the fourth quarter and twelve months ended 31 December 2004.

TWELVE MONTHS ENDED 31 DECEMBER 2004

- **48.6% year on year increase in net sales to US$ 302.4 million (US$ 203.6 million)**
- **Operating profit for newspaper editions of US$ 13.1 million (loss of US$ 3.9 million)**
- **Operating profit for newspaper editions, excluding the new Lisbon and New York editions of US$ 25.9 million (loss of US$3.9 million)**
- **Metro Sweden reports the highest annual local currency operating profit since 1999**
- **9 out of 16 country operations (6 out of 15) report annual operating profit for the period**
- **Net loss of US$ 11.4 million (US$ 6.9 million – includes profit on sale of shares in subsidiary of US$ 10.7 million)**
- **Weighted average basic loss per share of US$ 0.02 (US$ 0.03)**

FOURTH QUARTER ENDED 31 DECEMBER 2004

- **Net sales up 48.1% year on year to US$ 95.4 million (US$ 64.4 million)**
- **Operating profit for newspaper editions of US$ 11.1 million (US$ 6.9 million)**
- **Operating profit for newspaper editions, excluding the new Lisbon and New York editions of US$ 15.3 million (US$ 6.9 million)**
- **Metro France reports an operating profit for the period of US$ 0.8 million**
- **12 out of 16 country operations (10 out of 15) report operating profit for the period (operating profits for the period also reported by the Boston and Philadelphia editions)**
- **Net profit of US$ 4.3 million (US$ 15.5 million – includes profit on sale of shares in subsidiary of US$ 10.7 million)**
- **Weighted average basic profit per share of US$ 0.01 (US$ 0.03)**

SUMMARY

US$ '000s	1 October – 31 December 2004	1 October – 31 December 2003	1 January – 31 December 2004	1 January – 31 December 2003
Sales	95,408	64,418	302,448	203,564
Operating profit (loss) from newspaper editions	11,126	6,935	13,077	(3,860)
Headquarters	(5,599)	(4,662)	(20,369)	(13,569)
Sale of shares in subsidiary	-	10,700	-	10,700
Goodwill amortization	(1,047)	(1,085)	(4,161)	(4,151)
Operating profit (loss)	4,480	11,888	(11,453)	(10,880)
Net interest	(276)	(189)	(1,082)	(5,296)
Other financial items, net	(264)	549	(768)	3,478
Profit (loss) before tax and minority interests	3,940	12,248	(13,303)	(12,698)
Profit (loss) after tax and minority interests	4,345	15,545	(11,354)	(6,865)
Weighted average basic number of shares outstanding	525,910,189	525,710,093	525,760,117	258,804,589
Weighted average basic earnings per share (US$)	0.01	0.03	(0.02)	(0.03)

Pelle Törnberg, President and CEO of Metro International, commented: "Metro achieved another year of rapid sales growth in 2004, but what is especially pleasing is that the Group actually succeeded during the year in accelerating top line growth. At constant exchange rates, net sales increased by 36.8% (18.7%) year on year in the quarter and by 36.9% (22.6%) for the full year."

"Country operations more than three years old, excluding HQ, New York, Hus & Hem and goodwill amortization, earned an operating profit margin in 2004 of 10.2%. The corresponding operating profit margin for the fourth quarter was 17.4%."

"Excluding the US$ 10.7 million profit realized in the fourth quarter of 2003 in connection with the disposal of a minority interest in Metro France, Metro's fourth quarter operating profit of US$ 4.5 million was a new record high quarterly operating profit."

"The fourth quarter's strong operating profit result has been achieved despite continued large investments in new launches, these being mainly the May 2004 started New York edition and to a lesser extent Metro Lisbon and Metro Rotterdam."

"Total cash flow used in the year by operations, including Headquarters, was only US$ 0.4 million (US$ 13.6 million), despite all the new investments. This extremely modest cash flow used by operations testifies to the Group's skilled management of its liquidity. The Group's balance sheet is in excellent shape, with the Group concluding the year with cash at bank and unutilized credit lines of almost US$ 80 million."

GROUP OVERVIEW

Metro reported a 48.1% year on year increase in net sales in the fourth quarter to US$ 95.4 million (US$ 64.4 million) and a 48.6% increase for the twelve months ended 31 December 2004 to US$ 302.4 million (US$ 203.6 million). At constant exchange rates, net sales grew by 36.8% (18.7%) year on year in the quarter and by 36.9% (22.6%) for the full year. Metro's sales have grown at a compound annual rate of almost 50% since the launch of the first edition in 1995. All country operations reported positive local currency year on year sales growth in 2004 as well as in the fourth quarter.

Twelve out of the sixteen country operations were profitable in the fourth quarter and nine for the full year. The US reporting segment was also in operating profit in the fourth quarter, excluding the less than one year old New York edition.

Metro launched in 2004 five major new editions – a New York edition, two weekly real estate newspapers in Sweden, an edition in Rotterdam and in December its first ever Portuguese language edition in Lisbon. In addition to these five major edition launches, Metro started six new editions in France and Spain, national editions in Sweden, Poland and Denmark and a weekly edition in Thessaloniki. Three new Metro editions were launched during the quarter (Rotterdam, Nice and Lisbon) and Metro's distribution in Poland outside of Warsaw was extended from two days a week in four cities to five days a week in nine cities.

Metro Sweden's national coverage has been further extended since the end of the quarter. In February 2005 a new edition was launched in Spain, covering five cities in the Castilla La Mancha region, in cooperation with a third party. Metro Spain has also transformed its La Coruna edition into a Galica regional edition, with the distribution extended to Vigo and Santiago. Metro Italy converted in January 2005 its Milan edition into a Lombardy regional edition and this is being delivered in eight cities in the region, including Milan.

Multinational advertising sales continued to grow strongly year on year, both in terms of customer numbers and revenues. Significant clients during the year included Mitsubishi, British Airways, Nokia, SAS, SMART and the Turkish tourism authority.

Metro succeeded over the last twelve months in keeping a tight control over its costs. The year on year reduction at constant exchange rates, excluding the major editions launched in 2004 (New York, Hus & Hem and Lisbon) amounted to a 2% and 4% saving for the quarter and for the twelve months of the year respectively. These savings reflect Metro's purchasing power as a global publisher, benefits resulting from the rigorous and consistent application of benchmarking techniques and the realization of other cost synergies across the organization.

Excluding Metro New York, Metro Lisbon and goodwill amortization charges, Metro newspaper operations reported in the fourth quarter of the year and for the year a combined operating profit of US$ 15.3 million (US$ 6.9 million) and US$ 25.9 million (-US$ 3.9 million) respectively.

Metro's headquarter costs increased year on year to US$ 5.6 million (US$ 4.7 million) for the quarter. The fourth quarter HQ charge was adversely impacted by a significant increase in business development costs, a final charge in connection with the September 2004 reorganization as well as currency effects. Headquarter costs for the year to date totaled US$ 20.4 million (US$ 13.6 million).

Metro's total Group operating profits in the fourth quarter decreased year on year to US$ 4.5 million (US$ 11.9 million). Adjusted, however, for the US $10.7 million profit arising on the sale of shares in the French subsidiary in the fourth quarter of 2003, the fourth quarter operating profit result was improved year on year by US$ 7.5 million, excluding the loss contributions of Metro New York and Metro Lisbon.

The Group reported a pre-tax profit of US$ 3.9 million (US$ 12.2 million) in the fourth quarter and a pre-tax loss of US$ 13.3 million (US$ 12.7 million) for the full year. Group net profits totaled US$ 4.3 million (US$ 15.5 million) in the fourth quarter and Group net losses for the year totaled US$ 11.4 million (US$ 6.9 million).

Metro announced in December 2004 that it intends to sell a 49% minority interest in Metro Boston to The New York Times Company for cash consideration of US$16.5 million. This transaction is under a preliminary review by the US Justice Department.

Metro acquired in February 2004 the 10% of the shares in Metro Hungary, which it did not already own. A loan receivable from the subject minority shareholder was netted off against the total consideration payable and the net balance remaining was settled in cash.

SEGMENTAL OPERATING REVIEW

Sweden

Metro Sweden comprises the editions in Stockholm, Gothenburg, Skåne as well as a national edition currently distributed in eleven other cities. Metro Sweden also includes the 'Hus & Hem' weekly real estate newspapers launched during the first quarter of 2004 in Stockholm and Malmö. Metro Sweden reported a combined 72% year on year net sales growth in the fourth quarter to US$ 29.2 million (US$ 17.0 million) and 65% growth to US$ 93.5 million (US$ 56.8 million) for the full year. Local currency sales, for this 10 year old operation, were up 57% and 50% year on year for the two periods respectively.

The national edition of Metro Sweden was successfully launched in eleven additional cities in Sweden during the quarter and it has been well received by national advertisers. Metro is now distributed daily in seventeen Swedish cities, establishing Metro as the largest newspaper in Sweden.

Metro Sweden reported a combined operating profit of US$ 6.4 million (US$ 4.5 million) in the fourth quarter and a 48% increase in operating profits to US$ 16.9 million (US$ 11.4 million) for the full year. 2004's local currency operating profit was the highest achieved since 1999.

Metro Sweden's 2004 operating profit result was affected by a redundancy charge incurred during the year, resulting from the centralization of certain editorial functions.

France

Metro France's seven editions reported for the year a 82% year on year increase in net sales to US$ 25.6 million (US$ 14.0 million) and a 31% year on year increase in sales to US$ 7.8 million (US$ 6.0 million) for the fourth quarter year. Local currency net sales grew year on year by 66% and 20% for the two respective periods. Metro France launched four new editions during the year (Toulouse, Lille, Bordeaux and Nice) and national coverage was further extended in 2005 by launching editions in Nantes, Rennes and Strasbourg. The strong sales growth during the year reflects Metro's increased competitiveness in the national newspaper advertising market and rapidly growing acceptance by national advertisers and media agencies alike.

Metro France reported an operating profit in the fourth quarter of US$ 0.8 million (-US $ 0.9 million), its first ever quarterly profit and a year on year improvement of US$ 1.7 million. This fourth quarter operating profit, achieved despite ongoing investment in new editions, corresponds to an operating profit margin of 10%. Metro France's 2004 operating loss was cut to US$ 3.3 million (US$ 8.9 million), a year on year reduction of 63%.

Rest of Europe

The Rest of Europe segment comprises ten country operations (Denmark, Finland, Holland, Italy, Spain, Portugal, Greece, the Czech Republic, Hungary and Poland), of which 5 were profitable for the year and 8 for the fourth quarter. The operations reported a combined 45% year on year increase in net sales in the quarter to US$ 43.0 million (US$ 29.8 million) and a 39% increase to US$ 130.8 million (US$ 94.4 million) for the full year. Net sales at constant exchange rates increased by 32% year on year in the quarter and by 26% for the twelve months ended 31 December 2004.

Metro Denmark became Denmark's leading national newspaper by readership in June 2004, only 5 months after the launch of its national edition. The operation succeeded in more than doubling its sales during the year in local currency and this lifted the operation out of operating loss into operating profits. Metro Denmark reported a 20% operating profit margin in the fourth quarter.

Metro Finland reported a 30% increase in sales during the fourth quarter. The operation was profitable in October and December. The year finished particularly strongly with the operation reporting a more than 50% year on year increase in local currency sales in December.

Metro Holland reported a year on year increase in local sales in the fourth quarter and for the full year of 31% and 39% respectively. The Rotterdam edition contributed to sales during the fourth quarter, but incurred a material start-up loss and net of this loss contribution, Metro Holland's Q4 operating profit growth was 18%. Operating profits for the year, boosted by successful special products such as a EURO 2004 edition, more than doubled.

Metro Italy more than halved its operating loss in 2004 on local currency sales up year on year by 7%. The operation, which was in operating profit in the fourth quarter, reported for this period year on year local currency sales growth of 5%. In order to accelerate sales growth the operation extended the circulation of its Milan edition into 7 further cities in the Lombardy region.

Metro Spain, enjoyed another excellent year growing its local currency sales year on year in the fourth quarter and for the year by 33% and 42% respectively. This rapid sales growth translated into local currency operating profit increases for the two periods of 262% and 475% respectively.

Two editions of Metro Portugal were printed and distributed in December 2004 and the newspaper was printed daily starting from January 11th. The operation reported no revenues in the fourth quarter.

Metro Greece reported its first ever annual operating profit in 2004 on local currency sales up year on year by 19%. The operation to position itself for sustainable sales growth launched a weekly Thessaloniki edition in October 2004.

Metro Prague, in addition to reporting an operating profit in the fourth quarter, more than halved year on year its 2004 local currency operating loss. The operation reported double digit sales growth for the fourth quarter and for the year. The operation improved the effectiveness of its distribution during the year and has focused on raising its editorial quality. Local readership survey results remain disappointing and efforts are underway to raise official reader per copy numbers up to at least the Metro average.

Metro Poland achieved a 44% year on year growth in local currency sales during the fourth quarter and 24% for the year. The company’s national edition was greatly expanded in the fourth quarter and Metro Poland is now for the first time proving its ability to compete competitively and effectively in the country’s national advertising market.

The United States

Sales for the United States operations increased by 41% year on year in the fourth quarter to US$ 6.4 million (US$ 4.5 million) and by 35% for the full year to US$ 22.0 million (US$ 16.3 million). These increases reflect the impact of the launch of the sizeable New York edition in May 2004, as well as the ongoing positive sales development in Philadelphia and Boston. The Philadelphia and Boston editions generated year on year sales growth respectively of 16% and 4% in the quarter and 16% and 18% for the twelve months ended 31 December 2004.

Metro Philadelphia reported its first ever quarterly operating profit in the fourth quarter, whilst Boston reported in the fourth quarter its third consecutive quarterly profit. The New York operation reported its second full quarter operating result and the combined US operations reported an operating loss of US$ 3.5 million (US$ 0.1 million) in the fourth quarter and US$ 12.5 million (US$ 1.9 million) for the year.

Metro New York, within only six months of its launch, has become the fifth largest newspaper in the city and its suburbs, the largest individual newspaper advertising market in the world. A recently commissioned customized readership survey conducted by Scarborough Research confirmed that Metro New York is delivering the same active, young, metropolitan reader profile that Metro consistently strives for and delivers in all of its markets around the world. Scarborough Research attributed a readership to Metro New York of over 500,000, 51% of whom are aged under 35 years. This supports the company's efforts to attract high quality premium brand advertising. The US operations also increasingly benefit from their strong combined position on the North Eastern seaboard and the ability to sell targeted advertising packages that capitalize on Metro's combined circulation of over 620,000 copies in the region.

Rest of World

The four operations (Chile, Hong Kong and the joint ventures in Montreal and Toronto) that comprise the Rest of World segment reported a 28% year on year increase in net sales to US$ 8.5 million (US$ 6.6 million) in the fourth quarter and 39% growth to US$ 29.1 million (US$ 20.9 million) for the full year. Net sales at constant exchange rates increased by 25% year on year in the fourth quarter and by 34% for 2004.

Metro Chile continues to record steady double digit local currency sales growth and this enabled the operation to report for the fourth quarter and for the year, year on year jumps in operating profits of 55% and 40% respectively.

Metro Hong Kong enjoyed another strong year, the operation succeeding in raising its sales year on year in the fourth quarter and in the year by 33% and 49% respectively. The operating profit margin for the year rose to 26%.

Metro's associate operation in Montreal reported its first ever quarterly operating profit and succeeded in the year in reducing its operating loss year on year by over 80%. The associate operation in Toronto also had a strong year. 2004 local currency sales for this unit were up year on year by 30% and operating profits for the year more than doubled to give a double digit operating profit margin for the year.

Headquarters

Headquarter revenues amounted to US$ 0.5 million (US$ 0.5 million) in the fourth quarter and US$ 1.5 million (US$ 1.1 million) for the full year. These revenues comprise mainly the franchise fees from the Group's two franchise operations in South Korea.

Metro acquired in July 2004 for US$ 0.3 million a 5% shareholding in Metro Seoul Holdings Inc. This share purchase was at original investment cost, in accordance with the terms of the licensing agreement. Metro continues to receive a franchise income on the same terms as prior to this equity investment.

The headquarter net cost for the year was impacted by a US$ 1.1 million redundancy charge in the third quarter. This arose as a consequence of a reorganization of the headquarters. Headquarter functions include Group senior management, finance and accounting, legal affairs, global sales, Group human resources, research, information technology, central business development and marketing, as well as the Metro World News editorial team. The reorganization will result in a reduction in headquarter payroll costs from the 2004 underlying average level.

Costs associated with the Group's long-term incentive plan are accounted for within the headquarters reporting segment. The plan gave rise to a non-cash charge in the fourth quarter and in the year of US$ 0.1 million and US$ 0.5 million respectively.

Headquarter operating losses amounted to US$ 5.6 million (US$ 4.7 million) in the fourth quarter and to US$ 20.4 million (US$ 13.6 million) for the full year.

In order to improve transparency of reported HQ net costs, with effect from Q1 2005 the Group will separate its net HQ costs into business development costs and regular running costs.

FINANCIAL REVIEW

Average debtor sales days outstanding at the end of the year reduced year on year by 8 days. This contributed to the Group achieving a net positive change in working capital for the full year of US$ 4.1 million (US$ 1.3 million).

Cash flow used by operations was reduced by 97% year on year to US$ 0.4 million (US$ 13.6 million) for the twelve months ended December 31, 2004. This was achieved despite the launch of thirteen new editions since the end of the same period of 2003.

The Group reported US$ 0.7 million in charges arising from the depreciation of tangible fixed assets in the fourth quarter and US$ 2.8 million for the full year, whilst the Group's capital expenditure totaled US$ 1.3 million and US$ 3.8 million for the respective periods. Capital expenditure for the year, which included investments in fixed assets by the newly started operations, was equivalent to approximately 1.2% of Group net sales.

The Group amortized a further US$ 1.0 million of goodwill in the fourth quarter and US$ 4.2 million in the full year of 2004. The Group's goodwill balance has therefore now been reduced to US$ 4.6 million. In 2005 in accordance with the newly effective IFRS accounting rules, Metro will not continue to regularly amortize goodwill in its accounts.

Net interest costs were US$ 0.3 million (US$ 0.2 million) in the fourth quarter and US$ 1.1 million (US$ 5.3 million) for the full year. Net interest costs comprised US$ 0.2 million of interest income on the Group's cash balances and loans outstanding with associate operations in the fourth quarter and US$ 0.9 million for the full year, as well as US$ 0.5 million of interest payable on the Group's US$ 37.0 million bank loan and other borrowings in the fourth quarter and US$ 2.0 million for the full year.

The year on year comparison of Metro's pre-tax and net profits for the fourth quarter and for the full year was affected by currency exchange rate gains of US$ 1.0 million and US$ 4.2 million for the respective periods of 2003. These net foreign exchange gains, reported under financial items, arose predominantly from the translation of Swedish Krona denominated loans payable to

Kinnevik and MTG into the Group's reporting currency (US dollars). The subject loans were converted into equity in August 2003 and this has resulted in significantly lower interest costs during 2004.

The Group reported net tax income of US$ 0.8 million in the fourth quarter and US$ 0.8 million for the full year, including deferred tax credits of US$ 1.5 million (US$ 3.9 million) and US$ 2.6 million (US$ 6.1 million) for the two respective periods. The Group's deferred tax asset balance amounted to US$ 16.9 million as at the end of the year. The Group currently has approximately US$ 230 million in tax losses carried forwards at non HQ operating entities.

The aggregate charge for minority shareholders' interests in France, Denmark and Portugal amounted to US$ 0.4 million (income of US$ 1.0 million) in the fourth quarter. The aggregate income in respect of minority shareholders' interests for the year was US$ 1.1 million (US$ 1.6 million). Télévision Française 1 acquired its 34.3% shareholding in Metro France in the fourth quarter of 2003 and A-Pressen has been a 30% shareholder in Metro Denmark since this operation's incorporation. Metro, in the quarter, became the majority shareholder in the legal entity publishing Metro's Lisbon edition, with a 65% stake. Grupo Media Capital, SGPS, SA controls the remaining 35% of the company's shares. The purchase by Metro of its shareholding in Metro Lisbon, gave rise to goodwill of US$ 0.1 million.

The weighted average number of outstanding shares increased in the fourth quarter of 2004 to 525,910,189 and for the full year of 2004 to 525,760,117, following the issuing of 200,096 shares in September 2004 to Board directors and Board advisors. The Group therefore reported a profit per share of US$ 0.01 (US$ 0.03) in the fourth quarter and a loss per share of US$ 0.02 and US$ 0.03 for the full year.

Metro had liquid funds of US$ 40.2 million at 31 December 2004 of which restricted cash comprised only US$ 0.4 million. A new five-year US$ 75.0 million multi-currency revolving credit facility was entered into with a syndicate of banks in September 2004, led by Nordea and this facility provides the Group with significantly enhanced operating and financial flexibility. US$ 37.0 million was drawn down on the facility upon signing and US$ 36.3 million of this balance was used to fully repay the Swedish Krona 267 million outstanding on the June 2002 Swedish Krona 400 million bilateral credit facility. The first scheduled amortization payment on the new facility, based on the current level of draw down is due 31 December 2008. Metro now has total cash including unutilized credit facility balances of US$ 78.2 million.

The Group's net interest bearing liabilities totaled US$ 6.0 million (US$ 0.6 million) at 31 December 2004 and principally comprised cash holdings at the year end of US$ 40.2 million net of the monies drawn down on the new US$ 75.0 million credit facility and the loan payable by Metro Denmark to its minority shareholder.

Metro International S.A.

CONFERENCE CALL

The company will host a conference call to present the results on Tuesday, 15 February at 3:00 pm (CET). The call will also be webcast on Metro's website at www.metro.lu.

To participate please use the following dial in lines:

UK	+44 (0)20 7365 1846
Sweden	+46 (0)8 5853 6966
US	+1 718 354 1153

A replay will be available until Monday, 21 February 2005. To listen to the replay please use the following replay lines:

UK	+44 (0)20 7984 7578
Sweden	+46 (0)85 661 8497
US	+1 718 354 1112

OTHER INFORMATION

The Annual General Meeting of shareholders of Metro International will be held in Luxembourg on Tuesday, May 31, 2005.
The Nomination Group consisting of, Cristina Stenbeck, Vigo Carlund (Investment AB Kinnevik), Mats Lagerqvist (Robur) and Björn Lind (SEB Asset Management and SEB Trygg Liv) will submit a proposal for the composition of the Board of Directors that will be presented to the 2005 Annual General Meeting for approval.

Shareholders who would like to suggest representatives for the Metro International Board of Directors can contact the company at the address below:

E-mail: agm@metro.lu or Letter: AGM, Metro International, 11 Boulevard Royal,
L-2449 Luxembourg

Metro's financial results for the first quarter and three months ended 31 March will be released in 20 April 2005.

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

15 February 2005

Metro International S.A.
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For further information, please visit www.metro.lu, email info@metro.lu or contact:

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Metro International S.A.

CONSOLIDATED INCOME STATEMENTS (US$ '000s)	Note	Period ended 31 December 2004	Period ended 31December 2003
Sales		302,448	203,564
Cost of sales		(185,155)	(127,940)
Gross income		117,293	75,624
Selling expenses		(70,234)	(49,632)
Administrative and development expenses		(54,598)	(43,463)
Share of earnings in associated companies		247	42
Sale of shares in subsidiary		-	10,700
Other operating expenses		(4,161)	(4,151)
Operating loss	(3)	(11,453)	(10,880)
Financial items, net		(1,850)	(1,818)
Loss after financial items and before income tax		(13,303)	(12,698)
Current tax		(1,816)	(1,808)
Deferred tax		2,636	6,078
Loss after income tax		(12,483)	(8,428)
Minority interests		1,129	1,563
Net result		(11,354)	(6,865)
Weighted average basic earnings per share		(0.02)	(0.03)
Weighted average basic number of shares outstanding		525,760,117	258,804,589

Metro International S.A.

CONSOLIDATED INCOME STATEMENTS (US$ '000s)	Note	Oct-Dec 2004	Oct–Dec 2003
Sales		95,408	64,418
Cost of sales		(54,480)	(35,022)
Gross income		40,928	29,396
Selling expenses		(18,856)	(15,284)
Administrative and development expenses		(16,669)	(12,085)
Share of earnings in associated companies		124	246
Sale of shares in subsidiary		-	10,700
Other operating expenses		(1,047)	(1,085)
Operating profit	(3)	4,480	11,888
Financial items, net		(540)	360
Profit after financial items and before income tax		3,940	12,248
Current tax		(663)	(1,624)
Deferred tax		1,510	3,926
Profit after income tax		4,787	14,550
Minority interests		(442)	995
Net result		4,345	15,545
Weighted average basic earnings per share		0.01	0.03
Weighted average basic number of shares outstanding		525,910,189	525,710,093

Metro International S.A.

(cont.)

CONSOLIDATED STATEMENTS OF RECOGNISED GAINS AND LOSSES (US$ '000s)	**Note**	**Jan–Dec 2004**	**Jan–Dec 2003**
Foreign exchange translation differences		5,059	(2,231)
Net loss not recognised in the income statement		5,059	(2,231)
Net result for the period		(11,354)	(6,865)
Total recognised loss		(6,295)	(9,096)

Metro International S.A.

CONSOLIDATED BALANCE SHEETS (US$ '000s)	Note	31 December 2004	31 December 2003
ASSETS			
Non-current assets			
Intangible assets			
Licenses, net		28	50
Goodwill, net		4,579	8,303
		4,607	8,353
Property, plant and equipment			
Machinery and equipment, net		6,918	5,379
Financial assets			
Deferred tax assets		16,939	13,368
Shares in associated companies		174	158
Other investments		298	-
Receivables from associated companies		4,370	4,455
Long-term receivables		2,339	2,244
		24,120	20,225
Total non-current assets		35,645	33,957
Current assets			
Accounts receivable, net		63,744	48,578
Other current receivables		4,137	4,791
Prepaid expenses		7,465	5,087
Cash and cash equivalents		40,173	43,614
Total current assets		115,519	102,070
TOTAL ASSETS		151,164	136,027

Metro International S.A.

CONSOLIDATED BALANCE SHEETS (US$ '000s)	Note	31 December 2004	31 December 2003
SHAREHOLDERS' EQUITY			
Shareholders' equity	(4)	33,989	39,967
Minority interest		(3,534)	(2,125)
Long term liabilities			
Liability to minority partner		4,031	3,778
Long-term bank loans		37,000	27,490
Total long term liabilities		41,031	31,268
Current liabilities			
Short-term bank loans		5,111	12,901
Accounts payable		41,043	32,689
Other liabilities		10,440	7,504
Accrued expenses		23,084	13,823
Total current liabilities		79,678	66,917
Total liabilities		120,709	98,185
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		151,164	136,027
Contingent liabilities		-	-

Metro International S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS (US$ 000's)	Note	Period ended 31 December 2004	Period ended 31 December 2003
Operating activities			
Loss before income tax		(13,303)	(12,698)
Adjustments for:			
Depreciation and amortization		6,961	6,675
Other non-cash items		267	(10,700)
Financial items, net		1,850	1,818
Share of earnings associated companies		(247)	(42)
Changes in working capital:			
Change in current receivables		(12,537)	(18,129)
Change in current liabilities		16,594	19,441
Cash flow used by operations		(415)	(13,635)
Interest paid / received		(978)	(1,986)
Income tax paid		(601)	(593)
Net cash used in operations		(1,994)	(16,214)
Investment activities			
Increase/decrease in long-term receivables		430	(1,510)
Investment in intangible assets		-	(365)
Investment in shares		(461)	(100)
Investment in property, plant and equipment		(3,764)	(2,155)
Net cash flow used in investing activities		(3,795)	(4,130)
Financing activities			
Loan from minority partner		(92)	351
Loans from related parties		-	16,997
Capital increase (net)		50	26,319
Sale of shares in subsidiary (net)		-	12,931
Bank loan		37,000	-
Repayment of bank loan		(36,256)	(17,156)
Net cash flow provided by financing activities		702	39,442

(cont.)

CONSOLIDATED STATEMENTS OF CASH FLOWS (US$ '000s)	**Note**	**Period ended 31 December 2004**	**Period ended 31 December 2003**
Net increase/(decrease) in cash and cash equivalents		(5,087)	19,098
Cash and cash equivalents at beginning of year		43,614	23,989
Currency effects on cash		1,646	527
Cash and cash equivalents at end of period		40,173	43,614

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 partner, publish free-of-charge newspapers, Monday through Friday. As at December 31, 2004, Metro newspapers were distributed in Stockholm, Gothenburg, Skåne and eleven other Swedish cities, Warsaw and nine other Polish cities, Prague, Budapest and 18 other Hungarian cities, the Netherlands, Helsinki, Santiago and five other Chilean cities, Philadelphia, Boston, New York, Rome, Milan, Toronto, Athens, Thessaloniki, Madrid, Barcelona, Zaragoza, Seville, La Coruna, Alicante, Valencia, Lisbon, Denmark, Montreal, Paris, Marseilles, Lyon, Toulouse, Lille, Aix-en-Provence, Toulon, Aubagne, Bordeaux, Nice, 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.

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 period ended 31 December 2003. Some minor adjustments have been made in the classification of sales and costs for the period ended 31 December 2004.

Metro’s accounting policies are in accordance with IFRS (International Financial Reporting Standards). New IFRS accounting standards, which were applicable to Metro in 2004, have not had any effect on the Group’s reported financial statements in 2004.

Note 3

Segment reporting

The segment reporting is based on geographic areas – 'Sweden', 'France', 'Rest of Europe', 'United States', 'Rest of World' and 'Headquarters'.

The 'Rest of Europe' area comprises the newspapers in Prague, Hungary, the Netherlands, Helsinki, Italy, Poland, Athens, Spain, Denmark and Lisbon.

The 'Rest of World' area comprises the newspapers in Chile, Canada and Hong Kong.

Metro does not own the operations in Alicante and Valencia but reports a share of the editions' national advertising sales.

Metro owns the majority of the sales companies in Toronto and Montreal and 25% of the publishing entities. Metro therefore accounts for the former as subsidiaries and the latter as associated company income.

'Headquarters' includes the income from the franchise operation in South Korea.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (US$ '000s)	**Oct–Dec 2004**	**Oct–Dec 2003**	**Jan–Dec 2004**	**Jan–Dec 2003**
Segment reporting				
Net sales (external)				
Sweden	29,176	17,016	93,460	56,752
France	7,795	5,952	25,577	14,035
Rest of Europe	42,994	29,755	130,800	94,427
USA	6,412	4,539	22,027	16,326
Rest of World	8,519	6,646	29,051	20,887
Headquarters	512	510	1,533	1,137
	95,408	64,418	302,448	203,564

There are no inter-segment sales.

Metro International S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (US$ '000s)	Oct–Dec 2004	Oct–Dec 2003	Jan–Dec 2004	Jan–Dec 2003
Segment reporting				
Net income (loss)				
Sweden	6,380	4,471	16,856	11,410
France	792	(933)	(3,252)	(8,890)
Rest of Europe	5,183	2,111	5,830	(5,433)
USA	(3,505)	(142)	(12,491)	(1,872)
Rest of World	2,276	1,428	6,134	925
Operating profit (loss) from operations	11,126	6,935	13,077	(3,860)
Sale of shares in subsidiary	-	10,700	-	10,700
Goodwill	(1,047)	(1,085)	(4,161)	(4,151)
Headquarters	(5,599)	(4,662)	(20,369)	(13,569)
Operating profit (loss)	4,480	11,888	(11,453)	(10,880)
Items to reconcile to statement of operations				
Financial items, net	(540)	360	(1,850)	(1,818)
Current tax	(663)	(1,624)	(1,816)	(1,808)
Deferred tax	1,510	3,926	2,636	6,078
Minority interest in losses	(442)	995	1,129	1,563
Net result	4,345	15,545	(11,354)	(6,865)

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 263,434,011 Metro class A Shares and 262,476,178 Metro class 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 December 2004***	***31 December 2003***
Balance beginning of year	39,967	(114,081)
Currency translation adjustment	5,059	(2,231)
Capital increase (net)	317	163,144
Net result for the period	(11,354)	(6,865)
Balance as of end of period	33,989	39,967