FOR IMMEDIATE RELEASE **8 November 2000**

METRO INTERNATIONAL – RESULTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2000

London, 8 November 2000 - Metro International S.A. ("Metro") (MTROA, MTROB), today announced its preliminary results for the first nine months of 2000, ended 30 September 2000.

- **Net sales up 60.8% to US$ 63.0 million (us$ 39.2 million)**
- **New newspaper editions launched in Rome and Stockholm during the 3rd quarter, in Buenos Aires and Milan in October 2000, and in Warsaw in November 2000**
- **Metro is now the fifth biggest newspaper in the world by circulation**
- **Metro is now the most read newspaper in Sweden**
- **Applying for listings on the Luxembourg Stock Exchange and the Stockholm Stock Exchange 'O - List'**
- **Compound annual growth rate in readership of 62% since 1995**

FINANCIAL SUMMARY

CONSOLIDATED INCOME STATEMENT (US$ thousand)	1999 Jan-Sept Pro forma	2000 Jan-Sept
Net sales	39190	63032
Gross income	14765	11402
Operating loss - EBIT	(7926)	(36575)
Income after financial items & before income tax	(9634)	(40599)

OPERATING REVIEW

Demerger and Listings
34 million 'A' Shares and 32 million 'B' shares in Metro International were issued to shareholders of its former parent company, Modern Times Group MTG AB, on 15 August 2000, following the approval of a meeting of MTG shareholders in May 2000. Metro International subsequently commenced trading as a separate company on the Nasdaq National Market and the Stockholms Börsinformation (SBI) list, under the symbols MTROA and MTROB, from 18 August 2000.

Metro is also applying for the listing and admission of its shares to trading on the Luxembourg Stock Exchange and the Stockholm Stock Exchange 'O' List.

Profit / Loss account
The comparative figures in this report have been adjusted for the deconsolidation of Metro from MTG, which took effect at January 1, 2000.

Metro's net sales increased by 60.8% to US$ 63.0 million in the first nine months of 2000, when compared to the same period last year, reflecting the strong top line sales growth in both existing and new businesses. Metro's sales are driven by advertising expenditure, which is cyclical by nature, and the fourth and second quarters are the strongest.

Earnings have been impacted by the launch of 10 new editions of the newspaper in 2000. This increase in expenditure is in line with the Company's business development plan.

Business Strategy
The Metro Concept
The Metro concept is based on an editorial principle of delivering objective local, national and international news and useful information in a format that can easily be read in 15 - 20 minutes, the time of a typical commuter journey on local transport.

The paper is distributed free of charge in locations where, and at a time of day when, there is a dense traffic of young professionals commuting to and from work. Metro editions are therefore, typically, distributed in Cities, which are major commercial and tourism centers and, consequently, have strong advertising markets. Independent readership surveys confirm that Metro editions have a high proportion of readers under 30 years of age (40%), of which more than half are female. This young professional readership profile is highly attractive to advertisers.

The Company has focused mainly on seeking distribution contracts with local transport authorities in each of the locations where new papers are launched. However, Metro has also demonstrated the flexibility to launch new papers where it is not possible or financially attractive to reach such agreements. The editions in Santiago, Buenos Aires, Milan and Warsaw are distributed by hand in City centres at peak traffic times.

Metro out-sources the majority of its production costs, which results in a low fixed cost base. Metro is committed to being at the forefront of distribution technology by making Metro editions available on the Internet. As a result, an increasing number of readers are using the 'print on demand' facility to download editions of the newspaper from the Internet, which effectively out-sources the printing and paper costs to readers.

Metro therefore benefits from an accelerated speed to market, limited upfront capital expenditure and should be able to operate profitably on a monthly basis at between 12 and 36 months after start-up. The cash flow from the more mature businesses is employed to fund the start-up of the newspaper in new cities or countries.

After only 5 years, Metro is now the most read newspaper in Sweden and has rapidly become the number 1 or 2 newspaper by circulation in the other markets that it serves. Where Metro editions are published in a number of cities in the same country or distributed via a national transport network, the Company benefits from local, regional and, in some cases, national and global advertising sales.

Global expansion
The concept is being implemented in 17 editions in 13 countries around the world and expanding rapidly. The combined circulation of all Metro editions has now established Metro as the fifth biggest paper in the world with a current circulation of 3.176 million, which includes the Buenos Aires, Milan and Warsaw editions launched after the end of the third quarter. The combined daily circulation has a compound annual growth rate of 73% since 1995 when the first Metro edition was launched and has risen from 1.1 million to 3.2 million in the current year alone. The ability to leverage this international presence is expected to result in economies of scale in purchasing of editorial and paper, as well as in sales to advertisers on an international basis.

The international readership also offers opportunities to generate additional revenue streams at low incremental cost. For example, travel promotions can be marketed to the growing number of loyalty club members through tourism supplements published in the printed and online versions of Metro. In

Stockholm alone, more than half of Metro's readers are members of Club Metro. In addition, local language editions of Metro are made available to people living overseas through the Internet, and can be tailored to include advertising which is specific to the market in which they are living.

Readership
The readership of Metro has a compound annual growth rate of 62% since 1995 when the Stockholm edition was launched. In addition to local readership surveys published for the advertising industry, the Company also commissions an independent worldwide readership survey every six months in order to establish trends in the number and profile of Metro readers.

The estimated average daily readership of each edition of the newspaper is considerably higher than the daily circulation in each market. Estimated average daily readership is generally between two and three times the average daily circulation in each market and, in some cases, is between three and four times the average daily circulation.

The first worldwide survey, which was published in May 2000 by the independent surveyor Gallup, established that Metro had a daily average readership of 3,916,000. At that time, total daily circulation was 1,613,000, which corresponded to an average of 2.43 readers per copy, which is excellent by industry standards. The next survey will be reported in the full year results statement.

Segmental breakdown
Nordic

City	Launch date	Readership	Circulation
Stockholm	February 1995	573,000 *	
Gothenburg	February 1998	215,000 *	
Malmö	September 1999	149,000 *	
Stockholm 'Everyday'	September 2000	251,000 *[2]	
Helsinki	September 1999	184,000 *	
Total		1,372,000	760,000 *[3]

* Gallup Worldwide Survey – May 2000
*[2] SIFO Survey - September 2000
*[3] As at October 2000

Net sales in Sweden, which comprises the Stockholm, Gothenburg and Malmö operations, increased by 24.6% to US$42.3 million (US$34.0 million), benefiting from a full 3 quarters of sales from the Malmo edition and the national Swedish advertising sales which followed from the launch in Malmö. When excluding the currency effect of the fluctuations in US$ exchange rates, the local revenues in Sweden actually increased by 35%.

The EBIT operating margin of the Stockholm operation, which is the most mature business in the Group, was 37.2% compared to 36.7% at the end of the same period in 1999. Metro is now the most read newspaper in Sweden according to SIFO 'Orvesto' for the first half of 2000. SIFO 'Orvesto' is the official independent Swedish readership survey.

Operating income after depreciation and amortization for the nine months increased by 20.3% to US$ 7.2 million (US$ 5.9 million). This result was due to a strong performance in Stockholm but also reflected the continuing investment in the Malmö operation and the start-up costs of the new afternoon paper, Everyday, in September 2000.

The new afternoon paper, Everyday, has performed well since its launch in August 2000 and has already attracted a readership of over 250,000 readers according to a research report published by SIFO in October 2000, one month after the launch of the new paper. As with other operations at this early stage of development, the business case will not be proven for a number of months yet.

The Rest of Nordic comprises the Group's operations in Helsinki, Finland. Sales and readership numbers have grown over the year to date in this operation, which was only launched a year ago. The continuing losses in the Helsinki operation reflect the presence of competition in the market and the continuing investment in the development of the business.

Rest of Europe

City/Country	Launch date	Readership	Circulation
The Netherlands	June 1999	1,059,000 *	
Prague	June 1997	320,000 *	
Budapest	September 1998	491,000 *	
Newcastle	January 2000	41,000 *	
Zurich	January 2000	215,000 *	
Rome	July 2000	Not yet available	
Total		2,126,000	1,271,000 *2
Milan	October 2000	Not yet available	200,000
Warsaw	November 2000	Not yet available	200,000

* Gallup Worldwide Survey – May 2000
*2 As at October 2000

Net sales in Holland increased to US$ 6.9 million (US$ 0.9 million) in the first nine months of 2000, benefiting from the national advertising sales effort and the fact that the 1999 figures only showed results for the three months after the launch in June 1999. Bearing in mind that the Dutch operation was only launched in June 1999 and had competition from day one, in the form of a rival product published by the leading Dutch national daily newspaper, the losses have decreased year on year to US$ 4.1 million (US$ 5.0 million). The first independent survey of newspaper readership was published in Holland in 2000 and contributed to increased sales in the operation, which showed a monthly profit for the first time in May 2000.

The Rest of Europe segment includes the operations in Prague, Budapest, Newcastle, Zurich and Rome The more mature businesses in Budapest and Prague showed rapid sales growth in the period. Prague showed profits in the second quarter and September 2000 whilst Budapest, which was launched in September 1998, was profitable on a monthly basis in June 2000. The total EBIT line continued to reflect the investment in the businesses. Metro has two competitors in Switzerland who are publishing national daily free newspapers.

New editions of Metro were launched in Milan in October 2000, and in Warsaw in November 2000. Metro immediately became the second biggest newspaper in Milan with a target circulation of 200,000. When combined with the circulation of the Rome edition of Metro, the newspaper is now the third biggest in Italy and has already attracted a number of national advertisers including Fiat. The Warsaw edition is the biggest paper by circulation in the City with a daily circulation of 200,000.

Rest of the World

City	Launch date	Readership	Circulation
Philadelphia	January 2000	268,000 *	
Santiago	January 2000	401,000 *	
Toronto	June 2000	Not yet available	
Total		669,000	445,000 *[2]
Buenos Aires	October 2000		300,000

* Gallup Worldwide Survey – May 2000
*[2] As at October 2000

Net sales were US$ 4.3 million for the nine month period, with the start-up of the operations in Santiago and Philadelphia in the first quarter and Toronto at the end of the second quarter. The operating income line showed an increased loss of US$ 11.6 million, reflecting the early stage of the development of these businesses.

As the result of a lawsuit, which was brought against the public transport authority in Philadelphia by a group of US media publishers, full distribution was delayed in Philadelphia until April 2000. Initial sales were delayed but have grown rapidly since the launch of full distribution.

Sales levels in Santiago continue to expand and the edition is now the second most read newspaper in Chile.

A new edition of Metro was launched in October 2000 in Buenos Aires, the largest city in Argentina with 12 million inhabitants. Metro immediately became the second biggest newspaper in Argentina with a circulation of 300,000 copies.

Headquarters
Operating costs increased to US$ 9.6 million (US$ 4.8 million) for the nine month period, reflecting the accelerated investment in license hunting around the world. Once the Metro operations are fully established, head office costs will fall significantly, in line with reduced business development expenditure. The Company is based in Luxembourg.

Employees
Metro has added 230 new employees to its operating businesses around the world since the end of 1999, bringing the total number of full time employees to 551.

Capital Position
The Group’s equity to assets ratio (consolidated shareholders’ equity and minority interests including the convertible debenture loan, divided by total assets) was negative. This does not reflect the underlying value of Metro’s option to acquire 1,363,480 shares in Millicom International S.A. at an exercise price of SEK 88 million, which is capitalised at the original acquisition cost in the balance sheet. At the mid-market closing price of Millicom shares on Nasdaq on 7 November 2000, the option was deep in the money with a market value of US$ 42.5 million, compared to an acquisition price of US$ 8.8 million. Taking into account the goodwill and deferred tax in publicly traded shares, the ratio of equity to assets was 5%.

OTHER INFORMATION

2000 Year end results announcement
Metro's results for the fourth quarter and year ended 31 December 2000 will preliminarily be released in February 2001.

Luxembourg, November 7, 2000

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

Metro International S.A. publishes and distributes free daily newspapers, comprising 17 editions in 13 countries: Stockholm ('Metro' & 'Everyday'), Gothenburg ('Metro'), Malmö ('Metro'), Helsinki ('Metro'), Prague ('Metro'), Budapest ('Metro'), Holland ('Metro'), Newcastle ('Morning News'), Zurich ('Metropol'), Santiago ('MTG'), Rome ('Metro'), Philadelphia ('Metro'), Toronto ('Metro'), Buenos Aires ('PubliMetro'), Milan ('Metro') and Warsaw ('Metropol').

Metro International S.A. 'A' and 'B' shares are listed on the Stockholms Börsinformation (SBI) and on the Nasdaq National Market under the symbols MTROA and MTROB.

For further detail, please visit www.metro.lu, email info@sharedvalue.net or contact:
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Metro International SA
CONSOLIDATED STATEMENTS OF OPERATIONS
(thousands of US$ except share and per share amounts)

		Period ended September 30,	
	Note	***1999***	***2000***
Sales		39,190	63,032
Cost of sales		(24,425)	(51,630)
Gross income		14,765	11,402
Selling expenses		(5,357)	(9,831)
Administrative and development expenses		(14,604)	(35,316)
Goodwill amortization		(2,730)	(2,830)
Operating income (loss)	(3)	(7,926)	(36,575)
Interest expense MTG/Kinnevik		(1,806)	(3,530)
Other financial items, net	(5)	98	(494)
Income (loss) before income tax		(9,634)	(40,599)
Current tax		(2,272)	(2,403)
Deferred tax		(1,140)	(156)
Income (loss) after income tax		(13,046)	(43,158)
Minority interests in losses		-	-
Net income (loss)		(13,046)	(43,158)
Basic and diluted pro forma loss per share		(0.20)	(0.65)
Basic and diluted pro forma outstanding number of shares		66,375,156	66,375,156

The accompanying notes are an integral part of these consolidated financial statements.

Metro International SA
CONSOLIDATED STATEMENTS OF RECOGNISED GAINS AND LOSSES
(thousands of US$)

	Note	**Period ended September 30,** ***1999***	***2000***
Foreign exchange translation differences		(424)	6,610
Net (loss) gain not recognised in the income statement		(424)	6,610
Net loss for the period		(13,046)	(43,158)
Total recognised gains and losses		(13,470)	(36,548)

The accompanying notes are an integral part of these consolidated financial statements.

Metro International SA
CONSOLIDATED BALANCE SHEETS
(thousands of US$)

As of	Note	December 31, 1999	September 30, 2000
ASSETS			
Non-current assets			
Intangible assets			
Licenses, net		178	145
Goodwill, net		21,445	17,514
		21,623	17,659
Property, plant and equipment			
Machinery and equipment, net		2,641	3,735
Deferred tax assets		631	475
Total non-current assets		24,895	21,869
Current assets			
Accounts receivable, net		7,446	11,094
Tax receivable		103	-
Receivable MTG		-	12,521
Share purchase option		10	10
Other current receivable		3,904	8,743
Prepaid expenses		771	5,473
Cash and cash equivalents		49	8,735
Total current assets		12,283	46,576
TOTAL ASSETS		37,178	68,445

The accompanying notes are an integral part of these consolidated financial statements.

Metro International SA

CONSOLIDATED BALANCE SHEETS (continued)
(thousands of US$)

As of	*Note*	December 31, *1999*	September 30, *2000*
NET ASSETS (DEFICIT) AND LIABILITIES			
Net assets (deficit)	(4)	(27,303)	(51,895)
Minority interest		-	-
Long term liabilities			
Convertible debenture loan	(5)	-	23,500
Other liabilities to MTG Group companies/Kinnevik		42,643	63,100
Total long term liabilities		42,643	86,600
Current liabilities			
Accounts payable		9,934	11,222
Other liabilities		5,487	7,333
Accrued expense		6,418	15,185
Total current liabilities		21,839	33,740
Total liabilities		64,482	120,340
TOTAL NET ASSETS (DEFICIT) AND LIABILITIES		37,178	68,445
CONTINGENT LIABILITIES		-	-

The accompanying notes are an integral part of these consolidated financial statements.

Metro International SA

CONSOLIDATED STATEMENTS OF CASH FLOWS
(thousands of US$)

		Period ended September 30,	
	Note	*1999*	*2000*
Operating activities			
Income (loss) before income tax		(9,634)	(40,599)
Adjustments for:			
Depreciation and amortization		3,807	4,376
Interest expense MTG/Kinnevik		1,806	3,530
Other financial items, net		(98)	494
Changes in working capital:			
Change in current receivables		(8,789)	(13,199)
Change in current liabilities		15,499	14,796
Cash flow generated (used) by operations		2,591	(30,602)
Interest received		145	(257)
Interest paid		(1,230)	(2,438)
Income tax paid		(1,520)	(97)
Net cash provided by (used in) operations		(14)	(33,394)
Investment activities			
Acquisition of minority interests		(24,114)	-
Investment in property, plant and equipment		(1,522)	(2,640)
Net cash flow used in investing activities		(25,636)	(2,640)
Financing activities			
Proceeds from transactions with MTG Group companies, net		26,975	45,071
Contributed by minority interests		-	-
Net cash flow provided by (used in) financing activities		26,975	45,071

The accompanying notes are an integral part of these consolidated financial statements.

Metro International SA

CONSOLIDATED STATEMENTS OF CASH FLOWS
(thousands of US$)

	Period ended September 30,	
	1999	***2000***
Net increase/(decrease) in cash and cash equivalents	1,325	9,037
Cash and cash equivalents at beginning of year	444	49
Currency effects on cash	(42)	(351)
Cash and cash equivalents at end of period	1,727	8,735

The accompanying notes are an integral part of these consolidated financial statements.

Metro International SA

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(amounts in thousands of U.S. Dollars)

Note 1

Basis of preparation and scope of consolidated financial statements

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

Metro International SA and its subsidiaries (the Company) publishes Metro, a newspaper, free-of-charge, Monday through Saturday. It is distributed primarily through the commuter rail and subway systems in Stockholm, Gothenburg, Prague, Budapest, Malmö, Holland and Helsinki and, from 2000 in Santiago, Newcastle, Zürich, Philadelphia, Rome, Toronto, Buenos Aires and Milan. Metro derives its revenues exclusively from advertising sales.

The Company includes all of MTG's 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 all income and costs that the MTG group had for the Metro operations and include goodwill amortization in respect of goodwill on external acquisitions.

The Company utilizes certain administrative services, which have been purchased from other MTG companies. The Company intends to continue to purchase these services from MTG companies on similar terms after the spin-off.

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 December 31, 1999. The consolidated financial statements are in accordance with IAS 34 except that the Company does not disclose separate figures for the July to September 2000 period.

Note 3

Segment reporting

As of September 2000, the primary segment reporting is based on geographic areas. The company operates in 14 locations where it publishes newspapers and intends to continue the expansion by establishing additional newspapers. The Nordic area represents the newspapers in Stockholm, Gothenburg, Malmö and Helsinki and was the first geographic area to be established. This market is therefore much more mature than the other geographic areas.

The "Rest of Europe" includes Prague, Budapest, Netherland, Newcastle, Zürich and Rome.

The "Rest of world" includes Santiago and Philadelphia and Toronto.

Goodwill amortization has been allocated to the newspapers in the different geographic areas based on specific identification.

Segment reporting

	Period ended September 30,	
Net sales (external)	***1999***	***2000***
	(in US$ thousands)	
Nordic		
Sweden	33,965	42,315
Rest of Nordic	78	1,143
Total Nordic	34,043	43,458
Europé		
The Netherlands	936	6,863
Rest of Europe	4,211	8,461
Total Europe	5,147	15,324
Rest of World		
Philadelphia	-	2,345
Rest of world	-	1,905
Total rest of world	-	4,250
Headquarters	-	-
	39,190	63,032

There are no inter-segment sales.

Net income (loss)	***1999***	***2000***
	(in US$ thousands)	
Nordic		
Sweden	5,947	7,155
Rest of Nordic	(875)	(3,389)
Total Nordic	5,072	3,766
Europe		
The Netherlands	(5,090)	(4,136)
Rest of Europe	(2,785)	(14,970)
Total Europe	(7,875)	(19,106)

Rest of World		
Philadelphia	(229)	(6,886)
Rest of world	(69)	(4,742)
Total rest of world	(298)	(11,628)
Headquarters	(4,825)	(9,607)
	(7,926)	(36,575)
Operating income (loss)		
Items to reconcile to statement of operations:		
Interest expense MTG/Kinnevik, net	(1,806)	(3,530)
Other financial items, net	98	(494)
Current tax	(2,272)	(2,403)
Deferred tax	-	(156)
Minority interest in losses	-	-
Net income (loss)	(11,906)	(43,158)

Note 4

Net assets (deficit)

Metro International SA was formed on December 29, 1999.

The authorized 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 $20,035 divided into 34,286,538 shares of Metro A Shares and 32,088,618 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 net assets (deficit)	***1999***	***2000***
	(in US$	thousands)
Balance beginning of year	1,105	(27,303)
Payment to shareholders	-	(8,044)
Currency translation adjustment	424	6,610
Conversions of loans to share capital	-	20,000
Net loss for the year	(13,046)	(43,158)
Balance as of end of September	(11,517)	(51,895)

Note 5

Convertible debt

In May 2000 the Company issued to MTG $23.5 million aggregate nominal value of Metro Convertible Debentures in exchange for a similar amount of the Company's net indebtedness to MTG. The Metro Convertible Debentures bear interest at the rate 6% per annum and will mature on May 23, 2003. The Metro Convertible Debentures may be converted by the holders into an equal number of Metro A Shares and Metro B Shares, in full or in part, at any time or from time to time during their term at a conversion price of $1.42 per Metro A Share and $1.42 per Metro B Share. The Metro Convertible Debentures are convertible into 8,296,895 Metro A Shares and 8,296,895 Metro B Shares, representing 20% of our share capital and 19% of our total voting rights on a fully diluted basis.

Note 6

US GAAP Information

The accompanying consolidated financial statements of the Company have been prepared in accordance with IAS. These accounting principles differ in certain respects from US GAAP.

Following is a summary of the adjustments under US GAAP that affect the Company's consolidated net loss for the periods ended September 30, 1999 and 2000, and consolidated net assets (deficits) as of December 31, 1999 and September 30, 2000, together with a discussion of the principal differences between IAS and US GAAP that are significant to the Company's unaudited consolidated interim financial statements.

	Period ended September 30,	
	1999	***2000***
	(in US$ thousands except number of shares and per share data)	
Reconciliation of net income		
Net income as reported under IAS	(13,046)	(43,158)
Adjustments to reconcile to corresponding amounts under US GAAP:		
Income tax	989	-
Net income (loss) under US GAAP	(12,057)	43,158
Basic and diluted pro forma loss per share	(0.18)	(0.65)
Basic and diluted pro forma outstanding number of shares	66,375,156	66,375,156

	Period ended September 30,	
	As of December 31, 1999	***As of September 30, 2000***
	(in US$ thousands)	
Reconciliation of net assets (deficit)		

Net assets (deficit) under IAS	(27,303)	(51,895)
Adjustments to reconcile to corresponding amounts under US GAAP:		
Deferred tax assets	989	989
Net assets (deficit) under US GAAP	(26,314)	(50,906)

Those differences which have a significant effect on the combined net income (loss) and net assets (deficit) are described as follows:

a) Income taxes

IAS requires that unrealised profits resulting from intragroup transactions be eliminated from the carrying amount of assets, such as inventory or property, plant, or equipment. The tax effect of such transactions is calculated by reference to the position of the buying entity. Under US GAAP, income taxes paid by the seller on intercompany profits on assets that remain within the consolidated group, including the tax effect of any reversing temporary differences in the seller's tax jurisdiction, are deferred.

b) Stock-based employee compensation

For US GAAP purposes, the Company's employee stock option plan is accounted for in accordance with the intrinsic value method established by Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees. No compensation expense is recognized for stock options granted when the exercise price of these options granted is equal or greater than the fair market value of the Company's stock at the date of grant.