



METRO INTERNATIONAL S.A.

FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2006

Luxembourg, 25th April 2006 – Metro International S.A. (“Metro”) (MTROA, MTROB), today announced its financial results for the first quarter ended 31st March 2006. The Group’s consolidated accounts have been prepared according to International Financial Reporting Standards (IFRS).

HIGHLIGHTS FOR THE PERIOD

- **20% year on year net sales growth at constant exchange rates**
- **11% year on year increase in net sales to US\$ 93.2 million (US\$ 84.1 million)**
- **Record first quarter operating profit for subsidiary and associate newspaper operations of US\$ 1.4 million (loss of US\$ 3.6 million)**
- **54% year on year reduction in total operating losses to US\$ 3.9 million (US\$ 8.4 million, excluding US\$ 15.9 million gain from sale of shares in Metro Boston)**
- **8 out of 17 subsidiary or associated country operations report profits**
- **Net loss of US\$ 5.7 million (profit US\$ 5.8 million)**
- **Weighted average basic loss per share of US\$ 0.01 (profit of US\$ 0.01)**

Pelle Törnberg, President and CEO of Metro International, commented: “Metro has made an encouraging start to 2006 and we have begun to see the benefits of the measures taken during 2005 to further enhance our market positions around the world. The year on year sales growth rate accelerated from 13% in the fourth quarter of 2005 to 20% in the first quarter. The Group’s newspaper operations have therefore been able to report a record combined first quarter operating profit, following a US\$ 5 million improvement in operating profitability.

“The printing of 451 tonnes of paper by 49 print houses to create 8 million copies of 64 Metro editions in 18 languages, which are then delivered by 759 trucks to 91 major cities in 19 countries and placed in 22,654 racks and handed out by 2,470 hand distributors to be read by 18.5 million readers each day is a huge logistical exercise. We have further improved our operational focus in the last year with the introduction of a new management structure, which has enabled us to increase the speed and efficiency of our decision making and implementation.

“Metro Spain reported its first ever Q1 profit following the reorganization in 2005; Metro Sweden reported a 52% profit increase; the combined operating loss for the US operations was halved year on year; whilst the Dutch and Danish operations reported operating margins of over 15% in the Group’s seasonally second weakest advertising sales quarter. We have a clearly differentiated model and audience profile, and continue to deliver sales and editorial innovations in order to capitalize on our unique market position and continued advertising market growth.”

FINANCIAL SUMMARY

US\$ 000s	Jan–March 2006	Jan–March 2005	Jan–Dec 2005
Net sales	93,182	84,103	359,650
Operating profit (loss) for subsidiary newspaper editions	1,500	(3,428)	8,667
Operating profit (loss) for associated companies	(147)	(142)	(1,438)
Operating profit (loss) for other businesses	(570)	(445)	(3,426)
Operating profit (loss) for Headquarters	(4,671)	(4,357)	(22,194)
Sale of minority interest in subsidiary	-	15,884	15,884
Total operating profit (loss)	(3,888)	7,512	(2,507)
Net interest & other financial items	(990)	(636)	(2,659)
Profit (loss) after financial items and before income tax	(4,878)	6,876	(5,166)
Net profit (loss)	(5,721)	5,778	(6,971)
Weighted average basic number of shares outstanding	526,151,287	525,910,189	526,003,109
Weighted average basic earnings (loss) per share (US\$)	(0.01)	0.01	(0.01)

GROUP OVERVIEW

The Group reported 20% year on year sales growth at constant exchange rates for the first quarter. This reflected organic growth of 14% at constant exchange rates for operations that were launched before the end of 2004, as well as the impact of the eighteen new consolidated, associated or franchise editions launched since the beginning of 2005. Reported year on year sales growth of 11% reflected the strengthening of the US dollar against the Euro and the Swedish Krona, as well as the majority of the other currencies to which the Group has exposure.

The Group's multinational advertising sales to clients in more than one country continued to show healthy growth in the seasonally slower first quarter, and featured major new campaigns for clients including Hewlett-Packard, British Airways and Footlocker.

The daily circulation of Metro's 15 fully consolidated country operations increased by 9% year on year to 6.4 million (5.9 million) copies in the first quarter. This reflected the addition of four new fully consolidated editions since the beginning of April 2005, as well as the expansion of the circulation of a number of existing Metro editions. The daily circulation of associated company and franchise operations increased to 1.6 million (1.0 million) copies. The total daily circulation of titles in which Metro has an interest therefore increased by 18% year on year to 8.0 (6.9) million copies in the first quarter. Metro is now distributed on a national basis in 13 out of its 19 country markets, compared to 11 markets at the same time a year ago, and Metro is now the most read or highest circulation newspaper in five of these markets.

The Group's total cost base for its fully consolidated newspaper operations increased by 12% year on year at constant exchange rates, which primarily reflected the increased circulation, newly launched editions, increased pagination and rising paper costs. Paper costs are expected to grow by approximately 9% in Europe in 2006 according to The Paperloop Group, but Metro has already negotiated and secured lower forward price levels. The average cost per daily Metro copy at constant exchange rates was however reduced by 2.5% year on year.

The Group reported a record first quarter operating profit for its newspaper operations (excluding headquarters but including associated companies and other businesses) since the listing of Metro's shares in August 2000. Metro turned an operating loss of US\$ 3.6 million for its newspaper operations in the first quarter of 2005 into an operating profit of US\$ 1.4 million for the same period of the current year, despite the substantial organic expansion and fifteen new launches since the beginning of 2005. Seven out of Metro's sixteen fully consolidated country operations reported operating profits for the period, compared to six out of fifteen for the corresponding period of 2005. The Seoul (South Korea) equity participation since September 2005 also contributed positively to the Group's operating result for the second consecutive quarter.

Metro's group operating result for the first quarter of 2005 included the US\$ 15.9 million gain on the sale of a 49% equity interest in Metro Boston. Excluding this non-recurring item, total Group operating losses were reduced by 54% year on year to US\$ 3.9 million, which was achieved despite the new launches, organic expansion and circulation increases over the last year.

Net interest and other financial items amounted to US\$ -1.0 million (US\$ -0.6 million) in the first quarter and the Group reported a pre-tax loss of US\$ 4.9 million (pre-tax profit of US\$ 6.9 million) for the first three months of the year. Current and deferred tax charges totaled US\$ 0.8 million (US\$ 1.1 million) in the quarter and the Group therefore reported a net loss of US\$ 5.7 million (net income of US\$ 5.8 million) for the period and a weighted average basic loss per share of US\$ 0.01 (earnings per share of US\$ 0.01).

GROUP STRUCTURAL CHANGES

Metro significantly expanded its operations in Sweden, Spain and the Czech Republic during the first quarter of the year by extending its distribution into additional cities.

Metro Sweden continued its national expansion by increasing the circulation of its national edition. Metro's distribution now reaches 67 cities in 19 of the 21 counties in the country, and Metro is firmly established as the largest and most read daily newspaper in Sweden.

Metro was launched in an additional 15 cities across Spain during the first quarter and is now present in 37 out of the country's 42 out of 50 provincial capitals. Eighty per cent of the urban population of Spain now has access to Metro, making it the country's largest newspaper by footprint. The expansion was achieved without a substantial increase in circulation by distributing copies from pre-existing hubs. Metro also granted a licence to a partner to launch a Metro edition in the Canary Islands at the end of March. Metro has no equity interest in the operation but will receive a quarterly franchise fee.

Metro also expanded in the Czech Republic in line with its ambition to become the largest newspaper in the country. Metro expanded outside the capital city of Prague with the launch of two new editions to cover the Bohemia and Moravia regions, and now reaches the eleven largest cities in the country. Metro's circulation was thereby increased by approximately 160,000 daily copies.

Metro Hong Kong announced in February that it had won a public tender for a three year licence to provide a free weekly magazine in Hong Kong's subway stations. Metro has signed an agreement with the Mass Transit Railway (MTR) operator and will shortly launch a new high quality weekly fashion and lifestyle magazine. It is expected that approximately 120,000 copies of 'MetroPop' will be distributed in the afternoon at the end of each week from Metro's existing racks in the MTR stations.

Metro entered into a joint venture agreement at the end of March 2006 to establish a franchise company to publish Metro papers in Mexico. Metro owns 35% of the new company - Publicaciones Metropolitanas, S.A. de C.V., with 35% held by MXSHARES, S.A. de C.V., and 30% by Inmobiliaria Torracó, S.A. de C.V. It is expected that the new company will launch a Metro edition in Mexico City, the world's second largest city, during the first half of the current year. Metro will account for its interest in the company as an equity participation

and will also receive franchise fees. Metro holds an option to increase its shareholding in the Company in the future.

SEGMENTAL OPERATING REVIEW

Metro revised its geographical operating results segmentation during the first quarter in order to provide enhanced transparency and a clearer picture of the Group's operating profile and performance. These changes followed a review of Metro's segmental reporting and disclosure policies in consultation with the investment community and reflect the new organizational structure of the Group.

Metro has introduced three new geographical segments - 'Northern Europe' (comprising the operations in Holland, Finland, Denmark, Poland, Czech Republic and Hungary); 'Southern Europe' (comprising the operations in France, Greece, Italy, Spain and Portugal); and 'Equity Participations' (comprising the joint venture operations in Canada, Seoul and Mexico). The current 'Rest of World' segment will therefore now only comprise the Hong Kong and Chile operations. The French operations are now included in the 'Southern Europe' segment as they no longer represent a sufficient proportion of the Group's results to qualify for disclosure as a separate accounting segment but, for the purposes of consistency, operating results for the French operations are provided as part of the commentary on the 'Southern Europe' reporting segment. The 'Online' segment has been renamed as 'Other Businesses'. Segmental results for prior reporting periods are provided for comparative purposes in Note 3 to this report.

In line with Metro's objective to achieve annual breakeven for operations within three years of launch, Metro continues to provide trailing twelve month operating results for its subsidiary and associated operations that are more than three years old, as well as those that are less than three years old.

Sales & Operating Income for newspaper operations by age	Net Sales	Net Sales	Operating profit (EBIT)	Operating profit (EBIT)
US\$ '000s	12 months ended 31 Mar 2006	12 months ended 31 Mar 2005	12 months ended 31 Mar 2006	12 months ended 31 Mar 2005
Newspaper editions more than 3 years old as at 1 January 2006	298,236	273,910	32,853	25,430
Newspaper editions less than 3 years old as at 1 January 2006	67,606	45,174	(20,241)	(16,357)
TOTAL	365,842	319,083	12,432	9,073

The combined group of Metro newspaper operations that were launched more than three years before the beginning of the first quarter of 2006 reported combined year on year sales growth of 11% at constant exchange rates. This combined group of editions also reported a 32% year on year improvement in operating profitability at constant exchange rates, and an enhanced operating margin of 11% (9%).

The combined group of Metro operations that were launched less than three years before 1 January 2006 reported combined year on year net sales growth of 53% at constant exchange rates. This reflected the addition of 15 new editions since the beginning of 2005 alone and the combined group consequently reported a year on year increase in operating losses.

Sweden

US\$ '000s	Jan-Mar 2006	Jan-Mar 2005
Net Sales	24,313	25,838
Operating profit (EBIT)	3,437	2,470
Number of editions	6	6

Metro Sweden comprises the editions in Stockholm, Gothenburg, and Skåne, as well as the national edition, which was distributed in a total of 67 cities in 19 out of the 21 counties by the end of the quarter, and the 'Metro Bostad' (Metro Property) weekly real estate newspapers that are distributed in Stockholm and Malmö.

Following the 17% year on year increase in daily circulation in the quarter due to the expansion of the national edition, Metro now attracts nearly 2 million daily readers according to the most recent survey from independent research house SIFO MediePuls, reaffirming Metro's position as the most read newspaper in Sweden. Metro Sweden reported 6% year on year local currency sales growth, with sales for the daily editions up over 8% year on year. As predicted, the reduced and more targeted circulation of Metro Bostad did result in a 2.5% year on year decline in sales but, also as predicted, the measures taken in 2005 to increase operating efficiency resulted in a substantial improvement in profitability for both the weekly papers and a combined swing into operating profit for the quarter. Each of the three major city editions also reported increased earnings for the period. Metro Sweden as a whole was therefore able to report a 57% leap in local currency operating profitability for the period.

Northern Europe

US\$ '000s	Jan-Mar 2006	Jan-Mar 2005
Net Sales	24,355	21,921
Operating profit (EBIT)	1,493	840
Number of editions	14	11

The Northern European segment comprises the Group's operations in Holland, Finland, Denmark, Poland, the Czech Republic and Hungary. Net sales for the combined operations increased by 21% year on year in the quarter at constant exchange rates, following increases in daily circulation and the launch of two new editions since the beginning of 2005.

The three Dutch editions reported a combined 37% year on year sales growth, which reflected a strong organic development, price rises, and the launch of the new local edition in Amsterdam in April 2005. Metro Holland's operating profits more than doubled year on year despite a 27% year on year increase in daily circulation to 500,000 copies.

The Finnish operations reported a strong sales quarter, with net sales up 30% year on year, following the extension of the distribution into three new cities in June 2005 and further expansion in November. Operating losses were reduced despite a 20% year on year increase in average daily circulation to 120,000 copies, and the operation reported an all time record monthly operating profit in the final month of the quarter. 10% year on year sales growth for Metro Denmark's three editions reflected the impact of increased party political advertising in 2005 to coincide with last year's general elections but operating profits were up 30% year on year.

Metro Poland's sales continued to grow year on year. Operating losses were reduced year on year in the quarter despite the expansion into Poznan, Wroclaw and Lodz and a 25% year on year increase in circulation to 349,000 copies. Metro expanded its circulation in the Czech Republic during the first quarter through the launch of two new editions to achieve a national presence. Year on year net sales growth accelerated to 23% but operating losses also increased in the quarter due to the costs associated with the recently launched national edition. Metro Hungary's circulation was also increased and the distribution area extended during 2005 to establish Metro as the country's highest circulation and second most read newspaper. Daily circulation was up 27% year on year in the first quarter to 380,000 copies. Net sales increased by 11% year on year and the operation was profitable for the quarter.

The Northern European segment as a whole therefore reported a more than doubling of operating profits at constant exchange rates.

Southern Europe

US\$ '000s	Jan-Mar 2006	Jan-Mar 2005
Net Sales	27,350	22,760
Operating profit (EBIT)	(2,197)	(3,385)
Number of editions	32	27

The Southern European segment comprises the Group's operations in France, Greece, Italy, Spain and Portugal. Net sales for the combined operations increased by 31% year on year in the quarter at constant exchange rates, following the launch of five new editions and daily circulation increases since the beginning of 2005.

Metro France reported 32% year on year local currency sales growth and sales of US\$ 9.1 million (US\$ 7.5 million) in the first quarter. This followed an 11% year on year increase in daily circulation to 700,000 copies, which was focused on the Greater Paris region, and the first full quarter impact of the two editions launched in the first quarter of 2005. Metro France's local quarter operating loss in the seasonally weak first quarter was reduced by 36% and the nine editions reported a combined operating loss of US\$ 1.1 million (loss of US\$ 1.9 million).

Metro Greece reported stable year on year sales and was very close to breakeven with an operating loss of under US\$ 0.1 million. Metro's daily audience increased by 39% year on year to 232,000 readers according to Bari FOCUS, which makes Metro the second most read weekday newspaper in the country.

Following the launch of five new editions at the end of the first quarter of 2005, Metro Italy almost doubled its circulation year on year to 850,000 copies. Metro is now Italy's second highest circulation newspaper. Net sales were up 26% year on year in the first quarter although the increased costs associated with the circulation boost did adversely affect the operating result.

Metro Spain delivered a 32% year on year increase in net sales in the first quarter and a return to operating profitability. This reversal of the underperformance in 2005 followed the successful restructuring of the organization by the new management team and has been achieved despite the launch of four new editions and a significantly widened geographical distribution footprint since the beginning of 2005. Metro already had 1.9 million daily readers according to the 2005 EGM survey.

Metro Portugal was established in January 2005 with the launch of the Lisbon edition. A new edition was added in Porto in May. The operations therefore contributed their full quarter result for a first quarter for the first time. Metro's daily circulation increased by 25% year on year to 150,000 copies and is established as the second highest circulation and third most read general interest newspaper in Portugal. The operations continue to develop according to plan with sales more doubling year on year and operating losses reduced by 60%.

The Southern European segment therefore reported a 29% reduction in operating losses at constant exchange rates.

United States

US\$ '000s	Jan-Mar 2006	Jan-Mar 2005
Net Sales	7,469	5,564
Operating profit (EBIT)	(2,395)	(4,847)
Number of editions	3	3

Metro's US operations comprise its editions in New York, Boston and Philadelphia. Metro remains the fifth highest circulation general interest newspaper on the Eastern Seaboard and the sixth highest circulation national newspaper in the United States.

The US operations reported a combined 34% year on year growth in net sales, which reflected healthy 15-20% growth at the Boston and Philadelphia editions and a near doubling of sales in New York. Operating losses for the editions were consequently halved year on year with all three papers reporting significantly reduced losses for the period.

Rest of World

US\$ '000s	Jan-Mar 2006	Jan-Mar 2005
Net Sales	7,449	6,720
Operating profit (EBIT)	1,162	1,494
Number of editions	2	2

The Rest of World segment comprises the Group's operations in Chile and Hong Kong. The two country operations reported a combined 7% year on year sales growth at constant exchange rates.

100,000 copies of Metro Chile are distributed in six cities six days a week and the operation generated 13% year on year local currency sales growth in the quarter and a 52% increase in operating profits for the period.

Metro Hong Kong's year on year sales growth slowed in the quarter, due in part to increased competition. Metro Hong Kong's daily circulation increased to nearly 350,000 by the end of the quarter. The imminent launch of the new 'MetroPop' weekly magazine will put further pressure on margins in the short term but will also add a valuable line extension to further enhance Metro's market position and forward sales potential by opening up sizeable advertising market segments. The operation's cost base was also impacted by the planning and development costs of 'MetroPop' and operating profits declined year on year.

Equity Participations

US\$ '000s	Jan-Mar 2006	Jan-Mar 2005
Net Sales	1,133	897
Associated Company income (EBIT)	(147)	(142)
Number of editions	5	3

Metro owns minority equity positions in the joint venture operations in Seoul (South Korea) and Mexico. The Group also has 25% equity interests in the entities that publish Metro Toronto and Metro Montreal. These two companies have outsourced their sales functions to separate sales companies, in which the Group holds 80% equity interests, and which recharge their costs to the publishing companies. Although the Toronto and Montreal sales companies are subsidiaries, they are closely related to the publishing entities and, for segmental reporting purposes, their results are therefore reported within equity participations.

The Toronto and Montreal operations showed healthy year on year sales growth and reported increased combined operating profits for the quarter. Metro is now the most read national newspaper in Canada following a 35% increase in the daily audience to 895,800 daily readers, according to the latest NADBank survey. Metro's joint venture in Seoul, which has been accounted for as an equity participation since the increase in Metro's ownership in September 2005, reported 24% year on year sales growth and a more than tripling of pre-tax profits in the quarter, whilst the Mexican joint venture was only established at the end of the quarter and is yet to launch operationally so did not meaningfully contribute to the quarterly result. The result was however adversely impacted by the inclusion for the first time of the Ottawa and Vancouver operations, which were launched in March 2005, as well as pre-launch costs for the Mexican operation in March 2006. The Group therefore reported an unchanged US\$ 0.1 million (US\$ 0.1 million) total share in the pre-tax earnings of these associated companies.

Other Businesses

US\$ '000s	Jan-Mar 2006	Jan-Mar 2005
Net Sales	172	-
Operating profit (EBIT)	(570)	(445)

Metro's other businesses comprise the Group's online businesses, which operate under the 'Metro Modern Media' brand in Sweden and Denmark and include online classified advertising site 'Metro Market', Metro's online travel agency, and the newly launched www.metro.se news portal.

The online travel site attracted 50,037 unique visitors in March, comfortably surpassing the previous monthly record. 4,341 people traveled with Metro during the quarter and travel revenues increased by 77% when compared with the fourth quarter of 2005. The sales of other online services remained at a relatively low level during the quarter, reflecting their early stage of development. www.metro.se was already attracting 110,000 unique visitors per month prior to the launch of the Metro Sweden news portal after the end of the quarter. The news portal is already attracting increased traffic and its links to Metro's dating, classified advertising and club Metro sites are expected to facilitate accelerated growth for these other businesses. The businesses continued to show encouraging quarter to quarter growth rates and steadily reducing operating losses.

Headquarters

US\$ '000s	Jan-Mar 2006	Jan-Mar 2005
Net Sales	941	403
Operating profit (EBIT)	(4,671)	(4,357)

Headquarter revenues include the franchise fees receivable from the group's franchisees in Seoul and Pusan (South Korea) and St Petersburg (Russia), as well as the global sales department's share of multinational advertising sales. The Russian operation was launched in September 2005 and therefore contributed to the first quarter result for the first time. The rate of franchise fees receivable from the Seoul operation was reduced with effect from September 2005 after Metro increased its equity interest in the operation. Headquarter net sales more than doubled year on year.

Headquarter costs comprise group senior management and centralized administration functions; the global advertising research, sales and marketing teams; the Metro World News editorial desk; global business development and contract negotiation; and the costs associated with the Group's two long-term incentive plans (LTIPs). Headquarter costs increased year on year to US\$ 5.6 million (US\$ 4.8 million), which reflected non-cash charges arising from the LTIPs of US\$ 1.0 million (US\$ 0.4 million), business development costs of US\$ 0.8 million (US\$ 0.5 million) primarily arising from the negotiations with the Mexican joint venture partners, the recruitment of additional salespeople for the Global Sales team, as well as significant investments in Metro's online publishing systems to increase efficiency and enhance Metro's online presence. Headquarter operating losses therefore increased year on year but were at their lowest level since the first quarter of 2005.

FINANCIAL REVIEW

Average debtor sales days outstanding (DSO) were at the record low level of 50 days as at the end of the first quarter. Bad debt charges also reached a record low level and were equivalent to just over 1% of net sales for the period. Working capital increased by US\$ 0.5 million during the quarter, compared to a US\$ 1.6 million increase for the corresponding period of 2005. Cash flow used by operations was reduced year on year to US\$ 2.5 million (US\$ 5.5 million). Group capital expenditure on tangible fixed assets amounted to US\$ 0.7 million (US\$ 1.3 million) in the quarter and was equivalent to less than 1% of group sales, whilst depreciation charges totaled US\$ 0.7 million (US\$ 1.0 million) for the period. The Group also invested US\$ 0.5 million to acquire 35% of the shares in the Mexican joint venture. Long-term loans totaling US\$ 0.3 million were extended to Metro Ireland (10% minority shareholding) during the quarter, whilst the Portuguese subsidiary received an additional US\$ 0.1 million loan from its minority shareholder.

Net interest costs of US\$ 0.8 million (US\$ 0.6 million) in the quarter comprised US\$ 0.2 million (US\$ 0.2 million) of interest income on the Group's cash balances and loans outstanding with associated companies, and US\$ 1.0 million (US\$ 0.7 million) of interest payable on the Group's US\$ 43.2 million bank loan and US\$ 8.5 million of other borrowings. Other financial costs totaled US\$ 0.2 million (US\$ 0.4 million) and primarily comprised foreign exchange differences and credit facility commitment fees.

The Group reported a net tax charge of US\$ 1.0 million in the quarter (US\$ 1.1 million), which partly reflected the utilization of deferred tax assets. Deferred tax charges amounted to US\$ 0.6 million (US\$ 0.0 million) in the quarter. The Group's total tax loss carry forwards for its newspaper publishing entities exceeded US\$ 160 million at the end of the reporting period and the Group reported deferred tax assets of US\$ 14.8 million (US\$ 15.0 million). The deferred tax assets will be expensed to the profit and loss account as the subject tax loss carry forwards are utilized by profitable operations. These charges are expected, however, to be offset from time to time by further deferred tax capitalizations as the value of tax loss carry forwards not yet recognized on the balance sheet are prudently reflected as an asset.

US\$ -0.4 million (US\$ -0.4 million) of the net result for the period was attributable to minority shareholders in the Group's subsidiaries in France, Denmark, Boston and Portugal, as well as the online travel business.

The total number of issued and outstanding shares has not changed since the year-end at 526,151,287, but did increase by 241,098 new shares since the beginning of 2005 following the exercising of employee options that had been granted and vested under the terms of the Group's LTIPs.

Group net debt amounted to US\$ 27.9 million at the end of the quarter, compared to US\$ 23.0 million as at 31 December 2005, and comprised cash and cash equivalents of US\$ 23.8 million, the US\$ 43.2 million long-term bank loan, US\$ 4.7 million of loans payable to minority shareholders and other short-term bank loans totaling US\$ 3.8 million. A further US\$ 11.3 million is available to be drawn down on the Group's five-year US\$ 75.0 million multi-currency revolving credit facility and no amortizations are required on this facility prior to the end of 2007.

OTHER INFORMATION

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

2006 Annual General Meeting of shareholders

The 2006 Annual General Meeting will be held on 30 May 2006 in Luxembourg. Further information on how and when to register, as well as how to have a matter considered at the meeting, will be published in advance of the Annual General Meeting.

CONSOLIDATED INCOME STATEMENTS (US\$ '000s)	Note	Jan-Mar 2006	Jan-Mar 2005
Sales		93,182	84,103
Cost of sales		(59,470)	(56,312)
Gross income		<u>33,712</u>	<u>27,791</u>
Selling expenses		(20,761)	(20,072)
Administrative and development expenses		(16,692)	(15,949)
Share of earnings in associated companies		(147)	(142)
Other operating expenses		-	15,884
Operating profit/(loss)	(3)	<u>(3,888)</u>	<u>7,512</u>
Financial items, net		(990)	(636)
Profit/(loss) after financial items and before income tax		<u>(4,878)</u>	<u>6,876</u>
Current tax		(269)	(1,098)
Deferred tax		(574)	-
Net result		<u>(5,721)</u>	<u>5,778</u>
Attributable to:			
Equity holders of the parent		(5,341)	6,169
Minority interest		(380)	(391)
Net result		<u>(5,721)</u>	<u>5,778</u>
Weighted average basic earnings per share		(0.01)	0.01
Weighted average basic number of shares outstanding		526,151,287	525,910,189

CONSOLIDATED STATEMENTS OF RECOGNISED GAINS AND LOSSES (US\$ '000s)	Note	Jan–Mar 2006	Jan–Mar 2005
Foreign exchange translation differences		696	(2,850)
Net gain/(loss) not recognized in the income statement		696	(2,850)
Net result for the period		(5,721)	5,778
Total recognized gains/(losses)		(5,025)	2,928
Attributable to:			
Equity holders of the parent		(4,686)	3,135
Minority interest		(339)	(207)
Net result		(5,025)	2,928

CONSOLIDATED BALANCE SHEETS (US\$ '000s)	Note	31 March 2006	31 December 2005
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Licenses, net		1,514	1,513
Goodwill, net		14,810	14,644
		16,324	16,157
<i>Property, plant and equipment</i>			
Machinery and equipment, net		7,474	7,409
<i>Financial assets</i>			
Deferred tax assets		14,763	14,969
Shares in associated companies		4,510	3,871
Other investments		238	238
Receivables from associated companies		5,002	5,326
Long-term receivables		1,809	1,507
		26,322	25,911
Total non-current assets		50,120	49,477
Current assets			
Accounts receivable, net		66,670	66,266
Other current receivables		9,826	8,824
Prepaid expenses		4,375	3,159
Cash and cash equivalents		23,806	29,209
Total current assets		104,677	107,458
TOTAL ASSETS		154,797	156,935

CONSOLIDATED BALANCE SHEETS (US\$ '000s)	Note	31 March 2006	31 December 2005
SHAREHOLDERS' EQUITY			
Shareholders' equity	(4)	21,380	25,427
<i>Long-term liabilities</i>			
Liability to minority partners		4,677	4,470
Long-term bank loans		43,207	43,079
Total long-term liabilities		47,884	47,549
<i>Current liabilities</i>			
Short-term bank loans		3,775	4,626
Accounts payable		36,065	37,244
Other liabilities		11,410	11,507
Accrued expenses		34,283	30,582
Total current liabilities		85,533	83,959
Total liabilities		133,417	131,508
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		154,797	156,935

CONSOLIDATED STATEMENTS OF CASH FLOWS (US\$ 000's)	Note	1 January - 31 March 2006	1 January - 31 March 2005
Operating activities			
Loss before income tax		(4,878)	6,876
Adjustments for:			
Depreciation and amortization		740	957
Other non-cash items		978	(15,779)
Financial items, net		990	636
Share of earnings in associated companies		147	142
Changes in working capital:			
Change in current receivables		(1,488)	(315)
Change in current liabilities		1,952	1,940
Cash flow used by operations		(1,559)	(5,543)
Interest paid		(739)	(16)
Income tax paid		(789)	(40)
Net cash used in operations		(3,087)	(5,599)
Investment activities			
Investment in shares		(520)	(1,115)
Increase/decrease in long-term receivables		(244)	(239)
Investment in property, plant and equipment		(672)	(1,329)
Net cash flow used in investing activities		(1,436)	(2,683)
Financing activities			
Loan from minority partner		101	194
Bank loans		(959)	-
Sale of ownership interest in subsidiary (net)		-	16,152
Net cash flow provided by financing activities		(858)	16,346

(cont.)

CONSOLIDATED STATEMENTS OF CASH FLOWS (US\$ '000s)	Note	Period ended 31 March 2006	Period ended 31 March 2005
Net increase/(decrease) in cash and cash equivalents		(5,381)	8,064
Cash and cash equivalents at beginning of year		29,209	40,173
Currency effects on cash		(22)	(917)
Cash and cash equivalents at end of period		23,806	47,320

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1

Basis of preparation and scope of consolidated financial statements

Metro International S.A. (the "Company") was formed in December 1999 as 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., its subsidiaries, its associates, its South Korean and Russian franchise partners, and its Spanish licencees publish free-of-charge newspapers, Monday through Friday and in some cases also on Saturday. As at 31 March 2006, Metro newspapers were distributed in Stockholm, Gothenburg, Skåne and in 44 other Swedish cities, Warsaw and nine other Polish cities, Prague and 10 other Czech cities, Budapest and 23 other Hungarian cities, the Netherlands, Helsinki and three other Finnish cities, Santiago and five other Chilean cities, Philadelphia, Boston, New York, Rome, Lombardy, Genoa, Bologna, Veneto, Turin, Florence, Toronto, Montreal, Vancouver, Ottawa, Athens, Thessaloniki, Patra, Volos, Madrid, Catalonia, Zaragoza, Seville, Galicia, Alicante, Valencia, Castilla La Mancha, the Canary Islands, Malaga and various other Spanish cities, Lisbon, Porto, Denmark, Paris, Marseilles, Lyon, Toulouse, Lille, Aix-en-Provence, Toulon, Aubagne, Bordeaux, Nice, Nantes, Rennes, Strasbourg, Hong Kong, Seoul, Pusan and St Petersburg. Metro derives its revenues from advertising sales.

The Company is domiciled in Luxembourg.

Note 2

Accounting and valuation policies

Metro's accounting and valuation policies are in accordance with IFRS (International Financial Reporting Standards) and are the same as in the consolidated financial statements for the period ended 31 December 2005.

Note 3

Segment reporting

The segment reporting is based on geographic areas for subsidiary newspaper operations – 'Sweden', 'Northern Europe', 'Southern Europe', 'United States', 'Rest of World'. The other reporting segments are 'Equity Participations', 'Other Businesses' and 'Headquarters'.

The 'Northern Europe' area comprises the newspapers in the Czech Republic, Hungary, the Netherlands, Finland, Poland and Denmark.

The 'Southern Europe' area comprises the newspapers in France, Spain, Portugal, Italy and Greece.

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

'Equity Participations' comprise the associate operations in South Korea and Canada.

‘Other Businesses’ comprises various online services businesses.

‘Headquarters’ includes the income from the franchise operations in St Petersburg, Russia and South Korea.

Metro does not own the operations in Alicante, Valencia, Castilla La Mancha, Elche and the Canary Islands 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 related publishing entities. Metro therefore accounts for the former as subsidiaries and the latter as associated companies. Metro owns 33% of the operations in Vancouver and Ottawa and accounts for these operations as associated companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (US\$ '000s)	Jan-Mar 2006	Jan-Mar 2005
<hr/>		
Segment reporting		
<i>Net sales (external)</i>		
Sweden	24,313	25,838
Northern Europe	24,355	21,921
Southern Europe	27,350	22,760
USA	7,469	5,564
Rest of World	7,449	6,720
Equity Participations	1,133	897
Other Businesses	172	-
Headquarters	941	403
	<hr/> 93,182	<hr/> 84,103 <hr/>

There are no inter-segment sales.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
(US\$ '000s)**

	Jan-Mar 2005	Apr-Jun 2005	Jul-Sep 2005	Oct-Dec 2005	Jan-Dec 2005
Segment reporting					
<i>Net sales (external)</i>					
Sweden	25,838	27,219	19,676	25,746	98,479
Northern Europe	21,921	26,252	19,945	27,176	95,294
Southern Europe	22,760	29,417	16,716	30,076	98,969
USA	5,564	7,432	7,650	7,912	28,558
Rest of World	6,720	8,397	8,651	8,604	32,372
Equity Participations	897	916	845	1,144	3,802
Other Businesses	-	96	131	137	364
Headquarters	403	572	368	469	1,812
	84,103	100,301	73,982	101,264	359,650

There are no inter-segment sales.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (US\$ '000s)	Jan-Mar 2006	Jan-Mar 2005
Segment reporting		
<i>Net income (loss)</i>		
Sweden	3,437	2,470
Northern Europe	1,493	840
Southern Europe	(2,197)	(3,385)
USA	(2,395)	(4,847)
Rest of World	1,162	1,494
Equity Participations	(147)	(142)
Other Businesses	(570)	(445)
Operating profit (loss) from operations	783	(4,015)
Sale of ownership interest in subsidiary	-	15,884
Headquarters	(4,671)	(4,357)
Operating profit (loss)	(3,888)	7,512
Items to reconcile to statement of operations		
Financial items, net	(990)	(636)
Current tax	(269)	(1,098)
Deferred tax	(574)	-
Net result	(5,721)	5,778

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (US\$ '000s)	Jan-Mar 2005	Apr-Jun 2005	Jul-Sep 2005	Oct-Dec 2005	Jan-Dec 2005
Segment reporting					
<i>Net income (loss)</i>					
Sweden	2,470	4,000	1,075	5,159	12,704
Northern Europe	840	2,787	309	5,237	9,173
Southern Europe	(3,385)	(2,347)	(4,895)	2,339	(8,288)
USA	(4,847)	(3,510)	(2,590)	(2,188)	(13,135)
Rest of World	1,494	2,131	2,443	2,139	8,207
Equity Participations	(142)	(363)	(559)	(368)	(1,432)
Other Businesses	(445)	(1,590)	(619)	(772)	(3,426)
Operating profit (loss) from operations	(4,015)	1,108	(4,836)	11,546	3,803
Sale of ownership interest in subsidiary	15,884	-	-	-	15,884
Headquarters	(4,357)	(6,408)	(5,385)	(6,044)	(22,194)
Operating profit (loss)	7,512	(5,300)	(10,221)	5,502	(2,507)
Items to reconcile to statement of operations					
Financial items, net	(636)	(278)	(742)	(1,003)	(2,659)
Current tax	(1,098)	310	(355)	(748)	(1,891)
Deferred tax	-	(1,258)	(836)	2,180	86
Net result	5,778	(6,526)	(12,154)	5,931	(6,971)

Note 4

Shareholders' equity

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

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

The issued and outstanding share capital of the Company is US\$ 131,537,821 divided into 263,554,560 Metro class A Shares and 262,596,727 Metro class B Shares with no par value. Metro class A Shares carry one vote for every share while Metro class B Shares carry no votes. Dividends may be paid in US\$ or in shares of the Company or otherwise as the Company's Board may determine in accordance with the provisions of the Luxembourg Companies Act. The holders of Metro class B Shares are entitled to the greater of a) a cumulative preferred dividend corresponding to 0.5% of the accounting par value of the Metro class B shares in the Company or b) 2% of the overall dividend distributions made in a given year. Any balance of dividends must be paid equally on each Metro class A and Metro class B Share.

<i>Total shareholders equity (US\$ '000s)</i>	<i>Equity holders of the parent</i>	<i>Minority interest</i>	<i>Total equity</i>
Balance at January 1st 2005	38,150	(3,534)	34,616
Total recognized gains and losses	(13,486)	1,721	(11,765)
Restricted share program of LTIP scheme	1,888	-	1,888
Share option program of LTIP scheme	420	-	420
Sale of 49% ownership interest in Metro Boston	-	268	268
Balance at 31st December 2005	26,972	(1,545)	25,427
Balance at January 1st 2006	26,972	(1,545)	25,427
Total recognized gains and losses	(4,686)	(339)	(5,025)
Restricted share program of LTIP scheme	873	-	873
Share option program of LTIP scheme	105	-	105
Balance at 31st March 2006	23,264	(1,884)	21,380