



Metro International S.A.

Société anonyme

2-4, avenue Marie-Thérèse, L-2132 Luxembourg

Grand Duchy of Luxembourg

R.C.S. Luxembourg B 73.790

("Metro")

**CONVENING NOTICE TO THE ANNUAL GENERAL MEETING OF THE
SHAREHOLDERS OF METRO TO BE HELD ON 26 MAY 2011**

Convening notice is hereby given to the shareholders of Metro to attend the annual general meeting of Metro's shareholders (the "**AGM**") that will be held on 26 May 2011 at 10:00 a.m. CET at 7, avenue J.P. Pescatore, L-2324 Luxembourg, with the following agenda:

AGENDA

1. Appointment of Chairman of the AGM.
2. Presentation of the reports of the board of directors of Metro and of the external auditor of Metro on (i) the annual accounts of Metro for the financial year ended 31 December 2010 and (ii) the consolidated annual accounts for the financial year ended 31 December 2010.
3. Approval of the annual accounts and the consolidated accounts of Metro for the financial year ended 31 December 2010.
4. Allocation of the results as of 31 December 2010.
5. Discharge of the liability of the members of the board of directors of Metro for, and in connection with, the financial year ended 31 December 2010.
6. Appointment of the members of the board of directors of Metro.
7. Appointment of the external auditor of Metro.
8. Determination of the directors' fees.
9. Approval of the procedure for the Nomination Committee of Metro.
10. Approval of Guidelines on Remuneration for Senior Executives.
11. Approval of a long term incentive plan for executive management of Metro (the "**LTIP**").
12. Miscellaneous.

INFORMATION

APPOINTMENT OF CHAIRMAN OF THE MEETING (AGM item 1)

The Nomination Committee proposes that the attorney at law (*avocat à la Cour*), Jean-Michel Schmit, be appointed Chairman of the AGM.

ALLOCATION OF THE RESULTS AS OF 31 DECEMBER 2010 (AGM item 4)

The board of directors of Metro acknowledges that the profit and loss account for the period starting 1 January, 2010 and ending 31 December, 2010 shows a loss of EUR 18,270,000 and decides to propose to the AGM the allocation of such results to the losses brought forward account.

APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS OF METRO (AGM item 6)

The Nomination Committee proposes that, until the close of the annual general meeting to be held in 2012 (the "**2012 AGM**"), the number of directors of Metro will continue to be eight directors. The Nomination Committee proposes to re-appoint Mrs. Mia Brunell Livfors, Mr. Didier Breton, Mr. Nigel Cooper, Mrs. Michelle Guthrie, Mr. Erik Mitteregger, Mr. Mario Queiroz, Mrs. Cristina Stenbeck, and Mr. Patrick Stähle as directors of Metro, all such directors to be appointed for a term ending at the 2012 AGM.

The Nomination Committee further proposes that Mrs. Mia Brunell Livfors be re-appointed as the Chairman of the board of directors of Metro, and that a Remuneration Committee and an Audit Committee are appointed at a board meeting following the AGM.

APPOINTMENT OF THE EXTERNAL AUDITOR OF METRO (AGM item 7)

As recommended by the Audit Committee, the Nomination Committee proposes that PricewaterhouseCoopers S.à r.l., Luxembourg, be re-appointed as external auditor for a term ending at the 2012 AGM. The remuneration of the auditor shall be paid in accordance with an approved bill, which specifies time, persons who worked and tasks performed.

DETERMINATION OF DIRECTORS' FEES (AGM item 8)

At the annual general meeting in 2009 (the "**2009 AGM**"), it was decided that 50% of the directors' fees (excluding remuneration for the work in committees) would be paid in the form of restricted shares of Metro. As the restricted shares have never been issued, it is now proposed that the amounts that were to be paid to the directors of Metro in the form of restricted shares during the period from the 2009 AGM to the annual general meeting in 2010 be paid to the directors of Metro that served during the said period immediately following the AGM in the form of cash instead of shares. The total amount of EUR 130,000 will thus be split as follows: the Chairman of the board of directors of Metro during the said period fees in an amount of EUR 32,500; each of the ordinary directors of the board of directors of Metro during the said period fees in an amount of EUR 16,250.

The Nomination Committee proposes that the AGM resolves that the fees for the members of the board of directors of Metro (including remuneration for the work in the committees of the board of directors Metro) for the period until the end of the 2012 AGM be a total of EUR 357,500 and with such amount to be split as follows: the Chairman of the board of directors of Metro fees in an amount

of EUR 75,000 and the other seven directors of Metro fees in an amount of EUR 35,000 for each; and remuneration for the work in committees of the board of directors of Metro shall be a total of EUR 37,500. For the work of the Audit Committee, fees of EUR 28,000 will be split as follows: EUR 16,000 for the Chairman of the Audit Committee and EUR 6,000 for each of the other two Audit Committee members. For work of the Remuneration Committee, fees of EUR 9,500 will be split as follows: EUR 4,500 for the Chairman of the Remuneration Committee and EUR 2,500 for each of the other two Remuneration Committee members.

APPROVAL OF THE PROCEDURE FOR THE NOMINATION COMMITTEE (AGM item 9)

The Nomination Committee proposes that the AGM approves the following procedure for preparation of the appointment of the board of directors and auditor. The work of preparing a proposal on the directors of the board and auditor, and their remuneration, as well as the proposal on the Chairman of the 2012 AGM, shall be performed by a Nomination Committee. The Nomination Committee will be formed during October 2011 in consultation with the largest shareholders of Metro as per 30 September 2011. The Nomination Committee will consist of at least three members representing the largest shareholders of Metro. The Nomination Committee is appointed for a term of office commencing at the time of the announcement of the third quarter report in 2011 and ending when a new Nomination Committee is formed. The majority of the members of the Committee may not be directors of the board of directors or employed by Metro. If a member of the Committee resigns before the work is concluded, a replacement member may be appointed after consultation with the largest shareholders of the Metro. However, unless there are special circumstances, there shall not be changes in the composition of the Nomination Committee if there are only marginal changes in the number of votes, or if a change occurs less than three months prior to the 2012 AGM. Cristina Stenbeck will be a member of the Committee and will also act as its convenor. The members of the Committee will appoint the Committee Chairman at their first meeting. The Nomination Committee shall have the right to upon request receive personnel resources such as secretarial services from Metro, and to charge Metro with costs for recruitment consultants if deemed necessary.

The above proposals of the Nomination Committee are supported by shareholders representing more than 50% of the votes in Metro including among others Investment AB Kinnevik, Swedbank Robur funds, and The Fourth Swedish National Pension Fund.

APPROVAL OF GUIDELINES ON REMUNERATION FOR SENIOR EXECUTIVES (AGM item 10)

The board of directors of Metro proposes the following guidelines for determining remuneration for Senior Executives, to be approved by the AGM.

The objectives of the remuneration guidelines are to offer competitive remuneration packages to attract, motivate, and retain key employees, within the context of the international peer group. The aim is to create an incentive for the management to execute the strategic plan and deliver excellent operating results, and moreover, to align management's incentives with the interests of the shareholders. The proposed guidelines concerns senior executives including the CEO and members of the Executive Management Committee ("**Senior Executives**"). At present Metro has six Senior Executives.

Remuneration to the Senior Executives should consist of a combination of an annual base salary, a variable salary, pension, long-term incentive programmes and other customary benefits. These components shall create a well balanced remuneration which reflects individual performance and which offers a competitive remuneration package adjusted to conditions on the market.

The annual base salary is revised yearly and based on the executive's competence and area of responsibility.

The variable salary shall be based on the performance in relation to established objectives. The objectives are connected to Metro's result and mainly the individual performance. The variable salary can amount to a maximum of 90% of the annual base salary.

Other benefits shall only constitute of a limited amount in relation to the total remuneration and shall correspond to local practice.

The Senior Executives are offered premium based pension plans. The Senior Executives shall be entitled to pension commitments based on those that are customary in the country in which they are employed. Pension commitments will be secured through premiums paid to insurance companies..

The period of notice of termination of employment shall be a maximum of 12 months in the event of termination by the executive. In the event of notice of termination of employment being served by Metro, there is entitlement to salary during a notice period of a maximum of 18 months. Salary during the notice period is calculated against salary received from a potential new employment.

In special circumstances, the board of directors of Metro may deviate from the above guidelines. In such a case the board of directors of Metro is obligated to give account for the reason for the deviation on the following AGM.

APPROVAL OF THE LTIP (AGM item 11)

The board of the directors of Metro proposes that the AGM resolves to adopt the LTIP.

Pursuant to the LTIP, eligible executives to the LTIP will be invited to invest a percentage of their base salary in voting Class A shares and non-voting Class B shares of Metro at market price on NASDAQ OMX Stockholm (“**Investment Shares**”) in order to participate in the LTIP. For each share acquired the participants will be granted one share right (the “**Share Right**”). Subject to certain performance criteria the Share Rights will entitle to a certain number of Metro shares. These shares will be issued in voting Class A shares and non-voting Class B shares of Metro in a proportion of 50/50 (“**Matching Shares**”).

The LTIP is proposed to include a total of 11 selected executives of Metro (including the CEO, the CFO, EVPs, and MDs.) The participants will be divided into three tiers:

- Tier 1 consists of the CEO
- Tier 2 consists of the CFO and four (4) other senior executives (EVP or MDs)
- Tier 3 consists of five (5) senior executives (EVPs or MDs)

The participants are as a maximum offered to allocate such a number of Investment Shares to the LTIP which have an aggregate purchase price of 3% (Tier 3), 5% (Tier 2) or 7% (Tier 1) of their respective annual base salary for 2010. However, with respect to this limitation on how many Metro shares that each participant may allocate to the LTIP and treat as Investment Shares, each acquired Metro share shall as a floor level, for purposes of the LTIP, be considered to have had a purchase price of SEK 0.90 no matter of the actual purchase price.

Vesting of Share Rights is dependent upon fulfilment of certain financial performance criteria during the financial years 2011 – 2013, which relates to (i) the total shareholder return (“**TSR**”) of the Metro Class B share, and (ii) the earnings before interest and tax (“**EBIT**”) margin as an average during the financial years 2011, 2012 and 2013.

If the TSR of the Metro Class B share, measured as from 1 January 2011 up to and including 31 December 2013 exceeds 0%, each Share Right shall entitle the participant to one Matching Share. In addition, if the average EBIT margin during the financial years 2011, 2012 and 2013 amounts to or exceeds 10% (stretch target), the maximum EBIT allotment shall occur. Maximum EBIT allotment entails that, per each Investment Share, Tier 1 is allotted five Matching Shares, Tier 2 is allotted four Matching Shares and Tier 3 is allotted three Matching Shares. If the average EBIT margin during the financial years 2011, 2012 and 2013 falls below 6% (entry level), no EBIT allotment will occur. If the entry level of 6% is reached but not exceeded, a 20% EBIT allotment shall be made (i.e. every five Share Rights will entitle to one Matching Share). If the average EBIT margin during the financial years 2011, 2012 and 2013 should be lower than 10%, but exceed 6%, a linear interpolation shall be applied between those levels.

Allotment of Matching Shares under the LTIP shall be made once audited results are available for the financial year 2013, tentatively in April 2014 in connection with the release of the annual report for 2013. The time period that runs from the date the incentive plan agreement is entered into, and which ends upon allotment, is referred to as the vesting period (“**Vesting Period**”).

In addition to the financial performance conditions, for the Share Rights to vest (i) the participant must remain employed within the Metro group during the Vesting Period, and (ii) the participant must have continuously held all his/her Investment Shares during the Vesting Period.

In total, the LTIP comprises a maximum of 1,214,500 Investment Shares, which can involve allotment of a maximum of 6,703,575 Matching Shares. The maximum number of Metro shares which are included in the LTIP is thus 6,703,575. Based on the number of shares in Metro currently outstanding, the dilution impact on the total share capital and voting powers of Metro will as a maximum be 1.27%. The cost for the LTIP as defined under IFRS 2 divided by Metro’s market capitalization is 1.0% at a share price of SEK 1.08 (closing price as of 20 April 2011 for Metro Class B share). On a fully diluted basis, assuming that all outstanding warrants in Metro are exercised, and the previously approved LTIP reaches full allotment, the maximum dilution impact on the total voting powers and the share capital will be 0.21% and 0.36%, respectively.

The objective of the proposed LTIP is to retain and motivate selected key individuals within the organization. The objective is furthermore to achieve an increased alignment between the eligible executives and the shareholders of Metro, and to promote an increased personal shareholding amongst the eligible executives.

The LTIP proposal has been prepared by the Remuneration Committee, on behalf of the Board of Directors of the Company, in consultation with external advisors.

For the avoidance of doubt, shares shall be issued in a manner such that there is at no point in time more Class B shares than Class A shares in the share capital of Metro.

Furthermore the board of the directors of Metro asks the AGM to authorize and empower the board of directors of Metro, with full power of substitution, in the name and on behalf of the Metro, to execute, deliver any agreements, notification letters, notices, certificates or documents necessary to implement this resolution and any amendments thereto and to execute any subsequent documents, certificates, notices, letters of notification, requests or other communications to be given by Metro in relation to the LTIP.

The complete proposal by the board of directors of Metro for the LTIP is available on Metro's website, www.metro.lu/investors/annual_general_meeting.

QUORUM AND MAJORITY

The share capital of Metro is composed of 264,483,532 Class A voting shares and 263,525,699 Class B non-voting shares. No specific quorum is required for the indication of the valid deliberation or acknowledgement of the AGM. The resolutions will be validly adopted at a simple majority of the votes cast by the Class A shareholders.

OTHER INFORMATION

Participation in the AGM is reserved for shareholders who file their intention to attend the AGM by mail and/or return of a duly completed power of attorney form to the following address: Metro International S.A., 2-4, avenue Marie-Thérèse, L-2132 Luxembourg, Tel: +352 - 27 751 350, Fax: +352 - 27 751 312, so that it shall be received not later than 23 May 2011, 5:00 p.m. CET. Power of attorney forms for the AGM are available at the same address and on Metro's website, www.metro.lu.

Holders of Swedish Depository Receipts (SDRs) wishing to attend the AGM or to be represented at the AGM via power of attorney must give notice to, as well as request a power of attorney form from Carnegie Investment Bank AB (“**Carnegie**”), with address: SE-103 71 Stockholm, Sweden, and visiting address: Mäster Samuelsgatan 20 6 tr, SE-111 44 Stockholm, Sweden, Tel: +46 – 8 696 15 57, Fax: +46 8 696 18 90, or download it on Metro's website, www.metro.lu. Holders of SDRs wanting to be represented at the AGM have to send the power of attorney duly completed to Carnegie at the same address, so that it shall be received not later than 23 May 2011, 5:00 p.m. CET.

Those holders of SDRs having registered their SDRs in the name of a nominee must temporarily register the SDRs in their own name in the records maintained by Euroclear Sweden AB, in order to exercise their shareholders' rights at the AGM. Such registration must be completed no later than 19 May 2011, 5:00 p.m. CET.

Any person who, pretending to be the owner of shares and/or SDRs which do not belong to it/him/her, participates in any vote in a general meeting of shareholders of Metro is punishable by a fine of EUR 500 to 25,000. As a consequence of the foregoing, any person who wishes to attend the AGM by returning a proxy as above mentioned must not transfer its/his/her shares and/or SDRs between 19 May 2011 and the date of the AGM.

Luxembourg, on 9 May 2011

METRO INTERNATIONAL S.A.

The Board of Directors