2nd Quarter Fiscal Year 2005
Conference Call
October 18, 2005

2nd Quarter Fiscal 2005 Financial Review

This presentation may contain forward-looking statements about the future performance of the Company, which are based on Management's assumptions and beliefs in light of the information currently available to it. The Company assumes no obligation to update the information contained herein. These forward-looking statements are subject to uncertainties and other factors that could cause actual results to differ materially from such statements including, but not limited to: competitive practices and pricing in the food industry generally and particularly in the Company's principal markets; the Company's relationships with its employees and the terms of future collective bargaining agreements; the costs and other effects of legal and administrative cases and proceedings; the nature and extent of continued consolidation in the food industry; changes in the financial markets which may affect the Company's cost of capital and the ability of the Company to access capital; supply or quality control problems with the Company's vendors; and changes in economic conditions which affect the buying patterns of the Company's customers.

Overview of Q2 Accomplishments

- Continued improvement in year over year EBITDA
- Major transitional events underway - cost controls, managerial changes and supply & logistics
- Strategic Accomplishments and Update
    - Sale of Canada
    - Transfer of distribution to C&S
    - Non core stores in Midwest have been closed and we continue to evaluate all options
- Well positioned in major markets with strong balance sheet and a focused and committed management team

EBITDA Results - $MM

	2Q2005	2Q2004
Reported EBITDA ***(see Schedule 1 of Press Release)***	**$ (99)**	**$ 23**
Midwest Store Exit Costs	71	-
Early Extinguishment of Debt	29	-
Restructuring including Sale of Distribution	25	-
Canadian $ Hedge Agreement	12	-
Asset Impairment	10	-
Hurricane Katrina	5	
Canadian Litigation Settlement	-	25
Total Non-operating items	152	25
Subtotal	**$53**	**$48**
Less Canadian Business Disposed	(17)	(26)
Adjusted U.S. EBITDA	**$ 36**	**$ 22**

EBITDA Results - $MM

	YTD 2Q2005	YTD 2Q2004
Reported EBITDA ***(see Schedule 1 of Press Release)***	**$ (65)**	**$ 103**
Midwest Store Exit Costs	86	-
Early Extinguishment of Debt	29	-
Restructuring including Sale of Distribution	75	1
Canadian $ Hedge Agreement	15	-
Asset Impairment	10	-
Hurricane Katrina	5	
Canadian Litigation Settlement	-	25
Total Non-operating items	220	26
Subtotal	**$155**	**$129**
Less Canada Business Disposed	(74)	(70)
Adjusted U.S. EBITDA	**$ 81**	**$ 59**
Year over Year Increase		***+ 37%***

U.S. A&P - Operating Results[1] - $MM

	2Q2005	2Q2004	1Q2005
	(12 weeks)	*(12 weeks)*	*(16 weeks)*
Net Sales	$1,598	$1,708	$2,230
Comp Store Sales *(excluding New Orleans)*	*-1.1%*		*-0.5%*
Gross Margin %	30.05%	29.66%	29.33%
SG&A % *(1)*	30.73%	31.12%	29.81%

(1) Results shown exclude the results of the Canadian business sold and items considered to be of a non-operating nature, including costs related to Midwest exit, early extinguishment of debt, restructuring including outsourcing supply & logistics, Canadian dollar hedge agreement, asset impairment and Hurricane Katrina.

U.S. A&P - $MM

	Quarterly Sales			LTM Sales Q2 - 05 (1)
	Q2- 05	Q2 - 04	Comp Sales %	LTM Q2 - 05
Northeast	$ 1,242	$ 1,256	-0.6%	$ 5,378
New Orleans (2)	77	95		397
MidWest	279	357	-3.4%	1,432
U.S. A&P	1,598	1,708	#	7,207

	Quarterly Adjusted US EBITDA		LTM EBITDA Q2 -05 (1)
	Q2- 05	Q2 - 04	LTM Q2 - 05
Northeast	$ 44	$ 30	$ 144
New Orleans (2)	(1)	(1)	4
MidWest	(7)	(7)	(17)
U.S. A&P	36	22	131

(1) 52 Week Period

2) New Orleans sales impacted by Hurricane Katrina that occurred on August 28th.. New Orleans EBITDA excludes $5 million estimated insurance deductible charge.

2004 Quarterly Sales & EBITDA[1] - $MM

	Sales				
	Q1	Q2	Q3	Q4	Year
				(12 wks)	*(52 wks)*
Northeast	$ 1,648	$ 1,257	$ 1,225	$ 1,254	$ 5,384
New Orleans	112	95	96	97	400
MidWest	469	357	351	356	1,533
U.S. A&P	2,229	1,709	1,672	1,707	7,317

	Adjusted EBITDA				
	Q1	Q2	Q3	Q4	Year
				(12 wks)	*(52 wks)*
Northeast	$ 40	$ 30	$ 32	$ 22	$ 124
New Orleans	2	(1)	2	3	6
MidWest	(5)	(7)	(9)	0	(20)
U.S. A&P	37	22	25	25	109

(1) Excluding non-operating items

Net Debt (US$ Millions)

		Sept 10, 2005
7.75% Notes due 2007	$	32
9.125% Notes due 2011		13
9.375% Notes due 2039		200
Cap Leases		37
Other Misc		2
Real Estate Liabilities		277
Invested Cash		(532)
NET DEBT	**$**	**29**
Market Value Investment in METRO Inc.		(535)
NET	**$**	**(506)**

Strategic Plans for the Future

- Many accomplishments in U.S. over past several years
- Plan to attain profitability by 2007
- Organized a strong management team
- Major objectives:
  1. Reduce costs – administrative and otherwise
  2. Drive top line significantly and profitably
  3. Bring 75 % of store base to standard by 2008

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