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Miscellaneous

* Asterisks denote mandatory information

Name of Announcer *	METRO HOLDINGS LIMITED
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Press Release on third quarter results for the period ended 31 December 2008
Description	Please refer to attached press release.
Attachments	pressreleasefinal.pdf Total size = **231K** (2048K size limit recommended)

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NEWS RELEASE

METRO POSTS NET PROFIT OF S$1.2 MILLION FOR 9MFY2009

- **Net profit declines by 97.0% mainly due to:**
  - **Decrease (unrealised) in the fair value of the property division's portfolio of short-term investments comprising mainly of units in REITS; and**
  - **Inclusion of an exceptional gain of S$28.5 million arising from the Gurney Plaza disposal in third quarter of FY2008**
- **Revenue supported by increase in property division turnover**
  - **Attributed to higher rental income from properties in Shanghai and Beijing; and**
  - **Strengthening of the Chinese yuan against the Singapore dollar**
- **Balance sheet remains strong with net cash position of S$9.8 million**

Singapore, February 10, 2009 – Mainboard-listed Metro Holdings Limited ("Metro Holdings" or the "Group")("美罗控股有限公司"), a growing property development and investment group backed by established retail operations in the region, today reported a 12.3% decline in revenue to S$150.1 million for the nine months ended December 31, 2008 ("9MFY2009"). Group net profit for 9MFY2009 declined by 97.0% to S$1.2 million.

For the three months ended December 31, 2008 ("3QFY2009"), net profit dropped by 97.5% to S$0.6 million, on the back of a marginal decrease in revenue by 2.4% to S$56.5 million.

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Review of Financial Performance

The Group's turnover for 9MFY2009 declined by 12.3% to S$150.1 million, due mainly to the exclusion of sales from the Metro Tampines department store that closed in August 2007, as announced in the previous quarter.

On a quarter-to-quarter basis, the retail division revenue decreased from S$46.6 million in the previous corresponding period ("3QFY2008") to S$43.0 million in 3QFY2009, mainly due to the slowdown in the Singapore economy, as well as declines in domestic consumption, and tourist and business traveller arrivals.

The decline in the retail division revenue was partially offset by the 20% increase in the Group's property division turnover to S$13.5 million, mainly due to higher rental income from Metro City Shanghai, Metro Tower and Metro City Beijing, and the strengthening of the Chinese yuan against the Singapore dollar. Metro City Shanghai and Metro Tower continued to achieve high occupancy rates nearing 100%, whilst Metro City Beijing's continuing adjustments of its retail tenant mix yielded revenue growth. GIE Tower in Guangzhou has started to rebuild its occupancy rate following the departure of an anchor tenant, which presented the Group with an opportunity to consolidate its previously fragmented tenancies. As such, GIE Tower registered an increase of 7.4 percentage points in its occupancy rate to 76.0% as at December 31, 2008.

Pretax profit of S$4.0 million for 3QFY2009 was a decline from S$24.5 million in 3QFY2008, as pretax profit for 3QFY2008 included a share of associated companies' exceptional gain of S$28.5 million arising from the disposal of Gurney Plaza.

Segmentally, the Group's property division decreased from S$21.9 million in 3QFY2008 to S$2.1 million in 3QFY2009, as a result of the exceptional gain from the disposal of Gurney Plaza in 3QFY2008. The decline was partially mitigated by reduced expenses, as 3QFY2008 recorded expenses relating to the disposal of

Gurney Plaza, which is included under general and administrative expenses. On the retail front, profit fell by 26.2% to S$1.9 million in 3QFY2009, due to lower turnover as well as costs of the new department store in Indonesia.

Commented Lt Gen (Retd) Winston Choo（朱维良）, Chairman of Metro Holdings Limited: “The world is currently in the throes of an unprecedented economic downturn. As part of the global business community, it is inevitable that Metro has been impacted as well.

“We are heartened that our property division turnover has grown despite these challenging times, and we believe that China still provides long-term growth opportunities. Having secured a strong foothold in the China’s first-tier cities since our presence there in 1988, we believe that we will be able to leverage on our first-mover advantage for long-term growth in China.

“Moving forward, the Group will remain focused on its prudent growth plans for the Group’s commercial and retail property business in China and the region.”

Strong Balance Sheet

The Group’s balance sheet remained strong, exemplified by a healthy cash position of S$173.4 million and net cash position of S$9.8 million, as at December 31, 2008. Total shareholders’ equity remained stable at S$856.0 million as at December 31, 2008.

Outlook

The Group’s four completed properties, located in China’s first-tier cities, continued to enjoy healthy occupancy rates averaging 86.0%. Whilst rental income from these four properties are expected to remain stable, the decline in the Gross Domestic Product growth rate of the Chinese economy is expected to have a consequential effect on the Group’s real estate operations and investments in China.

As the Group's four properties under development, held by associates, come on-stream, they will make their maiden contribution to the Group's income. The Gurney Plaza Extension in Penang was the first of the four properties under development to be completed. A soft opening was held in late November 2008 and occupancy rate is almost at 100% currently. The 1 Financial Street project in Beijing, which is already substantially completed, will commence move-in of tenants in stages towards the end of FY2009. Occupancy rate will, accordingly, increase in a progressive manner. The remaining two properties under development, Metropolis Tower and EC Mall, both of which are in Beijing, are on track for their scheduled opening in 2QFY2010. Recently, the Group has also announced the increase of its effective interest in both properties from 20% to 31.5%. Volatile market conditions will continue to adversely affect the fair value of the Group's portfolio of quoted equity investments.

The Group expects the slowdown of the Singapore and Indonesian economies to impact its retail division, as it has created an extremely difficult trading environment for the retail segment..

About Metro Holdings Limited

Listed on the Mainboard of the SGX-ST in 1973, Metro Holdings was founded in 1957 by its former chairman, Ong Tjoe Kim. Starting out as a textile store on 72 High Street, Metro has grown over the years to become a property and retail group with a turnover of S$224.4 million and net assets of S$879.6 million as at March 31, 2008.

Today, the Group operates two core business segments – property development and investment, and retail – and is focused on key markets in the region such as China, Indonesia and Singapore.

Property Development and Investment

The Group's property arm owns and manages several prime retail and office properties in first-tier cities in China, such as Beijing, Shanghai and Guangzhou, and also holds significant investments in certain property businesses in China.

Retail Operations

Metro's retail arm serves customers through a chain of three Metro department stores and four "Accessorize" specialty stores in Singapore, and another five department stores in Jakarta and Bandung, Indonesia. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise over 821,000 square feet of downtown and suburban retail space.

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