



NEWS RELEASE

METRO REPORTS STRONG NET PROFIT OF S\$93.9 MILLION FOR FY2010

- *Earnings per share jumps 138.4% to 14.9 cents*
- *Strong balance sheet with cash and cash equivalents of S\$174.1 million*
- *Shareholders' equity increases 6.1% to S\$990.9 million*
- *Maintains low net gearing of 0.04 times as at March 31, 2010*
- *Proposes a special final dividend of one Singapore cent and an ordinary final dividend of two Singapore cents per ordinary share*
 - o *Total payout ratio of 20.3%*

Singapore, May 24, 2010 – Mainboard-listed Metro Holdings Limited (“Metro” 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 138.2% increase in net profit attributable to shareholders to S\$93.9 million on a 9% increase in revenue to S\$151.0 million for the full year ended March 31, 2010 (“FY2010”).

For the fourth quarter ended March 31, 2010 (“4QFY2010”), the Group achieved a 46.5% increase in net profit attributable to shareholders of S\$56.0 million on a 15.1% rise in revenue to S\$39.9 million.

The rise in 4QFY2010 net profit attributable to shareholders is mainly attributed to a higher gain of S\$22.3 million from fair value adjustments on the Group’s investment properties, including those held by associates.

Accordingly, earnings per share jumped 138.4% to 14.9 Singapore cents in FY2010.

Commented Lt Gen (Rtd) Winston Choo (朱维良), Metro's Chairman: "We are delighted that both our Property and Retail divisions delivered stronger performance in 4QFY2010, resulting in improved topline and bottomline results. Our new buildings, EC Mall and Metropolis Tower in Beijing, have started to make meaningful contributions to bottomline and will be supportive of rental growth going forward. Four of our mature properties in China continue to enjoy healthy occupancy rates averaging 80.4%. On the retail front, our newly-opened Metro City Square department store in Singapore continued to contribute to our revenue growth."

Review of Financial Performance

Revenue for the Group's core Property Division declined marginally by 6.3% to S\$14.1 million in 4QFY2010 from S\$15.0 million in 4QFY2009. Rental income was lower at Metro City Shanghai as it continued to be affected by ongoing asset enhancements. This was mitigated by higher contributions from the newly-opened EC Mall and Metropolis Tower in Beijing, which saw occupancy rising to 63.2% and 59.1% respectively.

Sales of the Retail Division rose 31.4% as compared to 4QFY2009, with a major contribution from the newly-opened Metro City Square department store in Singapore. Sales and profitability of the Retail Division's associated company in Indonesia remained relatively stable in 4QFY2010.

In FY2010, the Group's turnover increased 9.0% to S\$151.0 million from S\$138.5 million in FY2009 due to higher sales of the Retail Division with the new Metro City Square department store as a major contributor.

Segmentally, revenue from the Group's Property Division rose 4.6% to S\$54.7 million in FY2010 from S\$52.3 million in FY2009, mainly due to higher rental income resulting from higher contributions from Metro City Beijing and two new properties at EC Mall and Metropolis Tower in Beijing. Turnover for the Retail Division was up 11.7% to S\$96.3 million in FY2010 as compared to S\$86.2 million in FY2009.

For FY2010, the Group's pretax profit for the Property Division jumped more than three fold to S\$108.8 million. Gains from fair value adjustment on investment properties totalled S\$54.9 million compared with S\$9.0 million in FY2009 from these fair value adjustments. Pretax profit was also boosted by the Property Division's higher rental income and an increase in fair value of the Group's portfolio of short term investments of S\$17.4 million compared to a deficit of S\$15.7 million in FY2009. The Retail Division's pretax profit was up 26.8% to S\$6.2 million in FY2010 as compared to S\$4.9 million in FY2009.

Strong Balance Sheet

The Group maintained a strong balance sheet with cash and cash equivalents of S\$174.1 million as at March 31, 2010. Shareholders' equity stood at S\$990.9 million and net gearing remained low at 0.04 times.

Buoyed by the Group's healthy balance sheet, the Group has proposed a special dividend of one Singapore cent and an ordinary final dividend of two Singapore cents per share. This translates to a payout ratio of 20.3% of the Group's net profit attributable to shareholders for FY2010.

Outlook

The Group's four mature properties, located in China's first-tier cities, continue to enjoy healthy occupancy rates averaging 80.4% as well as steady rental income. On the whole, demand has been supportive of the new supply of office space in Beijing. Occupancies of the new office building Metropolis Tower and the EC Mall retail property in Beijing have improved and will be supportive of rental growth.

Conditions precedent relating to the disposal of 1 Financial Street, which was announced on March 8, 2010, are targeted to be fulfilled by 2QFY2011.

Though the trading environment for the retail trade is expected to remain competitive, both in Singapore and Indonesia, contribution from the newly-opened Metro City Square department store in Singapore will continue to assist the Retail Division in improving its topline sales performance.

Concluded Lt Gen (Rtd) Winston Choo, "We will continue to re-balance our portfolio in Asia, with a special focus on fast growing regions. In China, we have taken minority stakes in Tesco QinHuangDao, Fushun and Anshan in view of good occupancy rates at both Tesco Lifespace, QinHuangDao and Tesco Living Mall, Fushun whilst Tesco Living Mall, Anshan is scheduled to open in September 2010.

"As for our four mature properties in China, we will continue to optimise tenant mix and look for enhancement opportunities as well as improve efficiency of mall management.

"Overall, we will continue to ride on the uptrend of the recovering economy and leverage on our strong balance sheet to grow our business. Our current low borrowing ratio allows greater flexibility for good investment opportunities as we grow our commercial and retail property business in the Asia-Pacific region."

About Metro Holdings Limited

Listed on the Main Board of the SGX-ST in 1973, Metro Holdings started out in 1957 as a textile store on 72 High Street. Over the years, Metro has grown to become a property and retail group with operations/investments in the region.

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

Metro's retail arm serves customers through a chain of four Metro department 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 879,000 square feet of downtown and suburban retail space.

ISSUED ON BEHALF OF : Metro Holdings Limited
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd
1 Raffles Place
#26-02 OUB Centre
SINGAPORE 048616
CONTACT : Ms Dolores Phua / Ms Andrea Low
at telephone
DURING OFFICE HOURS : 6534-5122 (Office)
AFTER OFFICE HOURS : 9750-8237 / 9667-5837 (Handphone)
EMAIL : dolores.phua@citigatedrimage.com
andrea.low@citigatedrimage.com

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