

Miscellaneous

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NEWS RELEASE

METRO REPORTS NET PROFIT OF S\$8.5 MILLION IN 3QFY2011

- **Achieves 14.4% increase in revenue to S\$47.3 million**
 - **Increase in revenue for both Property and Retail divisions**
 - **Core Property segment achieves higher rental income**
 - **Higher rental income from Metro City Shanghai with completion of asset enhancement works**
 - **Rise in rental income from EC Mall in Beijing, PRC and newly acquired Frontier Koishikawa Building in Tokyo, Japan**
 - **Retail segment records broad based improvement**
 - **Stores in Orchard Road reflected higher level of shopper activity**
- **Balance sheet remains strong; net cash position**

Singapore, February 14, 2011 – 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 14.4% increase in revenue to S\$47.3 million for the three months ended December 31, 2010 (“3QFY2011”) from S\$41.4 million in the previous corresponding quarter (“3QFY2010”).

Both of the Group's business segments, namely its core Property segment and Retail division, reported higher turnover. Higher rental income from three main properties contributed to Metro's topline revenue improvement. This includes Metro City Shanghai following the completion of an asset enhancement exercise; EC Mall in Beijing; and the newly acquired Frontier Koishikawa Building in Tokyo, Japan. The improvement from the Group's Retail Division was broad based, with stores in Orchard Road reflecting a higher level of shopper activity. Sales and profitability of the Retail division's associated company in Indonesia remained steady.

Net profit attributable to shareholders declined to S\$8.5 million in 3QFY2011 from S\$15.5 million in 3QFY2010 mainly as the previous 3QFY2010 results included a S\$7.7 million increase in the fair value of the Group's portfolio of short term investments.

Cumulatively, the Group's net profit for the nine months ended December 31, 2010 ("9MFY2011") rose 77.9% to S\$67.6 million, an improvement from S\$38.0 million in the previous corresponding period.

Lt Gen (Rtd) Winston Choo (朱維良), Metro's Chairman commented: "We are pleased that our asset enhancement initiatives and prudent acquisitions of properties have yielded positive results. Higher rental was achieved for Metro City Shanghai following the revamp of its basement into a Japanese themed section. EC Mall, completed in late 2QFY2010, has seen steady occupancy increase and higher rental rates. Our recently acquired Frontier Koishikawa Building located in Tokyo, Japan, has also started to make its initial contribution to rental revenue.

"As we continue to streamline our asset portfolio and enhance existing properties, we will be well poised for further growth and capture viable opportunities as they come our way. We remained focused on our vision to be a leading property development and investment group in the Asia-Pacific region."

Review of Financial Performance

For 3QFY2011, Metro's core Property division reported a 15.5% increase in revenue to S\$16.4 million from S\$14.2 million in 3QFY2010. This was due to higher rental income from Metro City Shanghai after the completion of the asset enhancement exercise and initial rental from the newly acquired Frontier Koishikawa Building. The Group also enjoyed higher occupancy rate at its EC Mall. This helped to offset Metro Tower Shanghai's lower rental due to lower occupancy. Rental income would have been higher if not for a 3.9% decrease in the value of renminbi against the Singapore dollar.

Profit before tax for the property division declined to S\$9.5 million in 3QFY2011 as compared to S\$14.1 million in 3QFY2010. Other income included a S\$0.7 million decline in the fair value of the Group's portfolio of short term investments as compared to a S\$7.7 million increase in 3QFY2010. The consequential decline in profit before tax as compared to 3QFY2010 was mitigated by Metro City Shanghai, which reported higher profit of S\$3.2 million due to higher rental and lower costs of asset enhancement activities. Occupancy for this property stood at 99.3% as at December 31, 2010.

The Group's Retail division reported a 13.8% increase in revenue to S\$31.0 million in 3QFY2011, with a broad based improvement in sales with higher trading activities from its retail segment in the Orchard Road shopping district, as well as from festive and other promotional sales events.

Overall the Group reported a profit before tax of S\$12.4 million in 3QFY2011 as compared to S\$16.3 million in 3QFY2010.

Strong Balance Sheet

The Group continued to maintain a strong balance sheet, with a healthy cash position of S\$382.1 million as at December 31, 2010. It also turned to a net cash position from a net gearing of 0.06 times in the same quarter last year. Shareholder's equity increased further to S\$1.0 billion.

Outlook

Rental income from the Group's investment properties is expected to remain stable.

Notwithstanding the keen competition and reduced length of the shopping period leading up to Chinese New Year, trading conditions are expected to remain unchanged for the retail industry.

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 and investments in the region.

Today, the Group operates two core business divisions – 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, it 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 six department stores in Indonesia. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise over 996,000 square feet of downtown and suburban retail space.

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