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NEWS RELEASE

METRO'S 3QFY2013 NET PROFIT RISES 43.4% TO S\$15.3 MILLION

- ***Net profit increase mainly due to a balloon payment of interest income from loan notes held by the Group's core Property Division***
- ***Revenue down marginally by 2% to S\$50.6 million***
 - o ***Revenue for Retail Division up on stronger sales, offset by the rental decline in Property Division following the disposal of Metro City Beijing***
- ***Maintains strong balance sheet with cash of S\$402.9 million***
- ***Shareholders' equity of S\$1.1 billion as at 31 December 2012***

Singapore, 6 February 2013 – Mainboard-listed Metro Holdings Limited (“Metro” or the “Group”) (“美罗控股有限公司”), a property development and investment group backed by established retail operations in the region, reported an improved bottom-line despite a marginal decrease in its top-line performance. The Group saw a 43.4% rise in net profit to S\$15.3 million for the three months ended 31 December 2012 (“3QFY2013”), compared to S\$10.7 million in the previous corresponding period (“3QFY2012”), mainly due to a balloon payment of interest income from loan notes held by its core Property Division. The loan notes were liquidated in early 4QFY2013.

Group revenue was down slightly by 2.0% to S\$50.6 million in 3QFY2013 from S\$51.6 million in 3QFY2012, though the Group did record higher sales from its secondary Retail Division. Still, this was inadequate to fully offset the lower rental income following the disposal of Metro City Beijing held by the Property Division.

Profit before tax increased to S\$18.2 million in 3QFY2013 from S\$12.4 million in 3QFY2012, mainly attributable to other income, including a significant increase in interest income, as well as changes in the fair value of the Group's short-term quoted

equity investments in property REITs. Consequently, net profit for the quarter was S\$15.3 million.

Metro's Chairman, Lt Gen (Rtd) Winston Choo (朱維良) said, "We are encouraged that even against the current competitive operating environment, we have achieved a commendable set of numbers. It was within our expectations that with the divestment of Metro City Beijing in March 2012, rental income from the Property Division would be impacted. As such, we have been channelling our efforts at ensuring an optimal tenant mix and are looking at asset enhancement plans for our existing properties.

Going forward, we will also be focusing on the development of our new joint venture projects – a first-of-its-kind upscale urban community development project in Nanchang, China with Top Spring, and a signature residential condominium at Prince Charles Crescent in Singapore with the Wing Tai group and UE E&C Ltd. In addition to leveraging on our strategic partnerships, we remain on the lookout for profitable projects to deepen our foothold in key markets."

Review of Financial Performance

Revenue for the Group's Property Division contracted 17.9% from S\$17.1 million in 3QFY2012 to S\$14.0 million in 3QFY2013, due to lower rental income following the disposal of Metro City Beijing, a 3.0% decrease in the value of the renminbi ("RMB") against the Singapore dollar and lower occupancies at Frontier Koishikawa. Higher interest income from loan notes held by the Property Division supported its profit before tax, which rose from S\$8.5 million in 3QFY2012 to S\$16.2 million in 3QFY2013.

Separately, the Group's Retail Division reported a 6.0% increase in revenue from S\$34.5 million in 3QFY2012 to S\$36.6 million in 3QFY2013. But revenue growth for Metro's Singapore operations and its associated company in Indonesia did not translate to improved profitability as lower margins and higher operating costs affected the Division's bottom-line. Profit before tax for 3QFY2013 was S\$2.1 million, as compared to S\$3.8 million in 3QFY2012.

Strong Balance Sheet

The Group continued to maintain a strong balance sheet, with a healthy cash position of S\$402.9 million and shareholders' equity of approximately S\$1.1 billion as at 31 December 2012.

Outlook

Rental income contribution from the Group's investment properties is expected to remain affected in the near term, and profit before tax for the next quarter ("4QFY2013") is also expected to be significantly lower compared to the previous corresponding period ("4QFY2012") as the gain on disposal for Metro City Beijing was included in 4QFY2012.

Volatile market conditions dictate that the Group's portfolio of quoted equity investments in property REITs will continue to see changes in their fair value. In addition, the Group remains subjected to significant currency translation adjustments on foreign operations due to foreign exchange volatilities, given that a large portion of its investment properties are located in China and denominated in the RMB.

While the lead up to the Lunar New Year is expected to buoy revenue growth in the Retail Division, moderated domestic consumption in Singapore, continued keen competition in the retail trade and rising operational costs are expected to exert pressure on margins. Nonetheless, the Group seeks to maintain the sales performance of its Retail Division.

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 eight 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 1,324,000 square feet of downtown and suburban retail space in Singapore and Indonesia.

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