

**FY2010 Results Presentation \* Financial Statement And Related Announcement**

\* Asterisks denote mandatory information

Name of Announcer *	METRO HOLDINGS LIMITED
Company Registration No.	197301792W
Announcement submitted on behalf of	METRO HOLDINGS LIMITED
Announcement is submitted with respect to *	METRO HOLDINGS LIMITED
Announcement is submitted by *	Tan Ching Chek
Designation *	Company Secretary
Date & Time of Broadcast	24-May-2010 12:35:46
Announcement No.	00019

**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	31-03-2010
Description	Please refer to the attached file.

**Attachments** [PresentationSlides.pdf](#)  
Total size = **870K**  
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# METRO HOLDINGS LIMITED



## FY2010 RESULTS PRESENTATION

24 May 2010



- ❖ **About Metro**
- ❖ **Property Development & Investment**
- ❖ **Retail Operations**
- ❖ **Financial Highlights**
- ❖ **Market Outlook**
- ❖ **Growth Strategies**
- ❖ **Outlook**

# Who We Are

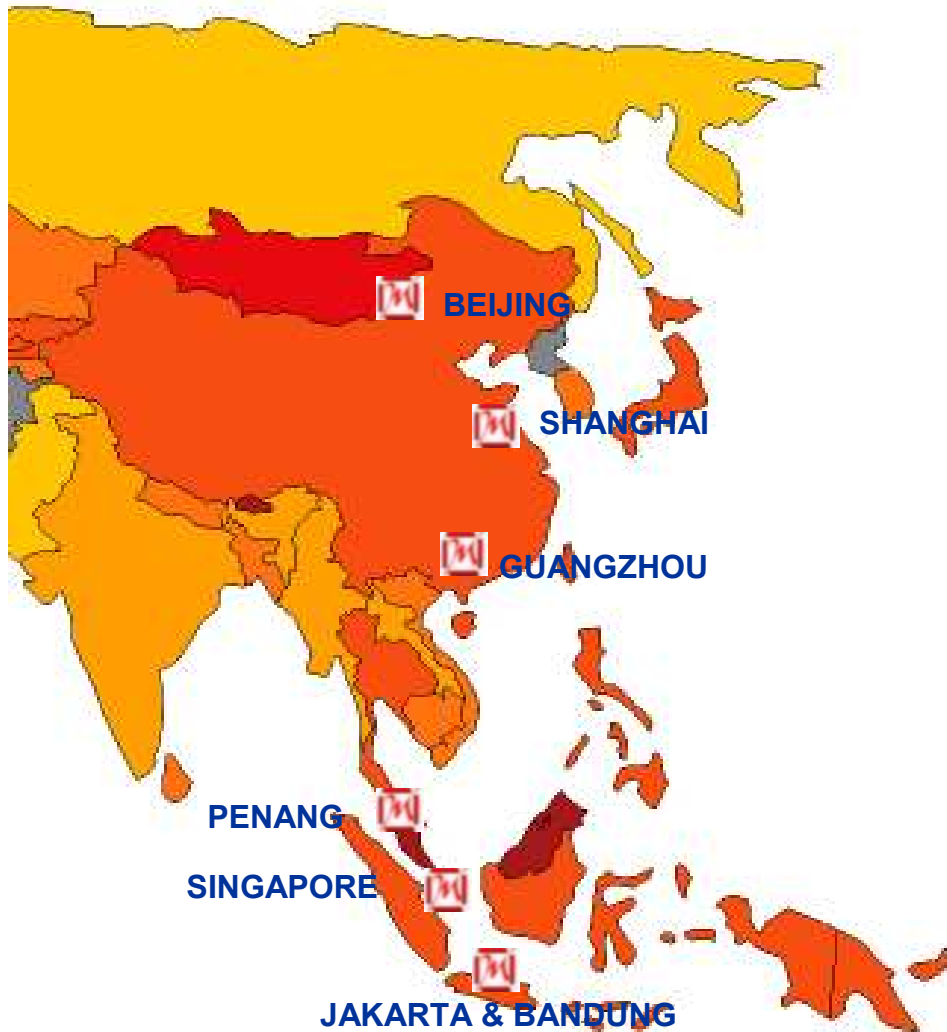


**We are...**

*A property development and investment group, backed by an established retail track record*

- Strong presence in China, Indonesia, Singapore and the Asia-Pacific region

# Our Regional Presence



## List of Properties

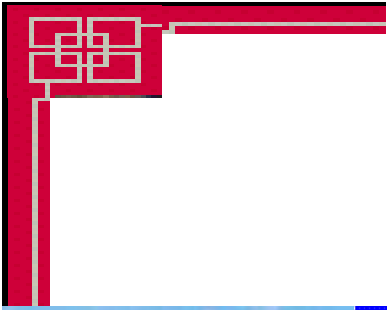
- Metro City, Beijing
- 1 Financial Street, Beijing
- Metropolis Tower, Beijing
- ECMall, Beijing
- Metro City, Shanghai
- Metro Tower, Shanghai
- GIE Tower, Guangzhou
- Gurney Park, Penang

## List of Investments

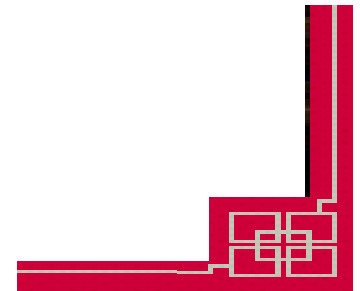
- Shui On Land
- Crowne Plaza, Beijing

## List of Retail outlets

- Singapore
- Jakarta, Indonesia
- Bandung, Indonesia



# Property Development & Investment



# Portfolio Overview



## Completed Investment Properties:

	% owned by Grp <sup>(1)</sup>	Tenure	Site Area ("sqm")	Lettable Area ("sqm")	No. of Tenants <sup>(1)</sup>	Occupancy Rate (%) <sup>(1)</sup>	Valuation (S\$m) (100%)
<b>Metro City, Shanghai</b>	60%	36 yr term from 1993	15,342	40,319	86	86.8	234 <sup>(1)</sup>
<b>Metro City, Beijing</b>	50%	40 yr term from 2004	32,484	116,973	14	74.6	337 <sup>(1)</sup>
<b>GIE Tower, Guangzhou</b>	100%	50 yr term from 1994	-	28,390	41	86.4	96 <sup>(1)</sup>
<b>Metro Tower, Shanghai</b>	60%	50 yr term from 1993	5,247	39,295	20	73.9	178 <sup>(1)</sup>
<b>EC Mall, Beijing <sup>(3)</sup></b>	25.05%	40 yr term from 2001	26,735	28,993	48	63.2	329 <sup>(2)</sup>
<b>Metropolis Tower, Beijing <sup>(3)</sup></b>	25.05%	50 yr term from 2001	26,735	24,701	7	59.1	124 <sup>(2)</sup>

<sup>(1)</sup> As at March 31, 2010

<sup>(2)</sup> As at December 31, 2009

<sup>(3)</sup> Completed in late 2QFY2010

# Portfolio Overview



## Completed Investment Properties under Associated Companies:

	% owned by Grp <sup>(1)</sup>	Tenure	Site Area ("sqm")	Lettable Area ("sqm")	No. of Tenants <sup>(1)</sup>	Occupancy Rate (%) <sup>(1)</sup>
<b>Gurney Plaza Extension, Penang</b>	49%	Freehold	7,660	12,577	53	98.7
<b>1 Financial Street, Beijing</b>	45%	50 yr term from 2002	12,420	77,043	22	41.0
<b>Tesco Lifespace, QinHuangDao <sup>(2)</sup></b>	10.7%	40 yr term from 2005	31,808	30,259	223	94.0
<b>Tesco Living Mall, Fushun <sup>(2)</sup></b>	10.7%	40 yr term from 2007	18,800	34,662	273	82.0

<sup>(1)</sup> As at March 31, 2010

<sup>(2)</sup> Completed in early 4QFY2010



# Portfolio Overview



## Investment Property Under Development under Associated Companies:

	Location	% owned by Grp <sup>(1)</sup>	Tenure	Lettable Area (sqm)	Scheduled Opening	No. of Tenants Under LOI
<b>Tesco Living Mall, Anshan</b>	Anshan, PRC	10.7%	40 yr term from 2009	47,971	Sept 2010	NA

(1) As at March 31, 2010

# Property Investment



## Property Valuation (100%):

	FY2009 (S\$'m)	FY2010 (S\$'m)	(%)
<b>Metro City, Shanghai</b>	226	234	+3.5
<b>Metro City, Beijing</b>	334	337	+0.9
<b>GIE Tower, Guangzhou</b>	99	96	-3.0
<b>Metro Tower, Shanghai</b>	181	178	-1.7
<b>EC Mall, Beijing <sup>(1)</sup></b>	-	329	N.A.
<b>Metropolis Tower, Beijing <sup>(1)</sup></b>	-	124	N.A.

(1) Completed in late 2QFY2010

FY09 Exchange rate : S\$1 : RMB 4.505

FY10 Exchange rate: S\$1: RMB 4.878

# Occupancy Rate

	FY2009 (%)	FY2010 (%)
<b>Metro City, Shanghai</b>	94.2	86.8
<b>Metro City, Beijing</b>	65.6	74.6
<b>GIE Tower, Guangzhou</b>	82.7	86.4
<b>Metro Tower, Shanghai</b>	98.6	73.9
<b>ECMall, Beijing <sup>(1)</sup></b>	-	63.2
<b>Metropolis Tower, Beijing <sup>(1)</sup></b>	-	59.1
<b>Gurney Plaza Extension, Penang</b>	98.1	98.7
<b>1 Financial Street, Beijing</b>	18.0	41.0

(1) Completed in late 2QFY2010

# Property Investment- Expiry Profile



## Expiry Profile by Gross Rental Income:

	1H2011 (%)	2H2011 (%)
<b>Metro City, Shanghai</b>	18.72	6.81
<b>Metro City, Beijing</b>	0.13	0.53
<b>GIE Tower, Guangzhou</b>	4.02	15.49
<b>Metro Tower, Shanghai</b>	0.89	2.63
<b>ECMall, Beijing</b>	NIL	NIL
<b>Metropolis Tower, Beijing</b>	NIL	NIL

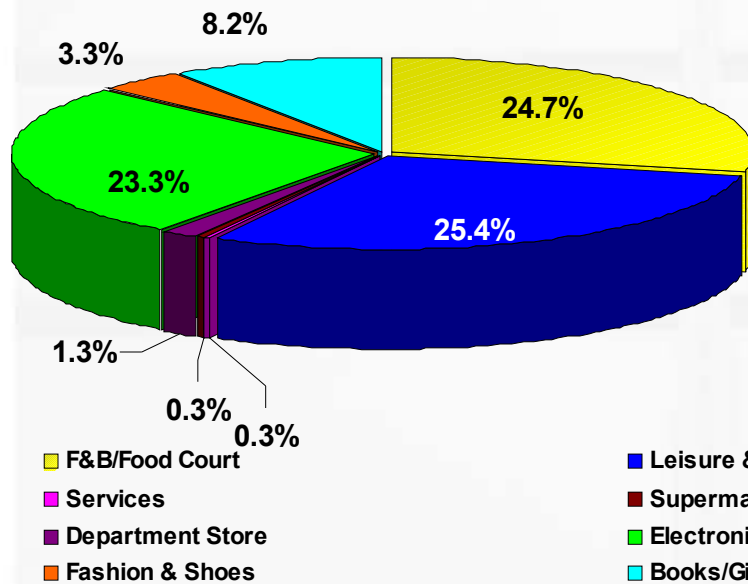
Metro City,  
Beijing

# Metro City, Shanghai



**Total: 86.8%**

## Tenant Mix by Lettable Area (as at March 31, 2010)



## Top 10 Tenants:

Name of Tenant	Trade Sector	% of total lettable area
Buynow Computer World	Electronics & IT	18.79%
Physical Fitness & Beauty Centre	Leisure & Entertainment/ Sport & Fitness	10.00%
Kodak Cinema World	Leisure & Entertainment/ Sport & Fitness	8.38%
Popular Bookmall	Books/Gifts & Specialty/ Hobbies/Toys/Jewelry	7.28%
Megabite	F&B/Food Court	6.94%
HAOLEDI KTV	Leisure & Entertainment/ Sport & Fitness	5.32%
DAGAMA BBQ	F&B/Food Court	2.29%
Pizza Hut	F&B/Food Court	1.83%
Starbucks	F&B/Food Court	1.78%
KFC	F&B/Food Court	1.72%

# Metro Tower, Shanghai

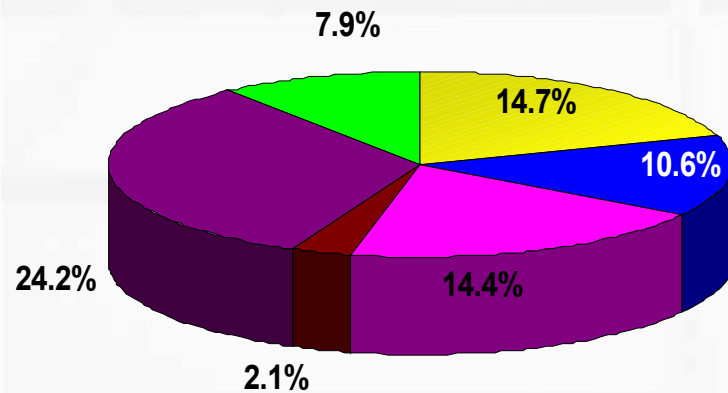


## Top 10 Tenants:

Name of Tenant	Trade Sector	% of total lettable area
Exxon Mobil	Petroleum & Chemicals	20.55%
Swatch Group	Consumer Products	9.78%
KFC	F&B	8.44%
AIA	Banking, Insurance and Financial Services	6.72%
Pizza Hut	F&B	5.93%
Faith Cosmetics	Consumer Products	4.22%
Agricultural Bank of China	Banking, Insurance and Financial Services	3.84%
Cummins	Others	3.26%
Lucite International	Petroleum & Chemicals	1.93%
Sekisui	Petroleum & Chemicals	1.71%

Total: 73.9%

**Tenant Mix by Lettable Area  
(as at March 31, 2010)**



F&B

Consumer Products

Petroleum & Chemicals

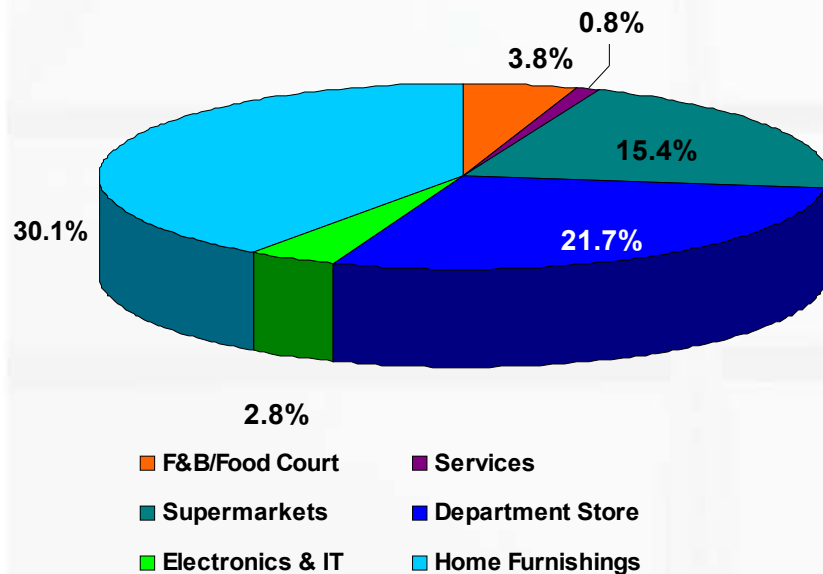
Banking, Insurance & Financial Services

IT Services and Telecommunication

Others

Total: 74.6%

**Tenant Mix by Lettable Area  
(as at March 31, 2010)**



## Top 10 Tenants:

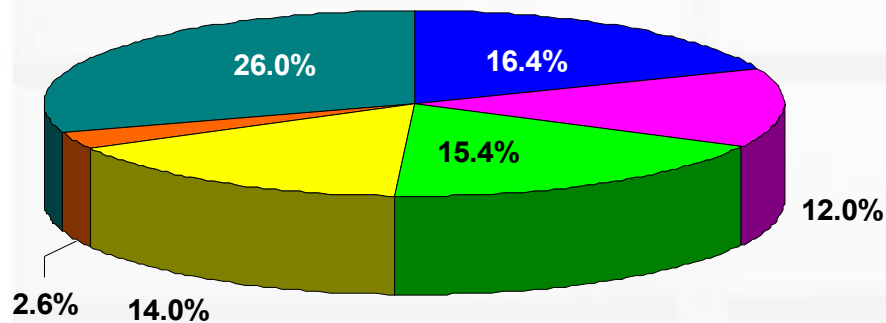
Name of Tenant	Trade Sector	% of lettable area
Hong Xing	Home Furnishings	30.12%
Parkson Department Store	Department Store	21.49%
Walmart Supercentre	Supermarkets	15.43%
Gome Electrical	Electronics & IT	2.84%
Lucky Time Food Court	F&B/Food Court	2.35%
Han Nan Shan	F&B/Food Court	0.65%
Pizza Hut	F&B/Food Court	0.45%
KFC	F&B/Food Court	0.38%
China Construction Bank	Services	0.33%
Walton	Department Store	0.18%

# GIE Tower, Guangzhou



Total: 86.4%

**Tenant Mix by Lettable Area  
(as at March 31, 2010)**



- F&B
- IT Services & Telecommunication
- Petroleum & Chemicals

- Banking, Insurance & Financial Services
- Pharmaceutical
- Others

## Top 10 Tenants:

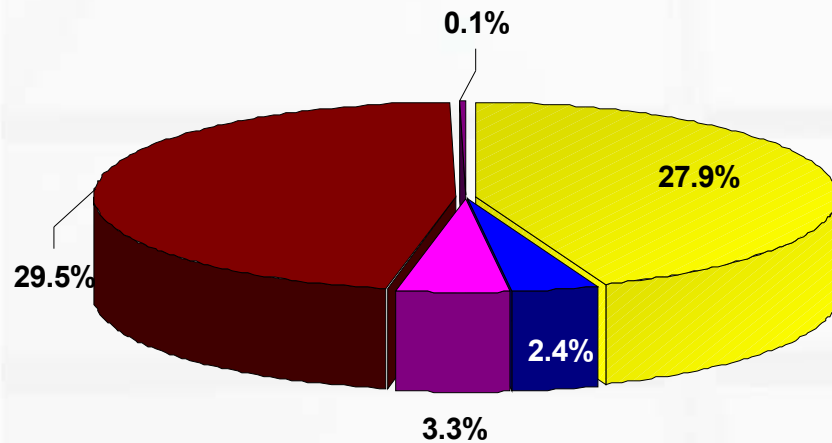
Name of Tenant	Trade Sector	% of lettable area
Jin Yu Restaurant	F&B	12.68%
Ericsson	IT Services & Telecommunication	11.89%
Guang Dong Development Bank	Banking, Insurance & Financial Services	6.34%
New Times Securities	Banking, Insurance & Financial Services	4.66%
Swiss Ya Pei	Pharmaceutical	4.17%
Roche	Pharmaceutical	4.17%
Carat Advert GZ Company	Others	4.17%
Evergreen	Others	3.53%
APL Cruise Ship	Others	3.09%
Toshiba	IT Services & Telecommunication	2.92%



## Top 10 Tenants:

Total: 63.2%

**Tenant Mix by Lettable Area  
(as at March 31, 2010)**



■ F&B/Food Court

■ Services

■ Books/Gifts & Specialty/Hobbies/Toys/Jewelry

■ Leisure & Entertainment/Sport & Fitness

■ Fashion & Shoes

Name of Tenant	Trade Sector	% of lettable area
Golden Jaguar	F&B/Food Court	17.94%
C&A	Fashion & Shoes	5.96%
Best Seller / Selected	Fashion & Shoes	4.43%
H&M	Fashion & Shoes	4.37%
Shi Mei Hui Food Court	F&B/Food Court	4.23%
UNIQLO	Fashion & Shoes	2.55%
Walt Disney English	Services	1.81%
Ma Lian Duo Spa	Leisure & Entertainment/ Sport & Fitness	1.46%
Astor & Ivy	Fashion & Shoes	1.39%
Wall Street English	Services	1.37%

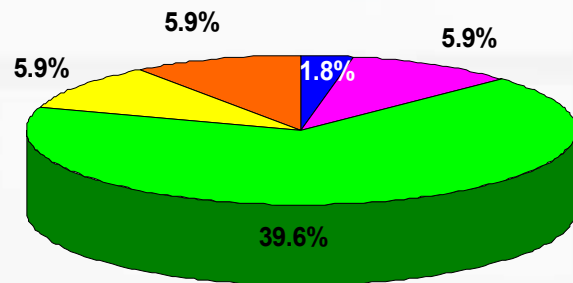
# Metropolis Tower, Beijing



## Tenants:

Total: 59.1%

**Tenant Mix by Lettable Area  
(as at March 31, 2010)**



- Banking, Insurance & Financial Services
- Services/Education
- Others
- IT Services & Telecommunication
- Consumer Products

# Tesco Projects, China



## Ownership Split:

- Metro Holding – 10.7%, Tesco Plc – 50.0%, HSBC NF / Nan Fung – 32.2%, Private Bankers – 7.1%
- Joint investment with Tesco Plc, HSBC NF China Real Estate Fund / Nan Fung and HSBC private banking clients



## **QinHuangDao**

- ❖ 4-storey & 2 basements
- ❖ OC rate – 94.0 %
- ❖ Opened on Jan 15, 2010



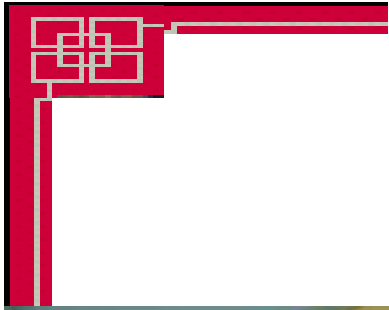
## **Fushun**

- ❖ 5-storey & 2 basements
- ❖ 200 residential & 493 SOHO
- ❖ OC rate – 82.0%
- ❖ Opened on Jan 29, 2010

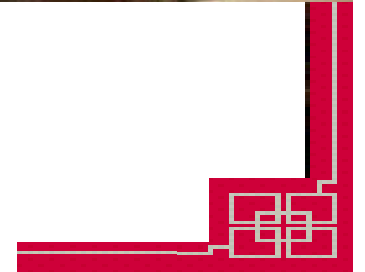


## **Anshan**

- ❖ 5-storey & a basement
- ❖ 1,656 residential, 1,459 service apartments & 16 commercial skirt units
- ❖ Target to open in Sept 2010



# Retail Operations



# Retail Operations



Upgraded merchandise selections for customers in all our retail operations, through close collaboration with international and local business partners:

## **Singapore: -**

- ❖ Metro Paragon
- ❖ Metro Woodlands
- ❖ Metro Sengkang
- ❖ Metro City Square

## *“Monsoon Accessorize” Specialty Shops*

- ❖ Raffles City
- ❖ Bugis Junction
- ❖ Ngee Ann City
- ❖ Changi Airport Terminal 3
- ❖ Ion
- ❖ Paragon

**Accessorize,  
Ion Orchard,  
Singapore**



## **Indonesia: -**

- ❖ Metro Pondok Indah
- ❖ Metro Senayan Square
- ❖ Metro Bandung Supermal
- ❖ Metro Taman Angrek
- ❖ Metro Pacific Place



**Metro City Square,  
Singapore**

# Retail Operations- Updates



## Singapore: -

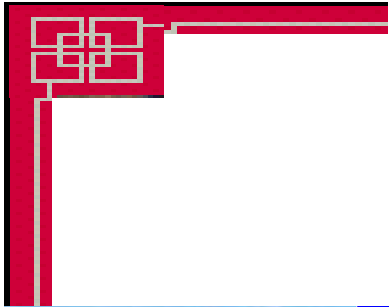
- ❖ New Metro City Square opened in September 2009
- ❖ New Monsoon Accessorize shop in Ion opened in September 2009
- ❖ Trading environment stabilised

## Indonesia: -

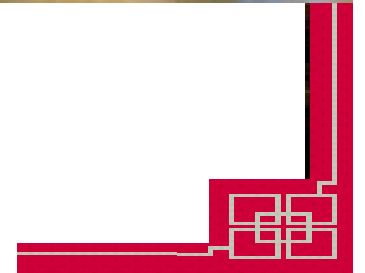
- ❖ Stable economic environment in Indonesia
- ❖ Gradually improving retail environment
- ❖ Opening of Metro Gandaria, Jakarta deferred to 3QFY2011

**Metro City Square,  
Singapore**





# Financial Highlights



# FY2010 Results Highlights



## ❖ Property division remains steady

- ❖ Higher rental income boosted by an increase in the fair value of the Group's portfolio of short term investments
- ❖ Steady increase of occupancy of newly completed projects, ECMall Beijing and Metropolis Tower

## ❖ Retail sales positively impacted by improved consumer sentiments

- ❖ Improved consumer sentiments in line with the recovering economy
- ❖ New Metro City Square department store contributed to topline performance
- ❖ Promotional activities of the Indonesian associate assisted in maintaining the level of sales

## ❖ Balance sheet remains strong

- ❖ Healthy cash position of S\$174.1 million (as at March 31, 2010)
- ❖ Total shareholders' equity improved to S\$990.9 million (as at March 31, 2010)
- ❖ Gearing ratio remained stable at 0.04 times (as at March 31, 2010)





# Financial Highlights

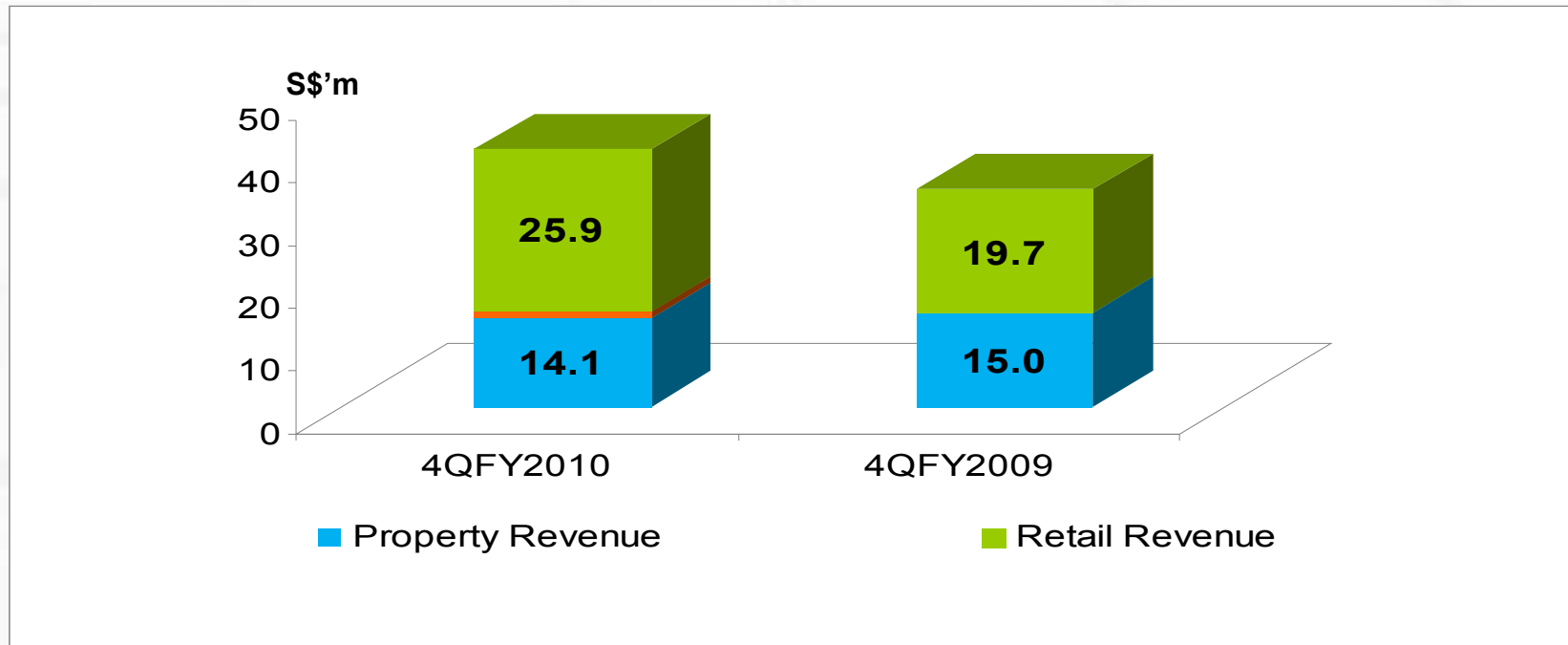


## Profit & Loss Accounts:

	4QFY10 (S\$'000)	4QFY09 (S\$'000)	Change (%)	FY2010 (S\$'000)	FY2009 (S\$'000)	Change (%)
<b>Turnover</b>	39,917	34,680	+15.1	150,981	138,508	+9.0
<b>Profit Before Tax</b>	68,234	28,545	+139.0	114,951	38,947	+195.2
<b>Net Profit Attributable to Shareholders</b>	55,977	38,183 <sup>(1)</sup>	+46.6	93,861	39,411 <sup>(1)</sup>	+138.2
<b>Net Profit Attributable to Shareholders excluding fair value adjustment for investment properties</b>	13,499	18,008	(25.0)	51,383	19,236	+167.1

<sup>(1)</sup> Write-back of provisions in respect of prior years' tax and reversal of deferred tax

# 4Q Revenue Breakdown



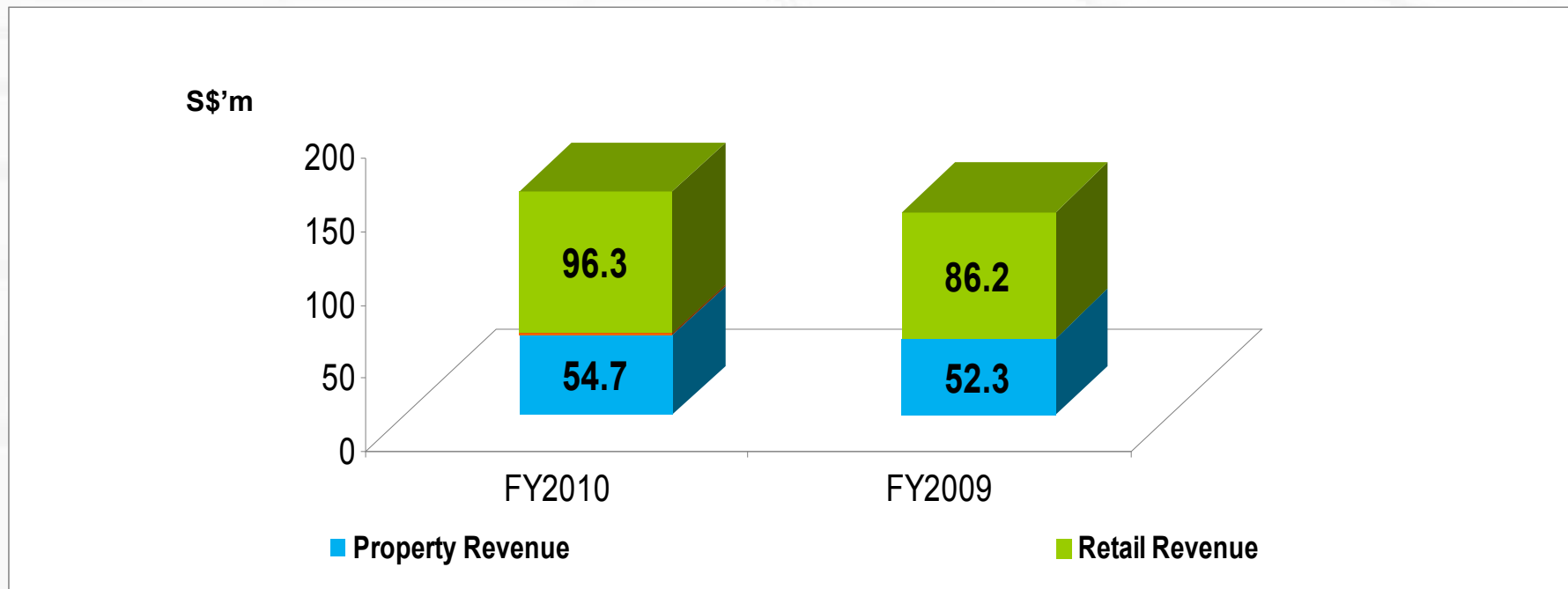
❖ **Retail turnover rose 31.4% y-o-y**

❖ Increase in retail revenue mainly contributed by sales at the new Metro City Square department store

❖ **Property revenue declined marginally by 6.3% y-o-y**

❖ Decrease in revenue due to lower rental income as Metro City Shanghai was affected by ongoing asset enhancement works

# Full Year Revenue Breakdown



## ❖ Retail turnover rose 11.8% y-o-y

- ❖ Improved consumer sentiments

- ❖ Increase in retail revenue contributed by sales at the new Metro City Square department store

## ❖ Property revenue rose 4.4% y-o-y

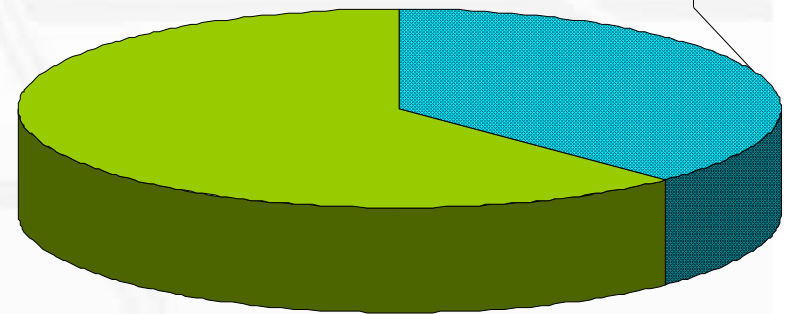
- ❖ Contribution from higher rentals at Metro City Beijing and the newly-opened EC Mall, Beijing and Metropolis Tower, Beijing

# Turnover By Business Segments

**FY2009**

**S\$86.2m**  
**62.2%**

**S\$52.3m**  
**37.8%**

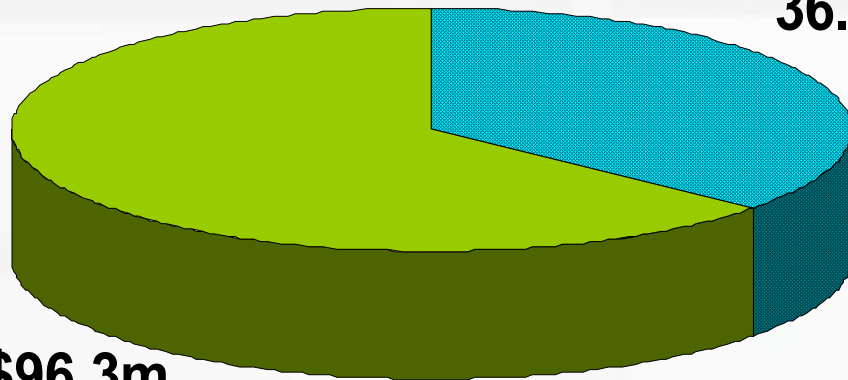


■ Property

■ Retail

**FY2010**

**S\$54.7m**  
**36.2%**



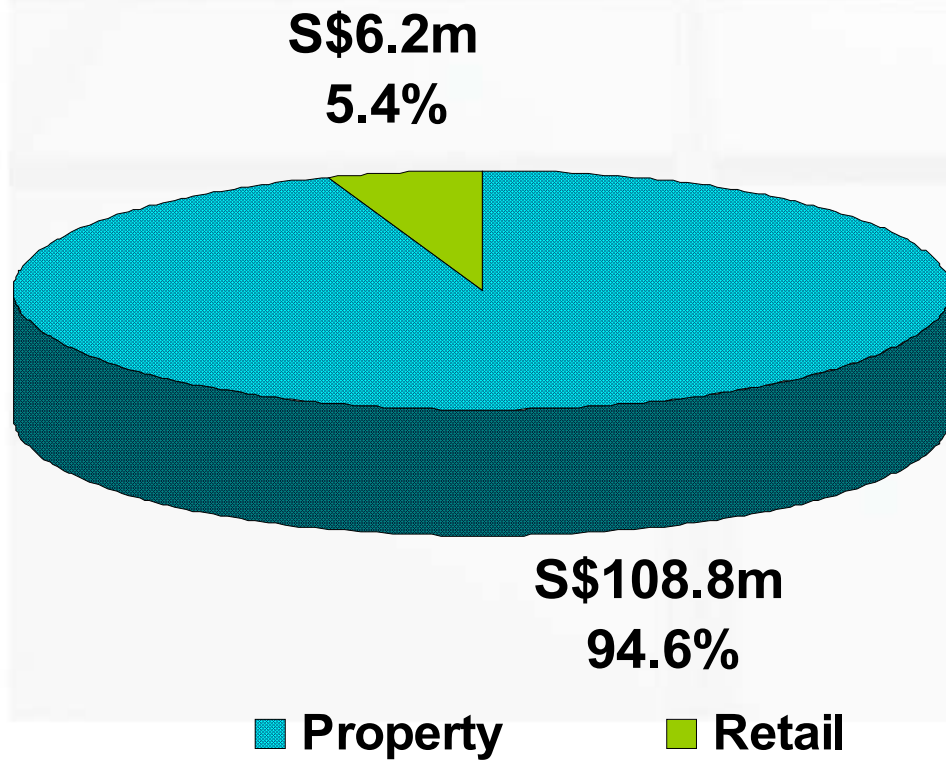
**S\$96.3m**  
**63.8%**

■ Property

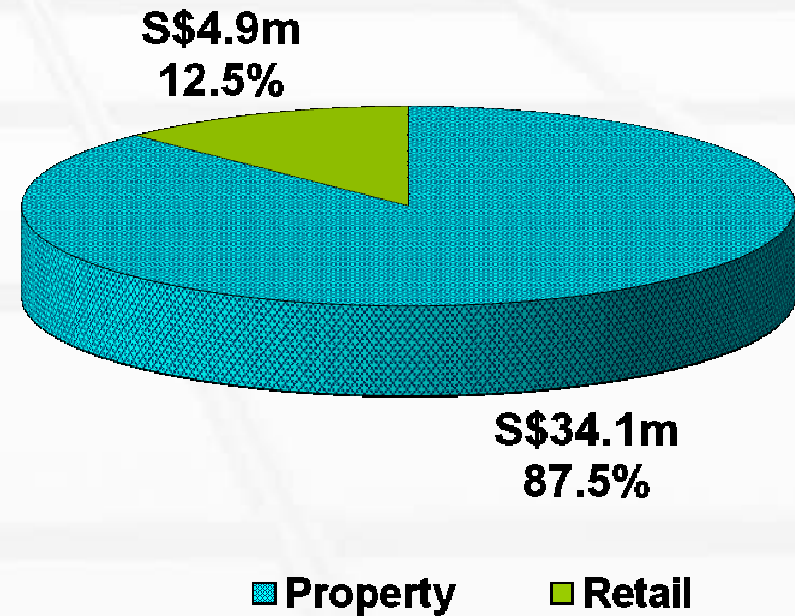
■ Retail

# PBT by Business Segments

## FY2010



## FY2009



# Balance Sheet Highlights



	As at Mar 31, 2010 (S\$'000)	As at Mar 31, 2009 (S\$'000)	Change (%)
Property, plant and equipment	13,720	11,965	+14.7
Investment Properties	630,773	514,480	+22.6
Non-current Assets	420,686	515,731	-18.4
Current Assets	298,502	271,266	+10.0
<b>Total Assets</b>	<b>1,363,681</b>	<b>1,313,442</b>	<b>+3.8</b>
Current Liabilities	153,135	196,254	-22.0
Long term and deferred liabilities	214,840	180,616	+18.9
<b>Total Net Assets</b>	<b>995,706</b>	<b>936,572</b>	<b>+6.3</b>
Shareholders' Funds	990,941	933,992	+6.1
Minority Interests	4,765	2,580	+84.7

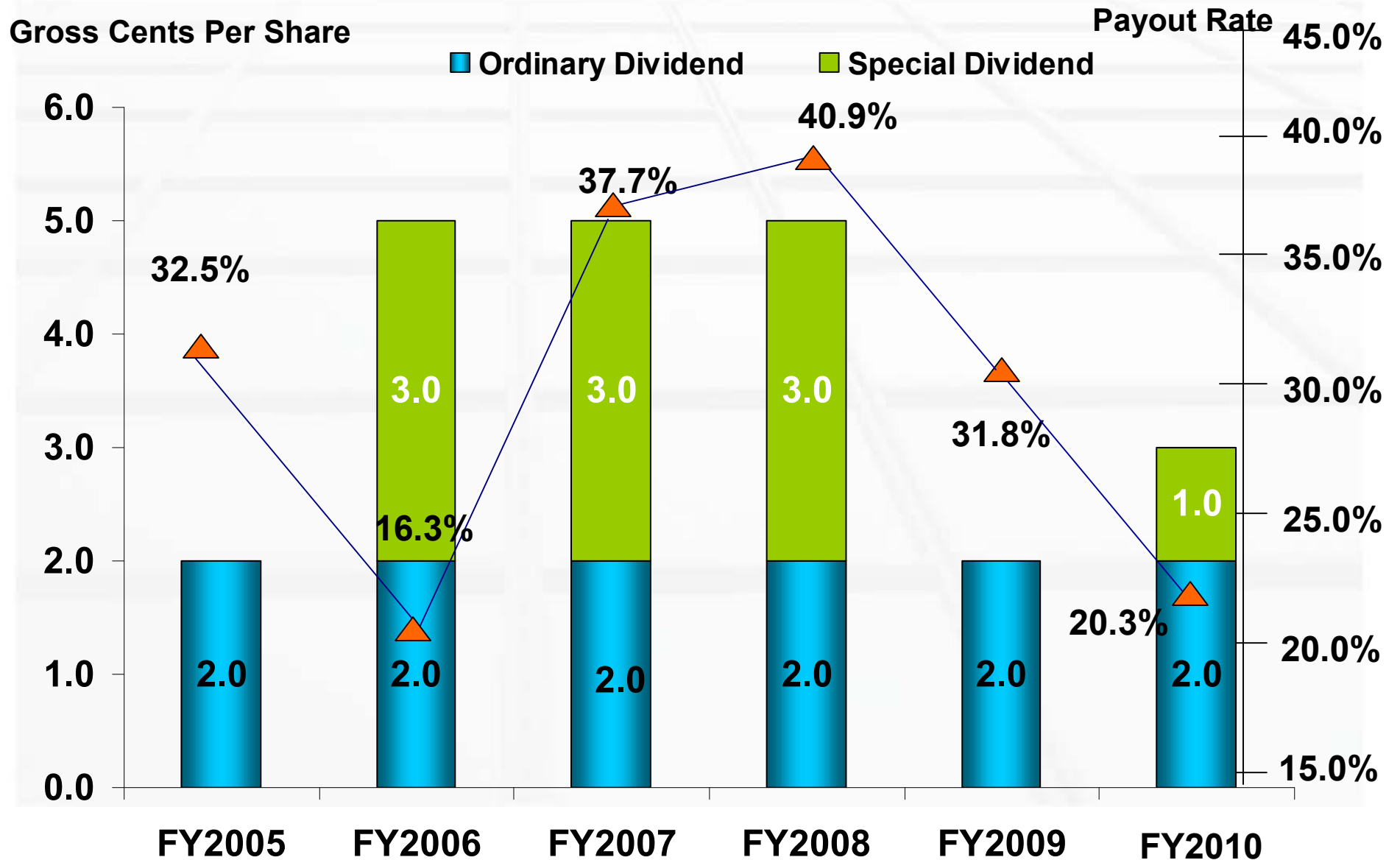
# Financial Highlights



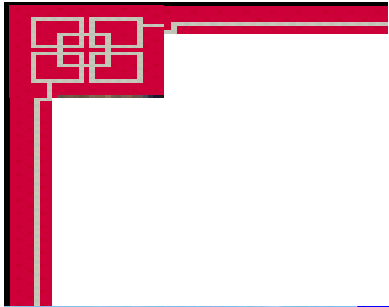
## Financial Ratios:

	FY2010	FY2009
Earnings per share after tax and minority interests (cents)	14.9	6.25
Return on shareholders' funds (%)	9.75	4.35
Return on total assets (%)	7.01	3.09
Net assets per share (cents)	156.2	148.3
Debt/Equity ratio (times)	0.04	0.01
Final/Interim Dividend per share (cents)	2.0	2.0
Special Dividend per share (cents)	1.0	-
Dividend Cover (times)	4.93	3.13

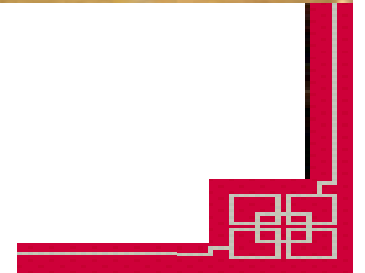
# Dividend Payout







# Market Outlook



## ❖ Market conditions for Grade A office on a stabilising trend <sup>(1) (3)</sup>

- Q1 2010 saw rental levels decrease slightly (Q1 2010: RMB 183/US\$26.7 per sq m per month; Q4 2009: RMB 186/US\$27.3 per sq m per month)
- Average Availability ratio reached 13.9%, representing a decrease of 1.6 percentage points q-o-q, and a decrease of 3.0 percentage points y-o-y
- Shanghai economy steadily recovering over the past year
  - A pickup in FDI and employment figures
  - Continuation of this trend will support the city's office leasing market sector for the remainder of 2010
- Outlook for Grade A office market in Shanghai is stabilising, and may gradually increase

## ❖ Steady performance for retail market space, with slight decrease in occupancy <sup>(1) (2) (4)</sup>

- Rentals in all five core downtown retail hubs in Shanghai showed average rental increase in Q1
- For Q1 2010, rental for five hubs increased 1.60% q-o-q to reach RMB 1522.8 (US\$222.9) per sq m per day
- Average occupancy rate dropped to 89.81%, down by 1.45 percentage points q-o-q
- No new supply came on stream in this quarter
- The opening of the Shanghai Expo and recovery of global economy is expected to drive total retail sales of consumer goods to reach RMB 600 billion (US\$87.8bn) in 2010
- Increased opportunities for international retailers
- Upward trend in Shanghai retail rentals to continue

<sup>(1)</sup> DTZ Research, Q1 2010

<sup>(2)</sup> CB Richard Ellis, China, First Quarter 2010

<sup>(3)</sup> Shanghai Research Bulletin, Mar 2010

## ❖ **World Expo factor** <sup>(4)</sup>

- Shanghai has spent over US\$95 billion on infrastructure investment in preparation for the 2010 World Expo
- Expanded subway network will improve accessibility, which drives higher rent and capital values in return
- A great marketing event to further boost the reputation of Shanghai

<sup>(4)</sup> JLL World Expo- Building the Foundation for Shanghai's future, April 2010

## ❖ Positive outlook for Grade A office market conditions in Beijing <sup>(1)</sup> <sup>(2)</sup>

- A marked increase in demand for office space eased pressure on landlords
- Rental rates increased by 1.62% q-o-q to reach RMB149.5 (US\$21.9) per sq m per month
- Overall Availability ratio for grade A office space dropped by 1.8 percentage points to 18.1%
  - Financial Street saw the biggest improvement in market performance, with rents increasing by 4.78% q-o-q to reach RMB181.3 (US\$26.5) per sq m per month, availability ratio dropping to 7.7%
- Average rents are expected to continue to increase over next five years

## ❖ Prime retail property market begins to pick up <sup>(1)</sup> <sup>(2)</sup>

- Increased rents in prime shopping centres situated in hot business areas increased, pushing prime retail rates up
  - Ground floor and first floor rents rose by 5.2% and 14.9% q-o-q to RMB945 and RMB693 per sq m per month respectively
  - Average availability ratio reached 20%, representing a decreased of 9.1 percentage points q-o-q, and a decrease of 9.3 percentage points y-o-y
- New supply and take-up volume showed a remarkable increase compared with the previous quarter
  - Correspondingly, vacancy rate rose by 1.1 percentage points q-o-q to 11.4%
- With the continued rapid growth of the Beijing consumer goods market, the prime retail property market is expected to remain active

Source:

<sup>(1)</sup> DTZ Research, Q1 2010

<sup>(2)</sup> CB Richard Ellis, China, First Quarter 2010

## ❖ Increase in demand and rental rates for Grade A office space <sup>(1)</sup>

- Office market supported by sustaining economic recovery
- Demand increased, matched by sufficient new supply
  - Total net absorption in Q1 2010 was 50,000 sq m, 3,200 sq m more than in previous qtr
  - Robust demand for grade A office space led to slight increase in availability ratio, by 0.4 percentage points q-o-q, reaching 11.63%
- Increase in leasing transactions pushed up average rental
  - Average rent for Guangzhou grade A office space was RMB117.3 (US\$17.17) per sq m per month, 1.2% increase q-o-q

## ❖ Similar trend observed for retail space in Guangzhou <sup>(1) (2)</sup>

- Demands for Guangzhou prime retail space remained strong
- Retail sales increased to RMB 34.3 billion (US\$5.0 billion) in Jan 2010
- Rents for ground floor space in prime retail facilities climbed to RMB1,443 per sq m per month, up 3.6% q-o-q
- No new supply is expected to enter the market
  - Limited availability may lead to a rise in rental and a drop in availability ratio in the market

<sup>(1)</sup> DTZ Research, Q1 2010

<sup>(2)</sup> CB Richard Ellis, China, First Quarter 2010

Figures refer to properties in prime Tianhe area., unless otherwise stated.

GIE Tower, Guangzhou, is situated outside of the prime Tianhe area, at Yuexiu district.

# Market Outlook, China



## “China economy: Quick View- Strong, but slower, output growth” - Economic Intelligence Unit, May 13, 2010

### FROM THE ECONOMIST INTELLIGENCE UNIT

China's value-added output growth slowed a little in April, to 17.8% year on year from 18.1% in March.

This was owing to a slowdown in output growth from heavy industry: output rose by 19.4%, easing a little from the previous month's 20% expansion. By contrast, while output from light industry rose by 14.1% (accelerating from the 13.4% increase of March). Production of textiles rose by 11.2%, while output of chemicals and non-metallic minerals expanded by 17.9% and 20.4% respectively. Output of general machinery climbed by 23.3%, followed close behind by a 23.2% expansion in production of transport equipment. Production of pig iron grew by 27%, while cement output increased by 16.1% (these continue to be supported by stimulus measures for the construction industry).

### THE EIU VIEW

Infrastructure investment linked to the government's stimulus package and a rebound in expenditure on property development continues to bolster growth in a number of industrial sectors. The Economist Intelligence Unit forecasts that output will expand by 13.5% this year (after growing by 11% in 2009). However, output growth will slow somewhat in 2011, to a forecast 11.5%, owing to the imposition of economic tightening measures, including the fading impact of the government's stimulus effort. Policy tightening is also likely to have a negative effect on housing sales, which will hit production of items linked to the construction. Producers will also enjoy a recovery in the external environment, although the outlook in terms of foreign demand remains uncertain.

*“A rebound in expenditure on property development continues to bolster growth in a number of industrial sectors. The EIU forecasts that output will expand 13.5% this year (after growing 11% in 2009).”*

*“Policy tightening is likely to have a negative effect on housing sales, which will hit production of items linked to construction.”*

## Singapore:

### ❖ Retail sales up in Q1 2010; Increased Customer satisfaction

- Retail sales up 4.8% in February 2010
  - Strongest upswing since September 2008 <sup>(1)</sup>
  - Rose by 4.8% compared with the same corresponding month of the previous year
  - Excluding sales of motor vehicles, retail sales are up by an impressive 20.1 per cent
- Private sector is starting to take over as the engine of growth, whereas government stimulus is easing off
- Customer satisfaction in the retail sector climbed in 2010 <sup>(2)</sup> <sup>(3)</sup>
  - Department Store Sales registered biggest improvement, with the highest sub-sector gain of 4.48 index points

#### Sources:

<sup>(1)</sup> *The Straits Times*, April 16, 2010

<sup>(2)</sup> *The Business Times*, May 5, 2010

<sup>(3)</sup> *Customer Satisfaction Index of Singapore (CSISG) April/May 2010*

<sup>(4)</sup> *Press Office*, May 12, 2010



## Indonesia:

### ❖ Retail sales poised for gradual growth <sup>(4)</sup>

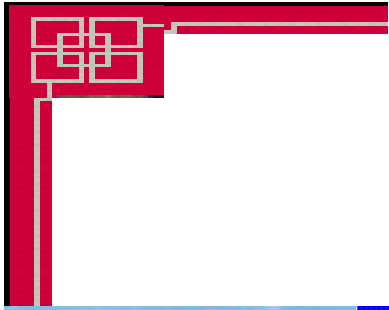
- Economy grew 5.7 percent y-o-y in Q1 2010, the fastest pace in more than a year <sup>(5)</sup>
- Steady growth forecasted for Indonesia's retail sales
- Key factors include
  - Strong underlying economic growth
  - Indonesia's large population (fourth worldwide)
  - Rising per capita incomes
  - Continued development of organised retail infrastructure

*Sources:*

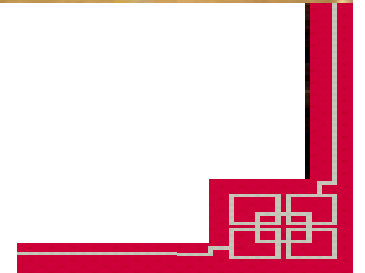
<sup>(4)</sup> Press Office, May 12, 2010

<sup>(3)</sup> Jakarta Globe, May 18, 2010





# Growth Strategies



# Growth Strategies



## Property Development & Investment



### Continue to prudently leverage on:

- Rich Retail Experience
- Strong Foothold and Know how in China Selection
- Strategic Partnerships
- Strong Balance Sheet of Metro Group

## Retail Operations



### Emphasis on:

- Addition of new specialties shops
- Enhancing Merchandise Offering
- Improving Customer Service
- Upgrade of Customer Relationship Management System
- Adoption of new marketing platform

## Property Development and Investment

### ❖ Leverage on Rich Retail Experience

- Optimise tenant mix
- Continual enhancement of lettable space
- Improve efficiency of mall management

### ❖ Capitalise on Strong Foothold in the Asia-Pacific region

- Opportunistic search for new projects
- Maintain special focus in fast growing regions, such as China

### ❖ Strategic Partnerships

- Careful selection of partners with relevant experience and expertise
- Leverage on existing relationships for further expansion into leisure and lifestyle properties

### ❖ Leverage on Strong Balance Sheet

- Current low borrowing ratio allows greater flexibility when good investment opportunities arise

## Retail Operations

### ❖ Addition of new retail outlets

- Plans to open more outlets in Singapore when suitable real estate opportunities present themselves
- Opening additional Monsoon Accessorize outlets
- New Metro Makassa targeted to open in 2QFY2011
- New Metro Gandaria, Jakarta targeted to open in 3QFY2011

### ❖ Enhance Merchandise Offering

- Leverage on strong relationships with local and international partners to offer good selection of merchandise
- Focus on customer-desired brands

### ❖ Improve Customer Service

- Improve customer service through adoption of technology
- Q-bursting, use of PDA to pre-scan purchases in order to cut Q at cashier points
- Cross-store merchandising and selling; customers can buy merchandise from any Metro store

## Retail Operations

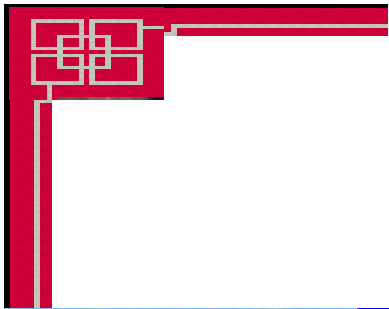
### ❖ Upgrade Customer Relationship Management (CRM) System

- Engage expertise in CRM to leverage on available customer data base in current CRM system
- Enhance card membership with launch of new platinum card

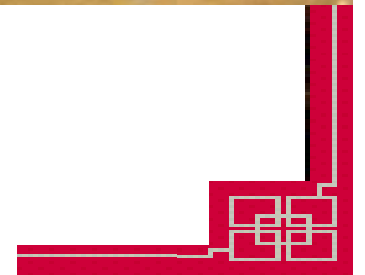
### ❖ Adopt New Marketing Platform

- Adopt new Internet (online) technology, with objective to engage and activate customers, both old and new
- Launching new internet websites, mobile websites and engage customer groups through Facebook and other social media





# Outlook



## Property Segment:

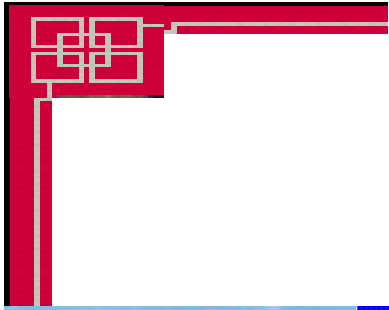
- ❖ Overall, rental income from Group's four mature properties expected to grow steadily
  - Metro City Shanghai undergoing asset enhancement activities
  - In the process of disposal of 1 Financial Street
  
- ❖ Newly Completed projects: EC Mall, Beijing and Metropolis Tower, Beijing
  - Newly Completed projects: occupancy of EC Mall, Beijing and Metropolis Tower, Beijing occupancy sees steady increase
  - Expected to be supportive of overall rental growth and contribute to topline
  
- ❖ Global economic recovery expected to positively impact PRC's GDP growth rate
  - Positive effect on the Group's real estate operations and investments in the PRC
  - Group remains optimistic of the long-term growth prospects in the PRC

## **Retail Segment:**

- ❖ Pickup in trading environment of retail division
  - ❖ Improved consumer sentiments in Singapore and Indonesian economies
  - ❖ Department store sales in Singapore register improvement across the board <sup>(1)</sup>
  - ❖ Retail trade remains highly competitive
- ❖ Improved contribution from Monsoon Accessorize
- ❖ New Monsoon Accessorize store in Takashimaya Shopping Centre opened in May 2010
- ❖ Continue to identify new sites for store expansion

*(1) The Business Times, May 5, 2010*





**Thank  
You**

