

FY2011 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 | 26-May-2011 12:33:58 |
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>> Announcement Details

The details of the announcement start here ...

| | |
|----------------------------------|------------|
| For the Financial Period Ended * | 31-03-2011 |
|----------------------------------|------------|

| | |
|-------------|------------------------------------|
| Description | Please refer to the attached file. |
|-------------|------------------------------------|

Attachments [PresentationSlideFinal.pdf](#)
Total size = **1121K**
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METRO HOLDINGS LIMITED



FY2011 RESULTS PRESENTATION

26 May 2011



- ❖ **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

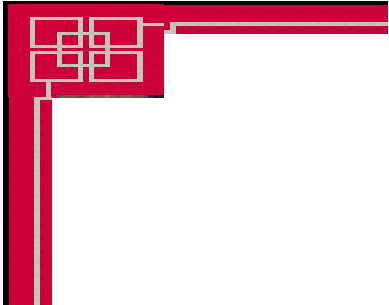
- Metro City, Beijing
- ECMall, Beijing
- Metro City, Shanghai
- Metro Tower, Shanghai
- GIE Tower, Guangzhou
- Frontier Koishikawa Building, Tokyo

List of Investments

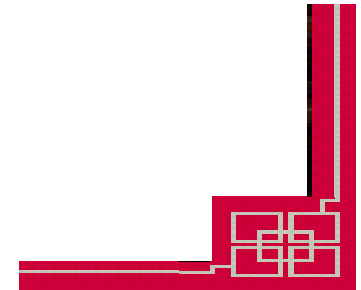
- Shui On Land
- Top Spring International

List of Retail outlets

- Singapore
- Jakarta, Indonesia
- Bandung, Makassar, Indonesia



Property Development & Investment



Portfolio Overview



Completed Investment Properties:

| | % owned by Group ⁽¹⁾ | Tenure | Site Area ("sqm") | Lettable Area ("sqm") | No. of Tenants ⁽¹⁾ | Occupancy Rate (%) ⁽¹⁾ | Valuation (S\$m) (100%) |
|---|---------------------------------|----------------------|-------------------|-----------------------|-------------------------------|-----------------------------------|-------------------------|
| Metro City, Shanghai | 60% | 36 yr term from 1993 | 15,342 | 39,423 | 110 | 98.3 | 241 ⁽¹⁾ |
| Metro City, Beijing | 50% | 40 yr term from 2004 | 32,484 | 116,846 | 13 | 74.5 | 320 ⁽¹⁾ |
| GIE Tower, Guangzhou | 100% | 50 yr term from 1994 | - | 28,390 | 42 | 95.2 | 91 ⁽¹⁾ |
| Metro Tower, Shanghai | 60% | 50 yr term from 1993 | 5,247 | 40,039 | 22 | 84.3 | 168 ⁽¹⁾ |
| EC Mall, Beijing ⁽³⁾ | 31.65% | 50 yr term from 2001 | 26,735 | 28,974 | 79 | 89.1 | 316 ⁽²⁾ |
| Frontier Koishikawa Building, Tokyo ⁽⁴⁾ | 100% | Freehold | 1,319 | 5,124 | 5 | 73.2 | 87 ⁽¹⁾ |

⁽¹⁾ As at March 31, 2011

⁽²⁾ As at December 31, 2010

⁽³⁾ Completed in late 2QFY2010

⁽⁴⁾ Acquired in early 1QFY2011

Portfolio Overview



Completed Investment Properties under Associated Companies:

| | % owned by Grp ⁽¹⁾ | Tenure | Site Area ("sqm") | Lettable Area ("sqm") | Occupancy Rate (%) ⁽¹⁾ |
|--|-------------------------------|----------------------|-------------------|-----------------------|-----------------------------------|
| Tesco Lifespace, QinHuangDao ⁽²⁾ | 10.7% | 40 yr term from 2005 | 31,808 | 30,041 | 93.0 ⁽¹⁾ |
| Tesco Lifespace, Fushun ^{(2) (4)} | 10.7% | 40 yr term from 2007 | 18,800 | 33,732 | 82.0 ⁽¹⁾ |
| Tesco Lifespace, Anshan ^{(3) (4)} | 10.7% | 40 yr term from 2009 | 67,565 | 45,738 | 90.1 ⁽¹⁾ |
| Tesco Lifespace, Fuzhou ⁽⁵⁾ | 10.7% | 40 yr term from 2006 | 21,404 | 26,465 | 91.4 ⁽⁴⁾ |

⁽¹⁾ As at March 31, 2011

⁽²⁾ Completed in early 4QFY2010

⁽³⁾ Completed in early 3QFY2011

⁽⁴⁾ Exclude residential element

⁽⁵⁾ As at Official Opening on 6 May 2011

Portfolio Overview



Investment Properties Under Development by Associated Companies:

| | Location | % owned by Grp ⁽¹⁾ | Tenure | Lettable Area (sqm) | Scheduled Opening | No. of Tenants Under LOI |
|----------------------------------|---------------|-------------------------------|----------------------|-----------------------|-------------------|--------------------------|
| Tesco Lifespace, Xiamen | Xiamen, PRC | 10.7% | 40 yr term from 2005 | 28,700 ⁽¹⁾ | August 2011 | NA |
| Tesco Lifespace, Shenyang | Shenyang, PRC | 10.7% | 40 yr term from 2007 | 36,100 ⁽¹⁾ | October 2011 | NA |

⁽¹⁾ Estimated as at December 21, 2010

Property Investment



Property Valuation (100%):

| | FY2011 (Rmb'm) | FY2010 (Rmb'm) | (%) | FY2011 (S\$m) | FY2010 (S\$m) | (%) |
|---|-------------------|-------------------|------|------------------|------------------|------|
| Metro City, Shanghai | 1,255 | 1,142 | 9.9 | 241 | 234 | +3.0 |
| Metro City, Beijing | 1,668 | 1,644 | 1.4 | 320 | 337 | -5.0 |
| GIE Tower, Guangzhou | 473 | 467 | 1.3 | 91 | 96 | -5.2 |
| Metro Tower, Shanghai | 873 | 866 | 0.8 | 168 | 178 | -5.6 |
| EC Mall, Beijing ⁽¹⁾ | 1,645 | 1,603 | 2.6 | 316 | 329 | -4.0 |
| | | | | | | |
| Frontier Koishikawa Building, Tokyo ⁽²⁾ (JPY'm / SGD'm) | 5,700 | - | N.A. | 87 | - | N.A. |

(1) Completed in late 2QFY2010

(2) Acquired in early 1QFY2011

FY10 Exchange rate: S\$1: RMB 4.878

FY11 Exchange rate: S\$1: RMB 5.208

Occupancy Rate

| | FY2011 (%) | FY2010 (%) |
|---|------------|------------|
| Metro City, Shanghai | 98.3 | 86.8 |
| Metro City, Beijing | 74.5 | 74.6 |
| GIE Tower, Guangzhou | 95.2 | 86.4 |
| Metro Tower, Shanghai | 84.3 | 73.9 |
| ECMall, Beijing ⁽¹⁾ | 89.1 | 63.2 |
| Frontier Koishikawa Building, Tokyo ⁽²⁾ | 73.2 | - |

Metro City,
Beijing

⁽¹⁾ Completed in late 2QFY2010

⁽²⁾ Acquired in early 1QFY2011

Property Investment- Expiry Profile



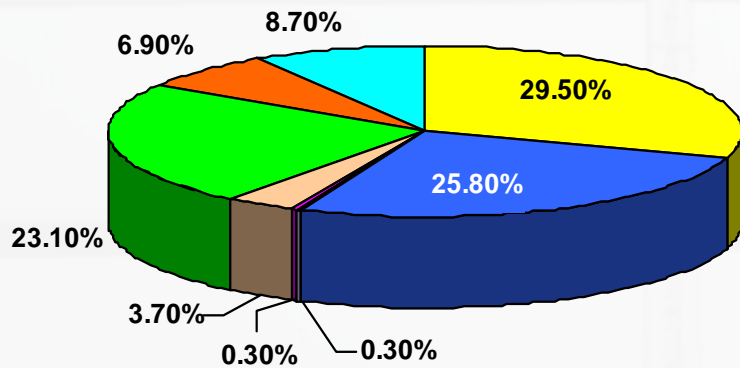
Expiry Profile by Gross Rental Income:

| | 1H2012 (%) | 2H2012 (%) |
|--|------------|------------|
| Metro City, Shanghai | 2.81 | 6.63 |
| Metro City, Beijing | 0.13 | 0.24 |
| GIE Tower, Guangzhou | 10.56 | 15.31 |
| Metro Tower, Shanghai | 9.25 | NIL |
| ECMall, Beijing | 0.97 | 0.36 |
| Frontier Koishikawa Building, Tokyo | NIL | 81.33 |

Top 10 Tenants:

Total: 98.3%

Retail Tenant Mix by Lettable Area (as at March 31, 2011)



- F&B/Foodcourt
- Services
- Department Store
- Fashion & Shoes

- Leisure & Entertainment/Sport & Fitness
- Supermarkets
- Electronics & IT
- Books/Gifts & Specialty/Hobbies/Toys/Jewelry

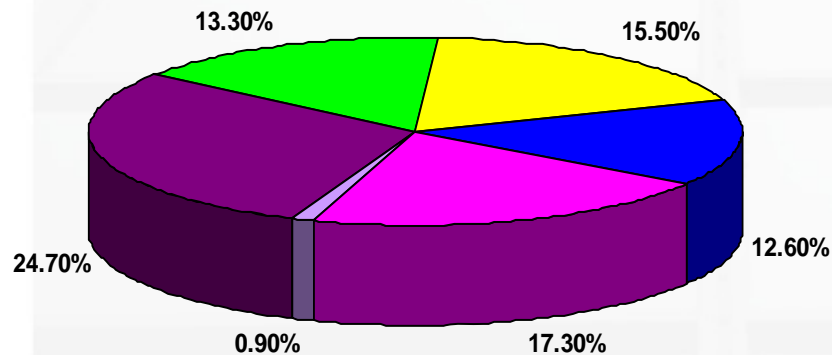
| Name of Tenant | Trade Sector | % of total lettable area |
|----------------------------------|---|--------------------------|
| Buynow Computer World | Electronics & IT | 19.73% |
| Physical Fitness & Beauty Centre | Leisure & Entertainment/ Sport & Fitness | 10.23% |
| Kodak Cinema World | Leisure & Entertainment/ Sport & Fitness | 8.57% |
| Popular Bookmall | Books/Gifts & Specialty/ Hobbies/Toys/Jewelry | 7.44% |
| Megabite | F&B/Food Court | 6.26% |
| HAOLEDI KTV | Leisure & Entertainment/ Sport & Fitness | 5.44% |
| DAGAMA BBQ | F&B/Food Court | 2.35% |
| Pizza Hut | F&B/Food Court | 1.87% |
| Herborist | Fashion & Shoes | 1.84% |
| Starbucks | F&B/Food Court | 1.82% |

Metro Tower, Shanghai



Total: 84.3%

**Office Tenant Mix by Lettable Area
(as at March 31, 2011)**



- Banking, Insurance & Financial Services
- Consumer Products
- IT services and Telecommunication
- Petroleum & Chemicals
- Others
- F&B/Foodcourt

Top 10 Tenants:

| Name of Tenant | Trade Sector | % of total lettable area |
|----------------------------|---|--------------------------|
| Exxon Mobil | Petroleum & Chemicals | 20.66% |
| Swatch Group | Consumer Products | 10.74% |
| KFC | F&B | 8.50% |
| AIA | Banking, Insurance and Financial Services | 6.60% |
| Agricultural Bank of China | Banking, Insurance and Financial Services | 6.04% |
| Pizza Hut | F&B | 5.99% |
| Faith Cosmetics | Consumer Products | 4.25% |
| Cummins | Others | 4.06% |
| Metro Express Newspaper | Others | 4.01% |
| Sekisui | Petroleum & Chemicals | 2.07% |

Metro City, Beijing

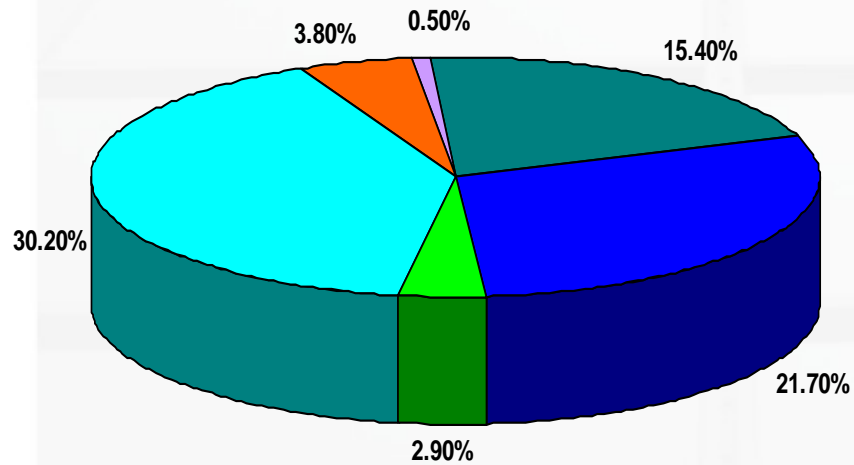


Top 10 Tenants:

| Name of Tenant | Trade Sector | % of lettable area |
|--------------------------|------------------|--------------------|
| Hong Xing | Home Furnishings | 30.16% |
| Parkson Department Store | Department Store | 21.52% |
| Walmart Supercentre | Supermarkets | 15.45% |
| Gome Electrical | Electronics & IT | 2.85% |
| Lucky Time Food Court | F&B/Food Court | 2.36% |
| 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% |
| Watson | Department Store | 0.18% |

Total: 74.5%

**Retail Tenant Mix by Lettable Area
(as at March 31, 2011)**



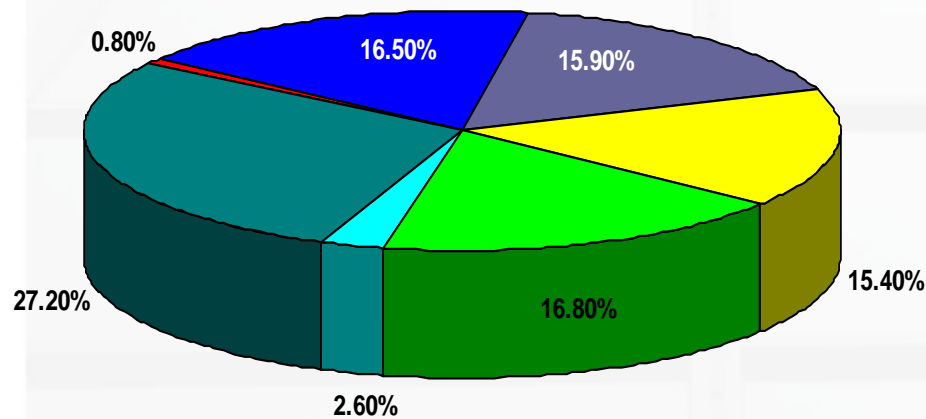
- Department Store
- Electronics & IT
- Home Furnishings
- F&B/Food Court
- Services
- Supermarkets

GIE Tower, Guangzhou



Total: 95.2%

**Office Tenant Mix by Lettable Area
(as at March 31, 2011)**



- IT Services & Telecommunications
- Petroleum & Chemicals
- Consumer Products
- Banking, Insurance & Financial Services
- Pharmaceutical
- Others
- F&B

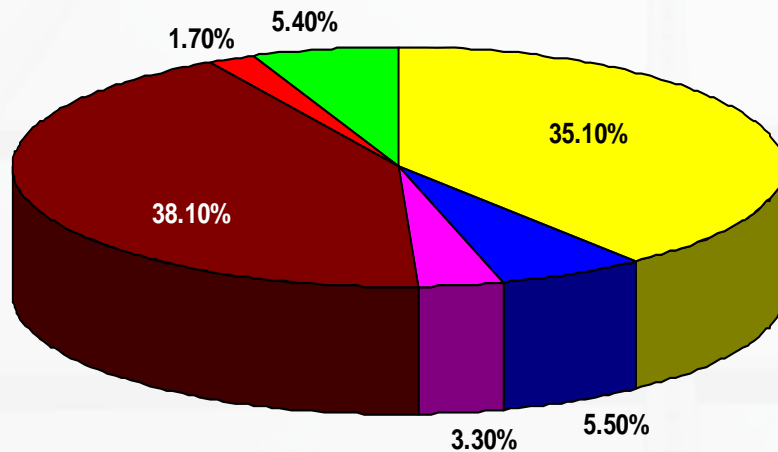
Top 10 Tenants:

| 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% |
| Abbott Laboratories | Pharmaceutical | 6.03% |
| New Times Securities | Banking, Insurance & Financial Services | 4.66% |
| 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: 89.1%

**Retail Tenant Mix by Lettable Area
(as at March 31, 2011)**



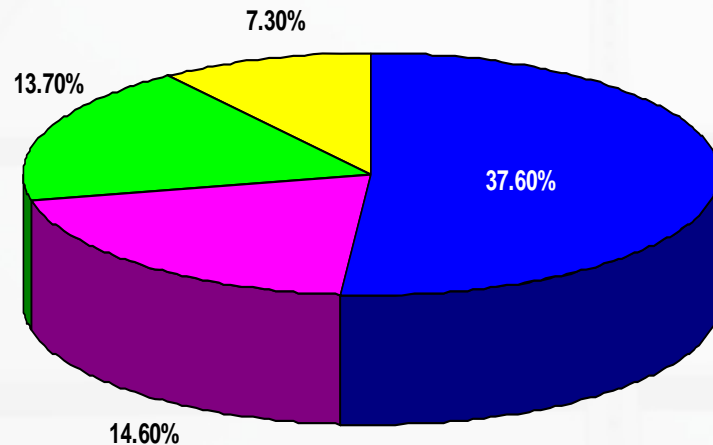
- F&B/Food Court
- Leisure & Entertainment/Sport & Fitness
- Services
- Fashion & Shoes
- Books/Gifts & Specialty/Hobbies/Toys/Jewelry
- Electronics & IT

| Name of Tenant | Trade Sector | % of lettable area |
|------------------------------------|--|--------------------|
| Golden Jaguar | F&B/Food Court | 17.95% |
| C&A | Fashion & Shoes | 5.97% |
| Only/Vero/Moda/Jack&Jones/Selected | Fashion & Shoes | 3.59% |
| H&M | Fashion & Shoes | 4.37% |
| Suning Elite | Electronics | 4.31% |
| Shi Mei Hui Food Court | F&B/Food Court | 4.23% |
| Hola | Leisure & Entertainment/ Sport & Fitness | 2.9% |
| UNIQLO | Fashion & Shoes | 2.55% |
| Wu Di Ren Jia | F&B/Food Court | 1.89% |
| La Chapelle/La Chapelle Sports | Fashion & Shoes | 1.87% |

Frontier Koishikawa Building, Tokyo

Total: 73.2%

**Office Tenant Mix by Lettable Area
(as at March 31, 2011)**



■ Government Office
 ■ F&B
 ■ Services/Education
 ■ Others

Tenants:

| Name of Tenant | Trade Sector | % of lettable area |
|---|-------------------|--------------------|
| Shisyutsuhutan-koi Tanto-kan Somu-sho Daijin-kanbo Kaikei-ka Kikaku-kan | Government Office | 26.81% |
| Lion | F&B | 14.58% |
| Wiley.japan | Services | 13.66% |
| Adminstrative Evaluation Bureau of Kanto Region | Government Office | 10.77% |
| Japan Science and Technology Agency | Others | 7.35% |

Tesco 1 Projects, China



Ownership Split:

- Metro Holding – 10.7%, Tesco Plc – 50.0%, InfraRed NF (FKA HSBC NF) / Nan Fung – 32.2%, Private Bankers – 7.1%
- Joint investment with Tesco Plc, InfraRed NF China Real Estate Fund (FKA HSBC NF China Real Estate Fund) / Nan Fung and HSBC private banking clients in Nov 2009



QinHuangDao

- ❖ 4-storey & 2-basement retail mall
- ❖ OC rate – 93%
- ❖ Opened on Jan 15, 2010

Fushun

- ❖ 5-storey & 2-basement retail mall
- ❖ 200 residential & 493 SOHO units (53% of units sold)
- ❖ OC rate – 82%
- ❖ Opened on Jan 29, 2010

Anshan

- ❖ 5-storey & 1-basement retail mall
- ❖ 1,656 residential, 1,459 service apartments & 16 commercial units (11% of units sold)
- ❖ OC rate – 90.1%
- ❖ Opened on Oct 29, 2010

Tesco 2 Projects, China



Ownership Split:

- Metro Holding – 10.7%, Tesco Plc – 50.0%, InfraRed NF (FKA HSBC NF) – 39.3%
- Joint investment with Tesco Plc and InfraRed NF China Real Estate Fund (FKA HSBC NF China Real Estate Fund) in Feb 2011



Fuzhou

- ❖ 4-storey & 2-basement retail mall
- ❖ OC rate – 91.4%
- ❖ Opened on May 6, 2011



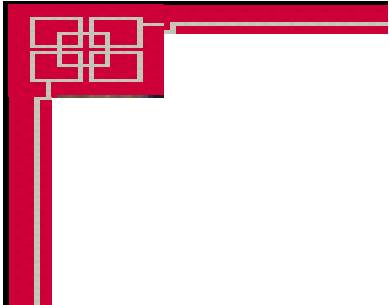
Xiamen

- ❖ 3-storey & 2-basement retail mall
- ❖ Expected opening in Aug 2011

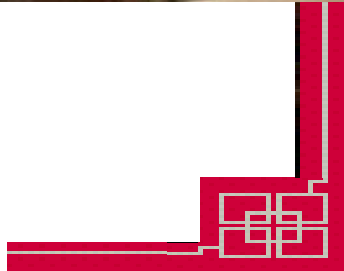


Shenyang

- ❖ 5-storey & 3-basement retail mall
- ❖ Expected opening in Oct/Nov 2011



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
- ❖ Paragon
- ❖ Ion Orchard
- ❖ Takashimaya Shopping Centre
- ❖ Changi Airport Terminal 2

Indonesia: -

- ❖ Metro Pondok Indah
- ❖ Metro Plaza Senayan
- ❖ Metro Bandung Supermal
- ❖ Metro Taman Angrek
- ❖ Metro Pacific Place
- ❖ Metro Trans Studio Makassar
- ❖ Metro Gandaria City



Accessorize,
Ion Orchard,
Singapore



Metro City Square, Singapore

Retail Operations- Updates



Singapore: -

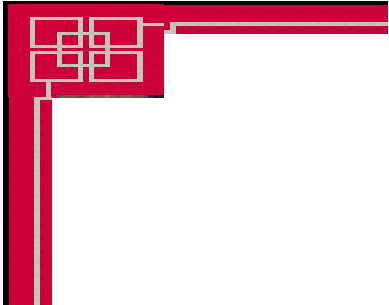
- ❖ New Takashimaya Accessorize/Monsoon outlet opened in 1QFY2011
- ❖ New Accessorize outlet at Changi Airport Terminal 2 opened in 3QFY2011

Indonesia: -

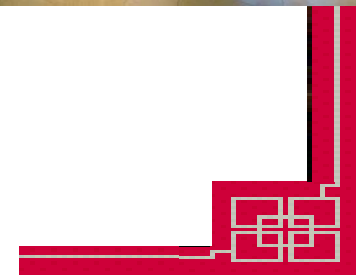
- ❖ Trading conditions in Indonesia continues to be competitive and challenging
- ❖ New Metro Trans Studio Makassar store opened in 2QFY2011
- ❖ New Metro Gandaria City, Jakarta opened in 4QFY2011

**Metro City Square,
Singapore**





Financial Highlights



FY2011 Results Highlights



❖ Property division reports higher rental

- ❖ Higher rental income from Metro City Shanghai (after asset enhancement works), EC Mall Beijing and Frontier Koishikawa Building Tokyo, more than offset lower rental income from Metro Tower Shanghai due to lower occupancy
- ❖ Rental income would have been higher if not for a 5.8% decrease in turnover due to a decline in the value of the RMB against the SGD

❖ Retail division reports higher sales

- ❖ New Metro City Square department store contributed to topline performance
- ❖ Trading expanded due to higher level of activity in Orchard Road as well as festive and promotional sale events in the lead up to Chinese New Year

❖ Balance sheet remains strong

- ❖ Healthy cash position of S\$372.9 million (as at March 31, 2011)
- ❖ Total shareholders' equity of S\$1.0 billion (as at March 31, 2011)
- ❖ Net cash position



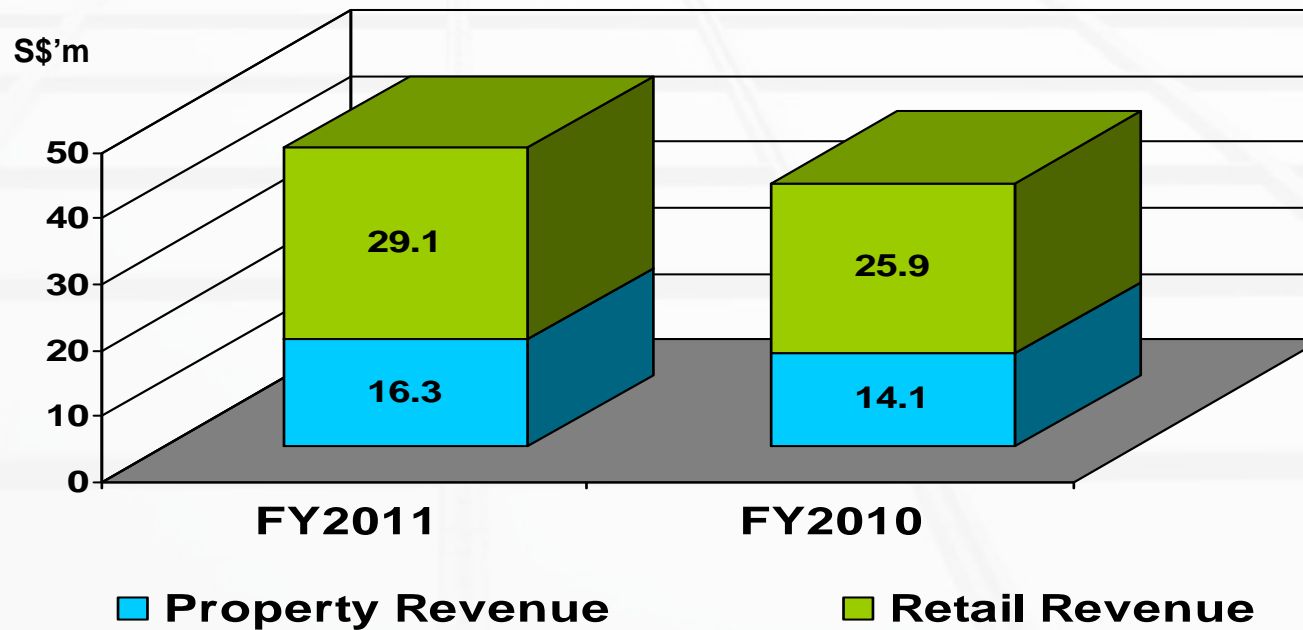
Financial Highlights



Profit & Loss Accounts:

| | 4QFY11 (S\$'000) | 4QFY10 (S\$'000) | Change (%) | FY2011 (S\$'000) | FY2010 (S\$'000) | Change (%) |
|--|---------------------|---------------------|---------------|---------------------|---------------------|---------------|
| Turnover | 45,350 | 39,917 | +13.6 | 175,245 | 150,981 | +16.7 |
| Profit Before Tax | 25,362 | 68,234 | (62.8) | 105,516 | 114,951 | (8.2) |
| Net Profit Attributable to Shareholders | 14,556 | 55,977 | (74.0) | 81,896 | 93,861 | (12.8) |
| Net Profit Attributable to Shareholders excluding fair value adjustment for investment properties | 4,299 | 13,499 | (68.2) | 71,639 | 51,383 | +39.4 |

4Q Revenue Breakdown



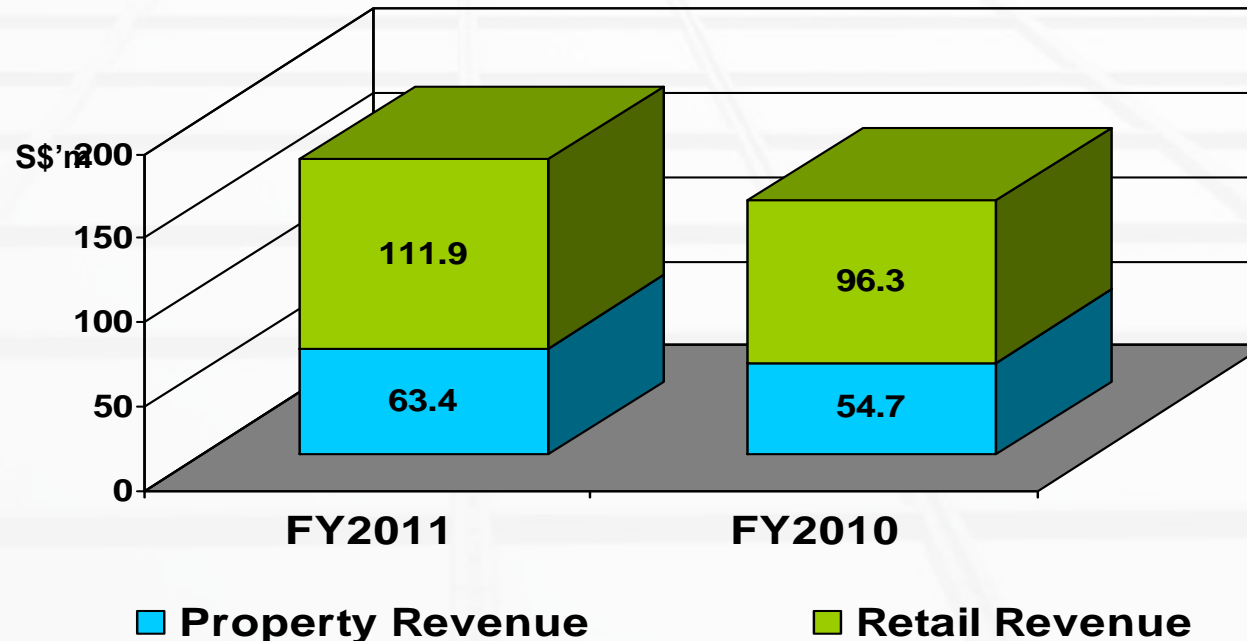
❖ **Retail turnover rose 12.5% y-o-y**

- ❖ Increase in retail revenue mainly contributed by higher level of sales for Singapore stores in the shopping period leading up to Chinese New Year

❖ **Property revenue rose 15.7% y-o-y**

- ❖ Increase in property revenue mainly due to higher rental income from Metro City Shanghai after completion of asset enhancement works and contribution from the Frontier Koishikawa Building acquired in 1QFY2011

Full Year Revenue Breakdown



❖ Retail turnover rose 16.1% y-o-y

- ❖ Improved consumer spending in Singapore
- ❖ Sales improvement broad based, with significant contribution from the new Metro City Square department store

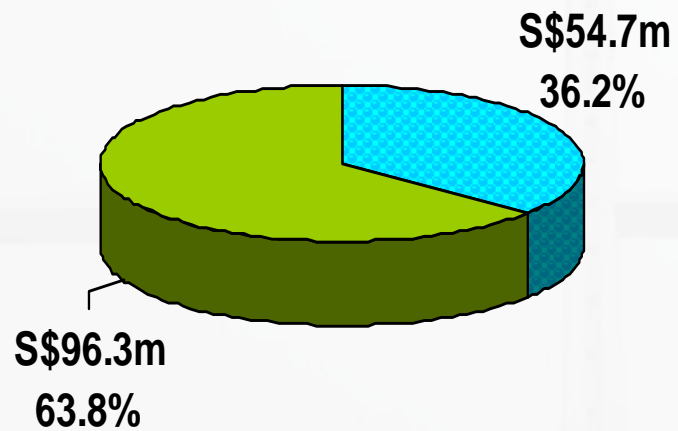
❖ Property revenue rose 16.0% y-o-y

- ❖ Higher rental income from Metro City Shanghai, EC Mall and the recently acquired Frontier Koishikawa Building, more than compensated for lower rental from Metro Tower Shanghai and a 5% depreciation of Renminbi against Singapore dollar

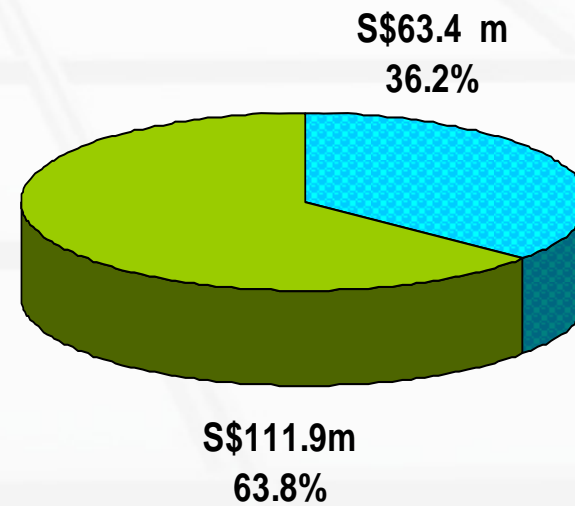
Turnover By Business Segments



FY2010



FY2011

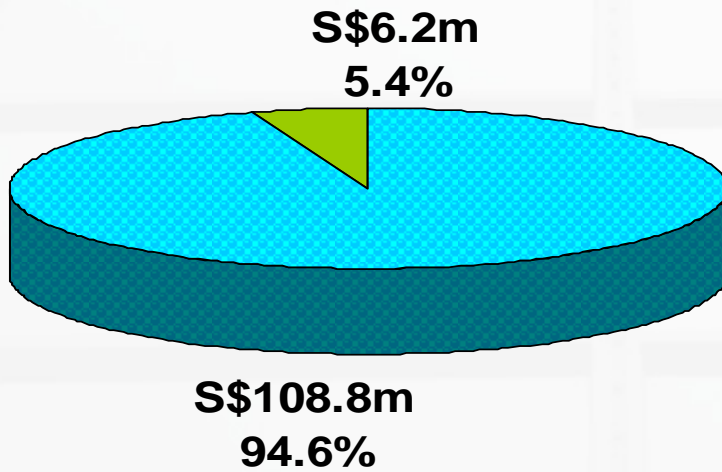


■ Property ■ Retail

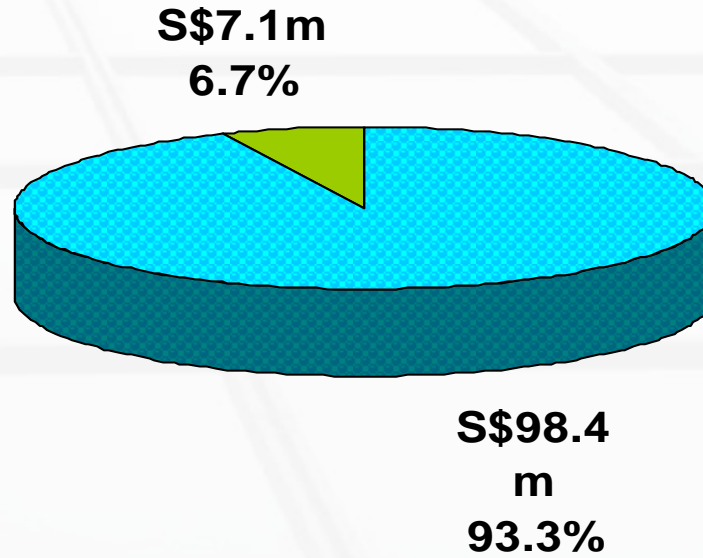
PBT by Business Segments



FY2010



FY2011



■ Property

■ Retail

Balance Sheet Highlights



| | As at Mar 31, 2011 (S\$'000) | As at Mar 31, 2010 (S\$'000) | Change (%) |
|------------------------------------|---------------------------------|---------------------------------|-------------|
| Property, plant and equipment | 16,223 | 13,720 | +18.2 |
| Investment Properties | 688,452 | 630,773 | +9.1 |
| Other Non-current Assets | 197,202 | 420,686 | -53.1 |
| Current Assets | 532,113 | 298,502 | +78.3 |
| Total Assets | 1,433,990 | 1,363,681 | +5.2 |
| Current Liabilities | 140,449 | 153,135 | -8.3 |
| Long term and deferred liabilities | 276,988 | 214,840 | +28.9 |
| Total Net Assets | 1,016,553 | 995,706 | +2.1 |
| Shareholders' Funds | 1,012,490 | 990,941 | +2.2 |
| Minority Interests | 4,063 | 4,765 | -14.7 |

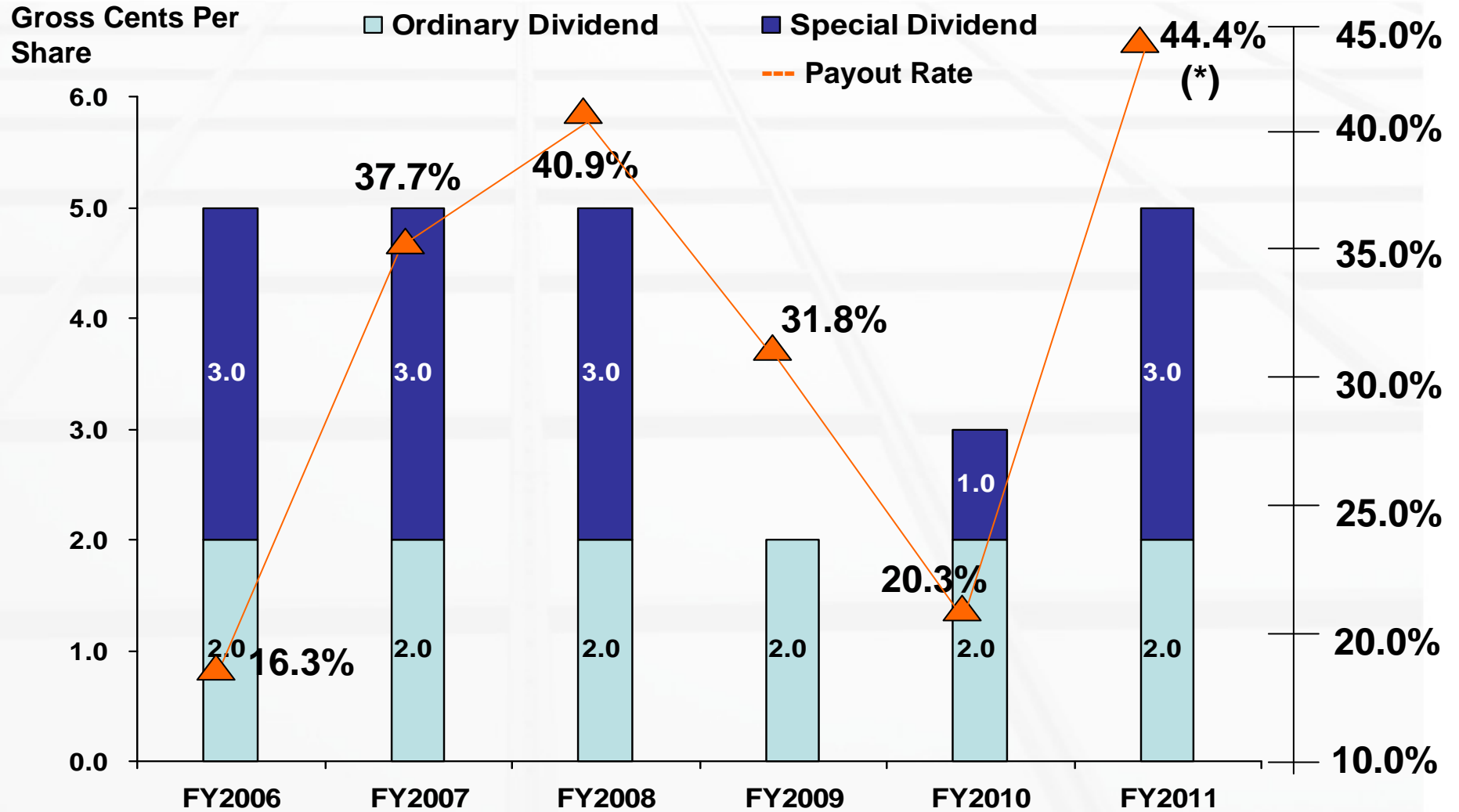
Financial Highlights



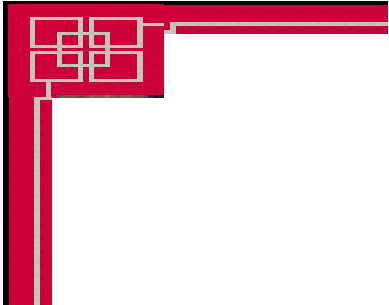
Financial Ratios:

| | FY2011 | FY2010 |
|---|----------|--------|
| Earnings per share after tax and minority interests (cents) | 12.8 | 14.9 |
| Return on shareholders' funds (%) | 8.18 | 9.75 |
| Return on total assets (%) | 5.85 | 7.01 |
| Net assets per share (cents) | 155.4 | 156.2 |
| Debt/Equity ratio (times) | 0.25 | 0.21 |
| Net Debt/Equity ratio (times) | Net cash | 0.04 |
| Final Dividend per share (cents) | 2.0 | 2.0 |
| Special Interim Dividend per share (cents) | 2.0 | - |
| Special Dividend per share (cents) | 1.0 | 1.0 |
| Dividend Cover (times) | 2.52 | 4.93 |

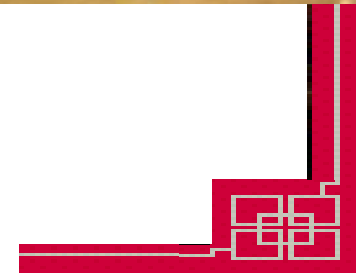
Dividend Payout



* FY2011 payout ratio assuming a 20% increase in number of shares resulting from the 1 for 5 bonus shares issue.



Market Outlook



“China’s Economic Outlook Remains Favourable”

- World Bank, China Quarterly Update, Apr 28, 2011

China’s economic outlook remains broadly favourable with real GDP growth projected at 9.3 percent in 2011 and 8.7 percent in 2012, but risks on inflation and the property market call for full normalization of the macroeconomic stance to keep growth on track.

But overall domestic demand held up well, supported by still strong investment growth. Real estate investment has so far remained robust due to measures to contain housing prices — a policy focus.

“China's commercial property market more attractive”

- Global Times, May 26, 2011

"China's market (in some tier one cities including Beijing and Shanghai) was the only market in the Asia Pacific region that saw stable rent, even during the recent global financial crisis," Sigrid G. Zialcita, managing director of research for Cushman & Wakefield's Asia Pacific branch. Zialcita said ***investment opportunities for commercial properties in terms of retail and office buildings in tier two cities are also booming.***

Jones Lang LaSalle [predicted] in a white paper in March [that] foreign investors will aggressively chase the ***booming momentum of China's retail and office property markets*** this year, as the torrent of onshore liquidity returns to pre-crisis levels and signs of financial strains for domestic developers emerge.

❖ Market conditions for Grade A office remains positive ⁽¹⁾⁽²⁾⁽³⁾

- Strong demand for space against limited new supply in core areas, which pushed up average rents in 1Q
- Shanghai average office rent achieved a robust q-o-q growth of 5.9% to RMB 232.3 psm per month, the biggest single quarter rental growth the market has seen in the past five years ⁽³⁾
- Leasing demand from multi-national and domestic companies remains robust, with many companies committing spaces in new premises
- City-wide availability ratio was 9.42%, representing an increase of 1.81 percentage points q-o-q and a decrease of 4.48 percentage points y-o-y respectively
- Factors expected to influence demand going forward:
 - Most landlords chose to launch new projects after the Lunar New Year, hence, the market expects abundant new supply to be released in 2Q
 - Seven new office towers are scheduled for occupation from April to June, contributing approximately 471,400sq m to the overall supply
- Six-month rental growth forecast to 5%-8%, with strong demand expected to drive strong rental growth throughout 2011 ⁽⁴⁾
- While recent policy measures have made major steps towards cooling down the residential market, rising capital values in the commercial sector continues to attract investors

Rate: US\$1=RMB 6.55

1 month taken to be 30 days

⁽¹⁾ DTZ Research, Shanghai Office, Q1 2011

⁽²⁾ Colliers, The Knowledge Report, China Market, Q1 2011

⁽³⁾ CB Richard Ellis China Report, Q1 2011

⁽⁴⁾ Jones Lang LaSalle, Asia Pacific Property Digest, Q1 2011

❖ Retail market remains solid, with slight decrease in occupancy ⁽¹⁾⁽²⁾

- Retail sales in Shanghai broke the previous Chinese New Year holiday record in Shanghai and in line with these figures, retail rental in all five core downtown retail hubs edged up
- Retail sales in Shanghai broke the previous Chinese New Year holiday record in Shanghai as sales reached RMB 5 billion (US\$880m) in the seven-day period. Additionally, department store sales increased 26.1%, shopping centre sales rose 16.6% and franchise store sales grew 27.2%
- For Q1 2011, rental for five hubs increased on average by 3.01% q-o-q to reach RMB 54.66 (US\$8.31) per sq m per month
- Average occupancy rate saw a slight q-o-q increase of 0.28 percentage points to reach 97.51%
- Developments include Media Markt's second store in Pudong
- Rentals for prime ground floor increased by 2.7% q-o-q to RMB 50.1 (US\$7.65) psm per day
- Future plans include Media Markt's plan to build 10 stores in Shanghai in the next two years as well as other expansion plans by retailers in coming years
- Expect rentals to remain high going forward this year.

Rate: US\$1=RMB 6.55

1 month taken to be 30 days

(1) DTZ Research, Shanghai Office, Q1 2011

(2) CB Richard Ellis China Report, Q1 2011

❖ Growth momentum of Beijing's Grade A office market remains strong⁽¹⁾⁽²⁾⁽³⁾

- Despite the total stock of Beijing Grade A office expanding by 8.81% YoY with new injections, the overall vacancy rate dropped steeply, by 2.46 percentage points QoQ to 7.55%, given the extremely robust demand
- Average rent for prime offices in the Beijing market up 7% q-o-q, to RMB 248.5 psm per month and boasting the highest quarterly increase since 2010 ⁽³⁾
- Three enbloc sales transactions were concluded in 1Q 2011, demonstrating an active scene in Beijing's office investment market whilst over half a million sqm of new supply is expected to enter the market in 2011; demand is expected to continue to outstrip supply and cause rents to approach levels not seen since 2000 ⁽⁴⁾

❖ Prime retail property market continues to expand⁽¹⁾⁽³⁾

- In February 2011, the Beijing Municipal Government issued new directives including "To Speed up Beijing's Development into International Retail Centre" and identified a number of targets for Beijing's retail development, including goals to attract more than 45% of the world's top retailers and to help export and internationalise Beijing's local brands
- Total sales of consumer goods amounted to RMB 622.93 billion (US\$94.67bn), up 17.3% y-o-y ⁽¹⁾
- Overall market vacancy rate dropped slightly by 0.9 percentage points q-o-q to 11.1%, mainly due to lack of new supply
- For the whole year, notwithstanding a number of pipeline projects delivered, rentals are expected to remain in positive territory whilst the vacancies continue coming off on the back of robust demand

Rate: US\$1=RMB 6.55

1 month taken to be 30 days

⁽¹⁾ DTZ Research, Beijing, Q1 2011

⁽²⁾ Colliers, The Knowledge Report, China Market, Q1 2011

⁽³⁾ CB Richard Ellis China Report, Q1 2011

⁽⁴⁾ Jones Lang LaSalle, Asia Pacific Property Digest, Q1 2011

❖ **Grade A office space in Guangzhou remains stable** (1)(2)

- Average rental increased by 2.2% QoQ to RMB 138.7 (US\$21.2) per sq m per month⁽¹⁾
- Leasing activities cooled for a while during the China Spring Festival which is a traditional low season, but picked up again towards the end of 1Q
- Benefitting from improving investment sentiment, office transaction volume reached 125,300 sq m over the first two months of 2011⁽³⁾
- Due to the rising new supply, the overall vacancy rate rose by 6% QoQ to 23% in 1Q
- Supported by sustained rising demand and inflationary pressure, office rents will not see a major correction despite rising pressure from upcoming new office supply

Rate: US\$1=RMB 6.55

1 month taken to be 30 days

(1) Colliers, The Knowledge Report, China Market, Q1 2011

(2) CB Richard Ellis China Report, Q1 2011

(3) DTZ Research, Property Times, Q1 2011

Singapore:

❖ Retail sales up; spurred by strong domestic demand

- Retail sales up 2.9% in January 2011 ⁽¹⁾⁽²⁾
- All retail segments, except motor vehicles posted higher sales y-o-y. Other sectors, including department stores, watches & jewelry and apparel & footwear, recorded double-digit growth of between 16.0% and 23.5% y-o-y⁽³⁾
- Visitor arrivals have been growing at double-digit ; Tourism and tourism related industries will likely emerge as the drivers for growth⁽⁴⁾
- Retail outlook continues to brighten on strong domestic employment and wage growth

⁽¹⁾ *The Business Times*, March 16, 2011

⁽²⁾ *The Straits Times*, March 16, 2011

⁽³⁾ *Jones Lang LaSalle, Asia Pacific Property Digest*, Q1 2011

⁽⁴⁾ *Deloitte Research, Asia Pacific Economic Outlook*, March 11, 2011



Indonesia:

❖ Retail sales poised for growth⁽¹⁾

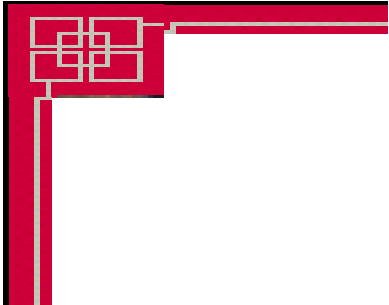
- GDP growth expected to reach 6.4% in 2011
- While Indonesia faces steep challenges in the form of inflation and poor infrastructure, domestic consumption is expected to remain strong and investment is likely to pick up, bolstering the country's growth prospects⁽²⁾
- Retail sales are expected to rise up to 20 percent to 120 trillion rupiah (\$13.8 billion) in 2011 due to the growing number of retail outlets and strong domestic demand in Southeast Asia's biggest economy
- Key factors include:
 - Strong growth in domestic consumption on the back of a growing middle-class population⁽³⁾
 - Increasing number of retail outlets
 - Economic growth
 - Changing lifestyle

\$1= 8,721.50 Rupiah

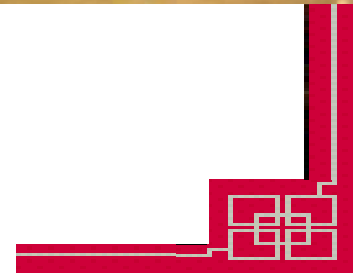
⁽¹⁾ Reuters, March 24, 2011

⁽²⁾ Deloitte Research, Asia Pacific Economic Outlook, March 11, 2011

⁽³⁾ Jones Lang LaSalle, Asia Pacific Property Digest, Q1 2011



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 store in Indonesia

❖ 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

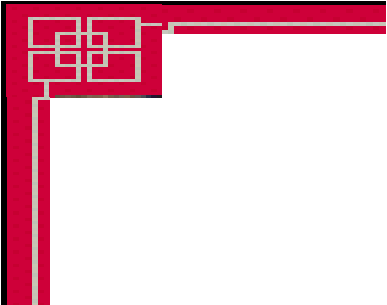
❖ Upgrade Customer Relationship Management (CRM) System

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

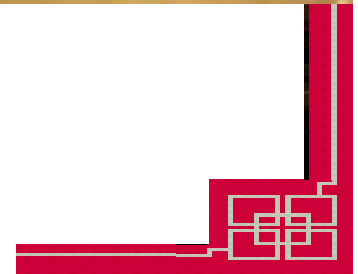
❖ Adopt New Marketing Platform

- 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:

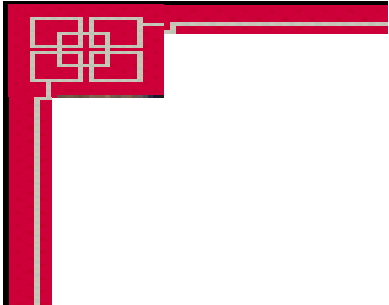
- ❖ Rental income from Group's four mature properties expected to remain stable
 - Metro City Shanghai following the completion of an asset enhancement exercise; EC Mall in Beijing; and the newly acquired Frontier Koishikawa Building in Tokyo
 - Intend to divest Metro City Beijing

- ❖ Selective positioning, new investments in property development and strategic alliances
 - With a view to broaden revenue stream and facilitate sustained profitability of Metro Group
 - Expand its property interests in the PRC

- ❖ Strategic alliances with partners
 - Recent tie-ups with Tesco PLC in Xiamen, Fuzhou and Shenyang

Retail Segment:

- ❖ Retail division seeks to improve its sales performance
 - Retail sector remains highly competitive in Singapore and Indonesia
- ❖ Continue to identify new sites for store expansion



**Thank
You**

