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Miscellaneous

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>> Announcement Details

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Announcement Title *	Press Release
Description	Please refer to the attached document.
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美羅 METRO

NEWS RELEASE

METRO HOLDINGS' FIRST QUARTER REVENUE UP 3.7% TO S$44.2 MILLION FOR 1QFY2013

- ***Higher revenue from Retail Division offsets lower rental income from Property Division following the divestment of Metro City Beijing***
- ***Maintains strong balance sheet with cash of S$583.4 million***
- ***Shareholders' equity of S$1.1 billion as at 30 June 2012***

Singapore, 13 August 2012 – 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, today reported a 3.7% increase in revenue to S$44.2 million for the three months ended 30 June 2012 ("1QFY2013"), from S$42.6 million in the previous corresponding quarter ("1QFY2012"), mainly due to higher turnover from the Group's Retail Division.

Profit before tax increased from S$6.4 million in 1QFY2012 to S$18.1 million in 1QFY2013, attributable to higher dividend income from long-term available-for-sale investments and changes in the fair value – reflecting recovery in the market values – of the Group's short-term quoted equity investments in property REITs, as well as lower general and administrative expenses on lower foreign exchange losses. Consequently, net profit was up 388.7% from S$3.1 million in 1QFY2012 to S$14.9 million in 1QFY2013.

Metro's Chairman, Lt Gen (Rtd) Winston Choo (朱维良), said, "Against the backdrop of a volatile world economy, Metro's steady stream of cash flow is testament to the Group's resilient business model and prudent investment strategy.

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Having divested Metro City Beijing in FY2012, which unlocked substantial value for our shareholders, revenue contribution from our core Property Division was slightly impacted. Nonetheless, our mature properties in both Shanghai and Beijing continue to enjoy good rental income, while average occupancy at our five investment properties remains stable. We will continue to maintain an optimal tenant mix and efficient management of our existing properties to improve yield."

Review of Financial Performance

Mitgated by higher rental income recorded for Metro City Shanghai, Metro Tower Shanghai and EC Mall Beijing, together with a 5.1% increase in the value of the Renminbi ("RMB") against the Singapore dollar, revenue for the Group's Property Division contracted marginally by 7.1% year-on-year to S$14.8 million in 1QFY2013, in light of the disposal of Metro City Beijing. Nonetheless, average occupancy at the Group's remaining five properties remained high at 86.8% as at 30 June 2012.

Turnover for the Group's Retail Division registered a 10.2% increase from S$26.7 million in 1QFY2012 to S$29.4 million in 1QFY2013. Following refurbishment works, Metro Woodlands recorded strong revenue growth in the quarter. Sales of the Retail Division's associated company in Indonesia also grew on higher contributions from Metro Surabaya and Metro Bandung Supermal.

Strong Balance Sheet

The Group's balance sheet remains strong with cash of S$583.4 million and shareholders' equity of approximately S$1.1 billion as at 30 June 2012.

Outlook

Rental income from the Group's investment properties is expected to decline following the disposal of Metro City Beijing. However, minimal impact is expected on operating income as this joint venture development incurred a marginal operating loss prior to disposal.

The Group will continue to be subject to significant currency translation adjustments on foreign operations due to forex volatilities, since the bulk of its investment properties are in China and denominated in the RMB.

Notwithstanding keen competition in the retail sectors in Singapore and Indonesia, the Group seeks to maintain stability in the sales performance of its Retail Division but expects pressure on margins, on rising operational costs.

Said Lt Gen (Rtd) Winston Choo, "The rate of revenue growth for our Retail Division is expected to moderate as is the turnover for our Property Division. Still, the ability to recycle capital successfully for shareholders has been a hallmark of Metro's management over the years and more so, prudence is required in current times when businesses are faced with challenging market conditions.

We will continue to leverage on our strong reputation and extensive network of contacts to source for viable investments that will enhance the long-term development of both our business segments."

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 1,323,000 square feet of downtown and suburban retail space in Singapore and Indonesia.

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