

**METROLAND AUSTRALIA LIMITED**

**ABN 81 009 138 149**

**ASX CODE: (MTD)**

**APPENDIX 4E**

**Preliminary final report for the year ended 30 June 2010**

*Previous corresponding period: 30 June 2009*

**Results for announcement to the market**

				\$A'000
Revenues from ordinary activities	down	38.9%	to	8,228
(Loss) from ordinary activities after tax attributable to members	down	N/A%	to	(1,750)
Net (loss) for the period attributable to members Adjust percentages for changes in disclosure	down	N/A%	to	(1,750)
<b>Dividends (distributions)</b>		<b>Amount per security</b>		<b>Franked amount per security</b>
Final dividend		The company does not propose to pay dividends for FY2010		n/a
Previous corresponding period		Nil		Nil
Record date for determining entitlements to the dividend	n/a			

<b>Earnings per security (EPS)</b>	<b>Current period</b>	<b>Previous corresponding period</b>
Basic EPS	(1.39) cents	0.47 cents
Diluted EPS	(1.39) cents	0.47 cents

Net Tangible Assets Per Security	Current period	Previous corresponding Period
Net Tangible Assets	15.7 cents	19.1 cents

**Dividends**

Date the dividend is payable

n/a

+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHES approved)

n/a

If it is a final dividend, has it been declared?  
*(Preliminary final report only)*

No

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## METROLAND'S PERFORMANCE

The consolidated entity is continuing its strategic direction in property development, management and related services. The loss after tax for the 2010 financial year is \$1.66 million compared to the previous year's profit after tax of \$633,000.

The loss for the 2010 year is mainly attributable to the increase in total interest expense for the year of \$1.9m. This increase is due to an increase in the rate of interest and the expensing of interest on the loan facility for the Greenway Supacenta since its completion at the beginning of the 2010 financial year. In prior periods, when the Supacenta was under construction, interest costs on the loan were capitalised as part of the cost of construction. The leasing of the Supacenta has been slower than what had been expected resulting in operating losses for the Supacenta in the 2010 year.

### Property Investment & Rental

#### *The Greenway Supacenta*

The Greenway Supacenta was completed at the end of the last financial year. As advised last year, Officeworks commenced trading in March 2009 followed with Fernwood Gym, which commenced trading in November 2009. A conditional lease of 15,000 sq.m has not proceeded due to the conditions not being satisfied. During the year, the Road & Traffic Authority has been successfully re-located to the new Supacenta taking up approximately 800.sqm. The old RTA site with an area of approximately 500 sq.m will be taken up by a chemist which will offer a higher rental income. Heads of Agreement has been executed with Spotlight in August 2010 for the leasing of approximately 2,500 sq.m. A joint venture between the municipal government of Shenzhen and a Chinese company had opened their door in August 2010 to conduct wholesale and exhibition of goods from China. The Company is confident that given time, the Centre will move to full occupancy bar a few empty spaces when some tenancies expire.

#### *Wentworthville Mall, Wentworthville*

Refurbishment work due to the fire in July 2008 was completed in August 2009 and the centre was re-launched in October 2009. In the year, we have filled the tenancies of a butcher, a health and massage centre. The Centre is working to have the 3 food-kiosks tenanted and is talking to some interesting parties.

#### *Campbelltown Square Shopping Centre*

There is also improvement in the leasing of the Campbelltown Shopping Centre where most of the empty shops have now been leased. Negotiation has commenced with Council with the view of future development of the site.

### Property Development

Metroland's joint venture of the Chinatown development has moved to the stage of awaiting the final approval from the City Council. The development will comprise of 2 blocks of residential towers of 15 levels giving 240 units and 7,000 sq.m of retail covering 3 levels of retails.

It is anticipated that pre-sale of the apartments will commence in November 2010 upon DA approval.

### Property Management

#### *Stratawide Management Pty Limited*

Stratawide is maintaining its growth and is contributing to the revenue of the Group.

### Further Opportunities

Metroland is continuing to seek opportunities to further strengthen its revenue base and to achieve further growth.

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## Metroland Australia Limited

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	Notes	Consolidated	
		2010 \$'000	2009 \$'000
<b>Continuing operations:</b>			
Revenue from sales		1,683	7,546
Property rental and management revenue		6,495	5,785
Other revenues	2	50	134
<b>Total revenue</b>		<b>8,228</b>	<b>13,465</b>
Cost of sales		(1,879)	(7,610)
Borrowing costs	3	(4,359)	(2,435)
Property expenses		(1,679)	(832)
Directors fees		(126)	(119)
Employee expenses		(1,224)	(1,095)
Professional & consultancy fees		(447)	(340)
Loss on sale of investment property		(167)	-
Loss on disposal of fixed assets		(80)	-
Impairment of investment		-	(98)
Other expenses		(738)	(802)
Net (loss) resulting from changes in the fair value of investment properties		-	(360)
Share of net profit of joint venture entities Accounted for using the equity method		222	114
<b>(Loss) before income tax</b>		<b>(2,249)</b>	<b>(112)</b>
Income tax benefit	4	588	745
<b>Profit/(loss) for the year</b>		<b>(1,661)</b>	<b>633</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(1,661)</b>	<b>633</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		(1,750)	539
Non-controlling interest		89	94
<b>Total comprehensive income/(loss) for the year</b>		<b>(1,661)</b>	<b>633</b>

## Metroland Australia Limited

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Notes	Consolidated	
		2010 \$'000	2009 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7(i)	607	1,912
Trade and other receivables		1,509	3,812
Inventories		21	177
Current tax asset		-	144
Other current assets		197	302
Asset classified as held for sale		20,350	-
<b>Total current assets</b>		<b>22,684</b>	<b>6,347</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		6,101	3,605
Investment property under development		-	756
Investment property		52,650	73,000
Investments accounted for using the equity method	9	5,922	1,627
Financial assets		36	36
Property, plant and equipment		189	307
Deferred tax assets		141	165
<b>Total non-current assets</b>		<b>65,039</b>	<b>79,496</b>
<b>Total assets</b>		<b>87,723</b>	<b>85,843</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,314	4,821
Financial liabilities		20,038	26,255
Current tax liabilities		45	-
Short-term provisions		108	141
<b>Total current liabilities</b>		<b>22,505</b>	<b>31,217</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables		4,750	-
Financial liabilities		39,976	31,596
Deferred tax liabilities		594	1,296
Long-term provisions		60	50
<b>Total non-current liabilities</b>		<b>45,380</b>	<b>32,942</b>
<b>Total liabilities</b>		<b>67,885</b>	<b>64,159</b>
<b>Net assets</b>		<b>19,838</b>	<b>21,684</b>
<b>EQUITY</b>			
Contributed equity	10	15,113	14,966
Retained earnings		4,725	6,475
Minority equity interests		-	243
<b>Total equity</b>		<b>19,838</b>	<b>21,684</b>

**Metroland Australia Limited**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

As at 30 June 2010

	Consolidated			
	Issued Capital \$'000	Retained Earnings \$'000	Minority Interests \$'000	Total \$'000
<b>At 1 July 2008</b>	13,379	6,029	224	19,632
<b>Comprehensive income for the year</b>				
Profit/(loss) for the year	-	539	94	633
<b>Other comprehensive income for the year</b>				
Transfer of reserves to Joint Venture partners	-	(93)	-	(93)
<b>Total comprehensive income for the year</b>		446	94	540
<b>Transactions with owners in their capacity as owners:-</b>				
Issue of shares	1,587	-	-	1,587
Dividends paid to equity-holders	-	-	(75)	(75)
<b>At 30 June 2009</b>	14,966	6,475	243	21,684
<b>At 1 July 2009</b>	14,966	6,475	243	21,684
<b>Comprehensive income for the year</b>				
Profit/(loss) for the year	-	(1,750)	89	(1,661)
<b>Other comprehensive income for the year</b>				
	-	-	-	-
<b>Total comprehensive income for the year</b>		(1,750)	89	(1,661)
<b>Transactions with owners in their capacity as owners:-</b>				
Issue of shares	150	-	-	150
Share issue costs	(3)	-	-	(3)
Dividends paid to equity-holders	-	-	(332)	(332)
<b>At 30 June 2010</b>	15,113	4,725	-	19,838

Metroland Australia Limited

**CONSOLIDATED STATEMENT OF CASH FLOW**

For the year ended 30 June 2010

	Notes	Consolidated	
		2010 \$'000	2009 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		9,557	18,516
Cash payments in the course of operations		(5,696)	(15,983)
Interest received		29	134
Interest and other finance costs paid		(4,427)	(3,497)
Income tax (paid)/refunded		125	(293)
<b>Net cash (used in)/provided by operating activities</b>		<u>(412)</u>	<u>(1,123)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property plant and equipment		(20)	(26)
Acquisition of investment		(3,762)	(1,766)
Loans (to) other entities		(52)	-
(Payments) for additions to property investments		(449)	-
<b>Net cash used in investing activities</b>		<u>(4,283)</u>	<u>(1,792)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loans (to)/ from related parties		(1,916)	(874)
Proceeds from borrowings		6,373	1,401
Repayment of borrowings		(868)	(364)
Dividends paid		(194)	(26)
Proceeds from issue of shares		147	1,587
<b>Net cash provided by/(used in) financing activities</b>		<u>3,542</u>	<u>1,724</u>
Net (decrease)/increase in cash held		(1,153)	(1,191)
Cash at beginning of the year		1,756	2,947
<b>Cash at the end of the year</b>	6(i)	<u><u>603</u></u>	<u><u>1,756</u></u>

## Metroland Australia Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

#### 1. BASIS OF PREPARATION

##### (a) Basis of preparation

The preliminary final report does not include all the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The preliminary final report should be read in conjunction with the half-year financial report of Metroland Australia Limited as at 31 December 2009. It is also recommended that the financial report be considered together with any public announcements made by Metroland Australia Limited and its controlled entities during the year ended 30 June 2010 in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

This preliminary final report has been prepared in accordance with the requirements of the Australian Stock Exchange listing rules.

This preliminary final report does not constitute the full financial report for the year ended 30 June 2010.

##### (b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

#### 2. OTHER REVENUES FROM ORDINARY ACTIVITIES

*From operating activities*

Interest:

- Other parties

Other Income

**Total other revenues**

	<b>Consolidated</b>	
	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
	29	134
	21	-
	50	134



**Metroland Australia Limited**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2010

**3. PROFIT/(LOSS) BEFORE INCOME TAX**

	Consolidated	
	2010 \$'000	2009 \$'000
(a) <i>Individually significant (expenses)/revenues included in profit before income tax expense:</i>		
Trust distribution from joint venture entities	-	114
	<u>-</u>	<u>114</u>
(b) <i>Profit/(loss) before income tax has been arrived at after charging/(crediting) the following items:</i>		
Depreciation of:		
Plant and equipment	57	71
	<u>57</u>	<u>71</u>
Borrowing costs:		
Other parties	4,866	3,517
Less capitalised borrowing costs	(507)	(1,082)
	<u>4,359</u>	<u>2,435</u>
Net expense from movements in provision for:		
Employee entitlements	(23)	23
Doubtful debts	5	66
	<u>(18)</u>	<u>89</u>
Investment loan written-off	-	98
Operating lease rental expense	191	49
	<u>191</u>	<u>49</u>
<b>4. TAXATION</b>		
Income Tax Expense		
<i>Prima facie income tax (benefit) calculated at 30% (2009:30%) on the loss for the year:-</i>	(675)	(34)
<i>Decrease in income tax expense due to:</i>		
Div 40 and 43 building allowances	-	(41)
Recovery on project completion	-	(201)
Capitalised interest	-	(440)
Overprovision in prior year	(45)	-
<i>Increase in income tax expense due to:</i>		
Other	51	(29)
Capital loss on sale of property	50	-
Tax loss of partially owned subsidiary not recognised in the accounts	31	-
	<u>132</u>	<u>(270)</u>
Income tax (benefit) attributable to loss for the year	<u>(588)</u>	<u>(745)</u>

## Metroland Australia Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

	Consolidated	
	2010 \$'000	2009 \$'000
<b>5. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES</b>		
(a) Dividends proposed and recognised as a liability Franked dividends	-	-
(b) Dividends paid during the year Franked dividends	-	-

Shareholders are able to elect to receive dividends from the Company as new shares in the company in accordance with the Metroland Australia Limited Dividend Reinvestment Plan.

#### 6. NOTES TO THE STATEMENT OF CASH FLOWS

(i) **Reconciliation of cash**

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank and short term deposits at call, net of outstanding bank overdraft, if any. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash	212	700
Deposits at call	394	1,213
Bank overdraft	(3)	(157)
	603	1,756

#### 7. ASSETS HELD FOR SALE

The Company's investment property, Wentworthville Mall has been made available for sale. The adjoining property was sold in June 2010, with settlement due on 30 September 2010. The corresponding bank loans, which are secured over the assets, have also been classified as current liabilities. The directors expect the sale of Wentworthville Mall to be realised before the end of the 2010 calendar year.

## Metroland Australia Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

	Consolidated	
	2010 \$'000	2009 \$'000
<b>8. EARNINGS PER SHARE</b>		
	<i>Cents</i>	<i>Cents</i>
Basic earnings per share	(1.39)	0.47
Diluted earnings per share	(1.39)	0.47
	<b>\$'000</b>	<b>\$'000</b>
<i>Earnings used in calculation of:</i>		
Basic earnings per share	(1,750)	539
Diluted earnings per share	(1,750)	539
	<b>No.</b>	<b>No.</b>
<i>Weighted average number of ordinary shares used in the calculation of:</i>		
Basic earnings per share	125,909,271	114,067,475
Diluted earnings per share	125,909,271	114,067,475

### 9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Equity accounted shares in joint venture entities	5,922	1,627
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(i) Details of material interest in associated entities are as follows:-

	% Ownership End of Period		Carrying Value		Contributions to net Profit	
	2010	2009	2010	2009	2010	2009
MetroPlaza Chinatown JV	20%	-	293	1,627	(1)	-
Ausbao (NSW) Management Pty Ltd	49%	-	65	-	99	-
MTC Engineering Pty Ltd	40%	-	1	-	-	-
MetroPlaza Central Trust	11%	-	5,563	-	(10)	-
Gaintak Investments Pty Ltd ATF Gaintak Investments Unit Trust	50%	50%	-	-	-	114
			5,922	1,627	88	114

Gaintak Investments Pty Ltd ATF Gaintak Investments Unit Trust has been accounted for as a Joint Venture under AASB 131 at 30 June 2009.

(ii) Carrying amount of investment in associates:-

	2010 \$'000	2009 \$'000
Balance at the beginning of the year	1,627	6,780
Transfer of assets and liabilities to those of consolidated entity	-	(6,935)
Share of joint venture entity's net profit	88	114
Cash contributions to associate during the year	-	1,668
Acquisition of interest in associated entities during the year	4,207	-
Carrying amount at end of the year	5,922	1,627

## Metroland Australia Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

	2010 \$'000	2009 \$'000
10. <b>CONTRIBUTED EQUITY</b>		
Share capital		
126,283,244 (2009: 124,783,244) ordinary shares fully paid	15,113	14,966

*Terms and conditions*

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

11. **CONTROLLED ENTITIES ACQUIRED DURING THE YEAR**

There were no controlled entities acquired or disposed of during the year.

	Date Acquired	Company's interest (%)	Consideration \$	Net tangible assets at acquisition (\$)
2009				
DK Metro Engineering Limited	1/7/2008	100	100	100
Metroland Development Fund Trust	19/12/2008	100	1,668,000	1,668,000
Metroland Management Services Pty Limited	22/1/2009	100	100	100
Metroland Funds Management	26/5/2009	100	50,002	50,002

## Metroland Australia Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

#### 12. Segment Reporting

Primary reporting  
Business segments

	Property construction, development & management		Property rental & management		Investment & Financial Services		Import Sales		Consolidation	
	2010	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
External segment revenue	1,945	7,255	6,049	5,785	43	134	191	291	8,228	13,465
Segment result	(587)	(164)	(257)	2,477	(357)	16	(25)	(199)	(1,226)	2,130
(Loss)/Gain from change in the fair value of investment properties									-	(360)
Unallocated corporate expenses									(1,023)	(1,882)
(Loss) from ordinary activities before tax									(2,249)	(112)
Income tax expense									588	745
Minority interest									(89)	(94)
<b>Net profit</b>									<b>(1,750)</b>	<b>539</b>
Depreciation	12	15	-	2	45	54	-	-	57	71
<b>Assets</b>										
Segment assets	2,488	1906	74,056	76,632	10,578	6,860	31	8	87,153	85,406
Unallocated corporate assets									570	437
<b>Consolidated total assets</b>									<b>87,723</b>	<b>85,843</b>
<b>Liabilities</b>										
Segment liabilities	1,145	1,586	58,288	56,421	5,129	4,321	3	-	64,565	62,328
Unallocated corporate liabilities									3,320	1,831
<b>Consolidated total liabilities</b>									<b>67,885</b>	<b>64,159</b>
Acquisition of non-current assets	-	-	-	1,668	4,207	-	-	-	4,207	1,668

**Segment reporting**  
**Geographical Segments**

The consolidated entity operates in the Sydney region of New South Wales, Australia.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributed to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

**Business Segments**

The consolidated entity comprises the following main segments, based on the consolidated entity's management reporting system:-

Property construction, development and management:- Properties under construction and constructions under management for external and other related entities.

Property rental and management:- Investment properties held for the generation of rental income and capital appreciation; and residential property management and properties facilities management services.

Investment and financial services:- Investments in joint venture entities; cash investments and general loan borrowings.

Import and wholesaling: Wholesaling and sourcing of imported products.

### 13. SUBSEQUENT EVENTS

No matters or circumstances have arisen since 30 June 2010 that have significantly affected, or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

#### Compliance statement

1. This preliminary report has been prepared in accordance with Australian Accounting Standards which includes Australian equivalents to International Financial Reports Standards (AIFRS). Compliance with AIFRS ensures compliance with International Financial Reporting Standards (IFRS). The preliminary report is also in accordance with other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.
2. This preliminary report, and the accounts upon which the report is based (if separate), use the same accounting policies.
3. This preliminary report does give a true and fair view of the matters disclosed.
4. The accounts are in the process of being audited, no audit report is attached.
5. The entity has a formally constituted audit committee.



Sign here: ..... Date: 31 August 2010  
(Director)

Print name: Frank Shien