

METROLAND AUSTRALIA LIMITED

ABN 81 009 138 149

ASX CODE: (MTD)

APPENDIX 4E

Preliminary final report for the year ended 30 June 2009

Results for announcement to the market

\$A'000

Revenues from ordinary activities	down	36.6%	to	14,012
Profit from ordinary activities after tax attributable to members	down	66.6%	to	539
Net profit for the period attributable to members	down	66.6%	to	539
Adjust percentages for changes in disclosure				
Dividends (distributions)	Amount per security		Franked amount per security	
Final dividend	The company does not propose to pay dividends for FY09		n/a	
Previous corresponding period	Nil		Nil	
Record date for determining entitlements to the dividend	n/a			

Earnings per security (EPS)	Current period	Previous corresponding period
Basic EPS	0.47 cents	1.50 cents
Diluted EPS	0.47 cents	1.40 cents

Net Tangible Assets Per Security	Current period	Previous corresponding Period
Net Tangible Assets	19.1 cents	18.3 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 +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS 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 property management services. The loss before tax for the 2009 financial year is \$112k, compared to the previous year's profit of \$2.8million. Profit after tax and minority interest is \$539k.

Property Investment & Development:

The Greenway SupaCenta

The Greenway SupaCenta was completed during the year. Certificate of Occupation for the whole Center was issued in July 2009. Officeworks commenced trading in March 2009 after the Company obtained Certificate of Occupation for stage one completion of the Center. Premises was also handed over to Fernwood Gym which is expected to open in October 2009. A conditional agreement has been executed for the lease of 15,000 sq.m to an International company for the sale of building materials. The Company is confident that the Centre will be 90% leased before the end of 2009.

Wentworthville Mall

Refurbishment worked started shortly after the fire in July 2008. The refurbishment work and the re-building of the food court was completed in August 2009 and the Mall is having a re-launch campaign on the 17th of October 2009 where part of the street will be closed for the activities. The cost of the reinstatement of the centre and the loss of rent was taken care of by the insurance company.

Development

Metroland through its wholly owned subsidiary has entered into a joint venture with a Chinese party to acquire a property in Haymarket for a retail and residential development. Metroland will act as the development manager. The completion for the purchase of the property will happen in November 2009 and DA for the development of a complex that comprises of 3 levels of retail and approximately 200 units of residential apartment has been submitted to the Council.

Property Related Services

Stratawide Management Pty Ltd is continuing to expand, now managing over 50 blocks of strata schemes.

DK Metro Engineering Pty Ltd which specializes in steel supply and steel construction has had a successful start up operation by securing 4 projects in steel construction throughout Sydney.

MetroBuild Associates Pty Ltd is continuing its trading of building materials.

Metroland, through its wholly owned subsidiary Metroland Funds Management Pty Ltd has submitted an application to the ASIC for a financial services licence.

Metroland is continuing to seek opportunities to further strengthen its revenue.

Metroland Australia Limited

INCOME STATEMENT
For the year ended 30 June 2009

	Notes	Consolidated	
		2009 \$'000	2008 \$'000
Continuing operations:			
Revenue from sales		7,396	17,111
Property rental and management revenue		6,319	4,766
Other revenues from ordinary activities	2	297	217
Total revenue from ordinary activities		14,012	22,094
Cost of sales		(7,824)	(14,556)
Borrowing costs	3	(2,666)	(2,321)
Property expenses		(832)	(1,533)
Directors fees		(119)	(202)
Employee expenses		(1,084)	(1,971)
Professional & consultancy fees		(327)	(565)
Bad & doubtful debts		(67)	(157)
Impairment of investment		(98)	-
Other expenses from ordinary activities		(846)	(608)
Net (loss) gain resulting from changes in the fair value of investment properties		(261)	(422)
Share of net profit of joint venture entities accounted for using the equity method	9	-	2,980
Profit before income tax		(112)	2,739
Income tax expense relating to ordinary activities	4	745	(903)
Profit from continuing operations		633	1,836
Loss/(Profit) attributable to minority interests		(94)	(224)
Profit attributable to members of the parent entity		539	1,612

Metroland Australia Limited

BALANCE SHEET

As at 30 June 2009

	Notes	Consolidated	
		2009 \$'000	2008 \$'000
CURRENT ASSETS			
Cash assets	7(i)	1,755	2,955
Trade and other receivables		3,632	3,680
Inventories		177	68
Current tax asset		144	-
Other current assets		302	86
Total current assets		6,010	6,789
NON-CURRENT ASSETS			
Trade and other receivables		3,605	401
Properties held for development		-	12,938
Investment property		71,857	37,935
Investments accounted for using the equity method	9	1,628	6,780
Financial assets		36	36
Property, plant and equipment		307	355
Deferred tax assets		617	438
Total non-current assets		78,050	58,883
Total assets		84,060	65,672
CURRENT LIABILITIES			
Trade and other payables		4,806	3,586
Interest bearing liabilities		20,304	1,408
Current tax liabilities		-	227
Provisions		141	124
Total current liabilities		25,251	5,345
NON-CURRENT LIABILITIES			
Trade and other payables		-	705
Interest bearing liabilities		35,388	37,712
Deferred tax liabilities		1,636	2,234
Provisions		50	44
Total non-current liabilities		37,074	40,695
Total liabilities		62,325	46,040
Net assets		21,735	19,632
EQUITY			
Contributed equity	10	14,966	13,379
Retained profits		6,526	6,029
Minority interests		243	224
Total equity		21,735	19,632

Metroland Australia Limited

STATEMENT OF CHANGES IN EQUITY

As at 30 June 2009

	Consolidated			
	Issued Capital \$'000	Retained Earnings \$'000	Minority Interests \$'000	Total \$'000
At 1 July 2007	13,197	4,950	-	18,147
Profit attributable to members of parent entity	-	1,612	-	1,612
Profit attributable to minority shareholders	-	-	224	224
Shares issued pursuant to dividend reinvestment plan	182	-	-	182
Dividends paid or provided for	-	-	-	-
At 30 June 2008	<u>13,379</u>	<u>6,029</u>	<u>224</u>	<u>19,632</u>
At 1 July 2008	13,379	6,029	224	19,632
(Loss)/Profit attributable to members of parent entity	-	539	-	539
(Loss)/Profit attributable to minority shareholders	-	-	94	94
Transfer of reserves to Joint Venture partners	-	(42)	-	(42)
Shares issued pursuant to dividend reinvestment plan	87	-	-	87
Issue of shares	1,500	-	-	1,500
Dividends paid or provided for	-	-	(75)	(75)
At 30 June 2009	<u>14,966</u>	<u>6,526</u>	<u>243</u>	<u>21,735</u>

Metroland Australia Limited

STATEMENT OF CASH FLOWS

For the year ended 30 June 2009

	Notes	Consolidated	
		2009 \$'000	2008 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		13,370	18,556
Cash payments in the course of operations		(15,329)	(16,122)
Interest received		123	184
Interest and other finance costs paid		(258)	(2,985)
Dividends received		-	33
Income tax (paid)/refunded		(293)	(269)
Net cash (used in)/provided by operating activities	7(ii)	(2,387)	(603)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property plant and equipment		(10)	(315)
Proceeds from disposal of property, plant and equipment		-	61
Proceeds from investment redemption and loan repayments		-	377
Acquisition of investment property		-	(542)
(Payments) for property investments under development		(15,170)	(3,059)
Proceeds from/(payments to) joint venture investment		-	1,689
Loans (to)/repayments from other entities		-	1
Payment for shares in subsidiaries		(1,727)	-
Net cash used in investing activities		(16,907)	(1,788)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans (to)/ from related parties		(31)	489
Proceeds from borrowings		16,938	9,579
Repayment of borrowings		(366)	(6,151)
Dividends paid		(26)	(354)
Proceeds from issue of shares		1,588	-
Net cash provided by/(used in) financing activities		18,103	3,563
Net (decrease)/increase in cash held		(1,191)	1,172
Cash at beginning of the year		2,947	1,775
Cash at the end of the year	7(i)	1,756	2,947

Metroland Australia Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

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 2008. 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 2009 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 2009.

(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

Dividends – joint venture entity

Gain on sale of shares

Other Income from tenants

	Consolidated	
	2009 \$'000	2008 \$'000
- Other parties	140	184
Dividends – joint venture entity	17	33
Gain on sale of shares	42	-
Other Income from tenants	98	-
Total other revenues	297	217

Metroland Australia Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

3. PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX

	Consolidated	
	2009 \$'000	2008 \$'000
(a) <i>Individually significant (expenses)/revenues included in profit from ordinary activities before income tax expense:</i>		
Trust distribution from joint venture entities	-	(2,980)
	<u>-</u>	<u>-</u>
(b) <i>Profit from ordinary activities before income tax has been arrived at after charging/(crediting) the following items:</i>		
Depreciation of:		
Plant and equipment	72	55
	<u>72</u>	<u>55</u>
Borrowing costs:		
Other parties	(4,829)	2,985
Less capitalised borrowing costs	(2,163)	(664)
	<u>2,666</u>	<u>2,321</u>
Net expense from movements in provision for:		
Employee entitlements	23	73
Doubtful debts	47	25
	<u>70</u>	<u>98</u>
Investment loan written-off	98	132
Operating lease rental expense	11	49
	<u>109</u>	<u>181</u>
4. TAXATION		
Income Tax Expense		
<i>Prima facie income tax expense calculated at 30% (2008:30%) on the profit from ordinary activities:-</i>	(34)	822
<i>Decrease in income tax expense due to:</i>		
Div 40 and 43 building allowances	-	-
Recoupment of prior year tax losses of partly owned subsidiary not previously brought to account	-	(63)
Over provision for income tax in prior year	(201)	(82)
Movement in deferred tax	(777)	-
<i>Increase in income tax expense due to:</i>		
Other	267	5
Tax losses of partially owned subsidiaries not recognised in the accounts	-	221
	<u>(745)</u>	<u>903</u>
Income tax (credit)/expense attributable to operating profit	<u>(745)</u>	<u>903</u>

Metroland Australia Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

	Consolidated	
	2009 \$'000	2008 \$'000
5. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES		
(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. FINANCIAL LIABILITIES

Included in current financial liabilities is the group's share of the development facility of \$18,118,475 to finance the development and construction of the Greenway Supacentra at Wetherill Park. This facility expires in November 2009, and the financier has provided a Term Note facility to refinance the development at its expiry. The refinance Term Note is for a period of 5 years.

The refinance facility is subject to the maintaining of various conditions of the facility, including minimum interest cover and loan to valuation (LVR) ratio. The directors are confident that there have been no adverse events or facts that would prevent the refinancing of the facility.

7. 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 balance sheet as follows:

Cash	701	192
Deposits at call	1,211	2,763
Bank overdraft	(157)	(8)
	1,755	2,947

Metroland Australia Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

	Consolidated	
	2009 \$'000	2008 \$'000
7. NOTES TO THE STATEMENT OF CASH FLOWS (cont)		
(ii) Reconciliation of profit from ordinary activities to net cash provided by/(used in) operating activities		
Profit from ordinary activities after income tax	633	1,836
<i>Add/(less) items classified as investing/financing activities:</i>		
Interest capitalised in loans and property	(1,083)	(664)
Fair value adjustment to investment property	261	422
Minority interests	-	-
<i>Non-cash items</i>		
Investment loan written-off	311	132
Depreciation	68	55
Loss on disposal of fixed assets	-	26
Amounts set aside to provisions	-	98
Share of joint venture entities net (profit)/ loss	-	(2,980)
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in property inventories	-	(66)
(Increase)/decrease in receivables	(2,294)	(2,838)
Increase/(decrease) in payables	1,151	2,594
Increase/(decrease) in tax balances	(777)	634
(Increase)/decrease in prepayments	(657)	148
<i>Net cash (used in)/provided by operating activities</i>	(2,387)	(603)
8. EARNINGS PER SHARE		
	Cents	Cents
Basic earnings per share	0.47	1.50
Diluted earnings per share	0.47	1.40
	\$'000	\$'000
<i>Earnings used in calculation of:</i>		
Basic earnings per share	539	1,612
Diluted earnings per share	539	1,807
	No.	No.
<i>Weighted average number of ordinary shares used in the calculation of:</i>		
Basic earnings per share	114,067,475	107,537,820
Diluted earnings per share	114,067,475	123,282,594

Potential ordinary shares from the exercise of options were not considered dilutive at 30 June 2009 as their conversion to ordinary shares would not decrease earnings per share from continuing operations.

Metroland Australia Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

		Consolidated	
		2009	2008
		\$'000	\$'000
9.	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
	Equity accounted shares in joint venture entities	1,628	6,780

(i) Details of material interest in associated entities are as follows:-

	% Ownership End of Period		Carrying Value		Contributions to net Profit	
	2009	2008	2009	2008	2009	2008
Metroland Investments Pty Ltd	50%	50%	-	-	-	-
MetroPlaza Chinatown JV	20%	-	1,628	-	-	-
Gaintak Investments Pty Ltd ATF						
Gaintak Investments Unit Trust	50%	50%	-	6,780	-	2,980
			1,628	6,780	-	2,980

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:-

	2009	2008
	\$'000	\$'000
Balance at the beginning of the year	6,780	5,489
Change in treatment of investment to that of a 50% Joint Venture in accordance with AASB 131	(6,780)	-
Share of joint venture entity's net profit	-	2,980
Repayment of intercompany loan by the joint venture entity	-	(1,689)
Carrying amount at end of the year	-	6,780

10. **CONTRIBUTED EQUITY**

Share capital		
124,783,244 (2008: 108,031,973) ordinary shares fully paid	14,966	13,379

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**

The following controlled entities were acquired 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

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Metroland Australia Limited

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

12. Segment Reporting

**Primary reporting
Business segments**

	Property sales & Development		Property rental & management		Investment & Financial Services		Import Sales		Consolidation	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
External segment revenue	6,711	16,785	6,319	4,766	476	217	326		13,506	22,094
Segment result (Loss)/Gain from change in the fair value of investment properties	132	1,257	639	893	1,150	3,174	(367)		1,686	4,957
Unallocated corporate expenses									(261)	(422)
Profit from ordinary activities before tax									(1,547)	(1,796)
Income tax expense									(112)	2,739
Minority interest									745	(903)
Net profit									(94)	(224)
Depreciation	18	14	6	4	31	26	17	11	539	1,612
Assets										
Segment assets	13,190	15,836	59,961	38,801	7,388	9,261	205	179	80,764	64,077
Unallocated corporate assets									3,296	1,595
Consolidated total assets									84,060	65,672
Liabilities										
Segment liabilities	13,470	12,577	42,013	28,971	3,520	1,767	92	85	59,095	43,400
Unallocated corporate liabilities									3,230	2,640
Consolidated total liabilities									62,325	45,040
Acquisition of non-current assets	-	2,732	-	627	-	-	-	-	-	3,359

**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 sales and development:-

Sales of properties which were previously held for development; and for properties under construction 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:-
Import and wholesaling:

Investments in joint venture entities; cash investments and general loan borrowings.
Wholesaling and sourcing of imported products.

13. SUBSEQUENT EVENTS

No matters or circumstances have arisen since 30 June 2009 that have significantly affected, or may significantly affect:

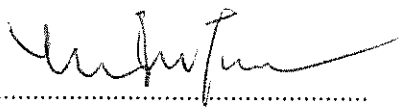
- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

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:

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(Director)



Date: 31 August 2009

Print name:

Frank Shien