UOL Group Limited

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NEWS RELEASE

UOL 2009 NET PROFIT NEARLY TRIPLES TO $424 MLN, REVENUE CROSSES $1 BLN FOR THE FIRST TIME

- Record revenue from strong residential sales
- Increased contribution from associated companies
- New launches to drive sales this year

Singapore, 23 February 2010 - UOL Group, one of Singapore's largest property developers, today announced a 188% rise in net attributable profit to $424.2 million for the financial year ended 31 December 2009 with revenue crossing $1 billion for the first time. The near tripling in net attributable profit from $147.2 million the year before came from higher sales of development properties, rentals from investment properties, share of profits from associated companies, and negative goodwill from the acquisition of shares in UIC.

The net attributable profit included negative goodwill of $281.1 million, fair value losses on investment properties of $184.8 million and a slight impairment of property, plant and equipment. Excluding these items, net attributable profit was 32% higher at $331.8 million compared to $251.5 million in FY 2008.

During the year, UIC became a 32% associated company and thus boosted share of net operating profits of associated companies by 150%, from $61.8 million previously to $154.4 million. Nassim Park Residences, another associated company, also reported higher earnings.

The record turnover was attributed to strong sales of residential projects and higher average rental rates for investment properties. Group revenue grew 12% to $1.0 billion, from $899.2 million the year before. The Group's new residential property launches in Singapore, Double Bay Residences and Meadows@Peirce, caught the market rebound and enjoyed brisk sales.

Gwee Lian Kheng, Group Chief Executive, said: “We are encouraged by the overall results for 2009 which was a challenging year for businesses as the global financial crisis continued to undermine the economy.

“Amid the economic recession, our net asset position and earnings capacity remained strong. Our strategy of tapping the demand of mass and mid-market housing segments was well-timed. This has helped us reach a major milestone of becoming a billion-dollar company by turnover.

“With the improving economic outlook in Singapore, we expect 2010 to be another healthy year. We are well-positioned with a pipeline of more than 1,000 residential units available for sale in Singapore and will launch them progressively during the year.

“We will continue to source for the right development opportunities in Singapore and in high-growth overseas markets including China and Vietnam.”

For the year under review, revenue from property development posted a 41% increase to $533.8 million from $379.2 million. Property investments rose 12% to $141.7 million compared with $126.1 million a year ago. This was due to higher average rental rates for most of the Group’s investment properties. Operating profit for property development rose 26% to $155.1 million while that for property investments increased 32% to $100.6 million.

Revenue from hotel operations declined 13% to $294.5 million as revenue per available room (revpar) fell amid the slowdown in global tourism and travel. Management services also saw a 34% drop in revenue to $15.9 million compared with $24.1 million previously. Operating profit from hotel operations declined 38% to $44.2 million.

On the hotel operations, Mr Gwee said: “The difficult period for the hotel industry may be over. Through our two hotel brands of “Pan Pacific” and “Parkroyal” , we will step up efforts to secure more hotel management contracts, thus increasing fee-based income.”

Share of profits of associated companies rose 37% to $88.3 million after accounting for fair value losses of $66.1 million as against a fair value gain of $2.7 million previously.

The Group's major residential launches, Double Bay Residences, a 646-unit luxurious condominium located along Simei Street 4, was 92% sold at an average price of $652 psf, while the 479-unit Meadows@Peirce, located at Tagore Avenue along Upper Thomson and launched in July, was 73% sold at an average price of $868 psf.

During FY 2009, the Group and its associated companies sold more than 1,000 residential units in Singapore with a sales value of $1.2 billion, up 15% from the year before.

Shareholder funds increased 22% to $4.15 billion as at Dec 31, 2009 while net tangible asset per share stood at $5.25 compared with $4.22 previously. The Group's gearing ratio edged upwards to 43.1% in 2009 from 42.4% due to increased borrowings for the acquisition of shares in UIC and the URA site at Dakota Crescent.

Directors have recommended a final dividend payout of 10 cents per share (tax-exempt one-tier) to shareholders on the register as at 30 April 2010, payable on 13 May 2010. This is an increase of 33% from the previous year.

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About UOL Group

UOL Group Ltd is one of Singapore's leading public-listed property companies with an extensive portfolio in investment and development properties, hotels and serviced suites.

With a track record of more than 40 years, UOL strongly believes in delivering product excellence and quality service in all its business ventures. Its impressive list of property development projects includes best selling residential units, award-winning office towers, shopping centres, hotels and serviced suites. UOL, together with its listed hotel subsidiary Pan Pacific Hotels Group Limited (PPHG), owns two acclaimed brands namely "Pan Pacific" and "Parkroyal". PPHG now owns, manages and/or markets over 25 hotels in Asia, Australia and North America with over 8,000 rooms in its portfolio.

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