

NEWS RELEASE**UOL 1Q10 PRE-TAX PROFIT BEFORE OTHER GAINS UP 55% TO \$109.5 MILLION**

- Sustained growth from property development & property investments
- Higher share of profit of associated companies
- Improved performance in hotel operations

Singapore, 12 May 2010 - UOL Group today announced a 55% increase in pre-tax profit before other gains to \$109.5 million for the first quarter ended 31 March 2010.

The increase came on the back of a 27% rise in turnover to \$249.2 million, reflecting better performance from its three core businesses – property development, property investments and hotel operations.

Property development, being the leading contributor, continued to see higher progressive revenue recognition from the sale of its projects. The two new projects launched in 2009 i.e. Double Bay Residences and Meadows @ Peirce are now fully sold.

Property investments also held up well with high occupancy rates and stable rental income despite the challenges weighing on the office market. Hotel operations improved markedly in tandem with the recovery of the tourism sector.

Net profit in 1Q10 fell 71% in the absence of substantial other gains as compared to the \$277.7 million recorded in 1Q09 arising from the negative goodwill on acquisition of interests in an associated company. Profit after tax and minority interests also decreased 74% to \$87.9 million from \$331.8 million previously.

Gwee Lian Kheng, Group Chief Executive, said: “We are pleased with the operating results which underscored our consistent efforts and discipline in sustaining revenue growth. We will continue to seek out new market opportunities in

Singapore and overseas and remain prudent in deploying our capital to achieve a good balance between business expansion and development risk exposure.

“With the Singapore’s economy projected to grow 7-9% this year and the recent enthusiasm in land-bidding and home-buying activities, we hope to see sustained interests in the residential market.

“The strong double-digit growth in visitor arrivals should continue to drive up demand for hotel rooms in Singapore and hence benefit our hotels.”

For the quarter under review, revenue from property development posted a 48% increase to \$130.4 million from \$88 million. Property investments rose 4% to \$36.6 million compared with \$35.2 million in 1Q09.

Revenue from hotel operations increased 12% to \$77.7 million as revenue per available room improved across most of the Group’s hotels. Management services also saw a 19% jump in revenue to \$4.6 million compared with \$3.9 million in the previous corresponding period.

Share of profits of associated companies rose 79% to \$43.3 million mainly due to the full quarter’s share of profit from UIC and the higher profit recognition from the sale of units in Nassim Park Residences and One Amber.

UOL’s latest residential project, Waterbank at Dakota, a 616-unit condominium located along Dakota Crescent, is now 99% sold at an average price above \$1,100 psf.

Shareholder funds increased 2% to \$4.23 billion as at March 31, 2010 while net tangible asset per share stood at \$5.35 compared with \$5.25 as at Dec 31, 2009. UOL’s gearing ratio declined to 40.7% from 43.1% previously due to reduction in net bank borrowings from the proceeds from sales of the Group’s development properties.

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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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