UOL Group Limited

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UOL REPORTS 2Q 2011 NET ATTRIBUTABLE PROFIT UP 16% TO $202 MILLION

- Half-year net attributable profit up 59% to $432 million
- First half revenue exceeds $1 billion for the first time
- Additional contribution from PARKROYAL Serviced Suites KL and PARKROYAL Melbourne Airport

Singapore, 11 August 2011 - UOL Group today announced a 16% rise in net attributable profit to $202 million for the three months ended 30 June 2011 (2Q 11) on the back of a 40% jump in revenue to $455.9 million, up from $326.7 million in the previous corresponding period.

The better performance was attributed to increased income from property development, property investments and dividend contribution as well as fair value gains on investment properties, offset by lower share of profit from associated companies and higher finance expenses. Net attributable profit excluding fair value and other gains declined 25% to $110.6 million as compared to 2Q 10.

The results for 2010 were restated due to the adoption of the INT FRS 115 accounting policy made effective 1 January 2011.* Excluding the effects of INT FRS 115, revenue in 2Q 11 rose 25% to $399.2 million while net attributable profit increased 36% to $200.8 million from $147.8 million in 2Q 10.

The increase in revenue was boosted by higher progressive recognition from the sale of UOL's development properties, additional contribution from PARKROYAL Serviced Suites Kuala Lumpur which commenced operations in the fourth quarter of 2010, and PARKROYAL Melbourne Airport which was acquired in April this year. The Group also received higher dividend income from its quoted investments.

For the first six months ended 30 June 2011, revenue jumped 72% to $1.2 billion from $685.5 million a year ago, the first time revenue has exceeded the $1 billion mark at half-time. Net attributable profit rose 59% to $432.2 million against $272.4 million in the first half of FY 2010. Excluding fair value and other gains, net attributable profit jumped 40% to $339.7 million from $242.4 million a year ago.

Gwee Lian Kheng, UOL Group Chief Executive, said: "The first six months of 2011 have seen continued growth across our core business segments."

"We expect some headwinds in the second half of this year as the global economic outlook remains mired by Europe's sovereign debt crisis and the fallout from the US' fiscal deficits. The current global market volatility and projected slower GDP growth for Singapore have also added to the uncertainties ahead. However, we believe our healthy capital position and diversified portfolio will provide a buffer for us in this turbulent economic environment."

For the quarter under review, revenue from property development rose 58% to $305.7 million from $193.0 million while property investments rose 7% to $39.3 million against $36.7 million a year ago.

Share of profit of associated companies declined 67% to $33.2 million from $99.7 million in 2Q 10. This was due to the absence of contribution from Nassim Park Residences which received TOP in the first quarter of 2011. The adoption of INT FRS 115 also caused the share of profit of Brendale Pte Ltd and UIC to be restated.

Revenue from hotel operations rose 13% to $88.1 million while management services grew 4% to $4.1 million. Dividend income jumped 27% to $18.8 million from $14.8 million a year ago.

Shareholder funds increased 7% to $4.95 billion as at 30 June 2011 while net tangible asset per share rose to $6.39 compared with $5.91 as at 31 December 2010. The Group's gearing ratio edged upwards to 0.41 from 0.37 as at 31 December 2010 due to higher borrowings for investments and acquisitions. Earnings per share on fully diluted basis for the quarter rose to 26.07 cents from 22.16 cents in 2Q 10.

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*Note:
The Group adopted INT FRS 115 – Agreements for the Construction of Real Estate on 1 January 2011, which required a change in accounting policy from the percentage-of-completion method to the completion of construction method for certain of the Group's development projects. Please refer to UOL Group 2011 Second Quarter Financial Statements Page 11 and 12 as disclosed to the SGX (dated August 11, 2011) for details of the change in the policy.

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 30 hotels in Asia, Australia and North America including those under development.

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