UOL Group Limited

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NEWS RELEASE

UOL FY 2010 NET ATTRIBUTABLE PROFIT JUMPS 76% TO $746 MILLION

- Revenue reaches all-time high of $1.3 billion, up 29%
- Strong residential sales and improved hotel operations boost revenue
- Directors declare special dividend of 5 cents, raising total dividend by 50%

Singapore, 22 February 2011 - UOL Group today announced a 76% rise in net attributable profit to $745.8 million for the financial year ended 31 December 2010 on revenue that crossed $1 billion again.

The Group saw another year of brisk property sales in its key market, Singapore. A record 1,240 residential units were sold or 22% more than the year before. Property development contributed 60% to the Group's turnover, boosting revenue to an all-time high of $1.3 billion. Other business segments particularly hotel operations also reported good growth.

The net attributable profit included fair value gains of $266 million on investment properties including those of associated companies as well as negative goodwill of $50.3 million arising from UOL's increased interest in UIC, and the acquisition of a 50% interest in Premier Land Development Pte Ltd, the company which holds the Terrene development project.

Excluding these non-cash items, net attributable profit stood at $429 million, 29% more than the year before.

The increase in share of profits of associated companies came mainly from the progressive recognition of profit from the sale of units in Nassim Park Residences, the inclusion of share of fair value gains on UIC's investment properties and higher share of profit of UIC as a result of additional interests in 2010.

The Group launched three new residential property projects in Singapore last year - Waterbank at Dakota, Terrene at Bukit Timah and Spottiswoode Residences. Two of the projects were sold out while Spottiswoode Residences which was launched in November was 76% sold by the end of December.

Gwee Lian Kheng, Group Chief Executive, said: “We are pleased with the good results that we delivered in 2010. All our business segments performed well, particularly our property development which executed the launch of our three projects in Singapore in a timely manner, riding on the strong buying sentiment. Our hotel operations also benefited from a strong upturn in Singapore’s tourism market.

“We begin 2011 from a position of strength. The progressive revenue recognition from our property projects will provide us with earnings visibility while the expected turnaround in the commercial market should give us some upside in rental reversions this year. While we do not expect the tourism market to continue to grow as fast as 2010, we believe that the outlook remains bright for the hospitality business.

“Our strong balance sheet also allows us to continue to invest in our businesses, including replenishing our landbank in Singapore, and at the same time provide our shareholders with consistent dividends.

“To increase our exposure to the commercial sector, we recently acquired the 147,910 sq ft Lion City freehold site at the junction of Tanjong Katong Rd and Geylang Rd last month.”

For the year under review, revenue from property development posted a 46% increase to $781.1 million from $533.8 million. Property investments rose 4% to $148 million compared with 141.7 million a year ago. Operating profit for property development rose 9% to $168.8 million while that for property investments eased 1% to $99.2 million.

Revenue from hotel operations jumped 10% to $325.1 million as RevPAR and occupancy rates increased amid the rebound in tourism and travel. Management services also grew 17% in revenue to $18.6 million compared with $15.9 million previously. Operating profit from hotel operations increased 16% to $51.5 million.

Shareholder funds increased 14% to $4.75 billion as at 31 December 2010 while net tangible asset per share stood at $6.05 compared with $5.25 in 2009. The Group's gearing ratio decreased to 36% in 2010 from 43% due to a reduction in borrowings combined with the effects of the increase in shareholders' funds.

Directors have recommended a first and final dividend of 10 cents per share (one-tier) and special dividend of 5 cents per share (one-tier) subject to shareholders' approval on 19 April 2011. This is an increase of 50% 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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