UOL'S FY2014 NET ATTRIBUTABLE PROFIT DOWN 13% TO $686.0 MILLION

- *All business segments post higher profits*
- *Excluding fair value and other gains, pre-tax profit up 21% to $515.2 million*

Singapore, 26 February 2015 – UOL Group Limited today reported higher earnings for all its business segments for the financial year ended 31 December 2014 (FY14) despite a 13% drop in net attributable profit to $686.0 million that was mostly due to lower fair value gains.

Excluding fair value and other gains, Group pre-tax profit rose 21% to $515.2 million from $427.3 million a year ago. The increase was helped by a one-time pre-tax gain of $98.9 million from the sale of the development project at Jalan Conlay in Malaysia, lower finance expenses, as well as higher share of profits from associated and joint venture companies.

Fair value gains on the Group's investment properties and those of associated companies fell 41% to $296.3 million.

Group revenue rose 29% to $1.36 billion, boosted by the sale of land at Jalan Conlay and the recognition of revenue from a development project in Tianjin, China. Property development contributed the largest share of revenue at $675.9 million, up 65% from a year ago. The Group recognised $220.1 million revenue from the Jalan Conlay transaction while the completion of The Esplanade development in Tianjin, added another $213.5 million to the top line. The increase was partly offset by lower property development revenue in Singapore.

The Group's hospitality business, the second largest revenue generator in FY14, registered modest growth with higher contributions mainly from PARKROYAL on Beach

Road and PARKROYAL on Pickering. Revenue from hotel ownership and operations rose 4% to $437.6 million and revenue from hotel and other management services slipped 1% to $20.3 million.

Revenue from property investments rose 10% to $198.2 million with the opening of the OneKM mall in the fourth quarter of 2014 and from the full year operations of Pan Pacific Serviced Suites Beach Road, which had opened in the second quarter of 2013.

UOL Group Chief Executive Gwee Lian Kheng said: “Despite the challenging global economic environment and soft patches in Singapore’s residential market last year, we continued to record reasonable growth across all our business segments.

“We expect the office rental market to remain buoyant given the limited new supply in 2015 but retail rents will stay soft with rising occupancy costs and competition from online retail. On the hospitality front, we have already taken steps to upgrade and renovate our hotels to stay competitive in the face of new challenges.”

Mr Gwee added: “Though the residential property market is expected to remain soft, we believe projects with strong value propositions and in sought-after locations should continue to attract buyers.”

During the year under review, share of profit from associated companies excluding fair value gains increased 24% to $119.8 million mainly from United Industrial Corporation Limited (UIC), which received higher contributions from Pan Pacific Singapore, the Archipelago and Thomson Three development projects, as well as UIC’s increased interest in its subsidiary, Singapore Land Limited.

Dividend income increased 5% to $28.8 million due to special dividends from United Overseas Bank Limited.

Gross profit margin of 43% was lower than the 49% from a year ago due to the higher revenue contribution from property development, which has a higher cost margin.

Group expenses rose 7% to $243.2 million mainly from higher marketing and distribution expenses incurred for the opening of OneKM, launch of Riverbank@Fernvale and Seventy Saint Patrick's, as well as the ongoing sales of The Esplanade, Tianjin. Finance expense fell 21% to $34.0 million due to lower average interest rates and higher borrowings for development projects with interest expenses capitalised as part of development costs. Other operating expenses increased 8% to $79.7 million as a result of the newly opened Pan Pacific Tianjin in the fourth quarter of FY14.

As at 31 December 2014, shareholder funds increased to $7.6 billion from $6.8 billion at the end of 2013. Net tangible asset per ordinary share rose to $9.68 from $8.73. Group gearing ratio increased to 0.34 from 0.28 last year with higher borrowings for the Group's land acquisitions.

Directors have proposed a first and final dividend of $0.15 a share.

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About UOL Group Limited

UOL Group Limited 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 over 50 years, UOL strongly believes in delivering product excellence and quality service in all its business ventures. Its list of property development projects includes residential units, office towers, shopping malls, hotels and serviced suites. UOL, together with its wholly-owned 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, Oceania and North America with over 9,800 rooms in its portfolio.

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