UOL Group Limited

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NEWS RELEASE

UOL'S 3Q 2012 NET ATTRIBUTABLE PROFIT DOWN 13% TO $87.8 MILLION

- *Revenue 33% lower at $277.7 million due to decline in sales of development properties*
- *Revenue from property investments held steady*
- *Positive outlook for hotels in Singapore bodes well for the opening of PARKROYAL on Pickering and the newly refurbished Pan Pacific Orchard*

Singapore, 8 November 2012 - UOL Group today announced a 13% decline in net attributable profit to $87.8 million for the third quarter ended 30 September 2012 (3Q 12). The Group's revenue fell 33% to $277.7 million from $413.3 million in 3Q 11. The reduction was due mainly to the decline in property development revenue from $267.4 million to $133.7 million following the completion of some of the Group's projects in 2011 and 2012.

Revenue for property investments rose 1% to $41.7 million, while revenue for hotel ownership and operations decreased 1% to $91.1 million. Revenue for hotel management services dropped 26% to $3.9 million due mainly to the closure of Pan Pacific Singapore for major renovations from April to September 2012.

Share of profit from associated companies in 3Q declined 31% to $25.4 million from $36.8 million due mainly to a lower share of profit from Marina Centre Holdings Pte Ltd and United Industrial Corporation Limited.

Gross profit margin in the third quarter improved to 43% as against 34% recorded in the previous corresponding period mainly due to higher revenue in the third quarter of 2011 from property development, which has a higher cost margin.

The Group's expenses fell 10% to $52.3 million in 3Q 12 and this was due mainly to the absence of the currency exchange loss of $8.7 million incurred in 3Q11. Marketing expenses increased by 27% to $9.6 million due mainly to showflat expenses for Katong Regency.

For the nine months ended 30 September 2012, UOL's net attributable profit totalled $343.5 million, 37% less than the $543.9 million in the same period of FY 2011. The decrease in earnings was mainly from lower income from property development and associated companies and lower fair value gains on investment properties of the Group and associated companies. The decline was also due to the adoption of INT FRS 115 on 1 January 2011 for the sale of Duchess Residences and Panorama where recognition of development profit used the completion of construction method. Excluding the effects of INT FRS 115, net attributable profit would have been down 22% from $437.7 million in the corresponding period.

Shareholders' funds increased from $5.3 billion as at end December 2011 to $5.7 billion as at 30 September 2012. In the same period, net tangible asset per ordinary share rose to $7.31 from $6.84. The Group's gearing ratio increased marginally to 0.36 from 0.35 as at December 2011 with higher borrowings for the Group's acquisitions offset partially by the effects of the increase in total equity.

Gwee Lian Kheng, UOL's Group Chief Executive, said: "The Singapore residential property market has continued to be driven by low interest rates and high liquidity. However, with the recent restrictions to the tenure of loans and more supply coming on-stream, we expect any rise in prices to be moderate. With the economic slowdown, some pressure could also be felt in office rents although we expect the retail sector to remain stable."

"We remain positive in our outlook for hotels in Singapore. The timing is just right for us to open PARKROYAL on Pickering. The adjacent office tower has been fully leased and handed over to the tenant. The Group also recently completed the refurbishments of Pan Pacific Singapore and Pan Pacific Orchard."

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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 nearly 50 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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