COMPANY REGISTRATION NO. 196300438C

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NEWS RELEASE

UOL'S FY 2013 NET ATTRIBUTABLE PROFIT DOWN 3% TO $785.8 MILLION

- *Revenue down 8% to $1.06 billion due mainly to completion of property developments*
- *Property leasing and hotel earnings cushion decline in property development*
- *Special dividend of 5 cents on top of first and final dividend of 15 cents*

Singapore, 28 February 2014 – UOL Group Ltd today announced a 3% drop in net attributable profit to $785.8 million for its financial year ended 31 December 2013 (FY13), as rentals from leasing offices and shopping malls and income from owning and managing hotels and serviced suites helped cushion declines from sales of property developments.

Group pre-tax profit before fair value and other gains totalled $427.3 million in FY13, down 3% from $439.7 million a year ago. The fall was due mainly to unrealised currency exchange losses. Fair value gains on the Group's investment properties and those of associated companies fell nearly 9% to $500.9 million; including fair value and other gains, pre-tax profit slid 1% to $952 million.

Directors have proposed a special dividend of 5 cents on top of the first and final dividend of 15 cents a share to commemorate the 50th anniversary of the Group.

During the year under review, property investment contributed the largest share of earnings before income tax, depreciation and amortisation ($310.3 million), followed by property development ($153.5 million), and hotel operations ($124.8 million).

Group revenue declined 8% to $1.06 billion due mainly to the completion of various development projects including Double Bay Residences and Waterbank at Dakota, which were completed in 2012 or early 2013 respectively.

Revenue for hotel ownership and operations rose 11% to $420.4 million. The results included contributions from the Group's new award-winning PARKROYAL on Pickering and higher contributions from PARKROYAL Darling Harbour in Sydney and PARKROYAL Yangon.

Revenue from property developments dropped 27% to $410 million while that for property investments rose 9% to $180.2 million. The opening of the Pan Pacific Serviced Suites Beach Road added to recurring rental revenue from the Group's investment portfolio.

Gwee Lian Kheng, UOL's Group Chief Executive, said: "Our strategy to grow the investment assets have begun to bear fruit in the results. We will continue to grow recurring income stream from our existing asset portfolio and seek out suitable hospitality and commercial investments overseas.

"With the privatisation of PPHG, we expect its income will further enhance our group profit in the coming years. On the residential front, we will be more selective and niche in land acquisition in Singapore."

During the year under review, share of profit from associated companies in 2013 decreased 16% to $96.4 million with lower contribution from Premier Land Development Pte Ltd following the completion of its development project, Terrene at Bukit Timah, in January 2013. The share of profit of joint venture companies jumped to $18.5 million mainly from United Venture Development (Bedok) Pte Ltd for the Archipelago project against a loss of $364,000 previously.

Dividend income from available-for-sale financial assets increased 18% to $27.5 million.

Gross profit margin in 2013 of 49% was higher than the 44% in the prior year because of the lower revenue from property development, which has a higher cost margin.

Group expenses rose 9% to $226.8 million mainly from higher administrative and other expenses incurred for the opening of PARKROYAL at Pickering and Pan Pacific Serviced Suites Beach Road last year. This was partly offset by lower marketing and distribution expenses compared to 2012 when the Group had incurred $7.4 million in sales commissions and show flat expenses for the launch of the Katong Regency project. Finance expense rose 29% to $42.8 million, mainly due to unrealised currency exchange losses from the Group's borrowings in US dollars to fund investments in China.

The Group paid $281.9 million to non-controlling shareholders of PPHG in the third quarter of last year following its successful privatisation of PPHG. It also forked out another $262.1 million to acquire a site in Sengkang West Way last year. The condominium on this site, Riverbank@Fernvale, was launched on 14 February 2014, and saw strong interest with more than 200 units sold.

As at 31 December 2013, shareholder funds increased to $6.8 billion from $6.1 billion at the end of 2012. Net tangible asset per ordinary share rose to $8.73 from $7.94. Group gearing ratio remains unchanged at 0.28 with the additional borrowings of the Group in 2013 offset largely by the effects of increase in total equity.

In December, the Group announced the sale by its 60%-owned subsidiary Suasana Simfoni Sdn Bhd of its freehold land at Jalan Conlay in Kuala Lumpur, Malaysia. The sale is expected to be completed by the second quarter of 2014 and a pre-tax gain of about RM247 million (S$95 million) will be recognised on completion. UOL's share of the gain will be RM148 million (S$57 million).

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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 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 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 close to 9,500 rooms in its portfolio.

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