

## NEWS RELEASE



# United Engineers' 9-Month Revenue Crosses the Billion-Dollar Mark

- **9-month net profit at \$210.9 million**
- **Property development and engineering & construction segments see improved performance**

**SINGAPORE, 10 November 2011** – United Engineers Limited (the “Group”) announced that for the 9 months ended 30 September 2011, and upon the adoption of INT FRS 115<sup>1</sup>, revenue increased 158% to \$1.07 billion mainly due to the full revenue recognition from *Park Central @ AMK* and *The Rochester* sold under DPS, both projects of which obtained TOP in July 2011. In addition, sale of the remaining 58 units at *UE Print Media Hub* also contributed to increase in revenue. Arising from the increased revenue, gross profit rose 156% to \$341.9 million.

The Group’s 9-month net profit increased 382% to \$210.9 million, compared with \$43.8 million for the corresponding 9-month period in 2010. As such, earnings per ordinary stock for the 9 months ended 30 September 2011 increased to 76.8 cents compared with 16.9 cents in the corresponding 9-month period in 2010. Net asset per ordinary stock unit was \$3.98 as at 30 September 2011 compared with \$3.52 as at 31 December 2010.

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<sup>1</sup> Revenue recognition for private residential properties sold under the Deferred Payment Scheme (DPS), and public housing sold under Design, Build & Sell Scheme (DBSS) and Executive Condominiums (ECs) will be recognised under the Completion of Construction (COC) method. Construction is deemed completed only upon obtaining Temporary Occupation Permit (TOP).

### 9-month performance comparison at a glance

	<b>9 months ended 30 Sept 2011 (\$000)</b>	<b>9 months ended 30 Sept 2010 (\$000) (restated)</b>	<b>% change</b>
Revenue	1,066,125	412,472	158%
Distribution costs	(9,991)	(8,125)	23%
Finance costs	(7,294)	(3,640)	100%
Other expenses	(17,494)	(12,270)	43%
Income tax expenses	(45,411)	(18,748)	142%
Net profit	210,934	43,760	382%

### Q3 2011 performance comparison at a glance

	<b>3 months ended 30Sept 2011 (\$000)</b>	<b>3 months ended 30 Sept 2010 (\$000) (restated)</b>	<b>% change</b>
Revenue	739,818	142,165	420%
Distribution costs	(3,595)	(2,795)	29%
Finance costs	(2,871)	(649)	342%
Other expenses	(6,578)	(7,542)	(13%)
Income tax expenses	(33,970)	(6,736)	404%
Net profit	159,845	11,921	1,241%

## **General improvement in all business segments**

The Group's core businesses comprise Property (property development and property rental & services) and Engineering & Construction.

In the **Property Development segment**, revenue increased significantly to \$647.4 million in the quarter ended 30 September 2011 (Q3 2011) mainly due to the full revenue recognition from *Park Central @ AMK* and *The Rochester* sold under DPS, both projects of which obtained TOP in July 2011. For the 9 months ended 30 September 2011, revenue also increased significantly to \$765.7 million mainly due to the sale of the remaining 58 units at *UE Print Media Hub* and the full revenue recognition from *Park Central @ AMK* and *The Rochester* sold under DPS. Operating profit before interest increased to \$175.5 million in Q3 2011 and \$224.6 million for the 9 months ended 30 September 2011.

In the **Property Rental & Services segment**, revenue decreased 7% to \$34.6 million in Q3 2011 and 3% to \$106.8 million for the 9 months ended 30 September 2011 mainly due to lower rental contribution arising from the sale of the remaining 58 units at *UE Print Media Hub* being offset by new rental contribution from *UE BizHub CENTRAL*. Operating profit before interest decreased 54% to \$2.7 million in Q3 2011 and 13% to \$18.7 million for the 9 months ended 30 September 2011.

In the **Engineering & Construction segment**, revenue increased 41% to \$106.5 million in Q3 2011 and 18% to \$304.0 million for the 9 months ended 30 September 2011 mainly due to the completion of projects. Operating profit before interest was \$3.4 million in Q3 2011, compared with a loss of \$3.0 million in the corresponding quarter in 2010, and \$15.9 million for the 9 months ended 30 September 2011, compared with a loss of \$1.4 million in the corresponding period in 2010.

## **Cautious outlook**

The Group's performance may be affected by the current global economic uncertainties. As such, the Group will continue to adopt a cautious approach in bidding and executing projects over the next 12 months.

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**About United Engineers Limited**

United Engineers Limited (“UEL”), founded in 1912, is one of Singapore’s pioneer companies and has played an integral role in the physical and economic transformation of Singapore. Building upon its early engineering roots, UEL has evolved into a dynamic corporation with key activities in property, engineering and construction. In view of the key role played by UEL in Singapore’s early development, the Singapore National Heritage Board has marked UEL’s flagship building, UE Square, a historic site in 2002. UEL is also the 11th oldest member in the Singapore International Chamber of Commerce.

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