

NEWS RELEASE



Nine months attributable profit up 207%

Growth primarily stems from property sales

SINGAPORE, 11 November 2009 – **United Engineers Limited** ('the Group') saw increased revenue in Q3 2009 of \$25.3 million (18%) to \$169.5 million from \$144.2 million in Q3 2008 mainly due to the progressive recognition of revenue from the property sales at *The Rochester* in one-north and *Park Central @ AMK* in Ang Mo Kio, as well as revenue from the provision of mechanical-and electrical services for the Marina Bay Sands Integrated Resort.

Gross profit was \$41.1 million, and gross profit percentage was 24.2% compared with 28.5% in Q3 2008 due to the recognition of higher margins upon the finalisation of some projects in 2008.

Other income was \$2.4 million in Q3 2009 mainly due to fair value gains from the Group's short term investments. Compared with Q3 2008, there was a decrease of \$4.2 million (63%) mainly due to the fair value gains of \$6.1 million in Q3 2008 arising from the disposal of the Group's shareholding interest in Anhui Hefei United Power Generation Company Limited (AHUP).

Other expenses decreased \$13.8 million (73%) from \$18.8 million in Q3 2008 to \$5.0 million in Q3 2009 mainly due to provisions made for the Fusionopolis project in Q3 2008.

Finance costs decreased \$0.4 million (14%) to \$2.3 million in Q3 2009 due to lower interest rates.

Nine months 2009 compared with nine months 2008 performance

For the nine months ended 30 September 2009, revenue increased \$67.6 million (16%) to \$485.6 million from \$418.0 million in 2008 mainly due to the same factors discussed in the above quarterly comparisons. Arising from the increased revenue, gross profit increased \$12.3 million

(12%) to \$114.7 million in 2009. Gross profit percentage was 23.6% compared with 24.5% for the nine months ended 30 September 2008.

Other income increased \$5.7 million (206%) to \$8.5 million for the nine months ended 30 September 2009 mainly due to fair value gains from the Group's short-term investments.

Other expenses decreased \$15.9 million (46%) from \$34.4 million in 2008 to \$18.5 million mainly due to the following charges incurred in 2008:

- 1) provisions made for the Fusionopolis project;
- 2) fair value loss from the Group's short-term investments of \$6.4 million; and
- 3) fair value charge of \$5.0 million against the carrying value in AHUP

Income tax expense for the nine months ended 30 September 2009 increased \$7.1 million (471%) from \$1.5 million in 2008 to \$8.6 million in line with higher operating profit.

Nine months attributable profit increased 207%

The Group's attributable profit for Q3 2009 increased to \$12.7 million compared with \$1.9 million in Q3 2008. For the nine months ended 30 September 2009, the attributable profit was \$32.4 million compared with \$10.6 million for the nine months ended 30 September 2008.

Earnings per ordinary stock (EPS) increased to 5.2 cents compared with 0.8 cents in Q3 2008. EPS for the nine months ended 30 September 2009 and 30 September 2008 were 14.1 cents and 4.8 cents respectively.

Net asset per ordinary stock unit stood at \$3.42 as at 30 September 2009 compared with \$3.46 as at 31 December 2008.

Segment review

In the Engineering & Construction Division, quarterly comparison of results is not meaningful as progress billings of job completion vary from project to project. In Q3 2009, revenue increased \$2.2 million (2%) to \$101.0 million. Revenue for the nine months ended 30 September 2009 was \$296.4 million compared with \$297.0 million in 2008. The division recorded an operating profit of \$6.3 million in 2009 mainly due to fair value gains on short-term investments.

The Integrated Facility Management division (including property development) increased its revenue by \$36.7 million (80%) to \$82.4 million in Q3 2009 and \$88.9 million (68%) to \$218.7 million for the nine months ended 30 September 2009. This was mainly due to the progressive recognition of revenue from the property sales at *The Rochester* in one-north and *Park Central @ AMK* in Ang Mo Kio. Profit before interest and tax for the division increased by \$9.7 million (87%) to \$20.8 million in Q3 2009 and \$22.1 million (70%) to \$53.4 million in 2009.

Order books

With \$700 million of contracts in its order books, the Group will continue to execute several large-scale building and infrastructure projects over the next 12 months.

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For more information, please contact:

David Lim
Corporate Communications & Investor Relations
United Engineers Limited
DID: 6830 8358
HP: 9677 3846
Email: davidlim@uel.com.sg

About United Engineers Limited

Established in 1912, the UE Group is a reputable corporation with key activities in Engineering, Construction and Integrated Facility Management. The Group's strong track record and end-to-end capabilities from Design, Build, and Manage have given it a competitive edge in today's business. One of the first listed companies in Singapore, the Group today has more than 5,000 employees and operations in about 12 countries across the Asia Pacific region.

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