

NEWS RELEASE



United Engineers Full Year Revenue Up 28% to \$901 million, Net Profit Up 257% to \$186 million

SINGAPORE, 1 March 2011 – **United Engineers Limited** (“the Group”) announced that for the year ended 31 December 2010, revenue increased 28% to \$901.4 million mainly due to progressive revenue recognition from its residential projects, *The Rochester* and *Park Central @ AMK*. Arising from the increased revenue, gross profit increased 77% to \$286.6 million. Gross profit percentage also increased to 31.8% compared with 23.0% in 2009.

Other income improved 381% to \$51.1 million mainly due to higher revaluation gains from the Group’s investment properties, although they were partially offset by lower fair value gains from short-term investments.

The Group’s net profit increased 257% to \$186.2 million. Earnings per ordinary stock unit was 71.7 cents in 2010 compared with 22.1 cents in 2009. Net asset per ordinary stock unit was \$3.98 as at 31 December 2010 compared with \$3.43 as at 31 December 2009.

Business segment performance

In the Engineering and Construction division, revenue decreased 7% to \$396.5 million in 2010 due to stringent job selection, which helped increase gross margin by 46% to \$68.8 million. Overall operating profit improved 69% to \$18.0 million.

In the Integrated Facility Management division (including property development), revenue increased 96% to \$649.7 million in 2010 mainly due to progressive revenue recognition from its

residential projects, *The Rochester* and *Park Central @ AMK*. Arising from the higher revenue, gross margin increased 92% to \$215.3 million and profit before interest and tax increased 187% to \$220.7 million.

Strong construction demand in Singapore

The Group has been bidding for commercial and residential developments, and will continue to do so in the next 12 months as the Singapore Building and Construction Authority has projected total construction demand for 2011 to reach between \$22 billion and \$28 billion, reflecting a continued and sustained workload. However, the outlook for Singapore, where the bulk of the Group's business is based, is positive although its pace of growth will depend on global economic conditions.

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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. Some of the prominent landmarks across the island state that UEL was involved in building include the former Supreme Court, Cavenagh Bridge, British High Commission, Victoria Memorial Hall, OCBC Centre and Shangri-la Hotel. Building upon its early engineering roots, UEL has evolved into a dynamic corporation with key activities in engineering, construction and property. 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. Today, UEL has more than 5,000 employees and operations in about 12 countries across the Asia Pacific region.

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