



**PRESS RELEASE**

For Immediate Release

## **OUE achieves FY2014 net profit of S\$1.1 billion**

- *Net attributable profit of S\$1.1 billion mainly attributable to the divestment of Mandarin Orchard Singapore and Mandarin Gallery to OUE Hospitality Trust*
- *Earnings before interest & tax rose 17.9% year-on-year, on the back of net fair value gain on investment properties in its associates and positive contribution across business segments*
- *Total dividend distribution for FY2014, including the proposed final cash dividend, amounts to approximately 15.9 cents per share*

### **Financial Highlights**

S\$ million	Year ended 31 December		Change
	FY2014	FY2013	%
Revenue	416.4	436.6	(4.6)
Earnings before interest and tax	185.1	157.0	17.9
Other gains/(loss) - net	1,179.7	(50.2)	n.m.
Net attributable profit/ loss	1,094.0	(36.6)	n.m.
Net gearing (%)	43.9	57.2	(13.3)
NAV per share (\$)	4.23	3.18	33.0

**Singapore – 13 February 2015** – SGX Mainboard-listed integrated property developer OUE Limited ("OUE" or the "Group") closed the financial year ended 31 December 2014 ("FY2014") with a net profit of S\$1.1 billion, reversing a net loss of S\$36.6 million in the previous financial year ("FY2013").

The above net profit resulted mainly from unlocking the values of Mandarin Orchard Singapore and Mandarin Gallery upon their disposal to OUE Hospitality Trust and the fair value gains on OUE Bayfront, Lippo Plaza and U.S. Bank Tower.

Revenue from business and operations remained stable at S\$416.4 million, down marginally by 4.6% from the previous year. This was because of the absence of revenue from the China hotels which were divested in September 2013.

**OUE LIMITED**

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## OUE LIMITED

Earnings before interest and tax rose 17.9% from S\$157.0 million to S\$185.1 million in FY2014. The increase arises from positive contributions of its various business segments and the Group's share of fair value gain on investment properties in its associates.

Net finance expense fell 30.9% to S\$64.0 million from S\$92.6 million in FY2013 as a result of higher interest income, lower borrowings and absence of exchange losses.

With a net attributable profit of S\$1.1 billion for FY2014, the Group's earnings per share was S\$1.20.

### **Dividend**

The Directors have proposed a final cash dividend of 1 cent per share, bringing the total cash dividend for FY2014 to 2 cents per share. This is in addition to the distribution *in specie* of 1 OUE Hospitality Trust stapled security for every 6 ordinary OUE shares paid out in March 2014 of approximately 13.9 cents per share. Hence, the total distributions for FY2014, including the proposed final cash dividend, amounts to approximately 15.9 cents per share.

### **Business Review**

During the year under review, the Group's hospitality division registered revenue of S\$210.6 million as compared to S\$229.6 million in previous year. The decreased of 8.2% was due mainly to the absence of contributions from two disposed China hotels.

Revenue generated from the Group's property investment division increased by S\$19.6 million to S\$157.8 million after the inclusion of revenue from Lippo Plaza property in Shanghai and the U.S. Bank Tower in Los Angeles.

The Group's sole residential development, OUE Twin Peaks, contributed S\$38.3 million to the property development income in FY2014. The 39.0% decrease year-on-year is due mainly to the lower sales during the financial year as a result of the lacklustre residential property market in Singapore.

The Group ended the year with a strong balance sheet where net gearing fell to 43.9% from previous 57.2%, on the back of the repayment of S\$300.0 million fixed rate notes in April 2014 and NAV per share is at S\$4.23.

### **Business Update and Outlook**

Looking ahead, the Group will focus on active lease management and ongoing asset enhancement activities to enhance the recurring income from its portfolio of investment properties.

Asset enhancement at the U.S. Bank Tower's observation deck and restaurant is underway, with both projects targeted for completion in mid-2015. As at 31 December 2014, U.S. Bank Tower has achieved new or renewed leases amounting to about 650,000 square feet since acquisition and has a committed occupancy of 79.6%.

Refurbishment work at OUE Downtown is progressing well and should be completed by 2016. The refurbishment will transform OUE Downtown's existing podium into a five-storey retail mall featuring a unique selection of retail and dining options, as well as a supermarket to cater to the lifestyle needs of residents and workers in the area.

The divestment of Crowne Plaza Changi Airport Hotel to OUE Hospitality Trust was completed on 30 January 2015. This is in line with OUE's strategy to unlock the value of its asset portfolio and recycle capital to pursue new growth opportunities and grow its fund management business. The divestment of the 10-storey extension to Crowne Plaza Changi Airport will take place after its construction is completed and temporary occupation permit has been obtained. The construction of the extension is expected to be completed by end of 2015 but not later than June 2016.

"Our asset enhancement activities in the past have borne fruit and contributed to long-term shareholder value. Moving forward, we will continue to drive this strategy, while at the same time, look out for opportunities which will facilitate and strengthen our recurrent income base," said Dr Stephen Riady, Executive Chairman of OUE Limited.

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### **About OUE Limited**

OUE Limited (SGX-ST: "OUE") is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and the U.S.. OUE consistently grows its business by leveraging its brands and proven expertise in developing and managing landmark assets across the commercial, hospitality, retail and residential sectors primarily in Singapore. With its core strategy of investing in and enhancing a stable of distinctive properties, OUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value. OUE is the sponsor of OUE Hospitality Trust and OUE Commercial REIT.

For the latest news from OUE, visit us at [www.oue.com.sg](http://www.oue.com.sg)

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