



PRESS RELEASE

For Immediate Release

OUE's Q1 2014 Net Profit Soars to S\$1 billion

- *Other Gains of S\$1.0 billion largely due to unlocking values of Mandarin Orchard Singapore and Mandarin Gallery*
- *Revenue boosted by contributions from Lippo Plaza property in Shanghai and U.S. Bank Tower*
- *Healthy cash balance of S\$864.6 million*

Financial Highlights

S\$ million	3 months ended 31 March		Change
	Q1 2014	Q1 2013	%
Revenue	106.9	105.4	1.5
Earnings Before Interest and Tax	40.2	38.5	4.5
Net Profit	1,012.2	2.0	>100.0
Net Attributable Profit	945.6	1.8	>100.0

Singapore – 9 May 2014 - SGX Mainboard-listed integrated property developer OUE Limited (“OUE” or the “Group”) today announced a net profit of S\$1.0 billion for the three months ended 31 March 2014 (“Q1 2014”), reflecting more than 100% increase from S\$2.0 million for the same quarter in the previous financial period (“Q1 2013”).

This increase is largely due to a recognition of net fair value gain on Lippo Plaza property which amounted to S\$114.8 million, as well as the gain amounting to S\$986.4 million, resulting from unlocking the values of Mandarin Orchard Singapore and Mandarin Gallery, which had been disposed to OUE Hospitality Trust (“OUE H-TRUST”). OUE H-TRUST was deconsolidated as a result of a reduction in the Group’s effective interest subsequent to a distribution *in specie* made to shareholders in Q1 2014. OUE H-TRUST is an associate of the Group as at 31 March 2014. The above gains are offset by an allowance for foreseeable loss of S\$105.0 million provided on Twin Peaks based on the latest valuation obtained.

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On the operations front, Q1 2014 also saw a 1.5% year-on-year increase in total revenue to S\$106.9 million from S\$105.4 million in Q1 2013. Consequently, gross profit increased from S\$55.2 million to S\$60.4 million for the same reporting period. These were the results of contributions from Lippo Plaza property and U.S. Bank Tower.

The Group saw a 4.5% increase in earnings before interest and tax to S\$40.2 million and a 26.9% decline in finance expenses to S\$24.4 million. Combined with the one-off gains, the Group recorded a net profit of S\$1.0 billion in Q1 2014, compared to S\$2.0 million on the corresponding quarter.

Based on net attributable profit on a fully diluted basis, earnings per share for Q1 2014 and Q1 2013 were 103.93 cents and 0.19 cents respectively. Net asset value per share increased to S\$4.06 for Q1 2014.

Business Review

During the quarter in review, the Group's Hospitality division registered revenue of S\$52.3 million. Excluding the contribution from the two disposed China Hotels, hospitality revenue increased 4.9% year-on-year.

Revenue generated from the Group's Property Investment Division increased by S\$16.9 million due to the inclusion of revenue from the Lippo Plaza property, which was acquired by OUE Commercial Real Estate Investment Trust ("OUE C-REIT") in January 2014. The increase in revenue also came from contribution at the U.S. Bank Tower and higher occupancy achieved by the remaining commercial properties of the Group in Q1 2014.

Similarly, the sale of residential units for Twin Peaks contributed to the property development income, bringing in revenue of S\$9.4 million for Q1 2014.

Looking Ahead

Dr. Stephen Riady, OUE's Executive Chairman said, "We are pleased with our results this quarter as we are now realising the returns from our portfolio of properties. With the refurbishment work in the retail mall at One Raffles Place near completion and asset enhancement works at OUE Downtown being on track, we are well positioned to benefit from further strengthening of our recurrent income streams."

"Together with our healthy cash balance of S\$864.6 million, we are well-placed to seize opportunities that will be value-enhancing for OUE's continuous growth", added by Dr. Riady.

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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.

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