



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Second Quarter and First Half ended 30 June 2008

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
		2008	2007	<i>Incr/ (Decr)</i>	2008	2007	<i>Incr/ (Decr)</i>
		(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Revenue	1	106,439	83,006	28%	238,966	187,935	27%
Other operating income	1	779	239	226%	8,590	378	2172%
Costs and expenses							
Operating supplies		(25,635)	(16,353)	57%	(50,139)	(33,371)	50%
Salaries and related expenses		(27,236)	(24,789)	10%	(56,251)	(48,634)	16%
Administrative expenses		(10,389)	(7,220)	44%	(26,753)	(16,550)	62%
Sales and marketing expenses		(5,751)	(4,912)	17%	(10,090)	(9,673)	4%
Other operating expenses		(14,827)	(14,440)	3%	(30,688)	(27,841)	10%
Total costs and expenses	2	(83,838)	(67,714)	24%	(173,921)	(136,069)	28%
Operating profit	3	23,380	15,531	51%	73,635	52,244	41%
Depreciation of property, plant and equipment	4	(8,089)	(6,618)	22%	(16,734)	(12,665)	32%
Amortisation of lease rental and land use rights		(1,049)	(734)	43%	(2,053)	(1,964)	5%
Profit from operations		14,242	8,179	74%	54,848	37,615	46%
Finance income		689	1,104	-38%	1,230	2,044	-40%
Finance costs	5	(4,315)	(3,867)	12%	(8,820)	(7,478)	18%
Share of results of associated companies		438	334	31%	990	956	4%
Share of results of joint venture companies		(1)	(7)	-86%	(4)	(9)	-56%
Profit before taxation		11,053	5,743	92%	48,244	33,128	46%
Income tax expenses	6	(5,180)	(1,449)	257%	(17,041)	(9,276)	84%
Profit after taxation	7	5,873	4,294	37%	31,203	23,852	31%
Attributable to:							
Equity holders of the Company	9	3,508	3,179	10%	18,867	14,339	32%
Minority interests	8	2,365	1,115	112%	12,336	9,513	30%
Net Profit for the Period		5,873	4,294	37%	31,203	23,852	31%



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1(a)(ii) Explanatory notes on performance for 2Q 2008

1. Revenue and other operating income

Revenue increased by S\$23.4 million or 28% from S\$83.0 million in 2Q07 to S\$106.4 million in 2Q08. This was contributed mainly by Hotel Residences segment (S\$29.7 million) but offset partially by lower revenue in Hotel Investment segment (S\$5.8 million).

Hotel Residences revenue increased by S\$29.7 million or more than 9-fold to S\$33.2 million due to higher sales and revenue recognition of villas/townhomes/suites at Banyan Tree Phuket, Banyan Tree Lijiang, Dusit Laguna and Banyan Tree Bangkok.

Hotel Investment recorded lower revenue than last year by S\$5.8 million or 13% mainly due to lower revenue from Laguna Phuket of which Sheraton Grande, Laguna Beach Resort and Dusit Laguna contributed S\$4.2 million or 72% to the overall shortfall.

Other operating income increased by S\$0.6 million from S\$0.2 million to S\$0.8 million due mainly to negative goodwill on acquisition of additional 3.31% shares in Vabbinvest Maldives Pvt Ltd ("Vabbin"). Vabbin owns Banyan Tree Maldives and Angsana Maldives and is our wholly owned subsidiary after the acquisition.

2. Costs and expenses

Total costs and expenses increased by S\$16.1 million from S\$67.7 million in 2Q07 to S\$83.8 million in 2Q08. The overall increase was in line with the higher revenue and expanded business activities of the group.

Operating supplies expenses increased by S\$9.2 million from S\$16.4 million to S\$25.6 million largely due to increased cost of properties sold under Hotel Residences segment as a result of strong sales.

Salaries and related expenses increased by S\$2.4 million from S\$24.8 million to S\$27.2 million largely due to increase in headcount as a result of new hotel operations in Banyan Tree Madivaru which opened in July 2007 and Angsana Riads Morocco which opened in December 2007. In addition, there was an increase in headcount in existing operations to support the increased level of activities in various segments.

Administrative expenses increased by S\$3.2 million from S\$7.2 million to S\$10.4 million as a result of increase in legal and professional fees, higher training and recruitment expenses as a result of the group's expansion, land and property tax due to higher Hotel Residences sales and higher rental expenses resulting from the set up of regional sales offices.

Other operating expenses increased by S\$0.4 million from S\$14.4 million to S\$14.8 million largely due to occupancy related expenses of new resorts in Angsana Morocco and Banyan Tree Madivaru, higher business development and traveling expenses.

3. Operating profit ("EBITDA")

EBITDA increased by S\$7.8 million with higher EBITDA from Hotel Residences segment of \$17.8 million partially reduced by lower EBITDA from Hotel Investment segment of S\$6.8 million and Design and Others segment of S\$2.8 million.

4. Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by S\$1.5 million from S\$6.6 million to S\$8.1 million due to depreciation on the two new resorts, Banyan Tree Madivaru and Angsana Riads Morocco, and higher depreciation on Angsana Velavaru after completion of its refurbishment works late last year. In addition, there was higher depreciation on resorts in Laguna Phuket as a result of upward revaluation on the properties late last year.

5. Finance costs

Finance cost increased by S\$0.4 million from S\$3.9 million in 2Q07 to S\$4.3 million in 2Q08. This was mainly attributed to interest on S\$100 million notes issued under the Medium Term Notes programme in last quarter of 2007 partially offset by lower interest on bank loans due to scheduled repayments.



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6. Income tax expenses

Income tax expenses increased by S\$3.7 million from S\$1.5 million in 2Q07 to S\$5.2 million in 2Q08. Apart from higher income tax expenses due to the higher profit, income tax expenses was also higher due to underprovision of tax in previous year (S\$0.5 million), higher non deductible expenses (S\$1.2 million tax) and higher withholding taxes pertaining to dividends received from our Thailand subsidiary (S\$0.5 million).

7. Net profit after taxation ("NPAT")

Net profit after taxation increased by S\$1.6 million from S\$4.3 million in 2Q07 to S\$5.9 million in 2Q08 mainly due to higher operating profit partially offset by higher taxation charge.

8. Minority interests

Minority interest increased by S\$1.3 million from S\$1.1 million in 2Q07 to S\$2.4 million in 2Q08, mainly due to higher profit from our 83.20%-owned subsidiary in Lijiang as a result of strong hotel residences sales.

9. Profit attributable to shareholders of the Company ("PATMI")

As a result of the foregoing, profit attributable to shareholders increased by S\$0.3 million from S\$3.2 million to S\$3.5 million in 2Q08.



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9. Additional disclosures

	Group			Group		
	3 months ended 30 Jun			6 months ended 30 Jun		
	2008	2007	<i>Incr/ (Decr)</i>	2008	2007	<i>Incr/ (Decr)</i>
(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%	
Profit from operations						
Profit from operations is stated after charging/(crediting):						
Provision for/(write back of) inventory obsolescence	15	11	36%	(114)	48	<i>nm</i>
Allowance for/(write back of) doubtful debts - trade	126	(161)	<i>nm</i>	1,663	(50)	<i>nm</i>
Bad debts written back - trade	-	(60)	-100%	-	(60)	-100%
Exchange (gain)/loss	(335)	(320)	5%	13	(939)	<i>nm</i>
Loss on disposal of property, plant and equipment	91	23	296%	619	42	1374%
Gain on disposal of subsidiary	-	-	<i>nm</i>	(257)	-	<i>nm</i>
Negative goodwill on acquisition	(424)	-	<i>nm</i>	(424)	-	<i>nm</i>

10. Extraordinary items

Nil

11. Adjustments for under or over provision of tax in respect of prior years

Included in current year tax expense is an under provision of S\$0.4 million relating to prior years.



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1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Notes	Group			Company		
		As at			As at		
		30-Jun-08 (S\$'000)	31-Dec-07 (S\$'000) (As restated)	Incr/ (Decr) %	30-Jun-08 (S\$'000)	31-Dec-07 (S\$'000)	Incr/ (Decr) %
Non-current assets							
Property, plant and equipment	1	936,906	976,627	-4%	20	23	-13%
Land use rights	1	6,083	6,144	-1%	-	-	-
Land awaiting for future development	1	33,144	18,581	78%	-	-	-
Subsidiary companies		-	-	-	336,628	337,705	0%
Associated companies		32,322	28,146	15%	18,519	19,601	-6%
Joint venture companies		3,306	3,556	-7%	6,314	6,334	0%
Prepaid island rental		23,455	25,386	-8%	-	-	-
Long-term trade receivables		15,366	10,321	49%	-	-	-
Intangible assets		26,841	26,965	0%	-	-	-
Long-term investments	2	20,990	9,052	132%	6,840	-	nm
Other non-current assets		5,601	4,416	27%	-	-	-
Deferred tax assets		13,122	12,089	9%	-	-	-
		1,117,136	1,121,283	0%	368,321	363,663	1%
Current assets							
Inventories		12,087	11,051	9%	-	-	-
Trade receivables	3	55,828	76,096	-27%	-	-	-
Other receivables		50,324	48,264	4%	2,732	8,247	-67%
Amounts due from subsidiary companies		-	-	-	23,142	4,853	377%
Amounts due from associated companies		2,247	2,420	-7%	-	483	-100%
Amounts due from related parties		6,102	6,323	-3%	333	132	152%
Property development costs	4	92,204	78,504	17%	-	-	-
Cash and bank balances		86,282	115,716	-25%	4,536	25,149	-82%
		305,074	338,374	-10%	30,743	38,864	-21%
Total assets		1,422,210	1,459,657	-3%	399,064	402,527	-1%
Current liabilities							
Trade payables		12,493	15,820	-21%	-	-	-
Other payables		74,546	86,085	-13%	2,659	4,057	-34%
Amounts due to subsidiary companies		-	-	-	43,706	41,074	6%
Amounts due to associated companies		43	27	59%	-	-	-
Amounts due to related parties		801	348	130%	272	292	-7%
Interest-bearing loans and borrowings		103,682	94,077	10%	21,743	12,125	79%
Tax payable		10,187	9,489	7%	112	112	0%
		201,752	205,846	-2%	68,492	57,660	19%
Net current assets/(liabilities)		103,322	132,528	-22%	(37,749)	(18,796)	101%



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	Group			Company		
	As at			As at		
	30-Jun-08 (S\$'000)	31-Dec-07 (S\$'000) (As restated)	<i>Incr/ (Decr)</i> %	30-Jun-08 (S\$'000)	31-Dec-07 (S\$'000)	<i>Incr/ (Decr)</i> %
<u>Notes</u>						
Non-current liabilities						
Interest-bearing loans and borrowings	143,480	147,957	-3%	2,391	2,853	-16%
Loan stock	509	509	0%	-	-	-
Notes payable	100,000	100,000	0%	100,000	100,000	0%
Redeemable preference shares	1,440	926	56%	1,440	926	56%
Other non-current liabilities	4,233	4,092	3%	-	-	-
Deferred tax liabilities	195,763	194,164	1%	-	-	-
Loan from minority shareholder of a subsidiary company	1,573	1,670	-6%	-	-	-
	446,998	449,318	-1%	103,831	103,779	0%
Net assets	773,460	804,493	-4%	226,741	241,088	-6%
Equity attributable to equity holders of the Company						
Share capital	199,995	199,995	0%	199,995	199,995	0%
Treasury shares	(5,191)	(5,191)	0%	(5,191)	(5,191)	0%
Reserves	351,132	373,904	-6%	31,937	46,284	-31%
	545,936	568,708	-4%	226,741	241,088	-6%
Minority interests	227,524	235,785	-4%	-	-	-
Total equity	773,460	804,493	-4%	226,741	241,088	-6%



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Explanatory notes on Balance Sheet

1. Property, Plant and Equipment, Land use rights and Land awaiting for future development

Property, plant and equipment, Land use rights and Land awaiting for future development decreased by S\$25.2 million from S\$1,001.3 million as at 31 December 2007 to S\$976.1 million as at 30 June 2008 mainly due to translation adjustment of \$40.6 million on opening balances, depreciation charge of S\$16.8 million, transfer of fixed assets to cost of sales of S\$3.6 million upon sales and revenue recognition of Banyan Tree Lijiang's villas/townhouses, disposal of fixed asset of S\$0.5 million, partially offset by capital expenditure of S\$25.9 million which include construction and renovation of various hotel projects and land acquisition of S\$16.1 million adjacent to Laguna Phuket for future development.

2. Long-term Investment

The increase of S\$11.9 million from S\$9.1 million to S\$21.0 million relates to equity investments in Mexico (S\$4.1 million), Maldives (S\$1.4 million) and Banyan Tree Indochina Hospitality Fund (S\$6.8 million).

3. Trade receivable

Trade receivable decreased by S\$20.3 million due to settlement of outstanding installment of properties sold and lower outstanding debts from hotel operations.

4. Property development costs

Property development costs increased by S\$13.7 million from S\$78.5 million to S\$92.2 million as at 30 June 2008 mainly due to higher residential development project costs arising from increased activities.



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1(b)(ii) Aggregate amount of the group's borrowings and debts securities

	Group	
	As at	
	30-Jun-08 (S\$'000)	31-Dec-07 (S\$'000)
Amount repayable in one year or less, or on demand:-		
Secured	61,550	49,011
Unsecured	42,132	45,066
Sub-Total 1	103,682	94,077
Amount repayable after one year:-		
Secured	143,480	147,957
Unsecured	100,000	100,000
Sub-Total 2	243,480	247,957
Total Debt	347,162	342,034

Details of any collateral

The long-term secured bank loans are secured by assets with the following net book values:

	Group	
	As at	
	30-Jun-08 (S\$'000)	31-Dec-07 (S\$'000) (As restated)
Freehold land and buildings	624,877	640,232
Quoted shares in a subsidiary company	32,800	30,272
Leasehold buildings	24,482	26,980
Unquoted shares in subsidiary companies	10,724	10,074
Prepaid island rental	24,853	27,610
Other assets	65,015	54,637
	782,751	789,805



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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	6 months ended 30 Jun	
	2008	2007
	(S\$'000)	(S\$'000)
<i>Cash flows from operating activities</i>		
Profit before taxation	48,244	33,128
Adjustments for:		
Share of results of associated companies	(990)	(956)
Share of results of joint venture companies	4	9
Depreciation of property, plant and equipment	16,734	12,665
Loss on disposal of property, plant and equipment	619	42
Negative goodwill on acquisition	(424)	-
Finance income	(1,230)	(2,044)
Finance cost	8,820	7,478
Gain on disposal of subsidiary	(257)	-
Amortisation of lease rental and land use rights	2,053	1,964
Allowance for/(write back of) doubtful debts - trade	1,663	(50)
Bad debts written back - trade	-	(60)
(Write back of) / Provision for inventory obsolescence	(114)	48
Grant of share options to employees	213	-
Currency realignment	(3,634)	(513)
Operating profit before working capital changes	71,701	51,711
Increase in inventories	(1,176)	(621)
Increase in trade and other receivables	(12,603)	(18,835)
Decrease/(increase) in amounts due from related parties	1,673	(1,370)
(Decrease) in trade and other payables	(3,769)	(7,733)
	(15,875)	(28,559)
Cash flows generated from operating activities	55,826	23,152
Interest received	2,458	2,190
Interest paid	(9,389)	(6,529)
Tax paid	(8,870)	(7,831)
Net cash flows from operating activities	40,025	10,982
<i>Cash flows from investing activities</i>		
Purchase of property, plant and equipment	(25,898)	(54,531)
Proceeds from disposal of property, plant and equipment	53	91
Purchase of land awaiting for future development	(16,116)	-
Increase in investment in associated companies	(4,720)	(2,427)
Increase in long term investments	(12,358)	-
Acquisition of minority interest	(650)	-
Disposal of subsidiary, net of cash received	(41)	-
Payment of lease rental	(935)	(1,034)
Net cash flows used in investing activities	(60,665)	(57,901)
<i>Cash flows from financing activities</i>		
Proceeds from bank loans	47,527	44,899
Repayment of bank loans	(31,273)	(15,430)
Payment of dividends		
- by subsidiary companies to minority interests	(6,714)	(4,593)
- by Company to shareholders	(15,168)	(13,553)
Payment to hire purchase creditors	-	(6)
Net cash flows (used in)/from financing activities	(5,628)	11,317
Net decrease in cash and cash equivalents	(26,268)	(35,602)
Net foreign exchange difference	(3,166)	2,148
Cash and cash equivalents at beginning of year	115,716	81,523
Cash and cash equivalents at end of the period	86,282	48,069



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Explanatory notes on Consolidated Cash Flow

As at 30 June 2008, the Group's cash and cash equivalents increased by 79% to S\$86.3 million compared to 30 June 2007.

During the period, the group generated positive operating cash flow of S\$40.0 million, mainly due to profit before tax of S\$48.2 million adjusted for non-cash items of S\$23.5 million, comprising mainly depreciation and amortisation of island rental of S\$18.8 million and finance expenses of S\$8.8 million. This was reduced by a net decrease in cash generated from working capital changes of S\$15.9 million, and net interest and income tax payments of S\$15.8 million.

The net cash flows used in investing activities amounted to S\$60.7 million. This was largely due to capital expenditure of S\$25.9 million comprising acquisition, construction and renovation of various hotel projects, and S\$12.4 million relating to equity investment in Mexico, Maldives and Banyan Tree Indochina Hospitality Fund. In addition, there was a purchase of land at \$16.1 million adjacent to Laguna Phuket for future development.

The net cash flows used in financing activities amounted to S\$5.6 million. This was mainly due to scheduled bank repayment of S\$31.3 million coupled with dividend payment of S\$15.2 million to shareholders of the company and S\$6.7 million to minority shareholders of LRH, partially offset by loan drawdown of S\$47.5 million.



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1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Share capital (S\$'000)	Treasury shares (S\$'000)	Merger deficit (S\$'000)	Capital reserve (S\$'000)	Revaluation reserve (S\$'000)	Currency translation reserve (S\$'000)	Fair value adjustment reserve (S\$'000)	Legal reserve (S\$'000)	Share based payment reserve (S\$'000)	Accumulated profits (S\$'000)	Total attributable to equity holders of the Company (S\$'000)	Minority interest (S\$'000)	Total equity (S\$'000)
Balance as at 1 January 2008 (As restated)	199,995	(5,191)	(18,038)	7,852	189,280	(23,745)	(547)	613	7,998	210,491	568,708	235,785	804,493
Exchange differences on translation of financial statements of overseas subsidiary and associated companies	-	-	-	-	-	(24,189)	-	-	-	-	(24,189)	(11,580)	(35,769)
Net profit for the period	-	-	-	-	-	-	-	-	-	18,867	18,867	12,336	31,203
Dividend paid	-	-	-	-	-	-	-	-	-	(15,168)	(15,168)	-	(15,168)
Dividend paid to minority shareholders of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	(6,714)	(6,714)
Acquisition of additional shares in a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	(1,073)	(1,073)
Effects of changes in tax rate	-	-	-	-	(2,661)	-	-	-	-	-	(2,661)	(1,316)	(3,977)
Net change in fair value adjustment reserve	-	-	-	-	-	-	166	-	-	-	166	86	252
Issue of Performance Share Grants to employees	-	-	-	-	-	-	-	-	213	-	213	-	213
Transfer to legal reserve	-	-	-	-	-	-	-	4,638	-	(4,638)	-	-	-
Balance as at 30 June 2008	199,995	(5,191)	(18,038)	7,852	186,619	(47,934)	(381)	5,251	8,211	209,552	545,936	227,524	773,460



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GROUP	Share capital (S\$'000)	Merger deficit (S\$'000)	Capital reserve (S\$'000)	Revaluation reserve (S\$'000)	Currency translation reserve (S\$'000)	Fair value adjustment reserve (S\$'000)	Legal reserve (S\$'000)	Share based payment reserve (S\$'000)	Accumulated profits (S\$'000)	Total attributable to equity holders of the Company (S\$'000)	Minority interest (S\$'000)	Total equity (S\$'000)
Balance as at 1 January 2007	199,995	(18,038)	7,852	26,071	(7,105)	(551)	613	7,760	142,454	359,051	152,121	511,172
Exchange differences on translation of financial statements of overseas subsidiary and associated companies	-	-	-	(151)	5,548	-	-	-	-	5,397	8,104	13,501
Net profit for the period	-	-	-	-	-	-	-	-	14,339	14,339	9,513	23,852
Dividend paid	-	-	-	-	-	-	-	-	(13,553)	(13,553)	-	(13,553)
Dividend paid to minority shareholders of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(4,593)	(4,593)
Acquisition of additional shares in a subsidiary company	-	-	-	-	-	-	-	-	(188)	(188)	188	-
Balance as at 30 June 2007	199,995	(18,038)	7,852	25,920	(1,557)	(551)	613	7,760	143,052	365,046	165,333	530,379



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1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

COMPANY	Share capital (S\$'000)	Treasury shares (S\$'000)	Capital reserve (S\$'000)	Share based payment reserve (S\$'000)	Accumulated profits (S\$'000)	Total equity (S\$'000)
Balance as at 1 January 2007	199,995	-	7,852	7,760	19,630	235,237
Net profit for the period	-	-	-	-	16,652	16,652
Dividend paid	-	-	-	-	(13,553)	(13,553)
Balance as at 30 June 2007	199,995	-	7,852	7,760	22,729	238,336
Balance as at 1 January 2008	199,995	(5,191)	7,852	7,796	30,636	241,088
Net profit for the period	-	-	-	-	821	821
Dividend paid	-	-	-	-	(15,168)	(15,168)
Balance as at 30 June 2008	199,995	(5,191)	7,852	7,796	16,289	226,741



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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There had been no change in the company's share capital in the current reported financial period.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	30-Jun-08 No. of shares	31-Dec-07 No. of shares
Number of issued shares excluding Treasury shares	758,402,280	758,402,280

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

	30-Jun-08 No. of shares	31-Dec-07 No. of shares
Treasury shares	3,000,000	3,000,000

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the group auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2007.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, the effect of, the change.**

The Group adopts revaluation model for its land, land awaiting for development and buildings and these assets are revalued every 3 years. With effect from 1.1.2008, the Group will segregate land, land awaiting for development and buildings into two classes: leasehold and freehold. For leasehold land, land awaiting for development and buildings, the Group will adopt cost model and no revaluation will be carried out on this class of assets. For freehold land, land awaiting for development and buildings, the Group will continue to adopt revaluation model and revaluation will be carried out every three years.



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As a result of the change in accounting policy, comparative figures have been restated to conform with the current year's presentation and to better reflect the nature of the transactions.

Impact to the net asset value per ordinary shares is detailed as follows:

	Group As at	
	31-Dec-07 (S\$'000)	31-Dec-07 (S\$'000)
	As currently reported	As previously reported
Non-current assets		
Property, plant and equipment	976,627	1,013,435
Capital and reserves		
Revaluation reserve	189,280	224,218
Minority interests	235,785	237,655
Net asset value per ordinary share based on issued share capital at the end of the period (S\$)	0.75	0.80

Other than the above, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2007.

6 Earnings per ordinary share of the group for the current financial period reported and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -

- (a) Based on the weighted average number of ordinary shares on issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	3 months ended 30 Jun		6 months ended 30 Jun	
	2008	2007	2008	2007
a) Based on the weighted average number of ordinary shares on issue (cents)	0.46	0.42	2.49	1.88
b) On fully diluted basis (cents)	0.46	0.42	2.48	1.88

- (i) The basic earnings per ordinary share for the 3 months period, the 6 months period and the same period last year have been calculated based on the weighted average number of 758,402,280 and 761,402,280 ordinary shares.
- (ii) The diluted earnings per ordinary share for the 3 months period and the same period last year have been calculated based on the weighted average number of 760,311,030 and 762,271,662 ordinary shares respectively.

The diluted earnings per ordinary share for the 6 months period and the same period last year have been calculated based on the weighted average number of 759,706,780 and 761,839,373 ordinary shares respectively.



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7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Group As at		Company As at	
	30-Jun-08	31-Dec-07 (As restated)	30-Jun-08	31-Dec-07
Net asset value per ordinary share based on issued share capital* at the end of the period (S\$)	0.72	0.75	0.30	0.32

Notes:

* 758,402,280 ordinary shares in issue as at 30 June 2008 and 31 December 2007.



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- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A) REVENUE

	Group				Group			
	2Q	2Q	Actual vs 2007		HY	HY	Actual vs 2007	
	30-Jun-08	30-Jun-07	Incr/(Decr)		30-Jun-08	30-Jun-07	Incr/(Decr)	
	SGD'000	SGD'000	SGD'000	%	SGD'000	SGD'000	SGD'000	%
Hotel Investment	38,121	43,963	(5,842)	-13%	115,121	109,377	5,744	5%
Hotel Management	3,977	3,344	633	19%	6,952	6,491	461	7%
Hotel Residences	33,251	3,532	29,719	841%	48,274	6,863	41,411	603%
Spa Operations	6,069	5,567	502	9%	13,250	11,553	1,697	15%
Property Sales	16,051	16,709	(658)	-4%	38,755	35,975	2,780	8%
Gallery Sales	3,677	2,528	1,149	45%	6,712	4,949	1,763	36%
Design Fees and Others	5,293	7,363	(2,070)	-28%	9,902	12,727	(2,825)	-22%
Revenue	106,439	83,006	23,433	28%	238,966	187,935	51,031	27%



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B) PROFITABILITY

	Group				Group			
	2Q	2Q	Actual vs 2007		HY	HY	Actual vs 2007	
	30-Jun-08	30-Jun-07	Incr/(Decr)		30-Jun-08	30-Jun-07	Incr/(Decr)	
	SGD'000	SGD'000	SGD'000	%	SGD'000	SGD'000	SGD'000	%
EBITDA (Operating Profit)								
Hotel Investment	2,654	9,449	(6,795)	-72%	36,650	37,797	(1,147)	-3%
Hotel Management	143	252	(109)	-43%	(378)	292	(670)	<i>nm</i>
Hotel Residences	18,521	771	17,750	2302%	26,221	2,457	23,764	967%
Spa Operations	819	1,115	(296)	-27%	1,900	2,804	(904)	-32%
Property Sales	4,600	3,835	765	20%	12,121	10,558	1,563	15%
Gallery Sales	410	334	76	23%	865	933	(68)	-7%
Design Fees and Others	431	3,276	(2,845)	-87%	(2,047)	4,565	(6,612)	<i>nm</i>
Head Office Expenses	(4,438)	(3,740)	(698)	19%	(8,897)	(7,540)	(1,357)	18%
Other Operating Income (net)	240	239	1	0%	7,200	378	6,822	1805%
EBITDA (Operating Profit)	23,380	15,531	7,849	51%	73,635	52,244	21,391	41%
PATMI	3,508	3,179	329	10%	18,867	14,339	4,528	32%



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C) BUSINESS SEGMENTS REVIEW

i) Hotel Investment segment

Hotel Investment revenue decreased by S\$5.8 million or 13% from S\$43.9 million in 2Q07 to S\$38.1 million in 2Q08. This was contributed largely by Laguna Phuket of which Sheraton Grande, Laguna Beach Resort and Dusit Laguna contributed S\$4.2 million or 72% to the overall shortfall.

Laguna Phuket was affected by lower MICE business which was the target market segment during the low season. MICE business recorded a decrease of 21% compared to the same period last year. In addition, there was lower revenue from the wholesale market which showed a drop of 7% against the same period last year primarily attributed to the Asian wholesale market which is more price sensitive than the European market. This was also in part due to the current uncertainties in the world economy, high inflation and high oil prices.

Our two properties in China, Banyan Tree Lijiang and Banyan Tree Ringha recorded revenue below last year due to lower occupancy by 13% points (65% to 52%) as a result of travel restriction leading up to the Olympics, the recent earthquake in Sichuan and the political unrest in Tibet. Average room rate ("ARR") of S\$572 was however higher than last year by 12%.

Our four properties in Maldives, Banyan Tree Maldives, Banyan Tree Madivaru, Angsana Maldives and Angsana Velavaru performed better than last year. Overall occupancy was 6% points (45% to 51%) higher than last year and ARR in its functional currency was 10% (from US\$393 to US\$432) higher than last year.

EBITDA decreased by S\$6.8 million or 72% from S\$9.5 million in 2Q07 to S\$2.7 million in 2Q08. This was mainly due to lower revenue which contributed S\$3.3 million to the overall decrease and net exchange loss of S\$2.3 million.

ii) Hotel Management segment

Hotel management revenue increased by S\$0.6 million or 19% from S\$3.4 million in 2Q07 to S\$4.0 million in 2Q08 mainly due to fund management fees from managing the IndoChina Hospitality Fund, based on the first closing of US\$100 million in February 2008. Fees from Hotel Management was almost in line with last year.

EBITDA decreased by S\$0.1 million or 43% from S\$0.3 million in 2Q07 to S\$0.2 million in 2Q08 notwithstanding higher revenue mainly due to higher sales and marketing expenses such as the set up of new sales offices in key regional locations as a result of expansion.

If we were to include management fees of those resorts which we have a majority interest and therefore eliminated on consolidation which amounted to S\$2.7 million in 2Q08 and 2Q07, EBITDA would have been S\$2.8 million in 2Q08 as compared to S\$2.9 million in 2Q07.

(iii) Hotel Residences segment

Hotel Residences revenue increased by S\$29.7 million or 841% from S\$3.5 million in 2Q07 to S\$33.2 million in 2Q08 mainly due to sales and progress revenue recognition of Banyan Tree Phuket Pool and Double Pool Villas, Dusit Villas, Banyan Tree Lijiang Villas/Townhouses and Banyan Tree Bangkok Suites. In the corresponding period last year, there were only sales and progressive revenue recognition of Dusit Villas and Banyan Tree Phuket two-bedroom pool villa. In 2Q08, we sold a total of 17 units of villas/townhomes/ suites as compared to only 2 units in 2Q07.

Due to the strong sales growth, revenue of S\$48.3 million achieved at half year mark has already surpassed the full year revenue of S\$46.3 million achieved last year.

EBITDA increased by S\$17.7 million or 2,302% from S\$0.8 million in 2Q07 to S\$18.5 million in 2Q08 in line with the higher revenue.



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iv) Spa segment

Spa revenue increased by S\$0.5 million or 9% from S\$5.6 million in 2Q07 to S\$6.1 million in 2Q08 mainly due to higher revenue from spa outlets in China and Dubai.

EBITDA however, decreased by S\$0.3 million or 27% from S\$1.1 million for 2Q07 to S\$0.8 million in 2Q08 mainly due to higher staff costs as a result of increased headcount to support expansion activities and higher cost of operating supplies.

v) Property Sales segment

Property sales revenue was lower by S\$0.7 million or 4% from S\$16.7 million in 2Q07 to S\$16.0 million in 2Q08. This was mainly due to lower sales of vacation club memberships by S\$1.7 million. Higher revenue of S\$1.0 million from sales and revenue recognition of Laguna Village Townhomes phase 2, Laguna Residences phase 3 and Laguna Village Residences phase 4 partially reduced the shortfall.

EBITDA however increased by S\$0.8 million or 20% from S\$3.8 million in 2Q07 to S\$4.6 million in 2Q08, mainly due to higher sales margins and progressive recognition of Laguna Village Residences phase 4.

vi) Gallery Sales segment

Revenue from Gallery Sales increased by 45% from S\$2.5 million in 2Q07 to S\$3.7 million in 2Q08 mainly due to export sales to Angsana Hotel and Suites Dubai (UAE) of S\$0.9 million for its soft opening and higher retail sales as compared to last year.

EBITDA increased by S\$0.1 million or 23% from S\$0.3 million in 2Q07 to S\$0.4 million in 2Q08 due to increase in revenue as mentioned above, partially offset by higher payroll expenses due to higher headcount to support the increase in business activities.

vii) Design Fees and Others segment

Design fees and Others segment revenue decreased by S\$2.1 million or 28% from S\$7.4 million in 2Q07 to S\$5.3 million in 2Q08 mainly due to lower fees billed for projects in this quarter based on certain design milestones.

EBITDA decreased by S\$2.9 million from S\$3.3 million in 2Q07 to S\$0.4 million in 2Q08 due to timing differences and lower revenue as explained above coupled with increased headcounts and operating expenses to support the expansion growth in this segment.

viii) Head Office

Head office expenses increased by S\$0.7 million from S\$3.7 million in 2Q07 to S\$4.4 million in 2Q08. This was mainly attributable to increased headcounts and higher business development expenses, as the group continues its global expansion.

9 Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.



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10 A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

We are cautiously optimistic that our prospects remain broadly positive despite the current global economic slowdown and costlier air travel resulting from high fuel prices.

Purchase of an adjacent prime land to Laguna Phuket

In June 2008, LRH purchased 9 hectares of land adjacent to Laguna Phuket for S\$16.1 million with the remaining 29 hectares to be purchased over a period of up to 10 years. This land will be developed for residential, hotel and commercial use.

Hotel Investment

Notwithstanding current uncertainties in the world economy, the trend in our Rooms revenue order book has been encouraging. Based on the current order book, the on-the-book (OTB)/rooms commitments for the next six months are ahead of the corresponding period last year. We are therefore cautiously optimistic that hotel bookings will be reasonably strong in the second half of this year.

Hotel Residences/ Property Sales

The current order book for sale of properties remains strong.

For the six months period, we have sold 62 units totaling S\$90.6 million compared to 38 in the corresponding period. Including units sold in 2007, we have a total of S\$95.6 million unrecognised revenue as at 30 June 2008 as compared to \$61.2 million as at 30 June 2007 and we will be progressively recognising revenue on percentage of completion basis as construction progresses in 2008.

Based on the revenue achieved at half year and the unrecognized revenue expected to be recognized progressively, revenue from Hotel Residences/Property Sales is expected to surpass last year.

Management, Spa and Design Income

The outlook is positive with additional fees from fund management and also new management contracts coming on-stream in the next few years.

We have opened Banyan Tree Sanya (Hainan) comprising of 61 villas at the end of April 2008, and by 3rd quarter of the year, we will open Angsana Hotel & Suites Dubai (UAE) Tower 1 comprising of 417 keys.

Also in the next few quarters, we expect to launch 3 new spas.



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11 Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? No.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not Applicable.

(d) Books disclosure date

Not Applicable.

12 If no dividend has been declared/ recommended, a statement to that effect.

Not Applicable.



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13 Interested Persons Transactions for the 3 months ended 30 June 2008

	Interested Person Transaction	Aggregate value of all interested parties transactions during the financial quarter under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate) 3 months ended 30 June 2008 (S\$'000)	Aggregate value of all interested parties transactions conducted under Shareholders' Mandate (excluding transactions less than S\$100,000) 3 months ended 30 June 2008 (S\$'000)
A	Transactions with the Tropical Resorts Limited Group (TRL)		
a	Provision of Resort Management and Related Services to TRL	-	1,127
b	Provision of Spa Management and Other Related Services to TRL	-	550
c	Returns from TRL in respect of units in Banyan Tree Bintan and Angsana Bintan	-	723
B	Transactions with the Laguna Resorts & Hotel Public Company Limited Group (LRH)		
a	Provision of Resort Management and Related Services to LRH	-	1,542
b	Payment of Rent and Services to LRH	-	1,089
c	Reimbursement of expenses - from LRH - to LRH	- -	2,265 1,953
d	Supply of Goods and Vouchers - from LRH	-	476
e	Payment of Interest by Lijiang Banyan Tree Hotel Co., Ltd to LRH	-	209
C	Transactions with Phuket Hotel Limited (PHL)		
a	Centralised Service Fees to LRH	-	172
	Total	-	10,106



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CONFIRMATION BY THE BOARD

We, Ho KwonPing and Ariel Vera, being Directors of Banyan Tree Holdings Limited (the "Company"), do hereby confirm on behalf of the Board of Directors that taking into account the matters announced and publicly disclosed by the Company prior to the date of this confirmation and the prevailing accounting policies adopted by the Company in accordance with the Singapore Financial Reporting Standards, to the best of the knowledge of the Board of Directors of the Company, nothing has come to the attention of the Board of Directors of the Company which may render the second quarter financial results false or misleading in any material respect.

On behalf of the Board,

HO KWONPING
Executive Chairman

ARIEL VERA
Group Managing Director

BY ORDER OF THE BOARD

Jane Teah Seow Lian
Company Secretary
14 August 2008