



BANYAN TREE HOLDINGS LIMITED
(Company Registration Number: 200003108H)



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- Banyan Tree Mayakoba
- Banyan Tree Ungasan



4TH QUARTER OPERATING PROFIT DOWN 79%, DUE TO POLITICAL TURMOIL IN THAILAND AND GLOBAL ECONOMIC DOWNTURN

Highlights:

- 4Q08 Total Revenue decreased by 39% to S\$94.0 million
- 4Q08 Operating Profit decreased by 79% to S\$10.9 million
- Lower contribution from property sales, hotel residences and hotel investments due to political turmoil in Thailand and global economic downturn
- FY08 Total Revenue increased by 1% to S\$427.9 million
- FY08 Operating Profit decreased by 23% to S\$93.8 million

4Q08 Results Snapshot (in S\$'million) :

| | 4Q08 | 4Q07 | Change (%) |
|----------------------------|-------|-------|------------|
| Total Revenue* | 94.0 | 153.2 | 39 ↓ |
| Operating Profit** | 10.9 | 51.4 | 79 ↓ |
| (LBT)/PBT# | (2.4) | 40.5 | Nm |
| (LATMI)/PATMI [^] | (7.0) | 18.4 | Nm |

FY08 Results Snapshot (in S\$'million) :

| | FY08 | FY07 | Change (%) |
|------------------------------|-------|-------|------------|
| Total Revenue* | 427.9 | 424.1 | 1 ↑ |
| Operating Profit** | 93.8 | 122.5 | 23 ↓ |
| PBT# before Exceptional item | 42.3 | 81.9 | 48 ↓ |
| Exceptional Item | - | 44.5 | 100 ↓ |
| PATMI [^] | 7.0 | 81.9 | 91 ↓ |

* Total Revenue = Revenue and Other Income

** Operating Profit = EBITDA (Earnings before interest, tax, depreciation & amortization)

(LBT)/PBT = (Loss Before Taxation) / Profit Before Taxation

[^] (LATMI)/PATMI = (Loss After Taxation and Minority Interest) / Profit After Taxation and Minority Interest

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- Banyan Tree Lijiang
- Banyan Tree Sanya

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Singapore, 25 February 2009 – Mainboard-listed Banyan Tree Holdings Limited (“Banyan Tree” or the “Group”), a leading manager and developer of premium resorts, hotels, spas and galleries, announced today its 4th quarter result which shows a 79% decrease in operating profit to S\$10.9 million due to political turmoil in Thailand and slow down in world economy following the financial crisis. However, operating profit for the full year 2008 was more muted at 23% below last year to S\$93.8 million, shored largely by a good first half year for the Group.

Mr Ho KwonPing, Executive Chairman of Banyan Tree said, “The political turmoil in Thailand which led to a week long closure of Bangkok’s Suvarnabhumi International Airport and left more than 300,000 tourists stranded in November has significantly affected our hotel operation and property sales in Thailand in the 4th quarter. We are bracing for a tough year in 2009 given the continuing political crisis in Thailand and the world economic slowdown and deterioration of the global financial situation. The Group however has embarked on various cost cutting measures for all its operations and will defer where necessary projects that have yet to commence and minimize capital expenditure.”

The Group’s total operating expenses for full year 2008 increased by 11% largely due to higher manning and related expenses and administrative expenses. There were increases in staff strength to support the new hotel operations in Banyan Tree Madivaru and Angsana Riads Collection, Morocco, as well as in existing operations to support the increased level of activities in various segments. Increase in administration expenses were mainly due to higher professional fees, provision for impairment on investments and higher provision for doubtful debts.

The Group’s overall cash and cash equivalents decreased by 54% to S\$53.7 million mainly due to various investments, construction and renovation projects and repayment of bank loans during the period.

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- Banyan Tree Vabbinfaru
- Banyan Tree Madivaru

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(A) BUSINESS SEGMENTS REVIEW

The Group registered total revenue of S\$427.9 million in 2008, an increase of S\$3.8 million (1%) compared to 2007. 4Q08 total revenue was 39% or S\$59.2 million lower and EBITDA was 79% or S\$40.5 million below the same period last year.

Property Sales

Property sales reported lower revenue by S\$28.9 million or 86% to S\$4.8 million in 4Q08. This was largely due to lower sales and revenue recognition for new projects such as Laguna Village Townhomes phase 3 and 4, and Bungalows phase 5 and 6. Earlier projects such as Laguna Village Townhomes phase 1 and 2 and Bungalows phase 1, 2 and 3 have been fully sold out and recognized in previous quarters due to construction completion. The segment registered a loss before interest, tax and depreciation (“LBITDA”) of S\$2.9 million in 4Q08 due to lower revenue.

Hotel Residences

Revenue from branded residences decreased by S\$22.8 million, or 64% from S\$35.8 million in 4Q07 to S\$13.0 million in 4Q08 mainly due to lower sales and progressive revenue recognition of Banyan Tree Phuket Pool and Double Pool Villas and Banyan Tree Bintan Jacuzzi and Pool villas, partially offset by higher revenue recognition of Banyan Tree Lijiang Villas/Townhouses and Banyan Tree Bangkok Suites. In addition, there was no revenue recognition for Dusit villas in 2008 as compared to last year. As a result of the lower revenue, EBITDA decreased significantly from S\$16.8 million in 4Q07 to S\$7.6 million in 4Q08.

Hotel Investment

Hotel Investment revenue decreased by S\$10.1 million or 16% largely due to Thailand (S\$13.2 million) because of the political crisis which resulted in 8-day closure of Bangkok airport. Resorts in Laguna Phuket contributed S\$10.4 million to the shortfall with the remaining S\$2.8 million from Banyan Tree Bangkok. Overall occupancy in Thailand was 25% points lower (from 77% to 52%) than last year. Our resorts

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- Banyan Tree Seychelles
- Banyan Tree Ringha

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in Maldives and China continued to perform well with revenue S\$2.7 million higher than last year. Our new resort in Morocco which opened in December 2007 also contributed higher revenue of S\$0.6 million in 4Q08.

EBITDA decreased by S\$11.1 million or 60% from S\$18.6 million in 4Q07 to S\$7.5 million in 4Q08. This was due to lower revenue coupled with higher cost as a result of increase in room inventory in Banyan Tree Lijiang, Banyan Tree Bangkok and Dusit Laguna.

Hotel Management

Hotel management revenue increased by S\$0.5 million to S\$4.0 million in 4Q08 mainly due to higher fund management fees from managing the Banyan Tree IndoChina Hospitality Fund and partially offset by lower fees from hotel management and club management. LBITDA increased by S\$1.0 million from S\$0.3 million in 4Q07 to S\$1.3 million in 4Q08 mainly due to higher expenses as a result of the set up of regional sales offices and fund management business.

Spa Operation

Spa revenue decreased by S\$0.2 million or 3% from S\$7.0 million in 4Q07 to S\$6.8 million in 4Q08. This was largely due to lower revenue from spa outlets in Thailand as a result of political instability and global economic downturn. LBITDA was S\$0.3 million in 4Q08 as compared to EBITDA of S\$1.7 million in 4Q07 due to lower revenue and unrealized exchange loss.

Design Fees and Others

Design Fees and Others segment revenue increased by S\$3.3 million or 62% to S\$8.5 million in 4Q08. This was mainly due to higher fees billed for new projects in this quarter based on certain design milestones. EBITDA increased by S\$3.1 million in tandem with the higher revenue.

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- Banyan Tree Phuket
- Banyan Tree Bangkok

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OUTLOOK

The global recession currently faced by major economies around the world has affected the travel industry as holiday makers, business travelers and MICE (meeting, incentive, travel, convention and exhibition) get increasingly cost conscious. Compounded with this, travel to Thailand for leisure or business will continue to be affected by the continuing political instability in Thailand. Buyers of holiday properties have also turned cautious amidst the current financial crisis. Under such environment, the Group therefore expects 2009 to be challenging and difficult. Barring unforeseen circumstances, we expect the results in 2009 to be lower than 2008 which had the benefit of a good first half of 2008. Against this backdrop, the Group will be vigilant in managing costs and has undertaken several cost cutting measures at the operations level and has also deferred major capital investment to preserve cash.

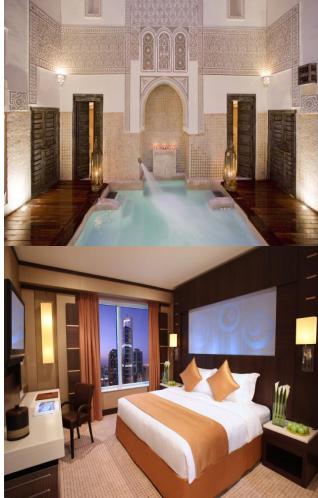
Banyan Tree Indochina Hospitality Fund (the "Fund")

Upon the 3rd closing of the Fund as at the end of 2008, the total capital raised by the Fund was US\$268 million. Laguna (Vietnam) Co., Ltd, a wholly-owned subsidiary of Enda Pte. Ltd ("Enda") will develop the Laguna Hue project, the construction of which was anticipated to commence in the first half of 2009. During the year, Banyan Tree transferred its interest in Enda to the Fund. The Fund is now well placed to proceed with the development of the first phase of the Laguna Hue project without even the need to rely on debt financing. The Fund will continue fund raising activities to seek further commitments from investors by the final closing date which cannot be later than 30 June 2009.

Hotel Operations

We are closely monitoring the Thai political situation and the general global economic outlook and will be carrying out tactical promotions to address the negative effects of the current crisis. As of now, the hotel's on the book rooms revenue (ie forward booking reservations) for 1st quarter for Banyan Tree/ Angsana outside Thailand is still healthy at 13% higher than the same period last year. OTB for hotels in Thailand however is 39% lower and the overall OTB is 19% below the same period last year. We are cautiously optimistic on our non Thailand resorts. However we remain concerned on our hotels in Thailand.

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- Angsana Riads Collection Morocco
- Angsana Dubai

Hotel Residences / Property Sales

Given the global recession, we expect a slow down in unit sales going forward and do not foresee any upturn in this segment. As at the date of this report, we have unrecognized revenue totaling S\$39.0 million that will be progressively recognized as construction progresses. In addition, in January 2009, we have also secured deposits for 3 units of villas/residences totaling S\$4.6 million and are in advanced stage of discussion for 2 units of Banyan Tree villas totaling S\$5.2 million. We would be able to recognize these new sales in 2009 when the sales are concluded.

Management, Spa and Design Income

Based on owners' projected dates, we expect to open the following resorts within the next 12 months:

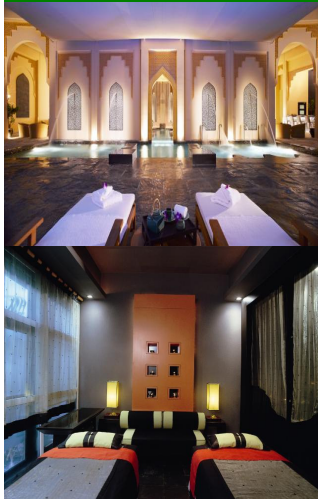
- Banyan Tree Mayakoba, Riviera Maya, Mexico
- Banyan Tree Cabo Marquess, Acapulco, Mexico
- Banyan Tree Ungasan, Bali, Indonesia
- Banyan Tree Al-Wadi, Ras Al Khaimah, UAE
- Banyan Tree Hangzhou, China
- The Meydan, Dubai, UAE

We will also derive more management fees from management of the Banyan Tree Indochina Hospitality Fund.

However, the delay in some of the projects will have corresponding impact on our design fees.

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- Banyan Tree Spa Al Areen
- Angsana Spa Sheraton Grande Laguna



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About Banyan Tree Holdings Limited

Banyan Tree Holdings Limited (“Banyan Tree” or the “Group”) is a leading manager and developer of premium resorts, hotels and spas in the Asia Pacific, with 25 resorts and hotels, 68 spas, 65 galleries and two golf courses. The Group manages and/or has ownership interests in niche resorts and hotels. The resorts each typically has between 50 and 100 rooms and commands room rates at the high end of each property’s particular market.

Banyan Tree has seven operating business segments: hotel investment, hotel residence sales, hotel management, spa operations, gallery operations, property sales, design fees and others (design and project management, golf course operations and other businesses).

The Group’s primary business is the management, development and ownership of resorts and hotels. This is centred around two award-winning brands: Banyan Tree and Angsana. Banyan Tree also operates the leading integrated resort in Thailand – Laguna Phuket, through the Group’s subsidiary, Laguna Resorts & Hotels Public Company Limited.

BANYAN TREE HOLDINGS LIMITED

(Company Registration Number: 200003108H)
211 Upper Bukit Timah Road Singapore 588182
Tel: (65) 6849-5888
Fax: (65) 6462-0186
Website: <http://www.banyantree.com>

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