



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

1ST QUARTER OPERATING PROFIT DOWN 51% VS. 1Q08 BUT MORE THAN DOUBLED 4Q08 RESULTS.

Highlights:

- 1Q09 Operating Profit improved 125% to S\$24.5 million over 4Q08, also a traditional peak season of the year
- Continued strong performance in Maldives and improved hotel performance in Thailand amidst reprieve of political instability
- 1Q09 Revenue decreased by 33% vs. 1Q08 to S\$88.2 million
- 1Q09 Operating Profit decreased by 51% vs. 1Q08
- Lower contribution from hotel investments, hotel residences and property sales due to continuing political crisis in Thailand and global economic downturn

1Q09 Results Snapshot (in S\$' million) :

	1Q09	4Q08	1Q08	1Q09 vs 4Q08 (%)	1Q09 vs 1Q08 (%)
Revenue	88.2	90.9	132.5	3% ↓	33% ↓
Operating Profit*	24.5	10.9	50.3	125% ↑	51% ↓
PBT/(LBT)#	10.3	(2.4)	37.2	Nm@	72% ↓
PATMI/(LATMI)^	5.2	(7.0)	15.4	Nm@	66% ↓

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

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

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

@ Nm = Not meaningful



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- Banyan Tree Seychelles

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- Banyan Tree Lijiang
- Banyan Tree Ringha

Singapore, 15 May 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 first quarter result which shows a 125% increase in operating profit compared to 4Q08 which was also a traditional peak season of the year. Hotel/resorts in both Thailand and Maldives registered significant improvement amidst a reprieve in the political instability in Thailand and global economic downturn. However, compared to 1Q08, operating profit was 51% below to S\$24.5 million as the adverse effects of a series of political upheaval in Bangkok and Phuket and the global economic downturn started to impact the Group since second half of 2008.

Mr Ho KwonPing, Executive Chairman of Banyan Tree said, “I am encouraged with our business in 1Q09 which exceeded our expectations. However, with the recent two fresh blows in Thailand – a state of emergency in the capital and the disruptions to the ASEAN summit – coupled with the global economic crisis, the next few quarters remain challenging and difficult. We will continue to exercise stringent cost cutting measures and adopt a prudent approach to our business.”

The Group’s total operating expenses for first quarter of 2009 decreased by 29% in all category of expenses, largely due to lower revenue and cost-cutting initiatives implemented group-wide.

The Group’s overall cash and cash equivalents decreased by 37% from S\$85.9 million in 1Q08 to S\$53.9 million in 1Q09 mainly due to lower profit generated in the current quarter.

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BUSINESS SEGMENTS REVIEW

The Group registered revenue of S\$88.2 million and EBITDA of S\$24.5 million in 1Q09, a decrease of S\$44.3 million (33%) and S\$25.8 million (51%) compared to the same period last year. This was mainly due to lower performances from Hotel Investment, Property Sales and Hotel Residences segments. Compared against 4Q08, EBITDA was 125% higher contributed mainly by Hotel Investment segment.

Hotel Investment

Hotel Investment segment achieved revenue of S\$58.0 million in 1Q09, an improvement of 10% or S\$5.3 million compared to 4Q08, which was also a traditional peak season of the year. With a reprieve from the political crisis in Thailand in 1Q09, our resorts in Thailand performed well with overall occupancy improving from 52% in 4Q08 to 60% in 1Q09. Overall RevPAR also increased by 20% from S\$179 to S\$214. Maldives region continued its strong sales growth in 1Q09 notwithstanding the global recession faced by major economies. Occupancy was 87%, an increase of 21% points compared to 4Q08 while RevPAR increased by 21%.

However as compared to 1Q08, Hotel Investment revenue decreased by S\$19.0 million or 25%. This was largely attributable to strong 1st half achieved by the Group in 2008 before the political crisis which affected Thailand since August 2008 and the rapid global economic downturn since July 2008. Hotel/resorts in Thailand contributed the entire shortfall in revenue compared to the same period last year. Revenue from Maldives region was in line with last year while revenue from the China region was 4% ahead.

EBITDA decreased by S\$13.7 million to S\$20.3 million in 1Q09 as compared to 1Q08, mainly due to lower revenue but partially cushioned by lower expenses as a result of cost cutting measures implemented group-wide.

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Property Sales and Hotel Residences

Hotel Residences segment and Property Sales segment recorded a combined revenue of S\$8.7 million, a decrease of 77% or S\$29.0 million compared to 1Q08. This was mainly due to slower sales since second half of 2008 as a result of the political events in Thailand and the worsening global economic crisis. Unlike Hotel Investment segment, sales from Hotel Residences and Property Sales segments continued to be slow in 1Q09. The two segments combined recorded 40% lower in new unit sales and 7% lower in new sales value compared to 4Q08.

Hotel Residences revenue of S\$2.7 million was lower by S\$12.3 million or 82% compared to 1Q08. This was due to lower sales and revenue recognition of Dusit villas and no revenue recognition of Banyan Tree Lijiang villas/townhouses compared to 6 units recognized in 1Q08. In addition, buyers who had booked 1 unit each of Banyan Tree Phuket 2 bedroom DoublePool villa and Dusit villa have switched their purchases to lower priced Laguna Village villas. The shortfall was partially offset by progressive revenue recognition of Banyan Tree Phuket pool villas.

Property Sales revenue of S\$6.0 million was lower by S\$16.7 million or 73% compared to 1Q08 due to lower sales and recognition of Laguna Village townhomes / bungalows but partially offset by revenue recognition of Laguna Village villas which buyers have switched from Hotel Residences.

Both segments combined recorded lower EBITDA by S\$12.6 million or 83% as compared to 1Q08 due to lower revenue.

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Hotel Management

Hotel management revenue increased by S\$3.1 million or 103% from S\$3.0 million in 1Q08 to S\$6.1 million in 1Q09 mainly due to higher hotel management fees from the newly-opened Angsana Dubai (opened in August 2008) and Banyan Tree Sanya (opened in May 2008), and fund management fees from managing the Banyan Tree Indochina Hospitality Fund. EBITDA increased by S\$2.8 million as a result of higher revenue.

Spa Operation

Spa revenue decreased by S\$0.2 million or 2% from S\$7.2 million in 1Q08 to S\$7.0 million in 1Q09 mainly due to lower revenue from spa outlets in Thailand as a result of political instability in Thailand and global economic downturn, partially offset by higher sales of retail products in Maldives, Seychelles, China and Bintan. EBITDA increased by S\$0.8 million mainly due to exchange gain, cost cutting efforts and absence of one-off assets write off in 1Q08 for closure of spa outlet in Sydney, Australia.

Design Fees and Others

Design fees and Others segment revenue increased by S\$1.8 million or 40% from S\$4.6 million in 1Q08 to S\$6.4 million in 1Q09 mainly due to higher fees billed for new projects in this quarter based on certain design milestones. EBITDA increased by S\$3.0 million due to higher revenue coupled with lower provision for bad debts.

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OUTLOOK

Notwithstanding the current economic downturn, 1Q09 results have been above our expectations. As we enter into the low season of the year, the performance of the Group in the next 2 quarters will remain challenging and possibly unprofitable. However, if the global economic crisis and Thai political situation stabilises and barring any other unforeseen circumstances, we expect the full year results to be profitable.

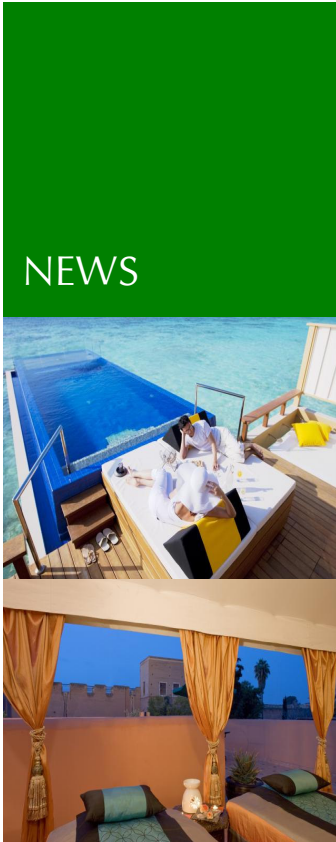
Hotel Operations

The current political instability in Thailand will affect tourist arrivals into Thailand. As at 4 May 2009, we received cancellations amounting to S\$523,000 in rooms revenue for Thailand. The cancellations represent 5% of total on-the-book (“OTB”) revenue (ie forward booking reservation). We are closely monitoring the political situation in Thailand and also the global economic slowdown and will continue to carry out tactical promotions to boost occupancy. As of now, the hotel’s OTB rooms revenue for 2nd quarter for Banyan Tree/ Angsana outside Thailand is in line with the same period last year. OTB for hotels in Thailand however is 28% lower and the overall OTB is 12% below the same period last year.

Hotel Residences/ Property Sales

Unit sales are expected to be slow given the recent political events in Thailand and the recession currently faced by global economy. As at date of report, we have unrecognized revenue totaling S\$20.2 million (2008: S\$107.4 million) that will be progressively recognized as construction progresses.

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Management, Spa and Design Income

Banyan Tree Mayakoba, Riviera Maya, Mexico soft opened in February 2009 but unfortunately, given the current Influenza A (H1N1) virus outbreak in Mexico, its performance will be affected. The following resorts are currently scheduled to open in the next few quarters:

- i. Banyan Tree Hangzhou, China
- ii. Banyan Tree Ungasan, Bali, Indonesia
- iii. Banyan Tree Al-Wadi, Ras Al Khaimah, UAE
- iv. Banyan Tree Cabo Marques, Acapulco, Mexico
- v. Banyan Tree Koh Samui, Thailand

We will continue to monitor the opening dates of these properties in light of the global economic situation.

Also in the next few quarters, we expect to launch an estimated 6 spas under management.

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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 26 resorts and hotels, 71 spas, 67 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

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