



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



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- Banyan Tree Ungasan
- Banyan Tree Mayakoba



4TH QUARTER OPERATING PROFIT UP 87%, DUE TO GRADUAL RECOVERY OF GLOBAL ECONOMY

Highlights:

- 4Q09 Revenue increased by 3% to S\$94.0 million
- 4Q09 Operating Profit increased by 87% to S\$20.4 million
- Improved contribution mainly from hotel investments segment and cost saving measures
- FY09 Revenue decreased by 24% to S\$313.3 million
- FY09 Operating Profit decreased by 26% to S\$69.5 million
- Hotel's forward booking surpassed same period last year

4Q09 Results Snapshot (in S\$'million) :

	4Q09	4Q08	Change (%)
Revenue	94.0	90.9	3 ↑
Operating Profit*	20.4	10.9	87 ↑
PBT/(LBT) [#]	8.3	(2.4)	Nm
Income Tax Expense	(3.0)	(6.0)	50 ↓
PATMI [^]	3.0	(7.0)	Nm

FY09 Results Snapshot (in S\$'million) :

	FY09	FY08	Change (%)
Revenue	313.3	412.6	24 ↓
Operating Profit*	69.5	93.8	26 ↓
PBT [#]	14.7	42.3	65 ↓
Income Tax Expense	(11.3)	(24.0)	53 ↓
PATMI [^]	3.0	7.0	57 ↓

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

[#] PBT / (LBT) = Profit Before Taxation / (Loss Before Taxation)

[^] PATMI = Profit After Taxation and Minority Interest

Nm = not meaningful

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- Banyan Tree Bintan
- Banyan Tree Seychelles

Singapore, 25 February 2010 – 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 showed a 87% increase in operating profit to S\$20.4 million, boosted by good revenue growth from hotels and resorts in Thailand coupled with group-wide cost saving measures. For the full year, the Group remained profitable with PATMI at S\$3.0 million but was 57% below last year, due to a strong first half in 2008 before the onset of global economic downturn and political events in Thailand.

Mr Ho KwonPing, Executive Chairman of Banyan Tree said, “The global economy continues to recover from the worst recession in 70 years and riding on this recovery, we achieved a 87% increase in operating profit in the 4th quarter. At the PATMI level, we recorded a profit of S\$3.0 million against a loss of S\$7.0 million last year. Our hotel forward bookings led by resorts in Thailand continue to register strong growth surpassing last year by 32% with resorts in Thailand 35% ahead. We are cautiously optimistic of a better performance in 2010 with the global economy off to an earlier start than expected.”

The Group’s total operating expenses for the three months decreased by 11% largely due to lower salaries and related expenses as a result of cost saving initiatives implemented group-wide, and lower administrative expenses as a result of lower exchange loss, lower provision for doubtful debts and absence of impairment provision on investment.

The Group’s overall cash and cash equivalents for the year increased by 42% to S\$76.3 million largely due to lower funds used for investing activities, in line with the Group’s strategy of preserving cash following the onset of the global financial crisis.

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(A) BUSINESS SEGMENTS REVIEW

The Group registered revenue of S\$94.0 million, an increase of S\$3.1 million or 3% compared to 4Q08. This was mainly attributable to higher revenue from Hotel Investment segment partially offset by lower combined revenue from Hotel Residences and Property Sales segments. EBITDA of S\$20.4 million increased by S\$9.5 million or 87% mainly due to higher revenue and cost saving measures.

Hotel Investment segment

Hotel Investments segment achieved revenue of S\$57.9 million in 4Q09, an increase of S\$5.3 million or 10% compared to 4Q08. All 3 major regions i.e. Thailand, Maldives and China recorded higher revenue compared to the same period last year with Thailand accounting for 92% of the overall increase.

Our hotels and resorts in Thailand registered higher revenue by S\$4.9 million or 13% compared to the same period last year, mainly due to stabilization of the political situation in Thailand and gradual recovery of the global economy. In the same period last year, our hotels and resorts in Thailand were adversely impacted by global economic downturn and the political crisis in Thailand which resulted in week-long closure of Bangkok international airport. Overall occupancy increased by 15% points from 52% in 4Q08 to 67% to 4Q09.

Our resorts in Maldives recorded higher revenue by S\$0.3 million or 2%, due to contributions from the 33 new InOcean villas in Angsana Velavaru. InOcean villas, which were launched in July 2009, was well received and achieved strong occupancy of 86% in 4Q09.

Our resorts in China also performed well with revenue S\$0.2 million or 4% ahead of last year. This was partly due to increased number of villas (from 88 in December 2008 to 122 in March 2009) in Banyan Tree Lijiang. Overall occupancy increased by 9% points from 43% in 4Q08 to 52% in 4Q09.

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- Banyan Tree Sanya

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For FY09, revenue of S\$186.6 million was S\$18.5 million or 9% lower compared to FY08. This was mainly due to a strong first half in 2008 before the onset of global economic downturn and the deterioration of political situation in Thailand. Overall revenue shortfall was contributed mainly by Thailand (S\$24.2 million), partially cushioned by Maldives (S\$0.7 million) and China (S\$2.6 million). Better performance from Maldives and China was due to the reasons mentioned above.

EBITDA increased by S\$9.9 million or 133% from S\$7.5 million in 4Q08 to S\$17.4 million in 4Q09 mainly due to higher revenue coupled with cost saving measures implemented group-wide. Against FY08, it decreased by S\$3.5 million or 7% from S\$47.0 million in FY08 to S\$43.5 million in FY09. Lower EBITDA was mainly due to lower revenue as explained above partially cushioned by lower expenses as a result of cost saving measures implemented group-wide.

Hotel Residences and Property Sales segments

Hotel Residences and Property Sales segments recorded combined revenue of S\$15.4 million in 4Q09, a decrease of S\$2.4 million or 14% compared to 4Q08. Hotel Residences segment revenue was lower by S\$7.1 million or 55% but partially offset by higher revenue from Property Sales segment by S\$4.7 million or 98%. The two segments combined recorded 80% lower in new unit sales and 75% lower in new sales value compared to 4Q08.

Revenue at Hotel Residences segment were lower mainly due to the strong sales prior to the onset of global financial crisis and the political events in Thailand which took place in second half of 2008. The strong sales resulted in progressive revenue recognition in 4Q08 whereby revenue of 12 units of Banyan Tree Phuket villas, 10 units of Banyan Tree Bangkok suites, and 13 units of Banyan Tree Lijiang villas and townhomes were progressively recognised. In 4Q09 however, there were only sales and full recognition of 1 unit of Banyan Tree Lijiang townhome and a few upgrades to higher premium products.

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- Banyan Tree Phuket

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Revenue at Property Sales segment were higher mainly due to sale and full revenue recognition of 1 unit of Laguna townhome and several upgrades to higher premium products in 4Q09 as opposed to partial revenue recognition of Laguna bungalows and Laguna Village villas in 4Q08.

For FY09, Hotel Residences and Property Sales segments recorded combined revenue of S\$48.3 million, a decrease of S\$82.5 million or 63% compared to FY08 mainly due to slower sales since the second half of 2008 as a result of the weak global economy and political events in Thailand. The two segments combined recorded 82% lower in new unit sales and 83% lower in new sales value compared to FY08.

EBITDA decreased by S\$0.2 million or 5% from S\$4.7 million in 4Q08 to S\$4.5 million in 4Q09. Against FY08, EBITDA decreased by S\$36.2 million or 69% from S\$52.5 million in FY08 to S\$16.3 million in FY09. Lower EBITDA was due mainly to lower revenue, partially offset by lower expenses due to cost saving measures.

Hotel Management segment

Hotel management revenue increased by S\$0.9 million or 23% from S\$4.0 million in 4Q08 to S\$4.9 million in 4Q09 mainly due to hotel management fees from Banyan Tree Mayakoba which opened in March 2009.

For FY09, hotel management revenue increased by S\$8.4 million or 55% from S\$15.2 million in FY08 to S\$23.6 million in FY09. The increase was contributed by hotel management fees (S\$4.3 million), fund management fees (S\$2.3 million) from managing Banyan Tree Indochina Hospitality Fund, and club management fees (S\$1.8 million) from managing Banyan Tree Private Collection.

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- Banyan Tree Ringha

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Higher hotel management fees were mainly from Banyan Tree Mayakoba (opened in March 2009) and Banyan Tree Sanya (opened in May 2008), coupled with compensation fees received as a result of early termination of Angsana Dubai's hotel management contract. The termination was due to the decision by Damas Hotels LLC, owner of the Angsana Dubai building, to proceed with the sale of the building in view of the challenging operating environment brought on by the global economic recession. Higher fund management fees was due to the increase in fund size from an average of US\$141 million in 2008 to US\$283 million at its final closing on 30 June 2009. Higher club management fees was due to the increase in number of club memberships sold. Higher hotel/fund management fees were in line with the Group's strategy to expand and diversify the Group's income stream through hotel management contracts and related fund management.

EBITDA increased by S\$0.5 million in 4Q09 vs 4Q08 and increased by S\$9.5 million in FY09 vs FY08, mainly due to higher revenue and lower expenses as a result of cost saving measures implemented group-wide.

Spa Operation segment

Spa revenue increased by S\$0.4 million or 6% from S\$6.8 million in 4Q08 to S\$7.2 million in 4Q09 mainly due to higher revenue from outlets such as Banyan Tree Bintan, Angsana Velavaru and Banyan Tree Shanghai and Angsana Egypt. Spa revenue of S\$26.9 million achieved in FY09 was almost in line with FY08.

EBITDA improved by S\$2.3 million from loss before income tax, depreciation and amortization ("LBITDA") of S\$0.3 million in 4Q08 to EBITDA of S\$2.0 million in 4Q09. This was due to higher revenue as well as lower operating expenses. Against FY08, EBITDA increased by S\$4.1 million from S\$2.8 million in FY08 to S\$6.9 million in FY09. Apart from exchange gain and cost saving efforts, higher EBITDA was also due to absence of one-off write-off in 1Q08 for closure of spa outlet in Sydney, Australia.

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- Banyan Tree Gallery

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Gallery Sales segment

Revenue from Gallery Sales segment increased by S\$1.5 million or 134% from S\$1.1 million in 4Q08 to S\$2.6 million in 4Q09 mainly due to improvement in hotel occupancy in Thailand coupled with sales to new outlets in Mexico.

For FY09, revenue decreased by S\$3.7 million or 34% from S\$10.8 million in FY08 to S\$7.1 million. The decrease was due in part to the progressive merging of 8 retail outlets in Maldives, Seychelles and Bintan into Spa operation since late last year. This is in line with the Group's strategy to streamline the two operations, also a part of the Group's cost saving measures.

LBITDA decreased by S\$0.4 million from S\$0.5 million in 4Q08 to S\$0.1 million in 4Q09, in line with the increase in revenue. Against FY08, EBITDA decreased by S\$0.5 million from S\$0.9 million in FY08 to S\$0.4 million in FY09 in line with the lower revenue as explained above partially offset by cost saving measures.

Design Fees and Others segment

Design fees and Others segment revenue decreased by S\$2.6 million or 30% from S\$8.5 million in 4Q08 to S\$5.9 million in 4Q09 and decreased by S\$3.0 million from S\$23.6 million in FY08 to S\$20.6 million in FY09. This was mainly due to lower fees billed for new projects based on certain design milestones.

EBITDA decreased by S\$4.1 million from S\$4.0 million in 4Q08 to LBITDA of S\$0.1 million in 4Q09, due to lower revenue. In addition, in 4Q08, there was a one-off write back of impairment loss on fixed assets. EBITDA in FY09 however, increased by S\$2.6 million from S\$0.9 million in FY08 to S\$3.5 million in FY09 notwithstanding a lower revenue mainly due to cost saving measures implemented group wide.

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- Angsana Great Barrier Reef

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OUTLOOK

With the global economy on the recovery trajectory and assuming stabilization of the Thai political situation and barring any unforeseen circumstances, we expect the positive trend from the fourth quarter in 2009 to continue into the first quarter of 2010 which is also the high season for our hotel operations.

For our hotel operations and in particular our resorts in Thailand, our on-the-books (“OTB”) rooms revenue (ie forward booking reservation) have improved significantly. Based on the latest record, OTB for 1Q10 is 32% ahead of last year with resorts in Thailand 35% above last year. In terms of actual revenue in Jan 2010, we are above pre-crisis level since 2006, and on same store basis we are close to pre-crisis level.

For property sales, we expect a slower recovery of this segment as it lags behind the recovery of hotel operations.

For our hotel management, spa and design income segment, we expect this business to continue to grow in line with our strategy. In December 2009, we soft opened Banyan Tree Hangzhou, China, Banyan Tree Al Wadi, Ras Al Khaimah, UAE and Banyan Tree Ungasan, Bali, Indonesia and expect to open the following 6 resorts in the next 12 months. In addition, 4 new hotel management contracts were also signed in 4Q09. We have signed since the onset of the financial crisis in March 2008, a total of 20 new hotel management agreements and 11 spa management agreements.

Hotels to be opened in the next 12 months

- Banyan Tree Cabo Marques, Acapulco, Mexico
- Banyan Tree Club and Spa Seoul, South Korea
- Banyan Tree Samui, Koh Samui, Thailand
- Banyan Tree Riverside, Shanghai, China
- Angsana Fu Xian Lake, Yunnan, China
- Angsana Hangzhou, China

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- Angsana Velavaru
- Angsana Ihuru

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Hotel management contracts signed in 4Q09

- Banyan Tree Riverside, Shanghai, overlooking the Huangpu River in Pudong, Shanghai, will have approximately 182 keys and is expected to open in 3Q10.
- Angsana Balaclava, Mauritius, located on a stretch of beach overlooking the Bay of Balaclava, will have approximately 50 keys and is expected to open in 1Q11.
- Angsana Nanjing Tangshan, is located in Jiangning, Nanjing, will have approximately 200-250 keys. The resort is of close proximity to the Tangshan Mountain which is famed for its hot mineral springs.
- Angsana 40 West, Cairo, Egypt, which covers an area of 4,500 sqm, will have approximately 50 keys and is situated close to one of The Seven Wonders of the World, The Great Pyramid of Giza.

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- Banyan Tree Mayakoba
- Tamarind Restaurant
- Banyan Tree Bangkok
- Vertigo Restaurant

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 27 resorts and hotels, 67 spas, 71 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 investments, hotel residences 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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