



BANYAN TREE HOLDINGS LIMITED
Unaudited results for the Second Quarter ended 30 June 2010

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		
		2010	2009	Incr/ (Decr)	2010	2009	Incr/ (Decr)
		(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Revenue	1	60,740	59,799	2%	156,978	148,003	6%
Other income		877	865	1%	4,319	1,590	172%
Costs and expenses							
Cost of operating supplies		(5,143)	(4,440)	16%	(12,904)	(11,293)	14%
Cost of properties sold		(1,908)	(2,841)	-33%	(3,115)	(5,212)	-40%
Salaries and related expenses		(24,784)	(19,088)	30%	(53,385)	(45,785)	17%
Administrative expenses		(9,694)	(10,406)	-7%	(23,925)	(20,469)	17%
Sales and marketing expenses		(5,022)	(2,939)	71%	(9,379)	(7,270)	29%
Other operating expenses		(14,076)	(11,982)	17%	(30,141)	(26,067)	16%
Total costs and expenses	2	(60,627)	(51,696)	17%	(132,849)	(116,096)	14%
Operating profit	3	990	8,968	-89%	28,448	33,497	-15%
Depreciation of property, plant and equipment	4	(8,655)	(9,126)	-5%	(17,414)	(18,138)	-4%
Amortisation of lease rental and land use rights		(1,164)	(1,189)	-2%	(2,136)	(2,430)	-12%
(Loss)/profit from operations		(8,829)	(1,347)	555%	8,898	12,929	-31%
Finance income		979	1,073	-9%	2,154	2,032	6%
Finance costs		(4,667)	(4,868)	-4%	(9,345)	(9,856)	-5%
Share of results of associated companies		(33)	2	nm	(101)	82	nm
Share of results of joint venture companies		(2)	(3)	-33%	(4)	(5)	-20%
(Loss)/profit before taxation		(12,552)	(5,143)	144%	1,602	5,182	-69%
Income tax credit/(expense)	5	622	(719)	nm	(3,945)	(4,154)	-5%
(Loss)/profit after taxation	6	(11,930)	(5,862)	104%	(2,343)	1,028	nm
Attributable to:							
Equity holders of the Company	8	(9,212)	(4,244)	117%	(3,876)	1,003	nm
Non-controlling interests	7	(2,718)	(1,618)	68%	1,533	25	6032%
Net (Loss)/Profit for the Period		(11,930)	(5,862)	104%	(2,343)	1,028	nm



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1(a)(ii) Statement of Comprehensive Income

	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
	2010 (S\$'000)	2009 (S\$'000)	Incr/ (Decr) %	2010 (S\$'000)	2009 (S\$'000)	Incr/ (Decr) %
Net (Loss)/Profit for the Period	(11,930)	(5,862)	104%	(2,343)	1,028	nm
Other comprehensive income:						
Exchange differences arising from consolidation of foreign operations and investment in foreign operations	(1,815)	(4,723)	-62%	9,711	13,929	-30%
Net change in fair value adjustment reserve	-	1,334	-100%	-	-	nm
Adjustment on property revaluation reserve, net of deferred tax	118	380	-69%	236	763	-69%
Total comprehensive income	(13,627)	(8,871)	54%	7,604	15,720	-52%
Attributable to:						
Equity holders of the Company	(10,845)	(7,136)	52%	1,419	9,854	-86%
Non-controlling interests	(2,782)	(1,735)	60%	6,185	5,866	5%
	(13,627)	(8,871)	54%	7,604	15,720	-52%

1(a)(iii) Additional Disclosures

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

Included in the tax expense for the year was an under provision of S\$234,000 relating to prior years.

	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
	2010 (S\$'000)	2009 (S\$'000)	Incr/ (Decr) %	2010 (S\$'000)	2009 (S\$'000)	Incr/ (Decr) %
(Loss)/Profit from operations (Loss)/Profit from operations is stated after charging/(crediting):						
(Write back of)/Allowance for doubtful debts - trade, net	(1,170)	786	nm	(344)	1,296	nm
(Write back of)/Allowance for inventory obsolescence	(4)	102	nm	(40)	107	nm
Exchange loss/(gain)	216	252	-14%	(137)	(1,665)	-92%
Loss on disposal of property, plant and equipment	3	29	-90%	15	76	-80%
Write off of property, plant and equipment	-	-	nm	9	-	nm



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1(a)(iv) Explanatory notes on performance for 2Q 2010

1. Revenue

Revenue increased by S\$0.9 million from S\$59.8 million in 2Q09 to S\$60.7 million in 2Q10. This was mainly attributable to higher revenue from Fee-based segment and Hotel Investments segment by S\$3.3 million and S\$1.7 million respectively, but reduced by lower revenue from Property Sales segment by S\$4.1 million.

Fee-based segment recorded higher revenue by S\$3.3 million compared to 2Q09 largely due to higher architectural and design fees earned for new projects in this quarter.

Hotel Investments segment recorded higher revenue led primarily by hotel/resorts in Maldives and Phuket. In Maldives, revenue was S\$1.5 million higher largely contributed by the 33 new InOcean villas which were launched in July 2009. Our properties in Thailand also registered higher revenue by S\$1.2 million mainly contributed by resorts in Laguna Phuket following the recovery of global recession. However, revenue from hotel in Bangkok was lower due to political violence in April and May 2010 and subsequent state of emergency imposed in Bangkok and other provinces of Thailand. On the other hand, our properties in China posted lower revenue by S\$0.7 million, mainly affected by the great drought which hit the southwest region of China including Lijiang and the World Expo in Shanghai which resulted in lesser travelers to other parts of China.

Property Sales segment recorded lower revenue by S\$4.1 million mainly due to consumers' lack of confidence in the property market in Thailand in view of the country's political instability.

2. Costs and expenses

Total costs and expenses increased by S\$8.9 million from S\$51.7 million in 2Q09 to S\$60.6 million in 2Q10. With the exception of cost of properties sold and administrative expenses, all categories of expenses were higher than last year. The higher expenses in 2Q10 was mainly due to 2Q09 having the benefit of lower expenses due to several cost saving measures undertaken last year following the onset of the global financial crisis. Part of these cost saving measures have since ceased in end 2009 when the global economy started to recover.

Cost of operating supplies increased by S\$0.7 million from S\$4.4 million in 2Q09 to S\$5.1 million in 2Q10 and other operating expenses increased by S\$2.1 million from S\$12.0 million in 2Q09 to S\$14.1 million in 2Q10, largely due to higher occupancy-related expenses in line with the higher revenue from Hotel Investments segment in 2Q10.

Cost of properties sold decreased by S\$0.9 million from S\$2.8 million in 2Q09 to S\$1.9 million in 2Q10 largely due to lower revenue recognition in Property Sales segment.

Salaries and related expenses increased by S\$5.7 million from S\$19.1 million in 2Q09 to S\$24.8 million in 2Q10. This was largely due to the cessation of several cost saving measures such as unpaid leave scheme, and headcount and pay freeze. In addition, in 2Q09, salary expenses were also lower due to final capitalization of in-house design and project team time cost amounting to S\$2.7 million on InOcean villas project following the completion of the project.

Administrative expenses decreased by S\$0.7 million from S\$10.4 million in 2Q09 to S\$9.7 million in 2Q10 as a result of write back of allowance for doubtful debts no longer required.

Sales and marketing expenses increased by S\$2.1 million from S\$2.9 million in 2Q09 to S\$5.0 million in 2Q10 mainly due to more aggressive marketing efforts undertaken to beef up performance of the hotels following the recovery of global economy. In 2Q09, as part of the group cost saving measures, sales and marketing activities were substantially reduced.

3. Operating profit ("EBITDA")

EBITDA decreased by S\$8.0 million from S\$9.0 million in 2Q09 to S\$1.0 million in 2Q10. This was due to higher operating expenses as explained above which exceeded the marginal increase in revenue.

4. Depreciation of property, plant and equipment

Depreciation of property, plant and equipment decreased by S\$0.4 million from S\$9.1 million in 2Q09 to S\$8.7 million mainly due to the downward revaluation of properties in Thailand in 4Q09.



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5. Income tax expense

Income tax expense decreased by S\$1.3 million mainly due to higher losses incurred for the quarter.

6. Loss after taxation ("LAT")

Loss after taxation increased by S\$6.0 million from S\$5.9 million in 2Q09 to S\$11.9 million in 2Q10. This was in line with higher losses incurred in the current quarter.

7. Non-controlling interests

Non-controlling interests' share of loss increased by S\$1.1 million from S\$1.6 million in 2Q09 to S\$2.7 million in 2Q10 mainly due to higher losses incurred by our subsidiary, Laguna Resorts & Hotels Public Company Ltd ("LRH").

8. Loss attributable to equity holders of the Company ("LATMI")

As a result of the foregoing, loss attributable to equity holders of the Company increased by S\$5.0 million from S\$4.2 million in 2Q09 to S\$9.2 million in 2Q10.



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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 As at			Company As at		
		30-Jun-10 (S\$'000)	31-Dec-09 (S\$'000)	Incr/ (Decr) %	30-Jun-10 (S\$'000)	31-Dec-09 (S\$'000)	Incr/ (Decr) %
Non-current assets							
Property, plant and equipment	1	880,877	876,964	0%	18	25	-28%
Land use rights	1	25,138	20,484	23%	-	-	-
Land awaiting future development	1	34,939	33,995	3%	-	-	-
Subsidiary companies		-	-	-	389,919	384,726	1%
Associated companies		23,155	23,814	-3%	18,313	19,008	-4%
Joint venture companies		3,376	3,422	-1%	6,320	6,323	0%
Prepaid island rental		22,255	22,603	-2%	-	-	-
Long-term trade receivables	2	44,134	49,292	-10%	-	-	-
Intangible assets		26,903	26,903	0%	-	-	-
Long-term investments	3	31,033	27,193	14%	-	-	-
Prepayments		1,818	2,303	-21%	-	-	-
Other receivables	4	12,917	17,408	-26%	-	-	-
Deferred tax assets		16,635	13,810	20%	-	31	-100%
		1,123,180	1,118,191	0%	414,570	410,113	1%
Current assets							
Inventories		12,051	12,247	-2%	-	-	-
Trade receivables	5	49,620	56,918	-13%	-	-	-
Prepayments and other non-financial assets		11,554	11,733	-2%	62	51	22%
Other receivables		16,027	16,310	-2%	1,404	1,436	-2%
Amounts due from subsidiary companies		-	-	-	9,028	8,574	5%
Amounts due from associated companies		1,704	1,374	24%	-	8	-100%
Amounts due from related parties		10,364	10,079	3%	740	250	196%
Property development costs		69,462	69,765	0%	-	-	-
Cash and cash equivalents		68,465	76,252	-10%	13,242	7,864	68%
		239,247	254,678	-6%	24,476	18,183	35%
Total assets		1,362,427	1,372,869	-1%	439,046	428,296	3%
Current liabilities							
Trade payables	5	16,217	20,947	-23%	-	-	-
Unearned income		4,586	4,180	10%	-	-	-
Other non-financial liabilities		13,132	15,295	-14%	121	104	16%
Other payables	6	30,341	46,837	-35%	2,243	2,365	-5%
Amounts due to subsidiary companies		-	-	-	45,841	45,495	1%
Amounts due to associated companies		-	372	-100%	-	-	-
Amounts due to related parties		513	813	-37%	1	282	-100%
Interest-bearing loans and borrowings	7	80,194	70,790	13%	2,850	2,250	27%
Notes payable		50,000	50,000	0%	50,000	50,000	0%
Tax payable		7,413	7,295	2%	-	-	-
		202,396	216,529	-7%	101,056	100,496	1%
Net current assets/(liabilities)		36,851	38,149	-3%	(76,580)	(82,313)	-7%



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	Notes	Group			Company		
		As at			As at		
		30-Jun-10 (S\$'000)	31-Dec-09 (S\$'000)	Incr/ (Decr) %	30-Jun-10 (S\$'000)	31-Dec-09 (S\$'000)	Incr/ (Decr) %
Non-current liabilities							
Interest-bearing loans and borrowings	7	181,460	184,528	-2%	15,767	11,542	37%
Deferred income		15,239	15,367	-1%	-	-	-
Loan stock		552	552	0%	-	-	-
Notes payable		77,250	77,250	0%	77,250	77,250	0%
Deposits received		1,300	1,200	8%	-	-	-
Other non-current liabilities		1,538	1,504	2%	-	-	-
Deferred tax liabilities		173,722	169,344	3%	-	-	-
		451,061	449,745	0%	93,017	88,792	5%
Net assets							
		708,970	706,595	0%	244,973	239,008	2%
Equity attributable to equity holders of the Company							
Share capital		199,995	199,995	0%	199,995	199,995	0%
Treasury shares		(4,997)	(5,071)	-1%	(4,997)	(5,071)	-1%
Reserves		312,291	313,358	0%	49,975	44,084	13%
		507,289	508,282	0%	244,973	239,008	2%
Non-controlling interests		201,681	198,313	2%	-	-	-
Total equity							
		708,970	706,595	0%	244,973	239,008	2%



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Explanatory notes on Balance Sheet

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

Property, plant and equipment, Land use rights and Land awaiting future development increased by S\$9.6 million from S\$931.4 million as at 31 December 2009 to S\$941.0 million as at 30 June 2010. This was mainly due to capital expenditure of S\$8.5 million expended on on-going purchase of furniture, fittings and equipments by our resorts for their operations, and the reclassification of land deposits of S\$5.1 million from non-current receivables to Land use rights upon receipt of land certification, partially offset by depreciation charge of S\$17.4 million for the half year.

2. Long-term Trade Receivables

Long-term Trade Receivables decreased by S\$5.2 million from S\$49.3 million as at 31 December 2009 to S\$44.1 million as at 30 June 2010, in line with the lower revenue from Property Sales segment.

3. Long-term Investments

Long-term investments increased by S\$3.8 million from S\$27.2 million as at 31 December 2009 to S\$31.0 million as at 30 June 2010, due to progressive equity investments in Banyan Tree Indochina Hospitality Fund and Banyan Tree Cabo Marques.

4. Other receivables (Non-current)

Other receivables decreased by S\$4.5 million from S\$17.4 million as at 31 December 2009 to S\$12.9 million as at 30 June 2010 mainly due to the reclassification of land deposit to Land use rights as mentioned above.

5. Trade Receivables, Trade Payables

Trade Receivables decreased by S\$7.3 million from S\$56.9 million as at 31 December 2009 to S\$49.6 million as at 30 June 2010, and Trade Payables decreased by S\$4.7 million from S\$20.9 million as at 31 December 2009 to S\$16.2 million as at 30 June 2010, due to lower revenue and cost of operation from Hotel Investments and Property Sales segments in current quarter as compared to the fourth quarter of 2009.

6. Other Payables

Other Payables decreased by S\$16.5 million from S\$46.8 million as at 31 December 2009 to S\$30.3 million as at 30 June 2010, mainly due to reduction in accruals upon progressive payments of legal expenses pertaining to Tsunami insurance claim, and lower construction payables for Property Sales projects in Laguna Phuket.

7. Current and Non-current interest-bearing loans and borrowings

Current and non-current interest-bearing loans and borrowings increased by S\$6.4 million from S\$255.3 million to S\$261.7 million due to draw down of additional loans partially offset by scheduled loan repayments.

8. On-going Litigation

On 3 July 2008, Avenue Asia Capital Partners, L.P., one of 6 plaintiffs, filed a lawsuit against LRH, a listed subsidiary of the Company, as one of 6 defendants at the Southern Bangkok Civil Court. The plaintiffs claimed that they are the creditors of a shareholder of LRH. The plaintiffs alleged that in arranging the Extraordinary General Meeting No. 1/2007 and approving its proposed capital increase where some shareholders did not subscribe for newly issued shares, LRH acted jointly with certain shareholders to commit a tort against the plaintiffs. Thus, the plaintiffs claimed damages of S\$23.2 million (Baht 539,052,407) with interest of 7.5% per annum and the costs of legal proceedings.

This case is currently pending at the Court of First Instance. LRH maintains that it did not commit a tort against the plaintiffs and has not made a provision in its accounts. LRH is vigorously defending this lawsuit.



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

	Group As at	
	30-Jun-10 (S\$'000)	31-Dec-09 (S\$'000)
Amount repayable in one year or less, or on demand:-		
Secured	77,694	68,290
Unsecured	52,500	52,500
Sub-Total 1	130,194	120,790
Amount repayable after one year:-		
Secured	175,627	177,445
Unsecured	83,083	84,333
Sub-Total 2	258,710	261,778
Total Debt	388,904	382,568

Details of any collateral

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

	Group As at	
	30-Jun-10 (S\$'000)	31-Dec-09 (S\$'000)
Freehold land and buildings	475,822	552,838
Quoted shares in a subsidiary company	4,253	4,130
Property development costs	6,708	7,004
Leasehold land and buildings	106,520	105,803
Unquoted shares in subsidiary companies	50,917	16,226
Prepaid island rental	21,615	23,542
Other assets	41,484	49,064
	707,319	758,607



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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	
	2010	2009
	(S\$'000)	(S\$'000)
<i>Cash flows from operating activities</i>		
Profit before taxation	1,602	5,182
Adjustments for:		
Share of results of associated companies	101	(82)
Share of results of joint venture companies	4	5
Depreciation of property, plant and equipment	17,414	18,138
Loss on disposal of property, plant and equipment	15	76
Write off of property, plant and equipment	9	-
Finance income	(2,154)	(2,032)
Finance costs	9,345	9,856
Amortisation of lease rental and land use rights	2,136	2,430
(Write back of)/allowance for doubtful debts - trade, net	(344)	1,296
(Write back of)/allowance for inventory obsolescence	(40)	107
Gain on disposal of other investment	(1)	-
Share-based payment expenses	150	219
Currency realignment	(1,190)	(944)
Operating profit before working capital changes	27,047	34,251
Decrease in inventories	327	1,265
Decrease in trade and other receivables	15,834	6,659
(Increase)/decrease in amounts due from related parties	(384)	1,343
Decrease in trade and other payables	(24,250)	(24,283)
	(8,473)	(15,016)
Cash flows generated from operating activities	18,574	19,235
Interest received	2,132	2,065
Interest paid	(9,359)	(8,741)
Tax paid	(6,130)	(5,115)
Net cash flows from operating activities	5,217	7,444
<i>Cash flows from investing activities</i>		
Purchase of property, plant and equipment	(8,535)	(28,998)
Proceeds from disposal of property, plant and equipment	367	153
Payment of lease rental	(945)	(596)
Increase in long-term investments	(3,840)	(183)
Net cash inflow on acquisition of a subsidiary company	-	31
Net cash flows used in investing activities	(12,953)	(29,593)
<i>Cash flows from financing activities</i>		
Proceeds from bank loans	52,649	69,947
Repayment of bank loans	(47,554)	(42,589)
Payment of dividends		
- by subsidiary companies to non-controlling interests	(5,379)	(5,358)
Redemption of 'A' preference shares	-	(3,041)
Net cash flows (used in)/from financing activities	(284)	18,959
Net decrease in cash and cash equivalents	(8,020)	(3,190)
Net foreign exchange difference	233	762
Cash and cash equivalents at beginning of year	76,252	53,712
Cash and cash equivalents at end of the period	68,465	51,284



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Explanatory notes on Consolidated Cash Flow

As at 30 June 2010, the Group's cash and cash equivalents increased by S\$17.2 million or 34% to S\$68.5 million compared to 30 June 2009. The increase in cash flow was largely due to lower funds used for investing activities as the Group continued to exercise prudence on the use of funds since the onset of the global financial crisis.

During 1H10, we generated positive operating cash flow of S\$5.2 million, mainly due to profit before tax of S\$1.6 million adjusted for non-cash items of S\$25.5 million, comprising mainly of depreciation and amortization of island rental of S\$19.6 million and finance expenses of S\$9.3 million. This was reduced by a net decrease in cash generated from working capital changes of S\$8.5 million, and net interest and income tax payments of S\$13.4 million.

The net cash flows used in investing activities amounted to S\$13.0 million, due largely to on-going purchase of furniture, fittings and equipments by our resorts for their operations, and the progressive equity investments in Banyan Tree Indochina Hospitality Fund and Banyan Tree Cabo Marques.

The net cash flows used in financing activities amounted to S\$0.3 million. This was mainly due to loan drawdown of S\$52.6 million, partially offset by scheduled bank repayments of S\$47.6 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)	Property revaluation reserve (S\$'000)	Currency translation reserve (S\$'000)	Fair value adjustment reserve (S\$'000)	Legal reserve (S\$'000)	Premium paid on acquisition of non-controlling interests (S\$'000)	Share-based payment reserve (S\$'000)	Gain/(loss) on reissuance of treasury shares (S\$'000)	Accumulated profits (S\$'000)	Total attributable to equity holders of the Company (S\$'000)	Non-controlling interests (S\$'000)	Total equity (S\$'000)
Balance as at 1 January 2010	199,995	(5,071)	(18,038)	7,852	142,369	(33,751)	172	6,928	-	8,915	(85)	198,996	508,282	198,313	706,595
Total comprehensive income for the period	-	-	-	-	146	5,149	-	-	-	-	-	(3,876)	1,419	6,185	7,604
Acquisition of additional shares in a subsidiary company	-	-	-	-	-	-	-	-	(2,562)	-	-	-	(2,562)	2,562	-
Treasury shares reissued pursuant to Performance Share Plan	-	74	-	-	-	-	-	-	-	(32)	(42)	-	-	-	-
Issue of Performance Share Grants to employees	-	-	-	-	-	-	-	-	-	150	-	-	150	-	150
Dividend paid to non-controlling shareholders of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,379)	(5,379)
Transfer to legal reserve	-	-	-	-	-	-	-	460	-	-	-	(460)	-	-	-
Balance as at 30 June 2010	199,995	(4,997)	(18,038)	7,852	142,515	(28,602)	172	7,388	(2,562)	9,033	(127)	194,660	507,289	201,681	708,970
Balance as at 1 January 2009	199,995	(5,191)	(18,038)	7,852	189,442	(29,145)	170	6,457	-	8,545	-	196,462	556,549	232,096	788,645
Total comprehensive income for the period	-	-	-	-	452	8,399	-	-	-	-	-	1,003	9,854	5,866	15,720
Issue of Performance Share Grants to employees	-	-	-	-	-	-	-	-	-	185	-	-	185	-	185
Treasury shares reissued pursuant to Performance Share Plan	-	120	-	-	-	-	-	-	-	-	(85)	-	35	-	35
Dividend paid to non-controlling shareholders of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,358)	(5,358)
Balance as at 30 June 2009	199,995	(5,071)	(18,038)	7,852	189,894	(20,746)	170	6,457	-	8,730	(85)	197,465	566,623	232,604	799,227



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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)	Gain/(loss) on reissuance of treasury shares (S\$'000)	Accumulated profits (S\$'000)	Total equity (S\$'000)
Balance as at 1 January 2010	199,995	(5,071)	7,852	8,343	(85)	27,974	239,008
Total comprehensive income for the period	-	-	-	-	-	5,243	5,243
Issue of Performance Share Grants to employees	-	-	-	722	-	-	722
Treasury shares reissued pursuant to Performance Share Plan	-	74	-	(32)	(42)	-	-
Balance as at 30 June 2010	199,995	(4,997)	7,852	9,033	(127)	33,217	244,973
Balance as at 1 January 2009	199,995	(5,191)	7,852	8,343	-	20,669	231,668
Total comprehensive income for the period	-	-	-	-	-	13,278	13,278
Treasury shares reissued pursuant to Performance Share Plan	-	120	-	-	(85)	-	35
Balance as at 30 June 2009	199,995	(5,071)	7,852	8,343	(85)	33,947	244,981



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.

On 1 April 2010, the Company released 43,300 share awards (2009: 69,700) vested under the Restricted Share Plan pursuant to the Banyan Tree Performance Share Plan for FY2007 and FY2008. As such, 43,300 shares (2009: 69,700) were issued from the treasury shares to the employees, resulting in an increase in the number of issued shares excluding treasury shares from 758,471,980 as at 31 December 2009 to 758,515,280 shares as at 30 June 2010. See 1(d)(iii) and 1(d)(iv) for movement of the issued shares excluding treasury shares, and movement of treasury shares respectively.

Performance Shares

During the quarter, 1,983,000 (2Q09: 1,371,250) performance-based shares were issued and 86,050 (2Q09: 465,850) performance-based shares were cancelled or vested under the Banyan Tree Performance Share Plan. As at 30 June 2010, 4,503,750 (30 June 2009: 2,768,900) performance-based shares are outstanding.

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-10 No. of shares	31-Dec-09 No. of shares
Number of issued shares excluding Treasury shares	758,515,280	758,471,980

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-10 No. of shares	31-Dec-09 No. of shares
At 1 January	2,930,300	3,000,000
Reissued pursuant to performance share option plans	(43,300)	(69,700)
	2,887,000	2,930,300

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 2009.



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 has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2010. The adoption of the standards and interpretations does not have material impact to the financial statements in the period of initial application.

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	
	2010	2009	2010	2009
a) Based on the weighted average number of ordinary shares on issue (cents)	(1.21)	(0.56)	(0.51)	0.13
b) On fully diluted basis (cents)	(1.21)	(0.56)	(0.51)	0.13

(a) The basic 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 758,515,280 and 758,434,449 ordinary shares respectively.

The basic 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 758,493,750 and 758,418,453 ordinary shares respectively.

(b) 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 761,415,382 and 761,432,425 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 761,248,011 and 760,852,325 ordinary shares respectively.

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-10	31-Dec-09	30-Jun-10	31-Dec-09
Net asset value per ordinary share based on issued share capital* at the end of the period (S\$)	0.67	0.67	0.32	0.32

* 758,515,280 and 758,471,980 ordinary shares in issue as at 30 June 2010 and 31 December 2009.



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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:-

- (a) 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
- (b) 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			
	3 months ended 30 Jun		Actual vs 2009	
	2010	2009	Incr/(Decr)	
	SGD'000	SGD'000	SGD'000	%
Hotel Investments	34,107	32,376	1,731	5%
Property Sales	6,913	11,038	(4,125)	-37%
- Hotel Residences	2,825	5,050	(2,225)	-44%
- Laguna Property Sales	4,088	5,988	(1,900)	-32%
Fee-based Segment	19,720	16,385	3,335	20%
- Hotel Management	5,176	5,733	(557)	-10%
- Spa/Gallery Operations	8,308	7,367	941	13%
- Design and Others	6,236	3,285	2,951	90%
Revenue	60,740	59,799	941	2%

	Group			
	6 months ended 30 Jun		Actual vs 2009	
	2010	2009	Incr/(Decr)	
	SGD'000	SGD'000	SGD'000	%
Hotel Investments	103,487	90,343	13,144	15%
Property Sales	14,171	19,778	(5,607)	-28%
- Hotel Residences	4,037	7,745	(3,708)	-48%
- Laguna Property Sales	10,134	12,033	(1,899)	-16%
Fee-based Segment	39,320	37,882	1,438	4%
- Hotel Management	9,771	11,785	(2,014)	-17%
- Spa/Gallery Operations	17,045	16,373	672	4%
- Design and Others	12,504	9,724	2,780	29%
Revenue	156,978	148,003	8,975	6%



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B) PROFITABILITY

	Group			
	3 months ended 30 Jun		Actual vs 2009	
	2010	2009	Incr/(Decr)	
	SGD'000	SGD'000	SGD'000	%
Hotel Investments	(2,248)	915	(3,163)	nm
Property Sales	1,568	3,512	(1,944)	-55%
- Hotel Residences	1,150	2,237	(1,087)	-49%
- Laguna Property Sales	418	1,275	(857)	-67%
Fee-based Segment	3,493	6,031	(2,538)	-42%
- Hotel Management	816	2,219	(1,403)	-63%
- Spa/Gallery Operations	1,015	2,014	(999)	-50%
- Design and Others	1,662	1,798	(136)	-8%
Head Office Expenses	(2,700)	(2,355)	(345)	15%
Other income (net)	877	865	12	1%
Operating Profit (EBITDA)	990	8,968	(7,978)	-89%
Net loss for the period (LATMI)	(9,212)	(4,244)	(4,968)	117%

	Group			
	6 months ended 30 Jun		Actual vs 2009	
	2010	2009	Incr/(Decr)	
	SGD'000	SGD'000	SGD'000	%
Hotel Investments	23,422	21,242	2,180	10%
Property Sales	3,074	6,094	(3,020)	-50%
- Hotel Residences	2,126	3,026	(900)	-30%
- Laguna Property Sales	948	3,068	(2,120)	-69%
Fee-based Segment	5,703	11,208	(5,505)	-49%
- Hotel Management	745	4,482	(3,737)	-83%
- Spa/Gallery Operations	2,518	4,233	(1,715)	-41%
- Design and Others	2,440	2,493	(53)	-2%
Head Office Expenses	(8,070)	(6,452)	(1,618)	25%
Other income (net)	4,319	1,405	2,914	207%
Operating Profit (EBITDA)	28,448	33,497	(5,049)	-15%
Net (loss)/profit for the period (PATMI)	(3,876)	1,003	(4,879)	nm



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C) BUSINESS SEGMENTS REVIEW

i) Hotel Investments segment

Hotel Investments segment achieved revenue of S\$34.1 million in 2Q10, an improvement of 5% or S\$1.7 million compared to S\$32.4 million in 2Q09. Higher revenue was mainly from our resorts in Maldives (S\$1.5 million) and Phuket (S\$2.8 million) but reduced by lower revenue from Bangkok (S\$1.6 million) and China (S\$0.7 million).

Our resorts in Maldives recorded higher revenue in 2Q10 boosted mainly by contributions from the 33 new InOcean villas which was launched in July 2009 and was well received. Revenue would have been higher if not for external events such as the Icelandic volcanic ash situation which affected air travel and the FIFA World Cup in South Africa which affected travelers to Maldives. Overall occupancy improved by 5% points from 43% to 48%.

In Thailand, our resorts' performance were affected by the political riots that took place in Bangkok in April and May 2010 which resulted in state of emergency being declared and several countries issued travel advisories on Thailand. The impact of the current political crisis on Laguna Phuket however was not as severe as our resorts were able to register higher revenue by S\$2.8 million (or 16%) and higher hotel occupancy by 4% points than the same period last year. With the global economic recovery, resorts in Laguna Phuket would have performed even better if not for the indirect impact of the political crisis in Bangkok. Our hotel in Bangkok, on the other hand, was adversely affected with lower revenue of S\$1.6 million. Occupancy was reduced to 21% from 46% last year.

Our resorts in China registered lower revenue growth by S\$0.7 million due mainly to the great drought in southwest region (including Lijiang) of China and the World Expo 2010 held in Shanghai which affected travelers to Lijiang. Overall occupancy was lower by 8% points from 53% to 45%.

For 1H10, helped by a strong 1st quarter performance due to the improvement in global economy led by Asia, overall revenue was S\$13.1 million higher than 1H09 with S\$11.4 million or 87% contributed by 1Q10. Of the overall increase of S\$13.1 million, resorts in Laguna Phuket contributed S\$13.5 million followed by Maldives of S\$1.3 million but partially offset by Bangkok and China.

2Q10 recorded a loss of S\$2.2 million from EBITDA of S\$0.9 million in 2Q09. This was mainly due to insufficient revenue to cover the higher expenses in 2Q10 as 2Q09 had the benefit of lower operating expenses due to several cost saving measures undertaken since March last year. Against 1H09, EBITDA improved by S\$2.2 million or 10% from S\$21.2 million to S\$23.4 million, in line with higher revenue but partially offset by higher expenses as mentioned earlier.

ii) Property Sales segment

Property Sales segment revenue decreased by S\$4.1 million or 37% from S\$11.0 million in 2Q09 to S\$6.9 million in 2Q10. This was mainly due to the negative sentiments towards Thai properties in view of the political instability. During the quarter, there were recognition for only a total of 4 units of Banyan Tree Bangkok suites and Laguna townhomes. In contrary, in 2Q09, there were progressive recognitions for a total of 15 units (net of cancellation) of Banyan Tree Phuket villas and Laguna Village villas / bungalows. New sales in 2Q10 in units and value terms were lower than 2Q09 by 75% and 84% respectively.

For 1H10, Property Sales segment revenue decreased by S\$5.6 million or 28% from S\$19.8 million to S\$14.2 million. In addition to the above explanation for 2Q10, the lower revenue for 1H10 was also attributable to buyer downgraded from higher-priced Dusit residences to Laguna townhomes in 1Q10. New sales in 1H10 in units and value terms were lower than 1H09 by 30% and 36% respectively.

EBITDA decreased by S\$1.9 million or 55% from S\$3.5 million in 2Q09 to S\$1.6 million in 2Q10. Against 1H09, EBITDA decreased by S\$3.0 million or 50% from S\$6.1 million in 1H09 to S\$3.1 million in 1H10. Lower EBITDA was mainly due to lower revenue as explained above, coupled with fixed cost such as rental and salary which cannot be proportionately reduced.



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iii) Fee- based segment

Fee-based segment revenue increased by S\$3.3 million or 20% from S\$16.4 million in 2Q09 to S\$19.7 million in 2Q10 largely due to higher architectural and design fees earned for new projects in this quarter based on certain milestone achieved.

In 1H10, Fee-based segment revenue increased by S\$1.4 million or 4% from S\$37.9 million in 1H09 to S\$39.3 million in 1H10 due to higher architectural and design fees earned for new projects as explained above but partially reduced by lower hotel management fee as a result of nil management fees derived from Angsana Dubai and Banyan Tree Bahrain following the termination of hotel management contracts.

Notwithstanding a higher revenue, EBITDA decreased by S\$2.5 million from S\$6.0 million in 2Q09 to S\$3.5 million in 2Q10. Against 1H09, EBITDA also decreased by S\$5.5 million from S\$11.2 million in 1H09 to S\$5.7 million in 1H10. Lower EBITDA was mainly due to higher expenses in 2Q10 compared to 2Q09 as there was a final capitalization of in-house design and project team time cost amounting to S\$2.7 million on InOcean villa project following the completion of the project in 2Q09. There was no such capitalization of cost in the current period. In addition, there were also pre-opening cost incurred on new spa outlets in Banyan Tree Ungasan and Banyan Tree Cabo Marques, and higher staff cost following the cessation of unpaid leave scheme.

If management fees of those resorts which the Group has a majority interest and were not eliminated on consolidation, a sum of S\$2.3 million, S\$2.3 million, S\$6.7 million and S\$7.1 million in 2Q09, 2Q10, 1H09 and 1H10 would be added to EBITDA. EBITDA would have been S\$5.8 million in 2Q10 as compared to S\$8.3 million in 2Q09, and S\$12.8 million in 1H10 as compared to S\$17.9 million in 1H09.

iv) Head Office

Head office expenses increased by S\$0.3 million or 15% from S\$2.4 million in 2Q09 to S\$2.7 million in 2Q10, and against 1H09, Head office expenses increased by S\$1.6 million or 25% from S\$6.5 million in 1H09 to S\$8.1 million in 1H10. This was mainly attributable to higher staff cost due to cessation of unpaid leave scheme, higher traveling, and higher legal and professional fees.

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.

2Q10 results recorded a loss, which is in line with last quarter's outlook. This was due to adverse events from the Thai political crisis and compounded by Icelandic volcanic ash crisis and the World Cup season affecting operations.

Although stability has been restored in the Thai capital, and rooms bookings have improved, the pick up in rooms bookings in Thailand however is slower compared to last year. Currently, the hotel's on-the-book ("OTB") rooms revenue (i.e., forward booking reservation) for hotels in Thailand for 3rd quarter is 9% below the same period last year but overall for the Group is ahead by 21% boosted mainly by hotels outside Thailand which is ahead by 39%.

Our property sales in Thailand are expected to remain slow given the negative sentiments towards the country as a result of the recent political events.

Barring unforeseen circumstances and further impact of the Thai political situation, we expect 3rd quarter to be better than 2nd quarter but remain challenging considering that this will also be a low season. However, we are hopeful of a strong quarter in the 4th quarter being the high season of the year.

New Developments

Sale of assets in Thailand

As part of the Group's on-going strategy to reduce the concentration of profit contribution from one country and to unlock the value of the Group's matured assets, we have sold Dusit Laguna Phuket as announced on 10 August 2010. We estimated to make a profit before tax of approximately S\$68.4 million from the divestment. The proceeds from the sale may be used for other investment opportunities. In the interim, it will be used to reduce the Group's bank borrowings and hence reduce the interest costs.

Banyan Tree China Hospitality Fund

We received favourable response to the recently completed road-show to promote the RMB fund of our Banyan Tree China Hospitality Fund (I). We anticipate a first close of the Fund in September 2010 with a Fund size of about Rmb 1 billion or US\$150 million. This will be our second fund after the close of the Banyan Tree Indochina Hospitality Fund in mid last year. This China Fund will invest and develop hospitality-related projects in various destinations within China.

New Openings and New Management contracts

We have opened Banyan Tree Club & Spa Seoul, South Korea in 2Q10. On 1 July 2010, we soft opened Banyan Tree Samui, Koh Samui, Thailand and expect to open the following 4 new resorts in the next 12 months:

- i. Banyan Tree Macau, China
- ii. Angsana Hangzhou, China
- iii. Angsana Fu Xian Lake, Hu Pan, China
- iv. Angsana Balaclava, Mauritius

Also in the next 12 months, we expect to launch an estimated 8 spas under management.

We have also signed the following new hotel management contracts in the recent months:

- i. Banyan Tree Panda Town, Chengdu, China, with approximately 100 suites/villas, is situated in Panda Town, a niche development within a 2-minute walk from the Panda Rehabilitation Reserve Park in China.
- ii. Angsana Luofushan, Guangdong, China with approximately 150-250 suites/villas, is located in the Huizhou Boluo territory. The resort is within close proximity to one of the four important mountains of Guangdong province, Luofu Hill and a fifth key scenic spot in China.



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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.

No dividend has been declared in respect of the current financial period.



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13 Interested Persons Transactions for the 3 months ended 30 June 2010

	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) 2Q 2010 S\$'000	Aggregate value of all interested parties transactions conducted under Shareholders' Mandate (excluding transactions less than S\$100,000) 2Q 2010 S\$'000
A	Transactions with the Tropical Resorts Limited Group ('TR')		
a	Provision of Resort Management and Related Services to TR		988
b	Provision of Spa Management and Other Related Services to TR		133
c	Returns from TR in respect of units in Banyan Tree Bintan and Angsana Bintan		557
B	Transactions with Qatar Investment Authority ('QIA')		
a	Term Loan Facility & Fees in respect of a bank loan to a subsidiary	14,210	
	Total	14,210	1,678



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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
13 August 2010