



BANYAN TREE HOLDINGS LIMITED

Company Registration No.: 200003108H

Unaudited results for the Third Quarter ended 30 September 2006

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			Group		
		3 months ended 30 Sep			9 months ended 30 Sep		
		2006	2005	Incr/ (Decr)	2006	2005	Incr/ (Decr)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%	
Revenue	1	69,092	46,270	49%	221,343	115,289	92%
Other operating income		231	84	175%	964	368	162%
Cost and expenses	2						
Operating supplies		(11,872)	(7,636)	55%	(40,260)	(16,409)	145%
Salaries and related expenses		(20,045)	(14,797)	35%	(55,625)	(43,510)	28%
Administrative expenses		(6,899)	(5,183)	33%	(14,639)	(15,847)	-8%
Sales and marketing expenses		(3,308)	(2,559)	29%	(9,257)	(7,055)	31%
Other operating expenses		(10,664)	(8,674)	23%	(33,207)	(23,735)	40%
Total costs and expenses		(52,788)	(38,849)	36%	(152,988)	(106,556)	44%
Operating Profit	3	16,535	7,505	120%	69,319	9,101	662%
Depreciation of property, plant and equipment	4	(6,237)	(5,144)	21%	(17,284)	(14,496)	19%
Amortisation of lease rental		(957)	(919)	4%	(2,933)	(1,955)	50%
		9,341	1,442	548%	49,102	(7,350)	nm
Interest income	5	1,067	82	1201%	2,042	522	291%
Interest costs	6	(3,032)	(2,822)	7%	(10,964)	(6,801)	61%
Share of results of associated companies	7	241	190	27%	697	564	24%
Share of results of joint venture companies		(1)	(1)	0%	(6)	(4)	50%
Profit before exceptional items		7,616	(1,109)	nm	40,871	(13,069)	nm
Exceptional items	8	-	-	-	(7,760)	-	nm
Profit after exceptional items		7,616	(1,109)	nm	33,111	(13,069)	nm
Taxation	9	(3,378)	64	nm	(13,441)	(111)	12009%
Profit after taxation	10	4,238	(1,045)	nm	19,670	(13,180)	nm
Attributable to:							
Equity holders of the Company	12	4,019	(383)	nm	12,432	(7,279)	nm
Minority Interest	11	219	(662)	nm	7,238	(5,901)	nm
Net Profit for the Period		4,238	(1,045)	nm	19,670	(13,180)	nm

1(a)(ii) Explanatory notes on performance for 3Q 2006

1. Revenue

Revenue increased 49% from S\$46.3 million in 3Q05 to S\$69.1 million in 3Q06. The two major contributing segments for the increase were property sales (increased by S\$17.0 million) and hotel investment segment (increased by S\$5.9 million) and was largely attributable to the recovery from the 2004 Tsunami which had affected the performance of our resorts in Phuket in 2005.

2. Costs and expenses

Total costs and expenses increased by S\$14.0 million from S\$38.8 million in 3Q05 to S\$52.8 million in 3Q06. The increase was mainly due to increases in operating supplies, other operating expenses and sales and marketing expenses resulting from increase in revenue.

Salaries and related expenses also increased due to increase in headcount as a result of new spa outlets and new hotel operations in Banyan Tree Ringha and Banyan Tree Lijiang. In addition, there was an increase in headcount in existing operations to support the increased level of activity in hotel investment and spa segments.

Administrative expenses increased by S\$1.7m from S\$5.2 million in 3Q05 to S\$6.9 million in 3Q06 mainly due to increase in revenue related expenses such as rentals paid to Sheraton Island Villas and Banyan Tree Phuket unit owners. In addition, there was an increase in legal and professional charges and write off of pre-opening expenses of Banyan Tree Lijiang.

3. Operating profit ("EBITDA")

EBITDA increased from S\$7.5 million in 3Q05 to S\$16.5 million in 3Q06. The primary reason for the increase was the higher EBITDA from property sales segment in the current quarter.

4. Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by S\$1.1 million from S\$5.1 million in 3Q05 to S\$6.2 million in 3Q06 due to additional depreciation of Banyan Tree Ringha (started operations in September 2005), new restaurants in Banyan Tree Bangkok, Sheraton Grande 45 rooms expansion project and Banyan Tree Lijiang (soft opened in May 2006).

5. Interest income

Interest income increased by S\$1.0 million from S\$0.1 million in 3Q05 to S\$1.1 million in 3Q06 mainly due to interest income derived from temporary placement of IPO proceeds in interest bearing deposit account pending deployment of funds to projects.

6. Interest costs

Interest costs increased by S\$0.2 million from S\$2.8 million in 3Q05 to S\$3.0 million in 3Q06. The increase was mainly due to new project financing on Velarvaru Island Resort and various construction projects in Laguna Phuket, Bangkok and China. The average interest also increased from 3.51% in 3Q05 to 5.43% in 3Q06.

7. Share of results of associated company

Share of results of associated companies relates to our 30% investment interest in Banyan Tree Seychelles Holdings Ltd (which holds Banyan Tree Seychelles). In 3Q06 Banyan Tree Seychelles Holdings Ltd profit was S\$0.8 million, compared to S\$0.6 million in 3Q05.

8. Exceptional Items

There are no exceptional items in 3Q06. Exceptional item recorded in YTD Sep 2006 relates to a one off charge in 2Q06 as a result of the issuance of 8 million new ordinary shares at no consideration to over 250 management staff ("Management shares") before the company was admitted to the official list of the SGX-ST in June 2006.

9. Taxation

Tax expense was significantly higher than the corresponding period in 2005 due to higher operating profit as compared to a loss last year.

10. Net profit after taxation ("NPAT")

Net profit after tax improved from a loss of S\$1.0 million in 3Q05 to a profit of S\$4.2 million in 3Q06 mainly due to higher operating profit partially offset by higher taxation.

11. Minority interest

Minority interest from continuing operations increased from negative S\$0.7 million in 3Q05 to positive S\$0.2 million in 3Q06 mainly attributed to profit after tax generated by Laguna Resorts and Hotels Public Co Ltd ("LRH") in 3Q06 compared to a loss after tax in 3Q05.

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

Profit attributable to shareholders improved from a loss of S\$0.4 million in 3Q05 to a profit of S\$4.0 million in 3Q06. This was primarily due to significantly higher profit generated from property sales segment.

13. Additional disclosures

	Group			Group		
	3 months ended 30 Sep			9 months ended 30 Sep		
	2006 (S\$'000)	2005 (S\$'000)	Incr/ (Decr) %	2006 (S\$'000)	2005 (S\$'000)	Incr/ (Decr) %
Profit from continuing operations						
Profit from continuing operations is stated after (crediting)/charging:						
Provision/(write back) for doubtful debts	(54)	28	<i>nm</i>	163	326	-50%
Provision for inventory obsolescence	284	22	1191%	112	66	70%
Bad debts (written back) / written off - trade	-	(1)	<i>nm</i>	(13)	57	<i>nm</i>
Exchange (gain)/loss	(416)	5	<i>nm</i>	(6,161)	1,971	<i>nm</i>
(Gain) / loss in disposal of property, plant and equipment	(223)	58	<i>nm</i>	(224)	60	<i>nm</i>
Write off of property, plant and equipment	-	(3)	<i>nm</i>	-	326	<i>nm</i>

14. Extraordinary items

Nil

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

Nil

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-Sep-06 (S\$'000)	31 Dec 05 (S\$'000)	Incr/ (Decr) %	30-Sep-06 (S\$'000)	31 Dec 05 (S\$'000)	Incr/ (Decr) %
Non-current assets							
Property, plant and equipment	1	500,515	438,713	14%	17	12	42%
Land awaiting future development	1	26,854	26,087	3%	-	-	-
Interest in subsidiaries		-	-	-	148,166	123,140	20%
Interest in Associated companies		22,000	21,411	3%	47,216	35,230	34%
Joint venture companies		3,928	4,163	-6%	6,365	6,384	0%
Prepaid island rental		30,745	32,095	-4%	-	-	-
Long-term trade receivables		1,234	1,437	-14%	-	-	-
Intangible assets	2	27,152	2,778	877%	24,300	-	nm
Long-term investments		8,846	8,593	3%	-	-	-
Other non-current assets		2,814	805	250%	-	-	-
Deferred tax assets		12,997	13,529	-4%	-	-	-
		637,085	549,611	16%	226,064	164,766	37%
Current assets							
Inventories		9,788	8,118	21%	-	-	-
Trade receivables		31,836	34,011	-6%	-	-	-
Other receivables		31,857	26,053	22%	3,408	5,295	-36%
Amount due from subsidiary companies		-	-	-	8,121	6,979	16%
Amount due from related parties		5,508	3,935	40%	92	156	-41%
Property development costs		32,051	22,078	45%	-	-	-
Cash and cash equivalents		87,449	38,191	129%	48,242	2,433	1883%
		198,489	132,386	50%	59,863	14,863	303%
		835,574	681,997	23%	285,927	179,629	59%
Current liabilities							
Excess of progress billings over work-in-progress		-	30	nm	-	30	nm
Trade creditors		14,669	11,802	24%	-	-	-
Other payables		44,845	49,960	-10%	3,528	9,316	-62%
Amount due to subsidiaries		-	-	-	31,093	30,531	2%
Amount due to related parties		240	439	-45%	-	2	nm
Interest-bearing loans and borrowings	3	58,392	68,730	-15%	3,825	1,301	194%
Tax payable		4,355	2,056	112%	1	16	-94%
		122,501	133,017	-8%	38,447	41,196	-7%
Net current assets/ (liabilities)		75,988	(631)	nm	21,416	(26,333)	nm

	Notes	Group			Company		
		As at			As at		
		30-Sep-06 (S\$'000)	31 Dec 05 (S\$'000)	Incr/ (Decr) %	30-Sep-06 (S\$'000)	31 Dec 05 (S\$'000)	Incr/ (Decr) %
Non-current liabilities							
Hire purchase creditors		80	31	158%	-	-	-
Interest-bearing loans and borrowings	3	147,288	128,332	15%	4,087	21,940	-81%
Loan stock		392	421	-7%	-	-	-
Redeemable preference shares	4	30	27,100	nm	30	27,100	nm
Other non-current liabilities		2,911	2,915	0%	-	-	-
Deferred tax liabilities		73,346	67,439	9%	-	-	-
Loan from minority shareholder of a subsidiary company		1,825	1,921	-5%	-	-	-
		225,872	228,159	-1%	4,117	49,040	-92%
Net assets		487,201	320,821	52%	243,363	89,393	172%
Equity attributable to equity shareholders of Company							
Share capital		200,154	30,096	565%	200,154	30,096	565%
Share premium		-	30,096	nm	-	30,096	nm
Reserves		144,583	128,631	12%	43,209	29,201	48%
		344,737	188,823	82%	243,363	89,393	172%
Minority interests		142,464	131,998	8%	-	-	-
Total Equity		487,201	320,821	52%	243,363	89,393	172%

Explanatory notes on Balance Sheet

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

Property, Plant and Equipment and Land awaiting future development increased by S\$62.6 million comprising mainly of increases arising from exchange adjustments on opening balance of S\$10.5 million and capital expenditure of S\$82.1 million which includes construction and renovation of various hotel projects and decreases arising from the transfer of land to property development costs of S\$12.5 million and depreciation during the period of S\$17.3 million.

2. Intangible Assets

Intangible assets increased by S\$24.4 million mainly due to the acquisition of "Banyan Tree", "Angsana", "Elements", "Yue Chun", "Yue Rong" and "The Allamanda" trademark.

3. Bank term loans (Short and long term)

Bank loans increased by S\$8.6 million mainly due to increases arising from exchange adjustments on opening balance of S\$2.7 million, drawdown of bank loans of S\$54.7 million to fund the various construction projects and acquisitions and net off repayment of S\$48.7 million during the period.

4. Redeemable preference shares

Redeemable preference shares decreased by S\$27.0 million due to redemption of Preference B and B1 shares via the issuance of ordinary shares of S\$22.2 million and cash repayment of S\$4.9 million.

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

	Group	
	As at	
	30-Sep-06 (S\$'000)	31-Dec-05 (S\$'000)
Amount repayable in one year or less, or on demand:-		
Secured	31,638	44,658
Unsecured	26,754	24,072
Sub-Total 1	58,392	68,730
Amount repayable after one year:-		
Secured	147,288	128,332
Unsecured	-	-
Sub-Total 2	147,288	128,332
Total Debt	205,680	197,062

Details of any collateral

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

	Group	
	As at	
	30-Sep-06 (S\$'000)	31-Dec-05 (S\$'000)
Freehold land and buildings	292,773	263,575
Leasehold buildings	10,937	-
Other fixed assets	12,923	-
Quoted shares in a subsidiary company	51,744	29,376
Unquoted shares in subsidiary companies	10,020	-
Land awaiting for future development	6,872	6,675
Prepaid Island Rental	29,199	-
Other assets	31,016	-
	445,484	299,626

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	
	9 months ended 30 Sep	
	2006 (S\$'000)	2005 (S\$'000)
<i>Cash Flows from Operating Activities</i>		
Net profit before Tax and before MI	33,111	(13,069)
Adjustments for:		
Share of associate's results	(697)	(564)
Share of joint ventures' results	6	4
Depreciation	17,283	14,495
Management Shares expense	7,760	-
Provision for bad debts	180	349
Gain on write-back of provision for doubtful debts	(16)	(22)
Bad debts written off	-	57
Gain on property sales recognition	(731)	(1,291)
Amortisation of prepaid island rental	2,933	1,955
Fixed assets written off	-	325
Impairment loss on land awaiting future development	-	41
Provision for stock obsolescence	112	66
Interest income	(2,041)	(522)
Interest expenses	10,964	6,801
(Gain)/loss on disposal of fixed assets	(225)	60
Currency Realignment	(2,942)	1,421
Operating profits before working capital changes	65,697	10,106
(Increase)/ Decrease in inventories	(1,140)	5
(Increase)/ Decrease in trade and other receivables	(3,656)	3,104
(Increase) in amounts due from related parties	(2,969)	(735)
Increase/ (Decrease) in trade and other payables	2,887	(7,664)
	(4,878)	(5,290)
Cashflow from operating activities	60,819	4,816
Income Tax paid	(5,699)	(5,717)
Interest received	2,041	880
Interest paid	(17,968)	(5,023)
Net Cash Flow from Operating Activities	39,193	(5,044)
<i>Cash Flow from Investing Activities</i>		
Purchase of Property plant and equipment	(82,138)	(37,307)
Proceeds from issuance of shares to MI shareholders	-	1,910
Acquisition of subsidiary, net of cash acquired	-	1,861
Proceeds on disposal of fixed assets	141	233
Acquisition of an associate	(959)	-
Acquisition of Long Term investments	-	(879)
Acquisition of trademarks	(9,215)	-
Dividend paid by a subsidiary to minority shareholders	-	(3,751)
Payment of Island Rental	(2,226)	(34,259)
Net Cash Flows from Investing Activities	(94,397)	(72,192)
<i>Cash Flow from Financing Activities</i>		
Proceeds from bank loans	54,720	118,930
Repayment of long term bank loan	(47,944)	(55,339)
Proceeds from Share issue	102,713	-
Proceeds from issuance of preference shares	-	375
Loans from minority shareholders	-	1,944
Redemption of Preference Shares	(4,907)	-
Hire purchase creditor	50	(14)
Net Cash Flows from Financing Activities	104,632	65,896
Increase/(Decrease) in Cash & Cash Equivalents	49,428	(11,340)
Cash & Cash Equivalents at Beginning	37,349	49,912
Effects of exchange rate changes for balances in foreign currencies	672	(427)
Cash & Cash Equivalents at the end of the period *	87,449	38,145

* Cash and cash Equivalents is defined as cash and bank balances net of bank overdraft.

Explanatory notes on Consolidated Cash Flow

As at 30 September 2006, the Group's cash and cash equivalents increased by 129% to S\$87.4 million compared to the corresponding period in 2005. This was mainly due to higher cashflow generated from operating activities as a result of higher operating profit and proceeds from the issuance of new shares pursuant to the IPO.

The Group generated net cash flows from operating activities of S\$39.2 million, mainly due to profit before tax of S\$33.1 million adjusted for non-cash items of S\$32.6 million, which comprised mainly Management Shares expense of S\$7.8 million, depreciation and amortization of island rental of S\$20.2 million. This was partially offset by a net decrease in cash generated from working capital changes of S\$4.9 million, and interest and income tax payments of S\$23.7 million.

The net cash flows used in investing activities amounted to S\$94.4 million. This was mainly made up of capital expenditure of S\$82.1 million which includes construction and renovation of various hotel projects. In addition, there was a payment of S\$2.2 million for island rentals in Maldives, payment of S\$1.0 million for a 20% equity interest in a joint venture company for the project in Mayakoba, Mexico and balance payment of S\$9.2 million for purchase of Trademarks.

The net cash flows generated from financing activities amounted to S\$104.6 million, comprising increase from net proceeds from public offering of 101,828,563 shares which amounted to S\$91.8 million, over-allotment of 11,246,521 shares which amounted to S\$10.9 million, and loans drawdown of S\$54.7 million. The increase was partially offset by scheduled bank repayment of S\$47.9 million and balance repayment for redemption of Preference shares for S\$4.9 million.

BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Third Quarter ended 30 September 2006

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)	Share Premium (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)	Accum. Profits (S\$'000)	Attrib. to Shrs Co. (S\$'000)	Minority Interests (S\$'000)	Total Equity (S\$'000)
Balance as at 1 January 2006	30,096	30,096	(18,038)	7,852	26,813	(2,994)	(551)	613	-	114,936	188,823	131,998	320,821
Exchange differences on translation of financial statements of overseas subsidiary and associated companies					(293)	(4,346)					(4,639)	3,168	(1,471)
Net profit for the period										12,432	12,432	7,238	19,670
Capital contribution by minority interest											-	60	60
Dividend paid to loan stockholders of a subsidiary company cancelled during the year										399	399	-	399
Transfer from share premium account to share capital upon implementation of the Companies (Amendment) Act 2005	30,096	(30,096)									-		-
Issue of new Shares as part consideration for the acquisition of trademarks	15,085										15,085		15,085
Conversion of 216,559,114 "B" preference shares into Ordinary Shares	22,163										22,163		22,163
Issue of Management Shares									7,760		7,760		7,760
New Share issued pursuant to initial public offering	109,683										109,683		109,683
Share issue expenses	(6,969)										(6,969)		(6,969)
Balance as at 30 September 2006	200,154	-	(18,038)	7,852	26,520	(7,340)	(551)	613	7,760	127,767	344,737	142,464	487,201

BANYAN TREE HOLDINGS LIMITED
 Unaudited results for the Third Quarter ended 30 September 2006

GROUP	Share Capital (S\$'000)	Share Premium (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)	Accum. Profits (S\$'000)	Attrib. to Shrs Co. (S\$'000)	Minority Interests (S\$'000)	Total Equity (S\$'000)
Balance as at 1 January 2005	30,096	30,096	(18,038)	7,852	28,260	(1,997)	8	463	-	114,474	191,214	139,880	331,094
Exchange differences on translation of financial statements of overseas subsidiary and associated companies						532					532	(2,326)	(1,794)
Net deficit on revaluation of property, plant and equipment					(1,712)						(1,712)	(1,594)	(3,306)
Net income recognised directly in equity	-	-	-	-	(1,712)	532	-	-	-	-	(1,180)	(3,920)	(5,100)
Capital contribution by minority interest	-	-	-	-	-	-	-	-	-	-	-	2,124	2,124
Dividend paid to minority Shareholder of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	(3,343)	(3,343)
Net profit for the period										(7,279)	(7,279)	(5,901)	(13,180)
Net change in FRS39 reserve							(177)				(177)	(157)	(334)
Balance as at 30 September 2005	30,096	30,096	(18,038)	7,852	26,548	(1,465)	(169)	463	-	107,195	182,578	128,683	311,261

BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Third Quarter ended 30 September 2006

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)	Share Premium (S\$'000)	Capital Reserve (S\$'000)	Accum. Profits (S\$'000)	Share Based payment Reserve (S\$'000)	Total Equity (S\$'000)
Balance as at 1 January 2006	30,096	30,096	7,852	21,349	-	89,393
Transfer from share premium account to share capital upon implementation of the Companies (Amendment) Act 2005	30,096	(30,096)				-
Issue of new Shares as part consideration for the acquisition of trademarks	15,085					15,085
Conversion of 216,559,114 Preference "B" shares into Ordinary Shares	22,163					22,163
Issue of Management Shares					7,760	7,760
New Share issued pursuant to initial public offering	109,683					109,683
Share issue expenses	(6,969)					(6,969)
Net profit for the period				6,248		6,248
Balance as at 30 September 2006	200,154	-	7,852	27,597	7,760	243,363
Balance as at 1 January 2005	30,096	30,096	7,852	20,277	-	88,321
Net profit for the period				(1,646)		(1,646)
Balance as at 30 September 2005	30,096	30,096	7,852	18,631	-	86,675

- 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.**

Issued and fully paid	Date	No. of ordinary shares	S\$'000
Balance as at 31 December 2005		300,963,598	30,096
Transfer of share premium account to share capital account following amendments to Companies Act	01.01.2006	-	30,096
Sub-division of one (1) ordinary share into two (2) shares	28.04.2006	300,963,598	-
Issue of new shares as part consideration for the acquisition of trademarks	22.05.2006	15,552,000	15,085
Conversion of 216,559,114 "B" preference shares into Ordinary Shares	22.05.2006	22,848,000	22,163
Issue of Management Shares	14.06.2006	8,000,000	-
New Shares issued pursuant to the initial public offering	14.06.2006	101,828,563	98,774
New Shares issued pursuant to exercising of overallotment option	14.07.2006	11,246,521	10,909
Share Issue expenses	14.07.2006	-	(6,969)
Balance as at 30 September 2006		761,402,280	200,154

- 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 methods of computation in the financial statements for the current period as those of the audited financial statement for the year ended 31 December 2005.

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.

During the current year, the Group adopted the following Financial Reporting Standards ("FRS")

FRS 102 Share-based payment

As disclosed in our IPO prospectus, in recognition of the staff contribution to the growth of the Group, the Company issued an aggregate of 8 million new shares at no consideration to over 250 management staff before the Company was admitted to the official list of the SGX-ST in June.

The issuance of Management Shares resulted in a non-recurring adjustment to the financial statements as shown below:

	Group (S\$'000)	Company (S\$'000)
Net profit for the 9 months ended 30 September 2006	7,760	1,835
Net tangible assets as at 30 September 2006	7,760	1,835

The adoption of FRS 102 by the Group has no impact on the financial statements of previous financial periods and hence, no restatement is required.

Other than the issuance of Management Shares, the Group did not issue any other share-based incentives.

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 Sep		9 months ended 30 Sep	
	2006	2005	2006	2005
a) Based on the weighted average number of ordinary shares on issue (cents)	0.53	(0.06)	1.86	(1.21)
b) On fully diluted basis (cents)	0.53	(0.06)	1.86	(1.21)

(i) 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 759,813,098 and 601,927,196 ordinary shares respectively.

The basic earnings per ordinary share for the 9 months period and the same period last year have been calculated based on the weighted average number of 667,599,681 and 601,927,196 ordinary shares respectively.

(ii) The diluted earnings per share are the same as basic earnings per share as there is no dilutive potential of ordinary shares.

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-Sep-06 (Note 1)	31-Dec-05 (Note 2)	30-Sep-06 (Note 1)	31-Dec-05 (Note 2)
Net asset value* per ordinary share based on issued share capital at the end of the period (S\$)	0.45	0.63	0.32	0.30

Notes:

1. Based on share capital of 761,402,280 ordinary shares in issue as at 30 September 2006.
2. Based on share capital of 300,963,598 ordinary shares in issue as at 31 December 2005.

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				Group			
	3Q	3Q	Actual vs 2005		YTD	YTD	Actual vs 2005	
	Sep-06	Sep-05	Incr/(Decr)		Sep-06	Sep-05	Incr/(Decr)	
	SGD'000	SGD'000	SGD'000	%	SGD'000	SGD'000	SGD'000	%
Hotel Investment	33,205	27,303	5,902	22%	117,950	69,007	48,943	71%
Hotel Management	1,644	1,673	(29)	-2%	4,149	4,850	(701)	-14%
Spa Operations	4,967	4,834	133	3%	16,303	11,855	4,448	38%
Property Sales	23,789	6,750	17,039	252%	64,706	15,252	49,454	324%
Gallery Sales	2,812	1,873	939	50%	7,712	4,773	2,939	62%
Design Fees and Others	2,675	3,837	(1,162)	-30%	10,523	9,551	972	10%
Revenue	69,092	46,270	22,822	49%	221,343	115,288	106,055	92%

Revenue in 3Q06 increased by S\$22.8 million or 49% from S\$46.3 million to S\$69.1 million. The two major contributing segments for the increase were property sales (increased by S\$17.0 million) and hotel investment segment (increased by S\$5.9 million) and was largely attributable to the recovery from the 2004 Tsunami, which has affected the performances of Phuket in 2005. Compared to revenue in 2Q06 of S\$71.4 million, revenue in 3Q06 was almost in line at S\$69.1 million. The third quarter together with the second quarter are our traditional low seasons for our hotel operations.

Revenue increased by S\$106.1 million or 92% from S\$115.3 million for the YTD Sep 05 to S\$221.3 million for the YTD Sep 06. Apart from the factors mentioned above, revenue for YTD Sep 06 also included an additional 2 months' revenue of Thai Wah Plaza in Bangkok (includes Banyan Tree Bangkok) which we acquired in early March 2005.

B) PROFITABILITY

	Group				Group			
	3Q	3Q	Actual vs 2005		YTD	YTD	Actual vs 2005	
	Sep-06	Sep-05	Incr/(Decr)		Sep-06	Sep-05	Incr/(Decr)	
	SGD'000	SGD'000	SGD'000	%	SGD'000	SGD'000	SGD'000	%
<u>EBITDA</u>								
Hotel Investment	3,936	4,386	(450)	-10%	32,313	5,574	26,739	480%
Hotel Management	39	358	(319)	-89%	(357)	433	(790)	Nm
Spa Operations	1,004	1,479	(475)	-32%	5,491	1,707	3,784	222%
Property Sales	13,220	1,264	11,956	946%	34,693	3,515	31,178	887%
Gallery Sales	558	503	55	11%	990	268	722	269%
Design Fees and Others	(2,458)	(521)	(1,937)	-372%	(4,605)	(2,873)	(1,732)	-60%
Unallocated Income	235	34	201	592%	794	476	318	67%
EBITDA	16,534	7,503	9,031	120%	69,319	9,100	60,219	662%
<u>PATMI</u>								
Operating PATMI	4,019	(383)	4,402	nm	18,848	(7,279)	26,127	nm
Exceptional item (net of MI)	-	-	-	-	(6,416)	-	(6,416)	nm
Total	4,019	(383)	4,402	nm	12,432	(7,279)	(19,711)	nm

EBITDA

Operating profit ("EBITDA") increased by S\$9.0 million from S\$7.5 million in 3Q05 to S\$16.5 million in 3Q06 largely due to higher EBITDA from property sales segment. EBITDA from property sales segment increased significantly from S\$1.3 million in 3Q05 to S\$13.2 million in 3Q06 as a result of increase in sales and construction activity following the recovery from the 2004 Tsunami.

In YTD Sep 06, the Group achieved an overall EBITDA of S\$69.3 million, significantly above the EBITDA of S\$9.1 million in the corresponding period.

PATMI

On an operating basis, profit attributable to shareholders ("PATMI") was S\$4.0 million in 3Q06 compared with a loss of S\$0.4 million in 3Q05 primarily due to higher profit generated by property sales segment as mentioned above.

PATMI on an operating basis was S\$18.8 million in YTD Sep 06 as compared to a loss of S\$7.3 million in YTD Sep 05.

C) BUSINESS SEGMENTS REVIEW

i) Hotel Investment segment

Hotel investment revenue increased by 22% from S\$27.3 million in 3Q05 to S\$33.2 million in 3Q06. This increase was due to better performance in Phuket and Bangkok hotels, and the recent opening of Banyan Tree Lijiang (soft opened in May 2006) and Ringha (September 2005). The Tsunami had significantly and adversely impacted the occupancy and average room rates at our resorts in Phuket in 2005. Revenue from our resorts in Laguna Phuket increased 22%, from S\$13.6 million in 3Q05 to S\$16.6 million 3Q06. With respect to Banyan Tree Phuket, RevPar increased by 17% from S\$265 to S\$309. RevPar of our resorts in Laguna Phuket increased by 14% from S\$80 to S\$91. Revenue from Banyan Tree Bangkok increased by 14% from S\$5.8 million to S\$6.6 million, with RevPar increased by 13% from S\$135 to S\$152

In YTD Sep 06, revenue increased by 71% to S\$118.0 million, largely due to the reasons explained above. In addition, 2006 revenue also included 9 months revenue of Banyan Tree Bangkok as compared to only 7 months in 2005 as the hotel was only acquired in March 2005.

Notwithstanding a higher revenue, EBITDA decreased by 10% from S\$4.4 million in 3Q05 to S\$3.9 million 3Q06 due mainly to write off of pre-opening expenses of S\$1.0 million of Banyan Tree Lijiang. In addition, EBITDA was also affected by the fixed expenses incurred during the extensive renovation works carried out during the low season in preparation for their opening in 4th quarter. These renovation works include conversion of some villas to plunge pool villas and construction of new double pool villas in Banyan Tree Phuket and construction of additional rooms in Sheraton Grande.

For the nine months, however, EBITDA increased 6 times from S\$5.6 million in YTD Sep 2005 to S\$32.3 million in YTD Sep 2006, in line with the higher revenue.

ii) Hotel Management Segment

Hotel Management 3Q06 revenue was almost in line with 3Q05. Almost all of the resorts under management achieved RevPar higher than last year.

In YTD Sep 06, revenue decreased 14% to S\$4.1 million due mainly to elimination on consolidation of additional 2 months management fees in 2006 following our acquisition of BT Bangkok in early March 2005.

EBITDA in 3Q06 was S\$0.04 million compared with S\$0.36 million in 3Q05. If we were to include management fees of those resorts which we have majority interest and therefore were eliminated on consolidation which amounted to S\$1.8 million in both 3Q06 and 3Q05, EBITDA would be S\$1.8 million in 3Q06, a decrease of 16% from S\$2.2 million in 3Q05. The lower EBITDA was mainly due to timing difference in incurring sales and marketing expenses.

Similarly, EBITDA would be S\$6.8 million in YTD Sep 06, if we were to include management fees of those resorts which we have majority interest but were eliminated on consolidation. This was an increase of 31% from S\$5.2 million in YTD Sep 05.

iii) Spa segment

Spa segment revenue increased by 3% from S\$4.8 million in 3Q05 to S\$5.0 million in 3Q06. This was largely due to higher revenue from Spa outlets in Malaysia, Dubai, South Africa and new spa outlets in Egypt, but partially offset by decrease in revenue from spas outlets in Bangkok (undergoing renovation) and Velavaru Island (closed for renovation).

In YTD Sep 2006, revenue increased 38% to S\$16.3 million largely due to recovery of Tsunami affected spa outlets in Laguna Phuket and Maldives and additional revenue from spa outlets in Malaysia, Dubai, South Africa, Egypt and compensation fees for termination of lease at BT Spa Hakone, Japan.

EBITDA decreased by 32% from S\$1.5 million in 3Q05 to S\$1.0 million in 3Q06, largely due to increase in staff cost as a result of an increase in headcount to support the rapid expansion growth in this segment.

In YTD Sep 06, EBITDA however increased significantly in line with the higher revenue.

iv) Property sales segment

Property Sales segment revenue increased significantly from S\$6.8 million in 3Q05 to S\$23.8 million in 3Q06 and for YTD Sep 06, revenue increased 4 times to S\$64.7 million. The strong sales growth was mainly due to sales and recognition of revenue from the Branded Banyan Tree Residences in Phuket, Bintan and Ringha and also Laguna Townhomes and Residences. In the corresponding period last year, there were construction delays due to the impact of the Tsunami.

In line with higher revenue, EBITDA had increased 10 times to S\$13.2 million in 3Q06 and 10 times to S\$34.7 million in YTD Sep 06.

v) Gallery sales segment

The increase in revenue and EBITDA for gallery sales segment for 3Q06 and YTD Sep 06, was largely due to better operating performance from our gallery outlets in Phuket as a result of higher hotel occupancies.

vi) Design fees and Others segment

Design fees and other segment revenue decreased by S\$1.2 million from S\$3.8 million in 3Q05 to S\$2.7 million in 3Q06. This was mainly due to lower fees from design projects recognized during this period and lower rental income due to termination of leases in preparation for the conversion of 22nd – 33rd office rental floors of Thai Wah Plaza to hotel suites.

In YTD Sep 06, revenue increased 10% to S\$10.5 million mainly due to the increase in design fees and higher revenue from golf operations.

Loss before interest, tax, depreciation and amortisation ("LBITDA") increased significantly in both 3Q06 and YTD Sep 06 compared to the corresponding period last year mainly due to lower revenue in 3Q06 and higher head office expenses. This was largely due to increase in resources to support the rapid growth and increase corporate expenses after the company was listed.

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

Not applicable.

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.

The company's results for 3rd quarter of 2006 have been in line with expectations.

Our previously cautious outlook has changed to a much clearer and definitive optimism. We expect the second half performance to be superior to the first half performance. We are now reasonably confident that barring unforeseen circumstances, the full year results at PATMI level (excluding exceptional item) will be higher than 2004 of S\$30.4 million. In 2005, the Company made a PATMI of S\$1.0 million.

There are presently no worrying signs on the horizon. Even the unexpected coup d'etat in Thailand, which might have had a negative impact on hotel revenues and property sales, was peaceful and uneventful, and did not detrimentally affect our business.

We expect that a number of positive trends will result in a strong fourth quarter, and will also continue into the next financial year. The major trends include:

Hotel Operations

High Season Rates:

The shift into high season room rates by all our hotels for the 4th quarter has been successful with little or no customer resistance, and with strong bookings already in hand for the high season.

Phuket Airlift Capacity:

Thai Airways has resumed direct flight between Phuket and Hong Kong and Dragonair is expected to do so shortly. Jetstar will be starting a direct flight from Sydney-Phuket-Sydney at the end of November 2006. We understand other airlines are also considering direct flights from Japan to Phuket.

Restoration of Saleable Inventory:

In the last quarter, renovation and upgrading works in our various hotels took out many keys (rentable rooms or villas) from the inventory of rooms available for occupancy. All these are now or will soon be completed. We will have available for the coming high season around 370 keys returning to saleable inventory.

- Angsana Velavaru - 79 villas which were all taken out during renovation since May 2006;

- Banyan Tree Phuket - 12 villas which were taken out of inventory for the installation of plunge pools with 10 surrounding villas closed as a buffer against renovation noise. In addition, 22 Double Pool Villas will also be completed in time for the high season.
- Sheraton Grande Laguna – a total of 136 rooms including surrounding rooms were taken out of inventory for upgrading and as a buffer against noise from the renovation.
- Laguna Beach Resort – similarly a total of 110 rooms including surrounding rooms were taken out of inventory.

New Hotel Stabilizing

Banyan Tree Lijiang which started 'soft opening' operation since last May with partial number of villas is now fully completed and was officially opened on October 28. We have been achieving rate of S\$440 and occupancy of 55% in the previous quarter. Market response to the hotel, particularly from the important domestic PRC market, has been very encouraging and we are confident of seeing these numbers improve when we discontinue our 'soft-opening' promotional rates. In early 2007, we will commence construction of Phase 2 comprising of 75 additional keys.

Property Sales

Confirmed property sales year- to- date totalled 76 units, exceeding our expectations. We are confident that we will see an acceleration of sales in the coming 2 quarters which traditionally are our peak periods for property sales. In the last two months, we have conducted property exhibitions in Hong Kong, London, Stockholm and Vladivostok and a number of interested buyers are expected to visit Phuket in the coming high season to conclude their purchases.

Phase 2 of Banyan Tree Lijiang will comprise villas and townhouses for sale and lease back. Villas in Banyan Tree Seychelles and units in Banyan Tree Bangkok will also be available for sale starting from around the end of 2006.

We are currently in advanced stage of negotiations for the sale of several undeveloped residential plots of land in Seychelles and in Laguna Phuket. If these sales are concluded, contribution to the Group's PATMI will be approximately S\$10 million.

Management and Design services

The outlook is very positive with the strong pipeline of new management contracts coming onstream in the next few years. We are also currently negotiating management contracts with various parties. All these will contribute to hotel and spa management fees and design fees in the future. However there may be some increase in pressure on operating margins temporarily arising from the need to obtain more resources to support the rapid growth

New Markets

Our business development efforts continue to bear fruit. In addition to the approximately 23 new hotels and resorts which are slated to open in the next three years and which have already been announced, we have in the last quarter signed these new projects:

China : land acquisition agreements/MOUs for resort sites in three well-known destinations: Jiuzhaigou, Lhasa and Guilin. Each of the sites is large enough to build a Banyan Tree resort, an Angsana resort, plus holiday homes for sale. These will be wholly-owned projects and construction is slated to start by 2nd half 2007.

Middle East: management and design agreement for an Angsana resort in Fujairah. Construction will start by 1st half 2007.

Greece: management agreement for an Angsana resort in Santorini. Construction is slated to start mid 2007.

Singapore: management agreement to manage all the spas and a resort as part of the Eighth Wonder casino/integrated resort project in Sentosa Island. This is contingent on the latter winning the bid for the casino.

Spas: management contracts were signed for spas in Haikou, China and in Bangalore, India.

Advanced negotiations are currently in progress for hotel projects in Beijing, Wuhan, Shanghai, Guangdong, Yangzhou, Chong Qing and Nanking, and additional spas in various locations.

New Openings

We plan to open the following hotels by the first half of 2007:

Banyan Tree Bahrain

Hayat Royale and Banyan Tree Spa, Kuwait

Angsana Suites Dubai

Other Developments

Banyan Tree Private Collection, of which we are the manager, is Asia's first fully asset-backed destination club offering perpetual and transferable membership. The club was launched in Tokyo and Seoul on October 31 and November 6 respectively and will rollout in Hong Kong and Singapore before the end of 2006. The rest of Asia and Europe will be targeted in 2007. Preliminary response has been encouraging.

On October 31, the Group entered into a strategic joint marketing alliances with Okura Hotels & Resorts group. The partnership will generate greater awareness and enhance global network benefits for our clients and guests. This should translate well for our sales growth especially in the Japanese market

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/ recommended by the company for the current financial period reported on.

13 Interested Persons Transactions for 3Q ended 30 September 2006

	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) S\$'000	Aggregate value of all interested parties transactions conducted under Shareholders' Mandate (excluding transactions less than S\$100,000) S\$'000
A	Transactions with the Tropical Resorts Limited Group (TRL)		
a	Provision of Resort Management and Related Services to TRL		1,575
b	Provision of Spa Management and Other Related Services to TRL		800
c	Lease of Banyan Tree Bintan Villas from TRL		8,617
d	Returns from TRL in respect of units in Banyan Tree Bintan and Angsana Bintan		500
B	Transactions with the Laguna Resorts & Hotel Public Company Limited Group (LRH)		
a	Provision of Resort Management and Related Services to LRH		1,937
b	Rent and Services		213
c	Reimbursement of expenses		
	- from LRH		468
	- to LRH		1,656
d	Supply of Goods from LRH		931
e	Provision of interest-bearing loan to LRH		5,363
C	Transactions with Phuket Hotel Limited (PHL)		
a	Provision of Hotel Technical Assistance to PHL		33
b	Centralised Service Fees to LRH		135
	Total		22,228

BY ORDER OF THE BOARD

Jane Teah Seow Lian
 Company Secretary
 13 November 2006

DBS Bank Ltd and UBS AG, acting through its business group, UBS Investment Bank, were the joint global co-ordinators and bookrunners of the initial public offering of the shares in Banyan Tree Holdings Limited.

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 third quarter and nine months 2006 financial results to be false or misleading.

On behalf of the Board,



HO KWONPING
Executive Chairman

13 November 2006



ARIEL VERA
Group Managing Director