

NEWS



Images from top

- Banyan Tree Lijiang
- Banyan Tree Phuket

Kindly visit
media.banyantree.com
to download visuals

www.banyantree.com

NINE MONTH OPERATING PROFIT INCREASES OVER SIX TIMES TO S\$69.3 MILLION

- **9MFY06 Revenue increases 92% to S\$221.3 million**
- **3QFY06 Revenue increases 49% to S\$69.1 million**
- **3QFY06 Operating Profit increases 120% to S\$16.5 million**
- **Strong property sales contribution from Banyan Tree Residences**
- **Well-positioned for high season with peak rates and increased room inventories**

9MFY06 Financial Results Highlights (in S\$million) :

	9MFY06	9MFY05	Change (%)
Revenue	221.3	115.3	92 ↑
Operating Profit*	69.3	9.1	662 ↑
PBT and Exceptional Item**	40.9	(13.1)	nm
Exceptional Item	(7.8)	-	nm
PATMI***	12.4	(7.3)	nm

3QFY06 Financial Results Highlights (in S\$million) :

	3QFY06	3QFY05	Change (%)
Revenue	69.1	46.3	49 ↑
Operating Profit*	16.5	7.5	120 ↑
PBT and Exceptional Item**	7.6	(1.1)	nm
Exceptional Item	-	-	nm
PATMI***	4.0	(0.4)	nm

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

** *PBT and Exceptional Item = Profit Before Tax and Exceptional Item*

*** *PATMI = Profit After Tax and Minority Interests.*

NEWS

For further information please contact:

Andrew Cheng
General Manager,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9633 7377
andrew.cheng@citigatedrimage.com

Yeoh Sue Lyn
Senior Consultant,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9781 3267
suelyn.yeoh@citigatedrimage.com

www.banyantree.com

Singapore, November 13, 2006 – Main-Board listed Banyan Tree Holdings Limited (“Banyan Tree” or the “Group”), a leading manager and developer of premium resorts, hotels and spas in the Asia Pacific, announced today a 662 per cent increase in its operating profit (“EBITDA”) to S\$69.3 million for the nine months ended September 30, 2006 (“9MFY06”).

This was on the back of a 92% increase in Group revenue to S\$221.3 million, largely driven by the continued recovery in the performance of the Group’s core business segments in Phuket and Maldives, which were adversely affected by the December 2004 Asian Tsunami.

On a quarterly comparison, third quarter 2006 (“3QFY06”) revenue increased 49 per cent to S\$69.1 million compared to S\$46.3 million recorded in the previous corresponding period. 3QFY06 EBITDA increased by 120% to S\$16.5 million.

Mr. Ho KwonPing, Executive Chairman of Banyan Tree, said, “Despite the third quarter being part of the shoulder seasons of the year, we have continued to perform credibly. This reaffirms our strong recovery from the effects of the Asian Tsunami of December 2004. We are back on the growth track. As we move into the busy year-end period, we have already started to see a strong surge in hotel reservations and expect the 2006 peak season to return to or even exceed pre-Tsunami levels. In addition, we are seeing a strong pick up in resort property purchases due to a more aggressive marketing and branding strategy”.

The Group’s total operating expenses increased 44 per cent, largely due to higher operating supplies and sales and marketing expenses, which are in tandem with the increase in revenue. The increase is also due to new hotels (Banyan Tree Lijiang and Banyan Tree Ringha) coming on stream this year. In line with accounting standards, there is a write-off of pre-opening expenses of Banyan Tree Lijiang which amounted to about S\$1.0 million for the year-to-date.

NEWS

For further information please contact:

Andrew Cheng
General Manager,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9633 7377
andrew.cheng@citigatedrimage.com

Yeoh Sue Lyn
Senior Consultant,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9781 3267
suelyn.yeoh@citigatedrimage.com

www.banyantree.com

9MFY06 and 3QFY06 EBITDA increased to S\$69.3 million and S\$16.5 million, respectively, mainly attributed to improved operating profit from the Group's core business segments in particularly the property sales segment.

As results, the Group recorded a PATMI of S\$12.4 million in 9MFY06, compared to a loss of S\$7.3 million in the previous corresponding period.

For 9MFY06, the Group generated a positive S\$39.2 million of net cash flows from operating activities as compared to a negative S\$5.0 million in the corresponding period. Overall cash flows increased from S\$38.1 million to S\$87.4 million in 9MFY06.

Business Segments Review

For 9MFY06, the Group's Hotel Investment segment was the major revenue contributor, contributing S\$118.0 million while Property Sales segment contributed S\$64.7 million of the total revenue of S\$221.3 million.

On a quarter on quarter basis, the Group's Property Sales segment saw the strongest revenue growth in 3QFY06, increasing 252 per cent to S\$23.8 million. The strong sales growth was mainly attributed to the sales and recognition of revenue from branded Banyan Tree Residences and also from Laguna Townhomes and Residences. EBITDA for 3QFY06 property sales increased 946 per cent to S\$13.2 million, in line with the higher revenue.

Revenue from Hotel Investments also continued to grow, recording a 22 per cent growth in revenue to S\$33.2 million in 3QFY06. The Group's Hotel Management and Spa segment was in line with the corresponding period, recording revenues of S\$1.6 million and S\$5.0 million respectively. Gallery segment recorded a 50 percent increase to S\$2.8 million. Design Fees and Others showed a 30 percent decrease to S\$2.7 million mainly due to timing differences in design fees recognition.

NEWS

For further information please contact:

Andrew Cheng
General Manager,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9633 7377
andrew.cheng@citigatedrimage.com

Yeoh Sue Lyn
Senior Consultant,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9781 3267
suelyn.yeoh@citigatedrimage.com

www.banyantree.com

Outlook

Mr Ho said, "While our third quarter results are in line with expectations, we received some calls regarding our properties and businesses in Thailand, following the political coup in Bangkok in September. We are pleased to reaffirm that our businesses have not been affected, and in fact Banyan Tree Bangkok did better than expected, achieving an average occupancy rate of 75% in 3QFY06 which is higher than the previous corresponding period of 69%. We are also starting to see strong bookings for our resorts in Phuket for the year-end peak season. This coupled with the opening of the Angsana Velavaru in the Maldives in November will boost our hotel business. We have also been doing aggressive marketing for our property sales which we are hopeful will translate to sales especially when prospective buyers visit our resorts in the coming high season."

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 will be superior to the first half performance. We are now reasonably confident that barring unforeseen circumstances, the full year results at PATMI level 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:

NEWS

For further information please contact:

Andrew Cheng
General Manager,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9633 7377
andrew.cheng@citigatedrimage.com

Yeoh Sue Lyn
Senior Consultant,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9781 3267
suelyn.yeoh@citigatedrimage.com

www.banyantree.com

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 flights between Phuket and Hong Kong and Dragonair is expected to do so shortly. Jetstar will be starting direct flights between Sydney and Phuket 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.

NEWS

For further information please contact:

Andrew Cheng
General Manager,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9633 7377
andrew.cheng@citigatedrimage.com

Yeoh Sue Lyn
Senior Consultant,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9781 3267
suelyn.yeoh@citigatedrimage.com

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.

www.banyantree.com



NEWS

For further information please contact:

Andrew Cheng
General Manager,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9633 7377
andrew.cheng@citigatedrimage.com

Yeoh Sue Lyn
Senior Consultant,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9781 3267
suelyn.yeoh@citigatedrimage.com

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 Market: 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.



www.banyantree.com

NEWS

For further information please contact:

Andrew Cheng
General Manager,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9633 7377
andrew.cheng@citigatedrimage.com

Yeoh Sue Lyn
Senior Consultant,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9781 3267
suelyn.yeoh@citigatedrimage.com

www.banyantree.com

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 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

NEWS

For further information please contact:

Andrew Cheng
General Manager,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9633 7377
andrew.cheng@citigatedrimage.com

Yeoh Sue Lyn
Senior Consultant,
Citigate Dewe Rogerson,
i.MAGE Pte Ltd
T +65 6534 5122
HP +65 9781 3267
suelyn.yeoh@citigatedrimage.com

www.banyantree.com

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 19 resorts and hotels, 52 spas, 56 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 six operating business segments: hotel investment, 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 centered on two award-winning brands: Banyan Tree and Angsana, of which the latter includes the Colours of Angsana product line. Banyan Tree also operates the leading integrated resort in Thailand – Laguna Phuket, through the Group’s subsidiary, Laguna Resorts & Hotels Public Company Limited.

As a leading operator of spas in the Asia Pacific, Banyan Tree’s spas are one of the key features in their resorts and hotels. Banyan Tree galleries, which complement their resorts, hotels and spas, help to extend the reach and scope of their brands.

Since the launch of the first Banyan Tree resort, Banyan Tree Phuket, in 1994, Banyan Tree has received over 250 awards and accolades for the resorts, hotels and spas that the Group manages. The Group has also received recognition for its commitment to environmental protection and emphasis on corporate social responsibility.

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.