

BANYAN TREE'S REVENUE INCREASED 30%, PROFIT AFTER TAX UP BY 12%

Highlights:

- Revenue increased by 30% to S\$104.9 million
- Operating Profit increased by 8% to S\$36.7 million
- Profit After Tax increased by 12% to S\$19.6million
- Strong contribution from Hotel Investment and Property Sales segments.

1Q07 Results Snapshot (in S\$million) :

	1Q07	1Q06	Change (%)
Revenue	104.9	80.8	30 ↑
Operating Profit*	36.7	33.9	8 ↑
PBT	27.4	24.4	12↑
PAT	19.6	17.5	12↑

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

** *PBT = Profit Before Taxation*

*** *PAT = Profit After Taxation*

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Singapore, May 8, 2007 – Main-Board listed Banyan Tree Holdings Limited (“Banyan Tree” or the “Group”), a leading manager and developer of premium resorts, hotels, spas and galleries, announced today a 30% increase in revenue to S\$104.9 million and 12% increase in profit after taxation to S\$19.6 million, largely driven by Hotel Investment and Property Sales segments.

Mr Ho KwonPing, Executive Chairman of Banyan Tree said, “We are pleased to report the continued strong growth of our businesses particularly our Hotel Investment and Property Sales segments. However, sales of branded Hotel Residences performed below the same period last year as we completely sold out our two-bedroom Double Pool Villas (DPV) in Banyan Tree Phuket and the lower attractiveness of one-bedroom DPV even at lower prices. However we expect sales to resume to normal when we complete the conversion of existing one-bedroom DPVs with an additional bedroom before the end of 2007”

The Group’s total operating expenses increased 44% largely due to higher operating supplies, other operating expenses and sales and marketing expenses which were in line with the increase in revenue. Administrative expenses had also increased due to foreign exchange fluctuations. There were also increases in staff strength to support the Group’s new hotel operations in Banyan Tree Lijiang and the re-branded Angsana Velavaru, new spa operations, and increased activities in its existing operations.

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The Group's overall cash and cash equivalents increased by 73% to S\$78.7 million mainly due to higher opening cash resulting from the proceeds from the issuance of new shares pursuant to the initial Public Offering in June 2006 and also operating profit generated during the current period.

Business Segments Review

The Group's Hotel Investment and Property Sales segments saw the strongest combined revenue growth, increasing 46% from S\$57.9 million in 1Q06 to S\$84.7 million in 1Q07.

The strong growth in Hotel Investment segment was mainly due to better performance in the Group's hotels in Phuket following their renovation late last year, contribution from Banyan Tree Lijiang which fully opened in October 2006 and the continued strong sales growth of rebranded Angsana Velavaru in Maldives, EBITDA increased by 24% to S\$28.3 million in 1Q07, in line with the higher revenue and greater flow-through.

Revenue from the Property Sales segment increased by 180% to \$19.3 million largely due to higher sales and recognition of Laguna Townhomes and Bungalows. EBITDA increased by 113% to S\$6.7 million in line with the increase in sales.

The Hotel Management segment saw a 156% increase in revenue to S\$3.1 million in 1Q07, largely due to management fees from the Banyan Tree Private Collection, which was launched in late last year and higher fees from Colours of Angsana -Maison Souvannaphoum. If the Group were to include the management fees of resorts in which the Group had majority interest but were eliminated on consolidation, EBITDA would be S\$4.2 million in 1Q07, an increase of 17% compared to the previous corresponding period.

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For the Group's Spa segment, 1Q07 revenue increased by 12% to S\$6.0 million led by higher revenue from spa outlets in Laguna Phuket and Maldives as well as additional revenue from new outlets in Dubai, Egypt and Sri Lanka. EBITDA however decreased by 19% as the new outlets have yet to stabilize. In addition, EBITDA was also affected by higher headcount and higher operating expenses to support the rapid expansion in this segment.

Revenue from Design Fees and Others segment increased by 31% to S\$5.4 million in 1Q07 due to higher fees from design projects recognized during this period and higher income from golf operations as a result of higher hotel occupancies which led to the increase.

Revenue from Hotel Residence Sales segment on the other hand decreased by 66% to S\$3.3 million in 1Q07. Hotel Residences refers to hotel villas or suites sold to investors under a compulsory leaseback scheme. The decrease in revenue was due entirely to the complete sell-out of two-bedroom Double Pool Villas (DPV) in Banyan Tree Phuket at the end of 2006, and the lower attractiveness of one-bedroom DPV's, even at lower prices. However, sales are expected to return to normal when existing one-bedroom DPVs are converted to add an additional bedroom. This should be completed before the end of 2007. In line with the lower revenue, EBITDA decreased by 70% to S\$1.7 million in 1Q07.

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Outlook

1Q07 results have been in line with our expectation. At the macro level, given the strong economic growth, recovery in Japan and rapidly increasing affluence in Asia, the outlook for the global hotel industry in 2007 is buoyant. Barring unforeseen circumstances, we are optimistic that the positive trends will continue in the next few quarters.

Hotel Operations

In general, hotel bookings for the traditionally soft second quarter remain reasonably healthy.

For Banyan Tree Seychelles, in addition to its existing 53 villas in 1Q07, we will be adding a further 6 two bedroom double pool villas by mid 2007. Thereby, this will add 11% more villas to a very strong destination/resort.

For Banyan Tree Lijiang which officially opened on October 28th 2006 with 55 keys, we are confident that the hotel performance will continue to improve in next few quarters with greater consumer awareness and promotions

The rebranded Angsana Velavaru achieved strong Revpar in 1Q07. We will continue to complete the last part of the refurbishment of Angsana Velavaru during the low season to capture the high season traffic in the last quarter of 2007.

The group is finalizing the acquisition of 7 Riads (traditional Moroccan houses) in Marrakech and in Essaouira. These will form the exclusive and unique Angsana Riads Collection and are expected to be launched by mid to third quarter 2007. This will contribute positively to the results in the 2nd half. Additional riads in other Moroccan destinations may be purchased during the year.

Hotel Residence Sales / Property Sales

The current order book for sale of properties -- defined as properties for which instalment payments are already being paid -- remains at the same level as the same period last year, and already accounts to an equivalent of around 40% of total sale of properties of last financial year. Two sales exhibitions in Hong Kong and London in May and June 2007 to solely sell branded Hotel Residences are expected to improve the performance of this business segment.

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Political events in Thailand have had no negative impact on hotel operations nor sale of properties. However, we are continuously monitoring the impact of the political situation on property sales. So far, there is no cause for concern.

Management, Spa and Design Services

The outlook is positive with strong pipeline of new management contracts coming onstream in the next few years.

In the beginning of April 2007, Banyan Tree Al Areen, Bahrain was officially opened in time for the Formula One race held in Bahrain in mid-April. In the next few quarters, we expect to launch an estimated 3 new Banyan Tree spas and 7 Angsana spas under our management.

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About Banyan Tree Holdings Limited

Banyan Tree Holdings Limited (“Banyan Tree” or the “Group”) is a leading manager and developer of premium resorts, hotels and spas in the Asia Pacific, with 21 resorts and hotels, 58 spas, 68 galleries and two golf courses. The Group manages and/or have ownership interests in niche resorts and hotels. The resorts each typically has between 50 and 100 rooms and commands room rates at the high end of each property’s particular market.

Banyan Tree has seven operating business segments: hotel investment, hotel residence sales, hotel management, spa operations, gallery operations, property sales, design fees and others (design and project management, golf course operations and other businesses).

The Group’s primary business is the management, development and ownership of resorts and hotels. This is centred around two award-winning brands: Banyan Tree and Angsana, 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 300 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.

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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.



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