



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



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2ND QUARTER OPERATING PROFIT UP 51% ON THE BACK OF 29% REVENUE GAIN

Highlights:

- 2Q08 Total Revenue increased by 29% to S\$107.2 million
- 2Q08 Operating Profit increased by 51% to S\$23.4 million
- 1H08 Total Revenue increased by 31% to S\$247.6 million
- 1H08 Operating Profit increased by 41% to S\$73.6 million
- Strong contribution from Hotel Residences/Property Sales.

1H08 Results Snapshot (in S\$'million) :

	1H08	1H07	Change (%)
Total Revenue*	247.6	188.3	31 ↑
Operating Profit**	73.6	52.2	41 ↑
PBT#	48.2	33.1	46 ↑
PAT@	31.2	23.9	31 ↑
PATMI^	18.9	14.3	32 ↑

2Q08 Results Snapshot (in S\$'million) :

	2Q08	2Q07	Change (%)
Total Revenue*	107.2	83.2	29 ↑
Operating Profit**	23.4	15.5	51 ↑
PBT#	11.1	5.7	92 ↑
PAT@	5.9	4.3	37 ↑
PATMI^	3.5	3.2	10 ↑

* Total Revenue = Revenue and Other Operating Income

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

PBT = Profit Before Taxation

@ PAT = Profit After Taxation

^ PATMI = Profit After Taxation and Minority Interest

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Singapore, 14 August 2008 – 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 its half year result which shows a 31% increase in revenue and profit after tax to S\$247.6 million and S\$31.2 million respectively, largely driven by its Hotel Residences segment.

Mr. Ho KwonPing, Executive Chairman of Banyan Tree said, “We are satisfied by the strong growth in our branded Hotel Residences sales. Revenue achieved at half time has already surpassed what we have achieved the whole of 2007 and 2006. This is a clear affirmation of our brand strength. We are also very pleased that our operating profit or EBITDA increased by an even larger 41% from S\$52.2 million to S\$73.6 million.”

The Group’s total operating expenses for the half year increased by 28% largely due to higher operating supplies and administrative expenses which were in line with the increase in revenue. There were also increases in staff strength to support the new hotel operations in Banyan Tree Madivaru and Angsana Riads Collection, Morocco, as well as in existing operations to support the increased level of activities in various segments.

The Group’s overall cash and cash equivalents increased by 79% to S\$86.3 million mainly due to proceeds from the issuance of S\$100 million Medium Term Notes in the fourth quarter of 2007, but were offset by various investments, construction and renovation projects and repayment of bank loans during the period.

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(A) BUSINESS SEGMENTS REVIEW

The Group registered total revenue of S\$247.6 million in 1H08, an increase of S\$59.3 million (31%) compared to 1H07. 2Q08 revenue saw a 29% increase or S\$24.0 million over the same period last year.

Hotel Residences

Sales of branded residences recorded a strong revenue growth of more than 9-fold from S\$3.5 million in 2Q07 to S\$33.2 million in 2Q08 mainly due to sales and progressive recognition of Banyan Tree Phuket Pool and Double Pool Villas, Dusit Villas, Banyan Tree Lijiang Villas/Townhouses and Banyan Tree Bangkok Suites. In the corresponding period last year, there were only sales and progressive recognition of Dusit Villas and Banyan Tree Phuket two-bedroom pool villa. As a result of the higher revenue, EBITDA increased significantly from S\$0.8 million in 2Q07 to S\$18.5 million in 2Q08.

Hotel Investment

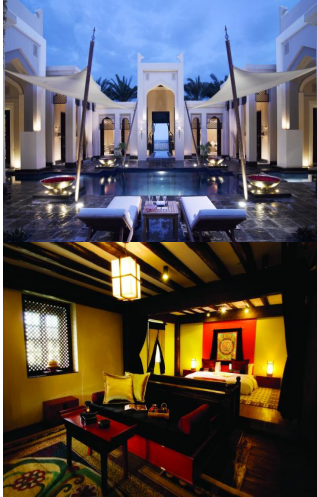
Hotel Investment revenue decreased by S\$5.8 million or 13% contributed largely by Laguna Phuket of which Sheraton Grande, Laguna Beach Resort and Dusit Laguna contributed S\$4.2 million or 72% to the overall shortfall.

Laguna Phuket was affected by lower MICE¹ business which was the target market segment during the low season. MICE business recorded a decrease of 21% compared to the same period last year. In addition, there was lower revenue from the wholesale market which showed a drop of 7% against the same period last year primarily attributed to the Asian wholesale market which is more price sensitive than the European market. This was also in part due to the current uncertainties in the world economy, high inflation and high oil prices.

EBITDA decreased by S\$6.8 million or 72% from S\$9.5 million in 2Q07 to S\$2.7 million in 2Q08. This was due to lower revenue which contributed S\$3.3 million to the overall decrease and net exchange loss of S\$2.3 million.

1. Meetings Incentives, Conference and Exhibition

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Hotel Management

Hotel management revenue increased by S\$0.6 million to S\$4.0 million in 2Q08 mainly due to fund management fees from managing the Indochina Hospitality Fund, based on the first closing of US\$100 million in February 2008. EBITDA decreased by S\$0.1 million from S\$0.3 million in 2Q07 to S\$0.2 million in 2Q08 mainly due to higher sales and marketing expenses.

Spa Operation

Spa revenue increased by S\$0.5 million or 9% from S\$5.6 million in 2Q07 to S\$6.1 million in 2Q08. This was largely due to higher revenue from spa outlets in China and Dubai. EBITDA however was lower by S\$0.3 million mainly due to higher headcount to support expansion activities and higher cost of operating supplies.

Property Sales

Property sales reported lower revenue by S\$0.7 million or 4% to S\$16.0 million in 2Q08. This was mainly due to lower sales (S\$1.7 million) of vacation club memberships but partially offset by higher sales and progressive revenue recognition (S\$1.0 million) of Laguna Village Townhomes phase 2, Laguna Residences phase 3 and Laguna Village Residences phase 4. EBITDA however increased by S\$0.8 million to S\$4.6 million in 2Q08, mainly due to higher sales margins and progressive recognition of Laguna Village Residences phase 4.

Design Fees and Others

Design Fees and Others segment revenue decreased by S\$2.1 million or 28% from S\$7.4 million in 2Q07 to S\$5.3 million in 2Q08. This was mainly due to lower fees billed for projects in this quarter based on certain design milestones. EBITDA decreased by S\$2.9 million in tandem with the lower revenue and also higher staff costs and operating expenses to support the expansion growth in this segment.

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OUTLOOK

We are cautiously optimistic that our prospects remain broadly positive despite the current global economic slowdown and costlier air travel resulting from high fuel prices.

Purchase of an adjacent prime land to Laguna Phuket

In June 2008, LRH purchased 9 hectares of land adjacent to Laguna Phuket for S\$16.1 million with the remaining 29 hectares to be purchased over a period of up to 10 years. This land will be developed for residential, hotel and commercial use.

Hotel Investment

Notwithstanding current uncertainties in the world economy, the trend in our Rooms revenue order book has been encouraging. Based on the current order book, the on-the-book (OTB)/rooms' commitments for the next six months are ahead of the corresponding period last year. We are therefore cautiously optimistic that hotel bookings will be reasonably strong in the second half of this year.

Hotel Residences/ Property Sales

The current order book for sale of properties remains strong.

For the six months period, we have sold 62 units totaling S\$90.6 million compared to 38 in the corresponding period. Including units sold in 2007, we have a total of S\$95.6 million unrecognised revenue as at 30 June 2008 as compared to \$61.2 million as at 30 June 2007 and we will be progressively recognising revenue on percentage of completion basis as construction progresses in 2008.

Based on the revenue achieved at half year and the unrecognized revenue expected to be recognized progressively, revenue from Hotel Residences/Property Sales is expected to surpass last year.

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- Angsana Velavaru

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Management, Spa and Design Income

The outlook is positive with additional fees from fund management and also new management contracts coming on-stream in the next few years.

We have opened Banyan Tree Sanya (Hainan) comprising of 61 villas at the end of April 2008, and by 3rd quarter of the year, we will open Angsana Hotel & Suites Dubai (UAE) Tower 1 comprising of 417 keys.

Also in the next few quarters, we expect to launch 3 new spas.

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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 24 resorts and hotels, 65 spas, 66 galleries and two golf courses. The Group manages and/or has ownership interests in niche resorts and hotels. The resorts each typically has between 50 and 100 rooms and commands room rates at the high end of each property’s particular market.

Banyan Tree has seven operating business segments: hotel 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. Banyan Tree also operates the leading integrated resort in Thailand – Laguna Phuket, through the Group’s subsidiary, Laguna Resorts & Hotels Public Company Limited.



BANYAN TREE

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