



News Release

General Advisory

In response to the recent general advisory on disclosure obligations issued by the Singapore Exchange on 25th September 2008, the Board of Directors of Banyan Tree Holdings Limited ("BTH" or the "Group") wishes to highlight the following information in relation to BTH's operations and consolidated group financials:-

1. The Group has no bilateral dealings with known troubled financial institutions and has not entered into any complex financial instruments. Therefore, it does not have any potential direct exposure to the instability caused by such financial products in today's financial market turbulence.
2. Given the increased deterioration of the global financial situation, we are approaching the outlook of the Group more cautiously. The political turmoil in Thailand, if protracted, may have a more significant impact on the Group, especially if accessibility to our properties are hindered or travel advisories are issued by countries of our key guest markets. We experienced such a situation in the third quarter 2008 when the Phuket Airport was blocked and then closed because of mass demonstrations by the supporters of opposition political party. As a result, our Laguna resorts' businesses were affected. This is compounded by the fact that third quarter is our shoulder season, which will tip the Group's performance into a loss position for third quarter 2008.

3. We are closely monitoring the Thai political situation and the general global outlook as we approach the high season at the end of this year. As of now, the hotels' on-the-book rooms revenue (ie. forward booking reservations) is still healthy and about the same compared to the same period last year.

4. With respect to our Hotel Residences and Property Sales, based on the revenue for the first half of this year, and revenue which will be progressively recognized in the second half of 2008, we expect to surpass the combined full year's revenue in 2007. We are however cautiously monitoring the unit sales progress going forward. Our property buyers are also typically our hotel guests especially during the high seasons. Furthermore, we will be holding exhibitions in various cities in the fourth quarter of 2008.

5. Notwithstanding, the Group is controlling its spending and cutting its costs where possible. Cash preservation is exercised and cash outflows are controlled. We are also expecting our operating profit for the fourth quarter 2008 to be lower than the same period last year. We are however still expecting to be profitable for the full year.

By Order of the Board

Jane Teah
Company Secretary
17th October 2008

[Back To Top](#)