



News Release

Award On Tsunami Insurance Claims

The Board of Directors of Banyan Tree Holdings Limited ("BTH") wishes to announce that the Thai Arbitration Institute has awarded a final arbitration sum of THB236,663,570 (approximately S\$10.2 million) ("Arbitration Award") to BTH and certain of its subsidiaries. The Arbitration Award is for claims arising from the 2004 Tsunami against the insurer in respect of losses sustained by the various hotels situated within the Laguna Phuket which is an integrated resort in Thailand owned by BTH ("Tsunami Claims").

BTH had on 15 May 2008 announced under note 1, Revenue and Other Operating Income of its Unaudited Results for the First Quarter ended 31 March 2008, that it received S\$7.0 million from the insurer of which S\$5.8 million was an interim compensation for the Tsunami Claims ("Interim Award"). The Arbitration Award is inclusive of the Interim Award and the remaining compensation of S\$4.4 million is expected to increase the net tangible assets per share and earnings per share of the Group by S\$0.003 (0.3 cents) for the current financial year ending 31 December 2008.

Jane Teah
Company Secretary

31 December 2008