



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



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- Banyan Tree Sanya
- Banyan Tree Lijiang

3RD QUARTER OPERATING PROFIT DOWN 51%, MAINLY AFFECTED BY POLITICAL TURMOIL IN THAILAND.

Highlights:

- 3Q08 Total Revenue increased by 5% to S\$86.4million
- 3Q08 Operating Profit decreased by 51% to S\$9.2million
- Continuing strong revenue recognition from hotel residences sales but lower contribution from hotel operations and property sales in Thailand due to political crisis
- 9M08 Total Revenue increased by 23% to S\$334.0million
- 9M08 Operating Profit increased by 17% to S\$82.9million

3Q08 Results Snapshot (in S\$'million) :

	3Q08	3Q07	Change (%)
Total Revenue*	86.4	82.6	5 ↑
Operating Profit**	9.2	18.9	51 ↓
PBT# before Exceptional item	(3.5)	8.3	Nm
Exceptional Item	-	44.5	100 ↓
PATMI [^]	(4.9)	49.1	Nm

9M08 Results Snapshot (in S\$'million) :

	9M08	9M07	Change (%)
Total Revenue*	334.0	270.9	23 ↑
Operating Profit**	82.9	71.1	17 ↑
PBT# before Exceptional item	44.8	41.5	8 ↑
Exceptional Item	-	44.5	100 ↓
PATMI [^]	14.0	63.4	78 ↓

* Total Revenue = Revenue and Other Operating Income

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

PBT = Profit Before Taxation

[^] PATMI = Profit After Taxation and Minority Interest



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- Banyan Tree Bangkok
- Banyan Tree Phuket

Singapore, 13 November 2008 – Mainboard 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 3rd quarter result which shows a 51% decrease in operating profit to S\$9.2 million mainly due to political turmoil in Thailand. Operating profit for the nine months was 17% ahead to S\$82.9 million, largely driven by its Hotel Residences segment.

Mr Ho KwonPing, Executive Chairman of Banyan Tree said, “The political turmoil in Thailand which resulted in street demonstrations in Bangkok and also closure of Phuket Airport over a weekend in August has affected travel to the country in the 3rd quarter. This was compounded by the fact that 3rd quarter is the shoulder season of the year. We are closely monitoring the Thai political situation and given the increased deterioration of the global financial situation, we are approaching the high season at the end of this year more cautiously. With respect to our Hotel Residences and Property Sales business, we are pleased that at nine month period, revenue recognized was more than 90% of full year sales recognized last year. We expect to surpass the combined full year’s revenue in 2007.”

The Group’s total operating expenses for the nine months increased by 26% 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 decreased by 49% to S\$43.5 million mainly due various investments, construction and renovation projects and repayment of bank loans during the period.

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- Banyan Tree Seychelles

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(A) BUSINESS SEGMENTS REVIEW

The Group registered total revenue of S\$334.0 million in 9M08, an increase of S\$63.1 million (23%) compared to 9M07. 3Q08 total revenue was 5% or S\$3.8 million higher but EBITDA was 51% or S\$9.7 million below the same period last year.

Hotel Residences

Branded residences recorded a strong revenue growth of more than 4-fold from S\$3.6 million in 3Q07 to S\$17.2 million in 3Q08 mainly due to continuing progressive revenue 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 revenue recognition of Dusit Villas and Banyan Tree Bintan Villas. As a result of the higher revenue, EBITDA increased significantly from S\$1.9 million in 3Q07 to S\$6.5 million in 3Q08.

Hotel Investment

Hotel Investment revenue decreased by S\$5.6 million or 13% largely due to Thailand (S\$6.6 million) because of the political crisis which resulted in street demonstrations in Bangkok and also closure of Phuket Airport for two days in August. Resorts in Laguna Phuket contributed S\$5.6 million to the shortfall with the remaining S\$1.0 million from Banyan Tree Bangkok. Our resorts in Maldives continued to perform well with revenue S\$1.5 million higher than last year. Overall occupancy was 4% points higher (from 49% to 53%) and average room rate was 4% (from S\$484 to S\$505) higher than last year.

EBITDA decreased by S\$3.9 million or 57% from S\$6.8 million in 3Q07 to S\$2.9 million in 3Q08. This was due to lower revenue coupled with higher cost as a result of increase in room inventory in Banyan Tree Lijiang, Banyan Tree Bangkok and Dusit Laguna. In addition, there were higher electricity and fuel costs due to increase in oil prices.

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- Banyan Tree Vabbinfaru
- Banyan Tree Madivaru

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Hotel Management

Hotel management revenue decreased by S\$0.4 million to S\$4.3 million in 3Q08 mainly due to lower fees from club management but partially offset by higher fund management fees from managing the Banyan Tree IndoChina Hospitality Fund. EBITDA decreased by S\$1.0 million from S\$1.3 million in 3Q07 to S\$0.3 million in 3Q08 mainly due to higher expenses as a result of the set up of regional sales offices.

Spa Operation

Spa revenue increased by S\$0.7 million or 11% from S\$6.3 million in 3Q07 to S\$7.0 million in 3Q08. This was largely due to higher revenue from spa outlets in Indonesia and China. EBITDA was higher by S\$0.1 million in line with the increase in revenue.

Property Sales

Property sales reported lower revenue by S\$7.6 million or 47% to S\$8.7 million in 3Q08. Property sales in Phuket was lower than last year by S\$5.6 million largely due to slower sales and revenue recognition of Laguna Village Villas, Townhomes phase 2 and Bungalows phase 2 and phase 3. Sales of holiday vacation club contributed to the remaining revenue shortfall as it was affected by current political uncertainties in Thailand. EBITDA decreased by S\$5.6 million to S\$3.0 million in 3Q08 mainly due to lower sales. In addition, in 3Q07, there was a reversal for an over accrual of cost of S\$2.7 million whilst no such adjustment was made in 3Q08.

Design Fees and Others

Design Fees and Others segment revenue decreased by S\$1.0 million or 16% to S\$5.3 million in 3Q08. This was mainly due to timing difference as lower fees were billed for projects in this quarter based on certain design milestones. EBITDA decreased by S\$3.2 million in tandem with the lower revenue and also higher fixed costs and operating expenses to support the expansion in this segment.

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- Banyan Tree Ringha
- Angsana Velavaru

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OUTLOOK

As announced on 20 October 2008, we are approaching the outlook of the Group more cautiously given the increased deterioration of the global financial situation and a period of great uncertainties. The political turmoil in Thailand, if protracted, may have a 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 are also expecting the fourth quarter 2008 results to be lower than last year. Barring unforeseen circumstances, we expect that the Group will remain profitable for the financial year 2008.

Hotel Operations

We are closely monitoring the Thai political situation and the general global outlook as we approach the high season at the end of the year. As of now, the hotel's on the book ("OTB") rooms revenue (ie forward booking reservations) for 4th quarter for Banyan Tree / Angsana Resorts outside Thailand is still healthy at 45% higher than the same period last year. OTB for hotels in Thailand however is 19% lower and overall OTB is 4% higher than the same period last year.

Hotel Residences/ Property Sales

Based on the revenue recognized to date, and revenue which will be progressively recognized for the rest of 2008, we expect to surpass the combined full year's revenue in 2007. However, given the uncertainties, we expect a slow down of unit sales going forward.

Management, Spa and Design Income

We have opened Banyan Tree Sanya (Hainan) comprising of 61 villas at the end of April 2008 and have soft opened Angsana Hotel & Suites Dubai (UAE) Tower 1 comprising of 417 keys in August 2008. Management fees from these new resorts and new stream of management fees from Fund management will contribute to hotel, spa management fees and design fees in the future.

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- Banyan Tree Spa Bangkok
- Angsana Spa Brehon

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 25 resorts and hotels, 68 spas, 65 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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