



BANYAN TREE HOLDINGS LIMITED

(Company Registration Number: 200003108H)



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- Banyan Tree Club & Spa Seoul
- Banyan Tree Samui



3rd QTR RESULTS STILL WEIGHED DOWN BY THAILAND. BUT BACK IN THE BLACK FROM GAIN ON LAND SALES IN SEYCHELLES.

Highlights:

- **3Q10 Revenue decreased by 7% to S\$66.3 million and 3Q10 Operating Profit decreased by 75% to S\$4.0 million.**
- **Revenue declined due to impact of Thailand’s political problems. Operating Profit declined due to cessation of temporary cost cutting measures.**
- **3Q10 PATMI boosted by gain from sale of land in Seychelles.**
- **9M10 revenue increased by 2% to S\$223.3 million and LATMI was S\$3.8 million against breakeven last year mainly due to sluggish property sales.**
- **FY2010 expects to be profitable arising from sale of Dusit Laguna Phuket.**

3Q10 Results Snapshot (in S\$’ million) :

	3Q10	3Q09	Change (%)
Revenue	66.3	71.2	7% ↓
Operating Profit*	4.0	15.7	75% ↓
(LBT)/PBT [#]	(5.0)	1.3	Nm
PATMI/(LATMI) [^]	0.1	(1.0)	Nm

9M10 Results Snapshot (in S\$’ million) :

	9M10	9M09	Change (%)
Revenue	223.3	219.2	2% ↑
Operating Profit*	32.4	49.1	34% ↓
(LBT)/PBT [#]	(3.4)	6.5	Nm
(LATMI)/PATMI [^]	(3.8)	0.0	Nm

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

[#] (LBT)/PBT = (Loss)/Profit Before Taxation

[^] (LATMI)/PATMI = (Loss)/Profit After Taxation and Minority Interest

Nm = not meaningful

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- Banyan Tree Cabo Marqués

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Singapore, 12 November 2010 – 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 third quarter results which shows PATMI returning to profit. However, this quarter’s performance continued to be affected by the knock-on effects of the Thai political crisis and the cessation of several temporary cost cutting measures carried out last year.

Mr Ho KwonPing, Executive Chairman of Banyan Tree said, “Thailand’s protracted political crisis compounded by the fact that 3rd quarter is a low season of the year continued to affect our Hotel Investments / Property Sales segments’ performance although to a lesser extent compared to 2nd quarter. AT PATMI level, we turned around with a profit of S\$0.1 million compared to a loss last year helped by a gain from sale of Seychelles land by our joint venture company. We will be completing the sale of Dusit Laguna Phuket in the 4th quarter, and expect to be profitable for the full year of 2010. We are also pleased to announce that Banyan Tree China Hospitality Fund (I) has successfully completed its 1st closing with capital commitments of close to RMB 1 billion in September.”

The Group’s total operating expenses for 3Q10 increased by S\$6.0 million. All categories of expenses were higher than last year except for cost of operating supplies, cost of properties sold and administrative expenses. The higher expenses in 3Q10 was mainly due to 3Q09 having the benefit of lower expenses due to several cost cutting measures undertaken last year following the onset of the global financial crisis. Part of these cost cutting measures have since ceased at the end of 2009 when the global economy started to recover.

The Group’s overall cash and cash equivalent increased by 87% from S\$71.2 million in 3Q09 to S\$133.1 million in 3Q10, largely due to lower funds used for investing activities as the Group continued to exercise prudence on the use of funds since the onset of the global financial crisis, coupled with deposits received from sale of Dusit Laguna Phuket and proceeds of S\$50 million from notes issuance under the S\$400 million Medium Term Notes Programme.

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- Banyan Tree Hangzhou
- Banyan Tree Sanya

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BUSINESS SEGMENTS REVIEW

The Group registered revenue of S\$66.3 million in 3Q10, a decrease of S\$4.9 million (7%) compared to same period last year. This was mainly attributable to lower revenue from Property Sales and Hotel Investments segments, but cushioned by higher revenue from Fee-based segments. EBITDA of S\$4.0 million in 3Q10 decreased by S\$11.7 million (75%) compared to the same period last year, largely due to lower revenue and higher operating expenses following the cessation of cost cutting measures at the end of 2009.

Hotel Investments

Hotel Investments segment achieved revenue of S\$35.8 million in 3Q10, a decrease of 7% or S\$2.5 million compared to S\$38.3 million in 3Q09. Lower revenue was mainly due to lower performance from our resorts in Thailand (S\$1.2 million), and to a lesser extent from China (S\$0.6 million) and Maldives (S\$0.2 million).

In Thailand, our resorts' performance was affected by the knock-on effects of the political riots that took place in Bangkok in April and May 2010 although the impact was less severe in 3Q10 compared to 2Q10. In 3Q10, occupancy was 49%, an improvement by 7% points over 2Q10 but remained below last year by 4% points because of the periodic bomb blasts and anti-government rallies, both of which have necessitated the continued-state of emergency in Thailand.

Our resorts in China registered lower revenue growth by S\$0.6 million due mainly to the World Expo 2010 held in Shanghai which resulted in less travelers to Lijiang. Overall occupancy was lower by 8% points from 67% to 59%.

Our resorts in Maldives recorded lower revenue by S\$0.2 million in 3Q10 due to translation loss as a result of weaker US\$ against S\$. In US\$ terms, revenue was higher by US\$0.2 million instead. Overall occupancy improved by 3% points from 58% to 61%.

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- Banyan Tree Phuket

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For 9M10, helped by a strong 1st quarter performance due to the improvement in the global economy led by Asia and prior to the political riots in Bangkok, overall revenue was S\$10.6 million higher than 9M09 with S\$11.4 million attributable to 1Q10. Of the overall increase of S\$10.6 million, resorts in Thailand contributed S\$11.8 million followed by Maldives of S\$1.1 million but partially offset by China (S\$0.8 million).

3Q10 recorded a loss of S\$0.7 million from EBITDA of S\$5.0 million in 3Q09. Besides lower revenue, lower EBITDA was also due to increased expenses as 3Q09 had the benefit of lower operating expenses due to several cost saving measures undertaken last year. Against 9M09, EBITDA was also lower by S\$3.5 million or 13% from S\$26.2 million to S\$22.7 million mainly due to increased expenses.

Property Sales segment

Property Sales segment revenue decreased by S\$8.8 million or 67% from S\$13.1 million in 3Q09 to S\$4.3 million in 3Q10. This was mainly due to the negative sentiments towards Thai properties in view of the political instability. During the quarter, there was recognition for only 1 unit of Banyan Tree Lijiang villa as opposed to recognition for several units of Banyan Tree Phuket villas / Banyan Tree Lijiang townhomes in 3Q09. In total, there were 3 new units sold in 3Q10 compared to 5 in 3Q09, a decrease of 40% and 50% in units and value terms respectively.

For 9M10, Property Sales segment revenue decreased by S\$14.4 million or 44% from S\$32.9 million to S\$18.5 million as there were fewer units recognized for Dusit villas, Banyan Tree Phuket villas and Banyan Tree Lijiang townhomes compared to 9M09. In addition, lower revenue for 9M10 was also attributable to buyers downgraded from higher-priced Dusit residences to Laguna townhomes in 1Q10. In total, there were 10 new units sold in 9M10 compared to 15 in 9M09, a decrease of 33% and 41% in units and value terms respectively.

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- Banyan Tree Vabbinfaru

EBITDA decreased by S\$6.2 million from S\$5.7 million in 3Q09 to loss before interest, tax, depreciation and amortization of S\$0.5 million in 3Q10. Against 9M09, EBITDA decreased by S\$9.3 million or 79% from S\$11.8 million in 9M09 to S\$2.5 million in 9M10. Lower EBITDA was mainly due to lower revenue as explained above, coupled with fixed cost such as rental and salary.

Fee-based segment

Fee-based segment revenue increased by S\$6.4 million or 32% from S\$19.7 million in 3Q09 to S\$26.1 million in 3Q10 largely due to higher revenue from hotel management fees, fund management fees, architectural and design fees and gallery sales.

Higher hotel management fees were mainly from management fees from newly-opened resorts such as Banyan Tree Hangzhou, Banyan Tree Ungasan, and Banyan Tree Club & Spa Seoul, coupled with royalty fees from property sales in Angsana Fuxian Lake. Gallery operations also benefited from sales to newly-opened resorts. Higher fund management fees were due to the completion of first close of Banyan Tree China Hospitality Fund (I) in September 2010. Higher architectural and design fees were largely from new projects based on certain milestones achieved.

Fee-based segment revenue increased by S\$7.8 million or 14% from S\$57.6 million in 9M09 to S\$65.4 million in 9M10 mainly due to higher architectural and design fees, higher hotel and fund management fees, and higher spa/gallery sales as explained above, but partially reduced by nil management fees derived from Angsana Dubai and Banyan Tree Al Areen, Bahrain following the termination of the hotel management contracts.

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- Banyan Tree Lijiang

EBITDA increased by S\$0.9 million from S\$6.6 million in 3Q09 to S\$7.5 million in 3Q10 mainly due to higher revenue. Against 9M09, notwithstanding higher revenue, EBITDA decreased by S\$4.6 million from S\$17.8 million in 9M09 to S\$13.2 million in 9M10. Lower EBITDA was mainly due to higher expenses in 9M10 compared to 9M09 as there was a final capitalization of S\$2.7 million for in-house design and project team time cost on the InOcean villa project following the completion of the project in 9M09. There was no such capitalization of cost in the current period. In addition, there were also pre-opening cost incurred on new spa outlets, and higher staff cost following the cessation of unpaid leave scheme.

New Openings and New Management Contracts

We have opened Angsana Fuxian Lake, Yunnan, China in 3Q10 and expect to open the following 5 new resorts in the next 12 months:

- Banyan Tree Macau, China
- Banyan Tree Riverside, Shanghai, China
- Angsana Hangzhou, China
- Angsana Balaclava, Mauritius
- Angsana Eastern Mangroves, Abu Dhabi, UAE

Also in the next 12 months, we expect to launch an estimated 10 spas under management.

We have also signed the following new hotel management contract in the recent months:

- Angsana Bahia Fenicia, Spain, will be strategically located on Peñon del Lobo in a town called Almuñécar, one of the most popular tourist destinations along the shoreline of Costa Tropical.

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- Angsana Riads Collection Morocco
- Angsana Fuxian Lake

OUTLOOK

As indicated in last quarter's outlook, the results achieved in 3Q10, being also a low season of the year has been in line with our expectation. The Thai political crisis has continued to impact our hotel performance in Thailand although to a lesser extent in 3Q10 compared to 2Q10. As we enter into the high season of the year and barring any unforeseen circumstances and assuming stabilization of the Thai political situation, we are hopeful of a better 4th quarter for our hotel operations. The full year results are expected to be profitable following the sale of Dusit Laguna Phuket which is expected to be completed in 4Q10 as previously announced.

For our hotel operations, with some evidences of stability returning to the Thai capital, the pick up in rooms bookings in Thailand have improved. Currently, the hotel's on-the-book ("OTB") rooms revenue (i.e., forward booking reservation) for hotels we owned in Thailand and those outside Thailand for the 4th quarter is 7% and 4% above the same period last year respectively. Overall the Group is ahead by 6%.

Our property sales in Thailand however are expected to remain slow given the negative sentiments towards the country as a result of the recent political events.

Banyan Tree China Hospitality Fund (I)

The China Fund completed its first closing with capital commitments of RMB 923 million (S\$185 million) on 13 September 2010 and will have a final closing for the admission of Limited Partners no later than 16 January 2011. The Company has committed to investing an amount equivalent to at least 5% of the total capital commitments of the China Fund upon Final Closing.

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- Angsana Spa Emirates Hills
- Elements Spa Kuwait - Gym

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 30 resorts and hotels, 65 spas, 80 galleries and 3 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.

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.



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211 Upper Bukit Timah Road Singapore 588182

Tel: (65) 6849-5888

Fax: (65) 6462-0186

Website: <http://www.banyantree.com>

www.banyantree.com