



BANYAN TREE HOLDINGS LIMITED  
Unaudited results for the First Quarter ended 31 March 2010

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group		
		3 months ended 31 Mar		
	Notes	2010 (S\$'000)	2009 (S\$'000)	Incr/ (Decr) %
Revenue	1	96,238	88,204	9%
Other income	2	3,434	725	374%
<b>Costs and expenses</b>				
Cost of operating supplies		(7,761)	(6,853)	13%
Cost of properties sold		(1,207)	(2,371)	-49%
Salaries and related expenses		(28,601)	(26,697)	7%
Administrative expenses		(14,231)	(10,063)	41%
Sales and marketing expenses		(4,357)	(4,331)	1%
Other operating expenses		(16,065)	(14,085)	14%
<b>Total costs and expenses</b>	3	<b>(72,222)</b>	<b>(64,400)</b>	<b>12%</b>
<b>Operating profit</b>	4	<b>27,450</b>	<b>24,529</b>	<b>12%</b>
Depreciation of property, plant and equipment		(8,759)	(9,012)	-3%
Amortisation of lease rental and land use rights		(972)	(1,241)	-22%
<b>Profit from operations</b>		<b>17,719</b>	<b>14,276</b>	<b>24%</b>
Finance income		1,175	959	23%
Finance costs	5	(4,670)	(4,988)	-6%
Share of results of associated companies		(68)	80	nm
Share of results of joint venture companies		(2)	(2)	0%
<b>Profit before taxation</b>		<b>14,154</b>	<b>10,325</b>	<b>37%</b>
Income tax expenses	6	(4,567)	(3,435)	33%
<b>Profit after taxation</b>	7	<b>9,587</b>	<b>6,890</b>	<b>39%</b>
<b>Attributable to:</b>				
Equity holders of the Company	9	5,336	5,247	2%
Non-controlling interests	8	4,251	1,643	159%
<b>Net Profit for the Period</b>		<b>9,587</b>	<b>6,890</b>	<b>39%</b>



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**1(a)(ii) Statement of Comprehensive Income**

	Group 3 months ended 31 Mar		
	2010 (S\$'000)	2009 (S\$'000)	Incr/ (Decr) %
<b>Net Profit for the Period</b>	9,587	6,890	39%
<b>Other comprehensive income:</b>			
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	11,526	18,652	-38%
Net change in fair value adjustment reserve	-	(1,334)	-100%
Adjustment on property revaluation reserve, net of deferred tax	118	383	-69%
Total comprehensive income	21,231	24,591	-14%
<b>Attributable to:</b>			
Equity holders of the Company	12,264	16,990	-28%
Non-controlling interests	8,967	7,601	18%
	21,231	24,591	-14%

**1(a)(iii) Additional Disclosures**

	Group 3 months ended 31 Mar		
	2010 (S\$'000)	2009 (S\$'000)	Incr/ (Decr) %
<b>Profit from operations</b>			
Profit from operations is stated after charging/(crediting):			
Allowance for doubtful debts - trade, net	827	510	62%
(Write back of)/Allowance for inventory obsolescence	(36)	5	<i>nm</i>
Exchange gain	(353)	(1,917)	-82%
Loss on disposal of property, plant and equipment	12	47	-74%
Write off of property, plant and equipment	9	-	<i>nm</i>

Adjustments for under or over provision of tax in respect of prior years

Included in the tax expense for the period was an over provision of S\$298,000 relating to prior years.



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**1(a)(iv) Explanatory notes on performance for 1Q 2010**

1. Revenue

To facilitate better understanding of the Group's business, we have streamlined our presentation of the business segments into 3 core segments instead of the 7 segments presented in the past years. The 3 core segments are Hotel Investments segment, Property Sales segment and Fee-based segment. Property Sales segment will now comprise sales of Hotel Residences which is part of the hotel operations and Laguna Property Sales which are standalone vacation homes in Laguna Phuket. Fee-based segment comprises Hotel Management operations which include hotel management, club management and fund management income, Spa/Gallery operations and Design and Others operations.

Revenue increased by S\$8.0 million from S\$88.2 million in 1Q09 to S\$96.2 million in 1Q10. This was mainly attributable to higher revenue from Hotel Investments segment by S\$11.4 million, but partially offset by lower revenue from Fee-based segment and Property Sales segment which decreased by S\$1.9 million and S\$1.4 million respectively.

In line with the global economic recovery, Hotel Investments segment recorded higher revenue led primarily by hotel/resorts in Thailand and China which registered higher revenue by S\$11.8 million and S\$0.5 million respectively. Our resorts in Maldives however, recorded a marginal lower revenue by S\$0.2 million due to keen competition and slower economic recovery in Europe, which is the key feeder market during the high season.

Fee-based segment recorded lower revenue by S\$1.9 million compared to 1Q09 due largely to lower hotel management fees as a result of the termination of hotel management contracts with the owners of Angsana Dubai and Banyan Tree Bahrain. The former was due to the decision by its owner to proceed with the sale of hotel building in view of the challenging operating environment brought on by the global economic recession while the latter was due to the continuous failure by its owner to fulfill its obligations under the contract. This was largely cushioned by higher revenue from newly-opened resorts such as Banyan Tree Mayakoba, Banyan Tree Al Wadi and Banyan Tree Hangzhou.

Property Sales segment recorded revenue of S\$7.3 million in 1Q10, a decrease of S\$1.4 million compared to 1Q09, mainly due to lower revenue from revenue recognition and buyer downgraded from higher-priced Dusit residences to lower-priced Laguna townhomes, partially cushioned by sales and recognition of 1 unit each in Lijiang and Bintan, and progressive revenue recognition of 1 unit of Banyan Tree Phuket deluxe double pool villa.

2. Other income

Other income of S\$3.4 million was S\$2.7 million higher than the same period last year due to final settlement of insurance proceeds arising from the Tsunami claim.

3. Costs and expenses

Total costs and expenses increased by S\$7.8 million from S\$64.4 million in 1Q09 to S\$72.2 million in 1Q10. Except for cost of properties sold, all other expenses were higher compared to 1Q09.

Cost of operating supplies increased by S\$0.9 million from S\$6.9 million in 1Q09 to S\$7.8 million in 1Q10 and other operating expenses increased by S\$2.0 million from S\$14.1 million in 1Q09 to S\$16.1 million in 1Q10, largely due to higher occupancy-related expenses in line with the higher revenue from Hotel Investments segment in 1Q10.

Cost of properties sold decreased by S\$1.2 million from S\$2.4 million in 1Q09 to S\$1.2 million in 1Q10 largely due to lower revenue recognition in Property Sales segment.

Administrative expenses increased by S\$4.1 million from S\$10.1 million in 1Q09 to S\$14.2 million in 1Q10 as a result of increase in revenue related expenses such as management and incentives fees paid to third parties operators from improved performance of resorts in Laguna Phuket, rentals paid to Sheraton Island Villas owners, increase in legal and professional fees, and higher allowances for doubtful debts.

Salaries and related expenses increased by S\$1.9 million from S\$26.7 million in 1Q09 to S\$28.6 million in 1Q10. This was largely due to the increase in headcount as a result of new InOcean villas launched in July 2009 and cessation of unpaid leave scheme implemented since March 2009 as part of group-wide cost cutting efforts in 2009 following the global financial crisis.



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4. Operating profit ("EBITDA")

EBITDA increased by S\$3.0 million from S\$24.5 million in 1Q09 to S\$27.5 million in 1Q10. This was largely due to higher EBITDA from Hotel Investments segment (S\$5.4 million) in line with higher revenue, but partially offset by lower EBITDA from Property Sales segment (S\$1.1 million) as a result of buyer downgraded from higher-priced Dusit residences to lower-priced Laguna townhomes, and lower EBITDA from Fee-based segment (S\$2.8 million) due to lower revenue.

5. Finance costs

Finance costs decreased by S\$0.3 million from S\$5.0 million in 1Q09 to S\$4.7 million in 1Q10. This was mainly attributable to lower borrowings and lower average interest rates.

6. Income tax expenses

Income tax expenses increased by S\$1.2 million from S\$3.4 million in 1Q09 to S\$4.6 million in 1Q10 mainly due to higher profit.

7. Profit after taxation ("PAT")

Profit after taxation increased by S\$2.7 million from S\$6.9 million in 1Q09 to S\$9.6 million in 1Q10. This was in line with higher operating profit in 1Q10.

8. Non-controlling interests

Non-controlling interests increased by S\$2.7 million from S\$1.6 million in 1Q09 to S\$4.3 million in 1Q10 mainly due to higher profit from our subsidiary, Laguna Resorts & Hotels Public Company Ltd ("LRH").

9. Profit attributable to equity holders of the Company ("PATMI")

As a result of the foregoing, profit attributable to equity holders of the Company increased by S\$0.1 million from S\$5.2 million in 1Q09 to S\$5.3 million in 1Q10.



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**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Notes	Group			Company		
		As at			As at		
		31-Mar-10 (S\$'000)	31-Dec-09 (S\$'000)	Incr/ (Decr) %	31-Mar-10 (S\$'000)	31-Dec-09 (S\$'000)	Incr/ (Decr) %
<b>Non-current assets</b>							
Property, plant and equipment	1	885,536	876,964	1%	22	25	-12%
Land use rights	1	20,287	20,484	-1%	-	-	-
Land awaiting future development	1	34,915	33,995	3%	-	-	-
Subsidiary companies		-	-	-	385,070	384,726	0%
Associated companies		23,678	23,814	-1%	18,957	19,008	0%
Joint venture companies		3,408	3,422	0%	6,322	6,323	0%
Prepaid island rental		22,251	22,603	-2%	-	-	-
Long-term trade receivables		45,734	49,292	-7%	-	-	-
Intangible assets		26,903	26,903	0%	-	-	-
Long-term investments		27,397	27,193	1%	-	-	-
Prepayments		2,303	2,303	0%	-	-	-
Other receivables		18,215	17,408	5%	-	-	-
Deferred tax assets		15,750	13,810	14%	31	31	0%
		1,126,377	1,118,191	1%	410,402	410,113	0%
<b>Current assets</b>							
Inventories		12,063	12,247	-2%	-	-	-
Trade receivables		59,007	56,918	4%	-	-	-
Prepayments and other non-financial assets		14,373	11,733	23%	-	51	-100%
Other receivables		16,758	16,310	3%	1,770	1,436	23%
Amounts due from subsidiary companies		-	-	-	12,094	8,574	41%
Amounts due from associated companies		797	1,374	-42%	-	8	-100%
Amounts due from related parties		10,250	10,079	2%	227	250	-9%
Property development costs		70,297	69,765	1%	-	-	-
Cash and cash equivalents		69,378	76,252	-9%	1,970	7,864	-75%
		252,923	254,678	-1%	16,061	18,183	-12%
<b>Total assets</b>		1,379,300	1,372,869	0%	426,463	428,296	0%
<b>Current liabilities</b>							
Trade payables		20,897	20,947	0%	-	-	-
Unearned income		4,341	4,180	4%	-	-	-
Other non-financial liabilities		16,360	15,295	7%	-	104	-100%
Other payables		39,232	46,837	-16%	3,318	2,365	40%
Amounts due to subsidiary companies		-	-	-	45,503	45,495	0%
Amounts due to associated companies		-	372	-100%	-	-	-
Amounts due to related parties		573	813	-30%	1	282	-100%
Interest-bearing loans and borrowings	2	47,734	70,790	-33%	2,250	2,250	0%
Notes payable		50,000	50,000	0%	50,000	50,000	0%
Tax payable		11,484	7,295	57%	-	-	-
		190,621	216,529	-12%	101,072	100,496	1%
<b>Net current assets / (liabilities)</b>		62,302	38,149	63%	(85,011)	(82,313)	3%



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	Notes	Group			Company		
		As at			As at		
		31-Mar-10 (S\$'000)	31-Dec-09 (S\$'000)	Incr/ (Decr) %	31-Mar-10 (S\$'000)	31-Dec-09 (S\$'000)	Incr/ (Decr) %
<b>Non-current liabilities</b>							
Interest-bearing loans and borrowings	2	191,125	184,528	4%	10,979	11,542	-5%
Deferred income		15,191	15,367	-1%	-	-	-
Loan stock		552	552	0%	-	-	-
Notes payable		77,250	77,250	0%	77,250	77,250	0%
Deposits received		1,242	1,200	4%	-	-	-
Other non-current liabilities		1,568	1,504	4%	-	-	-
Deferred tax liabilities		173,850	169,344	3%	-	-	-
		460,778	449,745	2%	88,229	88,792	-1%
<b>Net assets</b>		727,901	706,595	3%	237,162	239,008	-1%
<b>Equity attributable to equity holders of the Company</b>							
Share capital		199,995	199,995	0%	199,995	199,995	0%
Treasury shares		(5,071)	(5,071)	0%	(5,071)	(5,071)	0%
Reserves		325,697	313,358	4%	42,238	44,084	-4%
		520,621	508,282	2%	237,162	239,008	-1%
Non-controlling interests		207,280	198,313	5%	-	-	-
<b>Total equity</b>		727,901	706,595	3%	237,162	239,008	-1%



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### **Explanatory notes on Balance Sheet**

Other than the following 2 items, there are no major movement in the balance sheet items.

1. Property, Plant and Equipment, Land use rights and Land awaiting future development

Property, plant and equipment, Land use rights and Land awaiting future development increased by S\$9.3 million from S\$931.4 million as at 31 December 2009 to S\$940.7 million as at 31 March 2010. This was mainly due to translation adjustments of S\$15.1 million on opening balances and capital expenditure of S\$2.6 million expended on on-going purchase of furniture, fittings and equipments by our resorts for their operations, partially offset by depreciation charge of S\$8.8 million for the quarter.

2. Current and Non-current interest-bearing loans and borrowings

Current and non-current interest-bearing loans and borrowings increased by S\$16.4 million from S\$255.3 million to S\$238.9 million due to draw down of additional loans partially offset by scheduled loan repayments.

3. Litigation

On 3 July 2008, Avenue Asia Capital Partners, L.P., one of 6 plaintiffs, filed a lawsuit against LRH, a listed subsidiary of the Company, as one of 6 defendants at the Southern Bangkok Civil Court. The plaintiffs claimed that they are the creditors of a shareholder of LRH. The plaintiffs alleged that in arranging the Extraordinary General Meeting No. 1/2007 and approving its proposed capital increase where some shareholders did not subscribe for newly issued shares, LRH acted jointly with certain shareholders to commit a tort against the plaintiffs. Thus, the plaintiffs claimed damages of S\$23.2 million (Baht 539,052,407) with interest of 7.5% per annum and the costs of legal proceedings.

This case is currently pending at the Court of First Instance. LRH maintains that it did not commit a tort against the plaintiffs and has not made a provision in its accounts. LRH is vigorously defending this lawsuit.



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**1(b)(ii) Aggregate amount of the group's borrowings and debts securities**

	Group	
	As at	
	31-Mar-10 (S\$'000)	31-Dec-09 (S\$'000)
<b>Amount repayable in one year or less, or on demand:-</b>		
Secured	45,234	68,290
Unsecured	52,500	52,500
<b>Sub-Total 1</b>	<b>97,734</b>	<b>120,790</b>
<b>Amount repayable after one year:-</b>		
Secured	184,667	177,445
Unsecured	83,708	84,333
<b>Sub-Total 2</b>	<b>268,375</b>	<b>261,778</b>
<b>Total Debt</b>	<b>366,109</b>	<b>382,568</b>

**Details of any collateral**

The secured bank loans are secured by assets with the following net book values:

	Group	
	As at	
	31-Mar-10 (S\$'000)	31-Dec-09 (S\$'000)
Freehold land and buildings	485,572	552,838
Quoted shares in a subsidiary company	4,006	4,130
Property development costs	6,871	7,004
Leasehold land and buildings	104,272	105,803
Unquoted shares in subsidiary companies	16,226	16,226
Prepaid island rental	21,778	23,542
Other assets	51,585	49,064
	690,310	758,607





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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	3 months ended 31 Mar	
	2010 (S\$'000)	2009 (S\$'000)
<b><i>Cash flows from operating activities</i></b>		
Profit before taxation	14,154	10,325
Adjustments for:		
Share of results of associated companies	68	(80)
Share of results of joint venture companies	2	2
Depreciation of property, plant and equipment	8,759	9,012
Loss on disposal of property, plant and equipment	12	47
Write off of property, plant and equipment	9	-
Finance income	(1,175)	(959)
Finance costs	4,670	4,988
Amortisation of lease rental and land use rights	972	1,241
Allowance for doubtful debts - trade, net	827	510
(Write back of)/allowance for inventory obsolescence	(36)	5
Gain on disposal of other investment	(1)	-
Share-based payment expenses	75	217
Currency realignment	103	1,534
Operating profit before working capital changes	28,439	26,842
Decrease in inventories	361	1,169
Increase in trade and other receivables	(1,604)	(653)
Increase in amounts due from related parties	(154)	(1,819)
Decrease in trade and other payables	(8,780)	(11,887)
	(10,177)	(13,190)
<b>Cash flows generated from operating activities</b>	<b>18,262</b>	<b>13,652</b>
Interest received	1,177	1,528
Interest paid	(3,947)	(4,756)
Tax paid	(1,955)	(924)
<b>Net cash flows from operating activities</b>	<b>13,537</b>	<b>9,500</b>
<b><i>Cash flows from investing activities</i></b>		
Purchase of property, plant and equipment	(2,567)	(16,342)
Proceeds from disposal of property, plant and equipment	393	169
Decrease/(increase) in long-term investments	16	(179)
Net cash inflow on acquisition of a subsidiary company	-	31
<b>Net cash flows used in investing activities</b>	<b>(2,158)</b>	<b>(16,321)</b>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from bank loans	11,210	30,438
Repayment of bank loans	(29,962)	(24,695)
<b>Net cash flows (used in)/from financing activities</b>	<b>(18,752)</b>	<b>5,743</b>
Net decrease in cash and cash equivalents	(7,373)	(1,078)
Net foreign exchange difference	499	1,238
Cash and cash equivalents at beginning of year	76,252	53,712
<b>Cash and cash equivalents at end of the period</b>	<b>69,378</b>	<b>53,872</b>



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**Explanatory notes on Consolidated Cash Flow**

As at 31 March 2010, the Group's cash and cash equivalents increased by S\$15.5 million or 29% to S\$69.4 million compared to 31 March 2009. The increase in cash flow was largely due to lower funds used for investing activities in line with the Group's strategy of preserving cash following the onset of the global financial crisis.

During the period, we generated positive operating cash flow of S\$13.5 million, mainly due to profit before tax of S\$14.2 million adjusted for non-cash items of S\$14.2 million, comprising mainly of depreciation and amortization of island rental of S\$9.7 million and finance expenses of S\$4.7 million. This was reduced by a net decrease in cash generated from working capital changes of S\$10.2 million, and net interest and income tax payments of S\$4.7 million.

The net cash flows used in investing activities amounted to S\$2.2 million, due largely to on-going purchase of furniture, fittings and equipments by our resorts for their operations.

The net cash flows used in financing activities amounted to S\$18.8 million. This was mainly due to loan drawdown of S\$11.2 million partially offset by scheduled bank repayments of S\$30.0 million.



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1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Share capital (S\$'000)	Treasury shares (S\$'000)	Merger deficit (S\$'000)	Capital reserve (S\$'000)	Property revaluation reserve (S\$'000)	Currency translation reserve (S\$'000)	Fair value adjustment reserve (S\$'000)	Legal reserve (S\$'000)	Share-based payment reserve (S\$'000)	Gain/(loss) on reissuance of treasury shares (S\$'000)	Accumulated profits (S\$'000)	Total attributable to equity holders of the Company (S\$'000)	Non-controlling interests (S\$'000)	Total equity (S\$'000)
<b>Balance as at 1 January 2010</b>	199,995	(5,071)	(18,038)	7,852	142,369	(33,751)	172	6,928	8,915	(85)	198,996	508,282	198,313	706,595
Total comprehensive income for the period	-	-	-	-	73	6,855	-	-	-	-	5,336	12,264	8,967	21,231
Issue of Performance Share Grants to employees	-	-	-	-	-	-	-	-	75	-	-	75	-	75
Transfer to legal reserve	-	-	-	-	-	-	-	195	-	-	(195)	-	-	-
<b>Balance as at 31 March 2010</b>	199,995	(5,071)	(18,038)	7,852	142,442	(26,896)	172	7,123	8,990	(85)	204,137	520,621	207,280	727,901
<b>Balance as at 1 January 2009</b>	199,995	(5,191)	(18,038)	7,852	189,442	(29,145)	170	6,457	8,545	-	196,462	556,549	232,096	788,645
Total comprehensive income for the period	-	-	-	-	228	12,849	(1,334)	-	-	-	5,247	16,990	7,601	24,591
Issue of Performance Share Grants to employees	-	-	-	-	-	-	-	-	217	-	-	217	-	217
<b>Balance as at 31 March 2009</b>	199,995	(5,191)	(18,038)	7,852	189,670	(16,296)	(1,164)	6,457	8,762	-	201,709	573,756	239,697	813,453



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1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

COMPANY	Share capital (S\$'000)	Treasury shares (S\$'000)	Capital reserve (S\$'000)	Share-based payment reserve (S\$'000)	Gain/(loss) on reissuance of treasury shares (S\$'000)	Accumulated profits (S\$'000)	Total equity (S\$'000)
<b>Balance as at 1 January 2010</b>	199,995	(5,071)	7,852	8,343	(85)	27,974	239,008
Total comprehensive income for the period	-	-	-	-	-	(1,846)	(1,846)
<b>Balance as at 31 March 2010</b>	199,995	(5,071)	7,852	8,343	(85)	26,128	237,162
<b>Balance as at 1 January 2009</b>	199,995	(5,191)	7,852	8,343	-	20,669	231,668
Total comprehensive income for the period	-	-	-	-	-	11,369	11,369
<b>Balance as at 31 March 2009</b>	199,995	(5,191)	7,852	8,343	-	32,038	243,037



**1(d)(ii) 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There had been no changes in the company's share capital in the current reported financial period.

**Performance Shares**

During the quarter, nil (1Q09: Nil) performance-based shares were issued and 28,750 (1Q09: Nil) performance-based shares were cancelled under the Banyan Tree Performance Share Plan. As at 31 March 2010, 2,606,800 (31 March 2009: 1,854,750) performance-based shares are outstanding.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>31-Mar-10 No. of shares</b>	<b>31-Dec-09 No. of shares</b>
Number of issued shares excluding Treasury shares	758,471,980	758,471,980

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

	<b>31-Mar-10 No. of shares</b>	<b>31-Dec-09 No. of shares</b>
Treasury shares	2,930,300	2,930,300

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the group auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2009.



**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, the effect of, the change.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2010. The adoption of the standards and interpretations does not have material impact to the financial statements in the period of initial application.

**6 Earnings per ordinary share of the group for the current financial period reported and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -**

- (a) Based on the weighted average number of ordinary shares on issue; and  
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

		3 months ended 31 Mar	
		2010	2009
a)	Based on the weighted average number of ordinary shares on issue (cents)	0.70	0.69
b)	On fully diluted basis (cents)	0.70	0.69

- (i) The basic earnings per ordinary share for the 3 months period and the same period last year have been calculated based on the weighted average number of 758,471,980 and 758,402,280 ordinary shares respectively.  
(ii) The diluted earnings per ordinary share for the 3 months period and the same period last year have been calculated based on the weighted average number of 761,078,780 and 760,257,030 ordinary shares respectively.

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group As at		Company As at	
	31-Mar-10	31-Dec-09	31-Mar-10	31-Dec-09
Net asset value per ordinary share based on issued share capital* at the end of the period (S\$)	0.69	0.67	0.31	0.32

\* 758,471,980 ordinary shares in issue as at 31 March 2010 and 31 December 2009.



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8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A) REVENUE

	Group			
	1Q 2010 SGD'000	1Q 2009 SGD'000	Actual vs 1Q 2009 Incr/(Decr)	
			SGD'000	%
	Hotel Investments	69,380	57,967	11,413
Property Sales	7,258	8,740	(1,482)	-17%
- Hotel Residences	1,212	2,695	(1,483)	-55%
- Laguna Property Sales	6,046	6,045	1	0%
Fee-based Segment	19,600	21,497	(1,897)	-9%
- Hotel Management	4,595	6,052	(1,457)	-24%
- Spa/Gallery Operations	8,737	9,006	(269)	-3%
- Design and Others	6,268	6,439	(171)	-3%
<b>Revenue</b>	<b>96,238</b>	<b>88,204</b>	<b>8,034</b>	<b>9%</b>



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**B) PROFITABILITY**

	<b>Group</b>			
	<b>1Q</b>	<b>1Q</b>	<b>Actual vs 1Q 2009</b>	
	<b>2010</b>	<b>2009</b>	<b>Incr/(Decr)</b>	
	<b>SGD'000</b>	<b>SGD'000</b>	<b>SGD'000</b>	<b>%</b>
Hotel Investments	25,670	20,327	5,343	26%
Property Sales	1,506	2,582	(1,076)	-42%
- Hotel Residences	976	789	187	24%
- Laguna Property Sales	530	1,793	(1,263)	-70%
Fee-based Segment	2,210	4,992	(2,782)	-56%
- Hotel Management	(71)	2,263	(2,334)	-103%
- Spa/Gallery Operations	1,503	2,219	(716)	-32%
- Design and Others	778	510	268	53%
Head Office Expenses	(5,370)	(4,097)	(1,273)	31%
Other income (net)	3,434	725	2,709	374%
<b>Operating Profit (EBITDA)</b>	<b>27,450</b>	<b>24,529</b>	<b>2,921</b>	<b>12%</b>
<b>Net profit for the period (PATMI)</b>	<b>5,336</b>	<b>5,247</b>	<b>89</b>	<b>2%</b>





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## C) BUSINESS SEGMENTS REVIEW

### i) Hotel Investments segment

Hotel Investments segment achieved revenue of S\$69.4 million in 1Q10, an improvement of 20% or S\$11.4 million compared to S\$58.0 million in 1Q09. Higher revenue was mainly from our resorts in Thailand (S\$11.8 million) and China (S\$0.5 million), partially offset by lower revenue from Maldives (S\$0.2 million).

In line with the improvement in global economy led by Asia, our properties in Thailand and China registered higher revenue growth by 28% and 23% respectively. In Thailand, occupancy was higher by 12% points (from 60% to 72%), largely contributed by our resorts in Laguna Phuket and in China, occupancy improved by 13% points (from 28% to 41%). Revenue in both Thailand and China region were also higher due to 26 new villas in Banyan Tree Phuket and 34 new villas in Banyan Tree Lijiang added to the hotel inventory in 1Q10 and March 2009 respectively.

Our resorts in Maldives however, recorded a marginal lower revenue by S\$0.2 million compared to the same period last year due to intense competition and slower economic recovery in Europe which is the key feeder market in the high season. Except for Angsana Velavaru, the other 3 resorts in Maldives registered lower revenue. Higher revenue in Angsana Velavaru was mainly due to contributions from the 33 new InOcean villas launched in July 2009 which was well received.

EBITDA increased by 26% or S\$5.4 million from S\$20.3 million in 1Q09 to S\$25.7 million in 1Q10. This was mainly due to higher revenue as explained above.

### ii) Property Sales segment

Property Sales segment decreased by 17% or S\$1.4 million from S\$8.7 million in 1Q09 to S\$7.3 million in 1Q10. This was mainly due to lower revenue from revenue recognition and from Hotel Residences as a result of buyer downgraded from higher-priced Dusit residences to Laguna townhomes, partially cushioned by sales and revenue recognition of 1 unit each of Banyan Tree Lijiang townhome and Banyan Tree Bintan villa, and progressive recognition of 1 unit of Banyan Tree Phuket deluxe double pool villa. Although the recovery of this segment lags behind hotel operations, new sales in 1Q10 in units and value terms were higher than 1Q09 by 50% and 57% respectively.

EBITDA decreased by S\$1.1 million or 42% from S\$2.6 million in 1Q09 to S\$1.5 million in 1Q10 due mainly to lower revenue as explained above.

### iii) Fee-based segment

Fee-based segment revenue decreased by S\$1.9 million or 9% from S\$21.5 million in 1Q09 to S\$19.6 million in 1Q10 mainly due to lower hotel management fees as a result of nil management fees derived from Angsana Dubai and Banyan Tree Bahrain following the termination of hotel management contracts. This was partially cushioned by higher management fees from Banyan Tree Mayakoba, Banyan Tree Hangzhou and Banyan Tree Al Wadi which opened on 1 March 2009, 1 December 2009 and 25 December 2009 respectively.

EBITDA decreased by S\$2.8 million from S\$5.0 million in 1Q09 to S\$2.2 million in 1Q10 due to lower revenue and higher expenses as a result of progressive expansion of infrastructure to support the fund management activities of Banyan Tree Indochina Hospitality Fund following its final close in June 2009.

If management fees of those resorts which the Group has a majority interest and were not eliminated on consolidation, a sum of S\$4.4 million in 1Q09 and S\$4.8 million in 1Q10 would be added to EBITDA. EBITDA would have been S\$7.0 million in 1Q10 as compared to S\$9.4 million in 1Q09.

### iv) Head Office

Head office expenses increased by S\$1.3 million or 31% from S\$4.1 million in 1Q09 to S\$5.4 million in 1Q10 mainly attributable to higher staff and related costs and lower exchange gain.

## 9 Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.



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**10 A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

On the back of the continuing recovery of the world economy, 1Q10 results have been in line with our expectations. However, the current political crisis in Thailand will affect tourists' arrivals into Thailand and may impact the Group's performance in the next 2 quarters, which are also the low seasons of the year.

Currently, the overall hotel's on-the-book ("OTB") rooms revenue (i.e., forward booking reservation) for 2nd quarter is 34% ahead of the same period last year with hotels outside Thailand ahead by 40% and hotels in Thailand ahead by 24%. As at 7 May 2010 however, we have already received cancellations amounting to S\$1.2 million in rooms revenue for Thailand which represent 5% of total OTB revenue. In addition, there is concern that the pick-up in room bookings in Thailand for the next 2 quarters may be slower than last year due to travelers not making plans to Thailand.

Our property sales in Thailand will also be adversely impacted by the negative sentiments towards the country as buyers will wait for the political situation to stabilize.

Under the current circumstances, the volatility of the political situation in Thailand makes it difficult to forecast the performance of the Group for the rest of the year with reasonable accuracy.

New Openings and New Management Contracts

We have opened Banyan Tree Cabo Marques, Mexico in 1Q10 and expect to open the following 4 new resorts in the next few quarters:

- i. Banyan Tree Club and Spa Seoul, South Korea
- ii. Banyan Tree Samui, Koh Samui, Thailand
- iii. Angsana Fu Xian Lake, Hu Pan, China
- iv. Angsana Hangzhou, China

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

We have also signed the following new hotel/spa management contracts in the recent months:

- i. Angsana City Club at Langqiao, Chengdu, is located close to Chengdu New International Convention & Exposition Center, and will have approximately 70 keys.
- ii. Banyan Tree Spa at Marina Bay Sands integrated resort, Singapore, the very first Banyan Tree Spa in Singapore will be located on the 55<sup>th</sup> floor of the spectacular Marina Bay Sands Hotel, which offers panoramic views of the city.



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**11 Dividend**

**(a) Current financial period reported on**

*Any dividend declared for the current financial period reported on? No*

**(b) Corresponding period of the immediately preceding financial year**

*Any dividend declared for the corresponding period of the immediately preceding financial year? No*

**(c) Date payable**

Not Applicable.

**(d) Books disclosure date**

Not Applicable.

**12 If no dividend has been declared/ recommended, a statement to that effect.**

No dividend has been declared in respect of the current financial period.



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**13 Interested Persons Transactions for the 3 months ended 31 March 2010**

		Aggregate value of all interested parties transactions during the financial quarter under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate)	Aggregate value of all interested parties transactions conducted under Shareholders' Mandate (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
<b>A</b>	<b>Transactions with the Tropical Resorts Limited Group ('TR')</b>		
a	Provision of Resort Management and Related Services to TR	-	905
b	Returns from TR in respect of units in Banyan Tree Bintan and Angsana Bintan	-	538
	<b>Total</b>	-	<b>1,443</b>

\* Following clearance received from Singapore Exchange Limited on 25 February 2010 that Stock Exchange of Thailand is an approved exchange under Chapter 9 of the Listing Manual, the disclosure of transactions with LRH and its subsidiaries will no longer fall under Chapter 9 disclosure rules.

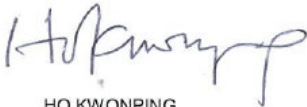


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**CONFIRMATION BY THE BOARD**

We, Ho KwonPing and Ariel Vera, being Directors of Banyan Tree Holdings Limited (the "Company"), do hereby confirm on behalf of the Board of Directors that taking into account the matters announced and publicly disclosed by the Company prior to the date of this confirmation and the prevailing accounting policies adopted by the Company in accordance with the Singapore Financial Reporting Standards, to the best of the knowledge of the Board of Directors of the Company, nothing has come to the attention of the Board of Directors of the Company which may render the first quarter financial results false or misleading in any material respect.

On behalf of the Board,



HO KWONPING  
Executive Chairman



ARIEL VERA  
Group Managing Director

**BY ORDER OF THE BOARD**

Jane Teah Seow Lian  
Company Secretary  
**13 May 2010**