



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



1ST QUARTER OPERATING PROFIT IMPROVED BY 12%, LED BY HOTEL INVESTMENTS SEGMENT

Highlights:

- 1Q10 Revenue increased by 9% to S\$96.2 million and Operating Profit improved by 12% to S\$27.5 million over 1Q09.
- 1Q10 Operating Profit also improved 35% over 4Q09, a traditional high season of the year.
- Strong growth in revenue and profit margin from Hotel Investments segment boosted largely by hotels in Phuket.

1Q10 Results Snapshot (in S\$' million) :

	1Q10	4Q09	1Q09	1Q10 vs 4Q09 (%)	1Q10 vs 1Q09 (%)
Revenue	96.2	94.0	88.2	2% ↑	9% ↑
Operating Profit*	27.5	20.4	24.5	35% ↑	12% ↑
PBT#	14.2	8.3	10.3	71%↑	37%↑
PATMI^	5.3	3.0	5.2	77%↑	2% ↑

* 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 Al Wadi



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- Banyan Tree Mayakoba

Singapore, 13 May 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 first quarter result which shows a 12% increase in operating profit over the same period last year driven largely by Hotel Investments segment. This is also an improvement by 35% over 4Q09 which is also a traditional peak season of the year.

Mr Ho KwonPing, Executive Chairman of Banyan Tree said, “The continuing strong growth in our Hotel Investments segment which boosted our overall profitability was in line with our expectations. However, the current political riots in Bangkok may result in slower pick-up in rooms bookings as compared to last year and our property sales in Thailand will also be significantly affected. Unless there is a resolution to the Thai political situation soon, there is no clear visibility on the Group’s performance for the rest of the year.”

The Group’s total operating expenses for 1Q10 increased by 12% largely due to higher cost of operating supplies, other operating expenses and administrative expenses which were in line with the increase in revenue. Salaries and related expenses also increased due to additional 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.

The Group’s overall cash and cash equivalents increased by 29% from S\$53.9 million in 1Q09 to S\$69.4 million in 1Q10 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.

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- Banyan Tree Seychelles

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BUSINESS SEGMENTS REVIEW

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.

The Group registered revenue of S\$96.2 million and EBITDA of S\$27.5 million in 1Q10, an increase of S\$8.0 million (9%) and S\$3.0 million (12%) compared to the same period last year. This was contributed by Hotel Investments segment, but partially offset by lower performances from Fee-based segment and Property Sales segment.

Hotel Investments

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.

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- Banyan Tree Sanya
- Banyan Tree Lijiang

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.

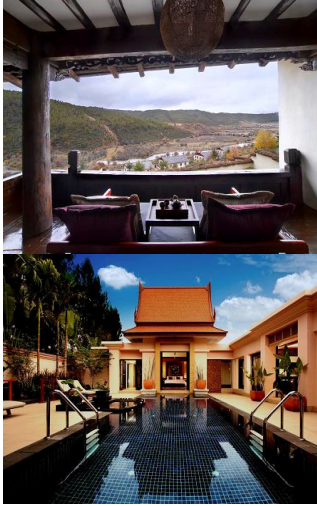
Property Sales segment

Property Sales segment revenue 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

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- Banyan Tree Phuket

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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.

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 55th floor of the spectacular Marina Bay Sands Hotel, which offers panoramic views of the city.

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- Banyan Tree Madivaru

OUTLOOK

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.

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- Angsana Velavaru
- Angsana Ihuru

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 27 resorts and hotels, 67 spas, 74 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.



BANYAN TREE

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