BANYAN TREE HOLDINGS LIMITED
Unaudited results for the Second Quarter ended 30 June 2011

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 30 Jun				Group 6 months ended 30 Jun			
		2011	2010 Restated	*Incr/ (Decr)*	2010 As previously reported (For info only)	2011	2010 Restated	*Incr/ (Decr)*	2010 As previously reported (For info only)
	Notes	(S$'000)	(S$'000)	%	(S$'000)	(S$'000)	(S$'000)	%	(S$'000)
Revenue	1	63,564	61,881	*3%*	60,740	177,869	168,172	*6%*	156,978
Other income	2	2,494	877	*184%*	877	2,885	4,319	*-33%*	4,319
Costs and expenses									
Cost of operating supplies		(5,979)	(5,143)	*16%*	(5,143)	(13,684)	(12,904)	*6%*	(12,904)
Cost of properties sold		(3,830)	(2,286)	*68%*	(1,908)	(16,339)	(8,435)	*94%*	(3,115)
Salaries and related expenses		(25,990)	(24,784)	*5%*	(24,784)	(54,996)	(53,385)	*3%*	(53,385)
Administrative expenses		(11,123)	(9,694)	*15%*	(9,694)	(25,226)	(23,842)	*6%*	(23,925)
Sales and marketing expenses		(2,935)	(5,022)	*-42%*	(5,022)	(7,110)	(9,379)	*-24%*	(9,379)
Other operating expenses		(12,618)	(14,076)	*-10%*	(14,076)	(27,300)	(30,141)	*-9%*	(30,141)
Total costs and expenses	3	(62,475)	(61,005)	*2%*	(60,627)	(144,655)	(138,086)	*5%*	(132,849)
Profit before interests, taxes, depreciation and amortisation	4	3,583	1,753	*104%*	990	36,099	34,405	*5%*	28,448
Depreciation of property, plant and equipment	5	(6,554)	(8,655)	*-24%*	(8,655)	(13,526)	(17,414)	*-22%*	(17,414)
Amortisation of lease rental and land use rights		(761)	(1,164)	*-35%*	(1,164)	(1,600)	(2,136)	*-25%*	(2,136)
(Loss)/Profit from operations and other gains		(3,732)	(8,066)	*54%*	(8,829)	20,973	14,855	*41%*	8,898
Finance income		934	979	*-5%*	979	1,703	2,154	*-21%*	2,154
Finance costs	6	(5,159)	(4,667)	*11%*	(4,667)	(9,467)	(9,345)	*1%*	(9,345)
Share of results of associated companies		248	(33)	*NM*	(33)	435	(101)	*NM*	(101)
Share of results of joint venture companies		(1)	(2)	*50%*	(2)	(3)	(4)	*25%*	(4)
(Loss)/Profit before taxation		(7,710)	(11,789)	*35%*	(12,552)	13,641	7,559	*80%*	1,602
Income tax expenses	7	(1,219)	394	*NM*	622	(7,360)	(5,883)	*25%*	(3,945)
(Loss)/Profit after taxation	8	(8,929)	(11,395)	*22%*	(11,930)	6,281	1,676	*275%*	(2,343)
Attributable to:									
Equity holders of the Company	10	(7,010)	(8,860)	*21%*	(9,212)	3,034	(1,453)	*NM*	(3,876)
Non-controlling interests	9	(1,919)	(2,535)	*24%*	(2,718)	3,247	3,129	*4%*	1,533
Net (Loss)/Profit for the Period		(8,929)	(11,395)	*22%*	(11,930)	6,281	1,676	*275%*	(2,343)

1(a)(ii) Statement of Comprehensive Income

	Group 3 months ended 30 Jun				Group 6 months ended 30 Jun			
	2011 (S$'000)	2010 Restated (S$'000)	Incr/ (Decr) %	2010 As previously reported (For info only)	2011 (S$'000)	2010 Restated (S$'000)	Incr/ (Decr) %	2010 As previously reported (For info only)
Net (Loss)/Profit for the Period	(8,929)	(11,395)	*22%*	(11,930)	6,281	1,676	*275%*	(2,343)
Other comprehensive (loss)/income:								
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	(27,081)	(1,815)	*NM*	(1,815)	(46,353)	9,711	*NM*	9,711
Adjustment on property revaluation reserve, net of deferred tax	3,217	118	*NM*	118	3,217	236	*NM*	236
Total comprehensive (loss)/income	(32,793)	(13,092)	*-150%*	(13,627)	(36,855)	11,623	*NM*	7,604
Attributable to:								
Equity holders of the Company	(22,897)	(10,493)	*-118%*	(10,845)	(26,975)	3,842	*NM*	1,419
Non-controlling interests	(9,896)	(2,599)	*-281%*	(2,782)	(9,880)	7,781	*NM*	6,185
	(32,793)	(13,092)	*-150%*	(13,627)	(36,855)	11,623	*NM*	7,604

1(a)(iii) Additional Disclosures

<u>Adjustments for under or over provision of tax in respect of prior years</u>

Included in the tax expense for the year was an under provision of S$692,000 relating to prior years.

	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
	2011 (S$'000)	2010 (S$'000)	*Incr/ (Decr) %*	2011 (S$'000)	2010 (S$'000)	*Incr/ (Decr) %*
(Loss)/Profit from operations and other gains is stated after charging/(crediting):						
Write back of doubtful debts - trade, net	(223)	(1,170)	*-81%*	(102)	(344)	*-70%*
Allowance for/(write back of) inventory obsolescence	6	(4)	*NM*	41	(40)	*NM*
Exchange loss/(gain)	523	216	*142%*	1,400	(137)	*NM*
Gain on disposal of investment in subsidiaries	(1,809)	-	*NM*	(1,809)	-	*NM*
(Gain)/loss on disposal of property, plant and equipment	(27)	3	*NM*	8	24	*-67%*
Allowance for impairment loss on property, plant and equipment, net	183	-	*NM*	183	-	*NM*

1(a)(iv) Explanatory notes on performance for 2Q 2011

Due to the change in the Group's accounting policy to be in line with the new INT FRS 115 – Agreements for the Construction of Real Estate as disclosed in Note 5 of Page 15, a retrospective application is required under FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and hence the Income Statement for the Group for 2Q10 and 1H10 has been restated as if the new accounting policy had always been applied.

The variance analysis below is a comparison of the income statement for 2Q11 and the restated income statement for 2Q10. The original income statements for 2Q10 and 1H10 (before restatement) are also presented for information only.

1. Revenue

Revenue increased by S$1.7 million from S$61.9 million in 2Q10 to S$63.6 million in 2Q11. This was mainly due to higher revenue from Fee-based segment by S$4.4 million, but partially offset by lower revenue from Property Sales and Hotel Investments segments by S$1.5 million and S$1.2 million respectively.

Fee-based segment recorded higher revenue by S$4.4 million compared to 2Q10 largely due to higher hotel management revenue as a result of new openings at Banyan Tree Samui (opened in July 2010), Angsana Fuxian Lake (opened in October 2010) and Banyan Tree Macau (opened in May 2011). In addition, there were higher fund management fees from Banyan Tree China Hospitality Fund (I) ("China Fund") which completed its final close in January 2011. Revenue from gallery sales was also higher due to sales to the upcoming new outlets at Banyan Tree Spa Marina Bay Sands and Angsana Balaclava, Mauritius.

Lower revenue from Property Sales segment was mainly attributable to lower revenue recognition from property sales as there was only revenue recognition for 2 units of Laguna Village townhomes as compared to revenue from 2 units of Laguna Village townhomes and 3 units of Banyan Tree Bangkok suites recognized last year. The shortfall was however partially offset by revenue from divestment of a development site in Yangshuo to China Fund.

Lower revenue from Hotel Investments segment was mainly attributable to properties in Thailand, but partially offset by higher revenue from Maldives. Revenue from Thailand was lower as performance of Banyan Tree Phuket was affected by the run-up to the general election in Thailand. In addition, revenue from Dusit Laguna Phuket ("Dusit") and Laguna Beach Resort ("LBR") hotel operations also ceased following their disposals in October 2010 and May 2011 respectively. The shortfall was however partially cushioned by higher revenue from Banyan Tree Bangkok as its performance last year was impacted by the political violence and subsequent state of emergency imposed in Bangkok. Our resorts in Maldives recorded higher revenue as their performances last year were also impacted by the Icelandic volcanic ash cloud crisis which affected air travel.

2. Other income

Other income increased by S$1.6 million from S$0.9 million in 2Q10 to S$2.5 million in 2Q11 largely due to gain on sale of LBR.

The underlying transaction gain on the sale of LBR was S$16.7 million (56% profit margin). This is the value that the Group has unlocked. However, due to accounting treatment of revaluation reserve, the accounting profit is only S$1.8 million (6% profit margin). The revaluation reserves relating to the disposed LBR, net of tax and non-controlling interests, is transferred to retained earnings as illustrated in the statement of changes in equity.

3. Costs and expenses

Total costs and expenses increased by S$1.5 million from S$61.0 million in 2Q10 to S$62.5 million in 2Q11. Almost all categories of expenses were higher than last year, except for sales and marketing expenses and other operating expenses.

Cost of operating supplies increased by S$0.9 million from S$5.1 million in 2Q10 to S$6.0 million in 2Q11 mainly due to higher cost of sales from higher sales of gallery products partially offset by lower cost of hotel's operating supplies in line with the lower revenue from Hotel Investments segment.

Cost of properties sold increased by S$1.5 million from S$2.3 million in 2Q10 to S$3.8 million in 2Q11 mainly due to cost relating to the divestment of a development site, but partially offset by lower cost due to lower revenue recognition of property units.

Salaries and related expenses increased by S$1.2 million from S$24.8 million in 2Q10 to S$26.0 million in 2Q11 mainly due to annual salary adjustments.

Administrative expenses increased by S$1.4 million from S$9.7 million in 2Q10 to S$11.1 million in 2Q11 mainly due to higher write-back of provision for doubtful debts last year.

Sales and marketing expenses decreased by S$2.1 million from S$5.0 million in 2Q10 to S$2.9 million in 2Q11 and other operating expenses decreased by S$1.5 million from S$14.1 million in 2Q10 to S$12.6 million in 2Q11. This was mainly due to cessation of Dusit and LBR hotel operations following their sale.

4. Profit before interest, taxes, depreciation and amortisation ("EBITDA")

EBITDA increased by S$1.8 million from S$1.8 million in 2Q10 to S$3.6 million in 2Q11 mainly due to higher other income by S$1.6 million as explained above.

5. Depreciation

Depreciation decreased by S$2.1 million from S$8.7 million in 2Q10 to S$6.6 million in 2Q11 mainly due to disposal of Dusit and LBR in October 2010 and May 2011 respectively.

6. Finance costs

Finance costs increased by S$0.5 million from S$4.7 million in 2Q10 to S$5.2 million in 2Q11, mainly due to higher interest expense incurred on the new S$70 million medium term notes issued in March 2011, partially offset by loan repayments and lower average borrowing rate.

7. Income tax expenses

Income tax expenses increased by S$1.6 million from income tax credit of S$0.4 million in 2Q10 to income tax expense of S$1.2 million in 2Q11, mainly attributable to higher withholding tax on higher dividend received from Laguna Resorts & Hotels Public Company Ltd ("LRH") in 2Q11.

8. Loss after taxation ("LAT")

Loss after taxation reduced by S$2.5 million from S$11.4 million in 2Q10 to LAT of S$8.9 million in 2Q11 mainly due to higher EBITDA and lower depreciation partially reduced by higher income tax.

9. Non-controlling interests

Non-controlling interests' share of loss reduced by S$0.6 million from share of loss of S$2.5 million in 2Q10 to S$1.9 million in 2Q11 mainly due to higher profits in LRH largely due to gain on sale of LBR.

10. Loss attributable to equity holders of the Company

As a result of the foregoing, loss attributable to equity holders of the Company reduced by S$1.9 million from S$8.9 million in 2Q10 to S$7.0 million in 2Q11.

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 As at 30-Jun-11 (S$'000)	31-Dec-10 Restated (S$'000)	1-Jan-10 Restated (S$'000)	*2011 vs 2010 Incr/ (Decr) %*	Company As at 30-Jun-11 (S$'000)	31-Dec-10 (S$'000)	*Incr/ (Decr) %*
Non-current assets								
Property, plant and equipment	1	700,550	811,066	876,964	-14%	13	15	-13%
Land use rights	2	13,729	23,549	20,484	-42%	-	-	-
Investment properties		31,134	33,469		-7%	-	-	-
Land awaiting future development		-	-	33,995	-	-	-	-
Subsidiary companies		-	-	-	-	372,432	371,504	0%
Associated companies		20,971	21,820	23,814	-4%	16,346	17,298	-6%
Joint venture companies		7,324	7,719	3,422	-5%	6,000	6,000	0%
Prepaid island rental		18,823	19,986	22,603	-6%	-	-	-
Long-term trade receivables		23,966	26,993	29,452	-11%	-	-	-
Intangible assets		26,903	26,903	26,903	0%	-	-	-
Long-term investments		35,161	36,178	27,193	-3%	-	-	-
Prepayments		3,151	3,610	2,303	-13%	-	-	-
Other receivables		13,852	11,623	17,408	19%	-	-	-
Deferred tax assets		20,471	21,609	19,718	-5%	777	777	0%
		916,035	1,044,525	1,104,259	-12%	395,568	395,594	0%
Current assets								
Inventories		11,752	12,195	12,247	-4%	-	-	-
Trade receivables		56,476	57,041	50,092	-1%	475	-	NM
Prepayments and other non-financial assets		16,121	13,290	11,733	21%	72	44	64%
Other receivables		24,763	21,411	16,310	16%	2,181	2,078	5%
Amounts due from subsidiary companies		-	-	-	-	25,563	7,819	227%
Amounts due from associated companies		1,316	611	1,374	115%	12	-	NM
Amounts due from related parties		7,333	8,855	10,079	-17%	-	527	-100%
Property development costs		112,902	117,106	89,252	-4%	-	-	-
Cash and cash equivalents		158,784	138,989	76,252	14%	74,583	13,050	472%
		389,447	369,498	267,339	5%	102,886	23,518	337%
Total assets		1,305,482	1,414,023	1,371,598	-8%	498,454	419,112	19%
Current liabilities								
Trade payables	3	13,219	22,228	20,947	-41%	-	-	-
Unearned income		7,452	6,745	4,180	10%	2,077	2,077	0%
Other non-financial liabilities	4	18,695	27,029	30,836	-31%	108	735	-85%
Other payables		37,479	39,845	46,675	-6%	3,844	5,331	-28%
Amounts due to subsidiary companies		-	-	-	-	12,855	19,562	-34%
Amounts due to associated companies		100	302	372	-67%	-	-	-
Amounts due to related parties		702	639	813	10%	1	1	0%
Interest-bearing loans and borrowings	5	49,548	51,413	70,790	-4%	6,318	6,466	-2%
Notes payable	6	26,136	26,746	50,000	-2%	26,136	26,746	-2%
Tax payable	7	9,630	31,254	7,095	-69%	-	-	-
		162,961	206,201	231,708	-21%	51,339	60,918	-16%
Net current assets/(liabilities)		226,486	163,297	35,631	39%	51,547	(37,400)	NM

		Group As at				Company As at		
	Notes	30-Jun-11 (S$'000)	31-Dec-10 Restated (S$'000)	1-Jan-10 Restated (S$'000)	*Incr/ (Decr) %*	30-Jun-11 (S$'000)	31-Dec-10 (S$'000)	*Incr/ (Decr) %*
Non-current liabilities								
Interest-bearing loans and borrowings	5	160,500	175,938	184,528	-9%	12,917	14,342	-10%
Deferred income	8	6,880	14,521	15,367	-53%	-	-	-
Loan stock		634	552	552	15%	-	-	-
Notes payable	6	168,417	99,269	77,250	70%	168,417	99,269	70%
Deposits received		1,336	1,429	1,200	-7%	-	-	-
Amounts due to joint venture companies		6,358	6,747	-	-6%	6,358	6,747	-6%
Other non-current liabilities		6,090	5,975	1,504	2%	-	-	-
Deferred tax liabilities	9	150,358	171,655	169,344	-12%	-	-	-
		500,573	476,086	449,745	5%	187,692	120,358	56%
Net assets		641,948	731,736	690,145	-12%	259,423	237,836	9%
Equity attributable to equity holders of the Company								
Share capital		199,995	199,995	199,995	0%	199,995	199,995	0%
Treasury shares		(3,051)	(4,438)	(5,071)	-31%	(3,051)	(4,438)	-31%
Reserves		288,772	320,405	302,342	-10%	62,479	42,279	48%
		485,716	515,962	497,266	-6%	259,423	237,836	9%
Non-controlling interests		156,232	215,774	192,879	-28%	-	-	-
Total equity		641,948	731,736	690,145	-12%	259,423	237,836	9%

Explanatory notes on Balance Sheet

Due to the change in the Group's accounting policy to be in line with the new INT FRS 115 – Agreements for the Construction of Real Estate as disclosed in Note 5 of Page 15, a retrospective application is required under FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and hence Balance Sheets as at 31 December 2010 and 1 January 2010 have been restated as if the new accounting policy had always been applied.

The variance analysis below is a comparison between the balance sheet as at 30 June 2011 and the restated balance sheet as at 31 December 2010.

1. Property, plant and equipment

   Property, plant and equipment decreased by S$110.5 million from S$811.1 million as at 31 December 2010 to S$700.6 million as at 30 June 2011. This was mainly due to the disposal of LBR assets of S$40.6 million, depreciation charge of S$13.5 million during the period and reduction in opening balance of S$60.7 million due to translation adjustment, partially offset by capital expenditure of S$3.2 million expended on on-going purchases of furniture, fittings and equipment by our resorts for their operations.

2. Land use rights

   Land use rights decreased by S$9.8 million from S$23.5 million as at 31 December 2010 to S$13.7 million as at 30 June 2011 mainly due to divestment of a development site to China Fund in March 2011.

3. Trade payables

   Trade payables decreased by S$9.0 million from S$22.2 million as at 31 December 2010 to S$13.2 million as at 30 June 2011 mainly due to lower cost of operation following the sale of Dusit and LBR in October 2010 and May 2011 respectively and lower construction payables on property sales project in Laguna Phuket.

4. Other non-financial liabilities

   Other non-financial liabilities decreased by S$8.3 million from S$27.0 million as at 31 December 2010 to S$18.7 million as at 30 June 2011 mainly due to reversal of advance deposits for property sales segment upon revenue recognition and lower hotel booking deposits.

5. Current and non-current interest-bearing loans and borrowings

   Current and non-current interest-bearing loans and borrowings decreased by S$17.4 million from S$227.4 million to S$210.0 million due to scheduled loan repayments offset by draw down of additional loans.

6. Notes payable (current and non-current)

   Current and non-current Notes payable increased by S$68.5 million from S$126.0 million as at 31 December 2010 to S$194.5 million as at 30 June 2011, mainly due to proceeds of S$70 million from new notes issuance in March 2011 under the S$400 million Medium Term Notes programme.

7. Tax payable

   Tax payable decreased by S$21.7 million from S$31.3 million as at 31 December 2010 to S$9.6 million as at 30 June 2011 due to payment of tax pertaining to sale of Dusit.

8. Deferred income

Deferred income decreased by S$7.6 million from S$14.5 million as at 31 December 2010 to S$6.9 million as at 30 June 2011, mainly due to the realization of deferred income upon divestment of a development site in Lijiang to China Fund.

9. Deferred tax liabilities

Deferred tax liabilities decreased by S$21.3 million from S$171.7 million as at 31 December 2010 to S$150.4 million as at 30 June 2011 mainly due to reduction in opening balance arising from translation adjustment and reversal of deferred tax liabilities relating to sale of LBR.

10. On-going 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$21.6 million (Baht 539,052,407) with interest of 7.5% per annum and the costs of legal proceedings.

There is no change to the case and it 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.

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

	Group As at	
	30-Jun-11 (S$'000)	31-Dec-10 (S$'000)
Amount repayable in one year or less, or on demand:-		
Secured	24,380	45,297
Unsecured	51,304	32,862
Sub-Total 1	**75,684**	**78,159**
Amount repayable after one year:-		
Secured	157,167	171,355
Unsecured	171,750	103,852
Sub-Total 2	**328,917**	**275,207**
Total Debt	**404,601**	**353,366**

Details of any collateral

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

	Group As at	
	30-Jun-11 (S$'000)	31-Dec-10 (S$'000)
Freehold land and buildings	358,923	379,451
Investment properties	21,670	23,222
Quoted shares in a subsidiary company	10,320	11,558
Property development costs	15,658	13,452
Leasehold land and buildings	89,748	94,339
Unquoted shares in subsidiary companies	50,917	50,917
Prepaid island rental	19,138	20,969
Other assets	40,861	40,236
	607,235	**634,144**

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 6 months ended 30 Jun	
	2011 (S$'000)	2010 Restated (S$'000)
Cash flows from operating activities		
Profit before taxation	**13,641**	7,559
Adjustments for:		
Share of results of associated companies	(435)	101
Share of results of joint venture companies	3	4
Depreciation of property, plant and equipment	13,526	17,414
Allowance for impairment loss on property, plant and equipment, net	183	-
Loss on disposal of property, plant and equipment	8	24
Gain on disposal of investment in subsidiaries	(1,809)	-
Finance income	(1,703)	(2,154)
Finance costs	9,467	9,345
Amortisation of lease rental and land use rights	1,600	2,136
Write back of doubtful debts - trade, net	(102)	(344)
Allowance for/(write back of) inventory obsolescence	41	(40)
Gain on disposal of other investment	-	(1)
Share-based payment expenses	611	150
Currency realignment	(15,348)	(1,190)
Operating profit before working capital changes	19,683	33,004
(Increase)/decrease in inventories	(404)	327
Increase in trade and other receivables	3,899	17,135
Decrease/(increase) in amounts due from related parties	1,444	(454)
Decrease in trade and other payables	(16,668)	(31,438)
	(11,729)	(14,430)
Cash flows generated from operating activities	7,954	18,574
Interest received	1,749	2,132
Interest paid	(8,380)	(9,359)
Tax paid	(31,910)	(6,130)
Net cash flows (used in)/generated from operating activities	**(30,587)**	**5,217**
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,171)	(8,535)
Proceeds from disposal of property, plant and equipment	813	367
Disposal of subsidiary companies, net of cash received	26,815	-
Payment of lease rental	(851)	(945)
Increase in long-term investments	(404)	(3,840)
Net cash flows generated from/(used in) investing activities	**23,202**	**(12,953)**
Cash flows from financing activities		
Proceeds from bank loans	30,710	52,649
Repayment of bank loans	(36,734)	(47,554)
Proceeds from issuance of notes payable	70,000	-
Payment of dividends		
- by subsidiary companies to non-controlling interests	(27,832)	(5,379)
- by Company to shareholders	(3,798)	-
Net cash flows generated from/(used in) financing activities	**32,346**	**(284)**
Net increase in cash and cash equivalents	24,961	(8,020)
Net foreign exchange difference	(5,166)	233
Cash and cash equivalents at beginning of year	138,989	76,252
Cash and cash equivalents at end of the period	**158,784**	**68,465**

Explanatory notes on Consolidated Cash Flow

The Group's cash and cash equivalents increased by S$90.3 million or 132% from S$68.5 million as at 30 June 2010 to S$158.8 million as at 30 June 2011. The increase in cash flow was largely due to net proceeds received from sale of Dusit and LBR in late 2010 and in May 2011 respectively and new notes issuance in March 2011, partially offset by dividends paid by LRH to minority shareholders.

During the 6-month ended 30 June 2011, net cash flow used in operating activities was S$30.6 million, mainly due to profit before tax of S$13.6 million, adjusted for non-cash items of S$6.0 million which comprised mainly the depreciation and amortization of island rental of S$15.1 million and finance expenses of S$9.5 million. This was offset by a net decrease in cash generated from working capital of S$11.7 million, and net interest paid of S$6.6 million and income tax payments of S$31.9 million. The income tax payment relates mainly to sale of Dusit.

The net cash flows from investing activities was S$23.2 million, due largely to the proceeds from the sale of LBR, partly offset by on-going purchases of furniture, fittings and equipment by our resorts for their operations.

The net cash flows from financing activities amounted to S$32.3 million. This was mainly due to proceeds of S$70.0 million from notes issuance in March 2011 under the S$400 Medium Term Notes programme and loan drawdown of S$30.7 million, partially offset by scheduled bank repayments of S$36.7 million, payment of dividend to its shareholders (S$3.8 million) and payment of dividend by LRH to minority shareholders (S$27.8 million).

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)	Premium paid on acquisition of non-controlling interests (S$'000)	Share based payment reserve (S$'000)	Loss on re-issuance 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)
Balance as at 1 January 2011, as previously reported	**199,995**	**(4,438)**	**(18,038)**	**7,852**	**135,035**	**(39,126)**	**242**	**8,655**	**(2,562)**	**8,616**	**(439)**	**227,421**	**523,213**	**219,247**	**742,460**
Effect of adopting INT FRS 115												(7,251)	(7,251)	(3,473)	(10,724)
Balance as at 1 January 2011, as restated	**199,995**	**(4,438)**	**(18,038)**	**7,852**	**135,035**	**(39,126)**	**242**	**8,655**	**(2,562)**	**8,616**	**(439)**	**220,170**	**515,962**	**215,774**	**731,736**
Profit after taxation												3,034	3,034	3,247	6,281
Other comprehensive income for the year					2,569	(32,578)							(30,009)	(13,127)	(43,136)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**2,569**	**(32,578)**	**-**	**-**	**-**	**-**	**-**	**3,034**	**(26,975)**	**(9,880)**	**(36,855)**
Dividend paid												(3,798)	(3,798)		(3,798)
Dividend paid to loan stockholders of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	(84)	(84)	-	(84)
Disposal of subsidiary company	-	-	-	-	(6,074)	-	-	-	-	-	-	6,074	-	(21,830)	(21,830)
Issue of Performance Share Grants to employees	-	-	-	-	-	-	-	-	-	611	-	-	611	-	611
Treasury shares reissued pursuant to Performance Share Plan	-	1,387	-	-	-	-	-	-	-	(747)	(640)	-	-	-	-
Dividend paid to non-controlling shareholders of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	(27,832)	(27,832)
Transfer to legal reserve	-	-	-	-	-	-		6	-	-	-	(6)	-	-	-
Balance as at 30 June 2011	**199,995**	**(3,051)**	**(18,038)**	**7,852**	**131,530**	**(71,704)**	**242**	**8,661**	**(2,562)**	**8,480**	**(1,079)**	**225,390**	**485,716**	**156,232**	**641,948**
Balance as at 1 January 2010, as previously reported	**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**
Effect of adopting INT FRS 115	**-**											(11,016)	(11,016)	(5,434)	(16,450)
Balance as at 1 January 2010, as restated	**199,995**	**(5,071)**	**(18,038)**	**7,852**	**142,369**	**(33,751)**	**172**	**6,928**	**-**	**8,915**	**(85)**	**187,980**	**497,266**	**192,879**	**690,145**
Profit after taxation												(1,453)	(1,453)	3,129	1,676
Other comprehensive income for the year					146	5,149							5,295	4,652	9,947
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**146**	**5,149**	**-**	**-**	**-**	**-**	**-**	**(1,453)**	**3,842**	**7,781**	**11,623**
Acquisition of non-controlling interests' shares in a subsidiary company	-	-	-	-	-	-	-	-	(2,562)	-	-	-	(2,562)	2,562	**-**
Treasury shares reissued pursuant to Performance Share Plan	-	74	-	-	-	-	-	-	-	(32)	(42)	-	-	-	**-**
Issue of Performance Share Grants to employees	-	-	-	-	-	-	-	-	-	150	-	-	150	-	150
Dividend paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,379)	(5,379)
Transfer to legal reserve	-	-	-	-	-	-		460	-	-	-	(460)	-	-	**-**
Balance as at 30 June 2010	**199,995**	**(4,997)**	**(18,038)**	**7,852**	**142,515**	**(28,602)**	**172**	**7,388**	**(2,562)**	**9,033**	**(127)**	**186,067**	**498,696**	**197,843**	**696,539**

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)	Loss on reissuance of treasury shares (S$'000)	Accumulated profits (S$'000)	Total equity (S$'000)
Balance as at 1 January 2011	**199,995**	**(4,438)**	**7,852**	**8,616**	**(439)**	**26,250**	**237,836**
Total comprehensive income for the year	-	-	-	-	-	24,774	24,774
Dividend paid						(3,798)	(3,798)
Issue of Performance Share Grants to employees	-	-	-	611	-	-	611
Treasury shares reissued pursuant to Performance Share Plan	-	1,387	-	(747)	(640)	-	-
Balance as at 30 June 2011	**199,995**	**(3,051)**	**7,852**	**8,480**	**(1,079)**	**47,226**	**259,423**
Balance as at 1 January 2010	**199,995**	**(5,071)**	**7,852**	**8,343**	**(85)**	**27,974**	**239,008**
Total comprehensive income for the period	-	-	-	-	-	5,243	5,243
Issue of Performance Share Grants to employees	-	-	-	722	-	-	722
Treasury shares reissued pursuant to Performance Share Plan	-	74	-	(32)	(42)	-	-
Balance as at 30 June 2010	**199,995**	**(4,997)**	**7,852**	**9,033**	**(127)**	**33,217**	**244,973**

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.

Share Grants Vested (Ex-gratia Award)
On 7 April 2011, the company released 801,300 share awards (2010: 366,000) vested under the Performance Share Plan and Restricted Share Plan pursuant to the Banyan Tree Performance Share Plan for FY2007 to FY2010. As such, 801,300 shares (2010: 366,000) were issued from the treasury shares to the employees, resulting in an increase in the number of issued shares excluding treasury shares from 758,837,980 as at 31 December 2010 to 759,639,280 shares as at 30 June 2011. See 1(d)(iii) and 1(d)(iv) for movement of the issued shares excluding treasury shares, and movement of treasury shares respectively.

Performance Shares
During the quarter, 1,672,000 (2Q10: 1,983,000) performance-based shares were issued and 1,313,050 (2Q10: 86,050) performance-based shares were cancelled/vested under the Banyan Tree Performance Share Plan. As at 30 June 2011, 2,678,800 (30 June 2010: 4,503,750) 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.

	30-Jun-11 No. of shares	31-Dec-10 No. of shares
Number of issued shares excluding Treasury shares	759,639,280	758,837,980

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.

	30-Jun-11 No. of shares	31-Dec-10 No. of shares
At 1 January	2,564,300	2,930,300
Reissued pursuant to performance share option plans	(801,300)	(366,000)
	1,763,000	2,564,300

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 2010.

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 2010, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2011. The adoption of the standards and interpretations does not have material impact to the financial statements in the period of initial application except for the following adoption which is relevant to the Group:

INT FRS 115 Agreements for the Construction of Real Estate

On 26 August 2010, the Accounting Standards Council issued INT FRS 115 with an accompanying note that clarifies when revenue and related expenses from sale of real estate should be recognized if an agreement between a development and buyer is reached before the real estate is completed. INT FRS 115 determines that contracts which do not classify as construction contracts in accordance with FRS 11 Construction Contracts can only be accounted for using the percentage of completion method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of work in progress in its current state as construction progresses. The Group has considered the application of INT FRS 115 and concluded that certain 'pre-completion' sale contracts were not, in substance, construction contracts, and the legal terms are such that the construction does not represent the continuous transfer of work in progress to the purchaser. As such, the Group changed its revenue recognition method from "percentage of completion" method as construction progresses to "completion" method whereby revenue is to be recognised when significant risk and rewards are transferred to the buyer, with effect from FY2011.

The effect of the adoption of completion method under INT FRS 115 Agreements for the Construction of Real Estate has been retrospectively applied to the financial statements. Accordingly, the comparatives have been restated.

Impact on the financial statements arising from the adoption of INT FRS 115, subject to year-end audit, is detailed as follows:

	GROUP Increase/(decrease)	
	2010 S$'000	2009 S$'000
Balance Sheet:		
Long-term trade receivables	(13,806)	(19,840)
Deferred tax assets	3,452	5,908
Trade receivables	(5,270)	(6,826)
Property development costs	12,040	19,487
Other non-financial liabilities	7,502	15,541
Other payables	(162)	(162)
Tax payable	(200)	(200)
Retained earnings	(7,251)	(11,016)
Non-controlling interests	(3,473)	(5,434)

	GROUP Increase/ (decrease)
	2010 S$'000
Income Statement for the period ending 30 June:	
Revenue	11,194
Cost of properties sold	5,320
Administrative expenses	(83)
Income tax expenses	1,938
Profit attributable to:	
- Equity holders of the Company	2,423
- Non-controlling interests	1,596
Increase in basic earnings per share (cents)	0.32
Increase in diluted earnings per share (cents)	0.32

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 30 Jun		6 months ended 30 Jun	
		2011	2010 Restated	2011	2010 Restated
a)	Based on the weighted average number of ordinary shares on issue (cents)	(0.92)	(1.17)	0.40	(0.19)
b)	On fully diluted basis (cents)	(0.92)	(1.16)	0.40	(0.19)

(a) 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 759,586,447 and 758,515,280 ordinary shares respectively.

The basic earnings per ordinary share for the 6 months period and the same period last year have been calculated based on the weighted average number of 759,214,281 and 758,493,750 ordinary shares respectively.

(b) 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 762,259,954 and 761,415,382 ordinary shares respectively.

The diluted earnings per ordinary share for the 6 months period and the same period last year have been calculated based on the weighted average number of 761,813,733 and 761,248,011 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	
	30-Jun-11	31-Dec-10 Restated	30-Jun-11	31-Dec-10
Net asset value per ordinary share based on issued share capital* at the end of the period (S$)	0.64	0.68	0.34	0.31

* 759,639,280 and 758,837,980 ordinary shares in issue as at 30 June 2011 and 31 December 2010.

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			
	3 months ended 30 Jun		Actual vs 2010 Incr/(Decr)	
	2011	2010 Restated		
	SGD'000	SGD'000	SGD'000	%
Hotel Investments	32,866	34,107	(1,241)	*-4%*
Property Sales	6,603	8,054	(1,451)	*-18%*
- Hotel Residences	*(28)*	*4,168*	*(4,196)*	*NM*
- Laguna Property Sales	*3,697*	*3,886*	*(189)*	*-5%*
- Development Project/Site Sales	*2,934*	*-*	*2,934*	*NM*
Fee-based Segment	24,095	19,720	4,375	*22%*
- Hotel/Fund/Club Management	*7,608*	*5,176*	*2,432*	*47%*
- Spa/Gallery Operations	*9,771*	*8,308*	*1,463*	*18%*
- Design and Others	*6,716*	*6,236*	*480*	*8%*
Revenue	**63,564**	**61,881**	**1,683**	***3%***

	Group			
	6 months ended 30 Jun		Actual vs 2010 Incr/(Decr)	
	2011	2010 Restated		
	SGD'000	SGD'000	SGD'000	%
Hotel Investments	92,686	103,487	(10,801)	*-10%*
Property Sales	37,859	25,365	12,494	*49%*
- Hotel Residences	*2,771*	*13,550*	*(10,779)*	*-80%*
- Laguna Property Sales	*7,381*	*11,815*	*(4,434)*	*-38%*
- Development Project/Site Sales	*27,707*	*-*	*27,707*	*NM*
Fee-based Segment	47,324	39,320	8,004	*20%*
- Hotel/Fund/Club Management	*14,378*	*9,771*	*4,607*	*47%*
- Spa/Gallery Operations	*19,976*	*17,045*	*2,931*	*17%*
- Design and Others	*12,970*	*12,504*	*466*	*4%*
Revenue	**177,869**	**168,172**	**9,697**	***6%***

B) PROFITABILITY

	Group			
	3 months ended 30 Jun		Actual vs 2010 Incr/(Decr)	
	2011	2010 Restated		
	SGD'000	SGD'000	SGD'000	%
Hotel Investments	(1,433)	(2,248)	815	*36%*
Property Sales	(1,103)	2,331	(3,434)	*NM*
- Hotel Residences	*(900)*	*1,991*	*(2,891)*	*NM*
- Laguna Property Sales	*(223)*	*340*	*(563)*	*NM*
- Development Project/Site Sales	*20*	*-*	*20*	*NM*
Fee-based Segment	6,712	3,493	3,219	*92%*
- Hotel/Fund/Club Management	*3,873*	*816*	*3,057*	*375%*
- Spa/Gallery Operations	*1,073*	*1,015*	*58*	*6%*
- Design and Others	*1,766*	*1,662*	*104*	*6%*
Head Office Expenses	(3,087)	(2,700)	(387)	*14%*
Other income (net)	2,494	877	1,617	*184%*
Operating Profit (EBITDA)	**3,583**	**1,753**	**1,830**	***104%***
Net Loss for the period (LATMI)	**(7,010)**	**(8,860)**	**1,850**	***21%***

	Group			
	6 months ended 30 Jun		Actual vs 2010 Incr/(Decr)	
	2011	2010 Restated		
	SGD'000	SGD'000	SGD'000	%
Hotel Investments	19,569	23,422	(3,853)	*-16%*
Property Sales	14,172	9,031	5,141	*57%*
- Hotel Residences	*90*	*7,321*	*(7,231)*	*-99%*
- Laguna Property Sales	*(14)*	*1,710*	*(1,724)*	*NM*
- Development Project/Site Sales	*14,096*	*-*	*14,096*	*NM*
Fee-based Segment	8,992	5,703	3,289	*58%*
- Hotel/Fund/Club Management	*4,645*	*745*	*3,900*	*NM*
- Spa/Gallery Operations	*2,949*	*2,518*	*431*	*17%*
- Design and Others	*1,398*	*2,440*	*(1,042)*	*-43%*
Head Office Expenses	(9,519)	(8,070)	(1,449)	*18%*
Other income (net)	2,885	4,319	(1,434)	*-33%*
Operating Profit (EBITDA)	**36,099**	**34,405**	**1,694**	***5%***
Net Profit/(Loss) for the period PATMI/(LATMI)	**3,034**	**(1,453)**	**4,487**	***NM***

C) BUSINESS SEGMENTS REVIEW

i) Hotel Investments segment

Hotel Investments segment achieved revenue of S$32.9 million in 2Q11, a decrease of 4% or S$1.2 million compared to S$34.1 million in 2Q10. Lower revenue was mainly from Thailand (S$2.3 million) but partially offset by Maldives (S$1.2 million).

Revenue in Thailand was lower as performance in Laguna Phuket such as Banyan Tree Phuket was affected by the run up to the Thai General Elections held on 3rd July 2011. In addition, revenue from Dusit and LBR also ceased following their sale in October 2010 and May 2011 respectively. This was partially cushioned by Banyan Tree Bangkok which posted higher revenue as the property was impacted by the political riots which took place in Bangkok in April and May last year. Although performance of Banyan Tree Bangkok improved, occupancy at 56% was still below the pre-political crisis level and ARR at S$146 was 13% lower than last year. Overall occupancy in Thailand improved by 14% points to 56%, but was offset by lower ARR by 18% to S$177.

Our resorts in Maldives also recorded higher revenue in 2Q11 as their performances last year were affected by Icelandic ash cloud situation which affected air travel. Overall occupancy improved by 19% points to 67% but ARR decreased by 14% to US$318 in 2Q11.

For 1H11, Hotel Investments segment revenue decreased by S$10.8 million from S$103.5 million in 1H10 to S$92.7 million in 1H11. The decrease was mainly from Thailand as mentioned above but partially offset by better performance in Maldives largely contributed by 2Q11.

Notwithstanding a lower revenue, 2Q11 recorded a lower loss from S$2.2 million in 2Q10 to S$1.4 million in 2Q11. This was mainly due to lower operating costs at Sheraton Grande Laguna Phuket as certain positions remained unfilled, and lower spending on repair and maintenance in view of the planned termination of hotel management agreement with Starwood Hotels & Resorts. Against 1H10, EBITDA decreased from S$23.4 million in 1H10 to S$19.6 million in line with lower revenue.

ii) Property Sales segment

Property Sales segment revenue decreased by S$1.5 million or 18% from S$8.1 million in 2Q10 to S$6.6 million in 2Q11 as there was only revenue recognition for 2 units of Laguna Village townhomes. However, revenue for 2Q10 comprised 2 units of Laguna Village townhomes and 3 units of Banyan Tree Bangkok suites. The sentiments towards Thailand remain cautious and continue to affect the secondary home sales market. The shortfall was however partially offset by revenue from divestment of a development site in Yangshuo to China Fund.

There were 4 new units sold with deposits received in 2Q11 compared to deposit for 1 unit in 2Q10, an increase of 300% and 354% in units and value terms respectively.

For 1H11, Property Sales segment revenue increased by S$12.5 million from S$25.4 million to S$37.9 million, largely due to divestment of development sites in Lijiang and Yangshuo to China Fund. This was however partially offset by revenue recognition for only 1 unit each of Laguna Village bungalow and Banyan Tree Phuket Double Pool villa and 2 units of Laguna Village townhomes in 1H11, as opposed to 13 units of Laguna Village townhomes/bungalow, Banyan Tree Phuket 2 bed Pool villa and Banyan Tree Bangkok suites recognized in total in 1H10.

There were 5 new units sold with deposits received in 1H11 compared to deposits for 7 units in 1H10, a decrease of 29% and 46% in units and value terms respectively.

EBITDA decreased by S$3.4 million from S$2.3 million in 2Q10 to a loss of S$1.1 million in 2Q11 mainly due to lower revenue. Against 1H10, EBITDA increased by S$5.2 million from S$9.0 million to S$14.2 million mainly due to profit from the sale of a development site in Lijiang in 1Q11.

iii) Fee- based segment

Fee-based segment revenue increased by S$4.4 million or 22% from S$19.7 million in 2Q10 to S$24.1 million in 2Q11 largely due to higher hotel management fees, higher fund management fees and higher revenue from spa/gallery operations.

Higher hotel management fees were mainly attributable to contributions from new resorts in Banyan Tree Samui (opened in July 2010), Angsana Fuxian Lake (opened in October 2010) and Banyan Tree Macau (opened in May 2011). Higher fund management fees were mainly due to the final close of China Fund in January 2011 with a total fund size of S$210 million. Revenue from Gallery operation was also higher due to sales to the new outlet at Banyan Tree Spa Marina Bay Sands and upcoming outlet at Angsana Balaclava.

In 1H11, Fee-based segment revenue increased by S$8.0 million from S$39.3 million to S$47.3 million. Apart from the reasons mentioned above, there were also contributions from other new resorts such as Banyan Tree Cabo Marques (opened in April 2010) and Banyan Tree Club and Spa Seoul (opened in June 2010).

EBITDA increased by S$3.2 million from S$3.5 million in 2Q10 to S$6.7 million in 2Q11 and increased by S$3.3 million from S$5.7 million in 1H10 to S$9.0 million in 1H11 mainly due to higher revenue.

If management fees of those resorts which the Group has a majority interest but were not eliminated on consolidation, a sum of S$2.3 million, S$2.3 million, S$7.1 million, S$6.6 million in 2Q10, 2Q11, 1H10 and 1H11 would be added to EBITDA respectively. EBITDA would have been S$9.0 million in 2Q11 as compared to S$5.8 million in 2Q10, and S$15.6 million in 1H11 as compared to S$12.8 million in 1H10.

iv) Head Office

Head office expenses increased by S$0.4 million or 14% from S$2.7 million in 2Q10 to S$3.1 million in 2Q11. Against 1H10, head office expenses increased by S$1.4 million from S$8.1 million to S$9.5 million. This was mainly due to higher staff and related cost.

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

Not applicable.

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.

Sheraton Grande Laguna Phuket is currently closed for extensive renovation and refurbishment works and shall be opened by 1 December 2011 as the Angsana Phuket. This closure will affect 3rd quarter results.

The forward bookings for 3Q11 for owned hotels in Thailand are currently 57% higher than last year and overall the Group is ahead by 18%. We continue to monitor political events in Thailand which are currently stable.

For our property sales in Thailand, sales of secondary holiday homes are expected to remain slow due to the current negative sentiments towards the country.

Given the above developments coupled with the looming global uncertainties surrounding Europe's sovereign debt crisis and still tepid economic recovery in the USA, 3rd quarter will remain challenging and possibly unprofitable considering that this will be a low season. However, we are hopeful of a better 4th quarter, it being the high season of the year.

The Group is currently rebalancing its asset portfolio and raising cash for strategic investments in new areas. Current available cash is approximately S$150 million. The 2 private equity funds raised approximately S$560 million. Over the next few years, we shall deploy capital for investment in branded property developments in China and Vietnam. These developments shall include 5 projects in China and an integrated resort in Vietnam. We believe this strategic repositioning will yield results within the next few years.

<u>New Openings and New Management Contracts</u>

We expect to open the following 3 new resorts in the next 12 months:

i. Banyan Tree Riverside, Shanghai, China
ii. Angsana Hangzhou, China
iii. Angsana Balaclava, Mauritius

Also in the next 12 months, we expect to launch an estimated 11 spas under management.

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

i. Banyan Tree Goa, India, is located within the Sindhudurg District and is surrounded by the Arabian Sea.

ii. Banyan Tree Signatures Pavilion, Kuala Lumpur, Malaysia is within close proximity to famed landmark building, Petronas Twin Towers.

iii. Angsana Acapulco, Mexico is situated within a condominium development in Punta Diamante. The area of Acapulco is laced with beaches.

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.

13 Interested Persons Transactions for the 3 months ended 30 June 2011

	Interested Person Transaction	Aggregate value of all interested person transactions during the financial quarter under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' Mandate) Q2 2011 in S$'000	Aggregate value of all interested person transactions conducted under Shareholders' Mandate (excluding transactions less than S$100,000) Q2 2011 in S$'000
A	**Transactions with the Tropical Resorts Limited Group ('TR')**		
a	Provision of Resort Management and Related Services to TR		850
b	Provision of Spa Management and Other Related Services to TR		364
c	Returns from TR in respect of units in Banyan Tree Bintan and Angsana Bintan		507
B	**Transactions with the Laguna Resorts & Hotels Public Company Limited Group ('LRH')**		
a	Provision of Resort Management and Related Services to LRH		1,346
b	Provision of Rent and Services		
	- from LRH		353
c	Reimbursement of expenses		
	- from LRH		1,055
	- to LRH		524
d	Supply of Goods and Vouchers		
	- from LRH		385
	Total		**5,384**

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 second 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 & Paul Chong
Joint Company Secretaries
12 August 2011

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

NEWS

Images from top

- Banyan Tree Macau
- Banyan Tree Ungasan

2ND QTR RECORDED A SMALLER LOSS OF S$7.0 MILLION

Highlights:

2Q11:

- **Revenue increased 3% to S$63.6 million; Operating Profit doubled to S$3.6 million.**
- **LBR+ sale: Transaction profit S$16.7 million (56% margin); Accounting profit only S$1.8 million (6% margin).**
- **Doubling of Fee-Based profit cushioned stagnant hotel and property sales operations; reduced loss by 21% to S$7 million.**

1H11:

- **Revenue increased 6% to S$177.9 million; Operating Profit increased 5% to S$36.1 million.**

2Q11 Results Snapshot (in S$' million) :

	2Q11	2Q10	Change@ (%)
Revenue	63.6	61.9	3% ↑
Operating Profit*	3.6	1.8	104% ↑
(LBT)#	(7.7)	(11.8)	35%↑
(LATMI)^	(7.0)	(8.9)	21%↑

1H11 Results Snapshot (in S$' million) :

	1H11	1H10	Change@ (%)
Revenue	177.9	168.2	6% ↑
Operating Profit*	36.1	34.4	5% ↑
PBT#	13.6	7.6	80% ↑
PATMI/(LATMI)^	3.0	(1.5)	nm

** Operating Profit = EBITDA (Earnings before interest, tax, depreciation & amortization)*
 # PBT/(LBT) = Profit/(Loss) Before Taxation
^ PATMI/(LATMI) = Profit /(Loss) After Taxation and Minority Interest
@ Variances are computed based on figures to the nearest thousands to be in line with announcement in the masnet.
+ Laguna Beach Resort

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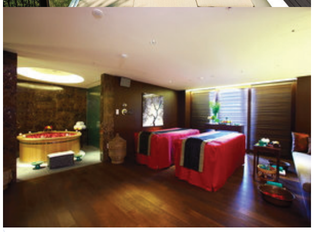
NEWS



Images from top

- Banyan Tree Samui
- Banyan Tree Club & Spa Seoul

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Singapore, 12 August 2011 – 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 2nd quarter results.

Mr Ho KwonPing, Executive Chairman of Banyan Tree said, "We have completed the sale of LBR which yielded a transaction profit margin of 56%. However due to accounting treatment on revaluation reserve, the accounting margin is 6%. The Group's EBITDA doubled to S$3.6 million and net loss reduced by 21% to S$7.0 million. 2Q is our traditional low season of the year and furthermore sales of secondary homes have almost come to a standstill. Nevertheless, our strategy to diversify the Group's income stream through fee-based has continued to gain traction with doubling of EBITDA in 2Q. The Group is currently rebalancing its asset portfolio and raising cash for strategic investments in branded property developments in China and Vietnam. We believe this strategic repositioning will yield results within the next few years."

The Group's cash and cash equivalents increased by S$90.3 million or 132% from S$68.5 million as at 30 June 2010 to S$158.8 million as at 30 June 2011. The increase was largely due to net proceeds received from sale of Dusit and LBR and new notes issuance in March 2011, partially reduced by dividends paid by Laguna Resorts & Hotels Public Company Ltd to its minority shareholders.

The Group's total operating expenses for 2Q11 increased by S$1.5 million, largely from cost of operating supplies and cost of properties sold arising from higher sales of gallery products and divestment of a development site, coupled with higher salaries and related expenses and administrative expenses, but partially offset by lower sales and marketing expenses and other operating expenses due to the cessation of Dusit and LBR hotel operations following their disposal in October 2010 and May 2011 respectively.

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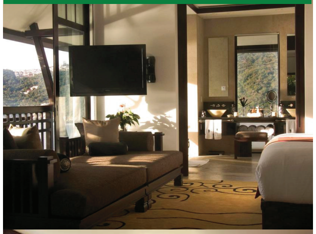

Images from top

- Banyan Tree Cabo Marques
- Banyan Tree Mayakoba

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BUSINESS SEGMENTS REVIEW

The Group registered revenue of S$63.6 million in 2Q11, an increase of S$1.7 million (3%) compared to the same period last year. This was mainly attributable to higher revenue from Fee-based segment but partially offset by lower revenue from Property Sales and Hotel Investments segments. EBITDA of S$3.6 million in 2Q11 increased by S$1.8 million compared to 2Q10, mainly due to higher revenue and gain on sale of LBR in May 2011 reflected in other income.

Hotel Investments

Hotel Investments segment achieved revenue of S$32.9 million in 2Q11, a decrease of 4% or S$1.2 million compared to S$34.1 million in 2Q10. Lower revenue was mainly from Thailand (S$2.3 million) but partially offset by Maldives (S$1.2 million).

Revenue in Thailand was lower as performance in Laguna Phuket such as Banyan Tree Phuket was affected by the run up to the Thai General Elections held on 3rd July 2011. In addition, revenue from Dusit and LBR also ceased following their sale in October 2010 and May 2011 respectively. This was partially cushioned by Banyan Tree Bangkok which posted higher revenue as the property was impacted by the political riots which took place in Bangkok in April and May last year. Although performance of Banyan Tree Bangkok improved, occupancy at 56% was still below the pre-political crisis level and ARR at S$146 was 13% lower than last year. Overall occupancy in Thailand improved by 14% points to 56%, but was offset by lower ARR by 18% to S$177.

Our resorts in Maldives also recorded higher revenue in 2Q11 as their performances last year were affected by Icelandic ash cloud situation which affected air travel. Overall occupancy improved by 19% points to 67% but ARR decreased by 14% to US$318 in 2Q11.

For 1H11, Hotel Investments segment revenue decreased by S$10.8 million from S$103.5 million in 1H10 to S$92.7 million in 1H11. The decrease was mainly from Thailand as mentioned above but partially offset by better performance in Maldives largely contributed by 2Q11.

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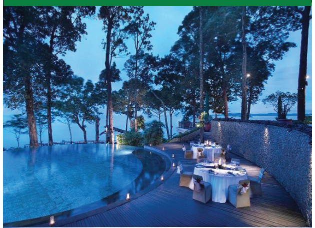

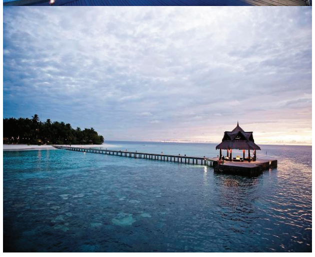

Images from top

- Banyan Tree Bintan
- Banyan Tree Vabbinfaru

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Notwithstanding a lower revenue, 2Q11 recorded a lower loss from S$2.2 million in 2Q10 to S$1.4 million in 2Q11. This was mainly due to lower operating costs at Sheraton Grande Laguna Phuket as certain positions remained unfilled, and lower spending on repair and maintenance in view of the planned termination of hotel management agreement with Starwood Hotels & Resorts. Against 1H10, EBITDA decreased from S$23.4 million in 1H10 to S$19.6 million in line with lower revenue.

Property Sales segment

Property Sales segment revenue decreased by S$1.5 million or 18% from S$8.1 million in 2Q10 to S$6.6 million in 2Q11 as there was only revenue recognition for 2 units of Laguna Village townhomes. However, revenue for 2Q10 comprised 2 units of Laguna Village townhomes and 3 units of Banyan Tree Bangkok suites. The sentiments towards Thailand remain cautious and continue to affect the secondary home sales market. The shortfall was however partially offset by revenue from divestment of a development site in Yangshuo to China Fund.

There were 4 new units sold with deposits received in 2Q11 compared to deposit for 1 unit in 2Q10, an increase of 300% and 354% in units and value terms respectively.

For 1H11, Property Sales segment revenue increased by S$12.5 million from S$25.4 million to S$37.9 million, largely due to divestment of development sites in Lijiang and Yangshuo to China Fund. This was however partially offset by revenue recognition for only 1 unit each of Laguna Village bungalow and Banyan Tree Phuket Double Pool villa and 2 units of Laguna Village townhomes in 1H11, as opposed to 13 units of Laguna Village townhomes/bungalow, Banyan Tree Phuket 2 bed Pool villa and Banyan Tree Bangkok suites recognized in total in 1H10.

There were 5 new units sold with deposits received in 1H11 compared to deposits for 7 units in 1H10, a decrease of 29% and 46% in units and value terms respectively.

EBITDA decreased by S$3.4 million from S$2.3 million in 2Q10 to a loss of S$1.1 million in 2Q11 mainly due to lower revenue. Against 1H10, EBITDA increased by S$5.2 million from S$9.0 million to S$14.2 million mainly due to profit from the sale of a development site in Lijiang in 1Q11.

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- Banyan Tree Ringha
- Banyan Tree Hangzhou

Fee-based segment

Fee-based segment revenue increased by S$4.4 million or 22% from S$19.7 million in 2Q10 to S$24.1 million in 2Q11 largely due to higher hotel management fees, higher fund management fees and higher revenue from spa/gallery operations.

Higher hotel management fees were mainly attributable to contributions from new resorts in Banyan Tree Samui (opened in July 2010), Angsana Fuxian Lake (opened in October 2010) and Banyan Tree Macau (opened in May 2011). Higher fund management fees were mainly due to the final close of China Fund in January 2011 with a total fund size of S$210 million. Revenue from Gallery operation was also higher due to sales to the new outlet at Banyan Tree Spa Marina Bay Sands and upcoming outlet at Angsana Balaclava.

In 1H11, Fee-based segment revenue increased by S$8.0 million from S$39.3 million to S$47.3 million. Apart from the reasons mentioned above, there were also contributions from other new resorts such as Banyan Tree Cabo Marques (opened in April 2010) and Banyan Tree Club and Spa Seoul (opened in June 2010).

EBITDA increased by S$3.2 million from S$3.5 million in 2Q10 to S$6.7 million in 2Q11 and increased by S$3.3 million from S$5.7 million in 1H10 to S$9.0 million in 1H11 mainly due to higher revenue.

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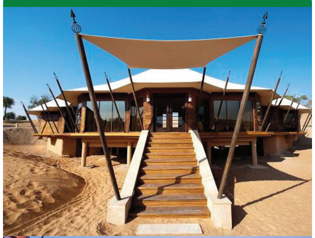

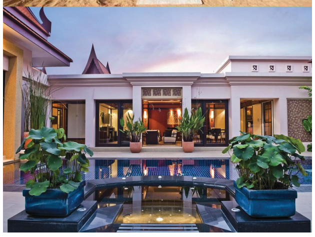

Images from top

- Banyan Tree Al Wadi
- Banyan Tree Phuket

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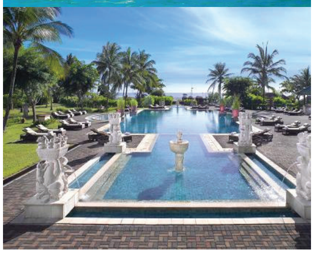

Images from top

- Angsana Velavaru
- Angsana Bintan

OUTLOOK

Sheraton Grande Laguna Phuket is currently closed for extensive renovation and refurbishment works and shall be opened by 1 December 2011 as the Angsana Phuket. This closure will affect 3rd quarter results.

The forward bookings for 3Q11 for owned hotels in Thailand are currently 57% higher than last year and overall the Group is ahead by 18%. We continue to monitor political events in Thailand which are currently stable.

For our property sales in Thailand, sales of secondary holiday homes are expected to remain slow due to the current negative sentiments towards the country.

Given the above developments coupled with the looming global uncertainties surrounding Europe's sovereign debt crisis and still tepid economic recovery in the USA, 3rd quarter will remain challenging and possibly unprofitable considering that this will be a low season. However, we are hopeful of a better 4th quarter, it being the high season of the year.

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- Banyan Tree Ungasan, Spa
- Banyan Tree Al Wadi, Gallery

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 28 resorts and hotels, 65 spas, 83 galleries and 2 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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