



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



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- Banyan Tree Al Wadi
- Banyan Tree Ungasan

4th QTR RESULTS BOOSTED BY GAIN ON COMPLETION OF SALE OF DUSIT LAGUNA PHUKET (“DUSIT”).

Highlights:

- 4Q10 Revenue decreased by 13% to S\$82.0 million. However, 4Q10 Operating Profit increased by 3-fold to S\$69.0 million.
- Revenue declined due to lower Hotel Investments revenue following the completion of sale of Dusit in October and lower property sales. The gain on sale of Dusit however boosted operating profit.
- FY10 revenue decreased by 3% to S\$305.3 million & FY10 operating profit increased 46% to S\$101.4 million.
- Gain on sale of Dusit mitigates the adverse impact of Thailand political crisis on 2010 performance.

4Q10 Results Snapshot (in S\$' million) :

	4Q10	4Q09	Change (%)
Revenue	82.0	94.0	13% ↓
Operating Profit*	69.0	20.4	238% ↑
PBT#	56.2	8.3	580% ↑
PATMI^	19.5	3.0	555% ↑

FY10 Results Snapshot (in S\$' million) :

	FY10	FY09	Change (%)
Revenue	305.3	313.3	3% ↓
Operating Profit*	101.4	69.5	46% ↑
PBT#	52.8	14.7	258% ↑
PATMI^	15.7	3.0	422% ↑

* 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 Samui
- Banyan Tree Club & Spa Seoul

Singapore, 24 February 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 fourth quarter results which shows PATMI increased by 6-fold to S\$19.5 million mainly due to gain on disposal of Dusit in October 2010, which mitigates the adverse impact of the Thai political uncertainties on our performance in Thailand.

Mr Ho KwonPing, Executive Chairman of Banyan Tree said, “As highlighted in last quarter outlook, the Group recorded a profit in the 4th quarter and the full year due to the gain on sale of Dusit Laguna Phuket following its completion in October 2010. We are also pleased to announce that Banyan Tree China Hospitality Fund (I) (“the China Fund”) has successfully closed its first Renminbi-denominated private equity fund in January 2011 with a total capital commitment received of RMB 1.07 billion (S\$210 million). The China Fund will be investing in an identified pipeline of projects in various parts of China in 2011. Going forward, we will continue our strategy of rebalancing our assets portfolio to redeploy our capital more efficiently in related businesses that will create more value and growth for the Group.”

The Group’s total operating expenses for 4Q10 increased by S\$10.7 million. All categories of expenses were higher than last year except for cost of operating supplies and cost of properties sold. Higher expenses in 4Q10 was mainly due to 4Q09 having the benefit of lower expenses due to several cost cutting measures undertaken last year following the onset of the global financial crisis. Part of these cost cutting measures have ceased since the end of 2009 when the global economy started to recover.

The Group’s overall cash and cash equivalent for the year increased by 82% to S\$139.0 million, largely due to proceeds received from sale of Dusit.

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BUSINESS SEGMENTS REVIEW

The Group registered revenue of S\$82.0 million in 4Q10, a decrease of S\$12.0 million (13%) compared to the same period last year. This was mainly attributable to lower revenue from Hotel Investments and Property Sales segments, but cushioned by higher revenue from Fee-based segments. EBITDA of S\$69.0 million in 4Q10 increased by S\$48.6 million (238%) compared to the same period last year, largely due to gain on sale of Dusit, partially offset by lower revenue and higher operating expenses following the cessation of cost cutting measures at the end of 2009.

Hotel Investments

Hotel Investments segment achieved revenue of S\$50.0 million in 4Q10, a decrease of 14% or S\$7.9 million compared to S\$57.9 million in 4Q09. Lower revenue was mainly from Thailand (S\$7.1 million) and Maldives (S\$0.8 million).

In Thailand, lower performance was largely due to the cessation of hotel revenue from Dusit following the completion of its sale in October 2010 and from Banyan Tree Bangkok which was still affected by the knock-on effects of the political riots that took place in second quarter of 2010. Banyan Tree Bangkok's occupancy of 45% in 4Q10 remained below last year by 3% points because of the periodic anti-government rallies which necessitated the imposition of state of emergency in Thailand until late December 2010.

Our resorts in Maldives registered lower revenue by S\$0.8 million in 4Q10 but this was mainly due to translation loss as a result of weaker US\$ against S\$. In US\$ terms, revenue was in line with 4Q09. Overall occupancy decreased by 6% points from 64% in 4Q09 to 58% in 4Q10 but was cushioned by higher ARR by 13% from US\$396 in 4Q09 to US\$448 in 4Q10.

For FY10, helped by a strong 1st quarter performance due to the improvement in the global economy led by Asia and prior to the political uncertainties in Bangkok, overall revenue was S\$2.7 million higher than FY09 with S\$11.4 million attributable to 1Q10. The shortfall for the remaining quarters were mainly due to cessation of Dusit revenue in 4Q10 following the sale of the hotel, lower revenue from Banyan Tree Bangkok due to reasons mentioned above, and lower performance from China due to more visitors to the World Expo held in Shanghai from May to October and less travelers to Lijiang.

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EBITDA was lower by S\$10.8 million from S\$17.4 million in 4Q09 to S\$6.6 million in 4Q10. Besides lower revenue, lower EBITDA was because 4Q09 had the benefit of lower operating expenses due to several cost saving measures undertaken last year. Part of these cost saving measures has since ceased in December 2009 when the global economy started to recover. Against FY09, EBITDA decreased by S\$14.3 million from S\$43.6 million in FY09 to S\$29.3 million in FY10 mainly due to the reasons stated above.

Property Sales segment

Property Sales segment revenue decreased by S\$5.5 million or 36% from S\$15.4 million in 4Q09 to S\$9.9 million in 4Q10 due largely to lower revenue from Laguna Phuket properties as units sold and recognized were of entry level products such as Laguna Village condominium units and Lofts as opposed to higher-value Laguna Village townhomes and bungalows recognized in 4Q09.

In total, there were 12 new units sold with deposits received in 4Q10 compared to 2 units in 4Q09, an increase of 500% and 552% in units and value terms respectively. This was boosted by higher sales of Laguna Village condominium units, Lofts and Banyan Tree villas in Lijiang.

For FY10, Property Sales segment revenue decreased by S\$19.9 million or 41% from S\$48.3 million to S\$28.4 million as there were fewer units recognized for Laguna Village bungalows, Dusit villas, Banyan Tree Phuket villas compared to FY09. In addition, lower revenue for FY10 was also attributable to buyers downgraded from higher-priced Dusit residences to Laguna townhomes in 1Q10. The shortfall was however cushioned by 3 new units sold and recognized for Banyan Tree Bangkok suites.

In total, there were 22 new units sold with deposits received in FY10 compared to 17 in FY09, an increase of 29% and 15% in units and value terms respectively mainly from improved sales in 4Q10.

EBITDA decreased by S\$3.7 million from S\$4.5 million in 4Q09 to S\$0.8 million in 4Q10. Against FY09, EBITDA decreased by S\$13.0 million or 80% from S\$16.3 million in FY09 to S\$3.3 million in FY10. Lower EBITDA was mainly due to lower revenue as explained above, coupled with fixed cost such as payroll costs.

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- Banyan Tree Phuket

Fee-based segment

Fee-based segment revenue increased by S\$1.4 million or 7% from S\$20.7 million in 4Q09 to S\$22.1 million in 4Q10 largely due to higher fund management fees and higher revenue from spa / gallery operations, but offset by lower architectural and design fees.

Higher fund management fees were mainly due to the first close of China Fund in September 2010. Both Spa and Gallery operations benefited from outlets opened in Banyan Tree Ungasan, Banyan Tree Cabo Marques and Banyan Tree Samui, coupled with shipments to soon-to-be opened Banyan Tree Macau. Lower architectural and design fees were due to lower fees billed for new projects based on certain milestones achieved.

Fee-based segment revenue increased by S\$9.3 million or 12% from S\$78.3 million in FY09 to S\$87.6 million in FY10. Apart from higher fund management fees and higher revenue from spa / gallery operations as mentioned above, revenue from hotel management was also higher due to new resorts opened in Banyan Tree Hangzhou (opened in December 2009), Banyan Tree Ungasan (opened in December 2009), Banyan Tree Club and Spa Seoul (opened in June 2010).

Notwithstanding higher revenue, 4Q10 recorded a loss of S\$1.7 million as compared to EBITDA of S\$1.0 million in 4Q09 and FY10 EBITDA decreased by S\$7.3 million from S\$18.8 million in FY09 to S\$11.5 million in FY10. Lower EBITDA was largely due to cessation of cost cutting measures including unpaid leave scheme implemented last year and pre-opening cost and new hiring for new spa / gallery outlets. There were also higher expenses incurred in relation to the launch of China Fund. In addition, there was a final capitalization of S\$2.7 million for in-house design and project team time cost on the InOcean villa project following the completion of the project in 2Q09. There was no such capitalization of cost in FY10.

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- Angsana Velavaru

New Openings and New Management Contracts

We expect to open the following 5 new resorts in the next 12 months:

- i. Banyan Tree Macau, China
- ii. Banyan Tree Riverside, Shanghai, China
- iii. Banyan Tree Kerala, India
- iv. Angsana Hangzhou, China
- v. 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 Sveti Marko Island, Montenegro, is situated within an UNESCO World Heritage Site on the Gulf of Tivat.
- ii. Banyan Tree and Angsana Tengchong, Yunnan, China, is within the Tengchong Yumagu Hot Spring International Tourist Resort.
- iii. Banyan Tree and Angsana Beibei, Chongqing, China, is situated near the beautiful Jialing River and Jinyun Mountain.
- iv. Angsana Hong En Si, Chongqing, China, is within Jiangbei district, near the beautiful Jialing River and Chongqing's largest central forest park, Hong En Si Park.

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- Angsana Fuxian Lake

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OUTLOOK

As indicated in last quarter's outlook, the results achieved in 4Q10 were mainly due to the recognition of gain following the completion of sale of Dusit Laguna Phuket. Given the continuing unstable Thai political situation coupled with the weaker European economy where a significant portion of our guest markets were from, 2011 will be a challenging year. However, we are tapping into new growth markets for our guest mix like China to compensate for the weaker European market. We will also look at ways to re-balance our asset portfolio to unlock values and re-deploy funds to other growing business opportunities.

For our hotel operations, the pick-up in rooms bookings continues to improve. Currently, the hotel's on-the-book ("OTB") rooms revenue (i.e., forward booking reservation) for hotels in Thailand and those outside Thailand on same store basis for 1Q 2011 is 12% and 15% above the same period last year respectively. Overall, the Group is ahead by 13%.

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

Banyan Tree China Hospitality Fund (I) (the "China Fund")

The China Fund completed its final closing on 16 January 2011 with a total capital commitments received of RMB1.07 billion (S\$210 million). The Group had committed to invest RMB 57 million (S\$11.4 million) in the China Fund which is equivalent to at least 5% of the total capital commitments received upon final closing. The China Fund is well positioned to make investments on identified pipeline of investment opportunities in 2011.

Angsana Laguna Phuket

Banyan Tree will take over the operations of the Sheraton Grande Laguna Phuket from Starwood Hotels & Resorts when the current management contract expires on 30 June 2011.

The hotel will be closed from 1 July 2011 for extensive renovation and refurbishment works. When completed, the hotel will be re-branded under Banyan Tree's sister brand, Angsana Hotels & Resorts, as Angsana Laguna Phuket.

Scheduled to open by 1 December 2011, this will be the flagship and largest resort under the Angsana brand with 384 keys.

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- Banyan Tree Club
Seoul, Korea - Gallery
- BT Spa Phoenix
Seagaia Resort -
Relaxation Lounge

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 29 resorts and hotels, 65 spas, 81 galleries and 3 golf courses. The Group manages and/or has ownership interests in niche resorts and hotels. The resorts each typically has between 50 and 100 rooms and commands room rates at the high end of each property’s particular market.

The Group’s primary business is the management, development and ownership of resorts and hotels. This is centred around two award-winning brands: Banyan Tree and Angsana. Banyan Tree also operates the leading integrated resort in Thailand – Laguna Phuket, through the Group’s subsidiary, Laguna Resorts & Hotels Public Company Limited.



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