



BANYAN TREE HOLDINGS LIMITED

PRESS RELEASE

12TH May 2016

1Q16 OPERATING PROFIT WAS S\$17.9 MILLION

- **12% LOWER THAN 1Q15**
- **9.5 TIMES HIGHER THAN 4Q15**

FINANCIAL HIGHLIGHTS (COMPARED TO 1Q15):

- Revenue increased 2% to S\$99.8 million.
- Operating profit decreased 12% to S\$17.9 million.

Revenue increased due to:

- Higher revenue recognition from property sales.
- Higher contribution from hotel operations in Thailand.
but partially offset by:
- Lower contribution from hotel operations in Maldives, Seychelles and China which continued to be affected by decline in Russian travelers due to devaluation of the rouble, and also decline in Chinese travelers due to economic slowdown since 3Q15.
- Lower contribution from Fee-based segment.

Operating profit decreased due to :

- Exchange loss of S\$2.7 million in 1Q16 vs. exchange gain of S\$1.8 million in 1Q15. Foreign exchange losses was due to restating US Dollar and Chinese Renminbi denominated receivables to period end rate which had depreciated against Singapore Dollar. Excluding these exchange differences, operating profit increased by 11% from S\$18.5 million in 1Q15 to S\$20.6 million in 1Q16.

OUTLOOK:

- Owned hotels in Thailand and Maldives improved significantly in 1Q16 over 4Q15. For 2Q16, hotel forward bookings for Thailand have also improved but is currently weak for hotels outside of Thailand. Overall forward bookings for owned hotels is currently 9% below the same period last year. (Thailand is 12% above and outside of Thailand 28% below).
- On property sales, deposits for 39 units with total sales value of \$27.0 million were received in 1Q16 compared to 33 units of S\$17.5 million in 1Q15. As at 1Q16, we have unrecognised revenue of S\$79 million with approximately 50% to be recognised in the next few quarters.
- Macro outlook:
 - *Economy of both Europe and Russia, our key source markets, remains weak.*
 - *Economic slowdown in China will continue to affect our income contribution from China.*
- Against this backdrop, and coupled with 2Q16 and 3Q16 being normally low season periods, the performance for the next two quarters are likely to be below 1Q16.

ADDENDUM

RESULTS SNAPSHOT:

1Q16 Results (in S\$' million):

	1Q16	1Q15	Change (%)
Revenue	99.8	97.8	2% ↑
Operating Profit *	17.9	20.3	12% ↓
PATMI**	0.5	4.0	87% ↓

* *Operating Profit = EBITDA (Earnings before interests, taxes, depreciation & amortisation).*

** *PATMI = Profit after taxation and minority interests.*

DETAILED BUSINESS SEGMENTS REVIEW

In 1Q16, the Group registered revenue of S\$99.8 million, an increase of S\$2.0 million or 2% compared to 1Q15. The Property Sales segment recorded higher revenue but it was offset by lower revenue from both the Hotel Investments and Fee-based segments.

Notwithstanding higher revenue, EBITDA decreased by S\$2.4 million or 12% to S\$17.9 million in 1Q16. This was mainly due to foreign exchange loss of S\$2.7 million in 1Q16 as opposed to foreign exchange gain of S\$1.8 million in 1Q15. If the effects of exchange differences were to be excluded, EBITDA had instead increased by S\$2.1 million or 12% to S\$20.6 million in 1Q16. This was mainly due to higher contribution from Property Sales segment, but partially offset by lower contribution from Hotel Investments and Fee-based segments.

Hotel Investments segment

Hotel Investments segment achieved revenue of S\$64.8 million in 1Q16, a decrease of 3% or S\$1.9 million compared to S\$66.7 million in 1Q15. The decrease in revenue was mainly from Maldives (S\$3.0 million), Seychelles (S\$0.5 million) and China (S\$0.4 million), which was partially cushioned by higher revenue from Thailand (S\$1.9 million).

The sustained weakness of Russian rouble, as well as economic slowdown in the Chinese market since 3Q15 continued to impact our resorts in Maldives, Seychelles and China in 1Q16. Revenue per available room ("RevPAR") of the Maldives resorts decreased by 19% from S\$652 in 1Q15 to S\$531 in 1Q16. RevPAR of the Seychelles resorts decreased by 8% from S\$678 in 1Q15 to S\$622 in 1Q16. RevPAR of the China resorts decreased by 16% from S\$130 in 1Q15 to S\$109 in 1Q16.

For Thailand, the increase in revenue was mainly contributed by the opening of Cassia Phuket in 4Q15 and the continued strong performance of Banyan Tree Bangkok. On a same store basis (excluding Cassia Phuket), RevPAR for Thailand in 1Q16 was in line with 1Q15 at S\$248.

Although the Hotel Investments segment continued to record lower revenue compared to 1Q15, it has significantly improved compared to 4Q15. Revenue increased by 30% or S\$15.1 million compared to 4Q15 with hotels in both Thailand and Maldives recorded improvement.

Notwithstanding lower revenue, EBITDA for 1Q16 was in line with 1Q15. This was mainly due to several cost management initiatives implemented as a result of the group-wide restructuring exercise that had been embarked to streamline business processes and structures.

Property Sales segment

Revenue from the Property Sales segment increased by S\$9.5 million or 123% to S\$17.2 million in 1Q16. This was mainly due to completion and progressively handing over of Cassia Phuket condominiums (Phase 1) and Laguna Park townhomes/villas since 4Q15.

In 1Q16, a total of 31 units of Laguna Park townhomes/villas, Cassia Phuket, Dusit villas and Banyan Tree Phuket villas were recognized. In comparison, a total of 7 units of Laguna Park townhomes/villas and Banyan Tree Phuket villas were recognized in 1Q15.

There were 39 new units sold with deposits received in 1Q16 compared to deposits for 33 units in 1Q15, an increase of 18% and 55% in units and value terms respectively.

Overall unrecognized revenue as at 1Q16 was S\$79.3 million as compared to S\$125.3 million in 1Q15, of which 50% will be progressively recognized in FY16.

EBITDA increased by S\$3.6 million in 1Q16 mainly due to higher revenue recognized as mentioned earlier.

Fee-based segment

Revenue from the Fee-based segment decreased by S\$5.5 million or 24% to S\$17.8 million in 1Q16. This was mainly due to lower hotel/fund management fees, as well as reduced architectural and design fees earned from projects in China based on project milestones.

Lower revenue from the Hotel Management operations was mainly due to poorer performances from the managed hotels in China amidst economic slowdown.

Lower architectural and design fees was recorded mainly due to economic slowdown in China affecting the project progress of several of our third party owners' development projects.

EBITDA decreased by S\$6.7 million in 1Q16 to a loss of S\$0.9 million, mainly due to lower revenue and higher foreign exchange losses in 1Q16 as opposed to foreign exchange gains in 1Q15.

If management fees of those resorts which the Group has a majority interest were not eliminated on consolidation, EBITDA would have been a profit of S\$5.0 million in 1Q16 as compared to S\$11.7 million in 1Q15.

Profit attributable to owners of the Company

Profit decreased by S\$3.5 million from S\$4.0 million to S\$0.5 million in 1Q16. This was mainly attributable to higher foreign exchange losses as mentioned earlier. In addition, lower operating profit from Fee-based segment, lower other income, higher depreciation expense and higher finance costs were recorded.

This was partially cushioned by higher operating profit from Property Sales segment, coupled with higher finance income, lower head office and income tax expenses.

Cash Flow

For 1Q16, the Group generated its funds mainly from its operations as well as proceeds from bank borrowings. It expended on property, plant and equipment for the resorts' operation and also made scheduled repayments of bank borrowings during the period.

As at 31 March 2016, the Group's cash and cash equivalents was S\$170.3 million.

About Banyan Tree Holdings Limited

Banyan Tree Holdings Limited (“Banyan Tree” or the “Group”) is a leading international operator and developer of premium resorts, hotel residences and spas. The Group currently manages and/or has ownership interests in 37 resorts and hotels, 68 spas, 81 galleries and 3 golf courses. Each resort typically has between 50 and 200 rooms and commands room rates at the high end of each property’s particular market. The Group currently develops and sells residences properties in six countries: Thailand, Seychelles, China, Indonesia, Mexico and Vietnam.

The Group business centred around two award-winning brands: Banyan Tree and Angsana. In June 2014, the Group launched the third brand, Cassia. Cassia was created to bring together investment opportunities for the growing middle-class looking for affordable holiday homes as well as the opportunity to develop an innovative hotel product in the serviced apartment segment. In October 2015, the Group launched its fourth brand, Dhawa. Dhawa was created to position itself to be a casual and contemporary full-service hotel catering to the emerging group of design savvy travellers who seek distinctive experiences in stylish and unique destinations.



BANYAN TREE

BANYAN TREE HOLDINGS LIMITED

(Company Registration Number: 200003108H)

211 Upper Bukit Timah Road Singapore 588182

Tel: (65) 6849-5888

Fax: (65) 6462-0186

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