BANYAN TREE HOLDINGS LIMITED

PRESS RELEASE

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4Q13 PROFIT DRAGGED DOWN BY THAI POLITICAL CRISIS BUT FY2013 IMPROVED BY 22%.

FINANCIAL HIGHLIGHTS:

4Q13:

- Revenue stable at S$97.9 million.
- Operating Profit decreased 25% to S$18.7 million.
- PATMI decreased 27% to S$3.7 million.

Due to:

- *Revenue growth in 4Q, our high season of the year was impeded by Thai political crisis.*
- *Higher operating expenses and lower fair value gains on investment properties.*
- *But partially cushioned by lower depreciation and interest expenses following assets rebalancing.*

FY13:

- Revenue increased 5% to S$356.1 million.
- Operating Profit flat at S$74.1 million.
- PATMI increased 22% to S$18.1 million.

Due to:

- *Favourable performance from Hotel Investments segment but offset by lower contribution from Property Sales segment based on accounting revenue recognition and reduced royalty fees.*
- *Lower depreciation and interest expenses following assets rebalancing.*

OUTLOOK:

- The Thai political crisis is not expected to improve in the coming months.
- However, better economic recoveries are expected in the USA and Europe, and the China market is expected to be active.
- Favourable performance from hotel operations in Maldives is expected to continue and will help mitigate the slow down of business in Thailand.
- Overall forward bookings for 1Q14 for owned hotels are currently 4% below last year.
- 1st quarter is expected to perform below same period last year.

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RESULTS SNAPSHOT:

4Q13 Results (in S$' million):

	4Q13	4Q12	Change@ (%)
Revenue	97.9	97.5	-
Operating Profit*	18.7	24.9	25% ↓
PATMI^	3.7	5.0	27% ↓

FY13 Results (in S$' million):

	FY13	FY12	Change@ (%)
Revenue	356.1	338.4	5% ↑
Operating Profit*	74.1	74.5	-
PATMI^	18.1	14.9	22% ↑

** Operating Profit = EBITDA (Earnings before interest, tax, depreciation & amortization)*
^ PATMI = Profit After Taxation and Minority Interest
@Variances are computed based on figures to the nearest thousands to be in line with announcement in the SGXnet.

QUOTE:

Mr Ho KwonPing, Executive Chairman -

"The ongoing strife in Thailand – the worst political crisis since 2010, when protests turned violent – has slowed down our business in 4Q, the high season of the year. However, we are comforted that we are able to reduce the adverse impact these events had on our results following our conscious efforts to rebalance our assets in the last few years. For the full year in 2013, profit attributable to shareholders improved by 22% to S$18.1 million.

Going forward, the move towards a more affordable, lifestyle and design-driven property sales products will provide us a sustainable and increasing profit contribution as evidenced by initial successful launches in 2013. Our unrecognized revenue from these sales is almost tripled compared to the previous year and will contribute to profits mainly in 2015."

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ADDENDUM

DETAILED BUSINESS SEGMENTS REVIEW

In 4Q13, the Group registered revenue of S$97.9 million, which was in line with the same period last year. Hotel Investments and Property Sales segments recorded higher revenue but was offset by lower revenue from Fee-based segment. EBITDA of S$18.7 million in 4Q13 decreased by S$6.2 million or 25% compared to 4Q12, mainly due to lower other income as a result of lower fair valuation gains on investment properties in Thailand and lower EBITDA from Fee-based segment due to lower revenue. Hotel Investments and Property Sales segments also recorded lower EBITDA mainly due to rental expenses for the leaseback of Angsana Velavaru hotel and write-off of certain project costs in Phuket respectively.

For FY13, the Group registered revenue of S$356.1 million, an increase of S$17.7 million or 5% compared to last year. This was mainly attributable to higher revenue from Hotel Investments segment but partially offset by lower revenue from Property Sales and Fee-based segments. EBITDA of S$74.1 million in FY13 decreased by S$0.4 million compared to FY12, mainly due to lower EBITDA from Property Sales and Fee-based segments, but partially cushioned by higher EBITDA from Hotel Investments segment, in line with the movement in revenue.

Hotel Investments segment

Hotel Investments segment achieved revenue of S$57.6 million in 4Q13, an increase of 3% or S$1.6 million compared to S$56.0 million in 4Q12. Higher revenue was mainly from Maldives (S$2.2 million) and Seychelles (S$1.3 million), but partially offset by lower revenue from Thailand (S$1.7 million).

Our resorts in Maldives and Seychelles recorded higher revenue in the current quarter due to strong demand from the leisure market. Overall revenue per available room ("Revpar") of our resorts in Maldives increased by 20% from S$415 to S$499. For Seychelles, Revpar increased by 39% from S$482 to S$670. However, our properties in Thailand were affected by the political rallies which began in November 2013 in Bangkok. Many countries have issued travel advisories to Thailand which impacted the tourist arrivals. Overall Revpar for our resorts in Thailand decreased by 10% from S$219 to S$197.

For FY13, Hotel Investments segment revenue increased by S$33.5 million from S$187.7 million in FY12 to S$221.2 million in FY13. This was mainly due to Thailand (S$13.4 million), Maldives (S$13.3 million) and Seychelles (S$6.5 million). Our resorts in Thailand performed strongly in the first nine months with Angsana Laguna Phuket registering the biggest revenue growth. This property has gained greater brand awareness compared to last year which was still in its soft-opening period after a 5-month extensive renovation. If not for the Thai political upheaval in November 2013 which affected tourist arrivals, our operation in Thailand would have ended FY13 even stronger. Our resorts in Maldives and Seychelles also registered higher revenue due to strong demand from the leisure market as mentioned above. In addition, 12 months of Banyan Tree Seychelles' revenue was

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included in FY13 as compared to only 9 months in FY12 as it became a wholly-owned subsidiary following our acquisition of the remaining 70% in end March 2012.

EBITDA decreased by S$1.8 million from S$14.3 million in 4Q12 to S$12.5 million in 4Q13 notwithstanding higher revenue. This was mainly due to rental expenses for the leaseback of Angsana Velavaru. Against FY12, EBITDA increased by S$8.2 million from S$36.6 million in FY12 to S$44.8 million in FY13, mainly due to higher revenue but partially offset by rental expenses for the leaseback of Angsana Velavaru.

Property Sales segment

Property Sales segment revenue increased by S$1.3 million or 12% from S$10.8 million in 4Q12 to S$12.1 million in 4Q13. This was due to higher contribution of property sales units based on revenue recognition upon completion. In 4Q13, a total of 8 units which comprised largely of higher priced villas / bungalows was completed and recognized, as compared to 8 units but of lower value condominiums / townhomes in 4Q12. In addition, there was income arising from forfeiture of deposit for cancelled units.

There were 52 new units sold with deposits received in 4Q13 compared to deposits for 68 units in 4Q12, a decrease of 24% and 16% in units and value terms respectively. Sales in 4Q13 slowed down following the Thai political upheaval.

For FY13, Property Sales segment revenue decreased by S$9.5 million or 22% from S$42.7 million in FY12 to S$33.2 million in FY13. The shortfall was due to lower contribution of property sales units based on revenue recognition upon completion. In FY13, a total of 21 units comprising 11 condominiums / townhomes and 10 bungalows / villas was completed and recognized, as compared to a total of 29 units comprising of 16 condominiums / townhomes and 13 bungalows / villas in FY12.

For FY13, there were 161 new units sold with deposits received in FY13 compared to deposits for 90 units in FY12, an increase of 79% and 15% in units and value terms respectively. Overall unrecognised cumulative revenue as at FY13 was S$68.3 million as compared to S$26.5 million in FY12.

EBITDA decreased by S$0.1 million from S$3.0 million in 4Q12 to S$2.9 million in 4Q13 notwithstanding higher revenue. This was mainly due to certain costs in Phuket written off in 4Q13 as the project did not take off as planned. Against FY12, EBITDA decreased by S$5.4 million from S$8.7 million in FY12 to S$3.3 million in FY13 mainly due to lower revenue and project costs written off.

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Fee-based segment

Fee-based segment revenue decreased by S$2.5 million or 8% from S$30.7 million in 4Q12 to S$28.2 million in 4Q13, mainly due to lower architectural and design fees earned for projects in China based on certain milestones achieved as well as lower revenue from spa/gallery operation mainly due to closure of an outlet in Kuala Lumpur following the early termination of spa management contract. The shortfall was however partially cushioned by higher resort development management fees from China Fund.

For FY13, revenue decreased by S$6.2 million or 6% from S$108.0 million in FY12 to S$101.8 million in FY13 mainly due to lower royalty fees from the sale of condominium units at Banyan Tree Signature Pavilion, Kuala Lumpur, as royalty fees close to 90% of total units had already been recognized in prior periods. Lower architectural and design fees were also recorded for new projects in China based on certain milestones achieved. The shortfall was however partially cushioned by higher hotel management fees mainly from new resorts in China and Vietnam, better hotel performances in Mayakoba and Samui, and higher resorts development management fees from China Fund.

EBITDA decreased by S$1.6 million from S$7.3 million in 4Q12 to S$5.7 million in 4Q13 and decreased by S$5.2 million from S$24.5 million in FY12 to S$19.3 million in FY13, mainly due to lower revenue.

PATMI

PATMI decreased by S$1.3 million from S$5.0 million in 4Q12 to S$3.7 million in 4Q13. This was mainly attributable to lower other income due to lower fair valuation gain on investment properties in Thailand and lower EBITDA from all three segments as mentioned above. The shortfall was however partially cushioned by lower depreciation and lower finance costs following the sale of Angsana Velavaru hotel.

For FY13, PATMI increased by S$3.2 million from S$14.9 million in FY12 to S$18.1 million in FY13. This was mainly attributable to higher EBITDA from Hotel Investments segment as mentioned above, lower depreciation and lower finance costs. In addition, FY13 PATMI included other income from gain on sale of Angsana Velavaru hotel and compensation received for the early termination of a spa management contract in Kuala Lumpur. This was however partially offset by lower EBITDA from Property Sales and Fee-based segments as mentioned above, higher income tax expense and net gain on bargain purchase of Banyan Tree Seychelles recorded in FY12.

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Cash Flow

During the year, the Group generated its funds from operations, issuance of S$120.0 million notes under the Medium Term Notes programme and sale of Angsana Velavaru hotel.

The Group paid land tender deposits and incurred land and development costs for the on-going construction project in Wenjiang, Chengdu, China. It made its first instalment payment for the purchase of Banyan Tree Seychelles, paid for the acquisition of the remaining non-controlling interest in Maldives Bay Pvt Ltd (which formerly owned Angsana Velavaru hotel), fully settled its bank loans in Maldives and repaid S$50.0 million notes upon maturity. It also expended on property, plant and equipment for the resorts' operations and continued to invest in the two private equity funds. In May 2013, the Group paid out dividend of S$5.0 million to its shareholders.

As at 31 December 2013, the Group's cash and cash equivalents was S$176.8 million.

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OUTLOOK

4Q13 results were below last year as Thailand operations were affected by the political upheaval in Bangkok. We expect continuing political uncertainties in Thailand and this will affect our operations in the near term. However, with the economies in the USA and Europe continuing to recover in 2014 and the active China market, we expect our operations outside Thailand e.g. Maldives to continue to perform favourably.

Currently, hotel's forward bookings for owned hotels in Thailand for 1Q14 is 11% below the same period last year and overall is below by 4%, cushioned by hotels outside Thailand which is ahead by 10%.

Our property sales in Thailand may remain slow given the negative sentiments towards the country as a result of the recent political events.

We expect the group's 1Q14 performance to be below the same period last year.

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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 35 resorts and hotels, 72 spas, 85 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 200 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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