BANYAN TREE HOLDINGS LIMITED

PRESS RELEASE

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RECOVERY IN TOURISM AND PROPERTY MARKETS SUPPORTS SIGNIFICANT IMPROVEMENT IN 4TH QUARTER & FULL YEAR OPERATING PROFIT.

FINANCIAL HIGHLIGHTS:

4Q12:

- Revenue increased 14% to S$97.5 million.
- Operating Profit increased 3.8 times to S$24.9 million.
- PATMI increased 3.6 times to S$5.0 million.

Due to:

- *Improved performance in Hotel Investments segment.*
  - *Contribution from Angsana Laguna Phuket; soft opened in Dec 2011 after renovation.*
  - *Inclusion of 100% of BT Seychelles results.*
- *Higher contribution from Fee-based segment.*
- *Higher contribution of property sales units from completion.*

FY12:

- Revenue increased 3% to S$338.4 million.
- Operating Profit increased 51% to S$74.5 million.
- PATMI increased 9.6 times to S$14.9 million.

Due to:

- *Improved performance in Hotel Investments and Fee-based segments.*
- *Higher contribution of property sales units from completion.*
- *Gain on bargain purchase of Banyan Tree Seychelles.*

OTHER HIGHLIGHTS:

- Sale and Leaseback of Angsana Velavaru.
  - *Transaction completed on 31 Jan 2013. Estimated profit of S$14 million from sale.*
- Favourable response to Laguna Shores property sales in Phuket (Phase 1)
  - *Deposits for 89 units (39%), sales value of S$21.2 million, received since soft launched in Dec 12.*

OUTLOOK:

- Recovery in key markets expected to continue in 2013; China will mitigate current weakness from European market.
- Overall forward bookings for 1Q13 for owned hotels is 33% higher than last year.
- Hopeful that property sales momentum will continue in 2013 following favourable response to Laguna Shores project.

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RESULTS SNAPSHOT:

4Q12 Results (in S$' million):

	4Q12	4Q11	Change[@] (%)
Revenue	97.5	85.4	14% ↑
Operating Profit*	24.9	6.5	283% ↑
PATMI[^]	5.0	1.4	255% ↑

FY12 Results (in S$' million):

	FY12	FY11	Change[@] (%)
Revenue	338.4	329.5	3% ↑
Operating Profit*	74.5	49.4	51% ↑
PATMI[^]	14.9	1.6	856% ↑

** 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 masnet.

QUOTE:

Mr Ho KwonPing, Executive Chairman -

"2012 was an eventful year. We purchased Banyan Tree Seychelles at the beginning of the year and concluded the sale and leaseback of Angsana Velavaru recently. All these are part of our on-going asset rebalancing strategy which we started in 2010 to unlock values and redeploy capital to higher yielding markets. Given the momentum of Laguna Shores project, we are planning to roll out more of such projects in other markets. "

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ADDENDUM

DETAILED BUSINESS SEGMENTS REVIEW

In 4Q12, the Group registered revenue of S$97.5 million, an increase of S$12.1 million or 14% compared to the same period last year. This was mainly attributable to Hotel Investments and Fee-based segments, but partially offset by lower revenue from Property Sales segment. EBITDA of S$24.9 million in 4Q12 increased by S$18.4 million or 283% compared to 4Q11, mainly due to higher revenue and higher other income. Higher other income relates to fair valuation gain on investment properties in Thailand.

For FY12, the Group registered revenue of S$338.4 million, an increase of S$8.9 million or 3% compared to last year. This was mainly attributable to higher revenue from Hotel Investments and Fee-based segments, but partially offset by lower revenue from Property Sales segment as there were no sale of development sites in FY12. EBITDA of S$74.5 million in FY12 increased by S$25.1 million or 51% compared to FY11, mainly due to higher other income arising from gain on bargain purchase of Banyan Tree Seychelles, higher EBITDA from Hotel Investments and Fee-based segments, but partially offset by lower EBITDA from Property Sales segment.

Hotel Investments segment

Hotel Investments segment achieved revenue of S$56.0 million in 4Q12, an increase of 40% or S$16.1 million compared to S$39.9 million in 4Q11. Higher revenue was mainly from Thailand (S$13.7 million) and Seychelles (S$3.8 million), but partially offset by lower revenue from China (S$1.0 million).

Better results in Thailand was mainly attributable to Angsana Laguna Phuket which only soft-opened in December 2011 after undergoing renovation for 5 months from July to November 2011. Banyan Tree Phuket and Banyan Tree Bangkok also performed better as last year's performances were impacted by the heavy flooding in Bangkok which resulted in many tourists cancelled or delayed their trips to Thailand. Overall revenue per available room ("Revpar") for our resorts in Thailand increased by 32% from S$166 to S$219. Banyan Tree Seychelles' revenue was included in the Group in the current quarter as it becomes a wholly-owned subsidiary following our acquisition of the remaining 70% in March 2012. Our resorts in China however recorded lower revenue mainly attributable to Banyan Tree Lijiang due to some disturbances from neighbouring construction works. Overall Revpar of our resorts in China decreased by 8% from S$164 to S$151.

For FY12, Hotel Investments segment revenue increased by S$24.0 million or 15% from S$163.7 million in FY11 to S$187.7 million in FY12. This was mainly due to the consolidation of Banyan Tree Seychelles' revenue from 2Q12 onwards and better performance of our resorts in Thailand. All three resorts in Thailand performed better than last year. Both Banyan Tree Phuket and Banyan Tree Bangkok posted higher revenue as last year's performance was affected by political instability due to the run up to the Thai General Election in July 2011 as well as flood crisis in Bangkok in October and November 2011. Angsana Laguna Phuket also performed better due to reasons mentioned above. The increase in revenue was however partially offset by the cessation of revenue from Laguna Beach

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Resorts ("LBR") following its sale in May 2011. Our resorts in Maldives also recorded lower revenue mainly due to closure of Banyan Tree and Angsana Maldives for renovation during the low seasons.

EBITDA increased by S$10.3 million from S$4.0 million in 4Q11 to S$14.3 million in 4Q12, and against FY11, EBITDA increased by S$14.9 million from S$21.7 million in FY11 to S$36.6 million in FY12, mainly due to higher revenue.

Property Sales segment

Property Sales segment revenue decreased by S$5.6 million or 34% from S$16.4 million in 4Q11 to S$10.8 million in 4Q12. There were no development site sale in 4Q12 as compared to the sale of a development site in Huangshan to China Fund in 4Q11. The shortfall was however cushioned by higher contribution of property sales units from completion. In 4Q12, units completed and recognized was S$9.2 million for a total of 8 units. This comprised of Lofts, Laguna Village townhomes, Dusit villa, Banyan Tree Bangkok suite, and villas in Banyan Tree Phuket, Banyan Tree Lijiang and Banyan Tree Bintan. In 4Q11, units completed and recognised was S$5.9 million for a total of 9 units comprising of Lofts, Laguna Village villa/townhomes/bungalows and Banyan Tree Phuket villa.

There were 5 new units sold with deposits received in 4Q12 compared to deposits for 3 units in 4Q11, an increase of 67% and 194% in units and value terms respectively. In addition, a new Laguna Shores project in Phuket was launched in December 2012. A total of 63 units of S$14.5 million were sold with reservation deposits received in the month of launch alone.

For FY12, Property Sales segment revenue decreased by S$23.6 million or 36% from S$66.3 million in FY11 to S$42.7 million in FY12 as FY11 included divestment of development sites in Lijiang, Yangshuo and Huangshan to China Fund. There were no such sale of development sites in FY12. The shortfall was however partially cushioned by higher contribution of property sales units from completion. In FY12, units completed and recognized was S$36.6 million for a total of 29 units as compared to S$21.8 million for a total of 21 units last year.

Including the units sold at the new Laguna Shores project, there were 90 new units sold with deposits received in FY12 compared to deposits for 13 units in FY11, an increase of 592% and 430% in units and value terms respectively. Unrecognised cumulative revenue for all units sold as at FY12 was S$26.5 million as compared to S$6.7 million in FY11.

EBITDA increased by S$2.3 million from S$0.7 million in 4Q11 to S$3.0 million in 4Q12 mainly due to higher contribution of property sales units from completion in 4Q12. Although there were no development site sales in 4Q12, it did not result in lower EBITDA as the site sales in Huangshan was sold at book cost to China Fund in 4Q11. Against FY11, EBITDA decreased by S$10.5 million from S$19.2 million in FY11 to S$8.7 million in FY12 mainly due to lower revenue.

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Fee-based segment

Fee-based segment revenue increased by S$1.6 million or 5% from S$29.1 million in 4Q11 to S$30.7 million in 4Q12 mainly due to higher architectural and design fees for projects in China based on certain milestone achieved, but partially offset by lower revenue from spa/gallery operations.

Lower revenue from spa/gallery operations was mainly due to closure of a spa outlet in Guam, temporary closure of an outlet in Phuket as the hotel was under renovation, and lower revenue from an outlet in Egypt. There were also lower sales of gallery products to outlets in Macau, Hangzhou, Al Wadi and Mayakoba.

Against FY11, revenue increased by S$8.5 million or 9% from S$99.5 million in FY11 to S$108.0 million in FY12. This was mainly due to royalty fees from the sale of condominium units at Banyan Tree Signatures Pavilion, Kuala Lumpur and higher architectural and design fees for new projects in China, but partially offset by lower revenue from spa/gallery operations as explained above.

EBITDA increased by S$2.5 million from S$4.8 million in 4Q11 to S$7.3 million in 4Q12, and against FY11, EBITDA increased by S$4.6 million from S$19.9 million in FY11 to S$24.5 million in FY12. This was mainly due to higher revenue as mentioned above.

PATMI

PATMI was S$5.0 million in 4Q12 as compared to S$1.4 million in 4Q11. This was mainly due to higher EBITDA as a result of higher revenue from Hotel Investments and Fee-based segments. Although Property Sales segment recorded lower revenue, higher EBITDA was achieved as the higher sales in 4Q11 was due to site sales in Huangshan at book cost. In addition, there was fair valuation gain on investment properties in Thailand coupled with lower finance costs. This was however partially offset by higher income tax expense and higher non-controlling interests' share of profit.

Against FY11, PATMI increased by S$13.3 million from S$1.6 million in FY11 to S$14.9 million in FY12. This was mainly due to higher other income from net gain on bargain purchase of HVRS Group, higher EBITDA from Hotel Investments and Fee-based segments, and lower non-controlling interests' share of profits in Banyan Tree Lijiang. This was however partially offset by lower EBITDA from Property Sales segment due to absence of sale of development sites, higher income tax expense as mentioned above and higher finance costs due to increased bank loans.

Cash Flow

During the year, the Group continued to invest in the two private equity funds and expended on the refurbishment of Angsana Laguna Phuket. These were funded by cash from operations and net proceeds from loans. As at 31 December 2012, the Group's cash and cash equivalents was S$120.8 million.

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OUTLOOK

The Group continues to see recovery in our key markets with 4Q12 profit attributable to shareholders ("PATMI") significantly higher than last year. Although there remains economic uncertainties in the USA and Europe in 2013, we believe Asia, particularly China will continue to mitigate the current weakness of the European market which was one of our major markets.

Currently, the forward bookings for 1Q13 for owned hotels in Thailand and outside of Thailand on same store basis is ahead of last year by 47% and 12% respectively. Overall, the Group's forward bookings is ahead by 33%.

In Property sales segment, improved sales momentum continues in 4Q12 with 5 units of S$9.7 million sold compared to 3 units of S$3.3 million in 4Q11. Our recently launched Laguna Shores project in Phuket also received good response. Deposits for 89 units with total sale value of S$21.2 million were received as at mid February 2013. We are hopeful that this trend will continue in 2013.

The Group will continue with its asset rebalancing strategy to unlock values and redeploy capital to high yielding markets. In January 2013, we completed the sale and lease back of Angsana Velavaru. Profit arising from this sale is estimated at about S$14 million and will contribute positively to the Group's PATMI in 1Q13.

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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 33 resorts and hotels, 68 spas, 83 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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