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For immediate publication

Sobha Gains traction with its compact luxury product offering – 'Sobha Dream Acres' - The largest residential project in Bangalore

Bangalore, Friday, 07th August, 2015

Key Highlights – Q1 FY'16

- Revenues at Rs. 4.63 billion on a consolidated basis
- EBITDA of Rs. 1.31 billion
- PBT at Rs. 722 million
- PAT at Rs. 450 million
- Cash inflow of Rs. 4.92 billion
- Net operational cash flow of Rs. 53 million
- Registered new sales volume of 0.84 million square feet
- Registered new sales value of Rs. 5.04 billion
- Achieved average price realisation of Rs. 5,988 per square feet
- Debt equity ratio of 0.82

Sobha Limited, registered a turnover of Rs. 4.63 billion, on a consolidated basis, during the 1st Quarter of FY 2015-16. The turnover is down by 20.5% on a year on year basis. The Profit before Tax (PBT) stood at Rs. 722 million and the Profit after Tax (PAT) was Rs. 450 million on a consolidated basis. The PBT and PAT are down by 20% and 21% on a year on year basis respectively.

Speaking on the occasion, Mr. J.C. Sharma, Vice Chairman and Managing Director, Sobha Limited, said, "The performance for the quarter has been a mixed bag. Operationally, we sold 0.84 million square feet of new area valued at Rs. 5.04 billion. On the financial front, the revenues from real estate activities have remained steady. However, a relatively longer billing cycle has resulted in a fall in revenues from contractual operations impacting the Q1 performance. We believe this to be a temporary aberration and the contractual revenues should improve from the second half of the year along with improvement on the real estate front as well.

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He further stated, "The core operating margins on our products have remained stable. However the reduction in profit is primarily on account of increased sales, marketing and other general overheads."

Sobha Dream Acres:

Commenting on the successful launch of "Sobha Dream Acres" Project, Mr. J.C. Sharma remarked, "We are pleased that our new product, Sobha Dream Acres which is one of the largest residential projects in Bangalore, has been well accepted. With the launch, the Company has brought in compact luxury homes ranging from Rs.35 Lakhs upwards catering to the home buyers at competitive price points. Further we are confident of meeting the guidance of 4 million square feet and expect a reduction in debt levels from the third quarter onwards."

Exceptional Execution

Sobha's superior execution capability is its core strength. Since inception, Sobha has completed 104 real estate projects and 265 contractual projects covering about 71.73 million square feet of area. The Company currently has ongoing residential projects aggregating to 41.39 million square feet of developable area and 26.24 million square feet of saleable area, and ongoing contractual projects aggregating to 9.34 million square feet under various stages of construction. The Company has a real estate presence in 9 cities, viz. Bangalore, Gurgaon, Chennai, Pune, Coimbatore, Thrissur, Calicut, Cochin and Mysore. Overall, Sobha has footprint in 24 cities and 13 states across India.

Recognition & Awards

Sobha Limited has been honoured with over 150 prestigious awards so far. Some of the key recognitions during this quarter are listed below:

- Sobha Limited has bagged top ranks in **Track2Realty's 'Brand X Report- 2014-15.** The recognitions for the Company include: **Top National Realty Brand across Asset class in India**; **Top Realty Brand in South India across Asset class** and **Top Residential Developer in India**. Sobha has also been ranked as the **Top Real Estate Company in**

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Public Perception across India in different parameters such as financial stability, execution capability, timely delivery, aspirational value, user experience, appreciation potential, transport deals, recall value, media perception and consumer connect.

- **Mr. P N C Menon**, Chairman Emeritus, Sobha Limited has been honoured with **'The Arabian Indian Czar Award'** organised by premier news channel Times Now.
- Sobha Limited has been recognised as one among **Bengaluru's top 15 brands in the Large Organisation Category** at the Paul Writer's Bangalore Brand Summit 2015 presented by One India.

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WORLD ECONOMIC FORUM

COMMITTED TO IMPROVING THE STATE OF THE WORLD

Sobha, the only Real Estate Developer to be honoured as a Global Growth Company by the World Economic Forum.

About Sobha Limited (formerly Sobha Developers Limited):

Founded in 1995, Sobha Limited, a Rs. 25 billion company, is one of the fastest growing and foremost backward integrated real estate players in the country. It means that the company has all the key competencies and in-house resources to deliver a project from its conceptualization to completion. Sobha is primarily focused on residential and contractual projects. The Company's residential projects include presidential apartments, villas, row houses, super luxury & luxury apartments, plotted developments and aspirational homes. In all its residential projects, the company lays strong emphasis on environmental management, water harvesting and highest safety standards. On the contractual projects side, the Company has constructed a variety of structures for corporates including offices, convention centres, software development blocks, multiplex theatres, hostel facilities, guest houses, food courts, restaurants, research centres, and club houses. For more information on Sobha Limited, please visit: www.sobha.com

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