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Press Release

For immediate publication

Highest ever top-line for Sobha in Q3 FY15

Bengaluru, Thursday, 12th February, 2015:

Key Highlights – 9M FY 15

- Revenues at ₹19.46 billion on a consolidated basis, up 25% YoY
- PBT at ₹2.76 billion, up 7% YoY
- PAT at ₹1.76 billion, up 7% YoY
- Debt-Equity Ratio at 0.71 on a consolidated basis
- Launched 6 new projects: 2.85 million square feet of developable area and 2.25 million square feet of saleable area
- Completed and handed-over 6 real estate projects of 2.78 million square feet of developable area and 11 contractual projects of 2.26 million square feet of developable area
- Registered new sales value of ₹14.68 billion
- Registered new sales volume of 2.25 million square feet
- Achieved average price realisation of ₹6,525 per square feet

Key Highlights – Q3 FY 15

- Revenues at ₹6.87 billion on a consolidated basis, up 26% YoY
- PBT at ₹909 million, up 3% YoY
- PAT at ₹600 million, up 3% YoY
- Launched 2 new projects: 0.80 million square feet of developable area and 0.67 million square feet of saleable area
- Completed and handed-over 3 real estate projects of 1.18 million square feet of developable area and 5 contractual projects of 0.96 million square feet of developable area
- Registered new sales value of ₹4.27 billion
- Registered new sales volume of 0.66 million square feet
- Achieved average price realisation of ₹6,456 per square feet

On a consolidated basis, Sobha Limited registered a turnover of ₹19.46 billion during 9M of FY 2014-15. The Profit before Tax (PBT) stood at ₹2.76 billion, and the Profit after Tax (PAT) was ₹1.76 billion. On a year-on-year basis, Revenues have increased by 25%, PBT by 7% and PAT by 7%. During Q3 of FY15, the Company registered a turnover of ₹6.87 billion on a consolidated basis, up by 26% YoY. PBT increased by 3% YoY to ₹909 million, and PAT by 3% to ₹600 million. The Company has also completed



SOBHA LIMITED (formerly SOBHA DEVELOPERS LTD.)

REGD & CORPORATE OFFICE : SOBHA, SARJAPUR - MARATHAHALLI OUTER RING ROAD (ORR), DEVARABISANAHALLI, BELLANDUR POST
BANGALORE - 560103, INDIA | CIN : L45201KA1995PLC018475 | TEL : +91-80-49320060 | FAX : +91-80-49320444 | www.sobha.com





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and handed over 6 projects in real estate having total developable area of 2.78 million square feet and 11 contractual projects with a total area of 2.26 million square feet in 9M FY15.

During Q3 of FY 15, the Company achieved new sales of 661,451 square feet valued at ₹4.27 billion with an average realisation of ₹6,456 per square feet. The Company also collected ₹6.58 billion and generated operational cash flow of ₹726 million. The current debt-equity ratio is 0.71 with a net debt of ₹17.60 billion. The increase in the debt is mainly on account of investment in new opportunities and capex.

Speaking on the occasion, **Mr. J.C. Sharma, Vice Chairman and Managing Director, Sobha Limited**, said, "Our financial performance has been satisfactory but our operational performance did not live up to our expectations. We anticipated the economy to show improvement and the demand to revive post formation of the new government, but in reality, the market conditions were not as favourable as we had expected. For Sobha, Bangalore continues to hold the fort, exhibiting resilience and accounting for majority of the new sales. Delayed project approvals have affected the saleability of our projects in the other regions."

"The economy is gradually treading the growth path and development initiatives in the real estate sector will reap sustainable benefits from this momentum. High interest rates, approval delays and increasing input material prices that have plagued the real estate fraternity will not impact as severely as it did in the past and this will pave way for real growth in the sector. RBI has already reduced the repo rate this year and made its intentions clear with regards to further rate cuts going forward. We hope the forthcoming Union Budget will introduce real estate friendly initiatives, thereby driving the demand further for residential properties," added Mr. Sharma.

Talking about the project launches in the quarter, Mr. J.C. Sharma said, "In the third quarter of this fiscal, we launched 2 projects having a total developable area of 0.80 million square feet and total saleable area of 0.67 million square feet. We launched Sobha Halcyon in Whitefield, Bengaluru and Sobha Elanza in Kothrud, Pune. The response has been good so far and as the economic growth picks up pace, we expect the demand to also grow appropriately."

Sobha Aspirational Homes

The Company has initiated the launch of '**Sobha Aspirational Homes**' in Balagere, Bengaluru in the fourth quarter of this fiscal. The Project is located in the midst of the '**Golden Quadrilateral**' defined by four major roads in the city – the Outer Ring Road (ORR), Marathahalli road, Varthur road and Sarjapur road.

With a total developable area of 10.26 million square feet and super built-up area of 7.63 million square feet, the project will comprise of approximately 7,000 units set on a total land area of 81 acres. Of these, over 6,000 units will be 1 and 2 BHK units ranging between 650 and 1,200 square feet.

Mr. J. C. Sharma elucidated, "This is one of the largest developments we are undertaking in a prime location. This project is designed to be the best in its category and coming from the house of SOBHA,



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international quality is assured. For the aspiring yet quality conscious and value discerning customers, the project offers optimally designed functional units with numerous best-in-class amenities."

Further, Mr. Sharma said, "The project will be developed with the help of pre-cast technology using state-of-the-art machinery imported from Germany and Italy and installed at the project site. While pre-cast technology allows for modular structures to be built and assembled with ease, the process of mechanisation helps us reduce our delivery timelines. The project fulfils the residential aspirations of nuclear families, first time home buyers and salaried professionals, specifically from the services sector industries surrounding the property. The project is also ideal for retired professionals seeking to lead a peaceful and serene life in the lap of luxury."

"We expect that the launch of 'Sobha Aspirational Homes' project will boost our operational performance as well as our cash flows from this quarter onwards. We are confident that the Company will get back its growth momentum with the launch of this project," concluded Mr. Sharma.

Exceptional Execution

Sobha's superior execution capability is its core strength. Since inception, Sobha has completed 98 real estate projects and 258 contractual projects covering about 67.97 million square feet of area. The Company currently has 49 ongoing residential projects aggregating to 31.24 million square feet of developable area and 22.45 million square feet of saleable area, and 28 ongoing contractual projects aggregating to 8.62 million square feet under various stages of construction. The Company has a real estate presence in nine cities, viz. Bangalore, Gurgaon, Chennai, Pune, Coimbatore, Thrissur, Kozhikode, Kochi and Mysore. Overall, Sobha has a footprint in 24 cities and 13 states across India.

Recognition & Awards

Some of the key awards won during the third quarter of FY 2014-15 are listed below:

- Sobha Limited was the only Indian real estate company to be recognised by the World Economic Forum as a Global Growth Company 2014
- Muthiah Kasi Trophy for the best organisation in India for Construction and Development of Infrastructure that practices Value Methodology as an organised corporate activity by INVEST
- Malayalee Business Achiever Award - Mr. P.N.C. Menon, Chairman Emeritus, Sobha Limited by Kerala Chamber of Commerce and Industry, Pegasus Group, and Unique Times

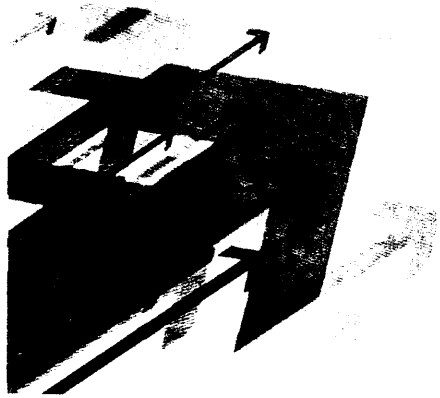
In the current quarter, Sobha Turquoise, Coimbatore was certified with the prestigious IGBC Green Homes Platinum rating.





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About Sobha Limited (formerly Sobha Developers Limited):



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



Founded in 1995, Sobha Limited, a ₹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 and plotted developments. 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

For further information, please contact:

Sobha Limited

Abhinav Kanchan

Senior Vice President - Corporate Communications

Off: +91 80 49320000 Ext. 6029

abhinav.kanchan@sobha.com



BRIEF PROFILE OF MR. SUBHASH MOHAN BHAT

Mr. Subhash Mohan Bhat, 44 years, is a qualified Chartered Accountant, Cost & Management Accountant and Company Secretary with over 20 years of experience in the areas of business finance, financial accounting, risk management, legal and secretarial functions. He was previously associated with companies such as Bharat Shell Limited, SAP India Private Limited, Marico Limited, Nilgiris Dairy Farm Private Limited and CHEP India Private Limited in varied capacities. Prior to joining the Company, he was employed in the capacity of the Chief Financial Officer & Director Finance - IT Business India of Schneider Electric IT Business India Private Limited (erstwhile APC India).

