



For immediate publication

"Delivers stable operational and financial performance in a challenging environment."

Bangalore, 13th November, 2015:

Key Highlights – Q2 FY'16

- Revenues at Rs. 4.56 billion on a consolidated basis
- EBITDA of Rs. 1.21 billion
- PBT at Rs. 621 million
- PAT at Rs. 401 million
- Cash inflow of Rs. 6.12 billion
- Net operational cash flow of Rs. 1.43 billion
- Registered new sales value of Rs. 4.95 billion
- Registered new sales volume of 0.85 million square feet
- Achieved average price realisation of Rs. 5,822 per square feet

Sobha Limited, on a consolidated basis, registered a turnover of Rs. 4.56 billion during the second quarter of the financial year 2015-16. The revenues have declined by 1% on a sequential basis and 33% year-on-year. The Profit before Tax (PBT) stood at Rs. 621 million, and the Profit after Tax (PAT) at Rs. 401 million on a consolidated basis. The PBT and PAT have declined by 14% and 11% respectively as compared to Q1'16 and by 35% and 33% as compared to Q2'15.

Speaking on the occasion, **Mr. J.C. Sharma, Vice Chairman and Managing Director, Sobha Limited**, said, "It has been a difficult period for the real estate sector and the overall demand is yet to show a clear upward trend. The rate cuts announced towards the close of the quarter along with the additional relaxation in FDI norms for construction sector are positive steps for the revival of demand in the housing space. We remain hopeful that such initiatives should start yielding the desired results in the coming quarters.

On the operational front, **Mr. J. C. Sharma** said, "The Company during the quarter achieved new sales of 850,329 square feet valued at Rs. 4,950 million with an average realisation of Rs. 5,822 per square





feet. The Bangalore market continued to perform consistently while there was an uptick in demand in the Chennai market.”

Analysing the quarter’s financial performance, **Mr. J.C. Sharma** stated, “During the quarter, the contribution from contractual and manufacturing operations was relatively higher. However, the sales in real estate projects which have reached the revenue recognition threshold were lower than expected, resulting in a low-key financial performance. We believe that, with the Sobha Dream Acres Project qualifying for revenue recognition during this financial year, the next half of the fiscal should see an improvement in the financial performance.”

He further remarked, “On the positive side, the cash flows have shown improvement and the Company has generated positive net operational cash flows of Rs. 1,431 million during the quarter. The debt levels have stabilised and debt-equity stands at 0.83 as at the end of the quarter.”

Forthcoming Launches

During Q3’16, the Company proposes to launch a Group Housing Project in NCR-Gurgaon with total saleable area of about 3.21 million square feet, one of the largest ever group housing developments in the region. The proposed development is located in close proximity to the IGI airport, Delhi and Dwarka Expressway and is adjacent to the existing villa / row house project of the Company which is currently under development.

The Project will comprise of approximately 1,700 units to be developed in phases - 2 BHK and 3 BHK in the range of 1,400 – 2,400 square feet. The Project will be equipped with abundant outdoor & indoor sports facilities, social amenities through two clubhouses, large green spaces and water bodies. The Company plans to execute the Project over a span of 6-7 years. The project is being developed in partnership with the Company’s existing Joint Development Partner for International City Project in NCR-Gurgaon and will complement the existing infrastructure the Company has set up in the NCR region. The Company is confident that the proposed product will drive the volumes in spite of the general slowdown in the NCR market.

Exceptional Execution

Sobha’s superior execution capability is its core strength. Since inception, Sobha has completed 106 real estate projects and 269 contractual projects covering about 74.64 million square feet of area. The





Company currently has ongoing residential projects aggregating to 40.27 million square feet of developable area and 28.27 million square feet of saleable area, and ongoing contractual projects aggregating to 9.08 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 25 cities and 13 states across India.

Recognition & Awards

Some of the key recognitions are listed below:

- 'Award of Excellence' for being one amongst CWAB top builder's through the decade at the 10th Construction World Architect and Builder Awards (CWAB).
- Realty Plus Conclave and Excellence Awards
 - Villa Project of the Year (North) 2015 - International City, Gurgaon
 - Residential Property of the Year (West) 2015- Sobha Garnet, Pune
 - Villa project of the year (South) 2015 - Sobha Lifestyle Legacy, Bangalore
 - Innovative marketing concept of the year 2015 - Sobha Arena, Bangalore

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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