SOBHA

PASSION AT WORK

Press Release
For immediate publication

Sobha charts steady growth in Q3-13; turns a 20 billion brand

Key highlights

- **Crossed Rs. 15 billion of new sales in 9M-13, a new milestone**
- **Registered highest-ever new sales value of Rs. 5.33 billion during Q3-13, up 19% YoY**
- **Registered new sales volume of 0.90 million sq. ft., up by 10.2% YoY**
- **Achieved average price realisation of Rs. 5,910 per square feet, up 7.9% YoY**
- **Generated highest ever cash flow of Rs. 5.38 billion from operations in this quarter**
- **Revenues at Rs. 4.31 billion on a consolidated basis, up 37% YoY**
- **EBITDA at Rs. 1.39 billion, up 20% YoY**
- **PBT at Rs. 798 million, up 8% YoY**
- **PAT at Rs. 526 million, up 7% YoY**
- **Completed 5 projects measuring 0.72 million sq. ft.**
- **Completed over 300 projects measuring 54.45 million sq. ft. since inception**
- **Bags 9 prestigious honours including the prestigious CNBC "Most Reliable Builder" 2012 Award**

Bangalore, January 31, 2013

Realty major Sobha Developers Ltd., on a consolidated basis, registered a turnover of Rs. 4.31 billion for the third quarter of FY 12-13, which ended on December 31, 2012.

The EBITDA stood at Rs. 1.39 billion. The profit before tax stood at Rs. 798 million, and the profit after tax came at Rs. 526 million on a consolidated basis.

The revenue has increased by 37%, EBITDA has increased by 20% and the PBT and the PAT have also increased by 8% and 7% respectively, YoY.

During the third quarter of fiscal 2013, Sobha sold 0.90 million sq. ft. of new space valued at Rs. 5.33 billion at an average price realisation of Rs. 5,910 per sq. ft.

Commenting on the Company's performance, **Mr. J.C. Sharma, Vice Chairman & Managing Director, Sobha Developers Limited**, said, "This has been the best quarter ever in terms of cash realisation from our operations. It further strengthens our faith that there is a large market for discerning buyers who appreciate and value a superior, quality-oriented product."

"On the contracts side, we have completed and handed over projects measuring 0.26 million sq. ft. during the third quarter of FY 12-13. We have a clear visibility for the next three years and are positive about having a sound income from this vertical too," added Mr. Sharma.

Growth Plans

The improving cash flows have prompted the Company to look for new opportunities in emerging markets as well as its existing locations. In the upcoming financial year, Sobha will make a foray into three new geographies - Kochi, Kozhikode (Calicut) and Noida/Ghaziabad region. Sobha is also exploring opportunities in the Hyderabad realty market. The Company is also committed to work within the Debt-Equity Ratio of 0.6.

"We strongly believe that the market for premium housing is growing at a healthy pace. And Sobha, with its superior and well-differentiated product line, is all set to capitalise on the rising demand," remarked Mr. Sharma.

For the current financial year, the Company is well on its way to achieve its preset guidance of new sales of 3.75 million sq. ft. valued at Rs. 20 billion.

Sector Outlook

The real estate industry's dynamics reflect consumers' expectations of higher quality with India's increasing integration with the global economy. Going forward, strong underlying demand would continue to aid an improvement in absorption levels in major cities like Bangalore, NCR, Chennai and Pune, which are the epicentres of progress.

The liquidity situation is also improving. "The RBI's recent policy of 25 bps reduction in repo rate after a nine-month wait is definitely a key to boosting the real estate market and is sending out positive signals to investors. Such growth-oriented monetary measures combined with the government's fiscal measures should augur well for the industry and homebuyers alike," stated Mr. Sharma.

He added, "The Bangalore realty market has shown tremendous resilience amid market headwinds and is poised for greater growth and development."

Impeccable Execution

Sobha's superior execution capability is one of its core strengths. The Company may be the only real estate player in India to have completed over 300 projects measuring about 55 million sq. ft. of space in 22 cities in the last 17 years of its existence. This gives us the confidence that we will continue to add quality and value to the real estate landscape of our country.

As of December 31, 2012, Sobha has completed 83 real estate projects and 224 contractual projects covering about 54.45 million sq. ft.

The Company currently has 43 ongoing residential projects aggregating to 24.18 million sq. ft. of developable area and 17.40 million sq. ft. of super built-up area, and 39 ongoing contractual projects aggregating to 10.06 million sq. ft. under various stages of construction.

Sobha has made a footprint in 22 cities and 13 states across India. The Company currently has its real estate presence in seven cities viz. Bangalore, Gurgaon, Chennai, Pune, Coimbatore, Thrissur and Mysore.

Recognition & Awards

Several laurels were showered upon Sobha during the third quarter of fiscal 2013.

CNBC Most Reliable Builder Trophy

The major highlight was when Sobha was awarded as the "Most Reliable Builder" (voted by consumers) at the national level by CNBC Awaaz Real Estate Awards 2012. This honour is an endorsement of the Company's focus on every minute detail, innovation, fair play, ethics and community care.

CNBC Awaaz also recognised Sobha Elite with the the Best Residential Project in the mid Segment (Rs 35 lakh – Rs 1 crore) with 70% or more completion at the city level at its Real Estate Awards 2012.

Construction World conferred Sobha with the coveted 'Platinum Award for Excellence' at the 7th edition of the Construction World Architect and Builder (CWAB) Awards 2012.

The Company's self-built corporate office, Sobha, which is an epitome of excellence, was declared the winner of the "Best Office Space Design" category at the 5th GIREM Leadership Awards.

Public Relations Society of India (PRSI), one of the apex bodies of Public Relations professionals in India, honoured Sobha with four awards at the 2012 PRSI awards. They include first prize for 'Social Media' and three second prizes for 'Best In-house Journal', 'Best Special/Prestige Publication' and 'Best Public Relations in Action' respectively.

Sobha bagged the Muthiah Kasi Award 2012 for excellence in Value Engineering. Receiving the award this year too implies that we are the best Company in the country practicing Value Engineering.

About Sobha Developers Ltd.:

Founded in 1995, Sobha Developers Ltd., a Rs. 20 Billion company, is one of the fastest growing and only backward integrated real estate players in the country. It means the Company has all the key competencies and in-house resources to deliver a project from its conceptualisation to completion.

Sobha is primarily focused on residential and contractual projects. The Company's residential projects include presidential apartments, villas, row houses, luxury, super luxury & moderately priced apartments and plotted development. In all its residential projects the Company lays strong emphasis on environmental management, water harvesting and high safety standards.

On the contracts 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.

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