



For immediate publication

Sustained Momentum in Sales and Generating Positive Cash Flows

Bangalore, February 05, 2016:

Sobha Limited today announced unaudited financial results for the third quarter ended December 31, 2015.

A brief snap shot of the key operational and financial parameters for the quarter ended December 31, 2015 is given below:

- Delivered 5 projects aggregating to 3.28 million square feet of area
- Registered new sales volume of 0.81 million square feet
- Registered new sales value of Rs.4.78 billion
- Achieved average price realisation of Rs.5,932 per square feet
- Cash inflow of Rs. 5.71 billion
- Net operational cash flow of Rs. 1.73 billion
- Debt – Equity Ratio of 0.81
- Cost of Borrowings at 11.98%
- Revenues at Rs.4.01 billion on a consolidated basis
- Customer Advances of Rs.10.08 billion, highest ever
- EBITDA of Rs.1.12 billion; EBITDA margin at 28 %
- PBT at Rs.518 million; PBT margin at 13%
- PAT at Rs.321 million; PAT margin at 8%

Sobha Limited, on a consolidated basis, registered a turnover of Rs. 4.01 billion during the third quarter of the financial year 2015-16. The revenues have declined by 12% on a sequential basis and 42% year-on-year. This is on account of higher volume of sales from projects which are yet to meet the revenue recognition threshold.

The Profit before Tax (PBT) stood at Rs.518 million, and the Profit after Tax (PAT) at Rs.321 million on a consolidated basis. The PBT and PAT have declined by 17% and 19% respectively as compared to Q2'16 and by 43% and 47% as compared to Q3'15. During the quarter, the Company has generated



net positive operational cash flows of Rs.1.73 billion. The debt-equity ratio stood at 0.81 as on December 31, 2015.

In Q3'16, the Company achieved new sales of 806,309 square feet valued at ` 4,783 million with an average realisation of ` 5,932 per square feet. The new sales volume and value are higher by 22% and 12% as compared to Q3'15. The Company's first commercial project, Sobha City Mall in Thrissur, Kerala commenced its operations during the quarter and has garnered an encouraging response.

On the operational front, Mr. J C Sharma commented, "During the quarter, we achieved new sales of 806,309 square feet valued at ` 4,783 million with an average realisation of ` 5,932 per square feet. There were no project launches in Q3'16 and the new sales achieved is entirely attributable to the existing ongoing projects of the Company. "

Throwing light on the financial results, Mr. J C Sharma, Vice Chairman and Managing Director, observed, "The downturn in residential space continued in fiscal 2016 with no imminent trend reversal in sight. Further due to lower revenue recognition, the financial performance for the quarter was impacted. On the positive side, the advances received from customers stood at Rs.10.08 billion which is the highest ever. The margins are stable, with the EBITDA margin improved to 27.90%. Our operational cash flow generation remains strong accompanied by a reduction of Rs.302 million in debt during the quarter. The Company, through judicious control over fixed costs combined with concerted effort at reducing borrowing costs, has also been able to restrain its construction cost and protect its margins."

Speaking about the Company's outlook, Mr. J C Sharma stated, "There being no discernible improvement in the external environment, we have sought to focus on and strengthen our core competencies. And at the core, we believe strongly in delivering value to our customers which is exemplified by the Company's execution track record. The ability to complete and handover projects on schedule is one of the prime reasons for our negligible level of unsold finished stock inventory, allowing the Company to channel its resources towards ongoing and forthcoming projects. We believe that progress in revenue recognition, sustained sales volume and focused cost containment will add value to the Company's performance. As and when the demand regains its lost momentum and markets improve, Sobha would then be poised to capitalise on the improving dynamics."



Exceptional Execution

Sobha's superior execution capability is its core strength. Since inception, Sobha has completed 107 real estate projects and 273 contractual projects covering about 77.92 million square feet of area. The Company currently has ongoing residential projects aggregating to 38.70 million square feet of developable area and 27.34 million square feet of saleable area, and ongoing contractual projects aggregating to 7.88 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:

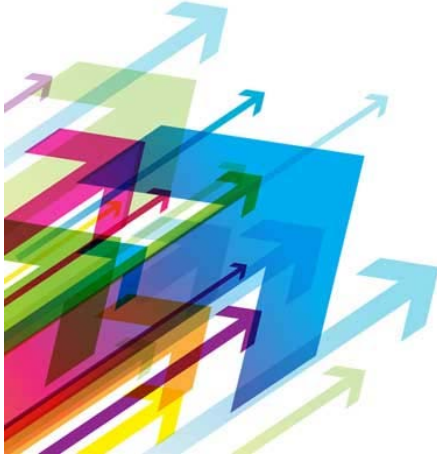
- CREDAI CSR AWARD 2015
- Best Luxury Residential Developer in Bangalore at ALREN - Indian Luxury Real Estate Awards 2016
- Villa project of the year (South) 2015 for Sobha Lifestyle Legacy, Bangalore and Innovative marketing concept of the year 2015 for Sobha Arena, Bangalore at Realty Plus Conclave and Excellence Awards

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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Real Estate Developer
to be honoured as a
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by the World Economic Forum.

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