



PASSION AT WORK

Press Release
For immediate publication

Sustained Sales Momentum, Positive Cash Flows feature in an Impressive Q1 performance by Sobha

Key highlights

- Registers new Sales Volume of 0.92 Million Square Feet, up 10% Yr on Yr
- Registers new Sales Value of ` 6.03 Billion, up 26% Yr on Yr
- Achieved average price realisation of ` 6,548 per Square Feet, up 14% Yr on Yr
- Core Revenues at ` 4.63 Billion on a consolidated basis, up 37% Yr on Yr
- Revenues up by 7%, PBT by 21% and PAT by 12% Yr on Yr
- PBT at ` 843 Million, up 55% Yr on Yr excluding profit on account of land monetization in the previous year
- PAT at ` 501 Million, up 46% Yr on Yr excluding profit on account of land monetization in the previous year
- No land monetization during Q1 14 as compared to ` 956 Million in Q1 13
- Bagged 2 prestigious contractual orders from DELL and BOSCH, approx. order valued at `1.63 Billion.
- Launched 2 new projects
- Targets sales value of ` 26 Billion for FY 2013-14
- Debt-Equity Ratio at 0.56 on a consolidated basis
- Received 7 awards in Q1 FY 2013-14 from various institutes of repute

Bangalore, August 8, 2013:

Realty major Sobha Developers Limited, on a consolidated basis, registered a turnover of ` 4.63 Billion during the 1<sup>st</sup> Quarter of FY 2013-14, which ended on June 30, 2013. The Profit before Tax (PBT) stood at ` 843 Million, and the Profit after Tax (PAT) was ` 501 Million on a consolidated basis. The revenues

increased by 37% and both PBT and PAT increased by 55% and 46% respectively, Yr on Yr, on core operations.

Commenting on the results, **Mr. J.C. Sharma, Vice Chairman and Managing Director, Sobha Developers Limited**, said, "The Company performed credibly well during the first quarter of the financial year 2013-14 especially in Bangalore, Chennai and Thrissur. Notwithstanding a slowing economy and sliding rupee, there was a sustained momentum in sales. The Company during the quarter sold 0.92 million square feet of new space compared to 0.84 million square feet in the corresponding period of last year. The average sales price realisation improved to ` 6,548 per square feet as compared to ` 5,737 per square feet in the year-ago period.

The value of new sales has increased by 25.7% and the new area sold by 10.2% compared to Q1 FY 2012-13. The average sales realization has gone up 14.1% compared to Q1 of the last fiscal year and 4.02% sequentially."

Mr. J C Sharma explained, "The core revenues have increased by 37 % year on year while PBT and PAT have increased by 55% and 46% respectively. There was no land monetization during the first quarter of the financial year 2013-14 as compared to ` 956 Million in the corresponding quarter of the previous year. The growth in revenues, PBT and PAT, on including land monetization, stands at 7%, 21% and 12% respectively."

Mr. J C Sharma also stated, "The unbilled revenue as of 30th June, 2013 is ` 19.70 Billion on the sales made so far, out of which we expect a minimum of ` 5.11 Billion to be recognized during the next 3 quarters of FY 13-14. In addition to this, income from new sales will also contribute to the revenue."

Elaborating further on the performance, Mr. J C Sharma stated, "The Company has been able to consistently generate positive cash flows on a quarter on quarter basis. During Q1 of FY 14, the Company generated ` 1.32 Billion of operational cash flows compared to ` 72 Million (excluding land monetization) in the previous year. "

New Launches in Q1 FY 2013-14

"During Q1-14, we launched 2 new projects measuring 0.40 million square feet. In addition to this, we released about 0.53 million square feet of area from existing projects for sale. We also completed and handed over 2 contractual projects measuring 0.13 million square feet of developable area." said Mr. J C Sharma.

During the quarter, Sobha launched two projects in Bangalore, Sobha Landscape, a plotted development project measuring 0.20 million square feet and a Commercial Project at St. Mark's Road, Bangalore comprising of a total developable area of 0.36 million square feet (including 5 basement area) and a super-built up area of 0.20 million square feet.

"The recent launch of Sobha Indraprastha, a mixed development project having a total super built up area of 1.51 million square feet at Rajajinagar in Bangalore has been very successful, allaying concerns of a slowdown in the Bangalore real estate market." added Mr. J C Sharma.

Growth Plans and Project Launches in the Current Quarter

In the past 3-4 years, the Company has strategically diversified its operations into new cities such as Chennai, NCR etc. The sales performance of the Company in the new markets has shown a steady growth. The Company has during the quarter generated 35% of its new area sold outside of Bangalore. The products launched by the Company in the new markets have been well received and the Company reaffirms its strategy to tap the potential of various micro-markets like Kozhikode and Kochi during this financial year.

As a step toward this direction, the Company plans to launch three new residential projects in Bangalore, Kozhikode and Mysore during Q2 FY 2013-14. Mr. J C Sharma stated, "We would be launching three projects during the current quarter, namely, HAL Road Property in Bangalore, Palazhi Property in Calicut and Nadanahalli Property in Mysore, comprising a total saleable area of 1.20 million square feet (out of which the Company's share is 0.85 million square feet)."

Exceptional Execution

Sobha's superior execution capability is its core strength. Since inception, Sobha has completed 85 real estate projects and 230 contractual projects covering about 56.38 million square feet of area.

The Company currently has 45 ongoing residential projects aggregating to 26.79 million square feet of developable area and 18.90 million square feet of saleable area, and 40 ongoing contractual projects aggregating to 11.41 million square feet under various stages of construction.

The Company has a real estate presence in seven cities, viz. Bangalore, Gurgaon, Chennai, Pune, Coimbatore, Thrissur and Mysore. Overall, Sobha has a footprint in 23 cities and 13 states across India.

Recognition & Awards

This quarter saw Sobha being honored with seven different recognitions by various institutions of repute.

The key awards won during FY 2013-14 to date are as listed below:

- Sobha was recognized as the Top Indian Real Estate Company by Dun & Bradstreet (D&B) at the D&B Corporate Awards
- Mr. PNC Menon, Chairman Emeritus was bestowed with the Lifetime Achievement Award at the first edition of the NDTV Property Awards
- Mr. Ravi PNC Menon, Chairman was awarded the Pathfinders Award for the Most Enterprising CXO at the Realty Plus Excellence Awards
- Mr. J.C.Sharma, Vice Chairman and Managing Director was voted Asia's Best CEO in the Property Category by the Institutional Investor Magazine
- Sobha was ranked second for "Best Investor Relations by the Institutional Investor Magazine
- Sobha's Annual Report for FY 2012-13 won six awards at the League of American Communications Professionals (LACP) 2012 Vision Awards. It was ranked at No. 20 among the Best Annual Reports Worldwide, No. 8 in the Asia Pacific region and was ranked 1st among the Best Annual Reports in India. It also won the Platinum Award for Excellence within the Industry
- Sobha Lifestyle project at Bangalore has been recognized as the Luxury Project of the Year at the Realty Plus Excellence Awards and has won the Ultra Luxury Project of the Year at the Bangalore Real Estate Awards by Silicon India
- Sobha was honoured with the Best PR Award titled 'Image Champions - Public Relations Programs' in the Real Estate Sector by Paul Writer
- Sobha was recognized as the Excellent Developer of the year by Council for Media and Satellite Broadcasting

About Sobha Developers Ltd.:

Founded in 1995, Sobha Developers Limited, a Rs. 20 Billion company, is one of the fastest growing and foremost 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 conceptualization 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 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.

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