SOBHA

PASSION AT WORK

Press Release
For immediate publication

Highest ever Cash Flows for Sobha in FY 14

"Sobha Developers: recognised as the 'Builder of the Year' by CNBC Awaaz"

Bangalore, Thursday, 22nd May, 2014:

Key Highlights – FY 14

- Revenues at ₹ 21.84 billion on a consolidated basis, up 17% YoY
- EBITDA of ₹ 6.13 billion, up 11% YoY
- PBT at ₹ 3.71 billion, up 14% YoY
- PAT at ₹ 2.35 billion, up 8% YoY
- Debt-Equity Ratio at 0.54 on a consolidated basis
- Highest ever Cash inflow of ₹ 26.89 billion
- Net operational cash flow of ₹ 6.61 billion
- Registered new sales value of ₹ 23.43 billion, up 6% YoY
- Registered new sales volume of 3.59 million square feet
- Achieved average price realisation of ₹ 6,534 per square feet, up 11% YoY
- Expanded operations in 2 new geographies – Calicut and Cochin
- Launched 10 new projects: 7.73 million square feet of developable area and 5.57 million square feet of saleable area
- Completed and handed-over 7 real estate projects of 2.34 million square feet of developable area
- Revenue of ₹ 6.45 billion from Contractual and Manufacturing business, up 44% YoY
- Received about ₹ 3.42 billion of non-Infosys contractual orders
- Completed 19 contractual projects of 4.34 million square feet of developable area
- CARE has rated 'A', ICRA upgraded rating to 'A-' from 'BBB+' and BRICKWORK rating has upgraded to 'BWR A' from 'BWR A-' for the various long term borrowings of the Company
- Board recommends dividend of ₹ 7 per equity share of ₹ 10 each

Sobha Developers Ltd. ★ Bangalore ★

SOBHA DEVELOPERS LIMITED, CIN: L45201KA1995PLC018475, 'SOBHA', Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, BANGALORE - 560 103

Key Highlights – Q4 FY 14

- Revenues at ₹ 6.31 billion on a consolidated basis, up 7% YoY and 16% sequentially
- EBITDA of ₹ 1.75 billion, up 7.1% YoY
- PBT at ₹ 1.12 billion, up 8% YoY and 26% sequentially
- PAT at ₹ 703 million, up 1% YoY and 21% sequentially
- Cash inflow of ₹ 7.84 billion
- Net operational cash flow of ₹ 2.41 billion
- Registered new sales value of ₹ 6.05 billion
- Registered new sales volume of 0.92 million square feet
- Achieved average price realisation of ₹ 6,568 per square feet
- Launched 4 new projects: 4.35 million square feet of developable area and 3.57 million square feet of saleable area
- Received 6 awards in Q4 FY 2013-14 from various institutes of repute

Realty major Sobha Developers Limited, on a consolidated basis, registered a turnover of ₹ 6.31 billion during the 4th Quarter of FY 2013-14, which ended on Monday, 31st March, 2014. The Profit before Tax (PBT) stood at ₹ 1.12 billion, and the Profit after Tax (PAT) was ₹ 703 million on a consolidated basis. The revenues increased by 7% and both PBT and PAT increased by 8% and 1% respectively, YoY.

Speaking on the occasion, **Mr. J.C. Sharma, Vice Chairman and Managing Director, Sobha Developers Limited,** said, "The previous year was filled with challenges for the Indian economy as also the real estate sector. With the economy growing at sub 5%, all the major industries such as manufacturing, services and real estate did not receive the required encouragement to exhibit the desired growth potential. Overall, the Company's performance in the fiscal has been better than the average industry performance. With the conclusion of the general elections, we are optimistic about the new Government and its development plans. The year ahead looks promising and we hope to see the long-pending reforms materialise that will assist in the growth of the Indian economy and our industry."

Elaborating further, **Mr. J.C. Sharma** stated, "Sobha has been able to consistently generate positive cash flows on a quarter on quarter as well as year on year basis. This financial year has been the best ever for Sobha as far as the collections are concerned. During Q4 of FY 14, the Company generated ₹ 2.41 billion of operational cash flows compared to ₹ 1.62 billion in the previous quarter. Our cash inflow for FY 14 was ₹ 26.89 billion compared to ₹ 20.20 billion last year, which is a 33% increase YoY. For the last 7 quarters, we have been able to successfully generate positive cash flows post interest and tax pay-out. We have also been able to generate quarterly net operational cash flow in excess of ₹ 1 billion for the last 6 consecutive quarters. Our current debt-equity ratio is 0.54 and our net debt is ₹ 12.34 billion."

"In this quarter, we have completed and handed over 2 projects in real estate and 5 projects in contracts aggregating to total area of 1.20 million square feet. During Q4, CARE has given us a rating of 'A' to indicate our financial stability," added Mr. Sharma.

New Launches in Q4 FY 2013-14

During the quarter, Sobha Developers Ltd. launched 4 new projects measuring 3.57 million square feet of saleable area in the southern market, out of which 3 were launched in the second fortnight of March 2014. This quarter, the Company also expanded its operations to a new geography – Cochin. "We are pleased to inform you that we have entered the Cochin market and the residents of Kerala's commercial capital will now have access to Sobha's world-class quality products. Sobha Isle is a 1.09 million square feet development in Vyttila," added Mr. Sharma.

Sobha Rio Vista, with a total saleable area of 0.51 million square feet, is the Company's second project in Calicut. The Company also launched 2 new projects in its core market- Bangalore. Sobha Silicon Oasis is a 1.5 million square feet development near Bangalore's IT hub – Electronic City. It is a unique development designed to provide tropical resort experience to its residents. Sobha Valley View is located in Banashankari and has a total saleable area of 0.49 million square feet.

Growth Plans and Project Launches in the Coming Quarters

Commenting on the future, Mr. J.C. Sharma said, "The expectations from the new government have positively influenced the market, which has translated to appreciation in the Indian rupee and an upward trend in the capital market. While these positive sentiments are motivating the economy to perform better and push the limits, it may take a few months before the growth in the real estate industry is actually visible. As long as the government's action plans will focus on a progressive economy, we believe that the industry operations will revive in the coming few quarters. We hope that the government will focus on policies that will reduce the burden on the real estate builders by accelerating the approval process, reducing the interest costs and taxes levied and controlling the trending inflationary pressures. Keeping that in mind, we have set our sales guidance during the fiscal at ₹ 27 billion in value and 4 million square feet of volume terms which is a 15% increase in sales value and an 11% increase in volume compared to the values achieved in FY 13-14."

Delineating the Company's growth strategy, Mr. Sharma said, "We are certain that the year ahead will bring positive changes in the economy and support the growth of all the key industries, ours included. We continue to remain optimistic about our key southern markets, which have been contributing

Developers Ltd. Bangalore

significantly to our growth. Our strong delivery pipeline has propelled our growth despite the prevailing headwinds. We have about 10 million square feet of new project launches planned for the coming year in our existing geographies. Our core market - Bangalore is a resilient real estate market with the demand being end-user driven. This has been mostly due to the availability of land parcels at reasonable rates. Even the investors are looking at Bangalore as a favorable option to generate good returns. The city is also witnessing the growth of new real estate pockets and hence, the scope for development remains high."

Exceptional Execution

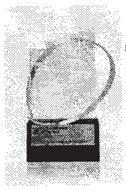
Sobha's superior execution capability is its core strength. Since inception, Sobha has completed 92 real estate projects and 247 contractual projects covering about 62.93 million square feet of area. The Company currently has 48 ongoing residential projects aggregating to 30.61 million square feet of developable area and 21.98 million square feet of saleable area, and 31 ongoing contractual projects aggregating to 9.67 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, Calicut, Cochin and Mysore. Overall, Sobha has a footprint in 24 cities and 13 states across India.

Recognition & Awards

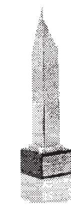
Sobha Developers Ltd. and its senior management have been honoured with over 130 prestigious awards so far. This quarter saw the Company being honoured with six different recognitions by various institutions of repute. The key awards won during the quarter are as listed below:

- **Mr. Ravi Menon** - Chairman, Sobha Developers Ltd. was awarded the '**EY Entrepreneur of the Year – Real Estate, Energy & Infrastructure**' by EY
- Sobha Developers Ltd. received '**Achievement Award for Best Professionally Managed Company** (Turnover > INR 1000 crores)' at the 6th CIDC Vishwakarma Awards 2014
- Sobha Developers Ltd. received '**Achievement Award for Social Development and Impact - Sri Kurumba Trust**' for its CSR activities at the 6th CIDC Vishwakarma Awards 2014
- International City – Sobha's project in Gurgaon received the '**Achievement Award for Construction Health, Safety and Environment**' at the 6th CIDC Vishwakarma Awards 2014
- Sobha Developers Ltd. was presented the **'Excellence Award in Environment, Health & Safety (EHS) - 3 star rating'** by Confederation of Indian Industry (CII)
- **Mr. J.C. Sharma** – Vice Chairman & Managing Director, Sobha Developers Ltd. was bestowed with **'The Legend of Bangalore Award'** by Chamber of Commerce for India and International Business and Industries (CIBI)

About Sobha Developers Ltd.:



Mr. Ravi Menon – Chairman, Sobha Developers
EY Entrepreneur of the Year – Energy, Real estate & Infrastructure



Winner of the Prestigious "Builder of the Year" Award by CNBC Awaaz

Founded in 1995, Sobha Developers Limited, a ₹ 22 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. For more information on Sobha Developers Ltd., please visit: www.sobha.com

For further information, please contact:

Sobha Developers Limited
Abhinav Kanchan
Senior Vice President - Corporate Communications
Off: +91 80 49320000 Ext. 6029
abhinav.kanchan@sobha.com