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For immediate publication

"Sobha Limited strategically forays into compact luxury homes segment with the successful launch of 'Sobha Dream Acres' Project"

Bangalore, Tuesday, 12th May, 2015:

Key Highlights – FY'15

- Revenues at Rs. 24.55 billion on a consolidated basis, up 12% YoY
- EBITDA of Rs. 6.32 billion, up 3% YoY
- PBT at Rs. 3.72 billion, marginal up by 0.3% YoY
- PAT at Rs. 2.38 billion, up 1% YoY
- Debt-Equity Ratio at 0.75 on a consolidated basis
- Cash inflow of Rs. 25.77 billion
- Net operational cash flow of Rs. 3.34 billion
- Registered new sales value of Rs. 20.95 billion
- Registered new sales volume of 3.28 million square feet
- Achieved average price realisation of Rs. 6,389 per square feet
- Launched 14.12 million square feet of developable area and 10.74 million square feet of saleable area
- Completed and handed-over 10 real estate projects of 4.36 million square feet of developable area
- Highest ever revenue of Rs.7.96 billion from Contractual and Manufacturing business, up 23% YoY
- Completed 15 contractual projects of 3.24 million square feet
- Board recommends dividend of Rs. 7 per equity share of Rs. 10 each

Key Highlights – Q4 FY'15

- Revenues at Rs. 5.09 billion on a consolidated basis
- EBITDA of Rs. 1.45 billion
- PBT at Rs. 955 million
- PAT at Rs. 616 million

- Cash inflow of Rs. 6.01 billion
- Net operational cash flow of Rs. 804 million
- Registered new sales value of Rs. 6.27 billion
- Registered new sales volume of 1.03 million square feet
- Achieved average price realisation of Rs. 6,092 per square feet

Realty major Sobha Limited, on a consolidated basis, registered a turnover of Rs. 5.09 billion during the 4th Quarter of FY 2014-15, which ended on 31st March, 2015. The Profit before Tax (PBT) stood at Rs. 955 million, and the Profit after Tax (PAT) was Rs. 616 million on a consolidated basis.

For the financial year ended March 31, 2015, the Company registered a turnover of Rs. 24.55 billion on a consolidated basis. The Profit before Tax (PBT) stood at Rs. 3.72 billion, and the Profit after Tax (PAT) was Rs. 2.38 billion.

Speaking on the occasion, **Mr. J.C. Sharma, Vice Chairman and Managing Director, Sobha Limited,** said, "The financial year 2015 was a mixed bag; on the macro-economic front, we could see visible improvements – uptick in GDP growth rate, reduction in current account deficit and manageable inflation levels to name a few. For the real estate sector though, the financial year continued to be challenging – subdued demand, lower absorption rates and higher inventory levels – all evidencing a general slowdown in the market. Further, the input costs of critical resources like cement, sand and manpower have increased along with a corresponding increase in the indirect costs. However, due to the prevailing slowdown, the Company was not in a position to pass on the rise in input costs to the end customers by way of revision in product prices.

In such a scenario, we are pleased to report that the Company's top line has recorded a double-digit growth. The overall revenues is up 12% YoY at Rs. 24.55 billion on a consolidated basis. It is also notable that our Contractual and Manufacturing business have generated highest ever revenues of Rs. 7.96 billion which is up by 23% YoY."

On the operational front, **Mr. J. C. Sharma** said, "The Company has launched a total of 14.12 million square feet of developable area and 10.74 million square feet of saleable area in FY'15. Moreover, we have successfully completed and handed-over 10 real estate projects and 15 contractual projects aggregating to 7.61 million square feet of developable area."

Elaborating on this quarter's performance, **Mr. J.C. Sharma** stated, "The revenues for the quarter was less compared with the previous quarter since only one new project had reached the revenue recognition threshold. On the margin front, the real estate division yields higher margins as compared to the contractual and manufacturing divisions. During fiscal 2015, a higher contribution from contractual and manufacturing operations has resulted in a slight reduction in the overall margins which was also impacted by cost revisions and inability to increase the prices. It is, however, worth noting that despite this, we were able to retain the PBT and PAT margins at 15% and 10% respectively. We expect the margins to show improvement in the near future as the share of revenues from real estate operations start increasing. We have also generated positive net operational cash flows of Rs.804 million during the quarter."

New Launches in Q4 FY 2014-15

Sobha Limited has launched one of its most distinctive projects, '**Sobha Dream Acres'**, the first of its kind under its new segment - **'Sobha Dream Series'** at Balagere, Bangalore. With a total developable area of 10.65 million square feet, **'Sobha Dream Acres'** is a residential development which will cater to the aspirations of salaried professionals and is perfectly suited to the requirements of nuclear families and those who prefer premium **quality compact luxury homes** replete with world-class amenities.

Remarking on the launch of this new segment, **Mr. J. C. Sharma** said, "Our foray into the 'Sobha Dream Series' segment has met with success with the pre-launch of 'Sobha Dream Acres' Project garnering strong response in the market. **Sobha Dream Acres** is spread on a total land area of 81 acres and comprises of 1 BHK and 2 BHK units with super built-up area (SBA) ranging from 650 to 1000 and to 1,200 square feet.

The Project is driving our volumes growth and the revenues generated from it will also be a major contributor to the topline of the Company in the coming quarters. The launch of this Project marks a strategic shift in the product category and ticket size offered by us and will enable the Company to cater to customers across the price-points."

"During the quarter, we launched another ambitious project - **Sobha Winchester** in Chennai, having total saleable area of 509,838 square feet. It is one of the iconic projects from the house of Sobha, showcasing royal, english-style architecture. Located on the 200 feet, Thuraipakkam - Pallavaram Road, Chennai, Sobha Winchester consists of 344 units comprising 3BHK to 4BHK of super luxury and 1BHK to 2.5 BHK of luxury apartments." added Mr. Sharma.

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Outlook for FY'16:

Commenting on the outlook for fiscal 2016, **Mr. J.C. Sharma** stated, "Considering the present macro-economic environment and industry absorption levels, the Company is targeting to sell 4 million square feet of new area valued at Rs 26 Billion during the financial year 2015-16."

Exceptional Execution

Sobha's superior execution capability is its core strength. Since inception, Sobha has completed 102 real estate projects and 262 contractual projects covering about 70.54 million square feet of area. The Company currently has ongoing residential projects aggregating to 41.81 million square feet of developable area and 26.59 million square feet of saleable area, and ongoing contractual projects aggregating to 9.31 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

Some of the key awards won during the fourth quarter of FY 2014-15 are listed below:

- Sobha Limited received the India Green Building Council (IGBC) Green Homes Platinum rating for Sobha Turquoise, Coimbatore.
- Mr. P N C Menon, Chairman Emeritus, Sobha Limited has been felicitated with CMA Management Leadership Excellence Award 2014 by Calicut Management Association (CMA).
- Mr. J C Sharma, Vice Chairman and Managing Director, Sobha Limited was presented with the 'Best CEO in Real Estate Award' by NDTV Property Awards. The Company also received the Premium Apartment Project of the Year – West for Sobha Orion, Pune at NDTV Property Awards.
- Confederation of Indian Industries (CII) conferred 'Sobha *Indraprastha* and Global Mall' with 3 STAR rating for Environment, Health and Safety standards.
- CIDC conferred 'Sobha *Indraprastha* and Global Mall' with 'Achievement Award' for Health, Safety & Environment (Code - I).

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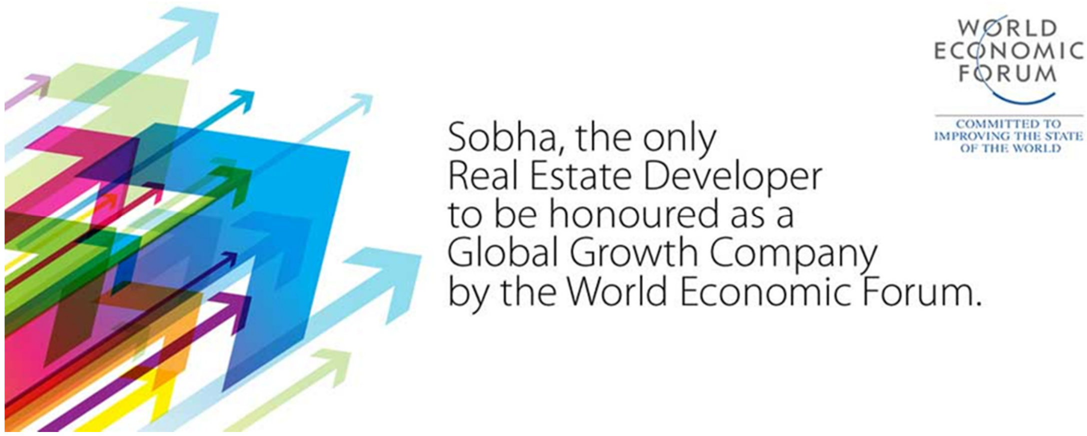

About Sobha Limited (formerly Sobha Developers Limited):

Founded in 1995, Sobha Limited, a ₹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 and plotted developments. 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*](http://www.sobha.com)

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