

Press Release

For immediate publication

Consistent performance by Sobha in H1 of FY15

Bengaluru, Wednesday, 12th November, 2014:

Key Highlights – H1 FY 15

- Revenues at ₹12.60 billion on a consolidated basis, up 25% YoY
- PBT at ₹1.85 billion, up 8.6% YoY
- PAT at ₹1.16 Billion, up 9.2% YoY
- Collections of ₹13.18 billion
- Operational cash flows of ₹1.67 billion
- Registers new sales value of ₹10.41 billion
- Registers new sales volume of 1.59 million square feet
- Achieved average price realisation of ₹ 6,553 per square feet
- Debt-Equity ratio at 0.7 on a consolidated basis
- Launched 4 projects with total developable area of 2.08 million square feet and total saleable area of 1.58 million square feet
- Completed and handed over 9 projects measuring 2.90 million square feet

Key Highlights – Q2 FY 15

- Revenues at ₹6.77 billion on a consolidated basis, up 24% YoY and 16% QoQ
- PBT at ₹949 million, up 10% YoY and 5% QoQ
- PAT at ₹594 million, up 5% YoY and 4% QoQ
- Collections of ₹7.25 billion
- Operational cash flows of ₹928 million
- Registers new sales value of ₹5.59 billion
- Registers new sales volume of 0.83 million square feet
- Achieved average price realisation of ₹6,703 per square feet
- ICRA upgraded the long-term rating from 'A-' to 'A'
- Received nine awards from various reputed institutes



Realty major Sobha Limited, on a consolidated basis, registered a turnover of ₹12.60 billion during the first half of FY 2014-15. The Profit before Tax (PBT) stood at ₹1.85 billion, and the Profit after Tax (PAT) was ₹1.16 billion. On a year-on-year basis, Revenues have increased by 25%, PBT by 8.6% and PAT by 9.2%. During Q2 of FY15, the Company registered a turnover of ₹6.77 billion on a consolidated basis, up by 24% YoY. PBT increased by 10% YoY to ₹949 million, and PAT by 5% to ₹594 million. The Company has also completed and handed over 3 projects in real estate having total area of 1.60 million square feet and 6 projects in contracts with a total area of 1.30 million square feet in H1 FY15.

During Q2 of FY 15, the Company achieved new sales of 833,991 square feet valued at ₹5.59 billion with an average realisation of ₹6,703 per square feet. The Company also collected ₹7.25 billion and generated net operational cash flow of ₹928 million. The current debt-equity ratio is 0.70 with a net debt of ₹16.78 billion. The increase in the debt is mainly on account of investment in new opportunities in Cochin and Pune, dividend pay-out and capex. The unbilled revenue as of 30th September, 2014 is ₹22.10 billion on the sales made so far, out of which a minimum of ₹7.08 billion is expected to be recognised during the second half of the financial year.

Speaking on the occasion, **Mr. J.C. Sharma, Vice Chairman and Managing Director, Sobha Limited**, said, "We have seen an improvement in the market sentiments post the formation of the new government. The economy is most certainly showing signs of recovery and there has been an uptick in the investor sentiments. The inflation is under control, the crude oil prices have declined and the interest rates, having peaked, will most likely taper down. Despite this, the real estate sector is yet to be benefited by the positive change in the economic conditions. Given the current scenario, we are of the opinion that recovery is not far away for the real estate sector."

"The government has taken right steps towards the revival of our industry. Some of the important steps taken in this direction include approving the REIT framework and easing the FDI norms for the construction sector. These measures should augur well for the sector and as economy picks up, the industry fundamentals will improve and the sector will embark on its growth trajectory in the coming few months," added Mr. Sharma.

Further, Mr. Sharma said, "This is a landmark year for us. We are completing 20 years of our operations and during this time, we have grown from being just a Bengaluru based residential property developer to a world-class real estate entity renowned for developing commercial space for some of the large corporates. Our backward integration facilities have helped us build our capabilities and reputation as



a quality conscious real estate developer. In order to commemorate this, we have changed our name from Sobha Developers Limited to Sobha Limited to signify the expertise exhibited by us in a more holistic sense.”

New Launches in Q2 FY 2014-15

Talking about the project launches in the quarter, Mr. J.C. Sharma said, “In the second quarter of this fiscal, we launched 4 projects having a total saleable area of 1.58 million square feet. In Bengaluru, we launched two projects – Sobha Arena on Kanakapura Main Road having a total saleable area of 1.01 million square feet and Sobha Morzaria Grandeur – Phase II near Dairy Circle having a total saleable area of 0.08 million square feet. We also launched Sobha City Lake Edge with a total saleable area of 0.24 million square feet in Thrissur and Sobha Evergreens, a plotted development with a total saleable area of 0.25 million square feet in Chennai.”

Future Prospects of the Company

Talking about the growth prospects, Mr. J.C. Sharma said, “We have a healthy pipeline of about 15 million square feet of new project launches planned in the next few quarters in our existing geographies. In the last 20 years, we have completed and delivered 95 real estate and 253 contractual projects totalling 65.83 million square feet of area. We are probably the only player in the real estate arena to deliver international quality projects to this size and scale. In addition to this, we have about 50 ongoing residential projects aggregating to 31.14 million square feet of developable area and 23.96 million square feet of saleable area. On the contractual front, we have 31 ongoing projects covering 9.35 million square feet under various stages of construction. This is a mere indication of our delivery capabilities and we are hopeful that we will continue to cater to the emerging needs of the realty industry.”

“We started off as a company based in Bengaluru in 1995 and today, we are a ₹24 billion company with a pan-India presence. While our real estate operations span nine cities, namely Bengaluru, Gurgaon, Chennai, Pune, Coimbatore, Thrissur, Calicut, Cochin and Mysore, the Company has footprint in 24 cities and 13 states across India. This goes to show that there is tremendous scope for growth in the real estate space and we are set to capitalise on this potential,” added Mr. Sharma

Recognition & Awards

This quarter saw Sobha being honoured with nine different recognitions by various institutions of repute. Some of the key awards won during the second quarter of FY 2014-15 are listed below:

- One of India's Most Admired Builders at the Construction World Architect & Builder (CWAB) Awards
- Brand Icons – Excellence in Business (EIB) Award for Corporate Social Responsibility to Mr. PNC Menon, Chairman Emeritus, Sobha Limited by Times of India
- Developer of the Year – Residential (for Sobha Eternia) by Realty Plus
- CSR Initiative of the Year for Sri Kurumba Educational and Charitable Trust by Realty Plus
- Real Estate Company of the Year at the Construction Week India Awards 2014
- Corporate Social Responsibility at the Construction Week India Awards 2014
- Young Entrepreneur of the Year - Mr. Ravi Menon, Chairman, Sobha Limited at the Construction Week India Awards 2014
- Mint - Institute of Competitiveness Strategy Award - Sobha Limited (Real Estate & Construction) by Institute of Competitiveness

About Sobha Limited (formerly Sobha Developers Limited):



Founded in 1995, Sobha Limited, a ₹24 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

For further information, please contact:

Sobha Limited

Abhinav Kanchan

Senior Vice President - Corporate Communications

Off: +91 80 49320000 Ext. 6029

abhinav.kanchan@sobha.com