

Press Release For immediate publication

SOBHA DEVELOPERS LTD. ANNOUNCES CONSOLIDATED FINANCIAL RESULTS FOR FY 2011-12 and Q4

Sobha outperforms its guidance for FY 2011-12, posts impressive results

Key highlights

- Developed over 50 Million Square Feet of residential and contractual projects
- Sales volume of 3.28 Million Square Feet, up 18% from FY 2010-11
- Sales value of Rs. 17.01 Billion, up 50% from FY 2010-11
- Average price realization of Rs. 5,181 per Square Feet, up 27% from FY 2010-11
- Revenue booked at Rs. 14.14 Billion
- PBT at Rs. 3.18 Billion, up 26 % from FY 2010-11
- PAT at Rs. 2.06 Billion, up 14% from FY 2010-11
- Debt Equity of 0.57 on consolidated basis and 0.52 on standalone basis
- Recommended a dividend of Rs. 5 per share
- Successfully forayed into three new geographies NCR, Chennai and Mysore
- Received 30 awards in FY 2011-12 from various institutes of repute
- Targets new sales volume of 3.75 Million Square Feet for FY 2012-13
- Targets sales value of Rs. 20 Billion for FY 2012-13

Bangalore, May 7, 2012: The financial year 2011-12 started off in a challenging macroeconomic environment. To rein in inflationary forces and curtail excessive spending, the RBI increased the interest rates a number of times. And, as a result, the cost of borrowings also substantially increased thus affecting the overall performance of the sector. In that volatile environment, the Company set a guidance of 3 Million Square Feet of new sales with an expected sales value of Rs. 15 Billion.

However, although the beginning of the year was below par, the steps taken by the Company by launching new projects and entering new territories started showing positive results. And, Sobha outperformed its quidance.

The Company, on a consolidated basis for the financial year 2011-12 recorded a top line of Rs. 14.14 Billion, Profit Before Tax (PBT) of Rs. 3.18 Billion – the highest in its history - and Profit After Tax (PAT) after adjusting the minority interests of Rs. 2.06 Billion. While there has been an increase in the PBT by 26%, the PAT has increased by 14% due to higher tax provisioning. The Company announced the results at its board meeting, which was held at Dubai on May 6, 2012.

The Company sold 3.28 Million Square Feet of new space valued at Rs. 17.01 Billion during the financial year 2011-12, compared to 2.78 Million Square Feet in 2010-11 valued at Rs. 11.33 Billion.

During the fiscal year 2011-12, Sobha launched new real estate projects totaling to 10.45 Million Square Feet and entered into three new territories – NCR, Chennai and Mysore. Nine residential projects aggregating to 3.14 Million Square Feet of developable area were completed during the year. The Company also completed 18 contractual projects aggregating to 2.08 Million Square Feet.

Based on the impressive performance, the board recommended a dividend of Rs. 5/- per share, an increase of Rs. 2 per share as compared to the last financial year.

Strong Quarter, Steady Results

For the 4th Quarter ended March 31, 2012, the Company clocked a consolidated turnover of Rs. 5.24 Billion. This is up by 64% Y-o-Y and by 65% on a sequential basis. The PBT stood at Rs.1.44 Billion, which is up 172% Y-o-Y and 88% sequentially and PAT after minority interest at Rs.0.94 Billion. This was up by 139% Y-o-Y and 79% sequentially.

During the last quarter of FY 2011-12, the Company sold 0.86 Million Square Feet of new space at a sales value of Rs. 4.64 Billion with an average price realization of Rs. 5,380 per Square Feet and launched 1.83 Million Square Feet of new projects.

'Best Ever Year'

Commenting on the results, **Mr. J.C. Sharma, Vice Chairman and Managing Director, Sobha Developers Limited,** said, "FY 2010-11 was the best ever as the Company registered a 50% increase in

new sales and outperformed its guidance for the fiscal year, despite market headwinds. Sobha has achieved a PBT margin of 22%, which is the highest so far."

He added, "During the fiscal year, besides venturing into three new fastest growing geographies, Sobha made an investment of Rs. 986.41 Million in Sobha Developers Pune Private Limited (SDPPL) by the way of purchase of equity shares from an investor, thereby increasing the stake of the Company from 19% to 100%."

During the fiscal year 2011-12, Sobha also monetized lands worth Rs. 1365.36 Million vis-à-vis Rs. 1539.62 Million in FY 2010-11.

Speaking about the contractual side of the business, Mr. J.C. Sharma, said, "The contractual segment has grown by 14% Y-o-Y on a standalone basis. As of today, Sobha has 10.05 Million Square Feet of contractual orders valued at Rs. 6.09 Billion, which will be executed in the coming guarters."

Growth Plans

Sobha is poised for positive growth in FY 2012-13 as well. Expressing his optimism, Mr. J.C. Sharma, said, "This year the growth momentum will continue. As we move forward, the sales we have achieved for the last financial year will reflect on our income statement in 2012-13. We have already witnessed a decline of interest rates in the first quarter, which is a positive sign. Although the headwinds remain, Sobha is confident of achieving new sales of 3.75 Million Square Feet valuing at Rs. 20 Billion."

The Company is confident of performing better on all parameters in the current financial year, despite some short-term hiccups. Sobha's execution capabilities give it the competitive edge which the Company will enjoy in the days to come.

Real Estate Perspective

The reality sector, which is an essential element of our economy, is slated for fast-track growth in the next 10-12 years. Cities like Bangalore, NCR, Chennai and Pune are the epicentres of progress as they have seen a decadal growth of about 8%. With urban areas buzzing with economic activity and people increasing migrating there from rural areas, providing urban infrastructure is the next big challenge. And, Sobha is all set to harness this demand.

Mr. J.C. Sharma adds, "We are expecting that in this financial year, the RBI will be reducing the interest rate by 100 to 150 basis points. The RBI has already taken its first step in this direction. We hope that more such rate cuts will be in the offing. The right policy initialization will bring back the economy on an inclusive growth path."

Impeccable Execution

Sobha's superior quality execution capability is its core strength. As of 31 March 2012, in the past 17 years since its inception, Sobha has completed 79 real estate projects and 209 contractual projects covering about 51.80 Million Square Feet of area. The Company currently has 38 ongoing residential projects aggregating to 23.04 Million Square Feet of developable area and 16.28 Million Square Feet of Super Built-up area, and 47 ongoing contractual projects aggregating to 10.05 Million Square Feet under various stages of construction. Sobha has made a footprint in 21 cities and 11 states across India.

Recognition & Awards

Financial Year 2011-12 was a year of recognition for Sobha Developers. The Company was honoured with 30 awards – the highest in its history – in this fiscal. Some of the key awards won Sobha are listed below:

- 'India's Top 10 Builders Award' by Construction World
- Best Development Award' for the construction of Infosys Global Education Center II by Business
 India Exhibitions and Inside Outside Magazine
- 'Most Outstanding Structure built in Pune' for Infosys Food Court 3 by the Indian Concrete Institute (ICI)
- 'Employer of the Year Award' at Realty Plus Excellence Awards 2012
- Handa Golden Key Award for excellence in Value Engineering, Value Management (VE/VM)
- Sobha's annual report for FY 2010-11 titled "Details Make the Difference", won a Silver Award for excellence within the industry (Real Estate) World-wide by League of American Communications Professionals (LACP)
- Star Realty Extraordinaire' title to Mr. PNC Menon and 'Star Realty Magnetic Young Icon' title to Mr. Ravi Menon by Planman Media
- Best Sustainable Project of the Year' award of Construction Week India and 'Eco Friendly Project of the Year' (2011) award by Property Awards for the construction of Bayer Eco-Commercial Building

'Environmentally Friendly Project of the Year' (2012) award to Sobha Forest View in the

Residential Category by Realty Plus

'Mother Teresa Special Award for Corporate Citizen – 2011' by Loyola Institute of Business

Administration (LIBA)

'Rotary Binani Zinc CSR Award' in the Large Corporate Category in Kerala

About Sobha Developers Ltd.:

Founded in 1995, Sobha Developers Ltd. is one of the largest and the only 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 high safety standards.

On the contractual 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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