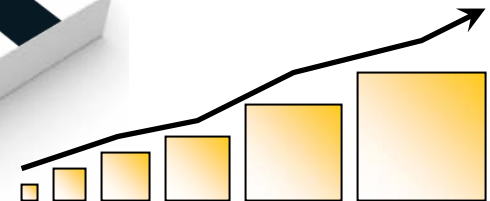




SOBHA DEVELOPERS LTD

maximizing value
in each



Investor Presentation
30th June 2010

Recognition

It is a matter of great pride to inform you all that the **Annual Report of Sobha Developers** titled **"Maximizing value in each square foot"** has won in the following categories- LACP 2009 Vision Awards (League of American Communications Professionals) :-

- **Best In-house Gold** in Asia-Pacific Region
- **Silver Award** – for excellence within its industry
- **Top 100 Annual Reports of 2009** world-wide; **ranked at No. 93** - Over 4000 entries across continents participated in this year's awards.



- A key aspect of Sobha's Annual Report is that it has been entirely designed and written by an internal team
- The complete report and Judges' comments of the Awards are available in the following web link :
<http://www.lacp.com/2009vision/>



Sobha – Board of Directors



Entered
50 Mn.sft
League

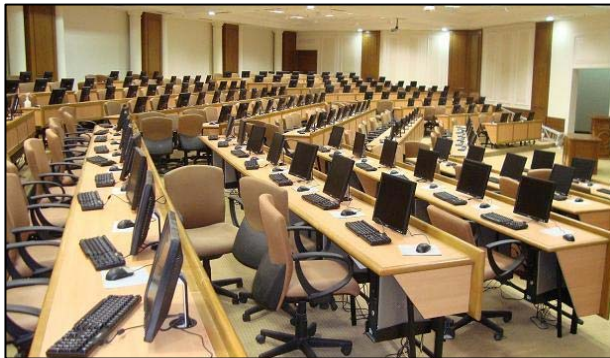
As on 30th June 10

Projects completed : 36.62 mn.sft

Project under Execution : 13.54 mn.sft



A Masterpiece of Modern India – Infosys GEC 2, Mysore...



Class Room



Central Atrium area



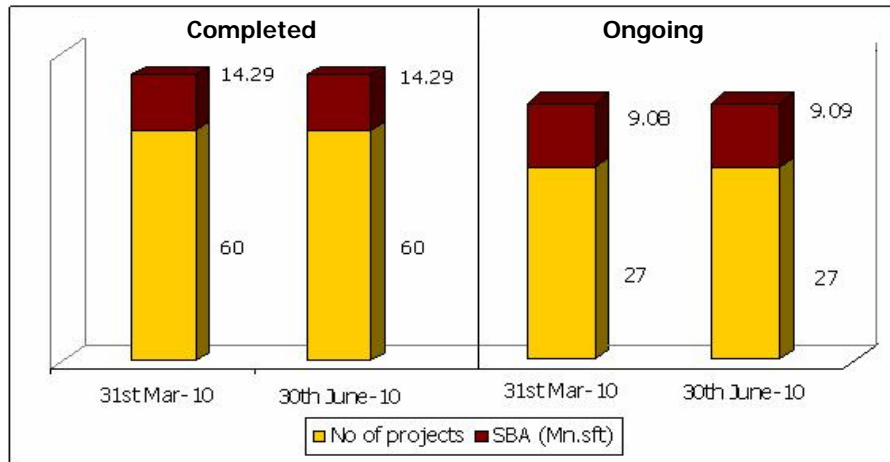
Lounge area



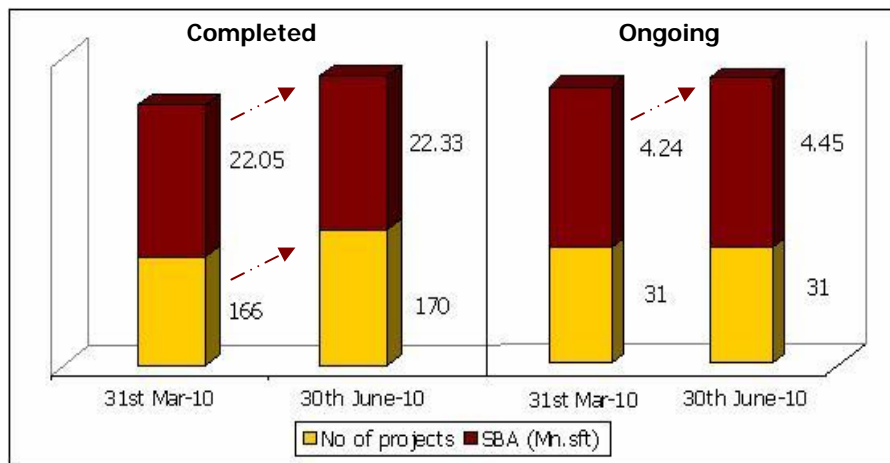
Sobha Developers : A Strong Foundation



Real Estate



Contracts



Q1 -Highlights:

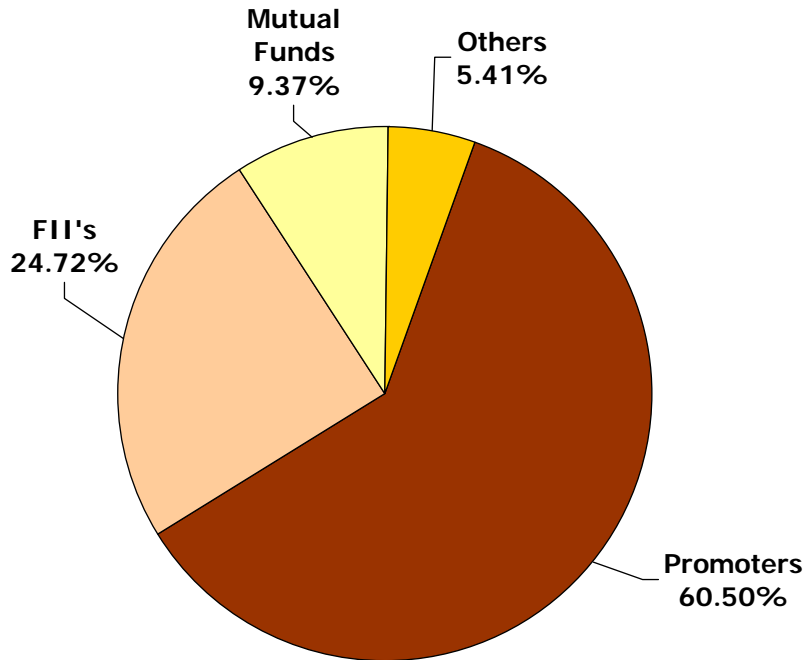
- Completed 4 Contractual projects aggregating 0.28 mn.sft in Q1- FY11
- Encouraging response - Sobha Dew flower, A premium Super Luxury Project

- Truly Global Indian Company with Scalable Execution capability
- Supported by 1,899 Qualified Management Team and 7,011 Technicians
- Executing annually 6mn.sft of projects on an average for the past 5 years
- Execution presence in 20 cities across India
- Strong Brand Recall in South India
- 15 years of Business stability



Shareholding Pattern

- Promoters Holding : 60.50 %
- FII's : 24.72 %
- Mutual Fund : 9.37 %
- Others : 5.41 %



Note: Status as on 23rd July 10

FII's

- Morgan Stanley
- Temasek
- Emerging Markets Growth Fund
- Merrill Lynch
- Oppen Heimer International
- Capital International
- CAAM Funds

MUTUAL FUNDS / INSTITUTIONS

- Reliance Capital
- Birla Sun Life
- LIC
- Sundaram BNP Paribas
- SBI
- HDFC Mutual Funds
- JM Financial
- Kotak
- Templeton



Status as on: 23rd July 10

No. of Shares	98.06 mns
Market Capitalization	Rs.33.95 bn
Stock Price : 52 week High / Low	Rs.355 / Rs.195
Avg. Daily volume (12 months)	456,153 (Shares)

Source : BSE & NSE index

Sobha stock covered during the last 6 months by,

- Morgan Stanley
- CLSA India
- ICICI Securities
- Edelweiss
- Credit Suisse
- Bank Of America & Merrill Lynch
- Enam Securities
- JP Morgan
- Deutsche India Equities
- Antique Stock Broking Ltd
- Batliwala & Karani Securities
- Goldman Sachs
- Alchemy Shares & Stock Brokers



Improved Operational Performance

Period	Area Sold (sq.ft)	No of Units sold
FY 07-08	2,838,397	1,219
FY 08-09	876,117	616
FY 09-10	2,080,413	1,076

Financial Year 10 -11

Period	Area Sold (sq.ft)	No of Units sold
Q1 : 10-11	670,883	326
Q2 : 10-11		
Q3 : 10-11		
Q4 : 10-11		
TOTAL	670,883	326



- Targeted to sell **3 mn.sft** in FY10-11.
- With sales witnessing an average of 0.22 mn.sft per month during the last 3 months and with new launches planned and new locations getting added, achieving 3 mn.sft of sales during the current financial year is assured.
- The volumes are higher sequentially quarter on quarter (QoQ) and also year on year (YoY).



Break-up of Sales

Location wise Sales break-up

Locations	Q1 10-11 : Area sold (Sft)	%	Q1 09-10 : Area sold (Sft)	%	Q4 09-10 : Area sold (Sft)	%
Bangalore	482,769	72%	100,952	40%	407,884	64%
Thrissur	96,747	14%	13,265	5%	101,736	16%
Coimbatore	29,852	4%	113,554	46%	73,947	12%
Pune	61,516	9%	22,614	9%	51,580	8%
TOTAL	670,883		250,385		635,147	

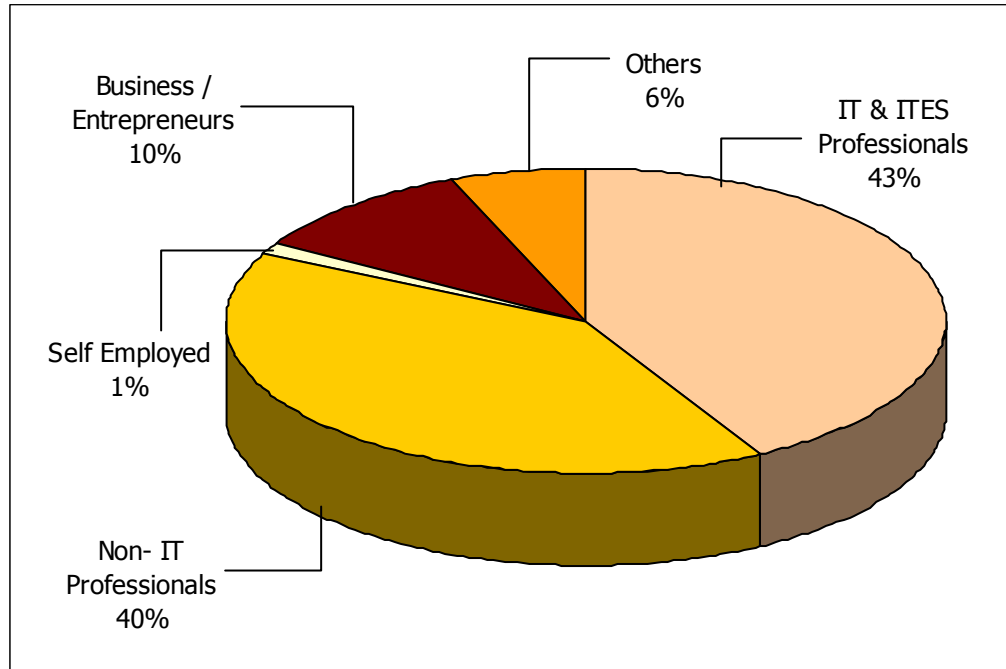
Highlights:

- Increase in volume achieved by better product mix without increasing the price's
- Sales volume increased in all the regions except Coimbatore. In Coimbatore, a new project – 'SOBHA TURQUOISE' – launched in the current quarter
- Sales volume has increased 168% as compared to Q1 of FY10 and increased 6% as compared to Q4 of FY10.



Buyer Segment Profile (Q1:10-11, PAN India)...

Profession / Industry basis:



Geographical Basis:

- Indians : 83%
- NRI's : 17%

Note:

- Customer profiles includes Bangalore, Thrissur, Pune and Coimbatore
- Others includes House wives & Govt. officers



Signs of growth momentum...

INTERNAL FACTORS:

- Improvement in the cash flow in the 1st quarter. Operation continues to remain cash positive. Generated Rs.77 crs positive cash flow in the 1st quarter.
- From a peak D/E of 1.92 the current D/E stands at 0.81. Working towards to reduce the D/E ratio to 0.5 by end of the current financial year.
- Continue to maintain above 35% operating margin from our on-going residential projects and above 15% on Contractual projects.
- Positive response from new launches – Sobha Dew flower launched on 10th Apr 10 – sold 30 units out of 131 units as on 30th June 10. Average unit value is Rs.2.04 Cr
- Clear visibility on Contractual business -- about 6.75 mn.sft of new contractual works will be started progressively in 2010-11 onwards, apart from the ongoing development of 4.45 mn.sft
- Order book value of 4.45 mn.sft is about Rs.405 crs and amount already billed till 30th June 10 was about Rs.120 crs
- Improved performance from Contractual and manufacturing units. Top line increased overall by 50% from contractual and manufacturing business compared to Q1:09-10. Well in line to achieve the targets.
- Decrease in interest cost from above 15% during FY 07-08 and above 14% during FY09-10 to the current rate of 12.73%
- Higher average realization due to improved product mix



EXTERNAL FACTORS:

- IT sector continues to witness growth resulting in recruitment and increase in emoluments. This in turn, will result in demand for housing sector.
- The proposed capital expenditure by the IT sector to meet its growth will result in additional Contractual orders.
- Growth initiatives proposed by both State and Central Government specially in Infrastructure will boost the demand for Housing segment.
- Continuous availability of housing loans at affordable rates.
- The expected GDP growth of 8.5% augurs well for the industry.



Challenges:

- ☐ Probable increase in rate of borrowings for end use customers
- ☐ Tightening the lending norms to Real Estate developers by RBI
- ☐ Availability of quality Manpower
- ☐ Rising Land Prices
- ☐ Rising Construction cost
- ☐ Rising human resource cost
- ☐ Entering New geographies



Project Completion – Momentum continues...

FY 2009 - 10

- Real Estate :
 - 10 projects aggregating 1.82 mn.sft of projects were completed and handed over
- Contractual :
 - 26 projects aggregating 3.75 mn.sft of projects were completed and handed over
- Overall 36 projects aggregating **5.57 mn.sft** of work were completed and handed over during FY 09-10

FY 2010 - 11

- Real Estate :
 - Planning to complete 9 projects measuring 3.32 mn.sft of area
- Contractual :
 - Planning to complete 30 projects measuring 3.15 mn.sft of area.
- Planning to complete totally 39 projects measuring of **6.47 mn.sft**

Actual Completion

PARTICULARS	Q1 : FY 10-11	
	No of Projects	SBA (Mn.sft)
REAL ESTATE	-	-
CONTRACTS	4	0.28
TOTAL	4	0.28

Real Estate - Projects launched during last 8 months

- 7 projects aggregating 1.88 mn.sft of area launched at Bangalore, Coimbatore & Thrissur in last 8 months (from Dec-09 to July-10).



Recent Project Launches

Sobha Dewflower



SBA : 622,408 sq.ft

Total no of units : 231

Type : 3 & 4 BHK Super Luxury Apartments

Location : J.P.Nagar, Bangalore

Sobha City, Commercial Mall



SBA : 316,169 sq.ft

Type : Commercial Centre. Retails, Hyper Market, Departmental Stores & Multiplex

Location : Thrissur, Sobha City Project



Proposed New Launches in Q2 : FY 10-11...

SOBHA
Turquoise

**Coimbatore
- Veerakeralam**

Launched in July-10



- 95 nos of 3 BHK Row Houses
- Located at Veerakeralam – Harishree Gardens, Sobha Existing projects

SOBHA
Marigold

South Bangalore



- 888 nos of 3 BHK – Luxury apartments
- Located at Kanakapura Main Road, just 3 kms from METRO



Proposed New Launches in Q2 : FY 10-11

SOBHA Ivory

Pune - Khondwa



- 140 nos of 3 BHK units of Luxury Apartments
- Located at just 1 km from NIBM and 7 kms from M.G.Road

SOBHA Classic

South Bangalore



- CLASSIC : 162 nos of 3 BHK Luxury Units and 81 nos of 3 BHK Super Luxury Apartments
- Located at Haralur Main road, Off Sarjapur Main road



Positive Operational Cash flow

Ongoing Real Estate Projects - Cash flow status as end of 30th June -10

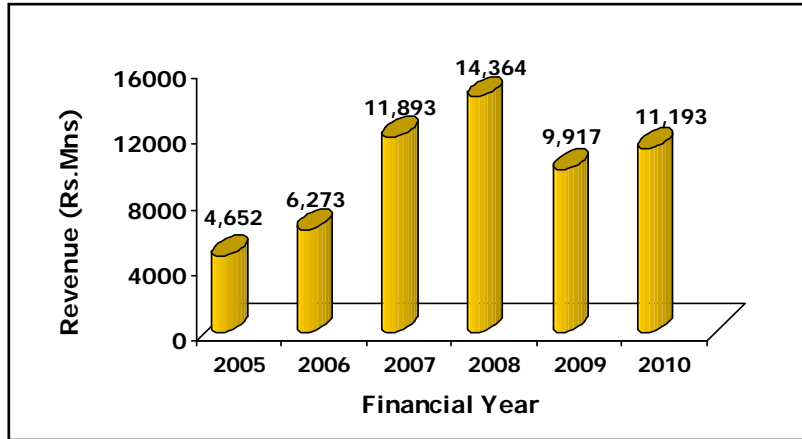
Description	Ongoing Projects	Completed Projects	
Total Super Built-up area	9.09		Mn.sft
Area of Office space, Club house & JD share (Non saleable)	(1.32)		Mn.sft
Sobha share of Saleable area	7.77		Mn.sft
Total area sold till 30 st June-10	5.06		Mn.sft
Unsold area	2.71	0.02	Mn.sft
Balance construction cost to be spent to complete the entire developments	10,226	79	Rs.Mns
Outstanding receivables + Balance to be billed and collected on sold units	8,883	330	Rs.Mns
Sales value of unsold stock	11,998	92	Rs.Mns
Positive cash flow available	10,655	343	Rs.Mns
Total Positive cash flow available from the projects	10,998		Rs.Mns

- In addition to the above, the Contractual revenue is expected to be above Rs.4,000 mns in the current financial year.

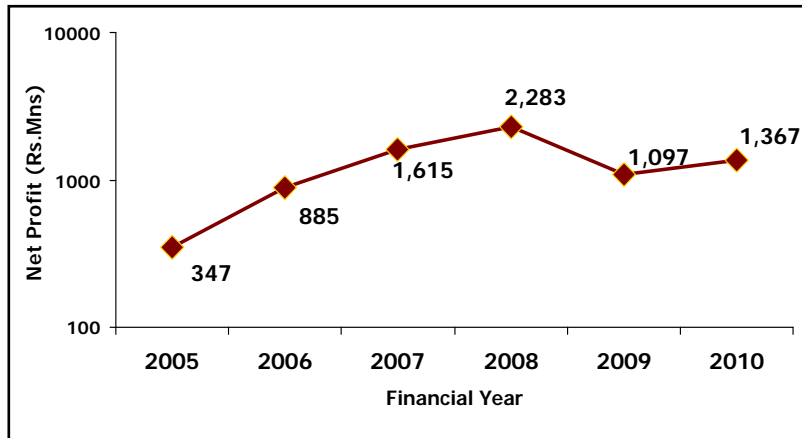


Financial Snapshot

Revenue (year-wise)



Net Profit (year-wise)



Particulars	Q1 – FY11	Q1 – FY 10	% growth
Revenue (Rs.Mns)	3,190	1,790	78% ↑
Net Profit (Rs.Mns)	342	127	169% ↑

Year	Revenue (Rs.Mns)	% growth	Net Profit (Rs.Mns)	% growth
2009 –10	11,193	13% ↑	1,367	25% ↑
2008–09	9,917		1,097	

As on 30th June 10

Net Worth	Rs. 17,466 Mns
Debt (Net)	Rs. 14,118 Mns
D/E ratio	0.81



Balance Sheet

Rs.in Millions

PARTICULARS	30-Jun-10	30-Jun-09	31-Mar-10
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	981	729	981
Reserves and surplus	16,446	10,293	16,104
	17,427	11,022	17,085
Loan funds			
Secured loans	14,279	18,202	14,466
Unsecured loans	75	329	75
	14,354	18,531	14,540
	31,781	29,553	31,625
APPLICATION OF FUNDS			
Fixed assets			
Net block	1,376	1,652	1,429
Capital work in progress incl. capital advances	630	530	632
	2,006	2,182	2,061
Investments	453	376	429
Deferred tax asset (net)	54	33	52
Current assets, loans and advances			
Inventories	10,865	10,725	10,174
Sundry debtors	3,653	2,652	4,166
Cash and bank balances	237	101	800
Loans and advances	20,388	19,503	20,093
	35,143	32,981	35,233
Less: Current liabilities and provisions			
Current liabilities	5,503	5,765	5,613
Provisions	373	254	537
	5,876	6,019	6,150
Net current assets	29,268	26,962	29,083
	31,781	29,553	31,625



Profit and Loss Statement...

Rs.in Millions

	Q1-11	Q1-10	Q4-10	FY-10	% of Growth Q1-11 on Q1-10
Property Development	2,207	1,173	1,810	6,245	
Land	58	-	1,238	1,779	
Contractual + Mfg + Profit share from Sobha city	915	613	961	3,115	
Other Income	10	4	23	53	
Total Revenue	3,190	1,790	4,032	11,192	78%
Constn/Mfg Cost	1,850	903	2,292	6,325	
Staff/Admn/Selling Cost	705	445	752	2,271	
Total Expenditure	2,555	1,348	3,044	8,596	
EBITDA	635	442	988	2,596	44%
EBIDTA %	20%	25%	25%	23%	
Depreciation	67	82	77	323	
Interest	134	233	135	671	
PBT	434	127	776	1,602	242%
PBT %	14%	7%	19%	14%	
Provision for Tax	92	-	219	236	
PAT	342	127	557	1,366	169%
PAT %	11%	7%	14%	12%	
EPS (Basic & Diluted) (Rs)	3.49	1.74	5.67	14.92	



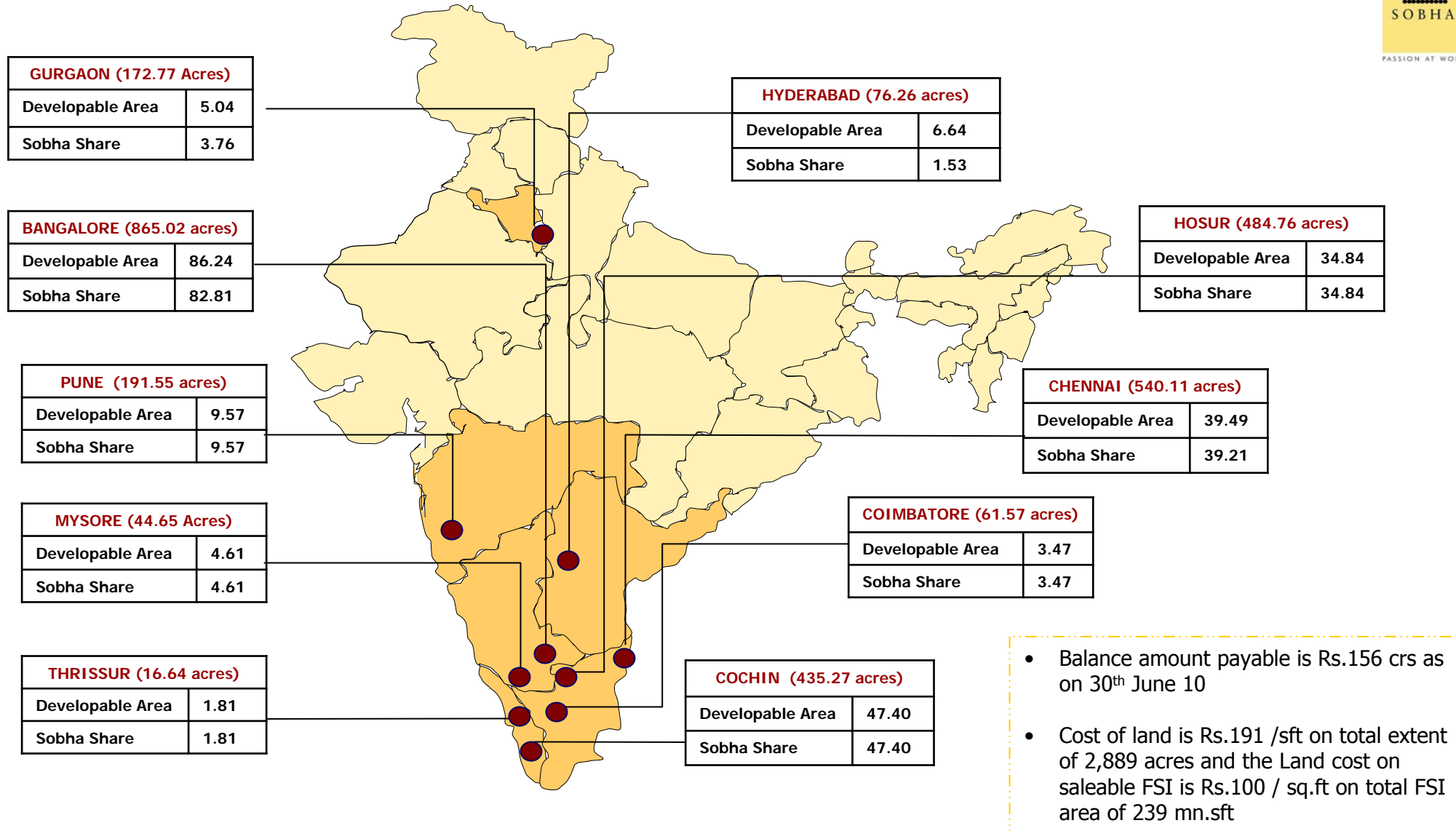
Revenue Break-up

Rs.in Millions

Particulars	Q1-11	Q1-10	Gr %	FY - 10
Property development	2,207	1,173	88%	6,245
% to total income	69%	66%		56%
Land	58	-		1,779
% to total income	2%	0%		16%
Contractual Income	690	422	64%	2,099
% to total income	22%	24%		19%
Manufacturing Income	201	177	14%	949
% to total income	7%	10%		9%
Total Income	3,156	1,772	78%	11,072
Revenue from Infosys (Contractual + Manufacturing)	431	404		2,032



Land Bank – Development Potential



Backward Integration... (World class manufacturing facilities)

Interiors & Furnishing Division		Glazing & Metal Works Division		Concrete Products Division	
Total Factory area	: 0.8 Mn sq ft	Factory area	: 0.32 Mn sq ft	Factory area	: 0.35 Mn sq ft
Workforce	: 805	Workforce	: 586	Workforce	: 92
PRODUCTS <ul style="list-style-type: none"> Manufacturing wood based products such as doors, windows, paneling, cabinets, cupboards & furniture Manufacture of Economy, Deluxe, Super Deluxe & Premium Mattresses from Furnishing division 		PRODUCTS <ul style="list-style-type: none"> Metal / Steel fabrication Aluminum door and windows structure Glass works 		PRODUCTS <ul style="list-style-type: none"> Manufacture of wide range of concrete products such as concrete blocks, pavers, kerb stones, water drainage channels, paving slabs and elite landscape products 	



Manufacturing Facilities – Financial snapshot

Turnover (Rs.in millions)

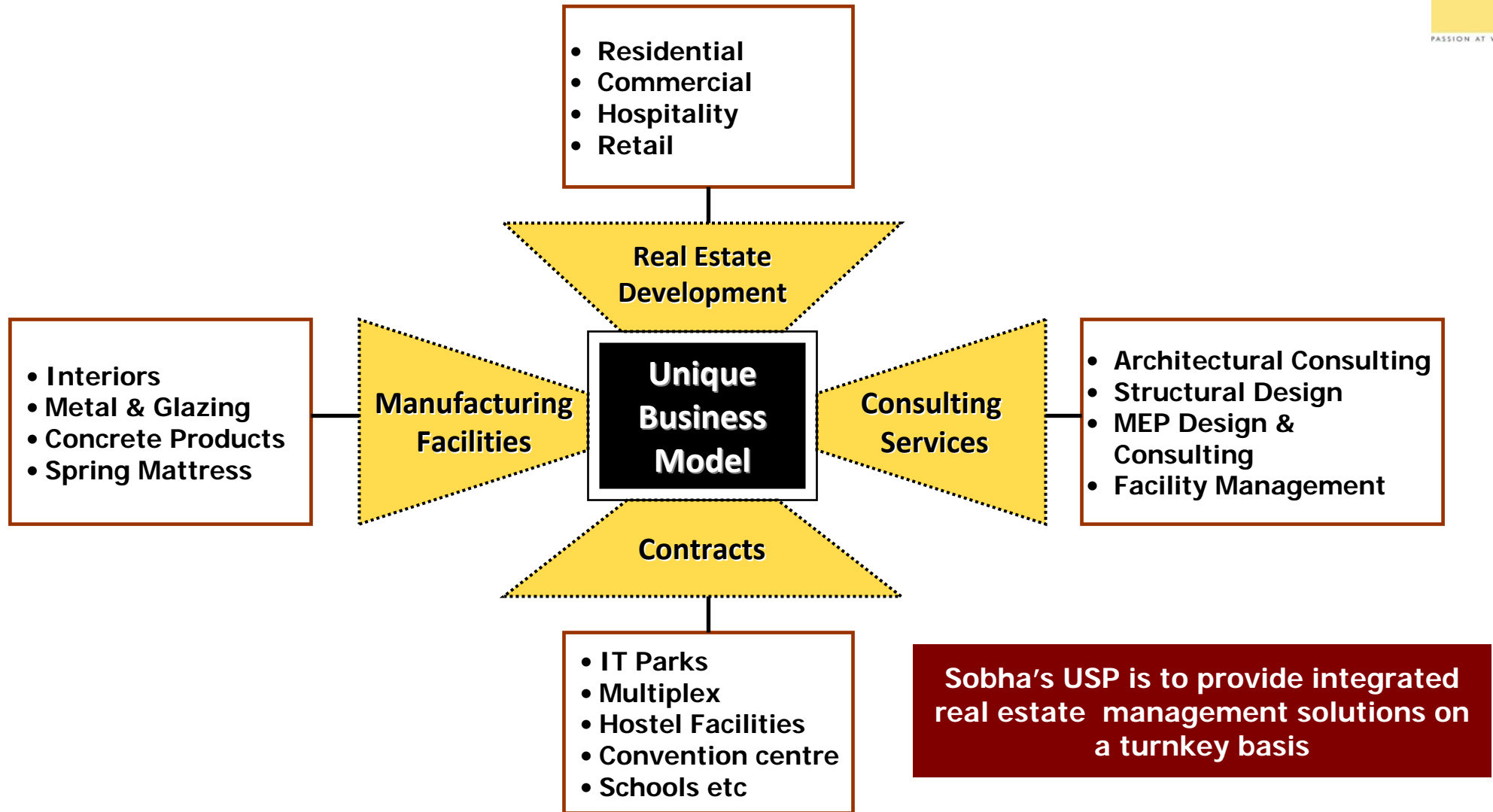
Year-wise	Interiors & Furnishing Division	Glazing & Metal Division	Concrete Products Division
FY 08-09	687.32	1,096.78	181.10
FY 09-10	508.28	653.20	146.57
FY 10-11 (Q1)	183.74	129.24	28.33

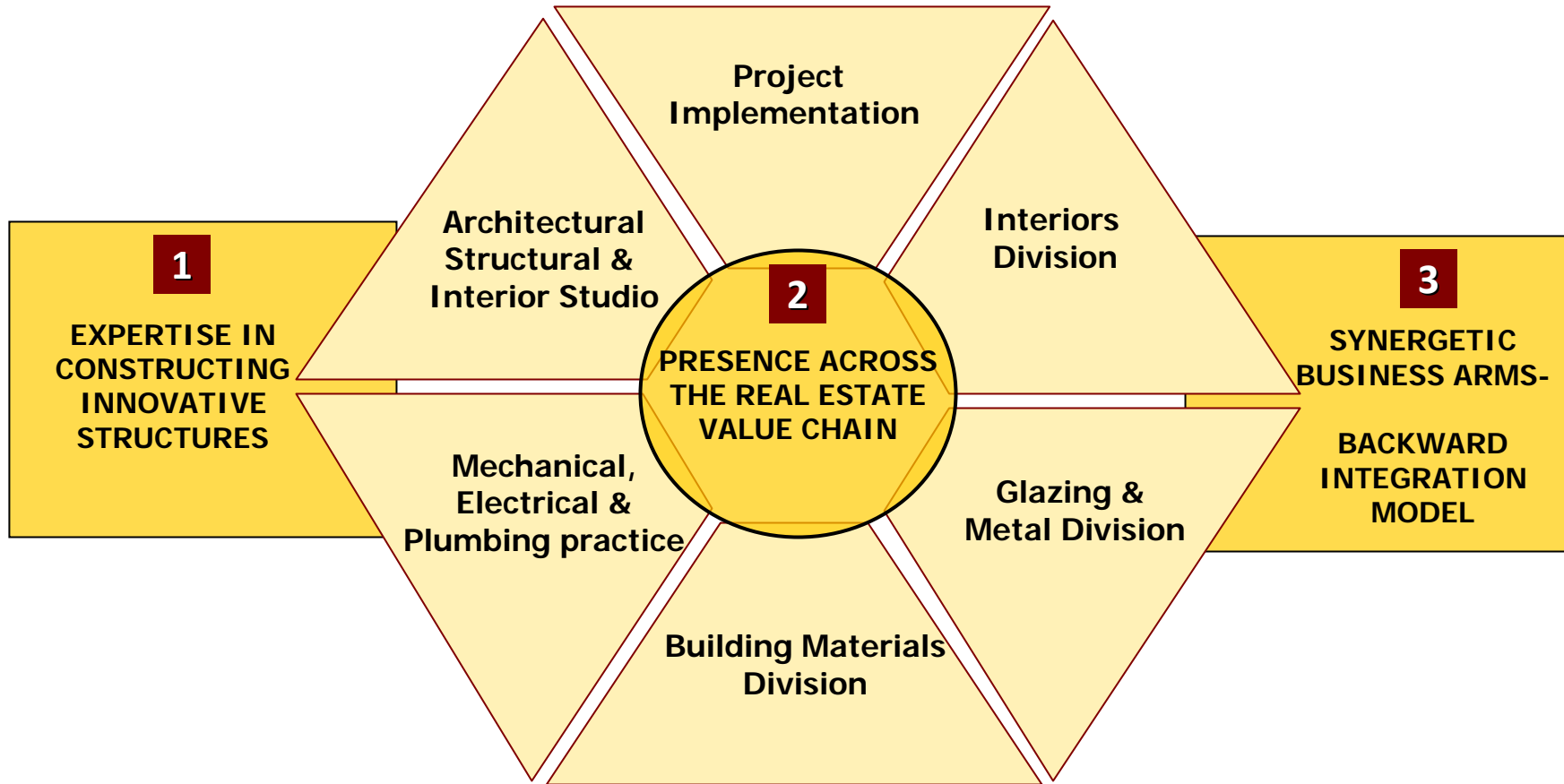
Note:

The turnover mentioned above is on stand alone basis including supplies to In-house



Fully Integrated Business Model





Global Standard in Quality and Safety

- To achieve Global standards in construction, the quality **EVALUATION SYSTEM** is used with **1700+** check points for auditing and rating the Quality and Safety works. It is continuously monitored through integrated software application

- **HANDS ON TRAINING** given by German experts to our Execution teams to continuously train on all aspects as per our Evaluation manual using German tools, materials and construction knowledge.

- **Safety training**, practical training procedure through our dedicated Safety team by using electronic media and video presentation have been very effective.
e.g. - Safety is ensured through **5937 Tool Box talks, 706 Safety Meetings and 122 Safety Committee meetings** at our In house sites during 2008-09.

- **Quality Maintenance team** with **96%** efficiency closing nearly **4000** customer queries in FY 2008-09 ensuring "Defect free functioning" Sobha Projects after completion and during occupation.



Quality Check by German staff



Training by German staffs



Safety Training at Site



Corporate Social Responsibilities (CSR)

- Sobha Group has adopted two villages, Kizhakkenchery and Vadakkenchery, in Palakkad district of Kerala, with a population of $\approx 90,000$



Sobha Hermitage

- A Senior Citizen's and Widow's home - 50 spacious, fully furnished double rooms
- Supported with spacious Dining Hall, Laundry with fully automated imported washing equipment & fully equipped Health centre
- Hygienic, dust-free modern kitchen, Staff trained at 5-star hotels



Sobha Academy

- A truly International school with ICSE syllabus – for the financially challenged students from the locality.
- Facilities includes free education, uniforms, books, food and transportation
- Has a facility of modern computer lab, swimming pool and video projector room etc.



Sobha Health Care

- This is a 6-bedded polyclinic with Resident Doctor, Visiting Consultants and paramedical personnel.
- This Health Center is equipped with ECG, X-ray room, Ultra Sound scanning, fully computerized Biochemistry, Hematology Laboratories and well equipped casualty room and Minor OT.



❖ **CW & ARCHITECT BUILDERS AWARD 2010**

Sobha Developers Limited , Awarded '**CW & ARCHITECT BUILDERS AWARD 2010**' by Construction World for the year 2010, for being among India's Top 10 Builders.

❖ **BEST REAL ESTATE DEVELOPER - 2010**

Awarded "**The Best Real Estate Developer for IT Infrastructure**" by Construction Source India on May 2010

❖ **BEST CONTRACTOR AWARD - 2010**

Awarded " **The Best Contractor – working with Safety practices** at site by Bayer's Material Technology services.

❖ **PUBLIC RELATION COUNCIL INDIA AWARD – 2010**

PRCI Gold Award for "Newsletter", PRCI Silver Award for "Annual Report" and PRCI Bronze Award for "Corporate Brochure"

❖ **PRAVASI BHARATIYA SAMMAN PURASKAR – 2009**

Mr.P.N.C.Menon, Chairman of the company was awarded the "**PRAVASI BHARATIYA SAMMAN PURASKAR**" by Hon'ble President of India Smt.Pratiba Patil at Chennai on Jan-2009

❖ **A+D SPECTRUM AWARD 2009**

Infosys Terminal Foodcourt building - awarded by **A+D Spectrum foundation Architecture award 2009** to Mr.Neil Jeffery, Architect, Sobha Developers.

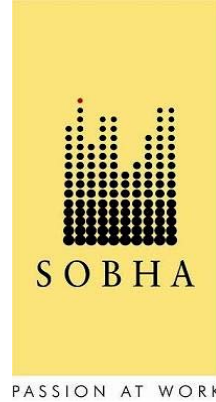
❖ **Prof. Vasanth Rao Trophy 2009**

Awarded Prof. Vasanth Rao Trophy in recognition of being the **Second best company practicing Value Engineering in India** by Indian Value Engineering Society in Dec 2009.



Our achievements are many more and the list goes on.....





THANK YOU

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Disclaimer:

The information in this presentation contains certain forward-looking statements. These include statements regarding outlook on future development schedules, business plans and expectations of Capital expenditures. These statements are based on current expectations that involve a Number of risks and uncertainties which could cause actual results to differ from those anticipated by the Company.