

# **SOBHA DEVELOPERS LTD**

**Details Makes the Difference**



**Lifestyle -Phase 1 - Bangalore**



**Ruby Platinum- Bangalore**



**Carnation - Pune**



**Emerald - Coimbatore**

## **Investor Presentation**

**30th June-2011**

# Performance Highlights Q1-12

- ❖ Launched total area of 3.48 mn.sft during the 1<sup>st</sup> quarter.
- ❖ Entered into new location - Mysore
- ❖ Total area sold during the 1<sup>st</sup> quarter : 665,660 sq.ft
- ❖ Sold area valued at Rs.302.7 crs
- ❖ Average realization of Rs.4,547/sft
- ❖ Achieved Rs.318.4 crs top line
- ❖ Achieved Profit before Tax Rs.45.3 crs
- ❖ Achieved Profit after tax is Rs.30.9 crs.
- ❖ Income from Real Estate operations of Rs.195 crs.
- ❖ Income from Contractual operations of Rs.123 crs.
- ❖ Average interest cost of debt as on 30<sup>th</sup> June-11 is 13.62%.
- ❖ Net borrowings stands at Rs.1,296 crs.
- ❖ Contractual orders on hand : 11.58 mn.sft, valued at Rs.751 Crs
- ❖ New Contractual orders received other than Infosys: Rs.45 crs



## Projects Launched in Q1-12

Project	Location	Type	Total Area (Mn.sft)	Total No of Units	Area Offered for Sale (Mn.sft)	No of units offered for sale	Launched in
Sobha Garden	Belavatta, Mysore	Plotted Development	0.22	83	0.22	83	May-11
Sobha Signature	Off Sarjapur Road, Bangalore	Presidential Apartments	0.22	32	0.22	32	June-11
Sobha City	Thanisandra, Bangalore	Mixed Use Residential Township					
Aristos		Row Houses	0.30	80	0.10	28	June-11
Mykonos		Luxury Apartments	0.70	448	0.35	224	June-11
Serenita		Luxury Apartments	0.94	502	0.24	126	June-11
Casa Paradiso		Super Luxury Apartments	1.10	508	0.16	74	June-11
TOTAL			3.48	1,653	1.29	567	



# Projects Launched during Q1-12

## SOBHA GARDEN, MYSORE



- 83 No of well planned plots at Mysore
- Located at Belavatta, 3kms from Mysore City on Mysore-Bangalore Highway
- Plot sizes are : 40 x 60 , 50 x 60

## SOBHA SIGNATURE, BANGALORE



- 32 Nos of 4 BHK Duplex Type – Presidential Apartments
- Located at Off Sarjapur Road, Very close to Wipro Corporate Office & Electronic City IT corridor
- Apartment Sizes are : 6,807 sft – 8,104 sft





# Projects Launched during Q1-12

## SOBHA CITY, THANISANDRA, BANGALORE



**Mykonos**



**Aristos**



**Serenita**

- MYKONOS – 448 nos of 2 & 3 BHK Luxury Apartments
- ARISTOS – 80 nos of 4 BHK Row Houses
- SERENITA – 502 nos of 2 & 3 BHK Luxury Apartments



- PARADISO – 508 nos of 3 BHK Super Luxury Apartments

**Low Aerial View**



**Club House**



**Paradiso**



Sobha – Rs. 1,000 crs Real Estate Company in South India



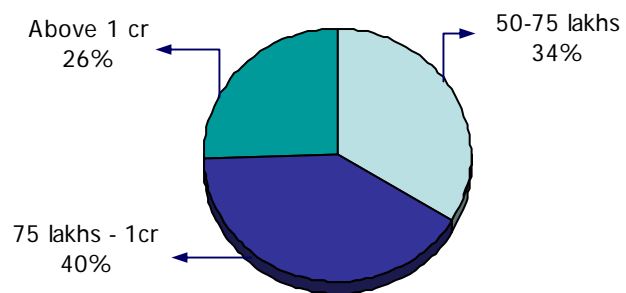
# Sales Performance



## Real Estate sales during 1<sup>st</sup> Quarter of 2011-12

Locations	Q1 11-12 : Area sold (Sft)	Q1 10-11 : Area Sold (sft)	Q4 10-11 : Area Sold (sft)	% Growth Q1-12 vs Q1-11	% Growth Q1-12 vs Q4-11
Bangalore	477,362	482,768	542,707	(1%)	(12%)
Thrissur	58,198	96,748	59,662	(40%)	(2%)
Coimbatore	43,645	29,852	39,434	46%	11%
Pune	27,912	61,515	14,419	(55%)	94%
Mysore	58,542	-	-	100%	100%
<b>TOTAL</b>	<b>665,660</b>	<b>670,883</b>	<b>656,222</b>	<b>(1%)</b>	<b>1.4%</b>

**Area Sold - Price band - Category wise**



- Sustaining the sales volumes irrespective of challenging market condition
- Positive responses for all the new launches

Sobha – Rs. 1,000 crs Real Estate Company in South India

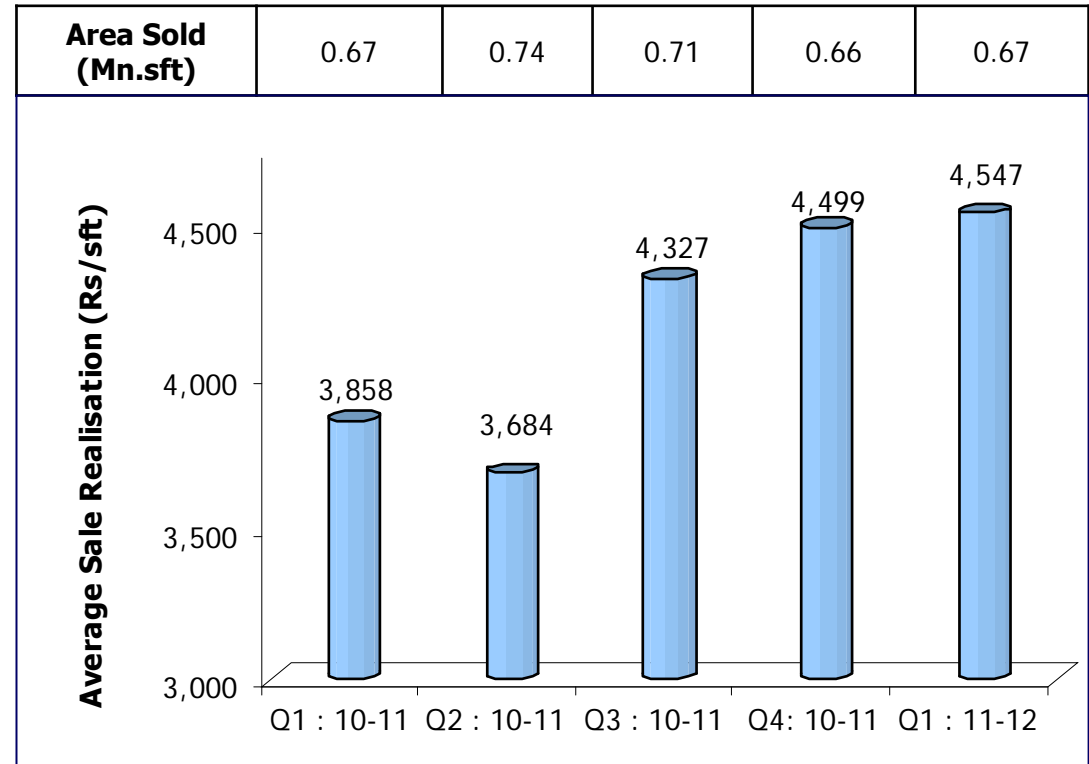
← Sobha Chrysanthemum, Bangalore

Infosys Food Court - Bangalore →



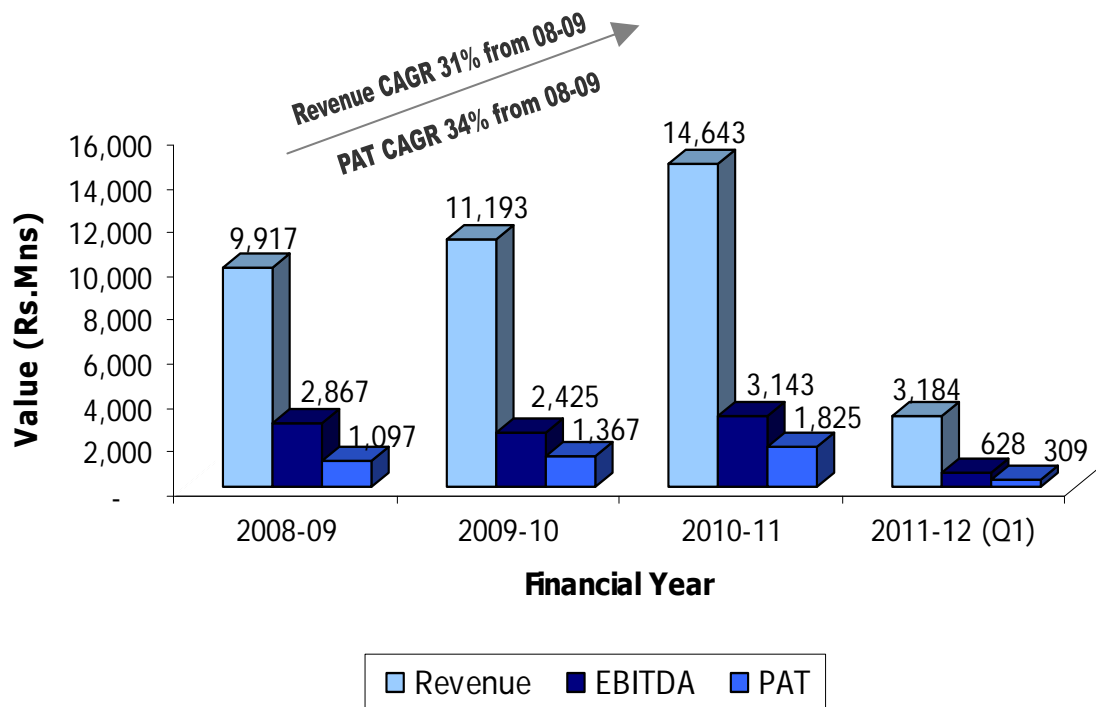
# Improving Outlook

- Average sales realization achieved for the 1<sup>st</sup> quarter of FY 11-12 is Rs.4,547/ sft as compared to Rs.4,082/sft for the FY 10-11
- Maintained average sales volume of 0.69 mn.sft for the past 5 quarters
- The current trend reflects further improvement in the realization in the coming quarters
- Confident of maintaining operating margin despite cost pressure
- Targeting Rs.1500 crs new sales in FY 11-12



# Financial Snapshot

## REVENUE, EBITDA & PAT



Rs.in Millions

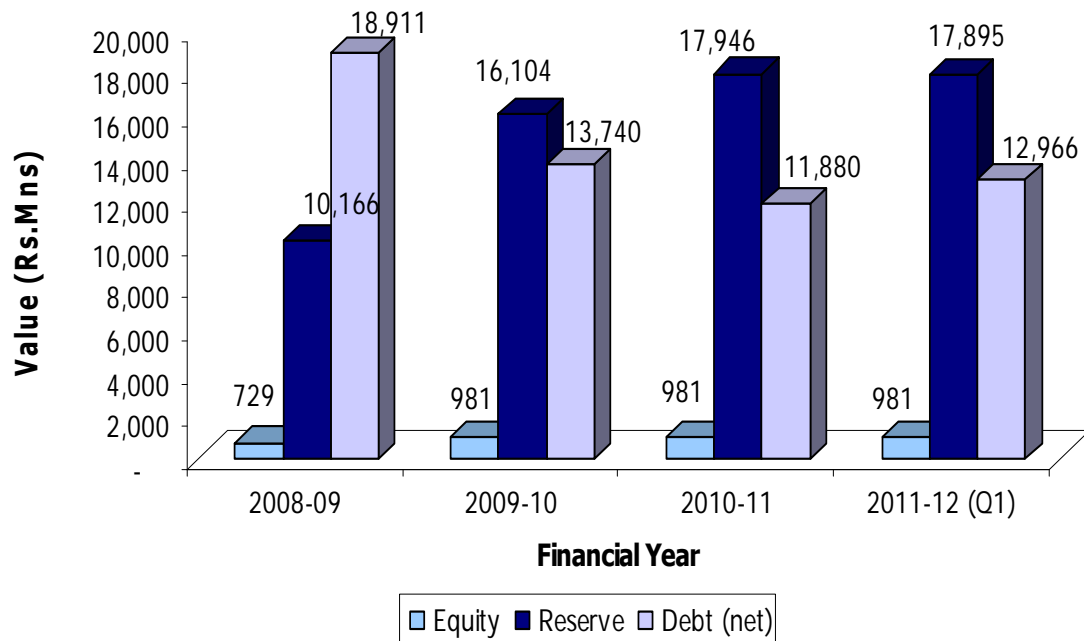
PARTICULARS	Q1-12	Q1-11	% growth (Y-Y)
Real Estate Income	1,951	2,230	(13)% ↓
Contractual Income	1,228	891	38% ↑
EBIDTA	628	607	3% ↑
PBT	453	435	4% ↑
PAT	309	343	(10)% ↓

Sobha – Rs. 1,000 crs Real Estate Company in South India

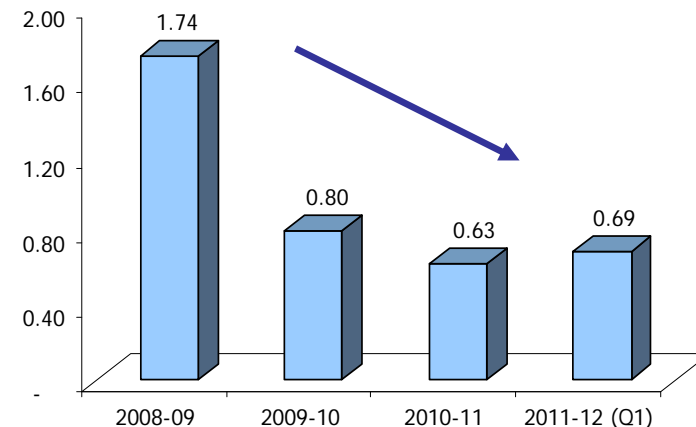




## Equity, Reserve, Debt



## D/E Ratio



As on 30<sup>th</sup> June-11

Net Worth : Rs.18,876 mns  
Debt (net) : Rs.12,966 mns  
D/E ratio : 0.69

- **Aiming for 0.5 D/E level at the end of this financial year**



# Unparallel Execution Strength

## ➤ Completed Projects:

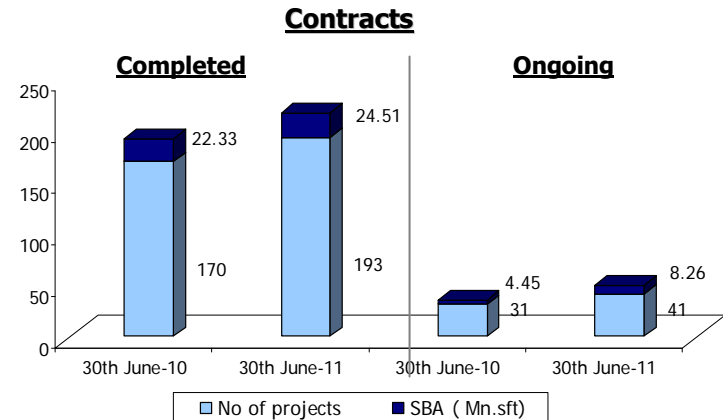
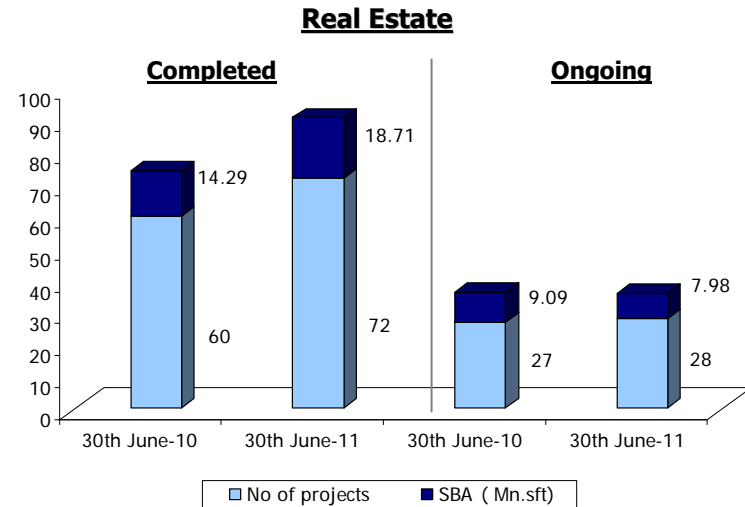
- ❖ 72 projects aggregating to 18.71 mn.sqft in Real Estate and 193 projects aggregating to 24.51 mn.sqft in Contracts.
- ❖ Totaling **265** projects measuring **43.22 mn.sqft.**

## ➤ Ongoing Projects:

- ❖ 28 projects aggregating to 7.98 mn.sqft in Real Estate and 41 projects aggregating to 8.26 mn.sqft in Contracts,
- ❖ Totaling **69** projects equaling to **16.24 mn.sqft**

## ➤ Forthcoming Projects:

- ❖ 13 projects aggregating to 10.92 mn.sqft in Real Estate and 15 projects aggregating to 3.31 mn.sqft in Contracts,
- ❖ Totaling **28** projects aggregating to **14.24 mn.sqft**



**Not many companies have delivered 265 projects aggregating 43.22 mn.sft.**



# Project Completion

## Targeted Completion in 2011-12

- Real Estate :
  - 8 projects aggregating 1.97 mn.sft of projects are targeted to complete in FY 11-12
- Contractual :
  - 24 projects aggregating 2.83 mn.sft of projects are planned to complete in FY 11-12
- **Overall 32 projects aggregating 4.80 mn.sft of works are planned to complete and hand over in FY 11-12**

## Actual Completion in Q1-12

PARTICULARS	Q1 : FY 11-12	
	No of Projects	SBA (Mn.sft)
REAL ESTATE	1	0.30
CONTRACTS	2	0.24
<b>TOTAL</b>	<b>3</b>	<b>0.54</b>

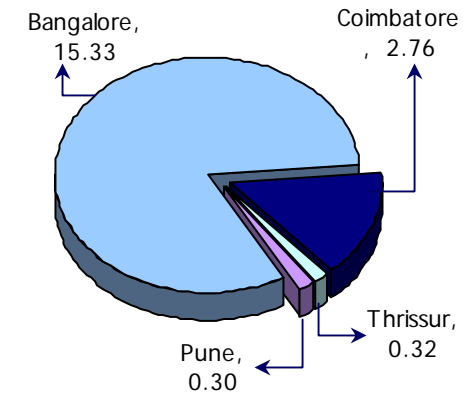
- Sobha has completed and handed over **13.94 mn.sft**, over a period of **11 years till 2006** since inception in 1995.
- Sobha has completed and handed over **29.28 mn.sft in the next 5 years**, which is more than double the execution in the first 11 years.



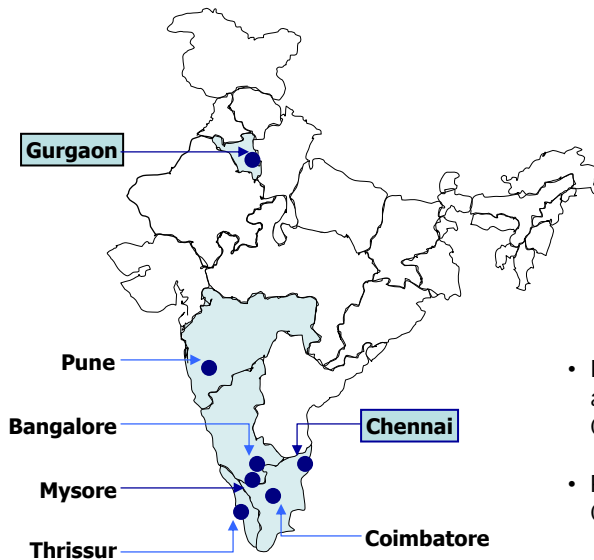
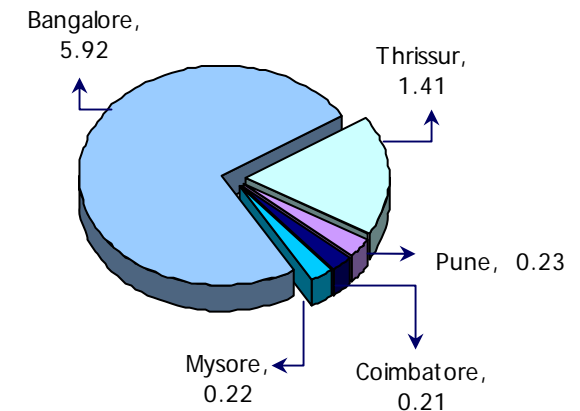
## Q1 -12 : Highlights – Real Estate

- Launched total area of 3.48 mn.sft and offered for sale is 1.29 mn.sft during Q1-12
- Area sold during the quarter : 665,660 sft
- Average Price realization of Rs.4,547/sft
- Entered in to new region: Mysore

## Completed (Mn.sqft)



## Ongoing (Mn.sqft)



## Real Estate Presence

- Real Estate Projects : Existing locations are – Bangalore, Thrissur, Pune, Coimbatore, Mysore
- Proposed new launches in Gurgaon & Chennai

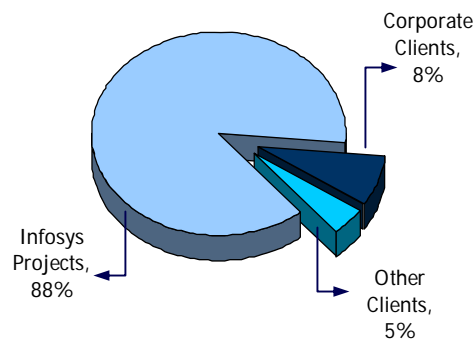




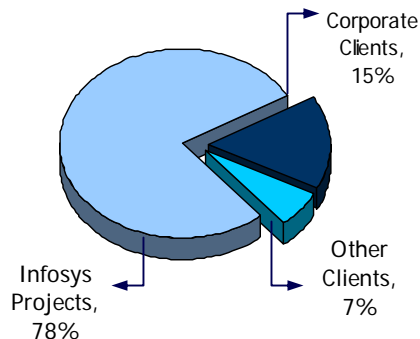
## Q1-12 Highlights – Contracts

- Completed & handed over 2 projects aggregating 0.24 mn.sft during Q1-12.
- New projects started during Q1-12 : 1.03 mn.sft
- New Contractual orders received other than Infosys : Rs.45 crs

### Completed



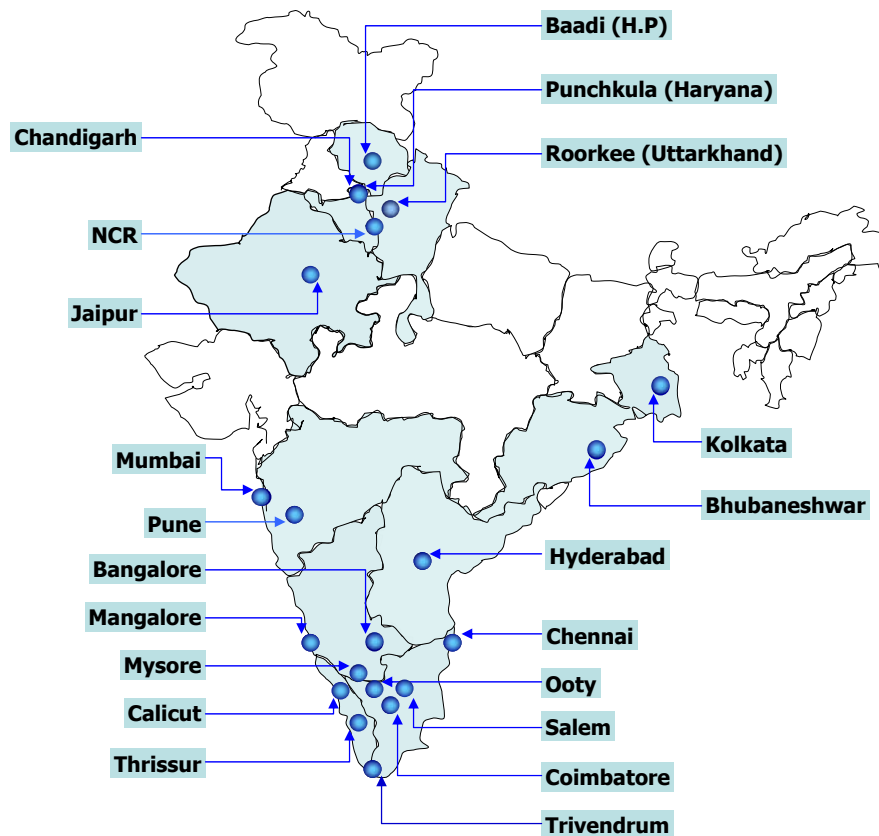
### Ongoing



• Corporate Clients includes Dell, HP, Timken, Taj, MICO, Bayer Material Science, HCL, Bharat Forge, ITC, Biocon, IPE, Bosch, GMR, Hotel Leela Ventures etc

• Other Clients includes Ragsons Electronics, Vakil Housing, Sterling Mac Hotels, Shanthi Hospital, FAME school, Gold Plus Glass Industries and many other Private bungalows.

## Contractual Projects - Presence across 21 cities and 12 states



**Achieved Contractual turnover of Rs.123 crs in Q1-12, Targeting Rs.500crs in FY 11-12**

Sobha – Rs. 1,000 crs Real Estate Company in South India



## Pune- Hinjewadi : Infosys Phase II Development



**Infosys Phase II Land on Feb-2004**



**The same after 4 years**

### Highlights of Campus:

- Pune - Hinjewadi Infosys campus spread across over 135 acres (Phase 1 & 2)
- Development consists of Software Development Blocks, BPO's, Hostel Facilities, Employee Care Centre, Food Courts, Club House, Multi Level Car Parking



## Proposed launches in next few quarters

<i><b>Sl.No</b></i>	<i><b>Location</b></i>	<i><b>Projects</b></i>	<i><b>Type</b></i>	<i><b>≈ Total Saleable Area (Mn.sft)</b></i>	<i><b>Status</b></i>
1	Bangalore	Sobha Pristine	Residential apartments	0.17	Plan sanctioned
2	Coimbatore	Sobha Hillview	Residential apartments	0.25	Expected approval by Aug-11
3	Thrissur	Sobha City - Commercial	Commercial-Phase 2	0.19	Plan sanctioned
4	Chennai	Sobha Sunshine	Residential apartments	0.22	Expected approval by Aug-11
5	Chennai	Pudupakkam Property	Residential apartments	0.71	Expected approval by Aug-11
6	Gurgaon, NCR	Group Housing	Residential apartments	1.80	Expected approval by Sept-11
<b>Projects Launched during July-11 (Q2-11)</b>					
1	Gurgaon, NCR	Township Development	Integrated Township	4.16	Launched 1 <sup>st</sup> Phase in July-11
2	Pune	Sobha Garnet	Residential apartments	0.35	Launched in July-11
			<b>TOTAL</b>	<b>7.85</b>	

Note: Area details are subject to change



# Contractual Projects – An Overview

## Contractual Projects status as on 30<sup>th</sup> June-11

S.NO	DESCRIPTION	ONGOING PROJECTS		FORTHCOMING PROJECTS	
		No of Projects	SBA (Sft )	No of Projects	SBA (Sft)
1	Mysore	3	1,885,712	3	476,051
2	Chennai	6	1,336,245	3	650,000
3	Pune	3	1,182,377	2	700,000
4	Hyderabad	6	1,164,608	1	294,350
5	Bangalore	11	979,890	3	900,000
6	Trivendrum	3	775,941	1	107,550
7	Mangalore	4	502,401	2	185,040
8	Coimbatore	1	250,000	-	-
9	Salem	1	120,000	-	-
10	Delhi/NCR	2	51,860	-	-
11	Ooty	1	13,106	-	-
	<b>TOTAL</b>	<b>41</b>	<b>8,262,140</b>	<b>15</b>	<b>3,312,991</b>

### Note:

- The scope of work varies from Civil, Finishes, MEP, Interiors to Glazing
- The unbilled value on ongoing projects is about Rs. 521 crs
- The estimated value for forthcoming project is about Rs.230 crs





# Positive Operational Cash flow

## Real Estate Project Cash flow status as on 30<sup>th</sup> June-11

Description	Ongoing Projects	Completed Projects	
Total Super Built-up area	7.98	5.73	Mn.sft
Sobha share of Saleable area	7.21	5.51	Mn.sft
Total area sold till 30 <sup>th</sup> June-11	3.41	5.32	Mn.sft
Unsold area	3.80	0.19	Mn.sft
Balance construction cost to be spent to complete the entire developments	13,757	588	Rs.Mns
Outstanding receivables + Balance to be billed and collected on sold units	7,890	909	Rs.Mns
Sales value of unsold stock	19,857	796	Rs.Mns
<b>Positive cash flow available</b>	<b>13,989</b>	<b>1,116</b>	<b>Rs.Mns</b>
<b>Total Cash flow available from the Real Estate projects</b>	<b>15,106</b>		<b>Rs.Mns</b>

Note: The Cash flow available from Contractual Operations will be in addition to this.

Sobha – Rs. 1,000 crs Real Estate Company in South India



# Balance Sheet

Rs.in Millions

PARTICULARS	30 <sup>th</sup> June-11	30 <sup>th</sup> June-10	31 <sup>st</sup> Mar-11	31 <sup>st</sup> Mar-10
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' funds</b>				
Share capital	981	981	981	981
Reserves and surplus	17,895	16,446	17,585	16,104
<b>Loan funds</b>				
Secured loans	13,262	14,279	12,026	14,466
Unsecured loans	83	75	84	74
	13,345	14,354	12,110	14,540
Deferred tax asset (net)	173			
	<b>32,394</b>	<b>31,781</b>	<b>30,676</b>	<b>31,625</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed assets</b>				
Net block	1,387	1,376	1,373	1,429
Capital work in progress incl. capital advances	715	630	668	632
Investments	529	453	516	429
Deferred tax asset (net)		54	74	52
<b>Current assets, loans and advances</b>				
Inventories	9,735	10,866	9,726	10,174
Sundry debtors	3,882	3,653	3,914	4,166
Cash and bank balances	379	237	275	800
Loans and advances	22,649	20,388	21,517	20,093
Less: Current liabilities and provisions				
Current liabilities	6,071	5,503	6,455	5,613
Provisions	811	373	932	537
Net current assets	29,765	29,267	28,045	29,083
	<b>32,394</b>	<b>31,781</b>	<b>30,676</b>	<b>31,625</b>

Sobha – Rs. 1,000 crs Real Estate Company in South India



# Profit and Loss Statement

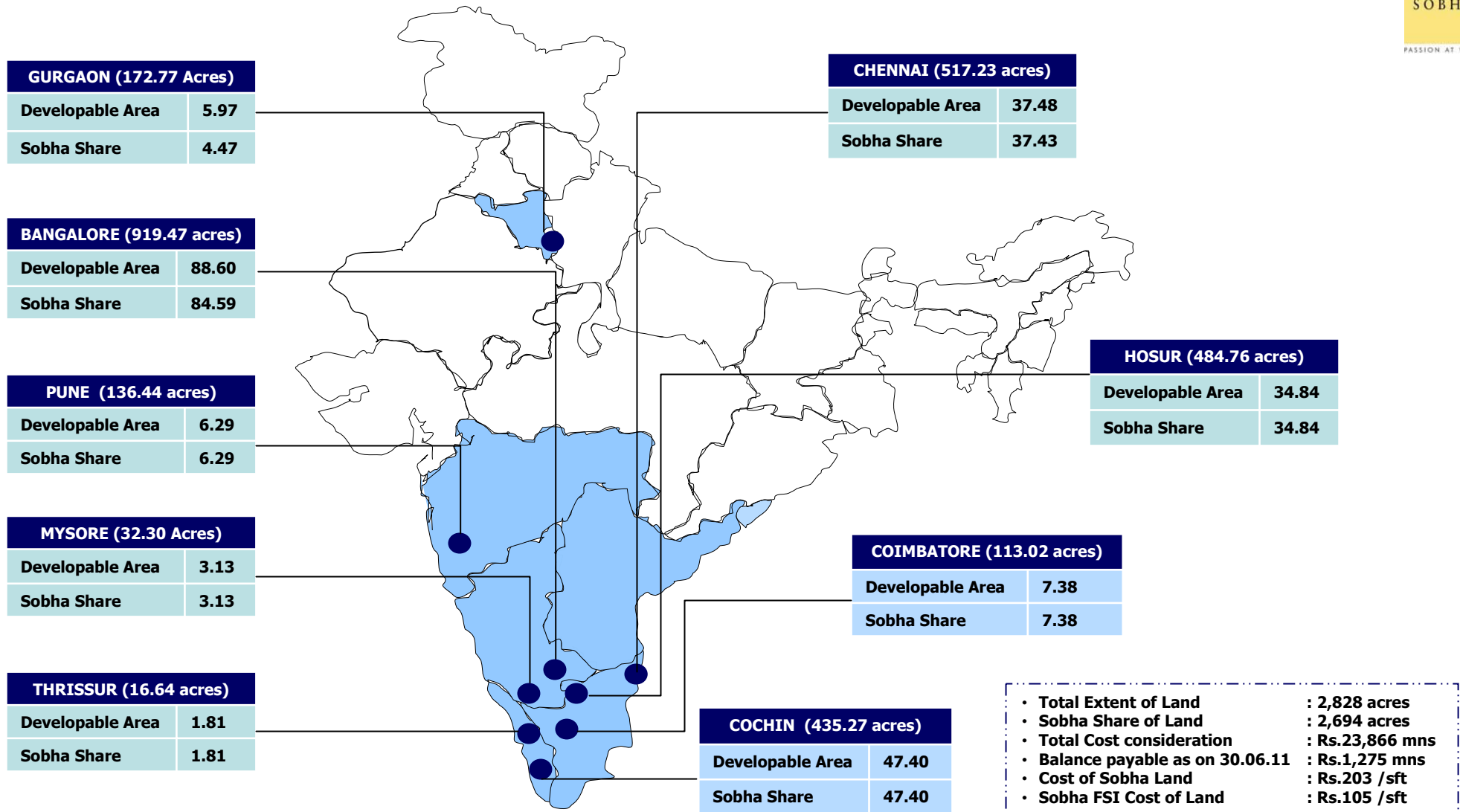
Rs.in Millions

Particulars	Q1-12	Q1-11	Q4 -11	% of Growth	
				Q1-12 on Q1-11	Q1 12 on Q4-11
Property Development Incl. Sobha city	1,951	2,230	2,086	(13%)	(6%)
Contractual + Manufacturing	1,228	891	1,288	38%	(5%)
Other Income	5	10	47	(50%)	(89%)
<b>Total Revenue</b>	<b>3,184</b>	<b>3,131</b>	<b>3,421</b>	<b>2%</b>	<b>(7%)</b>
Constn/Mfg Cost	2,164	2,182	2,314		
Staff/Admn/Selling Cost	392	342	387		
<b>Total Expenditure</b>	<b>2,556</b>	<b>2,524</b>	<b>2,701</b>		
<b>EBITDA</b>	<b>628</b>	<b>607</b>	<b>720</b>	<b>3%</b>	<b>(13%)</b>
<b>EBIDTA %</b>	<b>20%</b>	<b>19%</b>	<b>21%</b>		
Depreciation	74	67	69		
Interest	101	105	116		
<b>PBT</b>	<b>453</b>	<b>435</b>	<b>535</b>	<b>4%</b>	<b>(15%)</b>
<b>PBT %</b>	<b>14%</b>	<b>14%</b>	<b>16%</b>		
Provision for Tax	144	92	133		
<b>PAT</b>	<b>309</b>	<b>343</b>	<b>402</b>	<b>(10%)</b>	<b>(23%)</b>
<b>PAT %</b>	<b>10%</b>	<b>11%</b>	<b>12%</b>		
EPS ( Basic & Diluted) (Rs)	3.40	3.49	4.10		

Note: Numbers are regrouped reclassified wherever necessary



# Land Bank – Development Potential

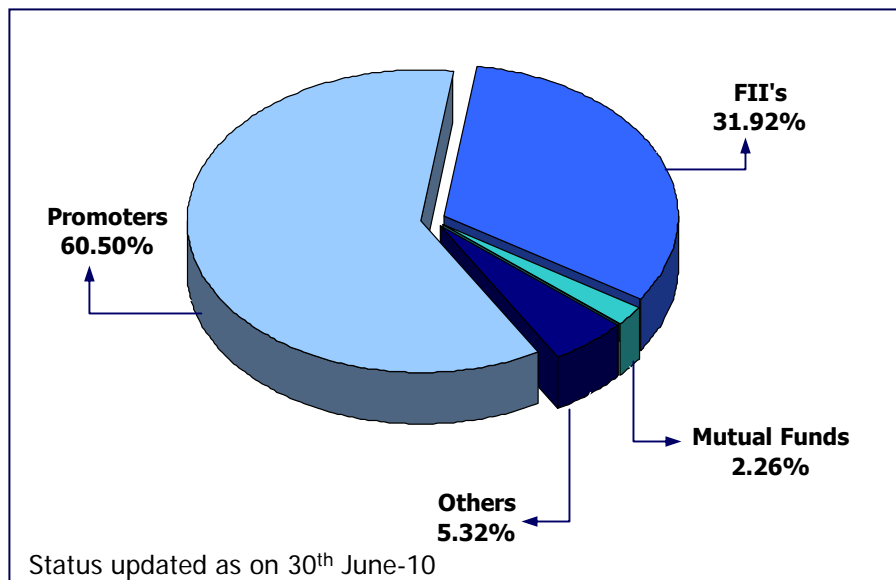


Sobha – Rs. 1,000 crs Real Estate Company in South India





# Sobha – Shareholding Pattern



- Promoters Holding : 60.50 %
- FII's : 31.92 %
- Mutual Fund : 2.26 %
- Others : 5.32 %

	30 <sup>th</sup> June 11	31 <sup>st</sup> Mar-11	31 <sup>st</sup> Dec-10	30 <sup>th</sup> Sept-10	30 <sup>th</sup> June 10
<b>Promoters Holding</b>	60.50%	60.50%	60.50%	60.50%	60.50%
<b>FII's</b>	31.92%	30.21%	29.65%	26.96%	24.34%
<b>Mutual Fund</b>	2.26%	4.04%	4.78%	7.77%	9.06%
<b>Others</b>	5.32%	5.25%	5.07%	4.77%	6.09%

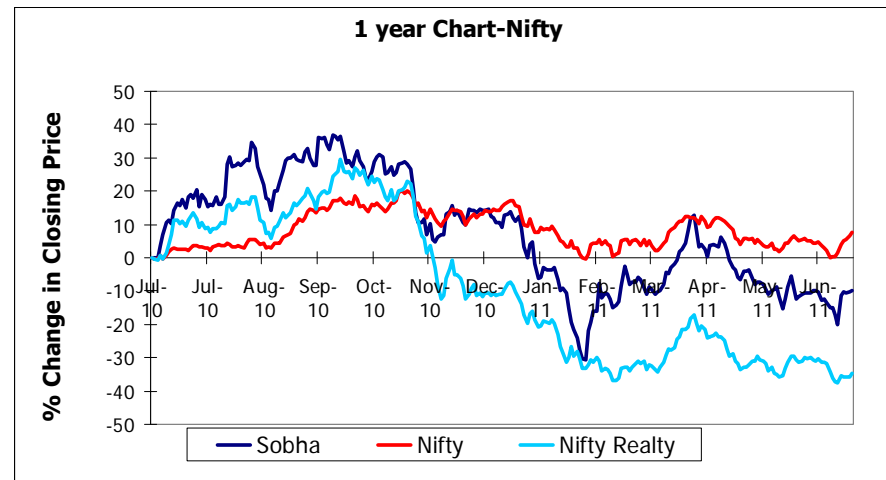


# Sobha – Stock Performance

Status as on: 30<sup>th</sup> June- 11

No. of Shares	98.06 mns
Market Capitalization	Rs. 25.46 bn
Stock Price : 52 week High / Low	Rs.404 / Rs.185
Avg. Daily volume (12 months)	146,090 Shares

Source : NSE & BSE index



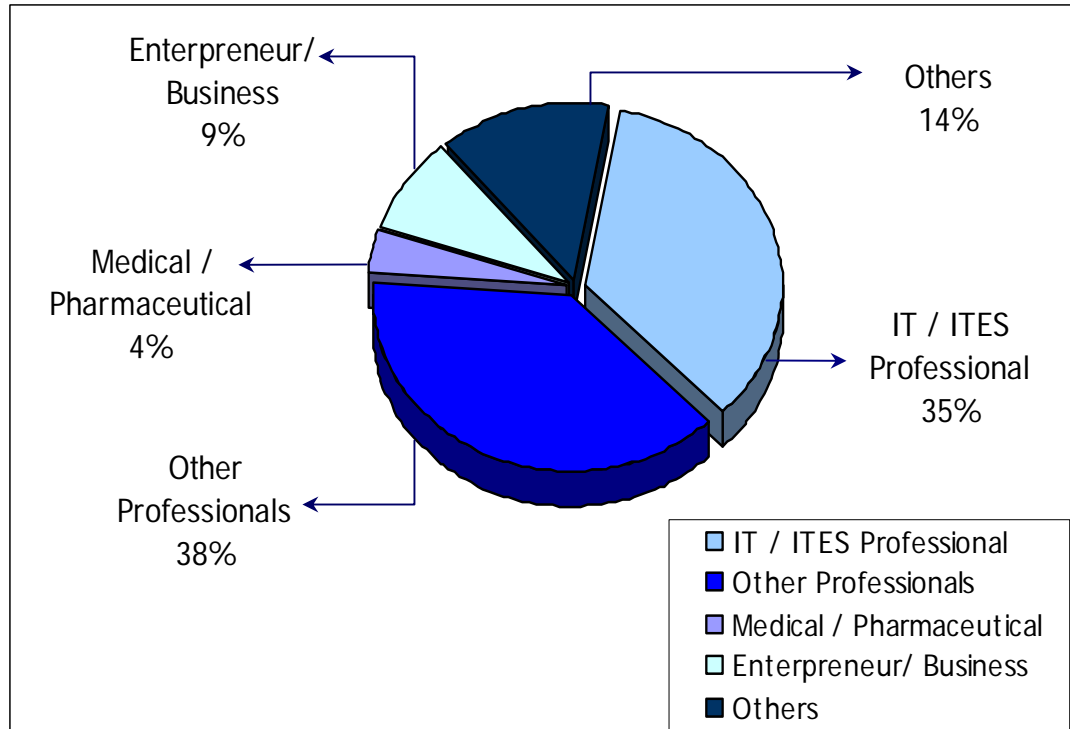
## Sobha stock covered by.

- Morgan Stanley
- CLSA India
- ICICI Securities
- TATA Securities
- Deutsche India Equities
- Religare Capital Markets
- Ambit Capital
- DSP Merrill Lynch
- Enam Securities
- Daiwa Capital markets
- J P Morgan
- KR Choksey
- BNP Paribas
- Kotak Securities
- IIFL (India Info Line)
- Antique Stock Broking Ltd
- Batliwala & Karani Securities
- Goldman Sachs
- Kantilal Chhaganlal Securities Pvt.Ltd
- Jaypee Capital Services

**Sobha – Rs. 1,000 crs Real Estate Company in South India**



## Buyers Profession



Note:

1. Other Professionals includes Manufacturing, Financial Services, Hospitality, Media, Telecom etc
2. Others includes House wife, Retired, Govt. Employees etc

## Bank Funding Position

Customers applied for Bank Loan	58%
Self Funding	42%

Note: The funding position is considered for cumulative sales period from April-10 to 31<sup>st</sup>- May-11.



# Recognition During the Quarter

- Certificate of Recognition for Energy conservation Efforts at the Energy Conservation Conclave organized by the Centre for Sustainable Development by Energy Symposium & Vendors Conclave (ESVC) on 14 May, 2011



Sobha “Annual Report” won the following LACP 2010 Vision Awards:-

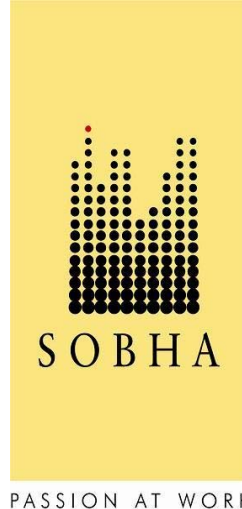
- Silver Award for excellence within industry (Real Estate) World-wide
- Bronze Award for the Best In-House Annual Report in Asia-Pacific Region and
- Ranked #35 in the Top 50 Annual Reports in the Asia-Pacific Region by League of American Communications Professionals (LACP).



Sobha – Rs. 1,000 crs Real Estate Company in South India







# 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.