



SOBHA DEVELOPERS LTD

QUALITY IS THE SUM OF ALL DETAILS



Chrysanthemum-Bangalore



Emerald- Coimbatore



Ruby Platinum - Bangalore



Althea - Bangalore

Investor Presentation

31st March-2011

Performance Highlights FY 10-11

- ❖ Sobha, the first Real Estate company in South India to register over Rs.1000 crs new sales in Residential Space.
- ❖ Achieved Rs.1,464 crs top line -Our best ever performance.
- ❖ Achieved Profit before Tax Rs.244 crs, Up by 52% compared to corresponding period of the last year.
- ❖ Income from Real Estate operations of Rs.1,046 crs compared to Rs.809 crs for the last year, up by 29%.
- ❖ Income from Contractual operations of Rs.410 crs as compared with Rs.305 crs for the last year, up by 34%.
- ❖ Profit after tax is Rs.183 crs as compared to Rs.137 crs for the corresponding period of the last year, an increase by 34%
- ❖ Repaid loan of Rs.643 crs. Net Debt reduced by Rs.191 crs. D/E ratio stands at all time low of 0.64
- ❖ Average interest cost of debt as on 31st Mar-11 is 12.91%.
- ❖ Net borrowings stands at Rs.1,183 crs as compared to Rs.1,374 mns as compared to FY 09-10
- ❖ Generating higher Positive Cash flows every year since last 3 years.



Performance Highlights FY 10-11 (Conti...)

- ❖ Sold 2.78 mn.sft of space during the FY 2010-11. Average realization improved to Rs.4,082 /sq.ft due to improved product mix and higher realization.
- ❖ Launched 4.30 mn.sft during the year 10-11 of 11 projects.
- ❖ Prepared ground work for launch of 11 mn.sft
- ❖ Maintained an operating margin 35% despite increase in input cost.
- ❖ New Contractual orders of about Rs.132crs received during last two quarters other than Infosys.
- ❖ Estimated unbilled value of contractual orders on hand and forth coming projects is about Rs.867 crs.
- ❖ Completed and handed over 36 number of projects aggregating 6.32 mn.sft.
- ❖ Completed 4.12 mn.sft of Residential projects in FY 10-11
- ❖ Sobha has been upgraded to 'BBB-' (Investment Category) by ICRA.



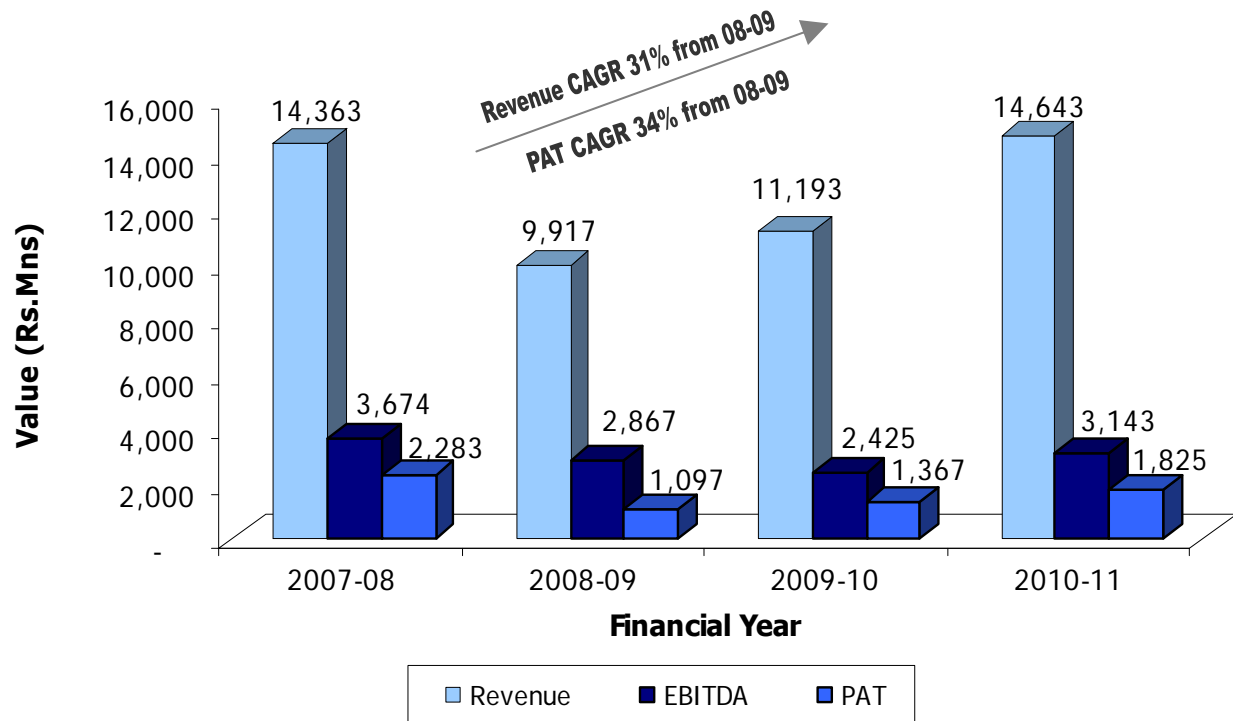
Performance Highlights

Particulars	UOM	FY 10-11	FY 09-10	FY 08-09	FY 07-08
Revenue	Rs.Mns	14,643	11,193	9,917	14,363
EBITDA	Rs.Mns	3,143	2,425	2,868	3,674
PBT	Rs.Mns	2,436	1,603	1,455	2,709
PAT	Rs.Mns	1,825	1,367	1,097	2,283
Net worth	Rs.Mns	18,566	17,085	10,895	9,883
Debt (Net)	Rs.Mns	11,834	13,740	18,911	17,505
D/E Ratio		0.64	0.80	1.74	1.77
Contracts Orders on hand	Mn.sqft	4.05	3.94	3.16	1.67
Real Estate Income	Rs.Mns	10,464	8,024	5,796	8,533
Contractual Income	Rs.Mns	4,097	3,048	3,975	5,830
Sold Area	Mn.sqft	2.78	2.08	0.88	2.84
Cash flow generated	Rs.Mns	4,144	3,278	1,963	(10,565)
Dividend	%	30%	25%	10%	65%
Dividend payout ratio % on Profit	%	15.98%	17.92%	6.65%	20.76%
Book Value per Share	Rs/share	193	174	149	136



Financial Snapshot

REVENUE, EBITDA & PAT



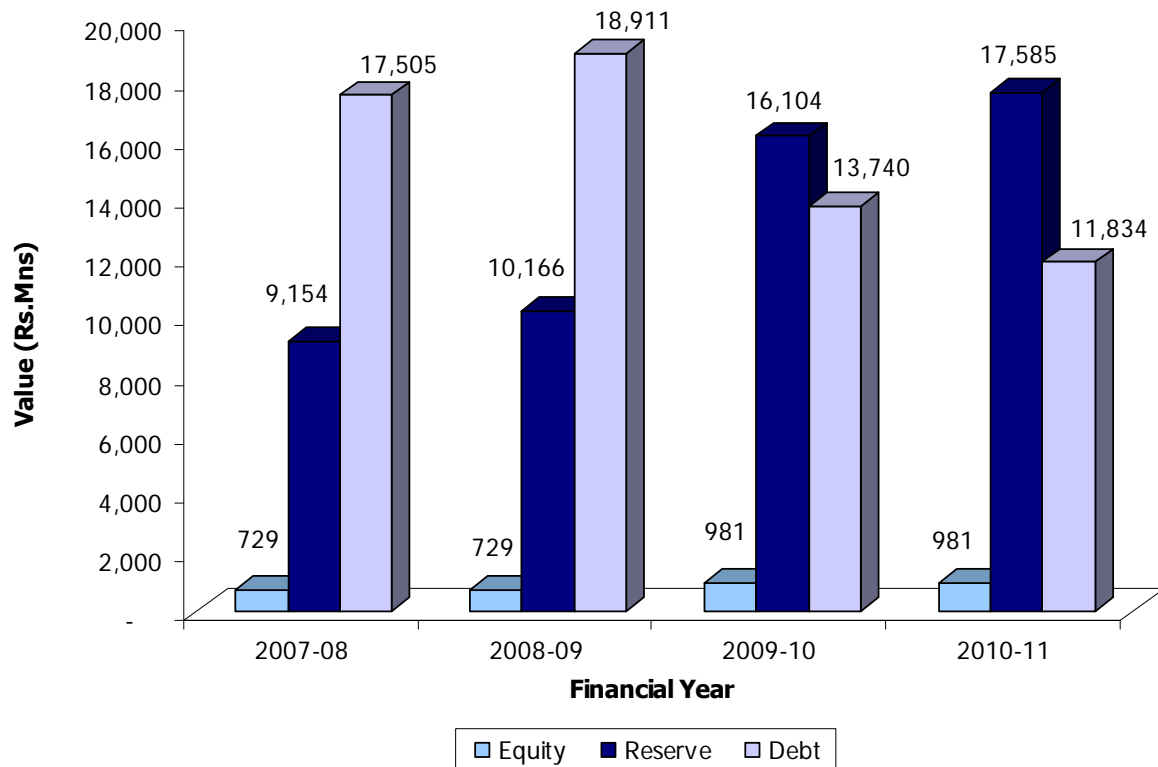
Rs.in Millions

PARTICULARS	FY 10-11	FY 09-10	% growth (Y-Y)
Real Estate Income	10,464	8,092	29% ↑
Contractual Income	4,097	3,048	34% ↑
EBIDTA	3,143	2,425	30% ↑
PBT	2,436	1,603	52% ↑
PAT	1,825	1,367	34% ↑

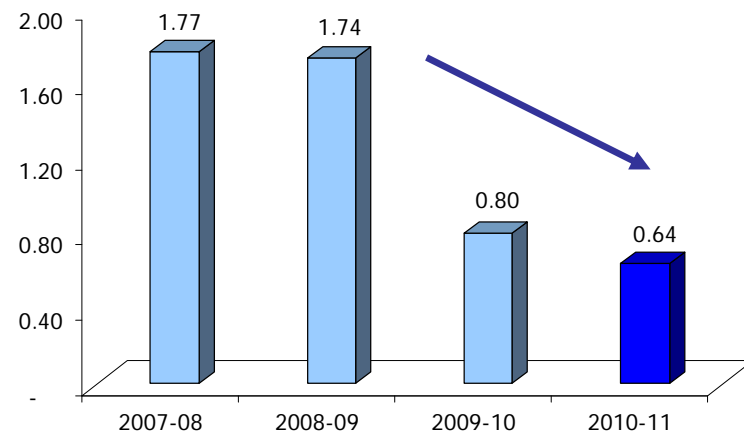
Sobha – Rs. 1,000 crs Real Estate Company in South India



Equity, Reserve, Debt



D/E Ratio



As on 31st March-11

Net Worth : Rs.18,566 mns
Debt (net) : Rs.11,834 mns
D/E ratio : 0.64



Unparallel Execution Strength

➤ Completed Projects:

- ❖ 71 projects aggregating to 18.41 mn.sqft in Real Estate and 191 projects aggregating to 24.27 mn.sqft in Contracts.
- ❖ Totaling **262** projects measuring **42.68 mn.sqft.**

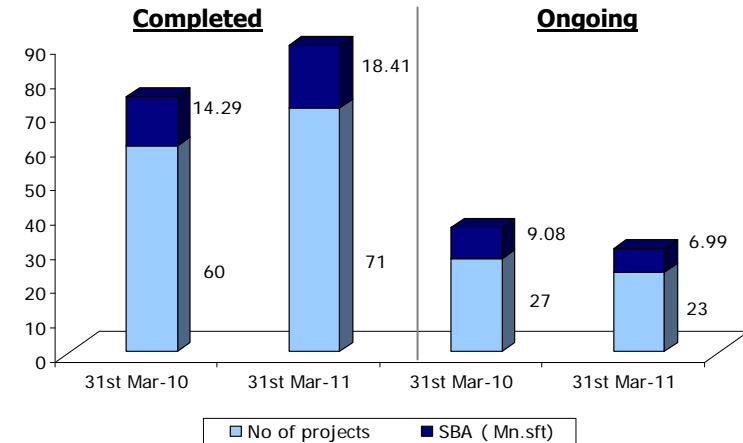
➤ Ongoing Projects:

- ❖ 23 projects aggregating to 6.99 mn.sqft in Real Estate and 38 projects aggregating to 7.42 mn.sqft in Contracts,
- ❖ Totaling **62** projects equaling to **14.41 mn.sqft**

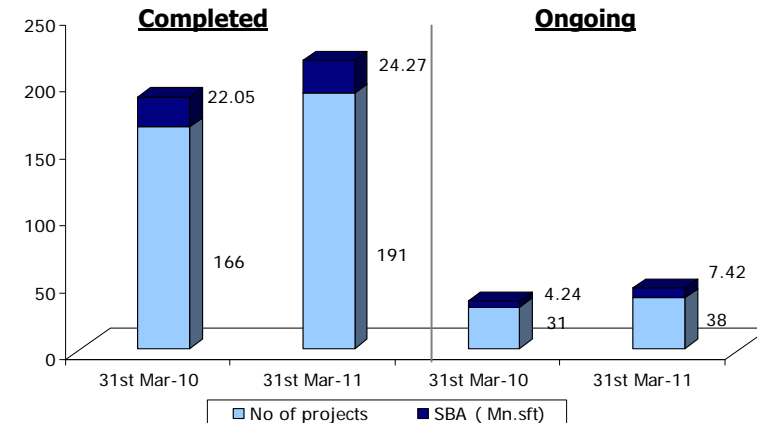
➤ Forthcoming Projects:

- ❖ 15 projects aggregating to 12 mn.sqft in Real Estate and 19 projects aggregating to 4.05 mn.sqft in Contracts,
- ❖ Totaling **34** projects aggregating to **16.05 mn.sqft**

Real Estate



Contracts

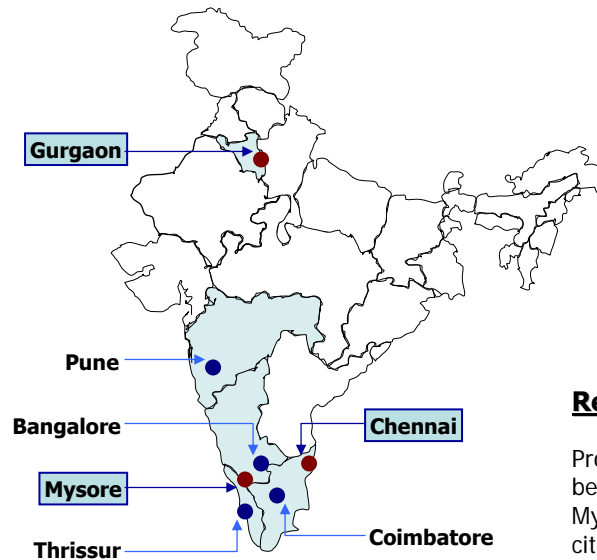


Not many companies have delivered 262 projects aggregating 42.68 mn.sft.



Highlights – Real Estate

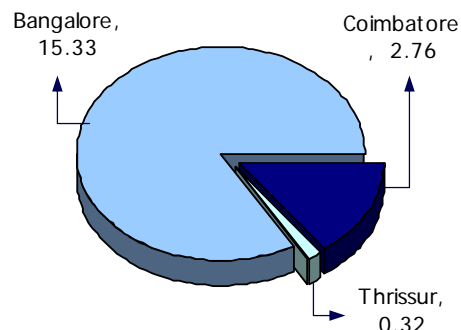
- Completed & handed over 6 projects aggregating 1.91 mn.sft in Q4-11 and 11 projects aggregating 4.12 mn.sft in FY 10-11
- Sold during the quarter : 656,222 sft and Cumulative sales of 2,776,814 sft
- Launched 4.30 mn.sft of area across 4 cities in FY 10-11.
- Average price realization has improved to Rs.4,082 /sft



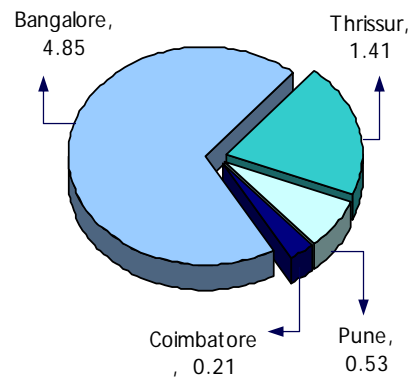
Real Estate Presence

Proposed future launches will be in Gurgaon, Chennai & Mysore, other than existing 4 cities.

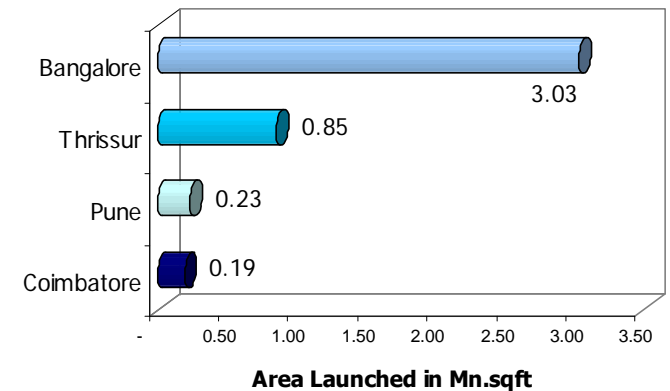
Completed (Mn.sqft)



Ongoing (Mn.sqft)



Projects Launched in FY 10-11



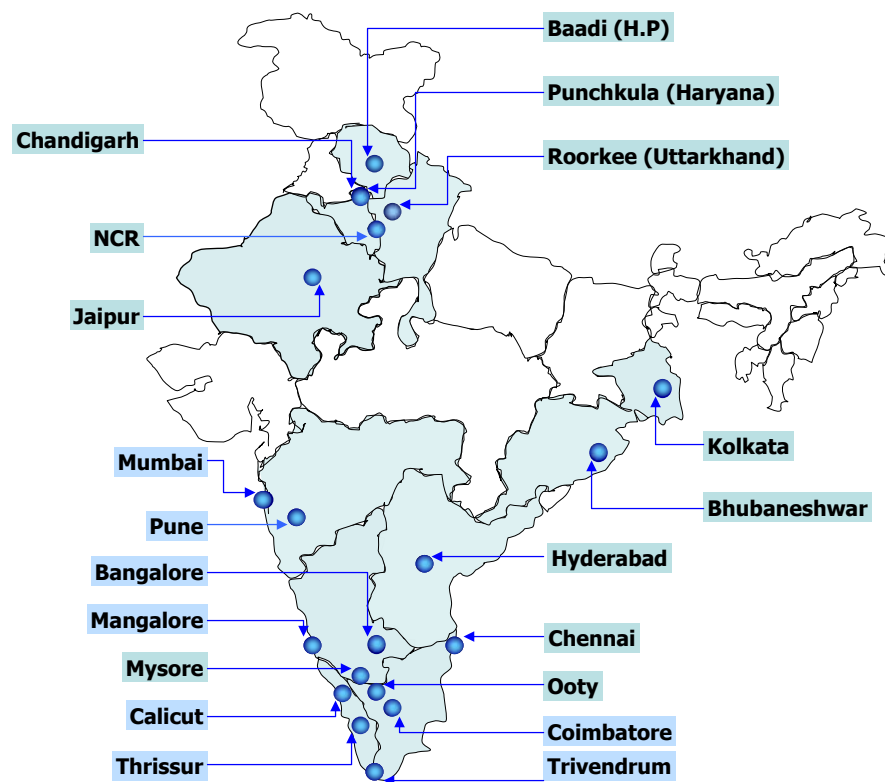
Contracts - Snapshot

Highlights – Contracts

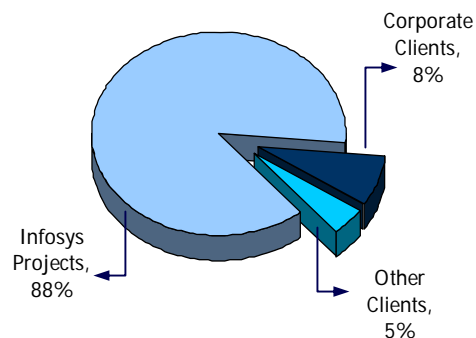
- Completed & handed over 12 projects aggregating 0.84 mn.sft during Q4-11 and 25 projects aggregating 2.20 mn.sft during FY 10-11.
- Added new clients in FY 10-11 other than Infosys, including prestigious clients like
 - ITC
 - Biocon
 - Institute of Public Enterprises (IPE)
 - Robert Bosch
 - GMR
 - Hotel Leela Venture
 - Blue Horizon Hotel and many others.

First time during H2-11, Sobha bagged Contractual orders valued about Rs.132 crs other than Infosys.

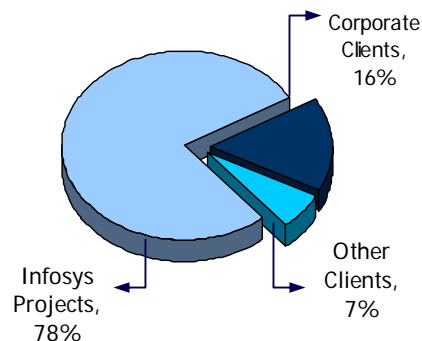
Contractual Projects - Presence across 20 cities and 12 states



Completed



Ongoing



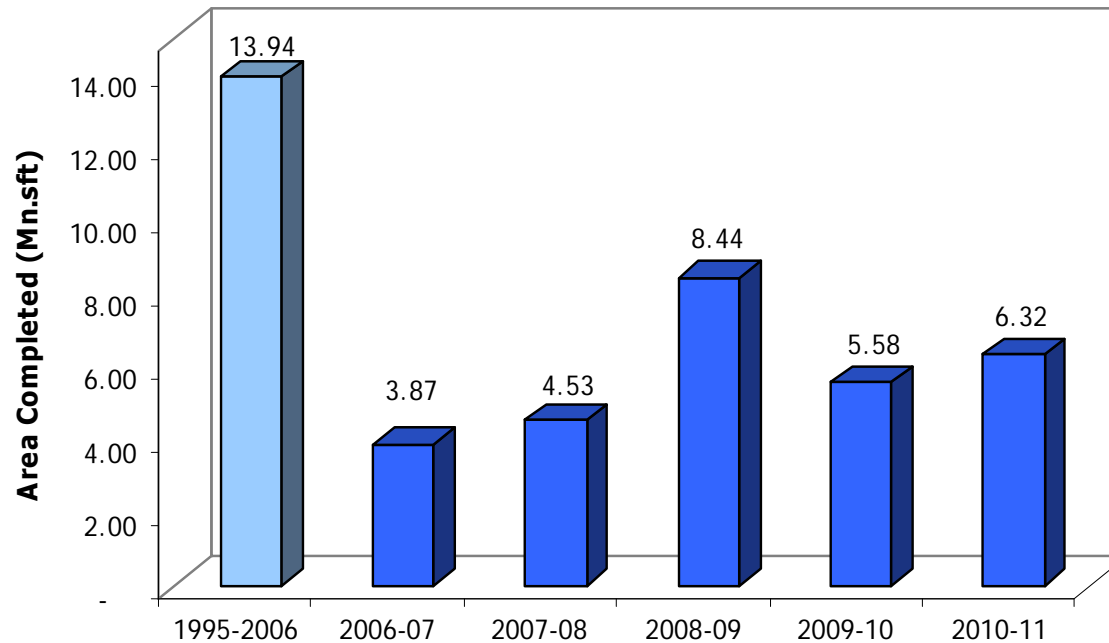
• Corporate Clients includes Dell, HP, Timken, Taj, MICO, Bayer Material Science, HCL, Bharat Forge, ITC, Biocon, IPE, Bosch, GMR, Hotel Leela Ventures etc

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

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



Projects Completed & Handed over



- 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 **28.74 mn.sft in the next 5 years**, which is more than double the execution in the first 11 years.



Projects Completed & Handed Over in FY10-11

Actual Projects Completed & Handed over for FY 10-11

Period	Real Estate		Contracts		Total	
	No of projects	SBA (Mn.sft)	No of projects	SBA (Mn.sft)	No of projects	SBA (Mn.sft)
Q4-11	6	1.91	12	0.84	18	2.75
Q3-11	4	2.11	6	0.43	10	2.54
Q2-11	1	0.10	3	0.65	4	0.75
Q1-11	-	-	4	0.28	4	0.28
Total: FY10-11	11	4.12	25	2.20	36	6.32

- Maintained annual execution of 6mn.sft of area on an average for the past 5 years
- Supported by 2,224 Qualified Management Team and 6,991 Technicians
- Execution presence in 20 cities across India in both real estate and contracts
- Strong Brand Recall in South India



Over Rs.1000crs Real Estate sales during the financial year 2011

Locations	Q4 10-11 : Area sold (Sft)	Q3 10-11 : Area sold (Sft)	Q2 10-11 : Area sold (Sft)	Q1 10-11 : Area sold (Sft)		FY 10-11 : Area Sold (Sft)	FY 09-10 : Area Sold (Sft)	% Growth
Bangalore	542,707	564,075	524,285	482,768		2,113,836	1,356,744	56%
Thrissur	59,662	58,432	167,463	96,748		382,305	266,871	43%
Coimbatore	39,434	26,066	39,396	29,852		134,748	351,959	(62%)
Pune	14,419	56,458	13,534	61,515		145,926	104,839	39%
TOTAL	656,222	705,031	744,678	670,883		2,776,814	2,080,413	33%

- Cumulative sales for the financial year 2010-11 has increased by 33% compared to the previous year.
- Average Price realization for the financial year 10-11 is Rs. 4,082/sft. This price realization is increased about 40% as compared to 2009-10 average realization, due to improved product mix and higher price realization.



Proposed launches in next few quarters

<i>Sl.No</i>	<i>Location</i>	<i>Projects</i>	<i>Type</i>	<i>≈ SBA (Mn.sft)</i>	<i>Status</i>
	<u>Existing Locations</u>				
1	Bangalore	Sobha Signature	Presidential Apartments	0.22	Plan sanctioned
2	Bangalore	Sobha City	Mixed used Residential	2.93	Expected approval by June-11
3	Bangalore	Sobha Pristine	Residential apartments	0.17	Expected approval by July-11
4	Pune	Sobha Carnation - Phase 3	Residential apartments	0.35	Expected approval by June-11
5	Coimbatore	Sobha Ruby	Residential apartments	0.25	Expected approval by June-11
6	Thrissur	Sobha City - Commercial	Commercial-Phase 2	0.25	Plan sanctioned
	<u>New Locations</u>				
7	Mysore	Belavatta Property	Plotted Development	0.22	Plan Sanctioned
8	Chennai	Sobha Sunshine	Residential apartments	0.22	Expected approval by June-11
9	Chennai	Pudupakkam Property	Residential apartments	0.71	Expected approval by June-11
10	Gurgaon, NCR	Township Development	Integrated Township	4.14	Expected approval by June-11
11	Gurgaon, NCR	Group Housing	Residential apartments	1.70	Expected approval by Aug-11
			TOTAL	11.16	

Note: Area details are subject to change



Contractual Projects – An Overview

Contractual Projects status as on 31st Mar-11

S.NO	DESCRIPTION	ONGOING PROJECTS		FORTHCOMING PROJECTS	
		No of Projects	SBA (Sft)	No of Projects	SBA (Sft)
1	Mysore	3	1,615,381	3	476,051
2	Chennai	7	1,386,745	1	294,350
3	Hyderabad	7	1,355,346	1	294,350
4	Pune	3	1,182,377	3	1,300,000
5	Bangalore	11	916,145	2	450,000
6	Mangalore	3	490,383	2	185,040
7	Coimbatore	1	250,000	-	-
8	Trivendrum	2	215,269	2	572,550
9	Ooty	1	13,106	-	-
10	Delhi/NCR	-	-	2	51,860
11	Salem	-	-	1	74,304
	TOTAL	35	7,424,752	19	4,054,155

Note:

- The scope of work varies from Civil, Finishes, MEP, Interiors to Glazing
- The unbilled value on ongoing projects is about Rs. 560 crs
- The estimated value for forthcoming project is about Rs.307 crs



Positive Operational Cash flow

Real Estate Project Cash flow status as on 31st Mar-11

Description	Ongoing Projects	Completed Projects	
Total Super Built-up area	6.99	6.78	Mn.sft
Sobha share of Saleable area	5.98	6.57	Mn.sft
Total area sold till 31 st March-11	3.21	6.30	Mn.sft
Unsold area	2.77	0.27	Mn.sft
Balance construction cost to be spent to complete the entire developments	11,435	782	Rs.Mns
Outstanding receivables + Balance to be billed and collected on sold units	8,136	1,139	Rs.Mns
Sales value of unsold stock	13,636	1,103	Rs.Mns
Positive cash flow available	10,337	1,460	Rs.Mns
Total Cash flow available from the Real Estate projects	11,797		Rs.Mns

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	31 st Mar-11	31 st Mar-10
SOURCES OF FUNDS		
Shareholders' funds		
Share capital	981	981
Reserves and surplus	17,585	16,104
Loan funds		
Secured loans	12,026	14,466
Unsecured loans	84	74
	12,110	14,540
	30,676	31,625
APPLICATION OF FUNDS		
Fixed assets		
Net block	1,373	1,429
Capital work in progress incl. capital advances	668	632
Investments	516	429
Deferred tax asset (net)	74	52
Current assets, loans and advances		
Inventories	9,726	10,174
Sundry debtors	3,914	4,166
Cash and bank balances	275	800
Loans and advances	21,517	20,093
Less: Current liabilities and provisions		
Current liabilities	6,455	5,613
Provisions	932	537
Net current assets	28,045	29,083
	30,676	31,625

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



Profit and Loss Statement

Rs.in Millions

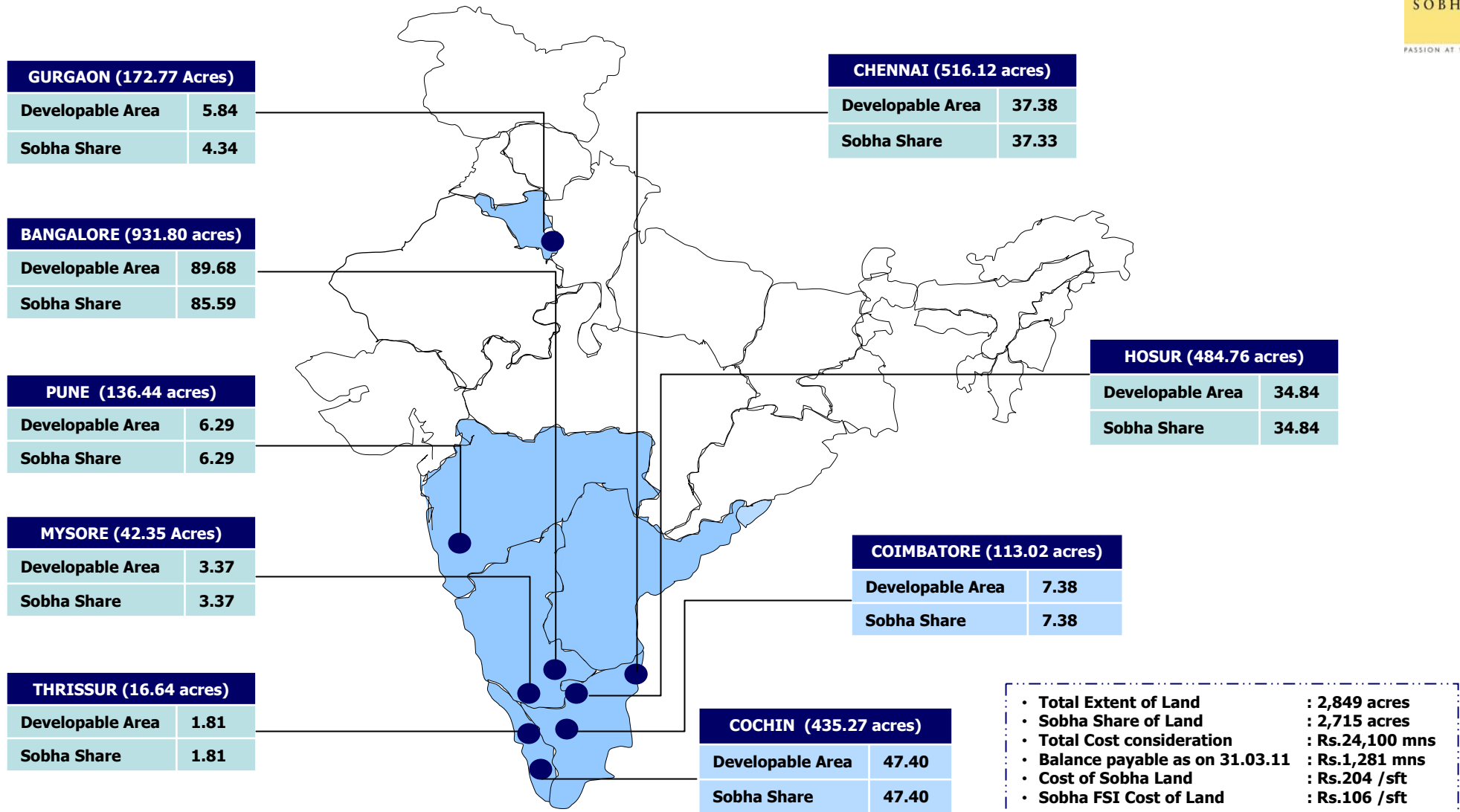
Particulars	Q4-11	Q4-10	FY 10-11	FY 09-10	% of Growth	
					Q4-11 on Q4-10	FY 11 on FY-10
Property Development Incl. Sobha city	2,156	3,060	10,464	8,092	(30%)	29%
Contractual + Manufacturing	1,288	948	4,097	3,048	36%	34%
Other Income	47	23	82	53	102%	55%
Total Revenue	3,491	4,031	14,643	11,193	(13%)	31%
Constn/Mfg Cost	2,385	2,823	10,074	7,734		
Staff/Admn/Selling Cost	387	313	1,426	1,034		
Total Expenditure	2,771	3,136	11,500	8,768		
EBITDA	720	895	3,143	2,425	(20%)	30%
EBIDTA %	21%	22%	21%	22%		
Depreciation	69	77	278	323		
Interest	116	43	429	499		
PBT	535	776	2,436	1,603	(31%)	52%
PBT %	15%	19%	17%	14%		
Provision for Tax	133	219	611	236		
PAT	402	556	1,825	1,367	(28%)	34%
PAT %	12%	14%	12%	12%		
EPS (Basic & Diluted) (Rs)	4.10	5.67	18.61	13.94		

Note: Numbers regrouped reclassified wherever necessary

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



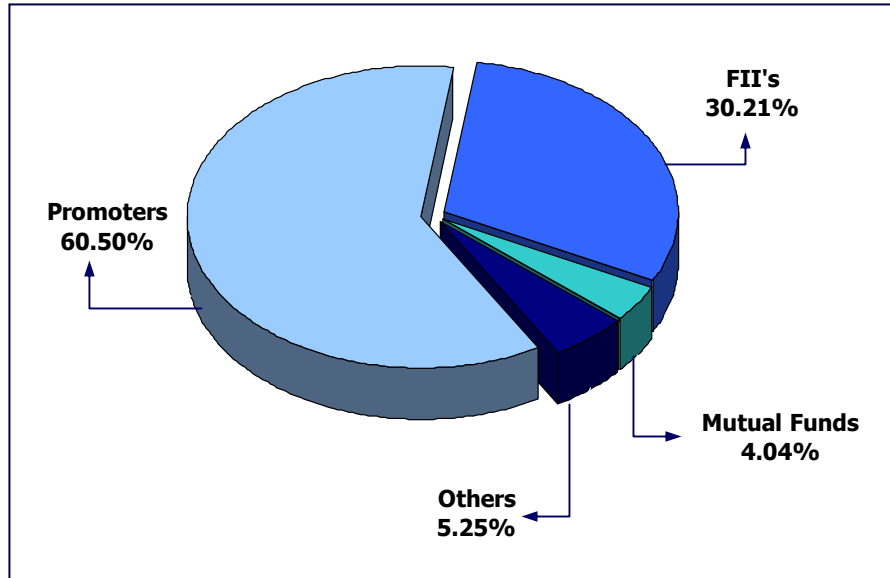
Land Bank – Development Potential



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



Sobha – Shareholding Pattern



- Promoters Holding : 60.50 %
- FII's : 30.21 %
- Mutual Fund : 4.04 %
- Others : 5.25 %

	31 st Mar-11	31 st Dec-10	30 th Sept-10	30 th June 10	31 st Mar 10
Promoters Holding	60.50%	60.50%	60.50%	60.50%	60.50%
FII's	30.21%	29.65%	26.96%	24.34%	23.19%
Mutual Fund	4.04%	4.78%	7.77%	9.06%	9.77%
Others	5.25%	5.07%	4.77%	6.09%	6.54%

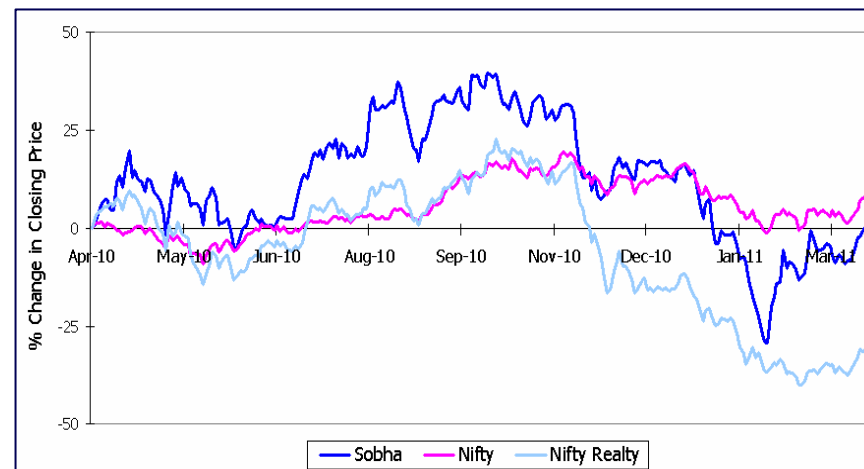


Sobha – Stock Performance

Status as on: 31st Mar- 11

No. of Shares	98.06 mns
Market Capitalization	Rs. 28.78 bn
Stock Price : 52 week High / Low	Rs.394 / Rs.199
Avg. Daily volume (12 months)	283,781 Shares

Source : NSE & BSE index



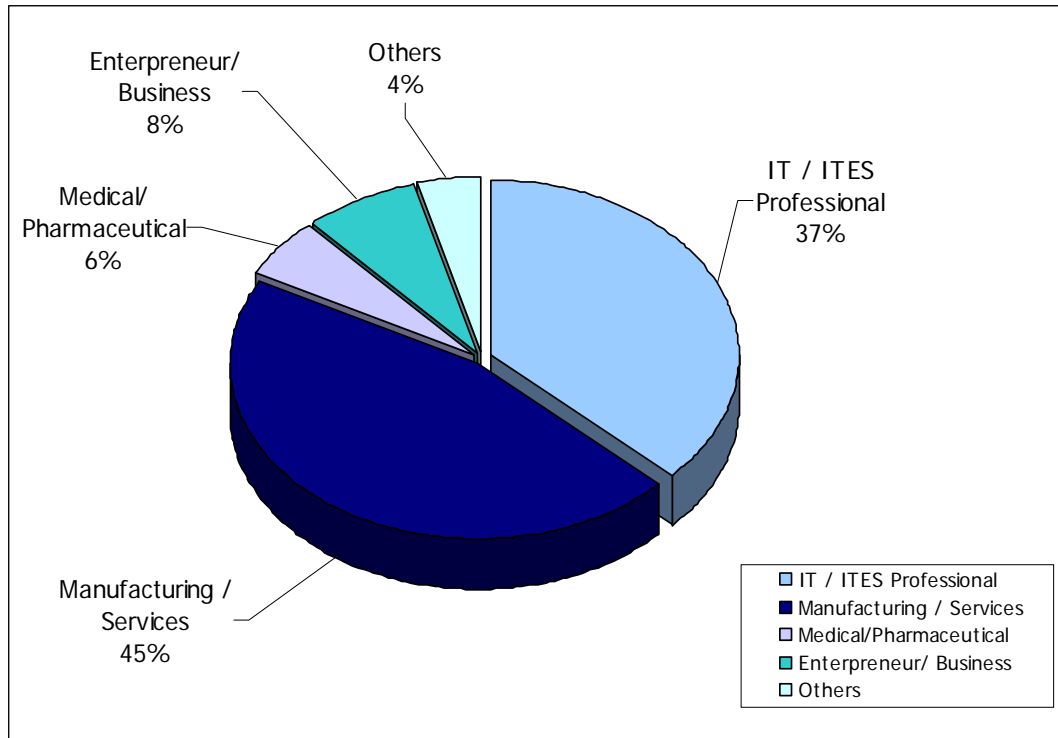
Sobha stock covered by.

- Morgan Stanley
- CLSA India
- Edelweiss
- Credit Suisse
- Deutsche India Equities
- Religare Capital Markets
- Ambit Capital
- Bank of America & Merrill Lynch
- Enam Securities
- Daiwa Capital markets
- ICICI Securities
- J P Morgan
- KR Choksey
- BNP Paribas
- IIFL
- Antique Stock Broking Ltd
- Batliwala & Karani Securities
- Goldman Sachs
- Kantilal Chhaganlal Securities Pvt.Ltd
- Alchemy Research

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



Buyers Profession



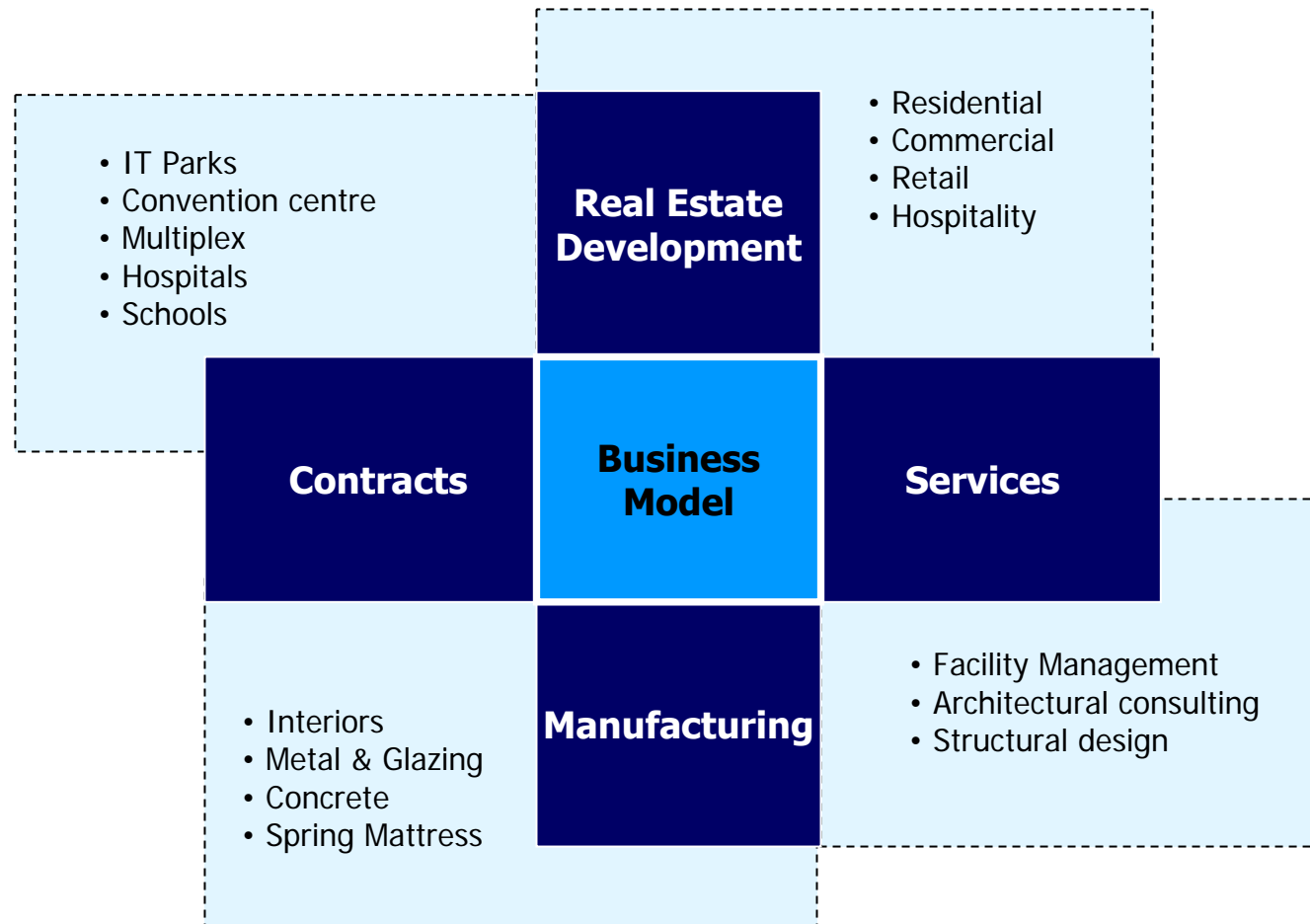
Bank Funding Position

Customers applied for Bank Loan	58%
Self Funding	42%

Note: The funding position is considered for cumulative sales period from April-10 to December-10. Last 3 months booking not considered



Fully Integrated Business Model



Sobha's USP is to provide integrated real estate management solutions on a turnkey basis

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



Interiors and Furnishing Division (Including Spring Mattress Division)

Factory Area	0.85 Mn Sft	Turnover 09-10	Rs.508 Mns
Work Force	650	Turnover 10-11	Rs.557 Mns

FEATURES	PRODUCTS
<ul style="list-style-type: none"> ➤ Largest wood working / joinery facility in India. ➤ Three highly mechanized factory with total floor area of 3,75,000 Sft. located at Bommasandra, Bangalore. ➤ First retail product of Sobha, named as "SOBHA RESTOPLUS". Leading manufactures of World Class spring mattress. ➤ State of the Art Factory with Imported Machineries from Spain, Italy, Germany, Belgium 	<ul style="list-style-type: none"> ➤ Solid wood veneer paneled doors and MDF paneled doors ➤ Customized joinery works like Paneling, partitions, Tables etc ➤ Loose furniture like Chairs, Sofas, Cots and Modular Kitchens etc. ➤ Customized Spring Mattress <p><u>CLIENTS</u></p> <ul style="list-style-type: none"> ➤ Infosys Technologies Ltd ➤ Corporate clients like HP, Accenture, HCL, MICO, Leela Venture and many others. ➤ Ginger Hotels, Zuri Hotels and Resorts, The Royale Senate Hotel, Sterling Mac Hotels



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



Sobha Glazing & Metal Division

Factory Area	0.30 Mn Sft	Turnover 09-10	Rs.653 Mns
Work Force	607	Turnover 10-11	Rs.625 Mns

FEATURES	PRODUCTS
<ul style="list-style-type: none"> ➤ Largest metal & glazing factory in India, spread across 7.3 acres of land with the factory covered area of 1,20,000 sq.ft ➤ Equipped with advanced machineries like CNC profile cutting machine, TIG welding machines, ACP routing machine, Milling machines etc etc., ➤ First of its kind in the industry for its style of operations and the quality of work 	<ul style="list-style-type: none"> ➤ Structural Glazing Works ➤ MS & SS metal fabrications ➤ Conventional curtain wall Glazing works ➤ Aluminum composite panels, windows and doors. <p style="text-align: center;"><u>CLIENTS</u></p> <ul style="list-style-type: none"> ➤ Infosys Technologies Ltd., Gold Plus Glass Industries, Magna Warehousing, Glass Tech Industries, Contel, HCL Technologies etc.,



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



Sobha Concrete Product Division

Factory Area	0.35 Mn Sft	Turnover 09-10	Rs.150 Mns
Work Force	105	Turnover 10-11	Rs.161 Mna

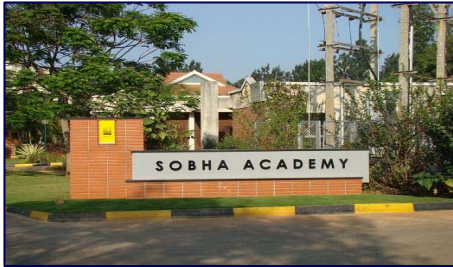
FEATURES	PRODUCTS
<ul style="list-style-type: none"> ❖ Fully Automated production and control facility by using remote controlling systems. ❖ Imported Technologies from Germany (Masa Plant) and England. ❖ No Human Touch from Production to Loading. ❖ Products are high compressive strength, precise dimensions as par with the Indian Standards. ❖ Production capacity of 28,000 nos of Blocks/ day or 20mn nos of Landscaping products. 	<ul style="list-style-type: none"> ❖ Hollow, Solid Blocks (4", 6" & 8") and Lintel Blocks. ❖ Kerb Stones & Bull Nose Kerb ❖ Dish Channels & Bar face ❖ Drainage Covers ❖ Paving Slabs <p style="text-align: center;"><u>CLIENTS</u></p> <ul style="list-style-type: none"> ❖ Infosys, Shapoorji, Jain Structures, B L Kashyap, Adarsh group, Galaxy, JMC projects, Realty homes, Maya ventures, Windsor, Ashok Infrastructures etc...



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



Superior Internal Process



Sobha Training Academy



Imported German Tools



Mini Batching Plant

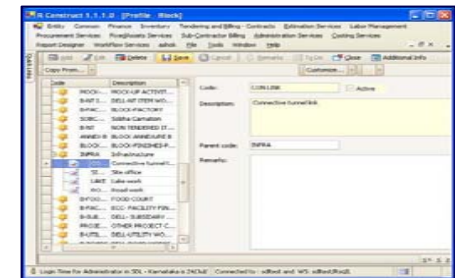
- Continuous training to the Engineers and Tradesmen from Sobha Training Academy
- International Quality Standards at execution (IS & DIN – Germany)
- Imported German tools and supervision for fine detailing and workmanship
- Web based Quality rating system for all the Sobha Projects for bringing International Quality homes
- Continuous focus on Integration and Automation of projects by using latest technologies and machineries
- R&D and Value Engineering teams are established to improve and update the latest Construction Technologies and innovative ideas at execution
- Well defined Technical and Process manuals
- Centralized Planning team
- Customized ERP system for enabling controlled and fastest working culture in the entire organization



Quality check at site



Training by German staffs



Sobha ERP – 'R' Construct

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



Recognition During the year (Projects Level)



Sobha DAFFODIL, Bangalore

- Sobha Daffodil bagged **Best Residential property more than 5 lakh sq.ft** from **CNBC AWAAZ – CRISIL – CREDAI Real Estate Awards 2010** on Mar-11

Infosys FOOD COURT-3, Pune

- Sobha bagged **AESA** (Architects, Engineers & Surveyors Association) **Best Building Award** under Non-Residential Category on March-11.
- Also received “**Best of the Best**” for the well built structure for Construction of **Infosys FOOD COURT-3**, Hinjewadi, Pune from **Builders Association of India** on Dec -10



Infosys GLOBAL EDUCATION CENTRE-2, Mysore



- Sobha bagged achievement award for **Best Project (Building)** for “Infosys GEC-2” from **Construction Industry Development Council (CIDC)** on Mar-11
- Sobha received ‘**AECTECH**’ award for **Excellence in Commercial Segment (Interior Design)** for “Infosys GEC II” from **Economic Times** on Nov-10
- Also received **Birla Super Endowment Award** for **Outstanding Concrete Structure of Karnataka** for “Infosys GEC II” from **Indian Concrete Institute** on Sept-10



Recognition During the year (Corporate Level)

- **Best Use of Public Relations** by Private Sector Entity – Corporate Level from **'Exchange4media'** on Mar-11
- **PRCI Gold Awards** for “In House Journal” and “CSR Photo-Book” from **Public Relations Council of India (PRCI)** on Mar-11

- **Lifetime Achiever's Award** to Mr. PNC Menon, Chairman & Founder of Sobha Developers, for Outstanding Contribution to Real Estate Sector from Realty Plus on Feb-11
- **Pathfinder's Award** to Mr. J C Sharma, Managing Director, Sobha Developers for the most Enterprising CEO from Realty Plus on Feb-11



Sobha bagged '**CW & ARCHITECT BUILDERS AWARD 2010**' by Construction World for the year 2010, for being among **India's Top 10 Builders**, on Aug-10



Sobha received PUBLIC RELATION COUNCIL INDIA AWARD – 2010 - **PRCI Gold Award** for “Newsletter”, **PRCI Silver Award** for “Annual Report” and **PRCI Bronze Award** for “Corporate Brochure”, on July-10



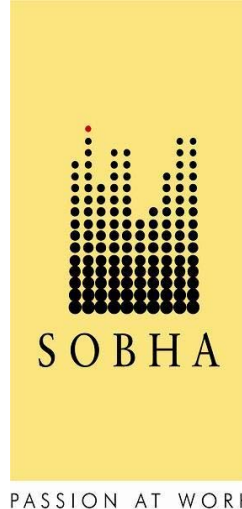
“**The Best Real Estate Developer for IT Infrastructure-2010**” by Construction Source India on May 2010

“**The Best Contractor – working with Safety practices** at site by Bayer's Material Technology services, on April-10



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.