
Puravankara Projects First Half Profits At Rs 112.37 crores

Bangalore, 31 October 2008

The Puravankara Projects consolidated net profit for the half year ended 30 September 2008 of Rs 112.37 crores was up 8% over the corresponding period last year. Income for the first half of the current year was Rs 296.94 crores representing an increase of 14% compared with last year. The consolidated net profit for the quarter ended 30 September 2008 was Rs 50.47 crores against a profit of Rs 60.21 crores last year. Income for the current quarter stood at Rs 139.37 crores compared with Rs 141.01 crores in the previous year.

The net profit margin for the half year ended 30 September 2008 was an impressive 37.84% on the back of a robust gross profit margin of over 45%. The net profit margin for the current quarter stood at over 36%. Selling expenses in the quarter increased sharply to Rs 8.23 crores due to one-off launch advertisement costs. Consequently selling, general and administrative expenses in the quarter have increased to 11.18% of revenues.

The area currently under development is 20.08 million sq. ft. with projects spread across Bangalore, Chennai, Hyderabad, Cochin, Mysore and Kolkata. There are 16 on-going residential projects and 5 commercial projects currently under development.

The current land bank has recently been further augmented through land acquisitions in the cities of Chennai, Hyderabad and Bangalore and currently stands at 126.91 million sq. ft. of developable area.

The Group's relatively strong balance sheet and liquidity is underlined by its comfortable debt to equity ratio of 0.58 and a relatively modest net debt of Rs 768 crores, disbursed by a diverse set of financial institutions, as at 30 September 2008.

Commenting on the results Mr. Ravi Puravankara, Chairman and Managing Director, said "We have had a good quarter in the face of increasingly difficult market conditions and an overall tightening of the economy. The medium to long-term prospects of the Group, especially with the planned launch of projects in the affordable housing segment, is comfortable given our market positioning, asset base and financial position. The current scenario is challenging with customers essentially preferring to hold their home purchases in the present economic environment. Despite the difficult environment we have maintained our high profit margins this quarter in the face of cost and price pressures."