
Puravankara Projects Q3 Net Profit Up 75%

Bangalore, 29 January 2010

The Puravankara Projects consolidated net profit for the quarter ended 31 December 2009 was up 75% over the corresponding quarter last year at Rs 30.49 crores. The consolidated net profit for the nine months ended 31 December 2009 was Rs 101.59 crores with income for this period at Rs 355.55 crores.

The net profit margin for the quarter ended 31 December 2009 was 42% on the back of a robust gross profit margin of 54%. The margins in the current quarter have been boosted due to a rise in the prices of finished homes sold during the quarter and a lowering of the estimated costs to completion of certain projects. The consolidated results this quarter include a modest revenue contribution from the affordable housing segment which is expected to increase in the coming quarters. Net profit margins for the nine months ended 31 December 2009 stood at 29%.

The first two projects of Provident Housing, the 100% affordable housing subsidiary of Puravankara Projects Limited, have a total of 5,534 homes covering an area of 5.69 million sft. The first project in Chennai, Provident CosmoCity, measures 2.23 million sft. and comprises 2,174 apartments. Provident's second project, Provident Welworth City in Bangalore, is a 3.46 million sft township with 3,360 apartments and includes over 0.2 million sft of retail space. The price range of homes in these two projects is between Rs 15 lakhs and Rs 20 lakhs.

The sales at the two Provident Housing projects have been particularly encouraging. On-going sales trends in these two Provident projects continue to be robust and most encouraging.

The area currently under development by the Puravankara Group is 19.13 million sq. ft. with projects spread across Bangalore, Chennai, Hyderabad, Cochin and Kolkata. There are 15 on-going residential projects, 13 of Puravankara Projects and 2 of Provident Housing.

The current land bank has been recently further augmented through land acquisitions in Coimbatore and currently stands at 125.39 million sq. ft. of developable area.

The Group's relatively strong financial position and liquidity is underlined by its comfortable debt to equity ratio of 0.51 and a relatively modest net debt of Rs 751.38 crores as at 31 December 2009.

Commenting on the results Mr. Ravi Puravankara, Chairman and Managing Director, said, "We are encouraged by recent buoyant market trends and consequently plan to launch large projects in the premium segment in Chennai, Cochin and Bangalore. These projects are slated for launch in the coming two to three quarters. Our affordable housing subsidiary, Provident Housing, is the market leader in the Country. Here too we have plans to launch projects in the current year. Our medium to long-term prospects look particularly bright considering the marked improvement in market conditions and the number of projects we expect to launch across all housing segments in the near future."