SOBHA

PASSION AT WORK

October 03, 2013

To,

The Deputy Manager Department of Corporate Services, The Bombay Stock Exchange Limited Floor 25, P.J Towers, Dalal Street, Mumbai – 400 001 **Scrip Code: 532784**	The Manager National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 **Scrip Code: SOBHA**

Dear Sir / Madam,

Sub: Real Estate Operations Update for the quarter and half year ended September 30, 2013

With reference to the above captioned subject, please find enclosed a statement containing an update on the real estate operations of the Company for the quarter and half year ended September 30, 2013.

We request you to kindly take the aforesaid information on record for dissemination through your website.

Thanking you.

Yours sincerely,

FOR SOBHA DEVELOPERS LIMITED

KISHORE KAYARAT
COMPANY SECRETARY AND COMPLIANCE OFFICER

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SOBHA DEVELOPERS LIMITED

REAL ESTATE OPERATIONAL PERFORMANCE UPDATE FOR Q2 OF FY 2013 - 14

During the second quarter of 2013-14, the continued slowdown in GDP growth, rising inflation, steep depreciation of Indian Rupee and volatility in the stock markets contributed to the worsening economic climate in the country. The interest rates, contrary to general expectations hardened with the recent increase in repo rates by Reserve Bank of India. The Indian economy growing below 5% levels remains a cause of concern. The slowdown in economy along with steep depreciation of currencies in the emerging economies led to wide spread coverage of the negative factors affecting the economy resulting in a lower demand in the real estate sector.

Sobha had at the beginning of the fiscal set a guidance of new sales area of 4.20 Million Square Feet valued at ₹ 26 Billion for the current fiscal. At the end of first half of FY 2014, the Company looks poised to achieve the target, having registered new sales area of 1.92 Million Square Feet valued at ₹ 12.35 Billion.

We are pleased to inform you that for the quarter ended September 30, 2013, we have sold 1 Million Square Feet of new space valued at ₹ 6.32 Billion at an average price realisation of ₹ 6,304 Per Square Feet. The Company's strategy to diversify into newer markets backed by a consistent launch pipeline has yielded positive results.

Since our last quarterly update, we have launched *Sobha Palladian* (a 100 % FDI compliant Project through Sobha Highrise Ventures Private Limited, a joint venture between Sobha Developers Limited and Sun Area Property Partners) in Bangalore having a Total Saleable Area of 551,633 Square Feet and *Sobha Bella Encosta* in Kozhikode having a Total Saleable Area of 580,354 Square Feet aggregating to a total Saleable Area of 1,131,987 Square Feet of new launches. The new launches have evoked positive response from the customers.

Despite the headwinds faced by the sector, our core market, Bangalore continued to perform credibly. With 0.67 Million Square Feet of new space sold during the quarter, Bangalore recorded a growth of 12% sequentially and 14 % QOQ.

Sobha Developers Ltd. Bangalore

The Company's entry into Kozhikode in Kerala has also met with a positive response; supported by increased buying from the NRI community. Kerala has emerged as one of the fastest growing markets for the Company. The performance of other markets in which we operate has also been stable. The Company ensures that high quality products are delivered across the markets through its robust backward integration model.

During the quarter, ICRA Limited has upgraded the long-term rating of the Company from ICRA BBB+ to ICRA A- for the various facilities availed by the Company.

The summarised real estate performance for the half year ended September 30, 2013 of the financial year 2013-14 is given as under:

New Sales:

In Square Feet

Location	Q2-14	Q2-13	Q1-14	H1-14	H1 – 13	FY – 13
Bangalore	674,622	590,438	603,055	1,277,677	1,110,519	2,384,364
NCR	30,892	137,600	36,255	67,147	273,321	509,151
Chennai	86,869	42,323	99,963	186,832	114,406	288,132
Pune	12,716	38,621	22,912	35,628	69,259	137,708
Thrissur	103,270	118,306	149,194	252,464	162,402	343,843
Coimbatore	15,871	10,631	-	15,871	36,637	63,371
Kozhikode	56,661	-	-	56,661	-	-
Mysore	22,128	8,209	9,300	31,428	15,184	29,080
TOTAL	**1,003,029**	**946,128**	**920,679**	**1,923,708**	**1,781,728**	**3,755,649**

The Company is pleased to inform that the new sales in area achieved during H1 14 have increased by 8% YOY. The Company recorded a growth of 9% on new sales sequentially and 6% QOQ.

Sobha Developers Ltd. ★ Bangalore ★

Price Realisation:

Particulars	Q2-14	Q2-13	Q1-14	H1-14	H1 - 13	FY - 13
Sale Value (₹ Million)	6,323	5,274	6,028	12,351	10,068	22,145
Average Price Realisation (₹ / Square Feet)	6,304	5,575	6,548	6,420	5,651	5,897

The new sales value achieved during H1 14 have increased by 23% YOY. The increase in new sales value is 20% QOQ and 5% sequentially. The sales realisation has gone up by 14% compared to H1 13 and 13% compared to Q2 13.

At the half way mark, despite the existing macroeconomic uncertainties of GDP growth, interest rates and inflation, the Company remains hopeful in achieving its guidance for the current fiscal.

Investor Contact Details:

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Disclaimer: The information in this update contains certain forward-looking statements. These include statements regarding outlook on future development schedules, business plans and expectations of capital expenditure. 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.

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