



PASSION AT WORK

October 22, 2010

To,

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

Dear Sir/ Madam,

Sub: Outcome of Board Meeting

This is to inform that the Board of Directors of the Company at their meeting held today took on record the un-audited financial results for the quarter and half year ended 30th September 2010.

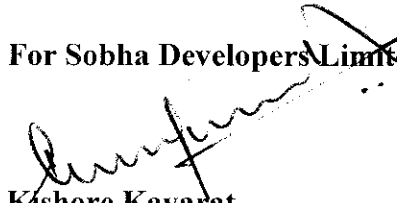
In this connection, please find enclosed herewith the Financial Advertisement in terms of Clause 41 of the Listing Agreement and also the Press Release the Company intends to disseminate through the media.

Kindly take the aforesaid information on record and oblige.

Thanking you.

Yours sincerely,

For Sobha Developers Limited


Kishore Kayarat
Company Secretary and Compliance Officer

SOBHA DEVELOPERS LTD.

REGD. OFFICE : E-106, SUNRISE CHAMBERS, 22, ULSOOR ROAD, BANGALORE -560 042 INDIA TEL : 25597260, 25594139, 25550695, FAX : 25594138

SOBHA DEVELOPERS LIMITED

Regd. Office: E-106, Sunrise Chambers, 22, Ulsoor Road, Bangalore - 560 042

Unaudited financial results for the quarter ended on September 30, 2010
(Rs. in million)

	Particulars	Quarter ended 30. 09. 2010 [Unaudited]	Quarter ended 30. 09. 2009 [Unaudited]	Six months ended on 30. 09. 2010	Six months ended on 30. 09. 2009 [Unaudited]	Previous accounting year ended 31. 03. 2010
1	Net sales/Income from operations	4,257	2,236	7,413	4,007	11,072
2	Share of profits in a partnership firm ['Subsidiary']	51	17	75	32	68
3	Total operating income (1+2)	4,308	2,253	7,488	4,039	11,140
4	Expenditure	765	(8)	108	(241)	306
	(a) (Increase)/decrease in stock in trade and work in progress	163	26	1,122	130	1,464
	(b) Land purchase cost	1,656	1,208	3,232	2,278	4,726
	(c) Consumption of materials and construction cost	273	189	523	352	768
	(d) Employee cost	69	82	136	164	323
	(e) Depreciation / amortisation	480	348	935	630	1,503
	(f) Other expenditure	3,406	1,845	6,056	3,313	9,090
	Total	3,406	1,845	6,056	3,313	9,090
5	Profit from operations before other income, interest and exceptional items (3-4)	902	408	1,432	726	2,050
6	Other income	5	10	15	14	45
7	Profit before interest and exceptional items (5+6)	907	418	1,447	740	2,095
8	Interest (net)	109	143	214	338	492
9	Profit after interest but before exceptional items (7-8)	798	275	1,233	402	1,603
10	Exceptional items	-	-	-	-	-
11	Profit from ordinary activities before tax (9+10)	798	275	1,233	402	1,603
12	Tax expenses	229	43	320	63	261
	- Current tax	(20)	(8)	(23)	(10)	(21)
	- Deferred tax	-	(1)	-	-	-
	- Fringe benefits tax	-	(34)	4	(53)	(4)
	- MAT credit utilisation/ (entitlement)	-	-	-	-	-
13	Net profit from ordinary activities after tax (11-12)	589	275	932	402	1,367
14	Extraordinary items (net of tax expenses)	-	-	-	-	-
15	Net profit for the period (13-14)	589	275	932	402	1,367
16	Paid-up equity share capital (Face value per share - Rs.10)	981	981	981	981	981
17	Reserves excluding revaluation reserves as per balance sheet	-	-	17,036	-	16,104
18	Earnings Per Share (EPS) - (Rs.)	6.01	2.82	9.50	4.71	14.91
	a) Basic and diluted EPS before extraordinary items	6.01	2.82	9.50	4.71	14.91
	b) Basic and diluted EPS after extraordinary items	6.01	2.82	9.50	4.71	14.91
19	Public shareholding	-	-	38,687,488	34,642,488	38,642,488
	- Number of equity shares	-	-	39.45%	35.33%	39.41%
	- Percentage of shareholding	-	-	-	-	-
20	Promoters and promoter group shareholding	-	-	-	-	-
	a) Pledged/encumbered	-	-	10,700,000	10,700,000	10,700,000
	- Number of shares	-	-	18.02%	16.87%	18.01%
	- Percentage of shares (as a % of the total shareholding of promoter and	-	-	10.91%	10.91%	10.91%
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
	b) Non-encumbered	-	-	48,676,380	52,721,380	48,721,380
	- Number of shares	-	-	81.98%	83.13%	81.99%
	- Percentage of shares (as a % of the total shareholding of promoter and	-	-	49.64%	53.76%	49.68%
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-

Notes :

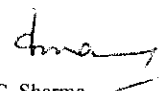
(1) Statement of assets and liabilities

Particulars	(Rs. in million)	
	As at 30.09.2010 [Unaudited]	As at 31.03.2010 [Audited]
Shareholders' funds		
(a) Capital	981	981
(b) Reserves and surplus	17,036	16,104
Loan funds	12,675	14,540
Total	30,692	31,625
Fixed assets (net)	1,953	2,061
Investments	604	429
Deferred tax asset (net)	75	52
Current Assets, loans and advances		
(a) Inventories	10,123	10,174
(b) Sundry debtors	3,832	4,166
(c) Cash and bank balances	227	800
(d) Loans and advances	20,916	20,093
Less : Current liabilities and provisions		
(a) Liabilities	6,415	5,613
(b) Provisions	623	537
Total	30,692	31,625

- (2) There was 1 complaint pending to be resolved/ replied at the beginning of the quarter. The Company had not received any complaints from investors during the quarter and 1 complaint was resolved/ replied during the quarter. There were no complaints pending to be resolved/ replied at the end of the quarter.
- (3) As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided under Accounting Standard 17 'Segment Reporting'.
- (4) Securities and Exchange Board of India has prescribed for disclosure of a statement of assets and liabilities as at the end of the half-year, effective April 5, 2010 and as such, disclosure of statement of assets and liabilities as at the end of the corresponding half-year of last year has not been made.
- (5) The figures of the previous year/ periods have been regrouped/ reclassified, wherever necessary.

Bengaluru, India
October 22, 2010

For and on behalf of the
Board of Directors


J. C. Sharma
Managing Director



Press Release
For immediate publication

**SOBHA DEVELOPERS LIMITED ANNOUNCES FINANCIAL RESULTS FOR
Q2 of FY 2010 – 11**

Highlights of Q2 FY 2010-11:

- Revenues at Rs.4,313 Millions, Up 91% from Q2 FY 2009-10
- PAT at Rs. 589 Million, Up 114% from Q2 FY 2009-10
- Revenues at Rs.7,503 Millions, Up 85% from H1 FY 2009-10
- PAT at Rs. 932 Million, Up 132% from H1 FY 2009-10
- Sold 744,678 Sq. Ft. in Q2 FY 2010-11, volume up 90 % from Q2 FY 2009-10
- Launched two Projects - Sobha Classic in Bangalore and Sobha Turquoise in Coimbatore
- Awarded "India's Top 10 Builders" award by Construction World for the year 2010
- Awarded "ICI-KBC Birla Super Endowment Award" for *Outstanding Concrete Structure of Karnataka - 2010* for Infosys Global Education Center-II

Bangalore, 22 October, 2010: Sobha Developers Limited, one of India's leading Real Estate Company known for its quality, delivery and customer orientation, today declared its financial results for the 2nd Quarter ended September 30, 2010 at its board meeting held in Bangalore.

Financial Performance:

Sobha Developers has registered a turnover of Rs.4,313 Million for the 2nd Quarter ended September 30, 2010 as compared to Rs.2,263 Million in Q2 of FY 2009-10, up 91%. The Profit after tax stood at Rs.589 Million compared to Rs.275 Million in Q2 of FY 2009-10, up 114 %.

The company has registered a turnover of Rs.7,503 Million for the 1st Half ended September 30, 2010 as compared to Rs. 4,053 Million in H1 of FY 2009-10, up 85%. The Profit after tax stood at Rs.932 Million compared to Rs. 402 Million in H1 of FY 2009-10, up 132 %.

The company in the 2nd Quarter of FY 2010-11 sold 744,678 sft as compared to 392,022 sft in the same period of FY 2009-10, volume up by 90%. The company in the 1st Half of FY 2010-11 sold 1,415,561 sft of area, as compared to 642,407 sft in the same period of FY 2009-10, volume up by 120%.

Expressing his happiness over the Q2 results for FY 2010-11, **Mr. J C Sharma, Managing Director, Sobha Developers Limited**, said: "The performance of the last 2 quarters clearly shows that demand is back into the market. Not only has our sales increased but we have also been able to launch two new projects. Also we have done a select price increase in some of our projects."

Also during the 2nd quarter we have succeeded in monetizing land for Rs.1,140 Million. With this we hope to achieve our projected land monetization of Rs.2000 Million for the current financial year. On the contractual front, which is our other vertical, we have seen a growth of about 5% compared to the 1st quarter of the current financial year and 100% jump during the current quarter compared to the corresponding period of the previous year and a jump of 75% in the top line during 1st Half compared to the corresponding period of the last year" added Mr. Sharma.

During the 2nd Quarter we have completed and handed over 3 contractual projects measuring 0.65mn.sft and 1 real estate project measuring 0.1 mn. sft. We have about 4.27 mn. sft of contractual projects on hand to be delivered over a period of 1 to 1.5 year and fresh committed orders of 6.58 mn. sft from Infosys, for which the work will be started from coming quarters onwards to be delivered progressively in 2 to 3 years. We continue to operate with 15% margin. The Contractual and manufacturing divisions promise a robust growth this year. The top line for the 2nd qtr increased by 16% compared to the corresponding period of the last year.

Mr. Sharma further stated that "The cash flow from operations continues to remain positive for the last four quarters. During the 2nd Quarter the company has generated operational cash flow of Rs.2,050 Million. The debt has been reduced by Rs.1,680 Million and the debt - equity ratios stands at 0.69 as on 30th Sept 2010 compared to 0.81 as on 30th June 2010."

New Launches:

In the second quarter two new projects were launched - **Sobha Classic** in Sarjapur Area, Bangalore and **Sobha Turquoise** in Coimbatore.

Sobha Classic is a 3 BHK super luxury residential apartment spread over 6.9 acres of land and comprises of 3 Blocks. It would have a total of 243 units with a built up area ranging from 1752 sq ft and 2070 sq ft with cost (basic + car park) varying from Rs.76.71 lacs to Rs.90.10 lacs.

Sobha Turquoise is one of the most innovative Row Houses developments at the foothills of the majestic Western Ghats at Coimbatore. The project is spread over an area of 9.63 acres with more than 70% open space. It comprises of 95 exclusive 3 bed room Row Houses ranging from 1885 sq. ft. to 2102 sq. ft. Both the projects have received good response from customers.

Growth Plans:

Elaborating on the Company's growth plans Mr. Sharma said "There would about 6.48 million sq ft of new launches this year. Currently Sobha has ongoing projects in Bangalore, Thrissur, Coimbatore and Pune. Apart from these four cities, we have planned to launch our projects in Gurgaon and Chennai in the current fiscal."

As of September 30, 2010 Sobha has completed 48 residential projects, 13 commercial projects and 173 contractual projects covering about 37.37 Million sq. ft. area in 18 cities across India. Sobha currently has 22 ongoing residential projects aggregating to 9.04 Million sq. ft., 6 commercial projects aggregating 0.60 million sq. ft, while 4.27 Million sq. ft. of contractual projects are under various stages of construction. In the current year, which is our 15th year of establishment, we have already stepped into 50th million sq. ft. of execution, which is a kind of landmark in the industry.

Industry Outlook:

It is now clear that the economy is growing at over 8.5% growth rate which has a direct impact on the Real estate industry. Inventories are getting absorbed and new projects are being launched. Easy availability of loans and a favorable lending rate are further augmenting demand in this sector. As a consequence, Sobha is witnessing a robust demand in all cities where Sobha operates and has land banks for future development.

Talking specifically about Bangalore Mr. Sharma commented that, "it is one such market which has all the leading players of the industry from across the country including North, East and West. Still, Sobha has been able to maintain its leadership in middle and upper segment in which it operates. This has been possible because of the unmatched quality reinforced by its backward integration model which means that

the company clearly has all the key competencies and in-house resources to deliver a project from conceptualization to completion."

Organizational Development:

Sobha Developers Ltd. has earmarked the setting up of a full Leadership & Development Center to meet the full fledged requirement of training and organizational development of the company. Sobha Academy which was hitherto used to cater to the requirement of trained technicians has now been extended to cover Organizational Development requirement. The company also lays a strong emphasis on training of fresh college engineers. To facilitate this, a comprehensive training program has been initiated for a total of 90 fresh engineering graduates who joined in second quarter in two different batches.

Further initiatives are being taken to identify and develop future leaders within the organization on a more planned and sustainable basis to meet the growing need of the organization.

Innovation:

Sobha Developers Ltd. encourages an innovative environment within the organization on a day-to-day basis. The Value Engineering Department of the company has created a soft portal for idea generation called IdeaSpace which encourages every employee of the company to upload his / her idea which is evaluated by the committee and the concerned department. The ideas if feasible are implemented in the organization for real, resulting in Cost Saving and Value Enhancement.

Recognition & Awards:

Sobha was awarded the Construction World magazine's **"India's Top 10 Builders"** award for the year 2010 in Mumbai. India's Top 10 Builders Award was adjudged based on a perception survey conducted by Construction World and judged by a panel of eminent industry professionals.

Sobha was also conferred with ICI-KBC Birla Super Endowment Award instituted by Indian Concrete Institute for Infosys Global Education Center-II at the Mysore campus as the **Outstanding Concrete Structure of Karnataka – 2010.**

About Sobha Developers Ltd.:

Founded in 1995, Sobha Developers Ltd is one of the largest and the only backward integrated real estate player in the country. It means that it has the key competencies and in-house resources to deliver a project from its conceptualization to completion.

Sobha is primarily focused on residential and contractual projects. Company's residential projects include presidential apartments, villas, row houses, super luxury apartments, luxury apartments, moderately priced apartments and plotted development. In all its residential projects Company lays strong emphasis on environment management, water harvesting and high safety standards.

On the contractual side, the Company has constructed a variety of structures for corporates including corporate offices, convention centres, software development blocks, multiplex theatres, hostel facilities, guest houses, food courts, restaurants, research centres and club houses. Infosys is one of its leading clients.