



PASSION AT WORK

January 24, 2011

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 ended 31st December 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.

4, EELADRI PLAZA, 5TH FLOOR RAJA RAM MOHAN ROY ROAD, NEAR RICHMOND CIRCLE, BANGALORE - 560 025 INDIA. TEL : 22104561/62 FAX : 22104569
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 December 31, 2010

						(Rs. in million)
	Particulars	Quarter ended 31. 12. 2010 [Unaudited]	Quarter ended 31. 12. 2009 [Unaudited]	Nine months ended on 31. 12. 2010 [Unaudited]	Nine months ended on 31. 12. 2009 [Unaudited]	Previous accounting year ended 31. 03. 2010 [Audited]
1	Net sales/Income from operations	3,629	3,070	11,042	7,077	11,072
2	Share of profits in a partnership firm ['Subsidiary']	-	23	75	55	68
3	Total operating income (1+2)	3,629	3,093	11,117	7,132	11,140
4	Expenditure:					
	(a) Increase/decrease in stock in trade and work in progress	220	572	328	331	306
	(b) Land purchase cost	406	202	1,528	332	1,464
	(c) Consumption of materials and construction cost	1,525	1,173	4,757	3,451	4,726
	(d) Employee cost	244	191	767	543	768
	(e) Depreciation / amortisation	73	82	209	246	323
	(f) Other expenditure	414	346	1,349	976	1,503
	Total	2,882	2,566	8,938	5,879	9,090
5	Profit from operations before other income, interest and exceptional items (3-4)	747	527	2,179	1,253	2,050
6	Other income	17	9	32	23	45
7	Profit before interest and exceptional items (5+6)	764	536	2,211	1,276	2,095
8	Interest (net)	97	111	311	449	492
9	Profit after interest but before exceptional items (7-8)	667	425	1,900	827	1,603
10	Exceptional items	-	-	-	-	-
11	Profit from ordinary activities before tax (9+10)	667	425	1,900	827	1,603
12	Tax expenses					
	- Current tax	172	68	492	131	261
	- Deferred tax charge/ (credit)	5	(3)	(18)	(13)	(21)
	- Fringe benefits tax	-	-	-	-	-
	- MAT credit utilisation/ (entitlement)	-	(48)	4	(101)	(4)
13	Net profit from ordinary activities after tax (11-12)	490	408	1,422	810	1,367
14	Extraordinary items (net of tax expenses)	-	-	-	-	-
15	Net profit for the period (13+14)	490	408	1,422	810	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					16,104
18	Earnings Per Share (EPS) - (Rs.)					
	a) Basic and diluted EPS before extraordinary items	5.00	4.16	14.50	9.04	14.91
	b) Basic and diluted EPS after extraordinary items	5.00	4.16	14.50	9.04	14.91
19	Public shareholding					
	- Number of equity shares			38,687,488	34,642,488	38,642,488
	- Percentage of shareholding			39.45%	35.33%	39.41%
20	Promoters and promoter group shareholding					
	a) Pledged encumbered					
	- Number of shares			10,700,000	10,700,000	10,700,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)			18.02%	16.87%	18.01%
	- Percentage of shares (as a % of the total share capital of the company)			10.91%	10.91%	10.91%
	b) Non-encumbered					
	- Number of shares			48,676,380	52,721,380	48,721,380
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)			81.98%	83.13%	81.99%
	- Percentage of shares (as a % of the total share capital of the Company)			49.64%	53.76%	49.68%

Notes :

- (1) There were no complaints pending to be resolved/ replied at the beginning of the quarter. The Company has not received any complaints from investors during the quarter. There were no complaints pending to be resolved/ replied at the end of the quarter.
- (2) 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'.
- (3) This statement has been reviewed by the Audit Committee and taken on record at the meeting of the Board of Directors of the Company held on January 24, 2011.
- (4) The figure of the previous year/ periods have been regrouped/ reclassified, wherever necessary.

For and on behalf of the
Board of Directors



J. C. Sharma
Managing Director



**Press Release
For immediate publication**

SOBHA DEVELOPERS ANNOUNCES FINANCIAL RESULTS FOR Q3 of FY 2010 – 11

**Sobha turns into a Rs.1000 Crore Brand in the Residential Space in
CY-2010 – First from South India**

Highlights of Q3 FY 2010-11:

- Sobha registers Rs.1000 crores Real Estate (Residential) sales during the calendar year 2010. First such company from South India
- Revenues at Rs.3,647 Millions, Up 17% from Q3 FY 2009-10
- PAT at Rs.490 Million, Up 20% from Q3 FY 2009-10
- Sold 705,031 Sq. Ft. in Q3 FY 2010-11
- Completed & handed over 10 projects measuring 2.54 mn. sft. in Q3 FY 2010-11
- Launched three new projects – Sobha Forest View in Bangalore, Sobha Sapphire in Thrissur and Sobha Ivory in Pune
- Bagged Contractual orders worth Rs.900 millions in Q3, besides Infosys
- Conferred with "ACETECH" and "Best of the Best Structures" Awards
- Plans to launch 11 mn sft. in the near future

Bangalore, 24 January, 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 3rd Quarter ended December 31, 2010 at its board meeting held in Bangalore.

Financial Performance:

Sobha Developers has registered a turnover of Rs.3,647 Millions for the 3rd Quarter ended December 31, 2010 as compared to Rs.3,104 Millions in Q3 of FY 2009-10, up 17%. The Profit after tax stood at Rs.490 Million compared to Rs.408 Million in Q3 of FY 2009-10, up 20 %.



The company registered a turnover of Rs.11,152 Million for the nine months period ended December 31, 2010 of the FY 2010-11 as compared to Rs.7,161 Million in the corresponding period of FY 2009-10, up 56%. The Profit after tax stood at Rs.1,423 Million for the nine months period ended December 31, 2010 of the FY 2010-11 as compared to Rs.810 Million in the corresponding period of FY 2009-10, up 76 %.

The company in the 3rd Quarter of FY 2010-11 sold 705,031 sft and in the first nine months of FY 2010-11 sold 2,120,592 sft, which is 47% more as compared to the corresponding period of the last. The average selling price on the sale made during nine months is about Rs.3940/ sft which have gone up by 5% compared to the previous 6 months average. We are confident of maintaining our current selling price.

Commenting on the Q3 results for FY 2010-11, **Mr. J C Sharma, Managing Director, Sobha Developers Limited**, said: "We are really delighted by our performance in the last three quarters. While our sales have been on a constant rise, the price realization has also increased from Rs.3000 per sft to Rs. 4000 per sft. We are proud to state that Sobha has become a Rs.1000 crore brand in the residential segment which we have achieved in the calendar year 2010. This puts us in the top league of listed real estate companies and the first from South India to achieve this target. Encouraged by the demand we launched 3 residential projects in Q3."

"On the corporate contractual work side, which is our other vertical, during the 3rd Quarter of 2010-11, we completed and handed over 0.46 mn. sft. We have about 6.53 mn. sft of contractual projects on hand to be delivered over a period of 2 years and fresh committed orders of 6.94 mn. sft. First time in Q3 2010-11, Sobha has bagged contractual orders worth about Rs.900 millions from other than Infosys, including prestigious clients like **ITC, Biocon, Institute of Public Enterprises(IPE), GMR, Hotel Leela Ventures and others.**" said Mr. Sharma. Infosys continues to be the biggest ongoing contractual client.

Speaking about other financial details, Mr. Sharma stated "The cash flow from operations continues to remain positive for the last few quarters. During the 3rd Quarter the company has generated operational cash flow of Rs.3,006 Million. The debt - equity ratio stands at 0.67 as on 31st Dec 2010 compared to 0.69 as on 30th Sept 2010." Also during the 3rd quarter the company succeeded in monetizing land for Rs.462 Million. With this it hopes to achieve projected land monetization of Rs.2000 Million for the current financial year.

"Actually at present we are performing better than our earlier best times of 2007-08. Our net worth has doubled, cash flows are higher, execution capability has increased, and our debt equity ratio is much more healthier." added Mr. Sharma.



New Launches:

Three new projects were launched in the third quarter – Sobha Forest View in Bangalore, Sobha Ivory in Pune and Sobha Sapphire in Thrissur.

SOBHA FOREST VIEW, bordering a dense forest in south Bangalore, is a gated community sprawling over 13.28 acres of pristine environs and comprises of 3 elegantly crafted Blocks. The total of 492 apartments will have 100 Luxury units, 240 Super Luxury units and 152 Super luxury-plus units with a built-up area ranging from 1500 sq. ft. to 2250 sq. ft.

SOBHA IVORY is a 3 bedroom super luxurious project spread across 3.8 acres with 80% open space at Kondhwa, Pune. It has 140 apartments with basement and ground covered car parking plus 11 floors. The built up area ranges from 1459.32 sq ft to 1906.39 sq ft. and offers appeasing and lush green surroundings to its customers.

SOBHA SAPPHIRE is a 3 & 4 BHK super luxury apartment spread over 2.9 acres overlooking a scenic 6.5 acre lake. It has 216 apartments divided into 3 towers with basement and ground covered car parking plus 26 floors. The built up area ranges from 1716 sq ft. to 3083 sq ft.

All the 3 projects are receiving good response from customers.

Growth Plans:

Elaborating on the Company's growth plans Mr. Sharma said "In the next few quarters we plan to launch about 11 mn sft. and have kept a target of 6 mn sft. of sales every year. We plan to enter into National Capital Region, Chennai and Mysore this year besides launching new projects in our existing places primarily in Bangalore.

Sobha has so far has completed 52 residential projects, 13 commercial projects and 179 contractual projects covering 39.90 million sq. ft. of area in 20 cities across India. We currently have 22 ongoing residential projects aggregating to 8.02 million sq. ft, 6 commercial projects aggregating 0.61 million sq. ft., while 36 contractual projects aggregating 6.53 million sq. ft. under various stages of construction. In our 15th year of establishment, we have already stepped into 50th million sq. ft. of execution, which is a landmark in the industry.

Real Estate Outlook:

After one and a half years of gradual consolidation, real estate in India has fathomed its own comfortable ground, and the year 2011 would usher a new decade of opportunities for Indian real estate industry. With the economy expected to enjoy the positive effects of increasing productivity, infrastructure build-out, better job scenario and a greater drive for reform, the country's long-term growth dynamics are



constructive. The year 2011 would see wealth being created across industries which will augur more demand for real estate. Not just residential, even commercial segment is starting to look up. With Bangalore becoming one of the most sought after destinations, the commercial segment may see absorption of 10 mn sft of office space in FY 2011-12 leading to a cascading effect on the residential market.

Recognition & Awards:

Sobha Developers won the "ACETECH" Award for "Excellence in Commercial Segment (Interior Design)" for the Infosys Global Education Centre- II built in Mysore. The company also received the "Best of the Best Structures Award" by the Builders Association of India for Infosys Food Court 3 built in Pune.

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 the company has all 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 offices, convention centres, software development blocks, multiplex theatres, hostel facilities, guest houses, food courts, restaurants, research centres and club houses.

For further information, please contact:

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