SOBHA

PASSION AT WORK

January 03, 2014

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 ended December 31, 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 ended December 31, 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

SOBHA

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SOBHA DEVELOPERS LIMITED

REAL ESTATE OPERATIONAL PERFORMANCE UPDATE FOR Q3 OF FY 2013 - 14

Season's Greetings and best wishes to all our esteemed stakeholders for a happy and prosperous 2014.

The Indian economy continued to slowdown in the 3rd quarter resulting in deceleration of GDP growth amidst domestic structural constraints and dented business confidence. Economic growth forecasts by external agencies are moving towards downward revisions. Inflation related concerns remained at elevated levels due to rising food and fuel prices.

In these circumstances, the revival of growth will depend upon effective steps being taken to restore business confidence, addressing areas which require structural reforms and ensuring the stability of overall economic system.

The fall in the growth rates of Indian Economy 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. The overall performance of the real estate sector during the current fiscal year has been muted at the national level with the exception of markets in Southern India showing signs of stability and Bangalore being the most resilient.

The Company during the quarter ended December 31, 2013, has sold 0.74 Million Square Feet of new space valued at ₹ 5.02 Billion at an average price realisation of ₹ 6,786 Per Square Feet.

During the quarter, we have launched *Élan* (a Joint Development residential project with Lakshmi Machine Works) in Coimbatore having a Total Saleable Area of 323,330 Square Feet and *Sobha Estate* (plotted development) in Mysore having a Total Saleable Area of 135,083 Square Feet. Both the new launches have generated a positive response from the customers.

We remain upbeat about our key South Indian markets despite a lower sales volume during the quarter. We also anticipate an uptick in the sales momentum in the coming quarters due to proposed new launches across our existing markets.

Sobha Developers Ltd. Bangalore

The summarised real estate performance for the quarter ended December 31, 2013 of the financial year 2013-14 is given as under:

New Sales:

In Square Feet

Location	Q3-14	Q3-13	Q2-14	9M-14	9M-13	FY-13
Bangalore	503,708	591,216	674,622	1,781,385	1,701,735	2,384,364
NCR	23,522	103,098	30,892	90,669	376,419	509,151
Chennai	53,523	67,350	86,869	240,355	181,756	288,132
Thrissur	49,064	88,407	103,270	301,528	250,809	343,843
Pune	24,433	23,124	12,716	60,061	92,384	137,708
Coimbatore	17,124	19,574	15,871	32,995	56,210	63,371
Kozhikode	42,293	-	56,661	98,954	-	-
Mysore	26,538	9,881	22,128	57,966	25,065	29,080
Total	**740,205**	**902,650**	**1,003,029**	**2,663,913**	**2,684,378**	**3,755,649**

(1 Square Metre = 10.764 Square Feet)

The Company is pleased to inform that the new sales in terms of area sold has grown by 5.3% YOY during the calendar year 2013. There is a marginal decline in the area sold during 9M-14 compared to 9M-13 on account of weak sentiments prevailing in the NCR market coupled with the economy related factors.

Price Realisation:

Particulars	Q3-14	Q3-13	Q2-14	9M-14	9M-13	FY-13
Sale Value (₹ Million)	5,023	5,334	6,323	17,374	15,403	22,145
Average Price Realisation (₹ / Square Feet)	6,786	5,910	6,304	6,522	5,738	5,897

Sobha Developers Ltd. Bangalore

The new sales value achieved during calendar year 2013 increased by 20.3% YOY. The sales realisation has gone up by 14.3% compared to calendar year 2012. In spite of a minor downtrend in new sales, the Company could achieve better price realisations resulting in a higher sales value.

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 close of 3 quarters of FY 2014, the Company has registered new sales area of 2.66 Million Square Feet valued at ₹ 17.37 Billion. While the Company is able to maintain better sales realisations and generate consistent operational cash flows, it remains cautious about achieving its guidance set 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.

