



PASSION AT WORK

July 28, 2010

To,

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

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 30<sup>th</sup> June 2010.

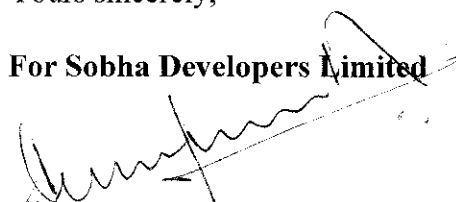
In this connection, please find enclosed herewith the Financial Advertisement in terms of Clause 41 of the Listing Agreement and also the Press Release the Company intends to disseminate through the media.

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 June 30, 2010**

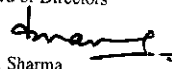
|    |                                                                                          | (Rs. in million)                             |                                              |                                                                |
|----|------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------------------------|
|    | Particulars                                                                              | Quarter ended<br>30. 06. 2010<br>[Unaudited] | Quarter ended<br>30. 06. 2009<br>[Unaudited] | Previous accounting<br>year ended<br>31. 03. 2010<br>[Audited] |
| 1  | Net sales/Income from operations                                                         |                                              |                                              |                                                                |
| 2  | Share of profits in a partnership firm ['Subsidiary']                                    | 3,156                                        | 1,771                                        | 11,072                                                         |
| 3  | <b>Total operating income (1+2)</b>                                                      | <b>24</b>                                    | <b>15</b>                                    | <b>68</b>                                                      |
| 4  | Expenditure                                                                              | 3,180                                        | 1,786                                        | 11,140                                                         |
|    | (a) (Increase)/decrease in stock in trade and work in progress                           |                                              |                                              |                                                                |
|    | (b) Land cost                                                                            | (657)                                        | (233)                                        | 306                                                            |
|    | (c) Consumption of materials and construction cost                                       | 930                                          | 66                                           | 1,292                                                          |
|    | (d) Employee cost                                                                        | 1,576                                        | 1,070                                        | 4,726                                                          |
|    | (e) Depreciation / amortization                                                          | 250                                          | 163                                          | 768                                                            |
|    | (f) Other expenditure                                                                    | 67                                           | 82                                           | 323                                                            |
|    | <b>Total</b>                                                                             | <b>455</b>                                   | <b>282</b>                                   | <b>1,503</b>                                                   |
| 5  | <b>Profit from operations before other income, interest and exceptional items (3-4)</b>  | <b>2,621</b>                                 | <b>1,430</b>                                 | <b>8,918</b>                                                   |
| 6  | Other income                                                                             | 559                                          | 356                                          | 2,222                                                          |
| 7  | <b>Profit before interest and exceptional items (5+6)</b>                                | <b>10</b>                                    | <b>4</b>                                     | <b>45</b>                                                      |
| 8  | Interest (net)                                                                           | 569                                          | 360                                          | 2,267                                                          |
| 9  | <b>Profit after interest but before exceptional items (7-8)</b>                          | <b>134</b>                                   | <b>233</b>                                   | <b>664</b>                                                     |
| 10 | Exceptional items                                                                        | 435                                          | 127                                          | 1,603                                                          |
| 11 | <b>Profit from ordinary activities before tax (9+10)</b>                                 | <b>435</b>                                   | <b>127</b>                                   | <b>1,603</b>                                                   |
| 12 | Tax expenses                                                                             |                                              |                                              |                                                                |
|    | - Current tax                                                                            |                                              |                                              |                                                                |
|    | - Deferred tax                                                                           | 91                                           | 20                                           | 261                                                            |
|    | - Fringe benefits tax                                                                    | (3)                                          | (2)                                          | (21)                                                           |
|    | - MAT credit utilisation/ (entitlement)                                                  | -                                            | 1                                            | -                                                              |
|    |                                                                                          | 4                                            | (19)                                         | (4)                                                            |
| 13 | <b>Net profit from ordinary activities after tax (11-12)</b>                             | <b>343</b>                                   | <b>127</b>                                   | <b>1,367</b>                                                   |
| 14 | Extraordinary items (net of tax expenses)                                                | -                                            | -                                            | -                                                              |
| 15 | <b>Net profit for the period (13-14)</b>                                                 | <b>343</b>                                   | <b>127</b>                                   | <b>1,367</b>                                                   |
| 16 | Paid-up equity share capital                                                             | 981                                          | 729                                          | 981                                                            |
|    | (Face value per share - Rs.10)                                                           |                                              |                                              |                                                                |
| 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                                      | 3.50                                         | 1.74                                         | 14.91                                                          |
|    | b) Basic and diluted EPS after extraordinary items                                       | 3.50                                         | 1.74                                         | 14.91                                                          |
| 19 | Public shareholding                                                                      |                                              |                                              |                                                                |
|    | - Number of equity shares                                                                | 38,642,488                                   | 9,480,353                                    | 38,642,488                                                     |
|    | - Percentage of shareholding                                                             | 39%                                          | 13%                                          | 39%                                                            |
| 20 | Promoters and promoter group shareholding                                                |                                              |                                              |                                                                |
|    | a) Pledged/encumbered                                                                    |                                              |                                              |                                                                |
|    | - Number of shares                                                                       | 10,700,000                                   | 20,700,000                                   | 10,700,000                                                     |
|    | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 18%                                          | 33%                                          | 18%                                                            |
|    | - Percentage of shares (as a % of the total share capital of the company)                | 11%                                          | 28%                                          | 11%                                                            |
|    | b) Non-encumbered                                                                        |                                              |                                              |                                                                |
|    | - Number of shares                                                                       | 48,721,380                                   | 42,721,380                                   | 48,721,380                                                     |
|    | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 82%                                          | 67%                                          | 82%                                                            |
|    | - Percentage of shares (as a % of the total share capital of the company)                | 50%                                          | 59%                                          | 50%                                                            |

**Notes :**

- (1) There was 1 complaint pending to be resolved/ replied at the beginning of the quarter. The Company had received 2 complaints from investors during the quarter and 2 complaint was resolved/ replied during the quarter. There was 1 complaint 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 July 29, 2010.
- (4) The auditors have conducted a "Limited Review" of the above financial results for the quarter ended June 30, 2010.
- (5) The figures of the previous year/ periods have been regrouped/ reclassified, wherever necessary.

Bengaluru, India  
July 28, 2010

For and on behalf of the  
Board of Directors

  
J. C. Sharma  
Managing Director



PASSION AT WORK

**Press Release  
For immediate publication**

**SOBHA DEVELOPERS LIMITED ANNOUNCES FINANCIAL RESULTS FOR  
Q1 of FY 2010 – 11**

---

**Highlights of Q1 FY 2010-11:**

- Reaches 50 Million Sq. Ft. of foot print in its 15<sup>th</sup> Year
- Revenues at Rs. 3,190 Million, Up 78 % from Q1 FY 2009-10
- PAT at Rs. 342 Million, Up 169% from Q1 FY 2009-10
- Sold 670,883 Sq. Ft. in Q1 FY 2010-11, volume up 168% from Q1 FY 2009-10
- Launched two Projects - Sobha Dew Flower at Bangalore and Sobha Commercial Mall at Thrissur, Kerala
- Won the League of American Communications Professionals LLC (LACP)- 2009 Vision Awards in 3 categories for its Annual Report titled "Maximizing Value in Each Square Foot"
- Awarded Best Real Estate Developer for IT Infrastructure by Construction Source India

**Bangalore, 28 July, 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 1<sup>st</sup> Quarter ended June 30, 2010 at its board meeting held in Bangalore.

**Financial Performance:**

Sobha Developers has registered a turnover of Rs. 3,190 Million for the 1<sup>st</sup> Quarter ended June 30, 2010 as compared to Rs. 1,790 Million in Q1 of FY 2009-10, up 78%. The Profit after tax stood at Rs. 342 Million compared to Rs. 127 Million in Q1 of FY 2009-10, up 169%.

The company in the 1<sup>st</sup> Quarter of FY 2010-11 sold 670,883 sq. ft. of area as compared to 250,385 sq. ft. in the same period of FY 2009-10, up by 168%. During the 1<sup>st</sup> Quarter we have handed over 4 Contractual projects totaling of 0.28 Million sq. ft.

Commenting on the Q1 results for FY 2010-11, **Mr. J C Sharma, Managing Director, Sobha Developers Limited**, said: **"The Q1 results are quite encouraging. Sustained improved performance in the last three quarters has put us back on to the growth path. The company has launched two new projects in the 1<sup>st</sup> Quarter – namely Sobha Dew Flower at Bangalore and Sobha City Commercial Mall at Thrissur, close to 1 Million sq. ft."**

The operational performance both from Contracts and manufacturing has increased by about 50% compared to the corresponding period of the last year. The cash flows from the operations continue to remain positive for the last three quarters and we are confident, going forward this will only improve further.

On the contractual front we have about 4.45 Million sq. ft. on hand to be delivered over a period of 1 to 1.5 year and fresh committed orders of 6.75 Million sq. ft. from Infosys, for which the work will be started from 2<sup>nd</sup> Quarter onwards to be delivered progressively over the period of 2 to 3 years.

The debt continues to be at below Rs. 1400 Crore level at a debt/equity ratio of 0.81. The company continues to focus on bringing down this debt/equity ratio to 0.5 by March-11, through internal accruals and by way of land monetization.

#### **Execution Landmark:**

**"This is 15<sup>th</sup> year of operations for Sobha, and a special one for us, as we have entered into the execution of 50th Million sq. ft. of construction space. This is a significant landmark in the real estate industry in such a short span of period," said Mr. J C Sharma.**

As of June 30, 2010 Sobha has completed **47** residential projects, **13** commercial projects and **170** contractual projects covering about **36.62 Million sq. ft.** area in **18** cities across India. Sobha currently has **27** ongoing residential projects aggregating to **9.09 Million sq. ft.**, while **4.45 Million sq. ft.** of contractual projects are under various stages of construction.

**"The company has constantly executed about 6 Million sq. ft. of work on an average basis over the last 5 years.** One of the key strengths of the company which has enabled to maintain quality and timely delivery is 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. Backward integration includes an architectural, structural and interior studio, a metal and glazing factory, an interiors and wood working factory and a concrete block making plant," **added Mr. Sharma.**

#### **Growth Plans:**

Sobha has launched 1.69 Million sq. ft. of residential / commercial space totaling to 6 projects in the last 7 months. Further, in the current quarter we have launched Row House Project – "Sobha Turquoise" at Coimbatore – measuring a saleable area of 0.19 Million sq. ft. In addition to this, we are planning to launch about 1.57 Million sq. ft. in the current quarter. We also plan to launch projects in the NCR / Chennai regions this year.

#### **Organizational Development / HR**

Keeping in line with the growth, the Company has increased the salaries of the employees on an average of 13% this year. 100 fresh engineers have also been recruited through campus interviews which would undergo induction in July and August 2010. Manpower planning is in progress for new projects.

#### **Recognition:**

Sobha won the League of American Communications Professionals LLC (LACP) 2009 Vision Awards for its Annual Report titled "Maximizing Value in Each Square Foot" in three categories. A **Silver** in the real estate category; Best in-house **Gold** in Asia-Pacific region; and ranked 93 among the top 100 world-wide annual reports. **Expressing his happiness on winning these awards, Mr. J C Sharma,** said, "One of the key aspects of this achievement is the in-house design and compilation of the report. This is the first international award won by Sobha. This also means that globally we are amongst the top 100 companies in terms of financial information presentation".

The company was also recognized as the Best Real Estate Developer for IT Infrastructure in Bangalore by Construction Source India in May 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.*

*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.*

*One of the key competitive strengths of the Company is its backward integration model, which means that it has the key competencies and in-house resources to deliver a project from its conceptualization to completion.*

*The Company also strongly believes in returning back to the society through comprehensive and sustainable development of rural India. It has launched, Graamasobha, a unique social developmental program in two gram panchayats in Palakkad district of Kerala to take care of the educational, healthcare, and other basic requirements of over 2500 BPL families.*

---

#### **For further information, please contact:**

##### **Sobha Developers Ltd.**

R. Raman

Vice President – Corporate Communications

+91 9902006465

Email – [raman.r@sobha.com](mailto:raman.r@sobha.com)

##### **Image Inc.**

Shivani Venugopal / Priya K

+91 9886442790 / 9945932148

Email – [priya@image-publicrelations.com](mailto:priya@image-publicrelations.com)