SOBHA

PASSION AT WORK

July 04, 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 June 30, 2014

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 June 30, 2014.

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 Q1 OF FY 2014-15

After the passage of more than a quarter of a century, India has given a decisive mandate in favour of a single political party in the recently concluded general elections for the Lok Sabha, paving the way for a stable government for the next five years. Given this scenario, we can anticipate a progressive reforms environment and vibrant economic climate targeting overall development. We remain bullish on the new government's strategy of pushing for investments in infrastructure and manufacturing which will lead to job creation, intending to be pursued in an environment driven by policies which are predictable, clear and transparent.

Though there has been a reversal in market sentiments, the concern surrounding falling growth rates, inflation, higher interest costs and fiscal deficit demand urgent attention of the policy makers to trigger momentum in growth.

In this backdrop, we present the performance of real estate operations of the Company during the first quarter of the financial year 2014-15.

The Company during the quarter achieved new sales of 754,779 square feet valued at ₹ 4,822 million with an average realisation of ₹ 6,388 per square feet. It is noteworthy that the Company had not launched any new projects during the quarter and the new sales achieved during the quarter comprise of the projects launched in the previous quarters.

Our Bangalore market continued to be resilient. The Pune region has outperformed compared to the previous quarter. We remain cautious on Gurgaon due to weak sentiment prevalent in the region as a whole. We anticipate Chennai to gain traction in the coming quarters due to our proposed launches. We also expect the holiday season in Kerala to augment new sales in Thrissur, Calicut and Cochin.

Sobha Developers Ltd. Bangalore

The summarised real estate performance for the quarter ended June 30, 2014 of the financial year 2014-15 is given as under:

Sales Value:

Particulars	Q1 15	Q1 14	Q4 14	FY 14	FY 13
Sale Value (₹ Million)	4,822	6,028	6,051	23,425	22,145

Price Realisation:

Particulars	Q1 15	Q1 14	Q4 14	FY 14	FY 13
Average Price Realisation (₹ / Square Feet)	6,388	6,548	6,568	6,534	5,897

New Sales:

In Square Feet

Location	Q1 15	Q1 14	Q4 14	FY 14	FY 13
Bangalore	527,560	603,055	630,947	2,412,332	2,384,364
NCR	30,207	36,255	38,114	128,784	509,151
Chennai	32,708	99,963	62,195	302,551	288,132
Thrissur	43,867	149,194	58,458	359,986	343,843
Pune	35,695	22,912	23,395	83,455	137,708
Coimbatore	14,465	-	40,171	73,165	63,371
Cochin	22,293	-	16,252	16,252	-
Calicut	26,120	-	32,193	131,147	-
Mysore	21,864	9,300	19,547	77,513	29,080
TOTAL	**754,779**	**920,679**	**921,272**	**3,585,185**	**3,755,649**

(1 Square Metre = 10.764 Square Feet)

The multiple launches on anvil in our markets will provide a stimulus for the sales momentum. With the much awaited policy reforms steering an overall revival in demand, we expect an uptick in new sales, especially during the second half of this fiscal. We also anticipate that the forthcoming Union Budget will be beneficial for overall development including that of the real estate sector. The positivity generated by these factors reinforce our confidence about achieving the guidance set for financial year 2014-15.

Sobha Developers Ltd. Bangalore

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.

Sobha Developers Ltd. Bangalore