

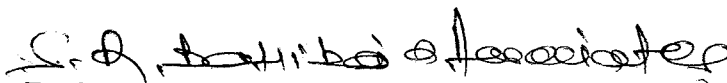
Limited Review Report

Review Report to the Board of Directors,
Sobha Developers Limited

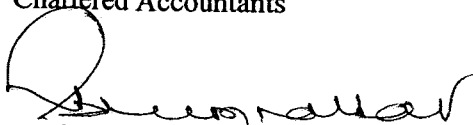
We have reviewed the financial results for the quarter ended September 30, 2008, included in the accompanying statement of unaudited financial results of Sobha Developers Limited ('the Company'). This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, "Engagements to Review Financial Statements" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the financial results for the quarter ended September 30, 2008 included in the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.



For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants




per Sunil Bhumralkar
Partner
Membership No.: 35141

Bengaluru, India
November 28, 2008

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For SOBHA DEVELOPERS LTD.


Managing Director

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, 2008

| | | (Rs. in million) | | | | |
|----|---|--|--|--|--|---|
| | Particulars | Quarter ended 30. 09. 2008 [Unaudited] | Quarter ended 30. 09. 2007 [Unaudited] | Six months ended on 30. 09. 2008 [Unaudited] | Six months ended on 30. 09. 2007 [Unaudited] | Year ended 31. 03. 2008 [Audited] |
| 1 | Net sales/Income from operations | 2,817 | 3,254 | 6,285 | 5,932 | 14,226 |
| 2 | Share of profits in a partnership firm ['Subsidiary'] | 68 | 55 | 81 | 55 | 66 |
| 3 | Total income (1+2) | 2,885 | 3,309 | 6,366 | 5,987 | 14,292 |
| 4 | Expenditure | | | | | |
| | (a) (Increase)/decrease in stock in trade and work in progress | (295) | (1,840) | (809) | (2,104) | (4,063) |
| | (b) Land cost | 53 | 1,561 | 801 | 1,692 | 3,900 |
| | (c) Consumption of materials and construction cost | 1,633 | 2,065 | 3,003 | 3,488 | 7,887 |
| | (d) Employee cost | 198 | 247 | 529 | 476 | 1,025 |
| | (e) Depreciation / amortization | 89 | 88 | 178 | 171 | 350 |
| | (f) Other expenditure | 428 | 396 | 945 | 884 | 1,940 |
| | Total | 2,106 | 2,517 | 4,647 | 4,607 | 11,039 |
| 5 | Profit from operations before other income, interest and exceptional items (3-4) | 779 | 792 | 1,719 | 1,380 | 3,253 |
| 6 | Other income | 19 | 21 | 26 | 36 | 53 |
| 7 | Profit before interest and exceptional items (5+6) | 798 | 813 | 1,745 | 1,416 | 3,306 |
| 8 | Interest (net) | 285 | 133 | 552 | 235 | 597 |
| 9 | Profit after interest but before exceptional items (7-8) | 513 | 680 | 1,193 | 1,181 | 2,709 |
| 10 | Exceptional items | - | - | - | - | - |
| 11 | Profit from ordinary activities before tax (9+10) | 513 | 680 | 1,193 | 1,181 | 2,709 |
| 12 | Tax expenses | | | | | |
| | - Current tax | 73 | 110 | 257 | 206 | 453 |
| | - Deferred tax | (6) | 6 | (17) | 1 | (33) |
| | - Fringe benefits tax | 1 | 2 | 3 | 4 | 6 |
| 13 | Net profit from ordinary activities after tax (11-12) | 445 | 562 | 950 | 970 | 2,283 |
| 14 | Extraordinary items (net of tax expenses) | - | - | - | - | - |
| 15 | Net profit for the period (13-14) | 445 | 562 | 950 | 970 | 2,283 |
| 16 | Paid-up equity share capital (Face value per share - Rs.10) | 729 | 729 | 729 | 729 | 729 |
| 17 | Reserves excluding revaluation reserves as per balance sheet of previous accounting year | | | | | 9,154 |
| 18 | Earnings Per Share (EPS) - (Rs.) | | | | | |
| | a) Basic and diluted EPS before extraordinary items for the period, for the year to date and for the previous year (not annualised) | 6.10 | 7.70 | 13.04 | 13.30 | 31.32 |
| | b) Basic and diluted EPS after extraordinary items for the period, for the year to date and for the previous year (not annualised) | 6.10 | 7.70 | 13.04 | 13.30 | 31.32 |
| 19 | Public shareholding | | | | | |
| | - Number of equity shares | | | 9,480,353 | 9,480,353 | 9,430,353 |
| | - Percentage of shareholding | | | 13% | 13% | 13% |

Notes :

- The Company has paid on July 29, 2008, a dividend of Rs. 6.50 per equity share of Rs. 10 each on 72,901,733 equity shares for the year ended on March 31, 2008, approved by the shareholders in the Annual General Meeting held on July 24, 2008.
- There was 1 complaint from an investor outstanding at the beginning of the quarter. The Company had received 9 complaints from investors during the quarter and 10 complaints were resolved/ replied during the quarter. There was no complaint pending to be resolved/ replied at the end of the quarter.
- 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'.
- With effect from April 1, 2008, the Company has changed its accounting policy for revenue recognition for sale of undivided share of land [group housing] on the basis of certain minimum level of collection of dues from the customer and/ or agreement for sale being executed rather than criteria relating to the project reaching a significant level of completion, to align it with revenue recognition policy for sale of villa plots. This has resulted in additional revenue recognition and higher profits before taxes of Rs.162 million and Rs.99 million respectively during the quarter ended September 30, 2008 and Rs.457 million and Rs.252 million respectively during the six months ended September 30, 2008.
- The figures of the previous year/ periods have been regrouped/ reclassified, wherever necessary.

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Bengaluru
November 28, 2008

For and on behalf of the
Board of Directors

J. C. Sharma
Managing Director

For SOBHA DEVELOPERS LTD

Managing Director