



PASSION AT WORK

January 29, 2010

To,

The Bombay Stock Exchange Ltd, Dept. of Corporate Services, Floor 25, P.J Towers, Dalal Street, Mumbai – 400 001	The National Stock Exchange of India Ltd, 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 held on January 29, 2010

This is to inform that the Board of Directors of the Company at their meeting held today took on record the unaudited financial results for the quarter ended 31st December 2009.

Apart from taking the unaudited financial results on record, the Board of Directors have co opted:

1. Mr. M Damodaran as an Additional and Independent Director
2. Mr. P Ramakrishnan as an Additional and Wholetime Director

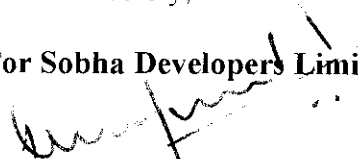
In this connection, please find enclosed herewith the Financial Advertisement in terms of Clause 41 of the Listing Agreement and also the Press Release the Company intends to disseminate through the media.

We request you to 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 December 31, 2009

		(Rs. in million)				
Particulars		Quarter ended 31. 12. 2009 [Unaudited]	Quarter ended 31. 12. 2008 [Unaudited]	Nine months ended on 31. 12. 2009 [Unaudited]	Nine months ended on 31. 12. 2008 [Unaudited]	Previous accounting year ended 31. 03. 2009 [Audited]
1	Net sales/Income from operations	3,070	1,805	7,077	8,090	9,679
2	Share of profits in a partnership firm ['Subsidiary']	23	31	55	112	68
3	Total operating income (1+2)	3,093	1,836	7,132	8,202	9,747
4	Expenditure					
	(a) (Increase)/decrease in stock in trade and work in progress	572	(811)	331	(1,620)	(2,697)
	(b) Land cost	165	428	251	1,229	2,453
	(c) Consumption of materials and construction cost	1,173	1,117	3,451	4,120	4,748
	(d) Employee cost	191	248	543	777	1,009
	(e) Depreciation / amortization	82	91	246	269	360
	(f) Other expenditure	346	348	976	1,293	1,537
	Total	2,529	1,421	5,798	6,068	7,410
5	Profit from operations before other income, interest and exceptional items (3-4)	564	415	1,334	2,134	2,337
6	Other income	9	40	23	66	157
7	Profit before interest and exceptional items (5+6)	573	455	1,357	2,200	2,494
8	Interest (net)	148	286	530	838	1,039
9	Profit after interest but before exceptional items (7-8)	425	169	827	1,362	1,455
10	Exceptional items	-	-	-	-	-
11	Profit from ordinary activities before tax (9+10)	425	169	827	1,362	1,455
12	Tax expenses					
	- Current tax	68	98	131	355	374
	- Deferred tax	(3)	(5)	(13)	(22)	(20)
	- Fringe benefits tax	-	1	-	4	4
	- MAT credit entitlement	(48)	-	(101)	-	-
13	Net profit from ordinary activities after tax (11-12)	408	75	810	1,025	1,097
14	Extraordinary items (net of tax expenses)	-	-	-	-	-
15	Net profit for the period (13-14)	408	75	810	1,025	1,097
16	Paid-up equity share capital (Face value per share - Rs.10)	981	729	981	729	729
17	Reserves excluding revaluation reserves as per balance sheet					10,166
18	Earnings Per Share (EPS) - (Rs.)					
	a) Basic and diluted EPS before extraordinary items	4.16	1.03	9.04	14.07	15.04
	b) Basic and diluted EPS after extraordinary items	4.16	1.03	9.04	14.07	15.04
19	Public shareholding					
	- Number of equity shares			34,642,488	9,480,353	9,480,353
	- Percentage of shareholding			35%	13%	13%
20	Promoters and promoter group shareholding					
	a) Pledged/encumbered					
	- Number of shares	10,700,000		10,700,000		20,700,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	17%		17%		33%
	- Percentage of shares (as a % of the total share capital of the company)	11%		11%		28%
	b) Non-encumbered					
	- Number of shares	52,721,380		52,721,380		42,721,380
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	83%		83%		67%
	- Percentage of shares (as a % of the total share capital of the Company)	54%		54%		59%

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Notes :

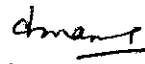
- (1) There were no complaints from investors outstanding at the beginning of the quarter. The Company had received 2 complaints from investors during the quarter and 2 complaints were resolved/ replied during the quarter. There were no complaints pending to be resolved/ replied at the end of the quarter.
- (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) During July 2009, the Company has allotted to qualified institutional buyers, 25,162,135 equity shares of face value of Rs.10 each at a price of Rs.209.40 per share, issued under Chapter XIII-A of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as amended.
- (4) Details of utilisation of net proceeds from issue of equity shares of the Company to qualified institutional buyers

Particulars	31-Dec-09
Gross proceeds	
Less: Expenses incurred	5,269
Net proceeds	175
	5,094
Utilisation	
Loan repayments	
Working capital	3,995
Interest payments	935
Refund of share application money	144
	20
	5,094

- (5) 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 29, 2010.
- (6) The figures of the previous year/ periods have been regrouped/ reclassified, wherever necessary.

Bengaluru, India
January 29, 2010

For and on behalf of the
Board of Directors


J. C. Sharma
Managing Director



**Press Release
For immediate publication**

**SOBHA DEVELOPERS LTD ANNOUNCES FINANCIAL RESULTS FOR
Q3 - FY 2009 -10**

Highlights of Q3 FY 09-10:

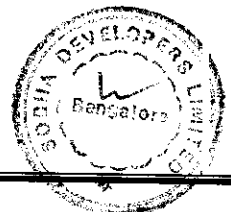
- **Revenues at Rs. 3102 Million, Up 65% from Q3 FY 08-09**
- **PAT at Rs. 408 Million, Up 444 % from Q3 FY 08-09**
- **Mr. M Damodaran joins as Independent Director on Board**
- **Mr. P Ramakrishnan elevated as a Whole-time Director**

Bangalore, January 29th, 2010: Sobha Developers Limited, India's leading Real Estate Company known for its quality delivery, today declared its financial results for the 3rd Quarter ended December 31, 2009 at its Board meeting held in Bangalore.

Financial Performance:

For the 3rd Quarter ended December 31, 2009, the Company has clocked a turnover of **Rs. 3102 Million compared to Rs 1876 Million in Q3 of FY 08-09, up 65%**. The Profit after tax stood at **Rs. 408 Million compared to Rs 75 Million in Q3 of FY 08-09, up 444%**.

The company in the current financial year has sold 431 units in Q3, 177 units in Q2 and 115 units in Q1 taking the total to 723 units in its residential business for the nine months ended December 09.



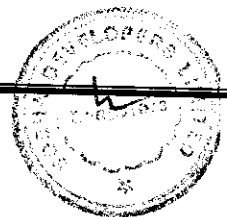
The overall area completed by the company for the 9 months period ended Dec 09 for FY 2009-10 is 4.8 million sq ft, out of which 1.41 million sq ft is under residential and 3.39 million sq ft under contractual business.

Commenting on the marked improvement in company's performance, **Mr. J C Sharma, Managing Director, Sobha Developers Limited**, said: "The growth can be attributed to two different aspects. First, which is industry based, is that there has been a revival in economic growth, improved job scenario especially in IT, Auto and Textile Sector, and competitive interest rates offering by the banks. Second, is the fact that Sobha today enjoys undisputed quality leadership coupled with market leader in volume growth in the South. A buyer always aspires for a quality home, and Sobha over the years has proven that quality need not be expensive, it can be offered at competitive prices".

As of December 31st, 2009, in the past 14 years since its inception, Sobha has completed 57 residential projects and 158 contractual projects covering about 35.56 million square feet of area in 17 cities across India. The company currently has 27 ongoing residential projects aggregating to 8.55 Mn. sq ft, while 5.48-mn sq ft volume of contractual projects are under various stages of construction and design. The company is constantly executing about 6 million sq ft of work for the past 3 years. This clearly puts Sobha on the top of the execution chart.

According to Mr. J C Sharma, "Sobha's advantage is its diversified portfolio and unique backward integration business model which is its USP when growth in sales need to be supplemented with execution capability."

Sobha's diversified portfolio includes Contractual and Residential Business. While Contracts business provides for free cash flow, scalability and demonstrated capability to execute all kinds building structures; the Real estate business, though cyclical offers superior margins and tremendous growth opportunities. The two prove to be a great fungible combination. On the other hand Company's backward integration model helps in protecting margins, adhering to tight delivery schedules and ensuring quality of end



products. These advantages coupled with the large land bank that the company has, Sobha is poised for a well chartered out growth.

Expansion Plans:

In the year 2010-11 the company plans to launch about 8 new projects covering 8 million sq ft across various market segments. These will be 4 in Bangalore, 2 in Coimbatore, 1 in Chennai, and 1 in Pune. The land required for proposed launches has been fully paid up and the infrastructure needed for development is in place. The company is also exploring its entry into value homes after proper evaluation.

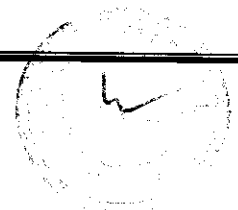
Induction of New Board Members:

The company has decided to take on Board Mr. M Damodaran as an Independent Director and Mr. P Ramakrishnan as a Whole-time Director.

Mr. M. Damodaran, IAS (Retired), 62, is the former Chairman of the Securities and Exchange Board of India (SEBI), before which he had headed the IDBI Bank and helped in its innovative restructuring. He was also instrumental in turning around Unit Trust of India. Mr. P Ramakrishnan, 46, is Regional Director of Sobha's Kerala operations and has over 27 years of experience in techno-commercial skill development, system design, project execution, corporate planning, and supply chain management. He was earlier associated with Enares Infranet Private Limited, Manju Electrical Industries, Tamil Nadu Electricity Board, ETA - Ascon Group of Companies and ICOMM Tele Limited.

Expressing his happiness over the induction of the new Directors on Board, Mr. J C Sharma said, "Mr. Damodaran with his diversified experience in Financial Management, Securities Markets, Corporate Governance, Public Administration and Leadership will add tremendous value to the company."

On the induction of Mr. Ramakrishnan, Mr. Sharma said, "Mr. Ramakrishnan is associated with the Company since 2007 and is a proven performer. His contribution towards Kerala operations of the Company has been a significant one. He will take



charge as the Deputy Managing Director of the company with effect from April 01, 2001. He will be responsible for driving the Contractual Business of the company which offers great potential for future growth”.

Organisation Development:

In its efforts to emerge as a constantly evolving organization, Sobha Developers takes different organizational development initiatives from time to time. The company has presently undertaken a Compensation and Benefit Survey through Ernst & Young for Real Estate Industry. Foreseeing future growth in the sector, the company has begun recruitment at all levels and re-emphasize its stress on leadership training. Company has also initiated campus recruitment and plans to induct 100 Graduate Engineer Trainees and 50 Management Trainees.

Awards & Recognition:

Sobha Developers Ltd has been awarded with the Prof. Vasanth Rao Trophy in recognition as the second best company practicing Value Engineering in India by Indian Value Engineering Society for the year 2008 – 2009 at its 25th Conference held at Kolkata. The award is presented to an organization which demonstrates that it has realised the importance of Value Engineering/Value Management as an organised corporate activity and has excelled in successfully deploying this technique to improve the total value of its operations at all levels within the organisation during the year.

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About Sobha Developers Ltd.:

Founded in 1995, Sobha Developers Ltd is one of the largest and 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. Backward integration includes architectural, structural and interior studio, concrete block making plant, metal and glazing factory and interiors and wood working factory.

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:

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