

Limited Review Report

To
The Board of Directors
Sobha Developers Limited,
E- 106, Sunrise Chambers,
22, Ulsoor Road,
Bangalore – 560 042.

We have reviewed the accompanying statement of unaudited financial results of Sobha Developers Limited for the quarter ended June 30, 2008. This statement is the responsibility of the Company's management and has been approved by the Board of Directors.

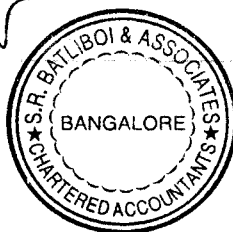
We conducted our review in accordance with the Auditing and Assurance Standard (AAS) 33, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. A review of interim financial information consists principally of applying analytical procedures for financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with Accounting Standards 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.

S.R. Batliboi & Associates

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

Sunil Bhumralkar
per Sunil Bhumralkar
Partner
Membership No.: 35141



Bangalore, India
July 24, 2008

Unaudited financial results for the quarter ended on June 30, 2008

		(Rs. in million)		
	Particulars	Quarter ended 30. 06. 2008	Quarter ended 30. 06. 2007 [Audited]	Year ended 31. 03. 2008 [Audited]
1	Net sales/Income from operations	3,468	2,678	14,226
2	Share of profits in a partnership firm ['Subsidiary']	13	-	66
3	Other income	7	15	53
4	Total income (1+2+3)	3,488	2,693	14,345
5	Expenditure			
	(a) (Increase)/decrease in stock in trade and work in progress	(514)	(263)	(4,063)
	(b) Land cost	748	131	3,900
	(c) Consumption of materials and construction cost	1,370	1,421	7,887
	(d) Employee cost	331	229	1,025
	(e) Depreciation / amortization	89	83	350
	(f) Other expenditure	517	489	1,940
	Total	2,541	2,090	11,039
6	Interest (net)	267	102	597
7	Profit before tax	680	501	2,709
8	Tax expenses			
	- Current tax	184	96	453
	- Deferred tax	(11)	(5)	(33)
	- Fringe benefits tax	2	2	6
9	Net profit	505	408	2,283
10	Paid-up equity share capital (Face value per share - Rs.10)	729	729	729
11	Reserves excluding revaluation reserves (as per balance sheet) of previous accounting year			9,154
12	Basic and diluted EPS (in Rs.)	6.93	5.59	31.32
13	Public shareholding			
	- Number of equity shares	9,480,353	9,480,353	9,480,353
	- Percentage of shareholding	13%	13%	13%

Notes :

- (1) There were no complaints from investors outstanding at the beginning of the quarter. The Company had received 23 complaints from investors during the quarter and 22 complaints were 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) Details of utilisation of proceeds raised through public issue during 2006-07

Particulars	30-Jun-08
Net IPO proceeds	5,374
Utilisation	
Towards land acquisition	2,569
Development and construction of projects	1,218
Repayment of loans	1,587
Total	5,374

- (4) 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.321 million and Rs.150 million respectively during the quarter ended June 30, 2008.
- (5) The financial statements of three months ended June 30, 2007 were audited by another firm of chartered accountants and have been regrouped or reclassified, where necessary, to conform with the current period's presentation.

Bangalore
July 24, 2008



For and on behalf of the
Board of Directors

J. C. Sharma
J. C. Sharma
Managing Director