



**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.

.....

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:

Sobha Developers Ltd.

R. Raman

Vice President – Corporate Communications

+91 9902006465

Email – raman.r@sobha.co.in

Image Inc.

Shivani Venugopal / Gayathri Chandrashekar

+91 9886442790 / 9980021787

Email – gayathri@image-publicrelations.com