



July 05, 2017

To

To The Deputy Manager Department of Corporate Services BSE Limited PJ Towers, Dalal Street Mumbai – 400 001 Scrip Code : 532784	To The Manager The National Stock Exchange of India Limited Exchange Plaza, Plot No C/1, G Block Bandra Kurla Complex Mumbai – 400 051 Scrip Code : SOBHA
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Dear Sir / Madam,

Sub: Real Estate Operations Update for the quarter ended June 30, 2017

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, 2017.

We request you to kindly take the aforesaid information on record for dissemination through your website.

Thanking You.

Yours sincerely,

FOR SOBHA LIMITED


VIGHNESHWAR G BHAT
COMPANY SECRETARY AND COMPLIANCE OFFICER

SOBHA LIMITED

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REAL ESTATE LIMITED

SOBHA LIMITED

REAL ESTATE OPERATIONAL UPDATE – Q1 FY 2017-18

The financial year 2017-18 started with hope, expectations as well as uncertainties and anxieties. With the announcement of several progressive reforms, it is clear that the Central Government is determined and committed to transform our economy. A reflection of this was the first decisive step of demonetization, announced during the third quarter of FY 16-17. It enabled the Government to take out 85% of currencies out of circulation. This was followed by a game-changing budget, which placed a tremendous thrust on affordable housing by redefining the carpet area and multiple other benefits, in the month of February, 2017.

In yet another noteworthy reform, the Government announced Credit Linked Subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana (PMAY), making home loans available easily to consumers. Additionally, the much awaited sectoral reform - Real Estate Regulation Act, 2016 (RERA), came into effect from May 1st, 2017. However, we are yet to get a complete clarity on final rules and regulations across all the states that we operate in, except Maharashtra and Tamilnadu. Supplementing these is the most historic economic reform of all time i.e; Goods and Services Tax (GST), which was implemented from the midnight of 30th June, 2017. This landmark act replaces multiple indirect taxes with a single tax, making a good and simple taxation mechanism. These policy initiatives are a testimony to Government's intent of making our economy more transparent and equitable. We hope that the State Governments will be able to align their functioning to implement these acts.

We believe as a professionally run organization, with presence in several cities across the country, and with a best track record of timely delivery and transparent practices, Sobha should be a beneficiary of these reforms. The industry, now in the process of transitioning to a RERA-compliant and GST regime. We believe that the worst for our sector is almost over. As we move forward, the realty sector is poised to contribute significantly to India's economic growth.

In this backdrop, we are pleased to inform that our first quarter has begun on a positive note. We continue to perform well in our principal market, Bangalore. We have also started gaining considerable traction in other markets. While the Gurgaon market continues to gain momentum, we believe that the performance of other markets such as Kochi will improve going forward.

Abhishek





SOBHA

The Company during the first quarter achieved new sales volume of 815,230 square feet total valued at ₹ 6,234 million with an average realisation of ₹ 7,647 per square feet (Sobha Share of sales value at ₹ 5,627 million with an average realisation of ₹ 6,903 per square feet). The sales volume and total sales value are up by 12.7% and 11.9% respectively as compared to preceding quarter.

It is worth noting that this performance has been achieved without any new project launches. More importantly, we were able to sell our products across all price categories. Additionally, the performance of Sobha's contracts and manufacturing was encouraging, especially Sobha Glazing and Metal Works and Sobha Interiors.

The overall cash flow momentum was sustained and our interest cost and rate came down further in this quarter. We hope this improved operational performance will help the Company in achieving better financial results as well.

The summarised real estate performance for the quarter ended June 30, 2017 is given as under:

New Sales Volume:

Saleable area in Square Feet

Location	Q1 18	Q4 17	Q1 17	FY 17
Bangalore	592,936	508,572	606,633	2,255,440
Gurgaon	123,874	97,867	62,839	233,592
Chennai	27,485	55,651	29,100	180,229
Thrissur	13,191	3,312	53,216	76,357
Pune	(8,941)	7,883	13,335	54,397
Coimbatore	15,913	8,355	5,467	28,654
Cochin	28,430	8,200	3,700	68,020
Calicut	7,750	18,036	5,542	27,759
Mysore	14,592	15,389	29,417	77,381
TOTAL	815,230	723,265	809,249	3,001,829

(10.764 Square Feet =1 Square Metre)

Besides Bangalore and Gurgaon, Cochin region sales performance has shown improvement in volume.

Arshad





INTERNATIONAL

Sales Value:

Particulars	Q1 18	Q4 17	Q1 17	FY 17
Total Sales value (₹ Million)	6,234	5,572	5,131	20,124
Sales Value – Sobha Share (₹ Million)	5,627	5,048	4,698	18,661

The new sales value of ₹ 5,627 million achieved during the first quarter of 2017-18 is highest in the past 9 quarters.

Price Realisation:

Particulars	Q1 18	Q4 17	Q1 17	FY 17
Average Price Realisation – Total (₹ / Square Feet)	7,647	7,704	6,340	6,704
Price Realisation – Sobha Share (₹ / Square Feet)	6,903	6,980	5,806	6,216

The average price realisation reflects steady performance in all price category products being offered for sale.

We are delighted to inform that SOBHA has achieved a rare Hat-trick by being recognized as the **Top National Realty Brand across Asset class in India for the past three consecutive years** in a row by Track2Realty –an independent and credible think-tank on real estate in India. We are the first real estate company in the country to have achieved this exceptional recognition in brand leadership. It is further heartening to note that SOBHA has retained its **Top position in the pan-India Consumer Confidence Survey for the 4th consecutive year**. The report also gives top scores to **SOBHA in its NRI Confidence Survey** done across several countries. Furthermore, SOBHA's commitment to transforming the society is acknowledged in the report with **Top spot for its CSR initiatives**. We are truly humbled by these recognitions, which have encouraged us to continue on our chosen path with dexterity.

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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.

