SOBHA

PASSION AT WORK

January 05, 2018

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**

Dear Sir / Madam,

Sub: Real Estate Operations Update for the quarter ended December 31, 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 December 31, 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

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REAL ESTATE OPERATIONAL UPDATE – Q3 FY 2017-18

Season's greetings and best wishes to all our esteemed stakeholders for a happy and prosperous 2018.

According to a recent report by London-based Centre for Economics and Business Research (CEBR), India is expected to become the fifth largest economy in dollar terms in 2018, overtaking Britain and France. In addition to this, India has already overtaken Brazil and Russia to emerge as the second largest BRIC economy after China, as per a report by Bank of America Merrill Lynch. These reports are an indication of growing financial influence of the Country at the back of reforms and schemes initiated by the Government.

While the overall economic outlook has been improving continuously, the real estate sector has had its share of challenges. It was impacted adversely during the third quarter of FY16-17 due to sudden announcement of demonetization.

Thereafter, through the year 2017, several historic reforms were rolled out at the macro as well as sector level. These include Credit Linked Subsidy Scheme (CLSS) under PMAY; extension of income tax benefits to apartments of a carpet area of up to 60 square metres, amendments in Real Estate Investment Trusts (REITs), Real Estate (Regulation and Development) Act, 2016 (RERA) and Goods and Services Tax (GST). There was also a tremendous boost for the affordable housing segment with the infrastructure status. Despite the implementation of these big-ticket policy initiatives, the tangible benefits for the real estate market are yet to reflect. As a result, the last three quarters saw subdued sales and new launches, making it a difficult phase for the sector.

However, with the prices stabilizing over the last few years and home loan interest rates at a decade low, buying a home has never been this attractive in the last 15 years or so. As we move forward, the sector is expected to consolidate and revive to witness double-digit sales-volume growth as well as new launches.

In this backdrop, our operational performance for the third quarter has been impressive. The Company, during the third quarter achieved new sales volume of 933,365 square feet, valued at ₹ 7,509 million with an average realisation of ₹ 8,045 per square feet, which is highest ever quarterly sales performance of the Company in terms of value and average realisation. The sales volume and total sales value are up by 8.4% and 11.2% respectively as compared to preceding quarter. Also, sales volume and total sales value is higher by 52% and 92% respectively as compared to Q3-17.

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During the third quarter, the company had launched two projects namely, 'Sobha HRC Pristine', in Bangalore and 'Sobha Silver Estate', in Thrissur, measuring total saleable area of 0.98 million square feet.

The summarized real estate performance for the quarter ended December 31, 2017 is given below:

New Sales:

In Square Feet

Location	Q3 18	Q3 18	Q2 18	9M 18	9M 17	FY 17
Bangalore	644,123	503,037	612,818	1,849,877	1,746,867	2,255,440
Gurgaon	82,529	23,104	78,721	285,124	135,726	233,592
Chennai	26,804	33,470	27,837	82,126	124,577	180,229
Kochi	109,704	7,342	63,075	201,209	59,820	68,020
Thrissur	20,036	13,289	19,919	53,146	73,045	76,357
Calicut	12,290	2,224	20,429	40,469	9,723	27,759
Coimbatore	14,997	5,059	13,234	44,144	20,299	28,654
Mysore	22,882	13,524	18,812	56,287	61,993	77,381
Pune	-	12,603	6,239	(2,703)	46,513	54,397
TOTAL	**933,365**	**613,652**	**861,084**	**2,609,679**	**2,278,563**	**3,001,829**

(1 Square Metre = 10.764 Square Feet)

9 months sales volume up by 14.5% as compared to corresponding period of last year.

It is important to note that besides Bangalore, which is our principal market, other regions such as Kochi, Thrissur, Gurgaon, Coimbatore and Mysore sales performance has shown improvement in volume during the third quarter.

Sales Value:

Particulars	Q3 18	Q3 17	Q2 18	9M 18	9M 17	FY 17
Total Sales value (₹ Million)	7,509	3,908	6,751	20,494	14,553	20,124
Sales Value – Sobha Share (₹ Million)	**6,105**	**3,732**	**5,927**	**17,659**	**13,612**	**18,661**

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Total sales value is up by 40.8% for the first 9 months and it has crossed the total sales value achieved for the financial year 2016.-17. As far as Sobha share is concerned, Sales value is up by 29.7% for 9 months.

For the quarter ended December 31, 2017, Sobha Share of sales value is up by 63.6% and 3% respectively as compared to corresponding quarter of last year and preceding quarter.

The new sales value (Sobha Share) of ₹ 6,105 million achieved during the third quarter of 2017-18 is highest in the past 11 quarters.

Price Realisation:

Particulars	Q3 18	Q3 17	Q2 18	9M 18	9M 17	FY 17
Average Price Realisation – Total (₹ / Square Feet)	8,045	6,369	7,840	7,853	6,387	6,704
Price Realisation – Sobha Share (₹ / Square Feet)	**6,541**	**6,082**	**6,883**	**6,767**	**5,974**	**6,216**

Average price realisation has also shown a steady trend in this financial year.

We hope that, the Company will be able to sustain this improvement in operational performance in the coming quarters as well.

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.

Sobha Limited ★ Bangalore