SOBHA

PASSION AT WORK

July 06, 2015

To,

The Deputy Manager Department of Corporate Services, The Bombay Stock Exchange Limited Floor 25, P.J Towers, Dalal Street, Mumbai – 400 001 **Scrip Code: 532784**	The Manager National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 **Scrip Code: SOBHA**

Dear Sir / Madam,

Sub: Real Estate Operations Update for the quarter ended June 30, 2015

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, 2015.

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

Thanking you.

Yours sincerely,

FOR SOBHA LIMITED

Sobha Limited Bangalore

KISHORE KAYARAT
COMPANY SECRETARY AND COMPLIANCE OFFICER

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SOBHA LIMITED

(Formerly Sobha Developers Limited)

REAL ESTATE OPERATIONAL UPDATE – Q1 FY 2015-16

With the Indian economy poised to grow at about 8% levels in fiscal 2016, the outlook on macro-economic fundamentals remains positive. Though there is optimism surrounding the economy, the real estate sector continued to face challenges posed by the slowdown in the form of subdued demand and slower sales. It is pertinent to note that the end-customers are delaying or deferring their purchase decision in anticipation of improved market conditions. The prevailing slowdown has also restrained companies from increasing the product prices.

The downward revision of repo rates by Reserve Bank of India has not made any positive impact on the real estate market as the benefits are yet to be passed onto the end users. Interest rate cuts by banks and financial institutions for home loans and construction finance can aid in revival of demand.

The Bangalore market has continued to display resilience, though a slight contraction in demand was noticed for high-value products during the quarter. We expect the medium to long term outlook for the real estate sector to remain strong and for prices to remain stable.

In this backdrop, the performance of real estate operations of the Company during the first quarter of the financial year 2015-16 is satisfactory.

The Company during the quarter achieved new sales of 841,399 square feet valued at ₹ 5,039 million with an average realisation of ₹ 5,988 per square feet. The new sales is higher by 11.5% and 4.5% in volume and value terms respectively as compared to Q1'15. The average price realisation has dipped on account of the product portfolio of the Company comprising the compact luxury segment 'Sobha Dream Acres' at Balagere, Bangalore.

Sobha Limited
Bangalore

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During Q1'16, the Company launched 'Sobha Clovelly' in Bangalore with total saleable area of 325,581 square feet. The 'Sobha Dream Acres' Project which was launched in the last quarter of fiscal 2015 has been well received by the market and continues to garner positive response from potential customers. The Bangalore market delivered strongly for the Company towards the end of the quarter. The Company has also seen a revival of demand in the Chennai market.

The summarised real estate performance for the quarter ended June 30, 2015 is given as under:

New Sales:

In Square Feet

Location	Q1 16	Q1 15	Q4 15	FY 15	FY 14
Bangalore	700,483	527,560	827,070	2,441,493	2,412,332
NCR	7,107	30,207	26,435	80,540	128,784
Chennai	66,158	32,708	86,118	197,965	302,551
Thrissur	3,218	43,867	16,090	121,847	359,986
Pune	21,905	35,695	24,809	108,300	83,455
Coimbatore	2,609	14,465	9,817	52,630	73,165
Cochin	5,539	22,293	9,580	101,077	16,252
Calicut	25,669	26,120	12,529	87,377	131,147
Mysore	8,711	21,864	16,334	87,774	77,513
TOTAL	**841,399**	**754,779**	**1,028,782**	**3,279,003**	**3,585,185**

(1 Square Metre = 10.764 Square Feet)

Sales Value:

Particulars	Q1 16	Q1 15	Q4 15	FY 15	FY 14
Total Sales value (₹ Million)	5,318	5,240	6,480	22,257	24,730
Sales Value – Sobha Share (₹ Million)	5,039	4,822	6,267	20,950	23,425

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Price Realisation:

Particulars	Q1 16	Q1 15	Q4 15	FY 15	FY 14
Average Price Realisation - Total (₹ / Square Feet)	6,321	6,943	6,299	6,788	6,898
Price Realisation – Sobha Share (₹ / Square Feet)	5,988	6,388	6,092	6,389	6,534

We expect to carry forward the momentum generated by the sales performance in Q1'16 to the coming quarters and are confident of meeting the guidance set for fiscal 2016.

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