



January 06, 2017

To,

The Deputy Manager Department of Corporate Services, BSE 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
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Dear Sir / Madam,

Sub: Real Estate Operations Update for the quarter ended December 31, 2016.

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, 2016.

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
REAL ESTATE OPERATIONAL UPDATE – Q3 FY 2016-17

Season's Greetings and best wishes to all our esteemed stakeholders for a happy and prosperous 2017.

The most positive forecasts suggest that India will close this fiscal year in March with a respectable, but slightly lower, growth rate just above 7%. While the Indian economy continued to consolidate its gain, it got impacted post announcement of demonetization. We expect it to be a short-term pain, which has to pass-through for steady and sustainable growth. The Agriculture and allied sector is in encouraging mode have registered a growth rate of 2.5% during the first half of 2016-17 as compared to 2.3% during the same period in previous year and is expected to maintain its momentum. However, the growth rates for Industry and Services sector for the first half of the current year, which were estimated at 5.6 percent and 9.2% respectively, will have temporary impediment in the near future.

The inflation has remained more or less in comfort zone. The Government has also liberalized and simplified the foreign direct investment (FDI) policy in the sectors like defense, railway infrastructure, construction etc. that should start yielding required results. The real estate sector was beginning to show a clear sign of improvement but also got impacted post announcement of demonetization. However, we are confident that this slowdown will be momentary in nature and bring huge gain to the organized developers as well as to the consumers. With the beginning of New Year, steep reduction in interest rates clearly validate these assumptions. It is also expected that other measures initiated by the government such as RERA act, GST and simplification of the Central laws like environment acts etc, will make the sector more transparent and user friendly.

In this backdrop, we present the performance of the real estate operations of the Company for the quarter ended December 31, 2016.

The Company during the third quarter achieved new sales volume of 613,652 square feet valued at Rs. 3,732 Million with an average realisation of Rs. 6,082 per square feet. The Company believes the decrease in sales volume as a short term outcome of the current economic scenario. We are pleased to inform that borrowing cost of the company has brought down by 100 basis points in last one year. The operational cash flow of the Company remain positive and the debt position was stable during the 3rd quarter of 2016-17. As far as guidance note is concerned, the company will take a view during next board meeting post central budget.





FASHION AT WORK

The strategic initiatives taken by the company in last few years should support the company to capitalize opportunities, when the demand starts picking up.

The summarised real estate performance for the quarter ended December 31, 2016 is given as under:

New Sales:

In Square Feet

Location	Q3 17	Q3 16	Q2 17	9M 17	9M 16	FY 16
Bangalore	503,037	616,742	637,198	1,746,867	1,923,210	2,592,144
NCR	23,104	9,786	49,782	135,726	28,833	65,718
Chennai	33,470	93,143	62,008	124,577	275,116	300,468
Thrissur	13,289	39,774	6,540	73,045	62,749	103,264
Pune	12,603	12,617	20,576	46,513	51,887	54,468
Coimbatore	5,059	4,884	9,773	20,299	18,151	19,635
Cochin	7,342	6,114	48,777	59,820	37,463	42,653
Calicut	2,224	19,453	1,957	9,723	82,018	86,842
Mysore	13,524	3,797	19,051	61,993	18,608	118,530
TOTAL	613,652	806,309	855,662	2,278,563	2,498,037	3,383,722

(1 Square Metre = 10.764 Square Feet)

Sales Value:

Particulars	Q3 17	Q3 16	Q2 17	9M 17	9M 16	FY 16
Total Sales value (₹ Million)	3,908	5,137	5,512	14,553	15,787	21,458
Sales Value – Sobha Share (₹ Million)	3,732	4,783	5,182	13,612	14,771	20,118

Price Realisation:

Particulars	Q3 17	Q3 16	Q2 17	9M 17	9M 16	FY 16
Average Price Realisation – Total (₹ / Square Feet)	6,369	6,371	6,443	6,387	6,320	6,342
Price Realisation – Sobha Share (₹ / Square Feet)	6,082	5,932	6,056	5,974	5,913	5,946





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.

