
DLF Ltd.

Q1 Analyst Presentation

Results at a Glance – Q1

Sl.No.	Consolidated Financials	1Q FY08	Percentage of Total Revenue	Margins(%)
		Rs. In Crores		
A)				
1	Sales and Other Receipts	3074		
2	Other Income	47		
	Total Income(A1+A2)	3121	100%	
B)	Total Expenditure(B1+B2+B3)	870	28	
1	Construction Cost	747	24	
2	Staff cost	53	2	
3	Other Expenditure	70	2	
C)	Gross Profit Margin(%)			76%
D)	EBITDA (D/A1)	2251	72	
E)	EBIDTA (Margin)			73%
F)	Financial charges	108	3	
G)	Depreciation	16	1	
H)	Profit/loss before taxes	2127	68	
I)	Taxes			
	Current Taxes	602	19	
	Deferred Tax	1		
J)	Net Profit after Taxes	1524	49	
Note :				
1	Construction Cost Includes Cost of Land, Plots and Constructed Properties and Cost of Revenue			
2	Gross Profit Margin = (Total Income - Construction Cost) / Total Income			

Balance Sheet - Q1

CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2007				
				(Rs. In Millions)
	Schedule	30-Jun-07	31-Mar-07	
SOURCES OF FUNDS				
Shareholders' funds				
Capital	1	12,908	12,557	
Reserves and surplus	2	125,270	22,992	
		138,178	35,549	
Minority Interests	3	168	92	
Loan funds				
Secured loans	4	94,946	92,053	
Unsecured loans	5	8,520	7,274	
		103,466	99,327	
Deferred tax liabilities (net)	6	210	197	
		242,022	135,165	
APPLICATION OF FUNDS				
Fixed assets				
Gross block	7	16,928	18,044	
Less: Depreciation		2,572	2,412	
Net block		14,356	15,632	
Capital work in progress		27,105	26,219	
Investments	8	2,196	2,107	
Goodwill on consolidation		8,935	8,935	
Current assets, loans and advances				
Stocks	9	62,085	56,800	
Sundry debtors	10	37,478	15,057	
Cash and bank balances	11	94,692	4,155	
Other current assets	12	110	74	
Loans and advances	13	51,184	52,258	
		245,549	128,344	
Less :				
Current liabilities and provisions				
Liabilities	14	37,172	33,124	
Provisions	15	18,947	12,948	
		56,119	46,072	
Net current assets		189,430	82,272	
		242,022	135,165	

Cash Flows - Q1

Particulars		30-Jun-07
A.	Cash flow from operating activities:	Rs. in million
	Net profit before tax	21,267
	Adjustments for:	
	Depreciation	166
	Loss/(profit) on sale of fixed assets	3
	Provision for doubtful debts	1
	Loss/(profit) on sale of current Investments	-
	Interest/guarantee expense	1,077
	Interest income	(441)
	Operating profit before working capital changes	22,073
	Adjustments for:	
	Trade and other receivables	(19,958)
	Inventories	(5,288)
	Trade and other payables	3,276
	Taxes paid	(733)
	Net cash (used in) / from operating activities	(22,703)
B.	Cash flow from investing activities:	
	Proceeds from sale of fixed assets	227
	Interest received	441
	Purchase of investments	635
	Proceeds from sale of investment	11
	Net cash used in investing activities	1,314
C.	Cash flow from financing activities:	
	Proceeds from long term borrowings	5,180
	Proceeds of short term borrowings (net)	(1,041)
	Interest paid	(1,077)
	Share premium	87,126
	Increase in share capital	351
	Net cash used in financing activities	90,539
	Net increase / (decrease) in cash and cash equivalents	91,222
	Opening cash and cash equivalents	2,429
	Closing cash and cash equivalents	93,651
	Net Increase / decrease	91,222

Segment - Homes - Luxury

Particulars	1QFY08		
	Super Metros	Metros	Others
Sales Booked (msf)			
Opening Balance		4.83	
Booked during Qtr		0.49	
Closing Balance		5.32	
Under Construction			
Opening Balance		6.7	
New launched		0	
Handed Over		0	
Closing Balance		6.7	
Wt. Average Rate (Sale Price) of Q1		13,179	
Wt. Avg Land + Const Cost of Q1		2,171	

• **Luxury - Homes**

- Soft launch of South Delhi in FY 07; 30% sold out - encourages for the future launch of Delhi projects
- Launch Chanakyapuri in FY 09 and Tulsiwadi in FY 10. {Relocation in Tulsiwadi already underway}
- Consolidate leadership position in across the country in Super Metros & Metros
- Gurgaon - Magnolias sales continues to be strong
- Goa , Kasauli "Destination Luxury Homes" to be launched in Q4

• **Mid-Income - Homes**

- Launch of Bangalore project during Q3 of FY08
- Launch of Chennai during Q3 of FY08
- Launch of Indore during Q3 of FY08
- Launch of Lucknow during Q4 of FY08
- Launch of Cochin during Q4 of FY08

Segment -Offices

Particulars	1QFY08		
	Super Metros	Metros	Others
Lease/Sales Booked (msf)			
Opening Balance	8.31		
Add: Lease Booked during Qtr	1.41		
Add: Sale booked during the Qtr	2.89		
Less: Handed Over	1.34		
Closing Balance	11.27		
Under Construction			
Opening Balance	25.8		
New launched	5.1		
Handed Over	1.34		
Closing Balance	29.56		
For Sale Business			
Wt. Average Rate (Sale Price)	6,131		
Wt. Avg Land + Const Cost	1,793		
For Lease Business			
Average Rate (Lease Rate)	49		
Wt. Avg Land + Const Cost	1,923		

Project Name	Project Area (mIn Sq.ft.)
Gurgaon	1.08
Pune IT Park	0.08
Chennai IT Park	0.13
Hyderabad IT Park	0.12
Total	1.41

Project Name	Project Area (mIn Sq.ft.)
Gurgaon	2.13
Chennai IT Park	0.52
Hyderabad IT Park	0.24
Total	2.89

Margin = 4,338 (Tax Free)

Strategy & Update -Offices

- Pre-Lease volumes continue to be robust - in Gurgaon and across the country; current run-rate on annual basis continues to be @12 mln
- Current pre-lease as on June 30 is at 11.27m sq. ft.
- Rentals in Gurgaon for large volumes between Rs. 55 - 65 per sq. ft. Spot deals for smaller offices @ Rs. 100 per sq. ft.
- Customer-mix changing from IT / ITES [MNC's] to Corporate [Indian] with increasing volumes
- 6 IT SEZ's are notified [Chennai, Hyderabad, W-Block Cyber City, Silokhera, SIEL, & Mumbai] ; 6 more under notification
- Continue to leverage location advantages and deep customer relationships to maintain leadership position across the country
- Game changing opportunity with Ascendas attracting a pricing of 4.75% (cap rate of 6.3% after tax leakages); in comparison with our benchmark of 9%

Segment -Retail Malls

Particulars	1QFY08		
	Super Metros	Metros	Others
Lease Booked (msf)			
Opening Balance	3.2		
Lease Booked during Qtr	0.6		
Sale booked during the Qtr	0.1		
Handed Over	0		
Closing Balance	3.9		
Under Construction			
Opening Balance	11.7		
New launched	1.2		
Handed Over	0		
Closing Balance	12.9		
For Sale Business			
Wt. Average Rate (Sale Price)	23,292		
Wt. Avg Land + Const Cost	5,463		
For Lease Business			
Average Rate (Lease Rate)	115		
Wt. Avg Land + Const Cost	4,250		

Project Name	Project Area (mIn Sq.ft.)
Delhi Metropolitan	0.48
Kolkatta	0.07
Chennai	0.05
Total	0.6

Strategy & Update -Retail Malls

- Vasant Kunj 0.78 msf and Saket Malls 0.85 msf nearing completion - expected Q4:
- With scarcity of organized retail space within major metros, the company enjoys enviable position
- Substantial progress made during the Quarter, buying strategic sites in various cities including super mall sites
- All major retail players, including new entrants continue to pitch aggressively for space in DLF Malls.
- Company continues to evaluate best options for a stable long term relationship
- Construction to gather momentum on all 3 big malls after monsoon - Mall of India (5 mln sq.ft.) , NTC malls Mumbai (1.6 mln sq.ft.), Noida (1.6 mln sq.ft.)

Segment - Hotels

- Categorization completed with respect to 18 hotel sites (6,800 rooms); design activity under way
- Process of evaluation of “category” underway for 36 hotel sites (12,000 rooms)
- Progress in dialog with prospective partners for 9 super luxury hotel sites expected closure during the current fiscal year
- Have 5 sites of convention center at Delhi , Goa, , Jaipur, Kokatta and Chandigarh - India's largest convention center operator

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Projects Under Construction

SL No.	Project	Area (mn. Sq. Ft.)
1	W Block Building, DLF Cyber City, DLF City Phase - III, Gurgaon (W-Block)	1
2	IT Park Building Project, whitefield Road, Mahadevapura, Bangalore (IT Bangalore)	2
3	IT Park Building Project, Plot No 44 & 45 Sector- 62, Noida (U P) - (IT Noida)	1
4	DLF Times Square, Plot NO - 3, Sector-18, Noida, (Noida Mall)	2
5	Magnolias, DLF City Phase - V, Gurgaon	3
6	DLF Tower Project, Jasola, New Delhi	1
7	Oberoi Project, NH - 8, Silokhera, Gurgaon	3
8	NTC Mall Mumbai	2
9	IT Park Project, New Town, P.S. Rajarhat, Distt. 24 Pargana, Kolkata	3
10	GMC, Hyderabad	1
11	Rai SEZ Project, Plot NO TP-2, Industrial Estate, Rai, Sonapat	3
12	IT Park - Hyderabad, Block 2 & 3 Gachi Bowli, Hyderabad	2
13	IT Park - Chennai	6
14	Mall Of India, NH-8, Gurgaon	5
Total		35

- More JV's with international contractors planned - expected sign off in Q2
- All leading regional/leading contractors empanelled for respective local constructions

- 7 new projects work yet to start - 10 mln sq.ft.
- Grand Total - 45 mln sq.ft.

Significant Miles Stone Covered in Q1

- **Won the bid for Dwarka Convention Centre - Largest in India**
- **Received first consignment of 5,000 tons of steel imported from China**
- **Chennai IT Park handed over - total area 1.34 mln sq.ft.**
- **JV with Nakheel**
 - **Sole bidder for Bidadi (Suburb of Bangalore on Bangalore-Mysore Highway) for 9,000 acres**
 - **JV started acquisition of land for SEZ and townships at Gurgaon and Goa**

Human Resource

- **DLF Group: 3,501 Employees : 2,400 Professional ; added 300 professionals in Q1**
- **JV's /Associates: (DLOR,WSP,Hilton,Feedback Ventures) : 1120 Employees - almost all are professionals**



Our Land Bank

Mn Sqft					
	Total	Super Metros	Metros	Tier-I	Tier-II
Office	124	62	25	27	11
Retail	90	35	28	12	15
Super Luxury	4	4	0	0	0
Luxury	41	38	0	2	1
Mid income Homes	226	75	108	39	4
Institutions	20	5	14	0	0
Villas / Plots	110	34	31	30	15
Grand Total	615	254	205	110	46
%		41%	33%	18%	7%

Super Metros -- Delhi Metropolitan Region & Mumbai

Metros -- Chennai, Bangalore, Kolkata.

Tier I -- Chandigarh, Pune, Goa, Cochin, Nagpur, Hyderabad, Coimbatore & Bhubneshwar

Tier II -- Vadodra, Gandhi Nagar, Ludhiana, Amritsar, Jalandhar, Sonapat, Panipat, Locknow, Indore & Shimla.

Ownership Status	Mn. Sqft	%
Owned Land	588	93%
JDA / JV	41	7%

Breakup of Land Cost Paid	Mn. Sqft	%
Full Paid	406	66%
Partly Paid	117	19%
To be Paid in Next 5 Years	93	15%

DAL VS Non DAL

	DAL	Non-DAL	Total
Particulars			(Rs. Crores)
Sales	1654	1468	3122
Less: Construction Cost	524	202	726
Less: Overheads	146	122	268
PBT	984	1144	2128
Percentage of Total PBT	46%	54%	100%

- During F.Y. 06-07, DAL contributed to 61% of PBT against 46% now.
- Projects contracted to DAL : Hyderabad, Chennai & Gurgaon.
- During Q1, DAL paid 600 mln USD (~2400 crores)
- Institutional Investors [DE Shaw (2 Board Seats) & Lehman Brothers (1 Board Seat)] on Board.
- Further funding approvals received for DAL up to \$ 1 bln from 3 institutional investors

Contd.....

DAL VS Non DAL..... Contd.

- Current year sale value to be around 6 mln sq.ft @ tax free margins of Rs. 4,338/ sq.ft

MARGINS

➤ At present rentals	Yield	9%	7.5%	6%
	Margins per sq.ft	4,338	5,564	7,403

- Lease rentals are increasing continuously and hence margins expected to increase.
- DLF can increase the sale values up to 10 mln sq.ft per year , should the margins increases

- **DAL is FDI compliant for International REITS**