

## **DLF announces financial results for Q3 FY09**

**Revenue at Rs 1,503 crore, Net Profit at Rs 671 crore**

### **FINANCIAL HIGHLIGHTS**

#### **Q3 FY09 vs Q3 FY08**

- Consolidated Revenue at Rs 1,503 crore, a drop of 59% as compared to Rs 3,651 crore
- EBIDTA at Rs 908 crore, a drop of 64% as compared to Rs 2,554 crore
- Consolidated PAT at Rs 671 crore, lower by 69% as compared to Rs 2,145 crore
- EPS (non-annualised) at Rs 3.94, a fall of 69% as against Rs 12.58

#### **9M ending Dec 31, 2008 vs 9M ending Dec 31, 2007**

- Consolidated revenue at Rs 9,189 crore, a fall of 9% from Rs 10,121 crore
- EBIDTA at Rs 5,601 crore, a fall of 22% from Rs 7,168 crore
- Consolidated PAT at Rs 4,470 crore, a fall of 21% from Rs 5,679 crore

#### **Highlights – Q3 FY09**

- Extremely adverse market sentiment impacting both topline & bottomline substantially
- Significant deterioration in sales across verticals
- Postponed launches in high margin product categories across verticals
- Reduction in profitability margins (PAT/Sales) on quarter and YTD basis:
- Q3 FY09: 45% vs 59% in corresponding quarter
- YTD: 49% vs 56%
- 62 msf of projects under execution at the end of the quarter
- Booked 1.74 msf (sale & lease) in the quarter across all verticals
- Handed over 0.80 msf of office space in the quarter
- Booked 0.70 msf of space in Homes
- Low volume of leases with customers adopting a 'wait & watch' policy

#### **Industry Outlook**

- The real estate industry would continue to face challenges led by the global economic downturn and the resultant impact in buyer sentiment, both from home users and corporates
- With fiscal and monetary initiatives in place, and an appropriate price and product combination, the macro environment is expected to show signs of improvement towards second half of FY10.

#### **Management's View**

- Challenging market conditions to continue in the foreseeable future.
- Focus to be on liquidity and cash flows rather than growth in short and medium term.
- Thrust on ensuring a strong and healthy balance sheet
- To substitute short term debt with asset backed long term debt
- Focus on reduction of operating expenses and rationalising overheads
- Focus on unlocking "non strategic" assets with no medium term utility
- Change of strategy on future DAL revenues for the medium term
- Hilton Garden Inn (Saket) and AMAN Lodhi scheduled to open in Q1 FY10

**New Delhi, January 31, 2009:** DLF Limited, India's largest real estate company, recorded consolidated revenues of Rs 1,503 crore for the quarter ended December 31, 2008, as compared to Rs 3,651 crore in the corresponding quarter, Q3 FY08. EBIDTA stood at Rs 908 crore, as compared to Rs 2,554 crore in the corresponding quarter. Net profit was at Rs 671 crore, as compared to Rs 2,145 crore in Q3 FY08. The non-annualised EPS for the quarter was at Rs 3.94.

Commenting on the results, Mr. Rajiv Singh, Vice Chairman, DLF Limited said, "The present situation is very different from the boom that we had been seeing in the past few years. The real estate industry has moved from a period of abundant capital availability to times of liquidity crisis. The current economic environment has affected sentiments at a macro level, with demand from both, home buyers as well as corporates being affected."

Commenting on the company's strategy to face this situation of reduced demand and buyer's expectations of fall in prices going forward, he added, "Looking at the situation, we will continue to follow a cautious approach and focus on completion of existing projects within defined time limits. Our focus will be on the mid-income homes and commercial complexes, with deferment of high-margin launches in luxury homes and retail space. We plan to test the market initially with a few launches in these segments and then go ahead with other product categories once the markets achieve stability. Efficient cost management in terms of material procurement from low cost sources, standardization of products across geographies and organizational restructuring have assumed a higher importance in our operating strategies."

DLF has successfully met all its financial commitments and is in the process of substituting short-term debt with asset-based long-term debt.

DLF Asset Limited (DAL) has received a serious level of interest from large private equity investors and DAL expects to close this transaction soon, possibly within this financial year itself. However due to a sharp reduction in the demand for leased office space, the balance delivery in DAL will be substantially delayed and accordingly the revenues accruing to DLF from the sale of DAL will not be significant at least for the next several quarters.

#### **About DLF Limited**

More information about the company is available on [www.dlf.in](http://www.dlf.in)

#### **Forward Looking Statement**

*Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. DLF Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*