

DLF CHAIRMAN'S SPEECH BY DR. K. P. SINGH 45TH ANNUAL GENERAL MEETING, 2010

Ladies and Gentlemen.

It gives me great pleasure to welcome you all to the 45th Annual General Meeting of your Company.

At the very outset, on behalf of the Board of Directors and on my own behalf, I would like to express my deep sense of gratitude to all our stakeholders for continuing to extend unstinted trust and support throughout the previous year to enable the Company to withstand and overcome the challenges faced by the economy as a whole and the real estate sector in particular.

Today, I am happy to report to you that, with your faith and encouragement, your Company has been able to not only weather the stormy economic conditions to maintain our leadership position but also to convert the challenges into strategic opportunities for future growth. I can state, with confidence, that as a result of the stern lessons learnt during the trying and testing times, your Company has emerged stronger.

FINANCIAL PERFORMANCE

As is customary, let me first share with you the financial highlights of the year gone by, before I elaborate further on the prospects and strategies for the future.

Your Company's consolidated revenues in Financial Year 2010 stood at Rs. 7,851 Crores as compared to Rs.10,431 Crores in previous year. Consequently, the net profit after tax and minority interest declined to Rs.1,814 Crores as compared to Rs.4,468 Crores for the previous year, a decrease of 59.41%. The cash flow position of the Company continues to remain steady.

I am happy to report that despite the challenging business scenario, the Board of Directors of your Company has recommended 100% dividend on the face value of equity shares for Financial Year 2009 – 10.

ECONOMIC INDICATORS

During fiscal 2009-10, the global economy showed signs of a gradual recovery following the severe financial crisis in the previous two years, even though the Europe continues to be a reminder that the road to full recovery could prove to be long and bumpy for some time to come.

Fortunately, because of the well-timed Government stimulus packages and well-calibrated RBI interventions, the domestic Indian economy has largely well withstood the downtrend. There are also indications that the high rates of inflation that have proved worrisome for both industry and consumers, may stabilize in the coming months. Indeed, the Centre for Monitoring Indian Economy (CMIE) has estimated that GDP is likely to grow by 9.2% in 2010-11 in contrast to the 7.4% growth seen in 2009-10. My own assessment is that such trends auger well for further revival of domestic demand, especially in the housing and real estate development sector.

PURSUIT OF LEADERSHIP

This year is of special significance in the history of your Company as it marks the 100th Birth Anniversary of our Founder, Ch. Raghvendra Singh. We are at all times guided by and committed to his credo that DLF should endeavour not just to build edifices but to create a social infrastructure that enhances the quality of life of all

citizens. We have chalked out year-long centenary celebrations to honour the memory of our Founder, Ch. Raghvendra Singh. As a tribute to him, we rededicate our efforts and initiatives to maintaining our leadership understanding fully well that it entails greater responsibilities on our shoulders.

GOVERNANCE STRUCTURE

Let me now turn to the specific efforts made by your Management to draw lessons from the challenges of the recessionary phase, improve governance and ensure increased focus on the opportunities. Towards this, we have simplified our organizational structure to ensure sharper focus on execution with greater emphasis on robust systems, processes and risk management.

Going forward, DLF is organized around three geographically distinct development companies and one integrated rental company. These companies will be independent, board-managed with suitable empowerment and will take full accountability for their respective operations.

The Corporate Office will focus more on framing policies and providing guidance and oversight, to ensure uniformity in implementation.

UNLOCKING VALUES

Your Company will keep options open for divestment of non-core assets / businesses, the proceeds of which will be predominantly used to repay debt.

CORPORATE CITIZENSHIP

In the emerging social-economic environment in the country, I foresee that there will be increasing responsibility on business organizations to make more participatory contributions to social and socio-economic issues. DLF is committed to continue to make socially responsible investments. It is matter of pride that your Company's social responsibility initiative - 'DLF Foundation' - has enhanced its areas of contribution in targeted areas like rural health, education, vocational training, infrastructure development, animal care and environmental protection.

DLF Foundation's education programme already encompasses inter-alia about 63 schools and 11,000 poor students, DLF Primary Health Centres and Meal Programme (over 4.5 lakh meals have been served during the past year).

BRAND EQUITY

Our reputational capital is our real competitive advantage. DLF's intangible components of that reputation are trust, reliability, quality, consistency, creditability and transparency. I assure you that your Company will keep on working to enhance these values while considering the interests of all its stakeholders.

ACKNOWLEDGEMENTS

Our performance has been possible because of the support and encouragement by Central and State Governments, Bankers, Financial Institutions, Investors and all our Shareholders. We seek their continued support to take your Company to still greater heights.

I also greatly value the collective efforts of the entire DLF Team and the contribution and involvement of my colleagues on the Board and thank them.

Thank you,

(Dr. K.P. Singh)
Chairman
Gurgaon
September 28, 2010.

[This document does not purport to be a record of the proceedings of the Annual General Meeting. The speech can also be accessed at [http:// www.dlf.in](http://www.dlf.in)]