



DLF 
BUILDING INDIA

Q1 FY13 Analyst Presentation

August 06, 2012



SAFE HARBOUR

This presentation contains certain forward looking statements concerning DLF's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition , economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc., interest and other fiscal cost generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time on behalf of the company.



FY 2013...Economic Outlook

➤ **ECONOMY**

- ❖ Continued weak macro environment
 - ✓ Global uncertainties to continue
 - ✓ Weak investor sentiment thereby affecting investment climate
 - ✓ Real GDP to grow between 6.5%-7%;
 - ✓ Inflation to be sticky; high interest rates & tight liquidity regime
 - ✓ Political climate to drive the reform agenda

- ❖ Conclusion: no signs of relief in the near term – atleast for 12-15 months

FY 2013...Sectoral Outlook – Real Estate

➤ REAL ESTATE

❖ Real Estate sector will continue to be adversely impacted:

- ✓ High interest rates shall continue to impact demand
- ✓ Banking sectors continues its hawkish stance on sector
- ✓ Unabated inflationary pressures - shall impact margins
- ✓ Stretched approval cycle impacting fresh supply
- ✓ Commercial IT segment to be adversely impacted due to global economic and political conditions

Performance of Company – Q1 FY13

➤ **DevCo:**

- 1.34 msf gross sales booked vs 6.75 msf in Q4 12 & 2.3 msf in Q1 12
- Gurgaon – 0.50 msf
- Super Metro – 0.25 msf
- Rest of India – 0.59 msf

➤ **Rentco :**

- 0.29 msf of leasing vs 0.25 msf in Q4 FY12 & 0.73 msf in Q1 FY 12
- Rs. 400 Crs rental income from offices and retail combined

➤ **Monetization** of non-core assets - Rs. 369 Crs.

- All 3 major transactions in the pre-closing diligence stage.

➤ **Delivery**- 2.05 msf handed over during the Qtr.

Profit & Loss Summary – Q1 FY13

Q1 FY 13 vs Q4 FY 12

- Sales (incl Other Income) at Rs 2,329 Cr, compared to Rs 2,747 Cr.
- Net profit at Rs 293 Cr, as against Rs 212 Cr
- EBIDTA margins at 51% versus 34%
- Tax Rate for the Qtr is 29%

Profitability	Q1 13	Q4 12	% Change	Q1 12	% Change
All figures in Rs Crs					
Sales	2329	2747	-15%	2503	-7%
Construction	644	1268	-49%	942	-32%
Staff Cost	141	149	-5%	146	-4%
Other Expenses	346	402	-14%	247	40%
EBIDTA	1198	928	29%	1168	3%
Finance Charges	623	604	3%	496	26%
Depreciation	179	164	9%	170	5%
PBT	397	161	147%	502	-21%
Tax	114	-41	-377%	131	-13%
Minority / Prior Period	-10	-10	-1%	13	-176%
PAT	293	212	38%	358	-18%

Consolidated P&L – Q1 FY13

Sl.No.	Consolidated Financials	Q1 FY13 (Reviewed)		Q1 FY12 (Reviewed)		Q4 FY12 (Audited)	
		Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue
A)							
1	Sales and Other Receipts	2,198		2,446		2,617	
2	Other Income	131		57		131	
	Total Income(A1+A2)	2,329	100%	2,503	100%	2,747	100%
B)	Total Expenditure(B1+B2+B3)	1,131	49	1,335	53	1,819	66
1	Construction Cost	644	28	942	38	1,268	46
2	Staff cost	141	6	146	6	149	5
3	Other Expenditure	346	15	247	10	402	15
C)	Gross Profit Margin(%)		72%		62%		54%
D)	EBITDA (D/A1)	1,198	51	1,168	47	928	34
E)	EBIDTA (Margin)		51%		46%		34%
F)	Financial charges	623	27	496	20	604	22
G)	Depreciation	179	8	170	7	164	6
H)	Profit/loss before exceptional items	397	17	502	20	161	6
I)	Exceptional items	-	0	-		16	1
J)	Profit/loss before taxes and after exceptional ite	397	17	502	20	145	5
K)	Taxes expense	114	5	128	5	(41)	-2
L)	Prior period expense/(income) (net)	1	0	3	0	10	0
M)	Net Profit after Taxes before Minority Interest	282	12	371	15	176	6
N)	Minority Interest	7	0	(17)	-1	4	0
O)	Profit/(loss) of Associates	4	0	4	0	32	1
P)	Net Profit	293	13	358	14	212	8
Note :							
1	Construction Cost Includes Cost of Land, Plots and Constructed Properties and Cost of Revenue-others						
2	Gross Profit Margin = (Total Income - Construction Cost) / Total Income						

Consolidated Balance Sheet – Q1 FY13

DLF LIMITED		
Unaudited Consolidated Balance Sheet as at June 30, 2012		
	June 30, 2012	` in Crs. March 31, 2012
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	2,139	2,139
Reserves and surplus	25,432	25,097
Money received against share warrants	-	-
	27,571	27,236
Share application money pending allotment	0	0
Minority interests	440	421
Non-current liabilities		
Long-term borrowings	17,198	16,824
Deferred tax liabilities (Net)	-	-
Other long term liabilities	2,386	2,322
Long-term provisions	51	49
	19,635	19,194
Current liabilities		
Short-term borrowings	3,077	3,399
Trade payables	2,426	2,581
Other current liabilities	10,661	9,804
Short-term provisions	981	755
	17,145	16,538
TOTAL	64,791	63,389

Consolidated Balance Sheet – Q1 FY13 Contd.....

DLF LIMITED		
Unaudited Consolidated Balance Sheet as at June 30, 2012		
	June 30, 2012	in Crs. March 31, 2012
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	18,354	18,619
Intangible assets	219	95
Capital work-in-progress	8,943	8,874
Intangible assets under development	119	119
Goodwill on consolidation	1,652	1,625
Non-current investments	1,069	973
Deferred tax assets (Net)	433	335
Long-term loans and advances	3,212	3,146
Other non-current assets	170	144
	34,173	33,930
Current assets		
Current investments	216	153
Inventories	16,173	16,176
Trade receivables	1,694	1,766
Cash and bank balances	1,381	1,506
Short-term loans and advances	2,161	2,028
Other current assets	8,993	7,830
	30,617	29,459
TOTAL	64,791	63,389

Consolidated Cashflow – Q1 FY13

Consolidated Cash Flow Statement for the period ended June 30, 2012		
(₹ in Crs)		
Particulars	June 30, 2012	March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation and minority interest	396.99	1,547.50
Adjustments for:		
Depreciation, amortisation and impairment	178.59	688.83
Loss on sale of fixed assets, net	0.18	3.14
Interest / guarantee charges	622.60	2,246.48
Income from investment in trust	-	(3.76)
(Profit)/ loss from partnership firms, (net)	0.01	(2.95)
Provision for doubtful debts and advances	101.10	155.85
Advances / assets written off (including preliminary expenses)	2.66	19.54
Exchange fluctuations (net)	0.47	2.60
Prior period items, (net)	(2.51)	(6.14)
Profit on sale of investments, net	(12.46)	(260.48)
Unclaimed balances and excess provisions written back	(0.23)	(23.54)
Amortisation of deferred employees compensation, (net)	5.03	38.90
Amount forfeited on properties	(3.42)	(29.23)
Provision for employee benefits	4.26	(6.68)
Interest/ dividend income	(52.84)	(231.92)
Operating profit before working capital changes	1,240.42	4,138.14
Movements in working capital :		
Increase in trade and other receivables	(1,333.76)	(560.85)
Increase in inventories	127.28	(610.81)
Increase in trade and other payables	763.13	703.39
Cash generated from operations	797.08	3,669.88
Direct taxes paid (net of refunds)	(131.46)	(1,150.13)
Net cash generated from operating activities (A)	665.62	2,519.75

Consolidated Cashflow – Q1 FY13 Contd.....

Consolidated Cash Flow Statement for the period ended June 30, 2012		
(in Crs)		
Particulars	June 30, 2012	March 31, 2012
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including Capital work in progress)	(480.12)	(575.83)
Proceeds from sale of fixed assets	385.66	533.89
Interest/dividend received	42.30	306.56
Movement in share/debenture application money paid (net)	0.09	(25.43)
Movement in fixed deposits with maturity more than 3 months (net)	(170.93)	(191.22)
Purchase of investments	(62.09)	(701.57)
Proceeds from sale of investment	-	629.95
Net cash generated from/(used in) investing activities (B)	(285.09)	(23.65)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/ proceeds from issue of debentures (net)	-	(300.00)
Proceeds from borrowings	(2.27)	6,429.07
Repayment of borrowings	-	(5,053.86)
Redemption of preference shares	-	(11.06)
Premium on redemption of preference shares	-	-
Proceeds from issue of capital (including securities premium)	38.87	105.43
Dividend paid	(4.46)	(510.73)
Dividend tax paid	(0.76)	(84.50)
Interest/ guarantee charges paid	(740.16)	(3,012.51)
Net cash (used in) / generated from financing activities (C)	(708.78)	(2,438.16)
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(328.25)	57.94
Cash and cash equivalents at the beginning of the period	931.75	873.82
Cash and cash equivalents at the end of the period	603.50	931.75
	(328.25)	57.94
Note:		
Cash and cash equivalents (as per Note 18 to the consolidated financial statements)	603.03	929.15
Less: Exchange (loss) /gain	(0.47)	(2.60)
	603.50	931.75

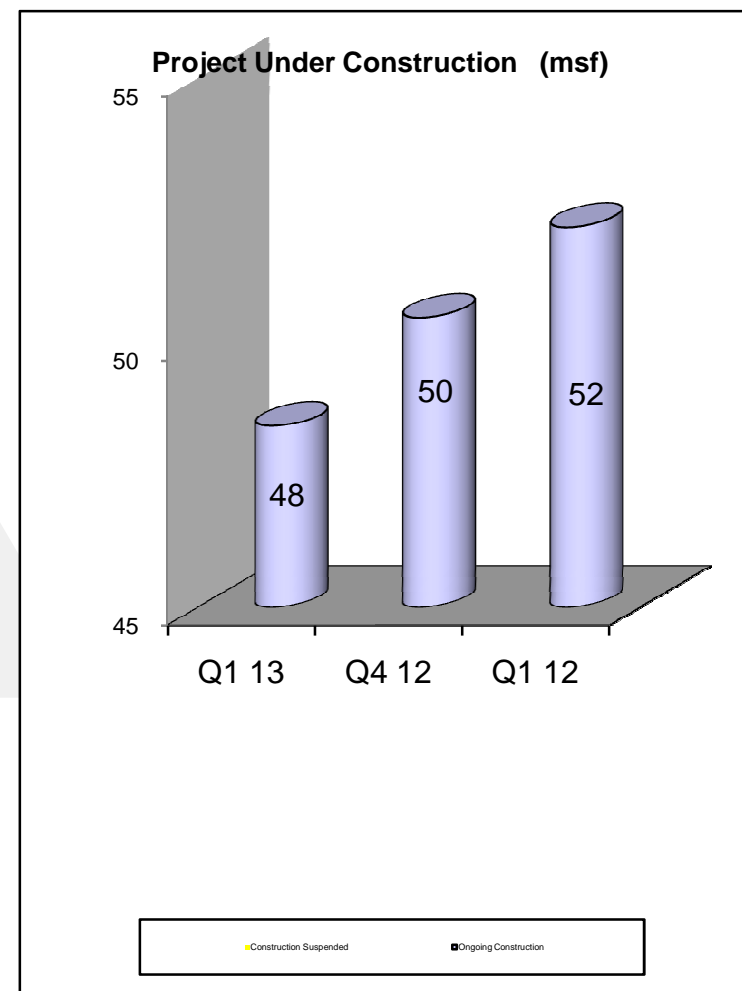
Debt Position – Q1 FY13

Net Debt Position	Q4 12	Q1 13	Net Reduction
	Rs Crs	Rs Crs	Rs Crs
Gross Debt as per Balance Sheet	25066	25060	
Less : Equity shown as Debt / JV Co Debt	1030	1003	
Gross Debt (Net of Equity shown as Debt / JV Co Debt)	24036	24057	
Pref. Shares	202	202	
Gross Debt Position (Net of Equity shown as Debt / JV Co Debt)	24238	24259	
Less : Cash in hand	-1513	-1428	
Less : Increase due to Exchange fluctuation		-151	
Net Debt Position	22725	22680	45

Execution

Region	Area in msf		
	Q1 13	Q4 12	Q1 12
Gurgaon	13	13	21.5
Super Metro	7	7	7
Rest of India	21	21	10.5
For Rent Co	7	9	13
	48	50	52

- Deliveries of approx . 2.05 msf in Offices during the Qtr
- Higher deliveries will lower future inflationary pressures, strengthen cash management and improve customer service and company goodwill.



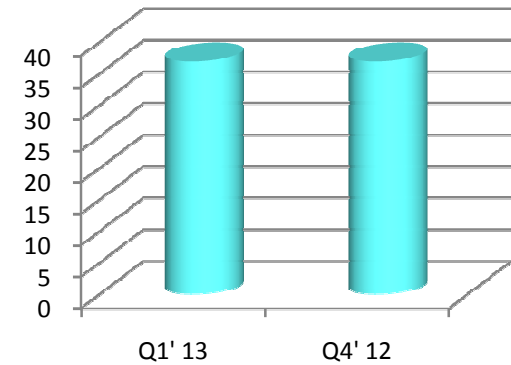
DevCo Q1 FY13

Particulars	Total msf		
	Q1-13	Q4- 12	Q1- 12
Sales Status			
Opening Balance	49.70	43.50	46.40
Add:- Sale Booked During the Qty	1.34	6.75	2.30
Less : Handed over / Suspended	-	(0.54)	-
Closing Balance	51.00	49.70	48.70

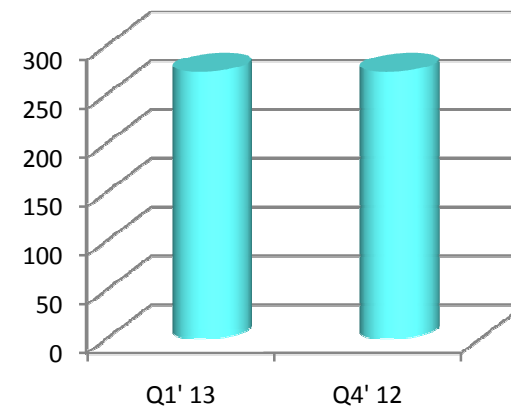
Under Construction			
Opening Balance	40.60	35.1	39.40
New Launches / Additions / Suspended	-	6.04	-
Less:- Handed over	-	(0.54)	-
Closing Balance	40.60	40.60	39.36

➤ 1.34 msf gross sales booked in Q1FY13 vs 6.75 msf in Q4FY12 & 2.30 msf in Q1 12

Under Construction (Msf)



Development Potential (Msf)



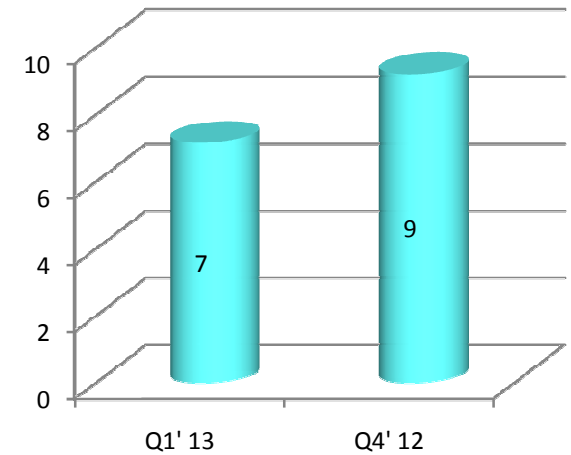
RentCo Q1 FY13

Particulars	Total msf		
	Q1-13	Q4- 12	Q1 - 12
Lease Status			
Opening Balance	22.66	22.54	23.77
Add:- Lease Booked During the Qty	0.96	0.64	0.97
Less :- Cancellation	(0.67)	(0.39)	(0.24)
Less :- Sold / Adjustment	-	(0.13)	-
Closing Balance	22.96	22.66	24.51

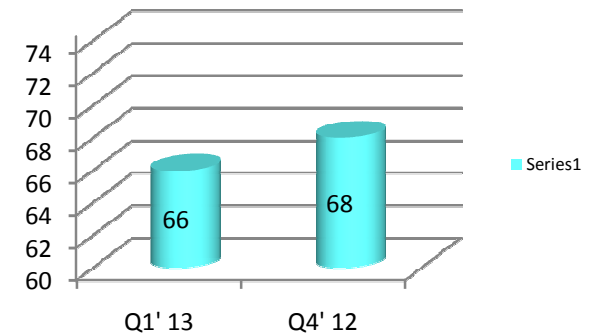
Under Construction			
Opening Balance	9.21	9.21	14.48
New Launches / Additions	-	-	(0.15)
Less:- Handed over	(2.05)	-	(1.89)
Less :- Suspension/Adju	(0.00)	-	-
Closing Balance	7.16	9.21	12.45

- 0.29 msf of net leasing in Q1FY13 vs 0.24 msf in Q4 FY12 & 0.73 msf in Q1 FY12
- Total annuity income of Rs 470 Crs including Rs 400 Crs rental income

Under Construction (Msf)



Development Potential (Msf)



Our Development Potential

Area (msf)	Other Land	Hotel Land	G.Total
Gross Area – as on 1 st April-12	340	8	348
Less : Projects Disposed off (Net)	0	(1)	(1)
Less : Handed over	(2)	0	(2)
Net Land Bank - as on 30 st June-12	338	7	345
- Dev. Co	272	7	345
- Rent. Co	66		

Notes

1. High potential & short / medium development potential not affected by above actions
2. Project disposed off relate to Non core non strategic land Parcels across various locations and amount recovered thereof



Thank You