



Q3 FY14 Analyst Presentation

February 14, 2014



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.

Performance Scorecard

Sl. No.		Target	Achieved 9MFY14	Details
I.	Sales Volume			
	"DLF 5"	1.5 msf/ yr	1.27 msf	
	New Gurgaon	2.5 msf/yr	0.35 msf	
	Delhi/Mumbai/ROI	3.5 msf/yr	1.70 msf	
II.	Leasing			
	Office	1-1.5 msf	1.11 msf	
	Malls		1.8 msf	1.8 msf Mall of India Noida Leasing finalised
III.	Non-Core			
	Wind Energy			Completed
	IPP			Completed
	Insurance			Completed
	Aman			Completed
IV	Net Debt	17500 crs	19,926 crs	
		(by 31 Mar-14)	(31st Dec-13) *	
			~ 17,400 crs	as on date
* Excludes Aman and DDA Transactions closed during Q4 FY.14				

Business Update till date ...

Within Q3

- Closed the sale of 74% equity stake in the insurance JV with Prudential Insurance of US.

Since Jan 1, 2014

- Closed the divestiture of Silverlink Resorts Ltd. (Aman), ex-Lodhi property, for Enterprise Value of USD358m. Moneys received.
- Settled the dispute with DDA on the Dwarka Convention Center at Rs. 676 crore
- At the end of Q3 the net debt is Rs. 19,926 crore vs Rs 19,508 crore at the end of Q2. Current net debt is at Rs. 17,400 crore (approx). We maintain the FY14 guidance of net debt of Rs. 17,500 - 18,000 crore.
- Worsening economic conditions during last 2 quarters and continued high interest rates has led to muted sales and profits. Current forecast is that these adverse economic conditions shall continue through Q2FY15.

Outlook...

- Given the current economic outlook, general demand including that for real estate product shall continue to be soft in the near term
 - In the best case scenario, we can expect slow tapering of interest rates
- The targeted milestones will shift by at-least 2 to 4 quarters, given the slow pace of sales due to adverse economic conditions and high interest regime. And this is despite meeting all other performance parameters like leasing and divestments

Medium Term Plan:

- Committed to deliver value without sacrificing the margins
- Comfortable debt levels achieved; quality of debt continues to improve
- Operational cash flow break-even; Capex to be met primarily through divestments
- Debt levels expected to remain in the current range
- No compromise on execution run rate and value creation for the customer

Medium Term Strategy...

- Be prepared for the growth, hence continue with the capex of the rent yielding projects already started and land consolidation, improving the value of ongoing projects through requisite approvals and infrastructure upgradation.
- Despite slower than anticipated sales, the Company shall continue its construction run rate thereby creating more mature stock for sale when the cycle turns.
 - The future potential of total launched inventory (under construction) is worth more than 14,000 crore.
 - Approvals are in place for all of ongoing projects, reduced the regulatory risk.
- In the near term, divestments will continue to meet any cash flow mismatches resulting from capex, land improvements or land charges
 - Operating Cash Flow Break-even
 - Capex to be met primarily through disposals of assets
 - Met the net debt forecast for the year. Net Debt expected to remain range bound at the current levels
 - As annuity incomes continue to grow, the quality and tenure of debt continues to improve

Business Segment Performance....



Business Segment Performance – Q3FY 2014

■ DevCo:

- 0.60 msf gross sales of Rs 600 crore booked in Q3FY14 vs 0.90 msf & Rs 730 crore in Q2FY14
 - DLF 5 Gurgaon – 0.10 msf (Rs 320 crore)
 - Camellias: sold 0.10 msf
 - Gurgaon – 0.07 msf (Rs 64 crore)
 - Delhi / Rest of India – 0.42 msf (Rs 216 crore)
- Total 9 month Sale booking of Rs 3,760 crore vs Rs. 2,575 crore for 9MFY13; Total Sales booking for FY13 was Rs 3,815 crore

■ RentCo:

- **1.80 msf of pre-leasing of Mall of India, NOIDA finalized**
- **1.11 msf Net leasing in Offices during 9MFY14 vs 0.98 msf for 9MFY13; Total leasing in FY13 was 1.14 msf**
 - Annuity Income (ex-Wind) of Rs 475 crore
- **Project under Construction : 60 msf**
- **NON CORE :**
 - Received Rs. 250 crore on account of Pramerica, Star Alubuild & Wind transaction

Summary: Operating Performance

	Q3FY14		YTD FY14	
	Sales (in msf)	Avg Rate (Rs psf)	Sales (in msf)	Avg Rate (Rs psf)
Sales Booking				
Gurgaon				
DLF 5	0.11	29450	1.27	20141
Garden City	0.07	8744	0.35	9194
Delhi/Mumbai/ROI				
Luxury	0.01	43738	0.01	43738
Premium	0.42	4616	1.69	5088
	Q3FY14		YTD FY14	
	Leasing (in msf)	Avg Rate (Rs psf/pm)	Leasing (in msf)	Avg Rate (Rs psf/pm)
Leasing				
Office	0.35	57	1.11	53
Retail Malls	-	-	0.24	139

Leased Assets Across India

<u>Cities/Projects</u>		Size (msf)	% leased
Gurgaon			
Cyber City	Office	10.37	94.12
Gurgaon (SEZ's)	Office	4.86	45.42
Others	Office	0.83	90.99
DAL (Chennai)	Office	5.67	94.99
DAL (Hyderabad)	Office	2.91	98.36
Kolkata/Chandigarh	Office	2.93	81.61
Delhi (Corporate Office)	Office	0.17	98.18
Malls			
Delhi & NCR	Retail	1.42	100.00
Chandigarh	Retail	0.19	93.81

Targeting Annual Annuity Income of Rs. 2,000 crore (net of Wind Assets)

Live Projects Across India

Projects	Size (msf) **	Sold till Q3 (msf)	Under Execution
Old Projects			
New Town Heights * & Express Greens	4.10	4.09	yes
Alameda*	2.46	1.99	yes
Garden City-91-92	3.56	3.37	yes
Corporate Greens	2.70	1.64	yes
Capital Greens	5.20	5.20	Yes
Okhla	0.63	0.52	Yes
GK Kings Court *	0.23	0.13	Yes
Indore*	2.46	1.12	Yes
NTH-Kolkata*	1.68	1.65	Yes
Chennai *	3.80	3.35	Yes
Kochi	2.58	2.30	Yes
Banglore	5.18	4.58	Yes
Hyderabad	3.44	2.80	Yes
Lucknow	3.10	3.00	Yes
Panchkula	4.03	3.60	Yes
Mullanpur	3.89	3.78	Yes
Shimla	0.07	0.06	Yes
Kasauli	0.57	0.23	Yes
* Partly Handedover			
New Projects			
SkyCourt	1.25	1.15	yes
Ultima	2.17	0.62	Yes
Regal Garden	1.03	0.85	yes
Primus	1.24	1.22	yes
Crest	2.61	0.84	yes
Camillias	3.55	0.44	yes
Horizon Centre	1.19	0.52	Yes
Bhubneshwar	0.55	0.33	Yes
** Total size of the Project			

Our Development Potential

Land Bank as on 31st Dec 2013			
Type of Real estate Development	Development Business	Lease Business	Total
	Development Potential (msf)		
Gurgaon	117	27	143
Bangaluru	31	0	31
Delhi Metropolitan Region	19	5	24
Chennai	16	5	22
Hyderabad	19	1	19
Chandigarh Tri-City	23	0	23
Kolkata	3	2	5
Other Indian Cities	36	9	45
Total	263	49	312

Summary Financials....



Consolidated P&L – Q3 FY14

Profitability	Q3 14	Q2 14	% Change	Q3 13	% Change
All figures in Rs Crs					
Sales & Other Income	2590	2225	16%	2291	13%
Operating Expenses	1304	1176	11%	1068	22%
Staff Cost	142	186	-23%	155	-8%
EBIDTA	1144	863	32%	1069	7%
EBIDTA % #	44	39	13%	46	-4%
Finance Charges	633	609	4%	581	9%
Depreciation, Amortisation & impairment	156	166	-6%	248	-37%
PBT	355	88	301%	240	48%
Exceptional Items	-412	80	n.a	0	0%
PBT	-57	168	-134%	240	-124%
Tax *	-193	85	n.a	-4	n.a
Minority Interest	-20	-14	43%	-41	0%
Prior Period	9	-4	n.a	0	0%
PAT	145	100	45%	285	-49%
The Normalised EBIDTA & PAT for Q3FY14 is Rs 844 crs and Rs 125 crs respectively					
* Includes Deferred Tax Assets created on account of Dwarka Provisions					

Consolidated P&L – YTD FY14

Profitability	Q3 14	YTD 14	YTD 13
All figures in Rs Crs			
Sales & Other Income	2590	7268	6776
Construction	949	2848	2305
Staff Cost	142	473	451
Other Expenses	355	886	891
EBIDTA *	1144	3062	3129
EBIDTA %	44	42	46
Finance Charges	633	1834	1726
Depreciation, Amortisation and impairment	156	500	610
PBT	355	728	793
Exceptional Items	-412	-326	0
PBT	-57	401	793
Tax	-193	-16	145
Minority Interest	-20	-16	64
Prior Period	9	7	-4
PAT	145	427	716
The Normalised EBIDTA & PAT for YTD14 is Rs 2632 crs and Rs 277 crs respectively			
# Includes Rs 640 crs PAT on account of NTC Mumbai divestment			

Consolidated Balance Sheet

In Rs crore

Particulars	As on December 2013 (Reviewed)	As on September 2013 (Reviewed)	As on March 31, 2013 (Audited)
A. Equity and Liabilities			
1 Shareholders' funds			
(a) Share capital	2,155	2,155	2,139
(b) Reserves and surplus	27,180	27,474	25,389
Sub-total - Shareholders' funds	29,336	29,630	27,528
2. Share application money pending allotment	0	0	-
3. Minority interests	479	443	402
4. Non-current liabilities			
(a) Long-term borrowings	14,298	14,550	15,542
(b) Other long-term liabilities	2,267	2,197	2,242
(c) Long-term provisions	80	77	63
Sub-total - Non-current liabilities	16,645	16,824	17,847
5. Current liabilities			
(a) Short-term borrowings	3,064	3,186	3,536
(b) Trade payables	2,968	2,901	2,698
(c) Other current liabilities	14,497	14,297	11,947
(d) Short-term provisions	131	343	670
Sub-total - Current liabilities	20,660	20,727	18,850
Total – Equity and Liabilities	67,119	67,624	64,627

Consolidated Balance Sheet

Contd.....

In Rs crore

Particulars	As on December 2013 (Reviewed)	As on September 2013 (Reviewed)	As on March 31, 2013 (Audited)
B. Assets			
1. Non-current assets			
(a) Fixed assets	25,313	25,804	26,121
(b) Goodwill on consolidation	1,720	1,671	1,562
(c) Non-current investments	669	985	1,011
(d) Deferred tax assets (net)	875	745	656
(e) Long-term loans and advances	3,376	3,483	3,658
(f) Other non-current assets	52	106	86
Sub-total - Non-current assets	32,006	32,792	33,095
2 Current assets			
(a) Current investments	1,091	1,145	323
(b) Inventories	18,817	18,079	17,646
(c) Trade receivables	1,668	1,604	1,653
(d) Cash and cash equivalents	2,267	2,524	1,844
(e) Short-term loans and advances	2,111	2,438	1,672
(f) Other current assets	9,160	9,042	8,394
Sub-total - Current assets	35,114	34,832	31,532
Total – Assets	67,119	67,624	64,627

Consolidated Cashflow

(All figures in Rs crs)			
Particulars	Q3	Period ended	Period ended
		31-Dec-13	30-Sep-13
A. Cash flow from operating activities:			
Net profit before tax	(57)	401	459
Adjustments for:			
Depreciation	156	500	344
Profit on sale of Wind Mill, net	0	(152)	(152)
Loss / (profit) on sale of fixed assets, net	(1)	(7)	(6)
Provision for doubtful debts/unclaimed balances written back/ exchange fluctuations and others	(0)	47	47
Provision for CWIP	411	411	-
Amortisation cost of Employee Stock Option	2	15	13
Profit on sale of investments, net	(41)	(42)	(1)
Prior period items	(1)	(0)	1
Interest / gurantee charges	633	1,834	1,200
Interest / dividend income	(85)	(301)	(216)
Operating profit before working capital changes	1,016	2,707	1,690
Adjustments for:			
Trade and other receivables	167	(1,114)	(1,280)
Inventories	(621)	(907)	(286)
Trade and other payables	(158)	1,413	1,571
Taxes paid (net of refunds)	(121)	(31)	89
Net cash from operating activities	283	2,067	1,784
B. Cash flow from investing activities:			
(Purchase) / Sale of fixed assets (Including CWIP), net	(136)	(530)	(394)
Proceeds from sale of Wind mill assets, net	97	777	680
Interest/Dividend received	95	219	124
Movement in share/debenture application money paid (net)	-	(65)	(65)
Movement in fixed deposits with maturity more than 3 months (net)	-	(56)	(56)
(Purchase) / Sale of Investment(net)	163	(674)	(837)
Net cash used in investing activities	219	(329)	(548)
C. Cash flow from financing activities:			
Proceeds / (repayment) from borrowings (net)	64	(440)	(504)
Increase in share capital / securities premium - IPP receipt	(1)	1,895	1,896
Interest paid	(765)	(2,267)	(1,502)
Dividend Paid (including dividend tax)	(48)	(559)	(511)
Net cash used in financing activities	(750)	(1,371)	(621)
Net increase / (decrease) in cash and cash equivalents	(248)	367	616
Opening cash and cash equivalents	1,569	954	954
Closing cash and cash equivalents	1,321	1,321	1,569
Net Increase / (decrease)	(248)	367	616

Liquidity Outlook

Net Debt Position	Q2 14	Q3 14	Net Change
	Rs Crs	Rs Crs	Rs Crs
Gross Debt as per Balance Sheet	24298	24361	
Less : Equity shown as Debt / JV Co Debt	1038	1061	
Gross Debt (Net of Equity shown as Debt / JV Co Debt)	23260	23300	
Pref. Shares	202	202	
Gross Debt Position (Net of Equity shown as Debt / JV Co Debt)	23462	23502	
Less : Cash in hand (31st Dec-2013)	-3573	-3257	
Less : Increase due to Exchange fluctuation	-381	-319	
Net Debt Position **	19508	19926	418
** Excludes			
A - Non Core realisation of Rs 2275 crs from Aman Transaction & Rs 676 crs of DDA			
B - Rs 19,926 crs includes approx. Rs 12,500 crs of Loan taken against / backed by Annuity Assets			
Net Debt as on date ~ Rs 17400 crs			

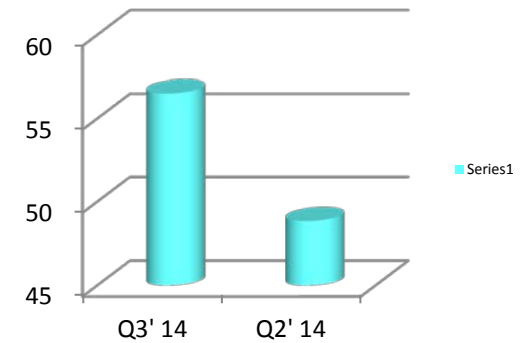
DevCo Q3 FY14

Particulars	Total msf		
	Q3-14	Q3- 13	Q2- 14
Sales Status			
Opening Balance	47.7	52.63	46.79
Add:- Sale Booked During the Qty	0.60	2.27	0.9
Less : Handed over / Suspended	(0.67)	(0.42)	0.0
Closing Balance	47.63	54.48	47.7

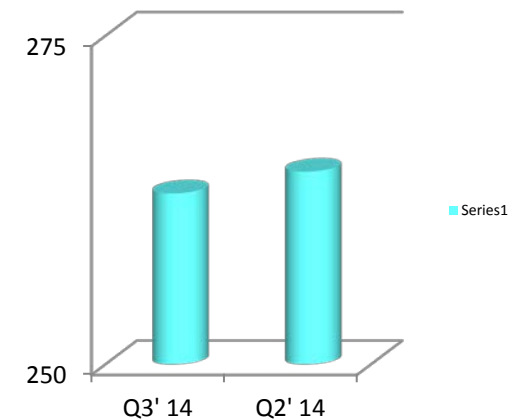
Under Construction			
Opening Balance	48.85	47.62	47.60
New Launches / Additions / Suspended	8.34	6.80	1.25
Less:- Handed over	(0.67)	(0.42)	0.00
Closing Balance	56.52	54.00	48.85

➤0.60 msf gross sales booked in Q3FY14 vs 0.91 msf in Q2FY14

Under Construction (Msf)



Development Potential (Msf)

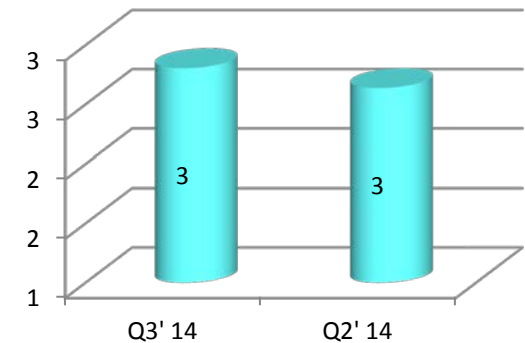


RentCo Q3 FY14

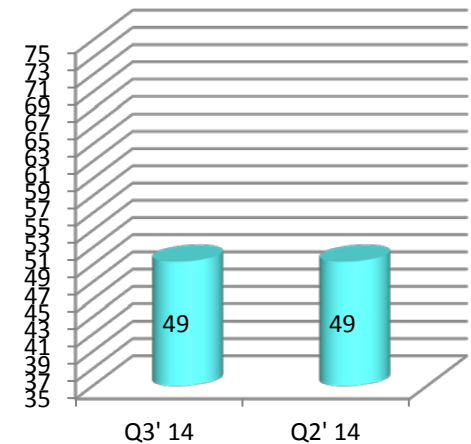
Particulars	Total msf		
	Q3-14	Q3- 13	Q2- 14
Lease Status			
Opening Balance	24.82	23.20	24.21
Add:- Lease Booked During the Qty	0.62	0.69	1.02
Less :- Cancellation	(0.27)	(0.25)	(0.41)
Less :- Sold / Adjustment			
Closing Balance	25.17	23.64	24.82

Under Construction			
Opening Balance	2.64	7.18	3.71
New Launches / Additions	0.17	0.21	0.00
Less:- Handed over	0.00	0.16	0.00
Less :- Suspension/Adju			1.07
Closing Balance	2.81	7.22	2.64

Under Construction (Msf)



Development Potential (Msf)





Thank You