DLF announces Annual Results for FY09

Revenue at Rs 10,541 cr, Net profit at Rs 4,629 crore

FINANCIAL HIGHTLIGHTS

For FY 2008-09 (all comparisons with FY08)

- Consolidated Revenue at Rs 10,541 crore, down by 28% from Rs 14,684 crore
- EBIDTA at Rs 5,985 crore, down by 40% from Rs 9,960 crore
- Consolidated PAT at Rs 4,629 crore, down by 41% from Rs 7,812 crore
- EPS at Rs 27.17, compared to Rs 46.90

For Q4 FY 2008-09 (all comparisons with Q4 FY08)

- Consolidated Revenue at Rs 1,351 crore, down by 69% from Rs 4,372 crore
- EBIDTA at Rs 384 crore, down by 87% from Rs 2,849 crore
- Consolidated PAT at Rs 159 crore, down by 93% from Rs 2,177 crore
- EPS for the quarter at Re 0.94

Highlights for Q4 FY09

- Total developable area of 425 msf, down from 751 msf mainly due to exit from the Bidadi & Dankuni projects; land payables almost negligible.
- 36 msf of projects area under construction at the end of the quarter
- Launched residential projects in Bangalore and Hyderabad; 450 residential apartments booked
- Booked – 1356 apartments (2 msf approx) in one day at Capital Greens, New Delhi in April 2009
- Bought back 76.23 lakh equity shares at a consideration of Rs 140.34 crore till March 31, 2009
- The Company has estimated a revenue loss of Rs 688 crore due to one time price resets/other benefits to customers, which has impacted the current quarter as well

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New Delhi, April 30, 2009: DLF Limited, India's largest real estate company, announced its unaudited Q4 and annual results for FY09.

<u>Financials:</u>

DLF recorded consolidated revenues of Rs 10,541 crore for the year ended March 31, 2009, down by 28% from Rs 14,684 crore for FY08. EBIDTA stood at Rs 5,985 crore, down by 40% as compared to Rs 9,960 crore in the corresponding period last year. Net profit was at Rs 4,629 crore, a fall of 41% from Rs 7,812 crore. The EPS for FY09 stood at Rs 27.17 as compared to Rs 46.90 for FY08.

The above numbers are after adjusting for losses contributed by non-real estate businesses, like DLF Pramerica Life Insurance, Hotels & Power, amounting to Rs 163 crore.

In this quarter, to provide maximum value to customers in difficult economic conditions, DLF announced / gave price reset and other benefits to customers amounting to a total revenue impact of Rs 688 crore and profit before tax impact of Rs 302 crore. The necessary effect of the same is reflected in this quarter as well.

For Q4 FY09, DLF recorded consolidated revenues of Rs 1,351 crore, a fall of 69% from Rs 4,372 crore in Q4 of last fiscal. EBIDTA stood at Rs 384 crore, a fall of 87% from Rs 2,849 crore in the fourth quarter of FY08. The net profit for the period was Rs 159 crore, a fall of 93% from Rs 2,177 crore in Q4 FY08. The non annualized EPS for the quarter was Re 0.94.

Adjusted for the one time provisions in affiliate businesses of DLF Ltd, the profits for Q4FY09 would have been higher by Rs 51 crore.

Performance wrap-up:

In a tough economic environment over the last few quarters, the company saw demand evaporate in all segments of real estate business – residential and commercial, sale or leasing. In order to weather the turbulent times, the Company affected a strategy which allowed itself to be liquid, whilst it tested the right market conditions where it could attract significantly larger number of end customers. Value proposition being a key element of this strategy, the Company launched 2 different projects across India in the residential space and demonstrated leadership position within the industry to bring back demand.

The result of the above was that the Company made notable sales (450 units sold in Q4 09 across India) in its affordable housing segment. In continuation of this strategy in April 2009, DLF also launched its “city-centre” residential project in Delhi, which saw exuberant response with all 1,356 units booked in just one day.

As economic conditions stabilize, the company plans selective new launches based on targeted market research in different markets to catch the changing demand scenario.

Whist the Company expects demand scenario in the residential space to improve progressively, the outlook for the commercial business continues to remain weak given the global cues. Whilst there has been no material addition in the new leasing, there have been marginal cancellations in some of our existing pre-leased space across the country. However, the relationship with all our long term strategic tenants continues to be strong and engaged. We believe, as business conditions in the global markets improve over the next 12-18 months, the leasing activity will gain fresh traction.

During the last few months, the company succeeded in paying short term debt by raising long term debt amounting to approx Rs 3,000 crore mainly by securitizing cash flows. The quality of the debt portfolio has improved substantially with an average maturity in excess of 3 years.

In order to reduce debt, the Company also initiated a strategic and comprehensive portfolio review, of both real estate assets and non-real estate businesses, with a view to aggressively exit the non-strategic assets/businesses. One such exercise – Wind Power has met with a good response from strategic partners wherein the due diligence of the assets is currently underway. Similarly, the Company, post a review, decided to exit its large township projects in Bidadi and Dankuni. Similar actions are being contemplated for other long gestation projects / assets

Additionally, the company continued its focus on cost reduction in all areas and maintained tight focus on cash flows to ensure that operating cashflows meet all operating requirements, including finance charges. The completion schedule of various projects in commercial and retail categories has also been accelerated in line with market requirement and customer commitments.

DLF also ensured that all commitments to stakeholders, customers, financers and employees continue to be met in time.

DLF Assets Private Limited (DAL)

During the quarter ended March 31, 2009, revenue from DLF Assets Ltd (DAL) was Rs 322 crore as against Rs 1,845 crore in quarter ended March 31, 2008. DLF received monies in excess of Rs 800 crore as advance from DAL during the quarter.

Due to the impact of global slowdown on commercial leasing, the Board of Directors of DLF Ltd deemed it fit to review the strategic relationship with DAL, based on the fact that in the last quarter DLF had substantially limited further sales to DAL and by end of the fiscal year has not fully completed the originally proposed volume of delivery as also the forecasted leasing commitments from various clients. Towards the evaluation of this objective, the

Board of Directors, adopting highest standards of corporate governance, appointed a Committee of Independent Directors to evaluate various options for DLF and DAL. The Committee of Independent Directors has further appointed globally reputed set of advisors to facilitate the evaluation of this strategic initiative. The Committee of Independent Directors are expected to complete their evaluation and recommend the further course of action for DLF based on the principles of “arms length” and “fair market”. This exercise is expected to be completed by the end of the current quarter.

<u>Buyback</u>

Under its Buy-back programme, the company has bought back 76,23,567 equity shares till March 31, 2009 at a consideration (excluding transaction cost) of Rs 140.34 crore. Of these, 76,18,567 equity shares were been extinguished up to March 31, 2009.

<u>Management view</u>

Commenting on the changing global environment and its impact on the Indian economy, Mr. Rajiv Singh, Vice Chairman, DLF Limited said, "It appears that the downward impact of global recession and financial sector meltdown has been contained. Indian economy has been resilient enough to withstand tough situations and impact has been stabilised. Hopefully, with a new central government in place soon, Indian economy would start moving northwards, bettering the growth projections of 5 - 5.5% given by most economists. “

"Real estate sector bore the brunt of instability and loss of confidence in the local economic environment for last 6 months. This has, hopefully, stabilised and in line with our earlier projections, real estate sector should start witnessing recovery from third quarter onwards. In the interim, we would keep a close watch on the market conditions, continue to explore launches of attractively priced residential apartments selectively across the country and respond with appropriate product categories as per customer’s demands. The focus on liquidity, cost containment and debt reduction remain paramount in all management actions”.

“In order for DAL to continue to meet its financial commitments to DLF, DAL shareholders are currently evaluating / contemplating further financing options which include additional Lease Rental Discounting (LRD) on the leased property, Private Equity (PE) and further infusions from DAL shareholders. Even during the 4QFY09 – difficult credit conditions, DAL was able to raise LRD and pay an additional advance in excess of Rs 800 crore to DLF, thereby helping DLF improve its cash flows.”, added Mr. Singh

About DLF Limited
More information about the company is available on 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.

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