DLF Limited
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February 15, 2017

To, The General Manager Dept. of Corporate Services **BSE Limited** P.J. Tower, Dalal Street, Mumbai 400 001	To, The Vice-President **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051

Sub: Analysts Presentation Q3/2017

Dear Sir,

We are forwarding herewith DLF - Analysts Presentation Q3/2017 for your kind information and record please.

Thanking you,

Yours faithfully,
for **DLF LTD.**

Subhash Setia
Company Secretary

Encl. : As above

For any clarifications, please contact:-
1. Mr. Subhash Setia – 09873718989/setia-subhash@dlf.in
2. Mr. Raju Paul – 09999333687 / paul-raju@dlf.in

DLF

BUILDING INDIA

Q3 FY17 Analyst Presentation

February 14, 2017

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.

Industry Update

Sector Overview:

- Real estate sector contributes to more than 15% real GDP with backward and forward linkages to 200+ ancillary sectors, this sector is a key driver in the overall infra in the country
- Government has initiate several policy measures such as Housing for all, eased FDI norms, interest subvention, smart cities, RERA etc. to provide support for the sectors
- While, the sector faces double whammy currently, due to lack of demand and negative sentiments post DeMo, but has the ability to bounce back strongly

Key challenges for the Sector

- Lack of demand
- Increased cost of funds
- Rising input costs
- Reduced sector incentives-fast approaching sunsets
- Multi-layered approval system

Growth drivers

- Incentivizing ‘ Affordable Housing “
- Rationalisation of indirect taxes
- Low interest rate regimes
- Single window clearance
- More disposable incomes in the hand of customers
- RERA 2016

General Business Update

DevCo:

- Although good in the long term, demonetization had an adverse impact on the market sentiments especially in the secondary market transactions. This resulted in a negative impact on primary sales.
- The consensus expectation is that normalcy shall return in next few quarters. Primary market will improve when secondary market stabilizes.
- The Company continues to focus on execution in order to deliver homes within the current fiscal year and also to create finished un-launched inventory
- In the budgetary proposals, the Government has proposed various initiatives for affordable housing, which is very positive for the real estate sector as a whole. Not only will it create new urban sectors, it will also create positive momentum for the commercial sector.
- Weak new sales coupled with full scale execution will lead to stress in operating cash flow for the next 4 quarters.

RentCo:

- Office: The leasing demand remains stable and unaffected, in fact the leasing traction has improved. In the long term, as banking and e-commerce transactions increase in the economy, demand for office space wili continue to experience a positive momentum.
  - Leasing momentum continues with gross leasing of 2.79 msf
    - Started the process to construct the remaining towers in Chennai IT SEZ ~ 1.60 msf (leasable)
    - Continued progress of execution the new office project – Cyber Park, ~ 2.5 msf (leasable) , located adjacent to Cyber City, Gurgaon
- Retail Malls:
  - Despite temporary disruption to retail sales in the last quarter, most of the retailers are experiencing V-shaped recovery in their sales.

Outlook

- **Company Outlook…**
  - The sales shall continue to be muted for next few quarters
  - Weak sales and collections will lead to operating shortfall of Rs. 750-1000 crore per quarter
  - The above shall result in temporary spike in net debt levels for which financing is already in place

- **DCCDL CCPS Transaction Update…**
  - The discussion with shortlisted investors are at an advance stage and will shortly be presented to Committee of Independent Directors for the evaluation and final decision
  - Given the size and complexities of the transaction and multi jurisdiction of properties across the country, the progress has been a bit slow.
  - The transaction shall be subject to regulatory approval and shareholder approvals

Business Segment Performance
DevCo

Business Segment Performance – Q3 & 9M FY17

- **Q3 FY17:**
  - **Gross sales booking: Rs 660 crore; Cancellation/upgradation Rs 390 crore resulting in Net sales booking of Rs 270 crore booked in Q3FY17. This is in comparison to Net sales booking of Rs 305 crore in Q2FY17**
    - DLF 5 Gurgaon – Rs 560 crore
    - New Gurgaon – Rs 25 crore
    - Delhi / Rest of India – Rs 75 crore
  - **Project Completions – 4.95 msf**
  - **Project under Construction : 18.5 msf**

- **9M FY17:**
  - **Gross sales booking of Rs 1550 crore; Cancellation/upgradation Rs 790 crore resulting in Net sales booking of Rs 760 crore booked in 9MFY17. This is in comparison to Net sales booking of Rs. 2,015 crore in 9MFY16**
    - DLF 5 Gurgaon – Rs 1050 crore
    - New Gurgaon – Rs 225 crore
    - Delhi / Rest of India – Rs 275 crore
  - **Project Completions – 10.90 msf**
  - **Project under Construction : 18.5 msf**
  - **Anticipate approx. 5% of outstanding sales to be under stress**

Live Projects Across India

Projects	Size (msf)	Sold till Q3-16-17 (msf)	Expected Completion by MARCH-18
Legacy			
Capital Greens*	1.55	1.55	✓
Kochi #	1.16	0.90	
Hyderabad	3.44	2.77	✓
Panchkula*	1.51	0.63	✓
Shimla	0.07	0.06	✓
Kasauli	0.57	0.21	✓
	8.30	**6.12**	
New Projects			
SkyCourt	1.29	1.07	✓
Ultima	2.18	0.96	
Crest	2.61	1.48	✓
Camillias $	3.55	1.83	✓
My Pad Lucknow	0.57	0.33	✓
	10.20	***5.66***	

 # The Riverside kochi handing over will take place after grant of OC,which shall take place post High court decision of division bench

$ Expectiong to start second stage of construction

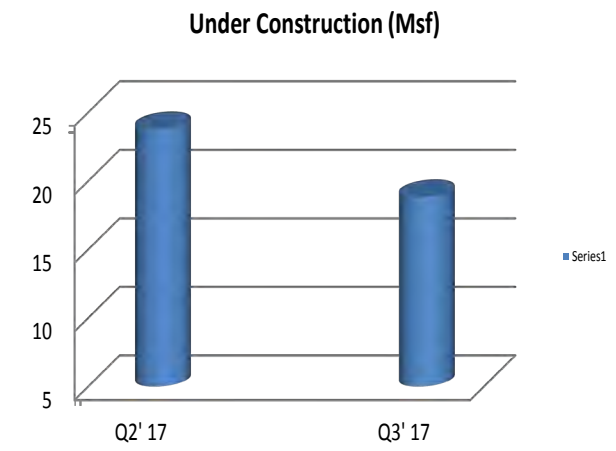
**** Area handed over is executed from total size***

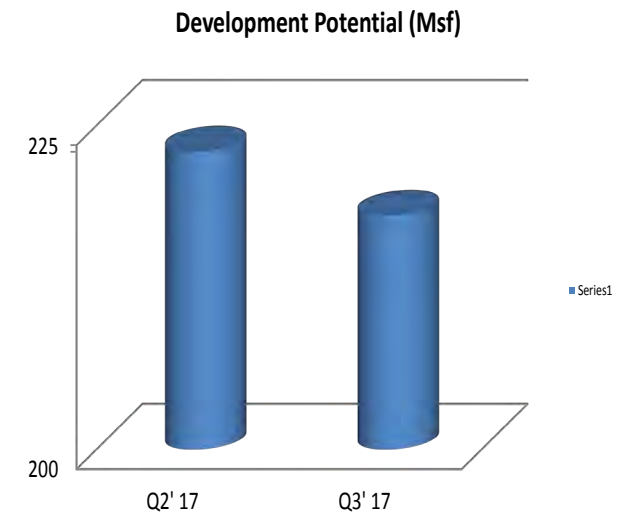
Summary: Q3 FY17 Operation

		Q3FY17		Q2FY17		Q1FY17	
		Sales (in msf)	Avg Rate (psf)	Sales (in msf)	Avg Rate (psf)	Sales (in msf)	Avg Rate (psf) **
Sales Booking							
Gurgaon							
DLF 5		0.15	24830	0.10	25675	0.07	22628
Garden City	Major Upgradation	-0.10	8002	-0.12	3643	-0.12	3539
	Net Sales	0.00	18188	0.09	9015	0.056	9175
National Dev Co							
Luxury-Net sales		-0.005	34209	0.00	-	0.00	40155
Premium	Major Upgradation	-0.13	5015	-0.08	4978	-0.056	-911
	Net Sales	0.03	12196	0.09	5742	0.02	4880

DevCo Q3 FY17

Particulars	Total msf		
	Q3-17	Q2- 17	Q3– 16
Sales Status			
Opening Balance	19.65	21.89	29.30
Add:- Sale Booked During the Qty	(0.05)	0.08	0.20
Less : Completion	(4.95)	(2.32)	(3.94)
Closing Balance	14.65	19.65	25.56
Under Construction			
Opening Balance	23.78	26.10	37.32
New Launches / Additions / Suspended	(0.30)	0.00	0.00
Less:- Completion	(4.95)	(2.32)	(3.94)
Closing Balance	18.53	23.78	33.39





Our Development Potential

Land Bank as on 31st Dec 2016			
Cities	Development Business	Lease Business	Total
	Development Potential (msf)		
Gurgaon	102	26	128
Bangaluru	27	0	27
Delhi Metropolitan Region	13	3	16
Chennai	15	5	20
Hyderabad	14	1	15
Chandigarh Tri-City	16	0	16
Kolkata	3	2	4
Other Indian Cities	29	9	38
Total	**218**	**46**	**264**

- "The Development Potential is the Best estimate as per the Current Zoning plans on Land owned by the company/Group companies, or lands for which the Company has entered into arrangements with third parties including Joint Development/Joint Venture Agreements/Other Arrangements for Economic Development of said lands owned by such third parties. ***Some of these arrangements include making residual payments to the Land Owners before the development potential can be fully exploited.***"
- The above development potential does not include TOD potential

Business Segment Performance
RentCo

Business Segment Performance – Q3 & 9M FY 2017

- **Q3 FY17:**
  - Gross leasing is 0.79 msf renewed at better than budgeted rates. Net leasing of 0.25 msf post lease terminations/expiry of 0.55 msf during Q3FY17.
  - Leasing offtake also being affected by virtually nil inventory in most of the places. Primarily the inventory is in Silokhera & Kolkata
  - Project under Construction : ~ 4 msf
- **9M FY17:**
  - Gross leasing is 2.79 msf renewed at higher rate than budgeted rates. Net leasing of 0.24 msf post lease terminations/expiry of 2.55 msf during 9M FY17.
  - Project under Construction : ~ 4 msf

Summary: Q3 FY17 Operation

	Q3FY17		Q2FY17		Q1FY17	
	Leasing in (msf)	Avg Rate (psf)	Leasing in (msf)	Avg Rate (psf)	Leasing in (msf)	Avg Rate (psf)
Leasing						
Office	0.20	98	0.002	93	-0.15	
Retail Malls	0.04	196	0.03	172	0.10	132

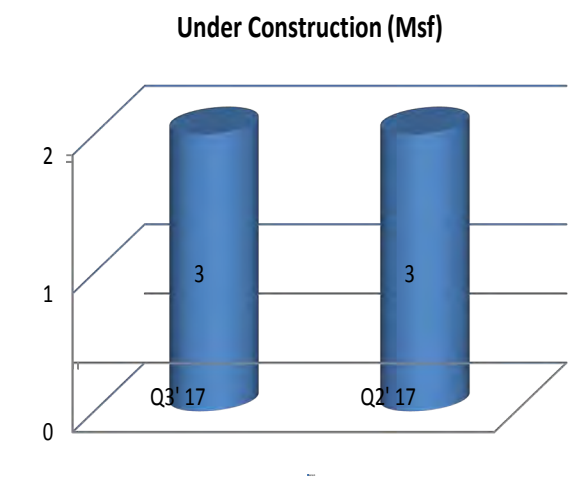
Leased Assets Across India – DLF Group

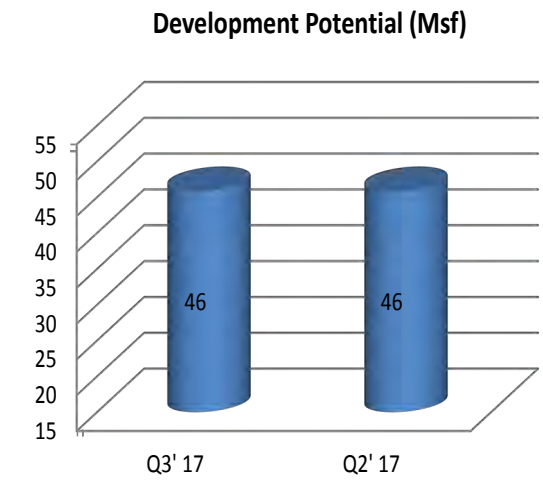
Cities/Projects		Leasable Area (msf)	% leased
Rent Yielding Building			
Gurgaon			
DLF Cyber City Developer *	Office	10.60	94.48
Others	Office	0.62	100.00
DAL (SEZ's)	Office	13.42	92.88
Kolkata/Chandigarh	Office	2.93	85.54
Delhi (Corporate Office)	Office	0.17	72.07
Malls			
Delhi	Retail	1.59	89.73
Noida	Retail	1.97	96.55
Chandigarh	Retail	0.19	91.01
* Includes Collaborator area.			
Under Construction Building			
DLF Cyber City Developer	Office	2.50	8.98
DAL (SEZ's)	Office	1.60	23.79

During FY17, Annuity Revenue to grow to ~ Rs 2700 crore

RentCo Q3 FY16

Particulars	Total msf		
	Q3-17	Q2- 17	Q3– 16
Lease Status			
Opening Balance #	29.58	29.54	28.71
Add:- Lease Booked During the Qtr	0.79	1.14	0.99
Less :- Termination	(0.55)	(1.10)	(0.49)
Less :- Sold / Adjustment	-	-	-
Closing Balance	29.83	29.58	29.20
Under Construction			
Opening Balance	4.0	1.73	3.52
New Launches / Additions **	0.00	1.40	0.00
Less:- Handed over	(0.00)	(0.00)	(1.79)
Less :- Suspension/Adju	-	-	-
Closing Balance	4.0	3.13	1.73





Summary Financials….

Consolidated P&L – Q3 FY17

		Q3 FY17 (Reviewed)		Q2 FY17 (Reviewed)		Q3 FY16 (Unaudited)		Nine months Ended December 31, 2016 (Reviewed)	
		Ind AS		Ind AS		Ind AS		Ind AS	
Sl.No.	Consolidated Financials	Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue
A)									
1	Sales and Other Receipts	2,058		2,071		2,950		5,996	
	Other Income	120		155		160		433	
	Total Income(A1+A2)	2,178	100%	2,226	100%	3,110	100%	6,429	100%
B)	**Total Expenditure(B1+B2+B3)**	1,100	51	1,050	47	1,570	50	3,273	51
1	Construction Cost	729	33	733	33	1,163	37	2,359	37
2	Staff cost	102	5	73	3	83	3	249	4
3	Other Expenditure	269	12	244	11	323	10	664	10
C)	**EBITDA (D/A1)**	1,078	49	1,175	53	1,540	50	3,156	49
D)	**EBIDTA (Margin)**		**49%**		**53%**		**50%**		**49%**
E)	Financial charges	759	35	735	33	671	22	2,242	35
F)	Depreciation	142	7	144	6	342	11	432	7
G)	**Profit/loss before exceptional items**	**177**	8	**296**	13	**527**	17	**482**	8
H)	Exceptional items - (net)	-	0	6	0	(15)	0	335	5
I)	**Profit/loss before taxes and after exceptional ite**	**177**	8	**302**	14	**512**	16	**817**	13
J)	Taxes expense	52	2	69	3	239	8	176	3
K)	Extraordinary Items	-	0	-	0	(1)	0	-	0
L)	**Net Profit after Taxes before Minority Interest**	**126**	**6**	**233**	**10**	**273**	**9**	**642**	**10**
M)	Minority Interest	(1)	0	1	0	(1)	0	0	0
N)	Profit/(losss) of Associates	(27)	-1	(29)	-1	(90)	-3	(77)	-1
O)	**Net Profit**	**98**	5	**206**	9	**182**	6	**566**	9
P)	Other Comprehensive income /(loss) (net of tax)	(1)	0	(6)	0	(7)	0	(7)	0
Q)	**Total Comprehensive income**	**98**	**4**	**200**	**9**	**175**	**6**	**559**	**9**
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**								

Liquidity Update – Consolidated Net Debt

Net Debt Position	Q2 17	Q3 17	Net Change
	INDAS	INDAS	
Opening Gross Debt	26208	27220	
Less : Repayment during the Qtr	-681	-647	
Add : New Loans	1693	1243	
Gross Debt as per Balance Sheet	27220	27816	
Less : Equity shown as Debt / JV Co Debt	4	4	
Gross Debt (Net of Equity shown as Debt / JV Co Debt)	27216	27812	
Less : Ind As Impact	-385	-347	
Gross Debt Position (Net of Equity shown as Debt / JV Co Debt)	26831	27465	
Less : Cash in hand	-3691	-3068	
Net Debt Position *	**23140**	**24397**	**1257**

Impact of INDAS

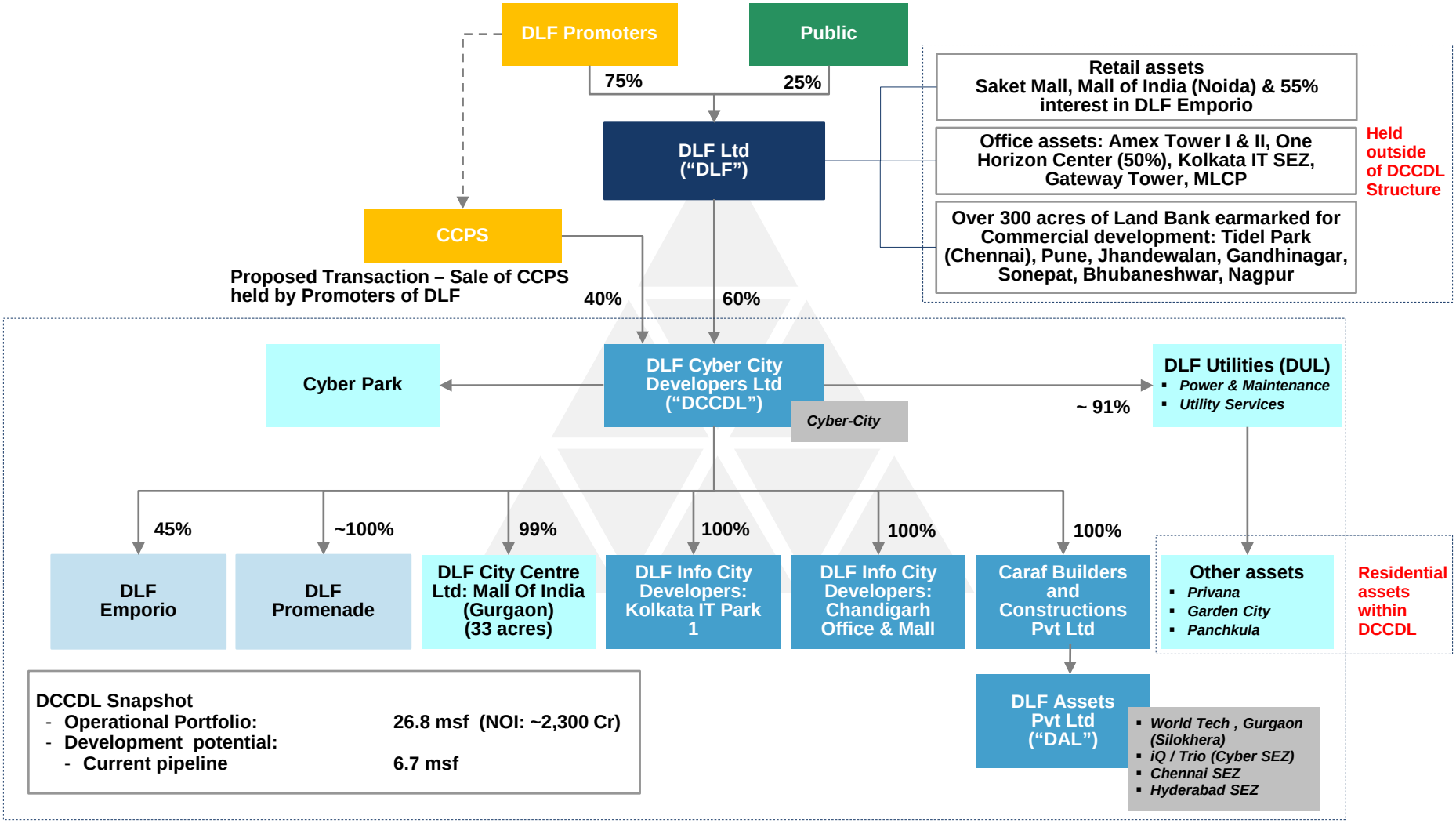
Loss on Reinstatement & Recognition of Swap derivative - approx. Rs 227 crs

Reinstatement of Amortized fee - approx. Rs (574) crs

Net INDAS impact - Rs 347 crs

DCCDL’s Rental Business

DCCDL Holding Structure



DLF Cyber City Development, Gurgaon

DCCDL Consolidated Profitability

(Rs in Crs)

CONSOLIDATED PROFITABILITY - DLF CYBER CITY DEVELOPER LTD					
Profitability	Dec-16 YTD Unaudited *	Dec-16 QTR Unaudited *	Sept-16 YTD Unaudited *	Sept-16 QTR Unaudited *	Mar-16 Audited #
All figures in Rs Crs					
Sales & Other Income	3,080	991	2,089	1,078	3,643
Operating Expenses	889	265	624	327	1,285
Staff Cost	70	26	44	21	89
EBIDTA	2,120	700	1,421	729	2,269
EBIDTA %	69%	71%	68%	68%	62%
Finance Charges	974	337	637	311	782
Depreciation, Amortisation & impairment	310	102	208	102	433
PBT	836	261	576	316	1,053
Exceptional Items	376	(1)	377	50	(32)
PBT	1,213	260	953	365	1,022
Tax	289	35	254	157	138
PAT	923	225	699	208	883
Minority Interest	28	12	16	15	38
Prior Period	-	-	-	-	(0)
PAT	951	237	715	223	921

DLF's Office Platform

Overview – Office Asset Portfolio

Cybercity, Gurgaon
- Area: 132.2 acres
- TLA: 13.3msf[1]
- Includes Cyber Hub (0.4msf)
- Cybercity has transformed into the CBD of NCR region attracting top multinational corporates

World Tech Park, Gurgaon
- Area: 37.0 acres
- TLA: 2.0msf
- Only integrated work space on NH8, Gurgaon

Other Assets(Gurgaon)
- Amex Towers (I & II)
  - TLA: 0.5mm
- One Horizon Centre
  - TLA: 0.8msf[4]
- Gateway Tower
  - TLA: 0.1msf

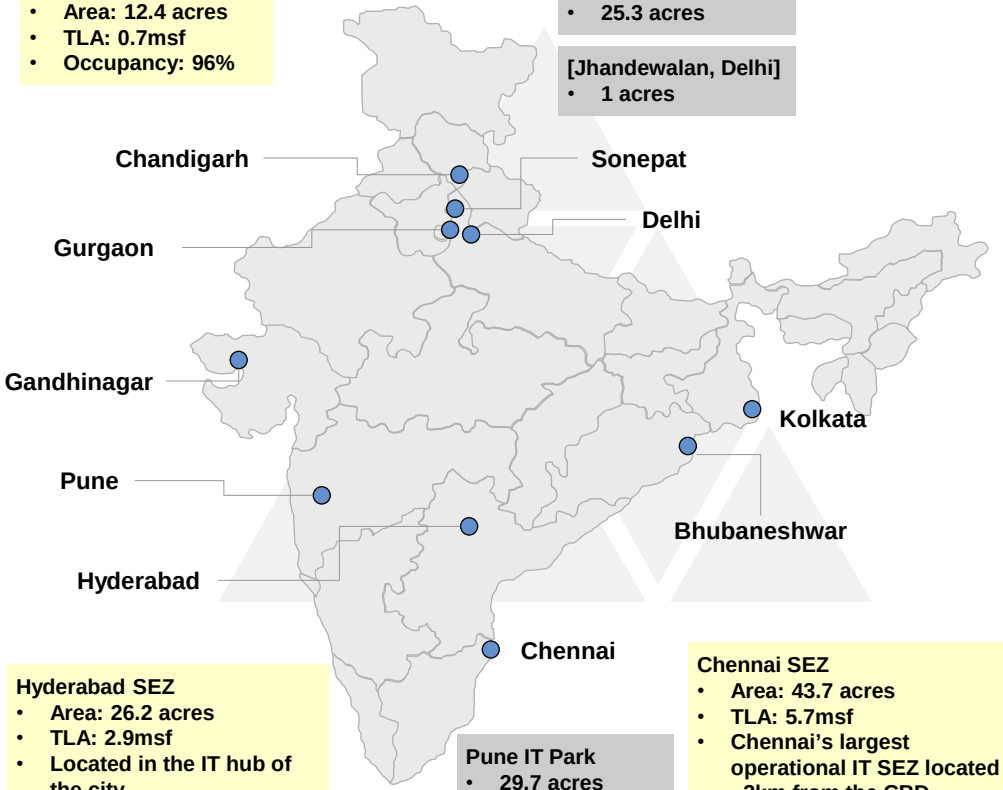
[Gandhinagar]
- 25 acres

Nagpur IT Park
- 140.2 acres

Chandigarh IT Park
- Area: 12.4 acres
- TLA: 0.7msf
- Occupancy: 96%

[Sonepat]
- 25.3 acres

[Jhandewalan, Delhi]
- 1 acres



Kolkata Park 1
- Area: 10.0 acres
- TLA: 1.3msf
- Strategically located IT SEZ

Kolkata Park 2
- Area: 25.9 acres
- TLA: 1.0msf

Tidel Park, Chennai
- 26.6 acres

[Bhubaneshwar]
- 54 acres

Hyderabad SEZ
- Area: 26.2 acres
- TLA: 2.9msf
- Located in the IT hub of the city

Pune IT Park
- 29.7 acres

Chennai SEZ
- Area: 43.7 acres
- TLA: 5.7msf
- Chennai's largest operational IT SEZ located ~3km from the CBD

DCCDL assets

Other assets

Source: Company information; TLA – Total Lettable Area; Note: Occupancy and TLA as of Sep-15

[1] Including SEZ TLA and entertainment area (Cyber Hub); [2] Multiple project commissioning dates within asset; [4] Excluding area sold to third party

DLF's Retail Mall Platform

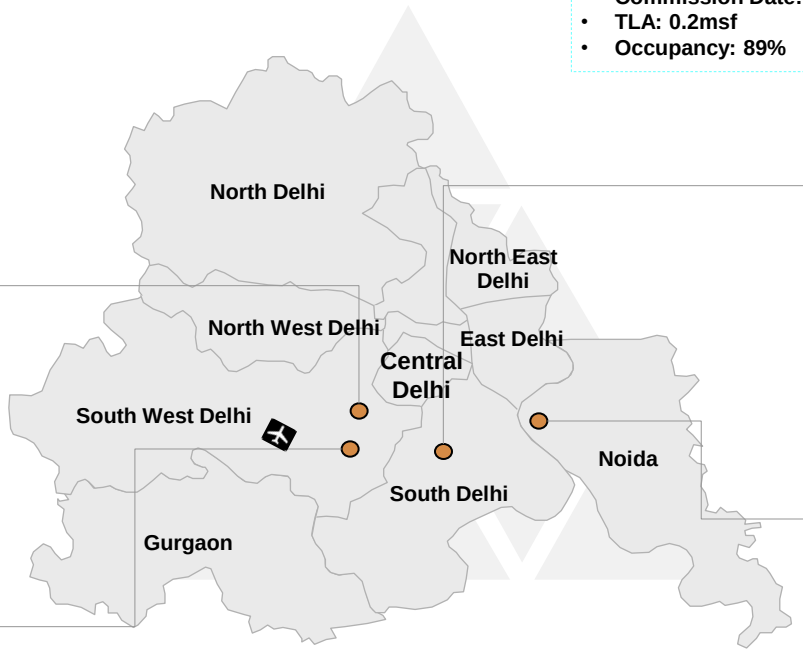
DCCDL has a Portfolio of Leading Malls in India

Overview – Retail Asset Portfolio

CityCentre
- Location: Chandigarh
- Commission Date: May' 08
- TLA: 0.2msf
- Occupancy: 89%

DLF Emporio[3]
- Location: Vasant Kunj, Delhi
- Commission Date: Aug' 08
- TLA: 0.3msf
- Occupancy: 99%

DLF Place
- Location: Saket, Delhi
- Commission Date: Nov' 08
- TLA: 0.5msf
- Occupancy: 79%



DLF Promenade
- Location: Vasant Kunj, Delhi
- Commission Date: Jan' 09
- TLA: 0.5msf
- Occupancy: 95%

Mall of India. Noida
- Location: Noida, NCR[2]
- Commission Date: 2016
- TLA: 2.0msf

Source: Company information
Note: CityCentre is part Chandigarh IT Park; Occupancy as of Sep-15
[2] National Capital Region; [3] DCCDL owns ~45% in DLF Emporio

DCCDL – Overview of Key Buildings within CyberCity, Gurgaon

DLF Cybercity
India's Largest Integrated Business District

Building 10
- TLA: 2.2msf
- Design by renowned architect, Hafeez Contractor
- Spectacular complex with futuristic amenities

Epitome (Building 5)
- TLA: 2.0msf
- Designed by renowned architect, Hafeez Contractor
- Iconic Building over 10.6 acres with 40MW captive gas power plant

Innov8 (Building 8)
- TLA: 1.6msf

Building 9 A & B
- TLA: 1.5msf
- Elegant 16 floor mirror image twin towers

Infinity Tower
- TLA: 1.3msf
- Design by renowned architect, Hafeez Contractor

Cyber Greens
- TLA: 0.9msf
- Design by renowned architect – Mohit Gujral; DLF's first project with amenities and breakout areas

Building 7A & 7B
- TLA: 0.4msf

Ericsson Forum
- TLA: 0.2msf
- Represents Ericsson's Indian corporate office

iQ SEZ (Building 14)
- TLA: 2.0msf
- Aesthetically designed architectural wonder with modern and well planned work spaces

Trio SEZ (Building 6)
- TLA: 0.9msf
- One of the premier emerging technology centers in the country

SEZ Projects – Notified IT SEZ covered as part of DLF Assets Ltd.

Source: Company information; TLA – Total Lettable Area

DCCDL – Overview of CyberCity

Operational Building (Non SEZ)
Operational Building (SEZ)
Residential
Rapid Metro Station
Rapid Metro Line
Skywalks (coming up)
Hotels and Recreation
Open/Green Area
Open/Green Area
Surface Parking
16 Lane Road (coming up)

DCCDL – Overview of Key Buildings within DLF Assets Ltd.

DLF Chennai SEZ

- **TLA: 5.7msf**

DLF Hyderabad SEZ

- **TLA: 2.9msf**
- **Design by renowned architect – Mohit Gujral; DLF's first project with amenities and breakout areas**

iQ SEZ (Building 14)

- **TLA: 2.0msf**
- **Aesthetically designed architectural wonder with modern and well planned work spaces**

DLF World Tech Park

- **TLA: 2.0msf**
- **Destination of choice for corporates in Gurgaon**

Trio SEZ (Building 6)

- **TLA: 0.9msf**
- **One of the premier emerging technology centers in the country**

Source: **Company information; TLA – Total Lettable Area**

DCCDL – Overview of Key Developments in Kolkata

IT Park Kolkata

Project Statistics

Location	Kolkata
OC Date	May '11 – Jun '12
Total Lettable Area[1]	1.3msf
No. of floors	Block A: Ground + 12 + Basement 1 Block B: Ground + 9 + Basement 1 Block C: Ground + 15 + Basement 1 Block D: Ground + 11 + Basement 1 Block E: Ground + 3 + Basement 1
Architect	Mohit Gujral
Main contractor	DLF – LOR
Car parking	1,072
Occupancy[1]	75%

[1] **As of September 30, 2015**

NSCB Airport
Distance: 10km
Travel Time: ~15min

Chitpur Railway Station
Distance: 11km
Travel Time: ~20min

Bus Terminus
Distance: 1km
Travel Time: ~5min

Location

DCCDL – Overview of Chandigarh IT Park

IT Park Chandigarh

Project Statistics

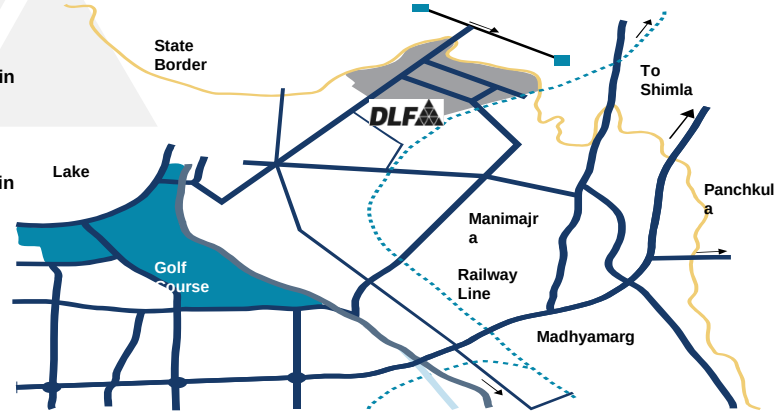
Location	Chandigarh
OC Date	Oct ’05
Total Lettable Area[1]	0.7msf
No. of floors	Ground + 3 + Basement 1
Architect	Design Plus
Main contractor	J.J.Ram and B.L.Gupta
Car parking	669
Occupancy[1]	96%

[1] As of September 30, 2015
Source: Company information

Location

Airport
Distance: 10km
Travel Time: ~20min

Chandigarh Railway Station
Distance: 6km
Travel Time: ~10min



Thank You