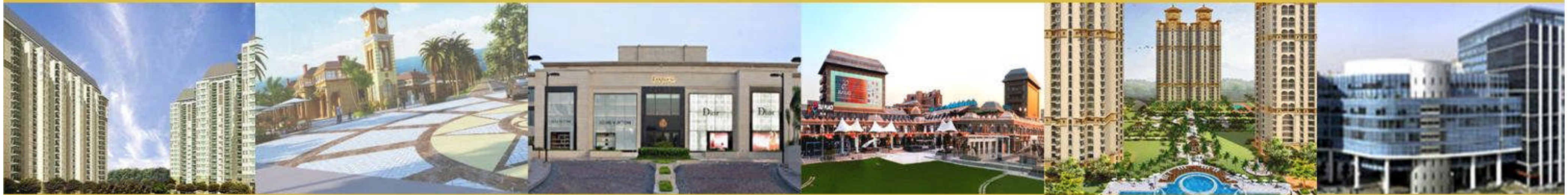


DLF
BUILDING INDIA

Q3FY12 ANALYST PRESENTATION

February 10, 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.

Q3 FY 12 – Macro Environment

- ECONOMY
  - The macro environment continuous to be difficult with tight liquidity in the banking sector a constraint.
  - Though inflation has begun to moderate, as per the indications from the Central Bank the reduction of interest rates is still few months away.
    - Excess fiscal deficit is keeping the interest rates firm. Recent reduction of CRR has only helped in the improvement of liquidity in the banking sector - interest rates continue to be firm
  - Underlying demand for real estate, remains buoyant despite of uncertain economic environment. The customers are only delaying the purchases as they expect reduction in the interest costs in the near future
  - With fiscal deficit above targets due to social spending and pressure on rupee due to current account deficit above 2.5% of GDP, there is little policy flexibility with the Govt.
  - Policy/reform inertia may get removed should political stability return after the state assembly elections

Q3 FY 12 – Macro Environment (cont…..)

- REAL ESTATE SECTOR
  - The real estate sector continues to witness tough environment due to prevailing macro factors. Tight liquidity conditions, un-encouraging capital markets, high return expectation of PE investors, higher borrowing costs, etc have been creating pressure on developers.
  - The result….
    - Slow off-take in most micro markets, though early signs of improvement, as customers defer purchases waiting for an interest rate correction. Industry wide launch momentum has been slow.
    - Strong developers continue to focus on execution in order to strengthen market reputation and goodwill, though tight labour market continues to play spoil sport
    - Office leasing volumes continues to experience flat growth in absorption due to global uncertainties
    - Encouraging early signs for the retail sector - FDI cap in single brand retail increased, though strings; Policy finalization on multi brand retail would add much needed positive momentum

Company's Strategy – Medium Term

- Given the macro environment, implementation of the Company's strategy requires patience and caution
  - Softening of interest rates shall take longer than anticipated – over next few quarters
  - Whilst food inflation is down, commodity and labour cost inflation will continue & have to be absorbed
  - Longer than anticipated time for asset disposals given the global headwinds
- Hence, sharper focus on the implementation of the Company's strategy – which remains unchanged to…..
  - Continue with the strategy of launching plotted developments
    - Less construction intensive and hence lower inflationary risks
    - Accelerated cash flows and profitability margins
    - Underlying demand remains buoyant for such products despite uncertain economic environment.
  - Focus on growing Annuity Revenue over medium term, despite short term weakness in the Leasing market
  - Non Core Divestments – Unchanged target of Rs 6,000 – 7,000 Crs
  - Company remains well prepared to scale up GHS launches given the pipeline of approvals
  - Focused on increasing operating cash flow / maintaining healthy EBIDTA
  - Limit strategic land purchases in areas such as New Gurgaon / New Chandigah and Capex in Offices + Retail assets given the leasing demand scenario
  - Outsourced all construction intensive activities to 3rd parties in order to improve the pace of construction, thereby increasing the operating cash flows linked to construction milestones

Profit & Loss Summary – Q3 FY12

Q3 FY 12 vs Q2 FY 12

- Sales (incl Other Income) at Rs 2396 Cr, compared to Rs 2,577 Cr.
- Net profit at Rs 258 Cr, as against Rs 372 Cr
- EBIDTA margins at 49% versus 47%

Profitability	Q3 12	Q2 12	% Change	Q3 11	% Change
All figures in Rs Crs					
Sales	2396	2577	-7%	2594	-8%
Construction	811	948	-14%	952	-15%
Staff Cost	138	154	-10%	134	3%
Other Expenses	263	259	2%	216	22%
EBIDTA	1184	1216	-3%	1292	-8%
Finance Charges	620	526	18%	428	45%
Depreciation	180	175	3%	161	12%
PBT	384	515	-25%	703	-45%
Tax / Minority Interest	126	143	-12%	237	-47%
PAT	258	372	-31%	466	-45%

Consolidated P&L – Q3 FY12

		Q3 FY12 (Reviewed)		Q2 FY12 (Reviewed)		Q3 FY11 (reviewed)		Nine Months FY12 (Reviewed)	
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	2,034		2,532		2,480		7,013	
2	Other Income	362		45		114		464	
	Total Income(A1+A2)	2,396	100%	2,577	100%	2,594	100%	7,477	100%
B)	Total Expenditure(B1+B2+B3)	1,213	51	1,361	53	1,302	50	3,906	52
1	Construction Cost	811	34	948	37	952	37	2,699	36
2	Staff cost	138	6	154	6	134	5	437	6
3	Other Expenditure	263	11	259	10	216	8	770	10
C)	Gross Profit Margin(%)		**66%**		**63%**		**63%**		**64%**
D)	EBITDA (D/A1)	1,184	49	1,216	47	1,292	50	3,571	48
E)	EBIDTA (Margin)		**49%**		**47%**		**50%**		**47%**
F)	Financial charges	620	26	526	20	428	16	1,643	22
G)	Depreciation	180	8	175	7	161	6	525	7
H)	Profit/loss before taxes	**384**	16	**515**	20	703	27	**1,403**	19
I)	Taxes expense	135	6	147	6	203	8	411	5
J)	Prior period expense/(income) (net)	0	0	(4)	0	6	0	(1)	0
K)	Net Profit after Taxes before Minority Interest	249	10	372	14	494	19	993	13
L)	Minority Interest	11	0	0	0	(28)	-1	(6)	0
M)	Profit/(losss) of Associates	(2)	0	(0)	0	(0)	0	2	0
N)	Net Profit	258	11	372	14	466	18	989	13

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

Above figures includes losses from non-core businesses .i.e. Hotels & the DLF Pramerica Life Insurance businesses

Consolidated Balance Sheet – Q3 FY12

Particulars	Schedule	As at 31-Dec-11 (Unaudited)	30-Sep-11 (Reviewed)	31-Mar-11 (Audited)
SOURCES OF FUNDS				
Shareholders' funds				
Capital	1	2,139	2,150	2,150
Reserves and surplus	2	25,119	24,873	24,182
		27,258	**27,022**	**26,332**
Minority Interests		459	616	575
Loan funds	3	25,026	25,450	23,990
Deferred tax liabilities (net)	5	-	-	-
		52,743	**53,088**	**50,898**
APPLICATION OF FUNDS				
Fixed assets (Including CWIP)	6	27,869	28,507	28,184
Investments	7	1,180	1,504	996
Goodwill on consolidation		1,520	1,509	1,384
Deferred Tax Assets	5	184	147	163
Current assets, loans and advances				
Stocks	8	15,469	15,234	15,039
Sundry debtors	9	1,848	1,954	1,726
Cash and bank balances	10	1,246	1,182	1,346
Loans and advances	11	8,485	8,057	7,271
Other Current Assets	12	7,587	7,936	7,890
		34,635	**34,363**	**33,272**
Less :				
Current liabilities and provisions				
Liabilities	13	8,627	9,105	9,225
Provisions	14	4,018	3,837	3,876
		12,645	**12,941**	**13,101**
Net current assets		**21,990**	**21,422**	**20,170**
		52,743	**53,088**	**50,898**

Consolidated Balance Sheet – Q3 FY12

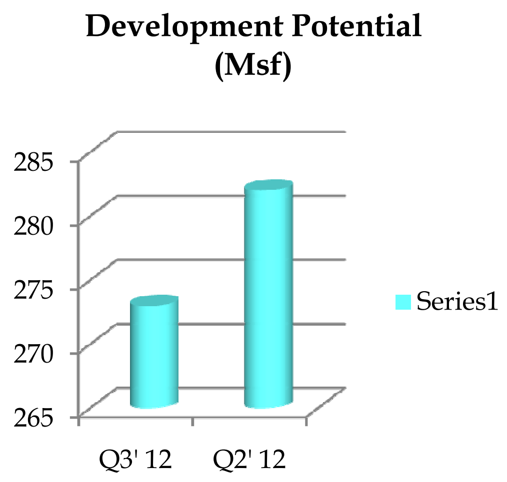
	Particulars	Period ended Q3 FY 12	31-Dec-11
A.	**Cash flow from operating activities:**		
	Net profit before tax	385	1,403
	Adjustments for:		
	Depreciation	180	525
	Loss/(profit) on sale of fixed assets, net	6	8
	Provision for doubtful debts/unclaimed balances written back and others	(23)	31
	Loss/(profit) on sale of Investments	(266)	(266)
	Amortisation cost of Employee Stock Option	11	34
	Prior period items	0	(3)
	Interest/gurantee expense	620	1,643
	Interest/dividend income	(50)	(142)
	Operating profit before working capital changes	**862**	**3,233**
	Adjustments for:		
	Trade and other receivables	173	(354)
	Inventories	(115)	(70)
	Trade and other payables	(386)	(652)
	Taxes paid	(137)	(646)
	Net cash (used in) / from operating activities	**397**	**1,511**
B.	**Cash flow from investing activities:**		
	Sale/Purchases of fixed assets(net)	574	73
	Interest/Dividend received	55	187
	Sale/Purchases of Investment(net)	379	(255)
	Net cash used in investing activities	**1,009**	**5**
C.	**Cash flow from financing activities:**		
	Proceeds/(repayment) from long term borrowings (net)	(479)	1,226
	Proceeds from issuance of prefernce shares	-	-
	Proceeds of short term borrowings (net)	48	(206)
	Interest paid	(908)	(2,182)
	Dividend Paid	(47)	(548)
	Increase in share capital / securities premium	39	72
	Net cash used in financing activities	**(1,347)**	**(1,638)**
	Net increase / (decrease) in cash and cash equivalents	**59**	**(123)**
	Opening cash and cash equivalents	-	1,246
	Closing cash and cash equivalents	59	1,123
	Net Increase / (decrease)	59	**(123)**

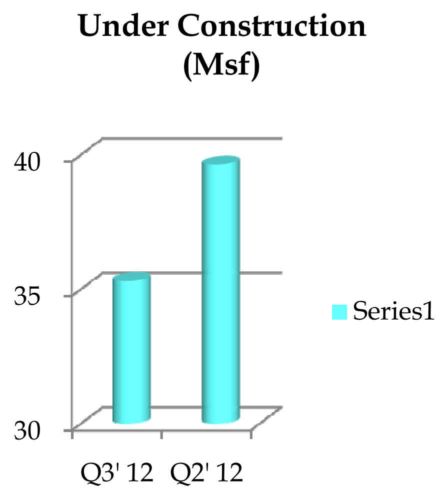
Reasons Behind Decline in Profitability

- Higher interest costs due to higher interest rates and lower capitalisation (less than 25%).
- Higher proportion of lower value sales during the Quarter.
- Lower execution run rate due to change over from inhouse execution of 3rd party construction entities
- Higher provision for tax

DevCo Q3 FY12

Particulars	Total msf		
	Q3-12	Q2- 12	Q3– 11
Sales Status			
Opening Balance	49.70	48.60	42.30
Add:- Sale Booked During the Qty	3.30	1.30	2.50
Less : Handed over / Suspended	(9.50)	(0.20)	-
Closing Balance	43.50	49.70	44.80
Under Construction			
Opening Balance	39.60	39.40	40.70
New Launches / Additions / Suspended	4.93	0.45	-
Less:- Handed over	(9.50)	(0.20)	-
Closing Balance	35.03	39.60	40.70

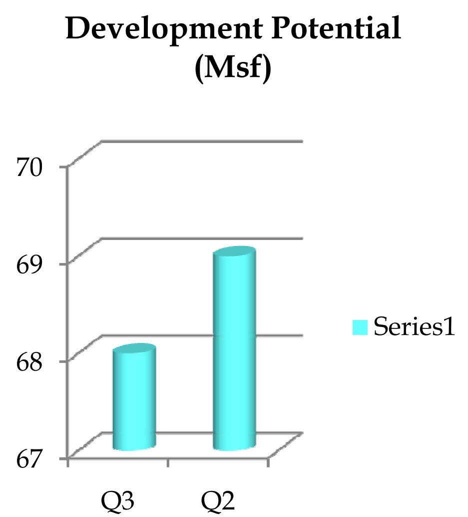


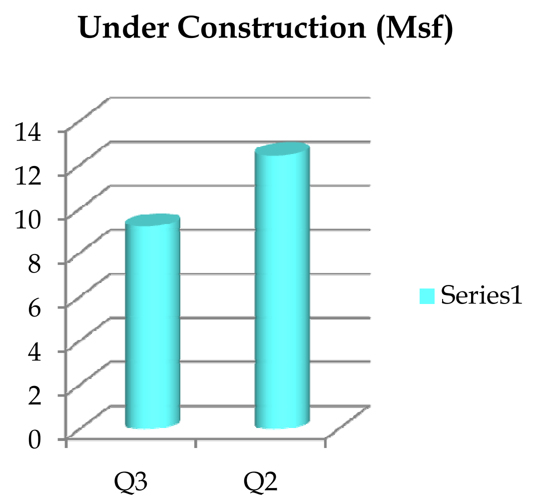


- 3.3 msf gross sales booked in Q3FY12 vs 1.28 msf in Q2FY12 & 2.48 msf in Q3 11
- Plotted development includes - Alameda, Lucknow & New Chandigah sales done during the Qtr
- 6.84 msf gross sales booked during YTD FY12 vs 6.47 msf YTD FY11

RentCo Q3 FY12

Particulars	Total msf		
	Q3-12	Q2- 12	Q3 - 11
Lease Status			
Opening Balance	24.72	24.51	22.06
Add:- Lease Booked During the Qty	0.42	0.66	1.97
Less :- Cancellation	(0.20)	(0.45)	(0.29)
Less :- Sold	(2.39)	-	-
Closing Balance	22.54	24.72	23.73
Under Construction			
Opening Balance	12.45	12.45	15.80
New Launches / Additions	-	-	0.93
Less:- Handed over	(1.00)	-	(1.04)
Less :- Suspension/Adju	(2.24)	-	(0.00)
Closing Balance	9.21	12.45	15.69





- 0.42 msf of gross leasing in Q3FY12 vs 0.66 msf in Q2 FY12 & 1.62 msf in Q3 FY11 [Net leasing of 0.22 msf in Q3 FY12 vs 0.21 msf in Q2 FY12 & 1.97 msf in Q3 FY11]
- Total annuity income of Rs 440 Crs including Rs 390 Crs rental income
- 2.05 msf of gross leasing YTD FY12 vs 5.15 msf YTD FY11 [Net leasing 1.16 msf YTD FY12 vs 4.35 msf YTD FY11]
- Total annuity income of Rs 1,368 Crs

Status of Launches Update - FY 11-12

- Given previous successes, focus on plotted launches to continue

New Launches (Status as of 31st Jan-12)	Segment	Pipeline msf	Launched msf
Gurgaon	Plots	2.25	1.75
Lucknow	Plots	2.50	2.50
Mullanpur, New Chandigarh Ph-II	Plots	1.00	0.50
Panchkula - Ph-II	Plots	1.00	-
Hyderabad Plots	Plots	2.50	2.50
Sub Total - Plotted		**9.25**	**7.25**
New Gurgaon	GHS	2.00	-
Banglore	GHS	1.00	0.72
Jalandhar	GHS	0.50	0.50
Gurgaon-Golf Links	Super Premium	2.50	-
Sub Total - GHS		6.00	1.22
Delhi	Commercial Complex	0.50	-
Total		**15.75**	**8.47**

Non- core asset divestment update

- Closed 2 IT Park deals during Q3 worth 785 crs. On track for divestments of Rs 6,000 – 7,000 Crs
- Remain focused on target divestments of Rs. 6,000-7,000 crs.
- Proceeds to be utilized primarily for debt reduction
- Next phase of unlocking / divestments being initiated simultaneously to keep the pipeline full and momentum going

Projects	Realisable Value
Hospitality	2000
Wind / Utilites	1000
Misc. Assets	1000
Strategic Projects in Mumbai & Chennai	3500-4000
Total (across Medium Term)	7500
Targeting ~ Rs 6000 crs by 31st Mar-2013. (3 Major deals are key)	

- **Cashflow from** non-core assets during 3QFY12: Rs 1,200 Crs
  - Gurgaon ~ Rs 340 Crs
  - Noida / Pune IT Park ~ Rs 785 Crs
  - Others ~ Rs 75 Crs

- **Cashflow** of non-core assets - Rs 1,620 crs YTD FY12 vs Rs 1,110 crs in FY11
  - Gurgaon ~ Rs 645 Crs
  - Noida / Pune IT Park ~ Rs 785 Crs
  - Others ~ Rs 190 Crs

Execution Status

- On track to deliver > 12 msf in fiscal 2012 spread across Gurgaon, Delhi and Chennai.
- On track to deliver > 12 msf during next fiscal 2013

Particular	Segment	Pipeline
Phase V	GHS	9.50 msf
SIEL, Delhi	Commercial Complex	0.50 msf
OMR, Chennai (21 towers)	GHS	3.00 msf
Kolkata	GHS & Comm. Complex	2.00 msf
Corporate Greens, Gurgaon	Commercial Complex	1.80 msf
NTH Gurgaon	GHS	10.00 msf
RentCo	Offices	1.50 msf
TOTAL		**~ 28 msf**

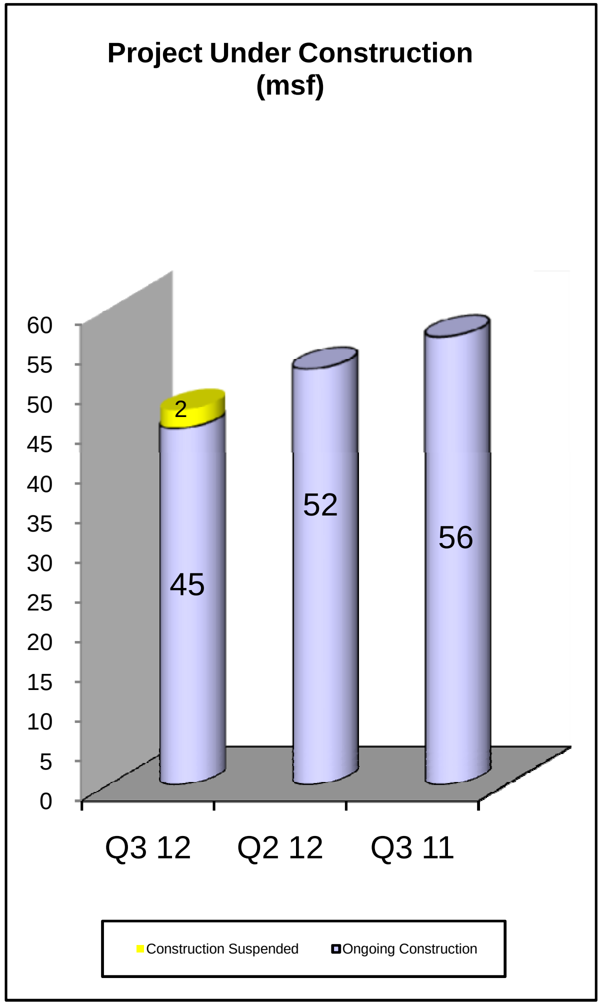
Debt Position – Q3 FY 12

	All figures in Rs. Crs		
	Q2	Q3	Reduction
Gross Debt as per Balance Sheet	25450	25026	
Less : Equity shown as Debt / JV Co Debt	962	1013	
Gross Debt as per B/S (Net of Equity shown as Debt / JV Co Debt)	24488	24013	
Pref. Shares	202	202	
Less : Exchange fluctuation	-	(129)	
Gross Debt position (Net of Equity shown as Debt / JV Co Debt)	24690	24086	(604)
Less : Cash in hand	(1763)	(1328)	
Net Debt	22927	22758	(169)

Execution

	Area in msf		
Region	**Q3 12**	**Q2 12**	**Q3 11**
Gurgaon	**12.6**	**21.5**	**21.5**
Super Metro	**8**	**8**	**7.2**
Rest of India	**15.1**	**10.5**	**12**
For Rent Co	**9.2**	**12.5**	**15.7**
	44.9	**52.5**	**56.4**

- Added 5 msf , suspended 2.24 msf & Ready for Handing over approx 10.5 msf during the Qtr.
- Higher deliveries will lower future inflationary pressures, strengthen cash management and improve customer service and company goodwill.



Our Development Potential

Area (msf)	Other Land	Hotel Land	G.Total
Gross Area – as on 1st Oct-11	351	8	359
Less : Projects Disposed off (Net)	0	0	0
Less : Ready for Handing over	10.3	-	10.3
Net Land Bank - as on 31st Dec-11	341	8	349
- Dev. Co	273	8	349
- Rent. Co	68		

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