Q4 & FY18 Analyst Presentation

May 21, 2018

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.

Company - Summary Business Update…

DLF Group (Development Business)

- Achieved Net Sales bookings of ~ Rs. 750 crore during the Quarter; currently looking at a sales momentum of ~Rs. 500 crore per quarter

- Operating cash deficit (ex-dividend) reduced to Rs 500 crore in Q4FY18 as collections from sales done in Q3FY18 started to flow in.

- Net debt at the end of fiscal stood at Rs. 6,265 crore

- Company won the bid for HSIIDC land, earmarked for commercial development
  - Total development potential ~ 2.5 msf
  - Land adjacent to DLF Cyber City; not part of DCCDL (JV with GIC)
  - Development to be similar to the Horizon Center at DLF5
  - Company shall explore a strategic partner for the development

DCCDL Group (Rental Business) – 66.67% JV with GIC, Singapore

- Total Consolidated Income for Q4FY18 at Rs. 1,243 crore; for FY18 at Rs. 4,930 crore
- PBT (other than exceptional items) for Q4FY at Rs. 383 crore; for FY 18 at Rs. 1,423 crore
- Gross Leasing - 5.58 msf in FY18
- Net Leasing – 1.01 msf in FY18

Business Model going forward …..

Development Business

- The Company has got into a build-to-sales cycle of 3-4 years wherein it sells down completed inventory, while building new completed inventory.

- Targeting the following end-consumers:
  - ✓ Residential products to be sold to retail customers (B2C business model)
  - ✓ Commercial products to be sold to either retail customers (B2C) or to DCCDL as investment properties (B2B business model)

- Additional interest costs during construction is expected to be very marginal and can get absorbed in higher realizations from sale of completed property and timely completion of the projects

Investment Property Business (DCCDL – JV with GIC)

- DCCDL to act as a ‘private’ REIT – not only will it build its own investment properties (~19 msf land bank is already embedded in the JV) but shall also have the ability to purchase at FMV investment properties being developed by DLF.

- With the development of embedded land bank, contractual growth of rentals and rent reversions, and transfer of assets, the EBITDA of DCCDL is expected to grow in healthy double digit CAGR during next 10 years

- The JV is expected to generate substantial cash flow for new capex and dividend flows to both the shareholders – DLF Ltd. & GIC Singapore

DLF Group (ex DCCDL) Strategy for FY19 and beyond…

- Target is to achieve Zero Net Debt by 31st March, 2019 from Rs. 6,265 crore as of March 31,2018.

- The Company is expected to achieve zero Net Debt just by capital actions itself - through Qualified Institutional Placement "QIP" of ~17.3 crore shares & Residual inflow from Promoters of Rs 2,250 crore

- Surplus Operating Cash flows shall be available for business activities due to:
  - Reduced construction spends as most projects have received occupancy certificates; primarily finishing expenditures & retention moneys to be released
  - Increased momentum from new bookings of completed apartments resulting in shorter cycle of full payment; better collections

- The process to settle intra-group payables between DLF Group and DCCDL Group is expected to commence shortly but given the complexities of each transaction, it will take 12 to 18 months to finally complete, including the timelines for regulatory approvals, corporate authorizations as required.

DLF Group (ex DCCDL) - Strategy for FY19 and beyond…

- Ongoing Projects (Targeted to be completed within next 12 months)
  - ✓ Ultima, New Gurgaon (~ 2.18 msf; Residential Project)
  - ✓ My Pad, Lucknow (~ 0.57 msf; Residential Project)
  - ✓ Block 8,11 & 12, IT SEZ Chennai (~ 1.15 msf); part of DLF-DAL agreement

- Potential development Pipeline for Rental Projects
  - ✓ IT SEZ, Tidel Park Chennai (~ 5 msf; IT Office Project)
  - ✓ 12.5 acres of R Block
  - ✓ 3 acres commercial land adjacent to Mall of India, Gurugram
  - ✓ Patto Plaza, Goa (~ 0.78 msf; Commercial Project)

- Current Rental yielding Assets in DLF Group
  - ✓ Mall of India Noida
  - ✓ DLF Saket Courtyard
  - ✓ Amex Tower (DLF 5)
  - ✓ Horizon One - 50% share (DLF 5)
  - ✓ Capitol Point & South Square (MLCP)
  - ✓ Kolkata IT SEZ
  - ✓ Chanakya Mall
  - ✓ DLF Centre

Business Performance

(DLF Group - ex DCCDL)

DLF Group (ex DCCDL) - Business Performance Q4FY18 & FY18

Q4FY18

- Gross sales of Rs 950 crore & Net sales booking of ~Rs 750 crore in Q4FY18. This is in comparison to Net sales booking of Rs 480 crore in Q3FY18
- Around 0.58 msf to be handed over to customer
- Gross Leasing 0.20 msf & Net Leasing 0.11 msf

FY2018

- Gross sales of Rs 1,700 crore & Net sales booking of Rs 1,000 crore during FY 2017-18. This is in comparison to Net sales booking of Rs 1,160 crore in FY 16-17. FY 2017-18 represents sales for just 2 quarters.
- Gross Leasing 0.80 msf & Net Leasing 0.12 msf
- Around 8.6 msf to be handed over to the customers during FY18

Total Development Potential

Cities	Development Business	Lease Business	Total
	Development Potential (msf)		
Gurgaon	91	26	117
Delhi Metropolitan Region	13	3	16
Chennai	13	6	19
Hyderabad	14	1	14
Chandigarh Tri-City	16	0	16
Kolkata	0	2	2
Other Indian Cities	28	9	36
Total	**175**	**46**	**221**

- "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

DLF Group (Ex-DCCDL) – Indicative Key Project Pipeline – Near Term

DLF Urban Private Limited ***DLF Midtown private Limited*** ***(Joint Venture – Central Delhi)***	• Development Potential : 7 msf • Development Horizon : 5 - 7 years • Targeted Launch Pricing – Rs 20,000 psf.
HSIIDC 11.76 Acres, Gurugram	• Development Potential : 2.50 msf • Development Horizon : 4 years • Targeted Launch Pricing – 30,000 psf
Commercial – Garden City , ***Gurugram***	• Development Potential : 2.00 msf • Development Horizon : 3 years • Targeted Launch Pricing – 8,000 psf

Targeted nos. are Gross numbers, does not include Rebates

Summary Financials….

DLF Group - Consolidated Profit & Loss - Q4FY18 & FY18

Sl.No.	Consolidated Financials	Q4 FY18 (Audited) Ind AS Rs. Crs.	Q4 FY18 (Audited) Ind AS Percentage of Total Revenue	Q3 FY18 (Reviewed) Ind AS Rs. Crs.	Q3 FY18 (Reviewed) Ind AS Percentage of Total Revenue	Q4 FY17 (Reviewed) Ind AS Rs. Crs.	Q4 FY17 (Reviewed) Ind AS Percentage of Total Revenue	Year Ended March 31, 2018 (Audited) Ind AS Rs. Crs.	Year Ended March 31, 2018 (Audited) Ind AS Percentage of Total Revenue	Year Ended March 31, 2017 (Audited) Ind AS Rs. Crs.	Year Ended March 31, 2017 (Audited) Ind AS Percentage of Total Revenue
A)											
1	Sales and Other Receipts	1,378		1,694		2,225		6,707		8,221	
	Other Income	468		161		286		957		719	
	Total Income(A1+A2)	**1,846**	**100%**	**1,855**	**100%**	**2,511**	**100%**	**7,664**	**100%**	**8,941**	**100%**
B)	**Total Expenditure(B1+B2+B3)**	1,391	75	992	53	1,515	60	4,329	56	4,788	54
1	Construction Cost	1,136	62	595	32	1,106	44	3,115	41	3,466	39
2	Staff cost	78	4	113	6	79	3	344	4	328	4
3	Other Expenditure	177	10	285	15	330	13	870	11	994	11
C)	**EBITDA (D/A1)**	454	25	863	47	996	40	3,334	44	4,153	46
D)	**EBIDTA (Margin)**		**25%**		**47%**		**40%**		**44%**		**46%**
E)	Financial charges	517	28	857	46	738	29	2,951	39	2,980	33
F)	Depreciation	62	3	178	10	140	6	534	7	572	6
G)	**Profit/loss before exceptional items**	**(125)**	-7	**(172)**	-9	**118**	5	**(150)**	-2	**600**	7
H)	Exceptional items - (net)	196	11	8,569	462	94	4	8,765	114	429	5
I)	**Profit/loss before taxes and after exceptional ite**	**71**	4	**8,398**	453	**212**	8	**8,615**	112	**1,030**	12
J)	Taxes expense	33	2	4,288	231	54	2	4,323	56	229	3
K)	Extraordinary Items	-	0	-	0	-	0	-	0	-	0
L)	**Net Profit after Taxes before Minority Interest**	**38**	**2**	**4,110**	**222**	**158**	**6**	**4,292**	**56**	**800**	**9**
M)	Minority Interest	4	0	(21)	-1	6	0	(13)	0	7	0
N)	Profit/(losss) of Associates	205	11	2	0	(16)	-1	184	2	(92)	-1
O)	**Net Profit**	**248**	13	**4,091**	221	**149**	6	**4,464**	58	**715**	8
P)	Other Comprehensive income /(loss) (net of tax)	(4)	0	9	0	(7)	0	12	0	(14)	0
Q)	**Total Comprehensive income**	**244**	**13**	**4,100**	**221**	**142**	**6**	**4,476**	**58**	**701**	**8**

The Q4FY18 numbers do not include line by line consolidation of DCCDL as it is accounted as a Joint Venture.

DLF Group - Consolidated Balance Sheet - Q4FY18 & FY18

DLF Limited- Conolidated Statement of Assets and Liabilities:		(` in crores)
	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited) (Restated*)
ASSETS		
Non-current assets		
Property, plant and equipment	1,549	2,269
Capital work-in-progress	137	153
Investment property	5,361	21,192
Goodwill	1,009	1,011
Other intangible assets	164	169
Investments accounted for using the equity method and other investment in joint ventures/associates	19,721	1,049
Financial assets		
Investments	111	109
Loans	280	442
Other financial assets	190	361
Deferred tax assets (net)	2,072	4,391
Non-current tax assets (net)	1,128	1,426
Other non-current assets	1,481	1,716
	33,201	**34,287**
Current assets		
Inventories	19,753	20,099
Financial assets		
Investments	1,000	52
Trade receivables	1,286	1,417
Cash and cash equivalents	1,356	3,413
Other bank balances	922	686
Loans	1,298	416
Other financial assets	2,201	2,748
Other current assets	1,139	870
Assets classified as held for sale (refer note 16)	500	-
	29,455	**29,700**
Total	**62,656**	**63,987**

DLF Group - Consolidated Balance Sheet - Q4FY18 & FY18

DLF Limited- Conolidated Statement of Assets and Liabilities: (` in crores)	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited) (Restated*)
EQUITY AND LIABILITIES		
Equity		
Equity share capital	357	357
Other equity	34204	24216
Share warrant pending allotment	750	-
Equity attributable to owners of Holding Company	**35310**	**24573**
Non-controlling interests	49	124
Total equity	**35359**	**24697**
Non-current liabilities		
Financial liabilities		
Borrowings	6239	23255
Trade payables	796	822
Other financial liabilities	477	1060
Provisions	41	52
Deferred tax liabilities (net)	2510	32
Other non-current liabilities	148	530
	10211	**25752**
Current liabilities		
Financial liabilities		
Borrowings	8808	3508
Trade payables	1218	1407
Other financial liabilities	3865	3603
Other current liabilities	3096	4947
Liabilities directly associated with assets classified as held for sale (re	57	-
Provisions	42	**72**
	17086	**13538**
Total	**62656**	**63987**

DLF Group – Net Debt Statement – as on March 31, 2018

In Rs Crore

Net Debt Position	*DLF Group*
Gross Opening Debt as per Balance Sheet (1st Jan-2018)	12377
Less : Debt Repaid during Qtr.	-3729
Add : New Borrowing during Qtr.	805
Less : Cash in Hand	-3228
Ind AS Adjustment	40
Net Debt Position	**6265**

~ Rs 8300 crore (net of advances) inter company payable by DLF Group to DCCDL group has not been included in the above. The same shall be settled through transfer of certain assets.

The committed Capital actions of Promotor infusion of Rs. 2,250 crore & QIP of 17.30 shares will itself ensure Zero Net Debt Target

Purchase Price Allocation

- DLF’s residual stake in DCCDL has been fair valued based upon Transaction Value paid by GIC to Promoter entities

- DLF undertook Purchase Price Allocation of this Fair Valuation, in accordance with IndAS 103, amongst tangible and intangible assets.

- Appropriate adjustments have been factored into DLF’s Consolidated Results, based upon the valuation done by third party experts

- This is a one-time exercise, with only additional depreciation being charged off to consolidated accounts annually

IndAS 115 Guidance

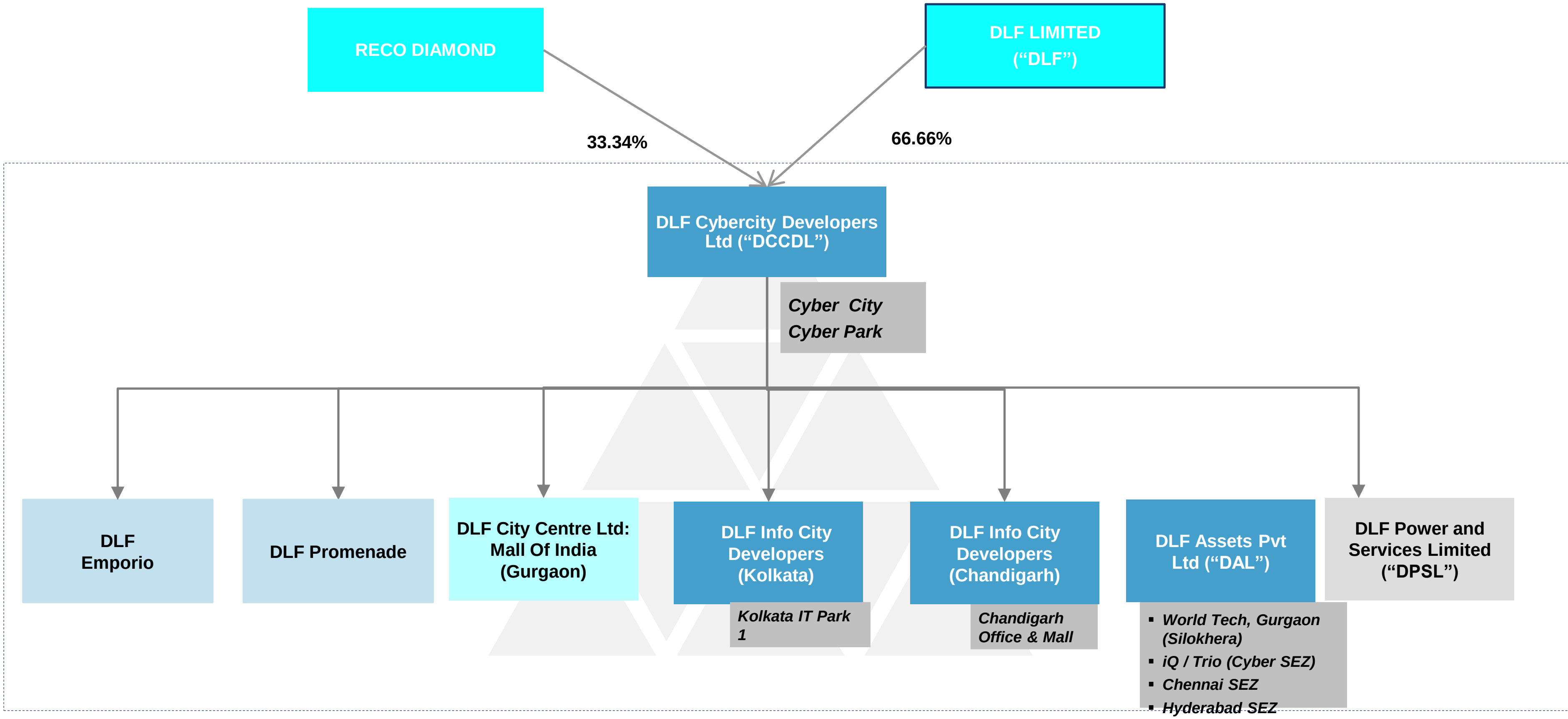
- Ind AS 115, Revenue from Contracts with Customers specifies how and when revenue should be recognised as well as requiring more information and relevant disclosures. This standard also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. IndAS-115 supersedes IndAS-18, and a number of revenue related interpretations, including Guidance Notes. Ind AS 115 applies to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts. Ind AS 115 must be applied for periods beginning on or after April 1, 2018. An entity must adopt the standard on a fully retrospective basis or on a modified retrospective basis.

- The Company has put a team in place to evaluate the financial statement and any corollary impact of adopting Ind As 115, and is in process of developing an adoption plan. Management is assessing major revenue streams , and has progressed on accumulating, identifying and inventorying detailed information on major contracts that may be impacted by the changes at the transition date. The key areas of focus within the context of the standard are primarily in relation to identification of performance obligation and the evaluation of the appropriate period of recognition of revenue for each of these performance obligations.

- Our Company is in the process of finalising the documented analysis and assessed potential impact to IT systems and internal controls. We will adopt the new revenue guidance effective April 1, 2018, using the modified retrospective approach, by recognising the cumulative effect of initially applying the new standard as an adjustment to the opening retained earnings as if the standard had always been in effect and whereby comparative periods will not be restated. Further technical analysis and quantitative assessments are required to conclude on the overall impact.

DLF Cyber City Developers Limited
Investment Property Business

DCCDL Holding Structure



DCCDL Structure includes CARAF & Richmond Park Property Management Service Ltd as subsidiary. CARAF is under merger with DCCDL w.e.f 1st April 2017.

- Office assets holding companies
- Retail assets holding companies
- Properties under the company (Standalo
- MOIG
- Utilities and Facility Management Company

DCCDL Group – Investment Business Performance Q4FY18 & FY18

- **Q4 FY18:**
  - Gross leasing of 1.99 msf, 1.71 msf (post 9 year expiry/terminations) renewed at current market rates. Net fresh leasing of 0.28 msf. This is in comparison to Net Leasing of 0.13 msf during Q3 FY18
  - Leasing offtake impacted due to virtually nil inventory in most of the places. Primarily, the inventory is in Silokhera & Kolkata
  - Project Completion (under DAL framework) – 0.47 msf [Block 2 of Chennai IT Park]
  - Projects under Construction : 3.60 msf (~2.5 msf in DCCDL Group & ~1.15 msf in DLF Group (under DAL framework) which is contracted to be transferred to DAL (part of DCCDL Group)

- **FY 2017-18**
  - Gross leasing of 5.58 msf, 4.57 msf (post 9 year expiry/terminations) renewed at current market rates. Net fresh leasing of 1.01 msf. This is in comparison to Net Leasing of 0.69 msf during FY 16-17
  - Projects under Construction : 3.60 msf vs 4.30 msf during FY 2016-17 (including under DAL framework)

Leased Assets Across India – DCCDL Group

DCCDL Group			
Cities/Projects		Leasable Area (msf)	% leased
Rent Yielding Building			
Gurgaon			
DLF Cyber City Developers	Office	10.56	96.38
DAL (SEZS)	Office	13.42	93.52
Kolkata/Chandigarh	Office	1.94	80.98
Malls			
Delhi	Retail	0.77	99.52
Chandigarh	Retail	0.19	83.78
Under Construction Building			
DLF Cyber City Developers	Office	2.50	48.63
DAL (SEZ) - Chennai	Office	1.62	45.84

DCCDL Group Consolidated Financial Highlights – Profit & Loss Q4FY18 & FY18

In Rs Crore

DLF Cyber City Developers Limited

AUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR

(` in Cr)

Particulars	Quarter Mar 31, 2018 (Reviewed)	Quarter Dec 31, 2017 (Reviewed)	Quarter Mar 31, 2017 (Reviewed)	Year Ended March 31, 2018 (Audited)	Year Ended March 31, 2017 (Audited)
Income					
Revenue from operations	970	926	965	3,924	3,801
Other income	274	278	164	1,006	562
	1,244	**1,204**	**1,129**	**4,930**	**4,363**
Expenses					
Cost of land, plots, constructed properties and development rights	231	226	264	1,047	997
Employee benefits expense	24	29	19	95	89
Finance costs	394	441	367	1,683	1,410
Depreciation and amortisation expense	105	104	104	417	420
Other expenses	105	64	92	265	264
	859	**864**	**846**	**3,507**	**3,180**
Profit before exceptional and extraordinary items and tax	**385**	**340**	**283**	**1,423**	**1,183**
Exceptional items	(0)	(238)	12	(238)	(364)
Profit from continuing operations before tax	**385**	**578**	**271**	**1,661**	**1,547**
Tax expense	62	66	(19)	238	298
Profit after tax	**323**	**512**	**290**	**1,423**	**1,249**
Minority interest & Share of profit in associates-net	**-**	**3**	**(2)**	**(3)**	**(9)**
Profit for the year (PAT)	**323**	**515**	**288**	**1,420**	**1,240**
Other Comprehensive Income for the year	0	(0)	0	1	(0)
Total Comprehensive Income for the year	**323**	**515**	**288**	**1,421**	**1,240**

DCCDL Consolidated Financial Highlights – Balance Sheet Abstract Q4FY18 & FY18

In Rs Crore

DCCDL	As on Mar-18	As on Mar-17
Non-Current Assets	18525	18503
Current Assets	9736	9767
Total	**28261**	**28270**
Equity	7752	8679
Non-Current Liabilities	18201	17070
Current Liabilities	2308	2522
Total	**28261**	**28270**

DCCDL Group – Net Debt Statement

In Rs Crore

DCCDL GROUP	Q4 FY18
Gross Opening Debt as per Balance Sheet (1st Jan-2018)	16561
Less : Debt Repaid during Qtr.	-204
Add : New Borrowing during Qtr.	557
Gross Debt Position	16914
Less : Cash in Hand	-667
Less : Ind AS Impact	13
Net Debt Position	**16260**

LRD Loans of ~ Rs. 14,460 crore; Average maturity of 7.5 years; Average coupon: 8.6% (LRD Multiplier of 8.5x)
CMBS of Rs. 900 crore; Coupon of 10.9%
Other Loans: Rs. 900 crore; Coupon of 9.2%

Receivables from DLF Limited ~ Rs 8,300 crore

Thank You