

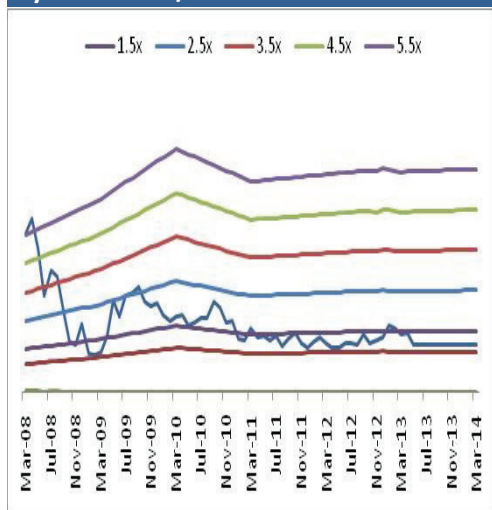
Result update	Neutral
CMP	195
Target Price	NA
Previous Target Price	NA
Upside	NA
Change from Previous	NA

Market Data	
BSE Code	532868
NSE Symbol	DLF
52wk Range H/L	170/289
Mkt Capital (Rs Crores)	33099
Average Daily Volume	4330110
Nifty	5986

Stock Performance-%	1M	1yr	YTD
Absolute	(18.1)	3.6	(17.0)
Rel. to Nifty	0.9	20.0	5.3

Share Holding Pattern-%	4QFY13	3QFY13	2QFY13
Promoters	78.6	78.6	78.6
FII	16.6	14.9	15.9
DII	0.3	1.0	0.5
Others	4.5	5.6	5.1

1 yr Forward P/B



Result below expectaion; missed annual guidance:

On a consolidated basis, DLF reported a net loss of Rs 4 crore in Q4 March 2013 over net profit of Rs 212 crore in Q4 March 2012. Revenue fell 16% to Rs 2319 crore in Q4 March 2013 over Q4 March 2012. EBITDA fell 12% to Rs 819 crore in Q4 March 2013 over Q4 March 2012. It achieved gross sales of 7.23 million square feet (msf) in FY 2013 of value Rs. 3815 crore. The company reported net leasing of 1.14 msf of office space in FY 2013. Overall annuity income grew to Rs 1850 crore in FY 2013. At current levels, the stock is trading at EBIT/Intrest of 1.21x and 1.62x on FY14E & FY15E estimates and we expect at this level the stock is fairly priced. **Hence, we maintain our "Neutral" view on the stock.**

Depressed topline with margin pressure; DLF, net sales stands at Rs. 7773 crore as against Rs. 9629 crore in the previous year, and registering a degrowth of 19.3%. EBITDA margin for the fiscal FY13 stands at 33.8% dipped by 770 bps on Y-o-Y. Downside in EBITDA margin is mainly on account of inflationary pressure in raw material cost of the company. Consolidated profit after tax (PAT) fell 41% to Rs 712 crore,

Management guidance;

- Management expects a sales booking of 8-10 million square feet in FY14.
- Sales booking expectations for FY14 will be Rs. 6000 crore.
- Company will invest about Rs 3000 crore on construction of various projects this year.
- Aiming to reduce net debt to Rs 19,000 crore by June with help of funds raised from the recently concluded Institutional Placement Programme (IPP), and reduce it further to Rs 17,000 crore by end of this fiscal.
- The company said it will focus on bringing down the debt level by 50 per cent in the next three years.
- The company said it would aim to have free cashflows by FY15.
- The company expects EBIDTA of Rs 8200 crore in the next three years.

Valuation; At the current CMP of Rs.195, the stock is trading at a PE of 44.9x FY14E . The company can post RoE of 2.6% & EPS of Rs. 37.3 & Rs. 4.3. We expect the stock performance performance is largely depends on its, (1) margin improvement, (2) reduction in intrest cost, (3) growth in sector. At current levels, the stock is trading at EBIT/Intrest of 2.61x and 2.71x on FY14E & FY15E estimates and we expect at this level the stock is fairly priced. Hence, we maintain our "Neutral" rating on DLF on back of margin pressure, volume stress and no clear visibilty of manangement strategy, lower-than-expected debt reduction, lower-than-expected policy rate cuts, and material de rating of the overall macro fundamentals in India.

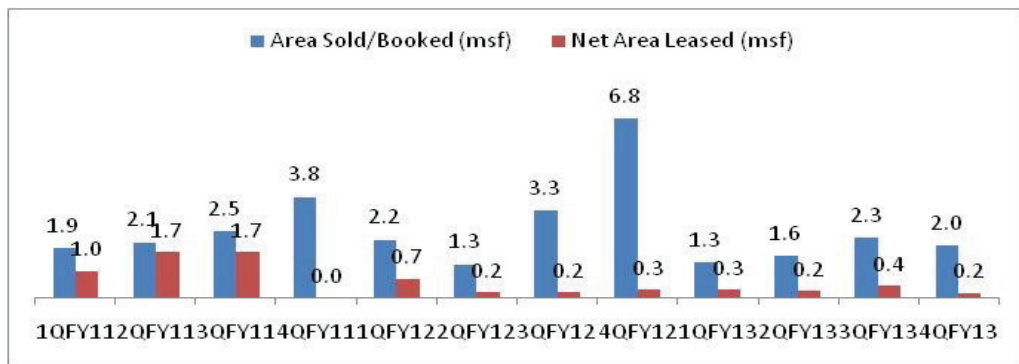
Financials

	Rs, Crore				
	4QFY13	3QFY13	(QoQ)-%	4QFY12	(YoY)-%
Revenue	2225.6	1310.0	69.9%	2616.8	-15.0%
EBITDA	726.0	87.0	734.3%	797.6	-9.0%
PAT	17.0	285.0	-94.0%	228.0	-92.5%
EBITDA Margin	32.6%	6.6%	2600 bps	30.5%	210 bps
PAT Margin	0.7%	12.4%	(1170) bps	8.3%	(760) bps

(Source: Company/Eastwind)

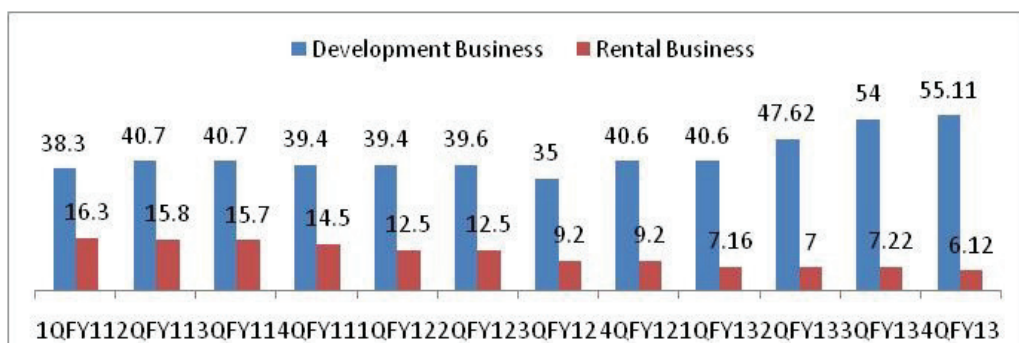
Story in graphs:

Sale and Lease booking:



(Source: Company/Eastwind)

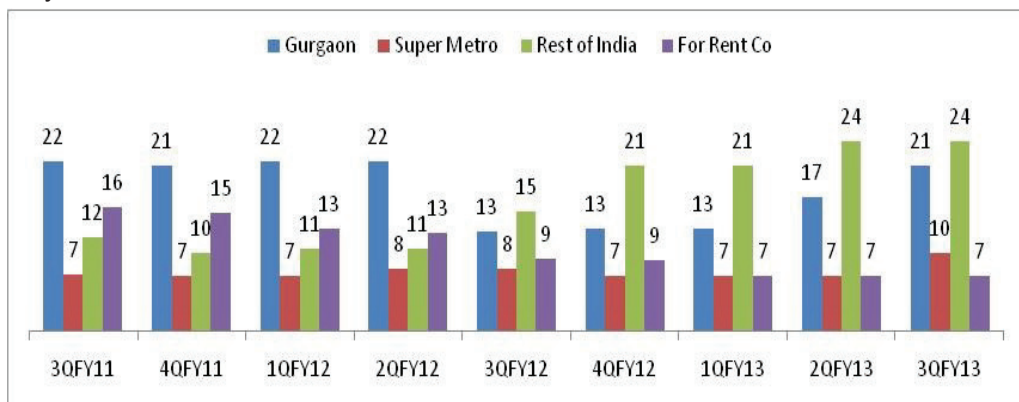
Area under construction:



(Million square feet)

(Source: Company/Eastwind)

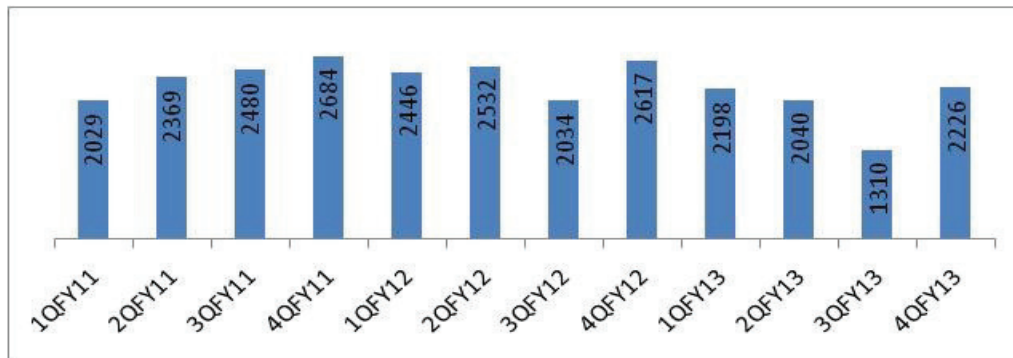
Project Under Construction :



(Million square feet)

(Source: Company/Eastwind)

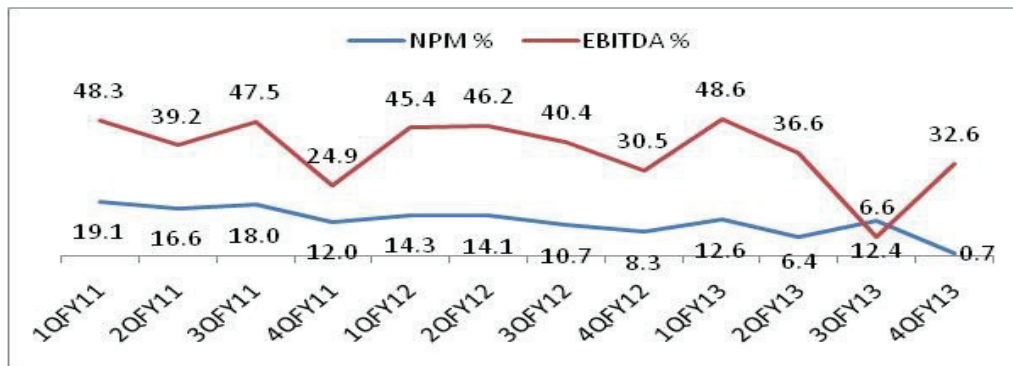
Revenue (Q-o-Q):



(Ammount in crore)

(Source: Company/Eastwind)

Margin profile (Q-o-Q):



(Source: Company/Eastwind)

Cost as a % of sales:



(Source: Company/Eastwind)

Key financials :

PARTICULAR	2008A	2009A	2010A	2011A	2012A	2013E	2013A	2014E
Revenue	14433	10035	7423	9561	9629	8247	7773	9716
Other Income	251	396	428	584	594	1338	1323	515
Total Income	14684	10431	7851	10144	10224	9585	9096	10231
EBITDA	9710	5590	3512	3753	3904	2974	2626	3401
EBIT	9620	5351	3187	3122	3215	2164	1830	2556
DEPRICIATION	90	239	325	631	689	810	796	845
INTREST COST	310	555	1110	1706	2246	2300	2314	2100
PBT	9561	5192	2505	2000	1563	1202	839	971
TAX	1739	675	702	459	369	301	125	233
PAT	7822	4517	1802	1541	1194	902	714	738
Prior Period Items	(1)	1	(94)	97	(25)	4	(33)	0
Reported PAT	7821	4518	1708	1638	1169	906	681	738
Extra Oridiniary Items	0	0	0	0	0	0	572	0
Adjusted PAT	7821	4518	1708	1638	1169	906	442	738
Dividend (INR)	679	339	340	340	340	340	340	340
Dividend Per Share	4	2	2	2	2	2	2	2
EBITDA %	67.3%	55.7%	47.3%	39.3%	40.5%	36.1%	33.8%	35.0%
NPM %	53.3%	43.3%	23.0%	15.2%	11.7%	9.4%	7.8%	7.2%
ROE %	39.7%	18.7%	5.9%	5.9%	4.4%	3.2%	1.6%	2.6%
ROCE%	24.8%	11.2%	3.5%	3.1%	2.3%	1.9%	1.4%	1.6%
Dividend Yeild %	0.62	1.25	0.65	0.77	1.01	0.82	0.85	1.03
BOOK VALUE	116	142	179	155	160	164	162	164
P/B	5.5	1.1	1.7	1.7	1.2	1.7	1.4	1.2
P/E	13.9	6.0	29.0	28.6	28.2	80.9	55.9	44.9
EPS	46.1	26.6	10.6	9.1	7.0	3.3	4.2	4.3
Total Debt	11917	16320	21676	23991	25066	19000	24877	19000
CAPITAL EMPLOYED	31605	40474	52109	50323	52302	46798	52405	46926
NET WORTH	19688	24154	30433	26332	27236	27798	27528	27926
No of Share (Adj)	170	170	170	170	170	170	170	170

(Ammount in crore)

(Source: Company/Eastwind)