



unitech<sup>®</sup> CORPORATE  
PARKS PLC

Interim Report  
**2007**

# UNITECH CORPORATE PARKS PLC

## Company Information

### Directors (all non-executive; \* independent)

Atul Kapur (Chairman) \*  
Aubrey John Adams \*  
Ajay Chandra  
Mohammad Yousuf Khan \*  
Donald Lake \*

### Company Secretary

Elizabeth Tansell

### Registered Office

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Douglas  
Isle of Man IM1 1JD

### Investment Manager

Nectrus Limited  
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Strovolos  
Nicosia  
Cyprus

### Administrator and Registrar

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### Legal Advisers (Isle of Man law)

Cains Advocates Limited  
15-19 Athol Street  
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Isle of Man IM1 1LB

### Legal Advisers (Cypriot law)

Chrysses Demetriades & Co  
Fortuna Court  
284 Makarios III Avenue  
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Cyprus

### Auditors

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Heritage Court  
39 - 41 Athol Street  
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Isle of Man IM99 1HN

### Nominated Adviser

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The London Stock Exchange Building  
10 Paternoster Square  
London EC4M 7LT

### Broker

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

### Crest Service Provider

Capita Registrars (Jersey) Limited  
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Jersey

### Legal Advisers (UK and US law)

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40 Bank Street  
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### Legal Advisers (Mauritian law)

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### Legal Advisers (Indian law)

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# UNITECH CORPORATE PARKS PLC

## Chairman's Statement

It is my privilege to report UCP's maiden interim results for the period ended 30 September 2007.

I am also pleased to update Shareholders on the ongoing substantial progress made by your Company in the period since we reported our last results.

### Financial results

Adjusted NAV as at 30 September 2007 was £1.9020 per share.

NAV as at 30 September 2007 was £1.6018 per share (compared to £1.0184 per share as at 31 March 2007 and to £0.9626 per share at the time of Admission). This represents a rise of 57.3% in NAV over the six months from 31 March 2007, and an increase of 66.4% since Admission.

Adjusted NAV excludes the impact of the deferred tax provision on the net assets of the Company and is considered by the Board to be a more appropriate method of evaluating the performance of the Company than NAV. The Board considers the provision of deferred tax a technical accounting issue and does not believe that a material tax liability will arise on a correctly structured sale of the Company's assets.

Knight Frank ("KF"), an independent valuer, completed the valuation of the Company's properties as at 30 September 2007. The Board of UCP is pleased to report that the total market valuation of the six assets in the Company's portfolio ("Seed Portfolio Assets") based on the exchange rate on 30 September 2007, is £1,037.0 million (as compared to £553.0 million on 31 March 2007, and to £481.5 million at Admission).

UCP's ownership of 60% of these projects is therefore valued at £622.2 (an increase of 87.4% compared to £331.8 million as at 31 March 2007 and 115.4% to £288.9 million at the time of Admission).

These valuations have been achieved on the back of good progress on developments, excellent leasing, achieving rents above budget, good quality of construction and cap rate compression.

As at 30 September 2007, the Company held £78.1 million of cash, against £110.2 million at 31 March 2007.

In line with the statement made in the Admission Document at the time of our IPO, the Directors have not proposed an interim dividend in respect of the period ended 30 September 2007. The Directors will consider the payment of dividends when, in their opinion, it becomes commercially prudent to do so.

### Strategy

UCP was formed to invest in Indian commercial real estate, targeting the real estate requirements of the high growth Indian IT and IT Enabled Services ("ITES") sectors. The Company is focused on investment in Special Economic Zones ("SEZs") dedicated to the IT and ITES industries or IT Parks which are suitable for foreign direct investment.

### Proposed corporate transaction

As announced separately today, Shareholder approval is also being sought for a potential exit from three of the Company's six seed portfolio assets, via a conditional sale to a Singapore listed REIT-type structure. The £234.1 million minimum consideration for the assets would deliver an average IRR across the projects of 38.9%, in excess of the target IRR set out at the time of the IPO and delivered in a compressed timeframe.

It is intended that the proceeds of the disposal will be reinvested into Indian real estate development projects and the Company is also seeking shareholder approval to widen UCP's investment mandate to include the retail, other commercial and hospitality sectors, where the Directors and Investment Manager believe there is a good opportunity to create shareholder value and where the Company has already identified a number of potential investments.

I am pleased to say that, as anticipated, the local knowledge, experience and reputation of Unitech combined with the international expertise and capabilities of our external consultants, has created an unrivalled team to plan, design and undertake the development of the Seed Portfolio and future pipeline assets. Based on the track record of this team, we remain confident of achieving the development targets necessary to realise our anticipated project returns.

# UNITECH CORPORATE PARKS PLC

## Chairman's Statement (continued)

### Seed Portfolio Assets

As described above, the Company has co-invested with Unitech Limited ("Unitech"), one of India's leading real estate companies, and its affiliates in the Seed Portfolio Assets, with the Company acquiring majority control and Unitech holding, either directly or indirectly, a minority stake. All of the Seed Portfolio Assets are being developed by Unitech.

Of these, five assets are located in the National Capital Region (the area surrounding Delhi, Northern India) and account for approximately 80% of UCP's potential leaseable area when completed. The sixth asset is situated in the Kolkata area of the State of West Bengal, accounting for the remaining 20%.

Unitech, through its Right of first refusal agreement with UCP, intends to bring in more assets into the portfolio and also intends to diversify the portfolio mix both in terms of business segments and geographic locations.

An update on the Company's six assets is as follows:

### Infospace, Gurgaon ("G1-ITC")

**G1-ITC** comprises a land area of 24.7 acres and will have a total leaseable area of approximately 3.26 million sq ft upon completion, consisting of office space of 3.21 million sq ft and retail space of 50,000 sq ft. The project will be developed as an IT and ITES SEZ. The site is located in the Gurgaon area of the National Capital Region and is being designed by Callison Architecture Inc.

The buildings will include recreational facilities such as food courts, a gymnasium and coffee shops. G1-ITC will form part of Uniworld Resorts, a proposed 210 acre premium integrated township being developed by Unitech which will also contain premium villas, high rise apartments, a proposed golf-course and other facilities, providing an integrated live and work environment.

To date, G1 has not entered into any Commitment Leases. The first phase of G1, comprising approximately 1.1 million sq ft of lettable area, is expected to be completed by May 2010.

Completed LA\* and LA to be completed :

G1-ITC Phases	Expected completion <sup>(1)</sup>	Total estimated construction costs <sup>(2)</sup>		Estimated LA (sq ft)
		(Rs. million)	(£ million)	
Phase 1	May 2010	2,565.5	31.47	1,087,912
Phase 2	February 2011	2,660.8	32.64	1,087,912
Phase 3	November 2011	2,760.4	33.86	1,087,912
<b>Total</b>		<b>7,986.7</b>	<b>97.97</b>	<b>3,263,736</b>

\* LA = Lettable Area

Notes:

- (1) For each Phase, the construction period from start to completion is approximately 24 months.
- (2) Includes fit-outs and excludes interest during construction.

# UNITECH CORPORATE PARKS PLC

## Chairman's Statement (continued)

### Infospace, Dundahera, Gurgaon ("G2-IST")

G2-IST is a 27.7 acre site located in Dundahera, Gurgaon, on the Old Gurgaon Highway and near to the Delhi-Gurgaon border. The completed project is designed to have a total LA of approximately 3.7 million sq ft consisting of approximately 3.6 million sq ft of office space and approximately 50,000 sq ft of retail space. 25% of the total LA is expected to be leased with fit-outs. The buildings, designed by Callison Architecture, Inc., will be finished to a high standard with use of granite and glazing. It is proposed that the buildings will contain high efficiency floor plates and triple level basements for car parking and services. The project complex is also expected to include recreational facilities such as a food court, a gymnasium and coffee shops.

It is being developed by Unitech Developers and Projects Limited ("UDPL") as an IT/ITES SEZ. UDPL is developing G2-IST pursuant to a joint development agreement with an independent third party, Gurgaon Infospace Limited ("GIL"). In consideration for development of the project at G2-IST, UDPL is entitled to 72 per cent of the gross sale receipts or deposits from the purchasers and/or tenants, as the case may be, arising out of the sale or lease of the developed areas of G2-IST and GIL is entitled to 28 per cent. UDPL has agreed to incur 100% of the base construction and development costs, whereas the fit-out costs will be shared between UDPL and GIL in the proportions of 72 per cent and 28 per cent respectively.

As at 1 December 2007, the Completed LA for G2-IST (comprising Phase 1) amounts to 462,399 sq ft and the LA to be completed (relating to Phases 2 – 6) is 3,187,601 sq ft.

G2-IST has letters of intent and binding leases (collectively "Committed Leases") for approximately 733,370 sq ft of lettable area, reflecting a committed occupancy rate of 100% for Phase 1 and amounting to approximately 20% of the aggregate estimated LA for G2-IST when fully completed. The tenant profile of G2-IST represented by the Committed Leases is diverse and represents a wide variety of industry sub-sectors in the IT and ITES segments. The standard lease term of G2-IST's tenants for the Committed Leases is for a period of five years with a lock-in for three or five years during which the tenants are not entitled to terminate the leases. At the end of the lease term, there is an option to renew the lease term. The rental is fixed during the lease term, and upon renewal at the end of the lease term the rental has a step-up which is subject to mutual consent. There is a standard escalation in lease rentals of 15.0% after three years.

This is one of the three investments which the Directors are proposing to sell to the Singapore listed REIT-type structure mentioned previously.

Completed LA and LA to be completed:

G2-IST Phases	Expected completion <sup>(1)</sup>	Total estimated construction costs <sup>(2)</sup>		Estimated LA (sq ft)
		(Rs. million)	(£ million)	
Phase 1	November 2007	809.2	9.93	462,399
Phase 2	May 2008	1,236.4	15.17	630,000
Phase 3	October 2008	1,197.0	14.68	600,000
Phase 4	March 2010	1,179.8	14.47	600,000
Phase 5	May 2010	1,288.8	15.81	650,000
Phase 6	July 2010	1,414.5	17.35	707,601
<b>Total</b>		<b>7,125.7</b>	<b>87.41</b>	<b>3,650,000</b>

Notes:

- (1) For each Phase, the construction period from start to completion is approximately 21 months.
- (2) Includes fit-outs and excludes interest during construction.

# UNITECH CORPORATE PARKS PLC

## Chairman's Statement (continued)

### Infospace, Sector 62, Noida ("N1")

N1 is a 19.3 acre site located close to National Highway 24 in Noida and is being developed by Shantiniketan Properties Limited as an IT Park. The completed project at N1 is expected to provide an estimated 2.1 million sq ft of LA surrounded by a landscaped common area. All the buildings are designed to have excellent visibility from the main road approaching the site. The buildings have been designed by Callison Architecture, Inc. with high efficiency floor plates and a basement for car parking and services. The complex is designed to provide approximately 2.0 million sq ft of office space and approximately 60,000 sq ft of retail space and is expected to include facilities such as a food court, a gymnasium, coffee shops and other amenities.

To date N1 has not entered into any Commitment Leases. The first phase of N1, comprising approx. 270,000 sq ft of LA, is expected to be completed by July 2008.

This is the second of the three investments which the Directors are proposing to sell to the Singapore listed REIT-type structure mentioned previously.

Completed LA and LA to be completed:

N1 Phases	Expected completion <sup>(1)</sup>	Total estimated construction costs <sup>(2)</sup>		Estimated LA (sq ft)
		(Rs. million)	(£ million)	
Phase 1	July 2008	541.3	6.64	270,000
Phase 2	August 2008	764.9	9.38	380,000
Phase 3	September 2008	721.6	8.85	357,000
Phase 4	August 2009	579.1	7.10	274,000
Phase 5	September 2009	925.4	11.35	436,000
Phase 6	October 2009	739.5	9.07	347,000
<b>Total</b>		<b>4,271.8</b>	<b>52.39</b>	<b>2,064,000</b>

Notes:

- (1) For each Phase, the construction period from start to completion is approximately 21 months.
- (2) Includes fit-outs and excludes interest during construction.

### InfoSpace, Sector 135, Noida ("N2")

N2 is a proposed IT/ITES SEZ located in Noida with an approximate total project area of 29.7 acres. The estimated LA at completion will be approximately 3.17 million sq ft consisting of approximately 3.14 million sq ft of office space and approximately 30,000 sq ft of retail space. The buildings are to be designed by Uppal Ghosh Associates and will include recreational facilities such as food courts, a gymnasium and coffee shops. N2 is near Unitech's proposed Express City development, a prime residential project consisting of premium villas, multi-storied apartments, a proposed golf course and other facilities. Four other residential projects have been completed in land adjacent to N2.

To date N2 has not entered into any Commitment Leases. The first Phase of N2, comprising approx. 300,000 sq ft of LA, is expected to be completed by August 2009.

Completed LA and LA to be completed:

N2 Phases	Expected completion <sup>(1)</sup>	Total estimated construction costs <sup>(2)</sup>		Estimated LA (sq ft)
		(Rs. million)	(£ million)	
Phase 1	August 2009	1,997.2	24.50	903,042
Phase 2	February 2010	1,957.0	24.01	863,607
Phase 3	August 2010	2,005.7	24.60	863,607
Phase 4	February 2011	1,283.2	15.74	539,283
<b>Total</b>		<b>7,243.1</b>	<b>88.85</b>	<b>3,169,539</b>

Notes:

- (1) For each Phase, the construction period from start to completion is approximately 24 months.
- (2) Includes fit-outs and excludes interest during construction.

# UNITECH CORPORATE PARKS PLC

## Chairman's Statement (continued)

### InfoSpace, Greater Noida ("N3")

N3 is a proposed IT/ITES SEZ in Greater Noida with an approximate total project area of 50.0 acres. The estimated LA at completion will be approximately 4.95 million sq ft consisting of approximately 4.85 million sq ft of office space and approximately 100,000 sq ft of retail space. The buildings are to be designed by Hellmuth, Obata and Kassabamm, Inc. and will include recreational facilities such as a food court, a gymnasium and coffee shops. N3 is located in the Greater Noida Technical Zone which comprises 12 land parcels of varying sizes for IT Parks (from which a number of companies may operate) and campus developments (which are generally owned and occupied by a single company).

To date N3 has not entered into any Commitment Leases. The first phase of N3, comprising approx. 1.65 million sq ft of LA, is expected to be completed by March 2011.

The results and inquiries for space are very encouraging, as they demonstrate strong demand for high quality newly developed product in the NCR and Kolkata region.

Completed LA and LA to be completed:

N3 Phases	Expected completion <sup>(1)</sup>	Total estimated construction costs <sup>(2)</sup>		Estimated LA (sq ft)
		(Rs. million)	(£ million)	
Phase 1	March 2011	3,123.7	38.32	1,649,018
Phase 2	September 2011	3,201.1	39.27	1,649,018
Phase 3	March 2012	3,279.9	40.23	1,649,018
<b>Total</b>		<b>9,604.7</b>	<b>117.82</b>	<b>4,947,054</b>

Notes:

- (1) For each Phase, the construction period from start to completion is approximately 36 months.
- (2) Includes fit-outs and excludes interest during construction.

### InfoSpace, Kolkata ("K1")

K1 is being developed by Unitech Hi-Tech Structures on a 45.4 acre land parcel as an IT/ITES SEZ. Designed by RMJM Singapore Pte. Ltd., the complex will have an estimated total LA of 4.4 million sq ft upon completion. The site is designed to provide an estimated 4.3 million sq ft of office space and an estimated 100,000 sq ft of retail space and is expected to include amenities such as food courts, coffee shops and a gymnasium. 25% of the total lettable area is expected to be leased with fit-outs.

As at 1 December 2007, the Completed LA for K1 amounts to approx. 300,000 sq ft and the LA to be completed is approx. 4,057,000 sq ft.

As of that date, K1 has letters of intent and binding leases (collectively "Committed Leases") for approximately 957,553 sq ft, amounting to approximately 22% of the aggregate estimate LA for K1 when fully completed. The standard lease term for K1's tenants for the Committed Leases are for terms of five to six years with a lock-in for two to five years during which the tenants are not entitled to terminate the leases. The rent is fixed during the lease term, and upon renewal at the end of the lease term the rental has a step-up which is subject to mutual consent. There is a standard escalation in lease rentals of 15.0-18.0% after three to four years. The Committed Leases are for an initial term of five to six years.

This is the third of the three investments which the Directors are proposing to sell to the Singapore listed REIT-type structure mentioned previously.

# UNITECH CORPORATE PARKS PLC

## Chairman's Statement (continued)

### InfoSpace, Kolkata ("K1") (continued)

Completed LA and LA to be completed:

K1 Phases	Expected completion	Total estimated construction costs <sup>(2)</sup>		Estimated LA (sq ft)
		(Rs. million)	(£ million)	
Phase 1	March 2008	1,982.3	24.32	797,650
Phase 2	March 2009	1,767.9	21.69	700,000
Phase 3.1	May 2009	549.6	6.74	242,901
Phase 3.2	February 2010	514.5	6.31	240,835
Phase 3.3	November 2010	525.7	6.45	237,223
Phase 4	February 2010	2,723.5	33.41	1,100,000
Phase 5	October 2010	2,597.8	31.87	1,032,370
<b>Total</b>		<b>10,661.3</b>	<b>130.79</b>	<b>4,350,979</b>

Notes:

- (1) For each Phase, the construction period from start to completion is approximately 28 months.
- (2) Includes fit-outs and excludes interest during construction.

### Special Economic Zone (SEZ) Status

The position regarding the status for approval as SEZ for each SPV is given below:

	Company Name	Location	Area (in acres)	Status (as on 15 December 2007)
N2	Seaview Developers Ltd.	Sector – 135, Noida	29.7	Project has been <b>Notified</b> on 12 December 2007, Post Notification activities are in progress.
N3	Unitech Infra-con Ltd.	TZ – 04, Greater Noida	50.0	Formal approval received on 23 May 2007. Notification has been applied for and the tax benefit shall accrue after notification.
G1 (ITC)	Unitech Realty Projects Ltd.	Village Tikri, Gurgaon	24.7	Formal approval received on 30 July 2007. Notification has been applied for and the tax benefit shall accrue after notification.
G2 (IST)	Unitech Developers & Projects Ltd.	Village Dundahera, Gurgaon	28.4	<b>Notification</b> in the official gazette favoring Developer i.e. Gurgaon Infospace Ltd. (GIL) has been received on 3 December 2007. All Documents related to Approval for Co-Developer have been submitted to the Ministry of Commerce & Industries. Post Notification activities are in progress.
K1	Unitech Hi-tech Structures Ltd.	Rajarhat, Kolkata	45.4	Project has been <b>Notified</b> on 28 November 2007, Post Notification activities are in progress.

The projects that have received formal approval have to be notified by the Government of India before receiving the relevant benefits as laid down under the SEZ act.

# **UNITECH CORPORATE PARKS PLC**

## **Chairman's Statement (continued)**

### **Outlook**

Prospects for the Indian real estate market continue to remain strong, especially for high-quality, secure and well located assets such as those in your Company's portfolio.

Robust demand for quality commercial, residential, hospitality and retail space driven by India's continuing economic growth, and a constrained quality supply in the midst of escalating demand, provide support for our broadened investment strategy of developing commercial space and retail space to satisfy the increasing demand.

As evidenced by the recent successful IPO of an Indian commercial property portfolio, listed on the Singapore Stock Exchange, we believe that currently there is strong investor appetite for high quality real estate assets such as those in your Company's portfolio. With this in mind, the Company is at an advanced stage in proposing to exit part of the portfolio of seed assets through a Singapore REIT-type structure. This was one of the potential exit routes set out in the Company's Admission Document.

With the initial investments in the NCR and Kolkata projects, UCP has made significant progress toward its goal of capitalizing on the diverse and growing Indian real estate market through the development of commercial and retail space. Additionally, the Company continues to explore strategic funding options to further enhance project and shareholder returns, and is therefore looking at other IT/ITES space in the regions of India to include in the portfolio.

Given the timely investments in the projects, solid marketing initiatives, assembly of a world-class delivery team and progress on the pipeline projects, I believe UCP has established a strong base, with excellent momentum to achieve targeted returns. The increased valuations bear testimony to this.

**Atul Kapur**  
**Chairman**

19 December 2007

# UNITECH CORPORATE PARKS PLC

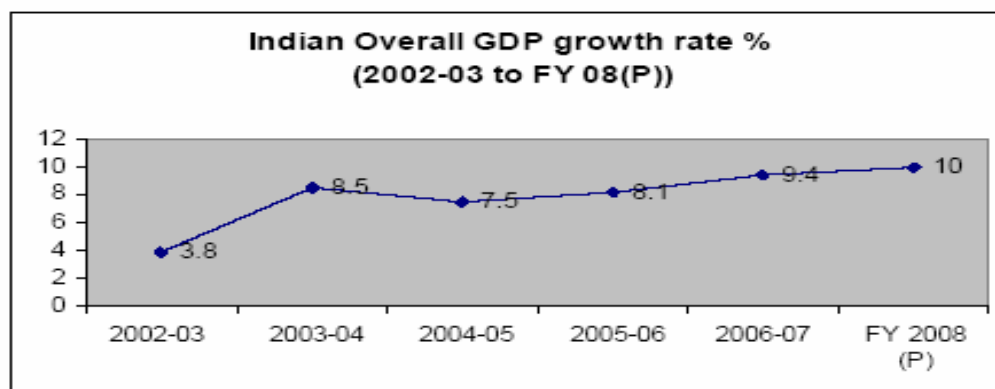
## Investment Manager's Review

### OVERVIEW OF INDIAN ECONOMY

**Economy:** India is one of the fastest growing major economies and the fourth largest as measured by Purchasing Power Parity (“PPP”), ranking only behind the United States, China and Japan and is expected to overtake Japan as the world’s third largest economy by 2032. (Source: *Indian Economic Overview and Goldman Sachs “Dreaming with the BRICs (Brazil, Russia, India & China, Economic Survey Of India, 2006”*).

**GDP growth:** The nation’s economy continues to expand rapidly; the forecast for growth rate in Indian Gross Domestic Product (GDP) is at 10% for FY-08. The economy grew by an impressive growth rate of 9.4% during 2006-07 versus 9.0% in 2005-06. A key contributor to the rapid economic growth has been the emergence of a globally competitive knowledge-driven services sector (which includes among others, the information technology (“IT”) and software exports sectors) which accounted for 55% of the country’s GDP in fiscal year 2006 – 07 (Source *IBEF (India Brand Equity Forum), July 19, 2007, State of the economy-Dec, 2006 by Confederation of Indian Industries, India Budget 2007, E&Y*)

### Indian GDP Growth Rates

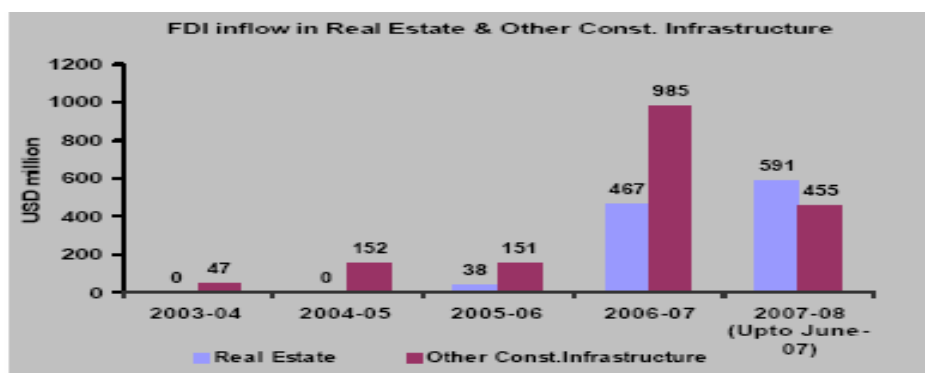


Source: CSO

### OVERVIEW OF INDIAN REAL ESTATE SECTOR

Real estate and construction is emerging as a prominent sector for FDI investment in India. This is driven by the fact that presently just around 30% of India is urbanised and has access to urban amenities. This highlights the strong future potential for growth of real estate and construction due to urbanisation of rural India over the next few decades.

The real estate market is currently growing at 30% per annum and offering strong returns to investors. The domestic real estate market, which is presently estimated at US\$16 billion (Rs.724.96 billion), will increase by over three and a half times to US\$60 billion (Rs. 2,718.60 billion) by 2010. (Source: *Study of future of real estate Investment in India report, ASSOCHAM*)



Source: Finance Ministry, GoI

# UNITECH CORPORATE PARKS PLC

## Investment Manager's Review (continued)

With higher levels of incomes, disposable incomes, aspirations, easy access to housing finance, consumption and lifestyle patterns, the real estate sector has seen rapid growth in recent times. With nearly 75% of the Indian real estate sector in the residential segment, the growth of the sector is demonstrated by the recent trends in the macroeconomic scenario in the country. The remaining 25% comprises offices, hotels, malls, entertainment zones and similar commercial property. (Source: Knight Frank Research, Cushman & Wakefield Research)

**Real Estate Funds:** There is increasing foreign interest in the Indian real estate market, with a number of funds already active in the market and many more to come. When Real Estate Mutual Funds come into the Indian markets in the near future, there is going to be a transformation of the Indian real estate market. The introduction of the funds will bring better regulation, transparency, pricing, quality of construction and global best practices in construction and management in the sector. (Source: Knight Frank Research)

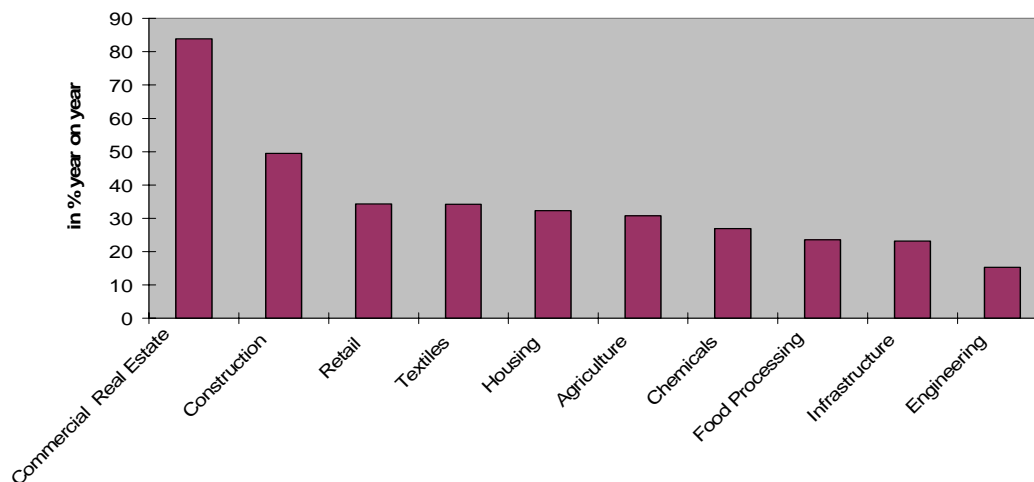
**Entry of Foreign Investors in Indian Real Estate:** The entry of foreign institutional investors in the Indian real estate industry is seen as a major boost for the sector as it will help in bringing improvements in the way in which the industry functions. Overall, the entry of funds will not only improve the quality of the built up properties but also provide a boost to the surrounding infrastructure. (Source: Knight Frank Research, Cushman & Wakefield Research)

Particulars	NCR	Kolkata	Bangalore	Hyderabad	Chennai
Key Drivers for office market	IT/ITeS, BFSI sector, MNCs / Corporates from other industries / sectors	IT/ITeS	IT/ITeS	IT/ITeS, BFSI sector	IT/ITeS/, Manufacturing Companies
Absorption (2006) mn.sq.ft	3.2	1.2	9	3	3
Supply (2007-10)	47.1	13.8	41	28.5	25

(Source: Knight Frank Research)

**Credit to the Real estate sector:** The real estate investment surge has been met by a simultaneous expansion in bank credit.

**Credit Growth Rate by Sector**



Source: RBI

# UNITECH CORPORATE PARKS PLC

## Investment Manager's Review (continued)

Reconciling the need to facilitate credit for growth and contain liquidity to tame inflation remained a challenge for the Government throughout the year. During 2006, RBI raised provisioning for standard advances from 0.4% to 1.0% for personal loans, capital market exposures, residential housing beyond Rs 20 lakh and commercial real estate loans (CRE). It also raised risk weight on exposures to CRE from 125% to 150%. All these measures have been introduced to rein in the unbridled growth of the industry and to curtail liquidity in the real estate sector. With restriction on bank lending, real estate developers may have little option and hence might resort to more expensive financing options. (Source: *Indian Real Estate, Growth and New Destinations, Federation of Indian Chambers of Commerce and Industry, 2007*)

## IT/ITES Industry in India

India has become the world leader in, and centre for, IT and ITES outsourcing over the past decade, with a forecast growth rate (as measured by revenues) substantially in excess of its GDP growth rate. India's IT and ITES sectors have seen significant investment and growth in recent years. The unprecedented growth in the IT and business process outsourcing ("BPO") industries in the last decade has resulted in a ten-fold increase in revenues, from USD 5 billion in fiscal year 1998 to USD 48 billion in fiscal year 2007. (Source: *Strategic Review 2007, NASSCOM, NASSCOM Indian IT Industry – Fact Sheet 2006*)

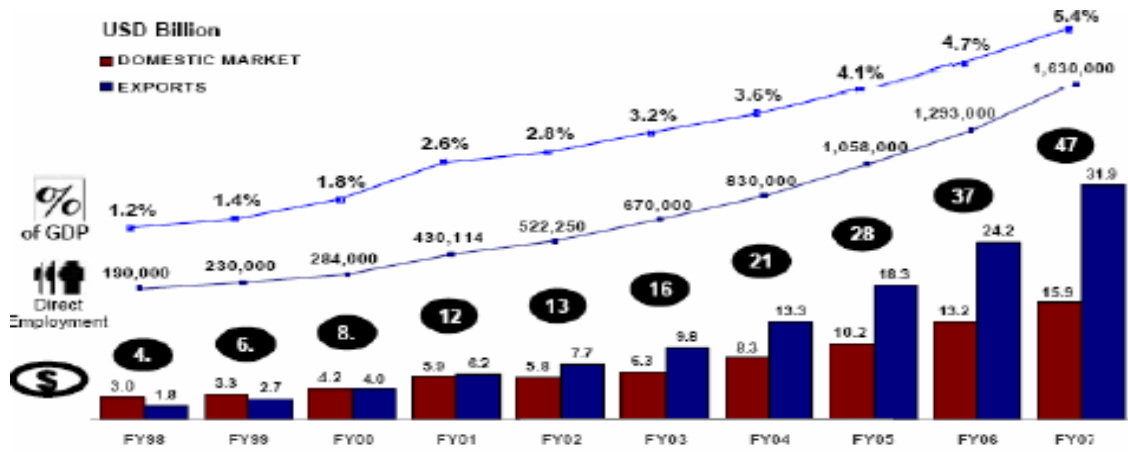


Figure: Employment and Sector contribution to GDP

Source: Knight Frank

India's strength in terms of availability of educated manpower, world class communication infrastructure and lower construction costs position the country as an ideal choice for overseas MNCs seeking to establish low-cost Business Process Outsourcing (BPO) operations. As a result, the demand for quality office space has scaled up considerably over the last couple of years particularly given that the IT/ITES sector accounts for 75% - 80% of total office space demand in India. Such buoyant demand is expected to fuel rental growth in the foreseeable future which will in turn result in capital value growth. By 2010 estimates, the IT/ITES and allied sectors are predicted to contribute approximately US\$115 billion to the economy by generating exports worth US\$60-75 billion. In terms of employment generation, the industry is expected to directly and indirectly create about 11 million jobs over the next three years. (Source: *Strategic Review 2007, NASSCOM, NASSCOM Indian IT Industry – Fact Sheet 2006 and NASSCOM-Crisil report "The Rising Tide - Output and Employment Linkages of IT/ITES", February 2007*)

## **UNITECH CORPORATE PARKS PLC**

### **Investment Manager's Review (continued)**

Demand for business space is expected to remain buoyant. The growing IT and ITES sectors are the main contributors of demand, and are also supplemented by demand from other sectors such as financial institutions, industrial corporations and regular office users. The McKinsey-NASSCOM fiscal year 2005 report shows that India will continue to maintain an important position with 46% share of the global BPO market and a 65% share in the IT offshoring and outsourcing market through 2010. The report also states that these two sectors will earn US\$60 bn in exports by fiscal year 2010, and contribute 7% to GDP and 17% to GDP growth through fiscal year 2010. (Source: Strategic Review 2007, NASSCOM, NASSCOM-Mckinsey Report, 2005)

### **INDIAN RETAIL MARKET**

For the third year running India has topped the AT Kearney Global Retail Development Index (GRDI 2007). Overall the Indian retail sector is expected to grow from its current US\$350 bn to US\$427 bn by 2010 and US\$635 billion by 2015 as per industry experts. According to Euromonitor International, the Indian retail market will grow in value terms by a total of 39.6% between 2006 and 2011, averaging growth of almost 7% a year. Retail and organized retail are growing annually at 5% and 25%-30% respectively. (Source: Knight Frank Research, Euro Monitor International)

Increasing consumerism, growth in the economy, fast track career growth, rising salaries and aspirations and time constraints all together make retail a very attractive industry. All the major Indian industry houses have significant stakes in the sector, such as the Tatas, Reliance Group and international retailers such as Walmart, Starbucks and Ikea are eyeing the space. (Source: Knight Frank Research)

### **INDIAN HOTEL MARKET**

According to the World Travel and Tourism Council, the global tourism and travel market is expected to generate US\$7,060 bn of revenues, representing 3.6% of the World GDP in 2007. Of this global demand, India's travel and tourism is expected to reach US\$61 bn in 2007 (5.4% of GDP) which accounts for only 0.9% (21st largest market) of the world demand. (Source: Knight Frank Indian Hotel Review, 2007)

India total demand for travel and tourism is expected to grow by 8.7% in 2007 and by 7.9% p.a. between 2008 and 2017, almost twice as fast as worldwide demand (growth 4.3% p.a.). India is expected to be the third fastest growing market over the next ten years. Increase in employment, salaries and wealth levels have increased domestic tourism generating growing demand for budget hotels and serviced apartments. Occupancy rates are expected to increase from 74% to 77% between 2006 and 2008. ARR are expected to increase by 20% and 10% in 2006-07 and 2007-08 respectively. (Source: Knight Frank Indian Hotel Review, 2007)

Average room rates are predicted to increase by an average of 7% p.a. over the next 5 years. With only 27,000 branded hotels currently, 53,000 rooms expected to enter India over the next five years. 155 new hotels currently under development, 110 in six cities, all non-economy and non-budget. (Source: Knight Frank Indian Hotel Review, 2007)

### **COMMERCIAL RENT AND CAPITAL VALUES ACROSS KEY CITIES**

#### **National Capital Region:**

Real estate market in NCR has witnessed unprecedented upswing in the last 3-4 years. With the fast-paced growth of the IT/ITES sector, presence of quality infrastructure, large scale human resources and Government initiatives, the region is now a major office market of India. (Source: Knight Frank Research, Cushman & Wakefield Research)

NCR will witness an office space infusion of approximately 47.1 mn sq ft. by 2009-10. The NASSCOM Annual report for 2005-06 indicates nearly 224 IT companies and 145 ITES companies are present in NCR, which are growing at a rate of 40%. Gurgaon is the largest IT hub in the NCR region and has the highest concentration of BPO companies in India while NOIDA is characterized by corporate offices of MNC and Indian IT majors. (Source: Knight Frank Research, Cushman & Wakefield Research)

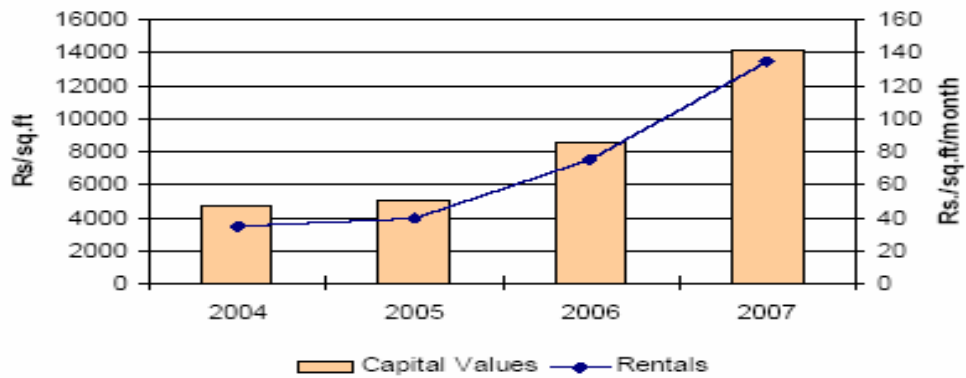
# UNITECH CORPORATE PARKS PLC

## Investment Manager's Review (continued)

**Gurgaon:** Gurgaon has emerged as a large commercial and industrial centre near Delhi, especially for software and technology firms. Gurgaon is expected to have nearly 21.2 mn sq.ft of supply in the next 3-4 years, the bulk of which will be made available in the SEZ's. It is one of India's major outsourcing hubs, housing many multinational firms. Due to the Municipal Corporation's sealing drive in Delhi, many companies are shifting their offices and R&D centers to Gurgaon, resulting in an upsurge in rentals. IT/ITES companies continue to be the major space absorbers in Gurgaon. (Source: Knight Frank Research, Cushman & Wakefield Research)

In Gurgaon, the current average rentals for Grade-A Non-IT buildings vary between Rs.90-110/sq.ft. per month whereas IT buildings command a rental of Rs.100-150/sq.ft. per month. Furnished office spaces are being rented out at Rs.150/sq.ft/month in non-IT buildings. Gurgaon has the lowest vacancy levels compared to other satellite townships in the NCR region. (Source: Knight Frank Research)

### Rentals and Capital Values



Source: Knight Frank Research

**Noida:** Noida is witnessing an evolution from being a low-cost alternative to Delhi and Gurgaon, to becoming the next big office destination. Noida is emerging as a preferred option for many IT/ITES companies alongside Gurgaon. By 2008, 6.2 mm sq.ft of commercial space is expected of which 5.2 mm sq.ft is for the IT/ITES segment. (Source: Knight Frank Research, Cushman & Wakefield Research)

Backed by strong demand for commercial spaces and growth in IT/ITES operations from the city, capital values and lease rentals are expected to appreciate until 2009. Commercial space rentals vary as per the location of the projects within Noida. In Sector 62, current rentals vary in the range of Rs. 55 to Rs 65 per sq.ft. per month (not inclusive of CAM charges) while in Sector 125 and 127, the rentals vary between Rs. 35 to Rs 45 per sq.ft per month (not inclusive of CAM charges). The monthly CAM charges are between Rs.15 to Rs.18 per sq.ft per month. (Source: Knight Frank Research)

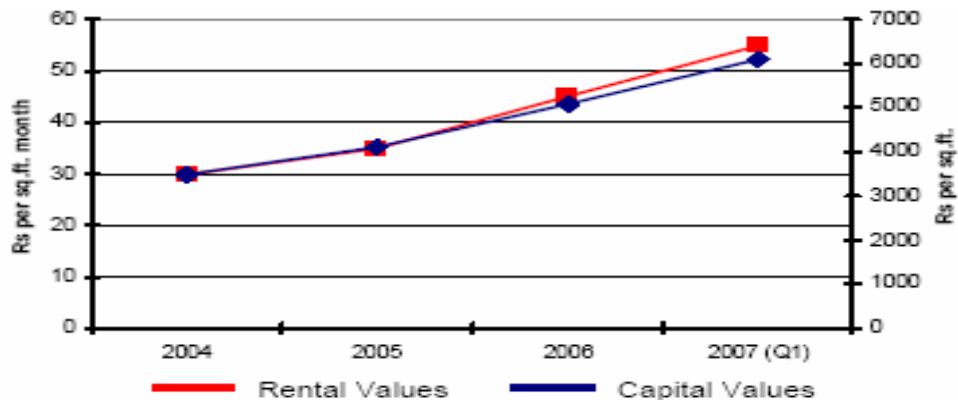


Figure: Historical rental and capital values in NOIDA

Source: Knight Frank Research

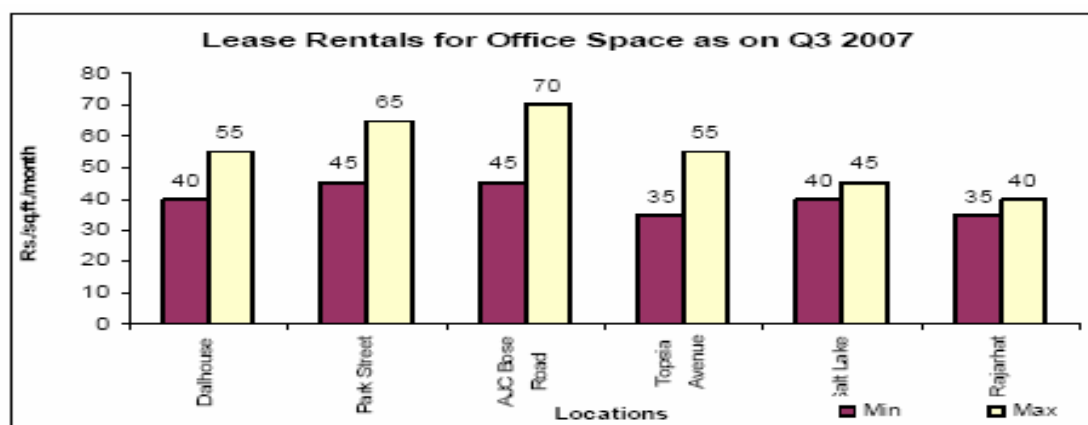
# UNITECH CORPORATE PARKS PLC

## Investment Manager's Review (continued)

**Greater Noida:** The Greater Noida office market is still at a nascent stage. There are a number of major commercial/IT-BT parks projects underway. Separate earmarked zones like Knowledge Parks and IT Parks have been witnessing vigorous transactions. (Source: Knight Frank Research, Cushman & Wakefield Research)

**Kolkata:** The state has identified IT as a priority focus sector to be developed into a growth engine for the future. It is being developed as the fastest growing IT destination in the country. The city also has the advantage of being comparatively one of the lowest cost of living when compared to Metros like Delhi, Mumbai and Pune. It is anticipated that the total investments for development of software technology parks in Kolkata could cross approximately Rs. 200 crores in the next two years. The office market in Kolkata continues to be driven by the IT/ITES sector. (Source: Knight Frank Research, Cushman & Wakefield Research)

IT development is gaining momentum in Rajarhat with a number of software and ITES firms have already committed large quantum of space in the IT projects. The Government has allotted approximately 27.78 mn sq ft of land area for the development of IT/ITES in New Town, Rajarhat. (Source: Knight Frank Research, Cushman & Wakefield Research)



Source: Knight Frank Research

Kolkata is expected to witness an addition of approximately 13.8 mn sq ft of office space in the next three years, the majority of which would be specifically for the IT/ITES Sector. The rentals in all major locations in Kolkata are on a steady rise. The average base rentals for IT office space in Rajarhat is approximately Rs 40/sq ft/month. (Source: Knight Frank Research)

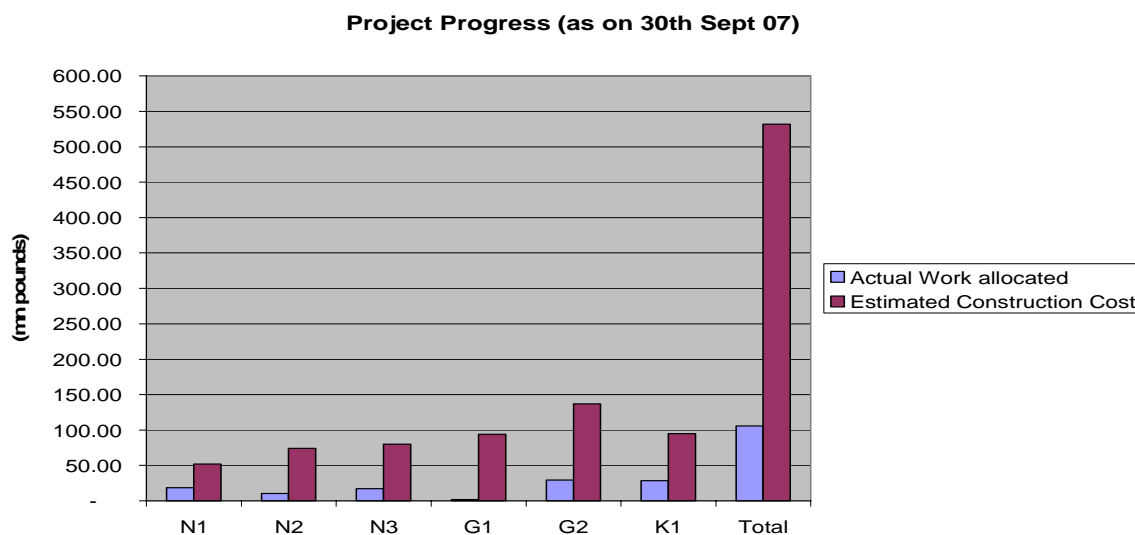
# UNITECH CORPORATE PARKS PLC

## Investment Manager's Review (continued)

### PROJECT UPDATE

#### Project Progress (as on 30th September)

(In million pounds)



#### Summary of Valuations

Knight Frank, an independent valuer valued the joint ventures' properties under construction as at 30 September 2007 at a valuation of £ 1037.0 million. The Company's share of the market valuation of the assets as at 30 September 2007 (representing 60% of the joint ventures' total portfolio), including construction costs is £622.2 million. This represents an 88% increase in the market value of the Company's assets from 31 March 2007 as valued by JLL.

The Company is committed to delivering income and capital value growth to its shareholders and, backed by its co-investment with Unitech Limited and the wealth of shared knowledge and expertise, is confident of achieving this goal.

#### Potential Exit Route

As evidenced by the recent successful IPO of an Indian commercial property portfolio, listed on the Singapore Stock Exchange, we believe that currently there is a strong investor appetite for high quality real estate assets such as those in your Company's portfolio.

#### Nectrus Limited

Investment Manager

19 December 2007

# UNITECH CORPORATE PARKS PLC

## Consolidated Interim Income Statement (Unaudited) for the six months ended 30 September 2007

	Note	Unaudited six months ended 30 September 2007 £	Audited period from 6 September 2006 to 31 March 2007 £
<b>Income</b>			
Interest income		3,405,592	2,703,121
Net realised gains on financial assets and financial liabilities at fair value through profit or loss		85,000	-
Movement in net unrealised gains on financial assets and financial liabilities at fair value through profit or loss		(72,584)	-
		<u>3,418,008</u>	<u>2,703,121</u>
<b>Expenditure</b>			
Management fee	4	3,156,374	1,407,976
Administration and accounting fees		29,375	44,974
Directors' fees		97,599	63,309
Audit fees		30,070	25,376
Other operating expenses		198,235	138,131
		<u>3,511,653</u>	<u>1,679,766</u>
<b>Operating (loss)/profit for the period</b>		(93,645)	1,023,355
<b>Finance costs</b>		<u>(279,929)</u>	<u>(742,024)</u>
<b>(Loss)/Profit for the period before tax</b>		(373,574)	281,331
Taxation		<u>(264,164)</u>	<u>(325,636)</u>
<b>Net loss for the period after tax and carried forward</b>		<u>(637,738)</u>	<u>(44,305)</u>
<b>Loss per share</b>	9	<u>(0.18)p</u>	<u>(0.01)p</u>

# UNITECH CORPORATE PARKS PLC

## Consolidated Interim Balance Sheet (Unaudited) as at 30 September 2007

	Note	Unaudited 30 September 2007 £	Audited 31 March 2007 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5, 6	622,288,801	331,817,304
Intangible assets - goodwill		36,937,704	34,633,986
Deferred tax asset		43,863	43,863
		<u>659,270,368</u>	<u>366,495,153</u>
<b>Current assets</b>			
Financial assets at fair value through profit or loss	7	20,007,709	-
Trade and other receivables		4,846,614	3,463,831
Cash at bank and brokers		78,134,964	110,210,552
		<u>102,989,287</u>	<u>113,674,383</u>
<b>Total assets</b>		<u>762,259,655</u>	<u>480,169,536</u>
<b>Financed by:</b>			
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital		3,600,000	3,600,000
Share premium		342,918,991	342,918,991
Translation reserve		23,986,593	4,478,399
Revaluation reserve		206,841,514	15,679,442
Retained (loss)/profit		(683,780)	(44,305)
		<u>576,663,318</u>	<u>366,632,527</u>
<b>Non-current liabilities</b>			
Finance lease liability		4,584,324	4,710,494
Performance fee provision	4	64,463,840	1,575,000
Deferred tax	8	108,070,661	100,413,908
		<u>177,118,825</u>	<u>106,699,402</u>
<b>Current liabilities</b>			
Finance lease liability		589,177	892,706
Trade and other payables		7,659,715	5,575,402
Income tax liabilities		228,620	369,499
		<u>8,477,512</u>	<u>6,837,607</u>
<b>Total liabilities</b>		<u>185,596,337</u>	<u>113,537,009</u>
<b>Total equity and liabilities</b>		<u>762,259,655</u>	<u>480,169,536</u>

# UNITECH CORPORATE PARKS PLC

## Consolidated Interim Statement of Changes in Equity (Unaudited) for the six months ended 30 September 2007

	Unaudited six months ended 30 September 2007 £	Audited period from 6 September 2006 to 31 March 2007 £
<b>Balance at 1 April 2007</b>	366,632,527	-
Issue of shares	-	359,999,802
Costs incurred in the issue of shares	-	(13,480,811)
Currency translation differences on consolidation of subsidiaries and joint ventures	19,506,457	4,478,399
Gain on revaluation of investment property under construction	256,927,859	25,979,780
Deferred tax arising from revaluation of investment property under construction	(2,876,947)	(8,725,338)
Performance fee provision	(62,888,840)	(1,575,000)
Loss for the period	<u>(637,738)</u>	<u>(44,305)</u>
<b>Balance at 30 September 2007</b>	<u>576,663,318</u>	<u>366,632,527</u>

# UNITECH CORPORATE PARKS PLC

## Consolidated Interim Cash Flow Statement (Unaudited) for the six months ended 30 September 2007

	Unaudited six months ended 30 September 2007 £	Audited period from 6 September 2006 to 31 March 2007 £
<b>Cash flows from operating activities</b>		
(Loss)/Profit for the period before tax	(373,574)	281,331
Adjustment for:		
Interest receivable	(3,405,592)	(2,703,121)
Net realised gains on financial assets and financial liabilities at fair value through profit or loss	(85,000)	-
Movement in net unrealised gains on financial assets and financial liabilities at fair value through profit or loss	72,584	-
Depreciation	12,594	291
Taxation paid	(328,657)	-
<b>Operating loss before working capital changes</b>	<u>(4,107,645)</u>	<u>(2,421,499)</u>
(Increase)/Decrease in trade and other receivables	(1,123,334)	2,927,847
Increase in trade and other payables	<u>1,741,026</u>	<u>38,860</u>
<b>Net cash flow from operating activities</b>	<u>(3,489,953)</u>	<u>545,208</u>
<b>Cash flows from investing activities</b>		
Acquisition of interests in joint ventures, net of cash acquired	-	(226,421,910)
Acquisition of property, plant and equipment	(15,283,767)	(14,658,169)
Acquisition of financial assets	(25,109,342)	-
Proceeds from sale of financial assets (including realised gains)	5,114,050	-
Interest received	<u>3,314,056</u>	<u>2,638,418</u>
<b>Net cash outflow from investing activities</b>	<u>(31,965,003)</u>	<u>(238,441,661)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	-	359,999,802
Share issue expenses paid	<u>(271,950)</u>	<u>(13,208,861)</u>
<b>Net cash (outflow)/inflow from financing activities</b>	<u>(271,950)</u>	<u>346,790,941</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(35,726,906)	108,894,488
Cash and cash equivalents at beginning of period	110,210,552	-
Exchange difference on cash and cash equivalents	<u>3,651,318</u>	<u>1,316,064</u>
<b>Cash and cash equivalents at end of period</b>	<u>78,134,964</u>	<u>110,210,552</u>

# UNITECH CORPORATE PARKS PLC

## Notes to the Consolidated Interim Financial Statements (Unaudited) for the six months ended 30 September 2007

### 1. Reporting entity

Unitech Corporate Parks PLC (the "Company") is a closed-ended investment company domiciled in the Isle of Man. It was incorporated on 6 September 2006 in the Isle of Man as a public limited company and is quoted on the Alternative Investment Market (AIM) operated and regulated by the London Stock Exchange. The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in jointly controlled entities.

The consolidated financial statements of the Group as at and for the year ended 31 March 2007 are available upon request from the Company's registered office at 3rd Floor Exchange House, 54 - 62 Athol Street, Douglas, Isle of Man or at [www.unitechcorporateparks.com](http://www.unitechcorporateparks.com).

### 2. Statement of compliance

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the period ended 31 March 2007.

These consolidated interim financial statements were approved by the Board of Directors on 19 December 2007.

### 3. Significant accounting policies

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the period ended 31 March 2007.

### 4. Management fee

Nectrus Limited, the Investment Manager, and an affiliate of the Unitech Group, receives a management fee equivalent to 2 per cent per annum of the Company's average invested equity capital paid quarterly in arrears.

In addition the Group pays the Investment Manager a performance fee calculated by reference to the amount by which the internal rate of return on an investment project (Project IRR) exceeds certain benchmarks. The Investment Manager receives:

- a performance fee of 20 per cent of that part of the net cash flow generated in respect of a project that results in a Project IRR greater than 10 per cent and less than or equal to 20 per cent; and
- a performance fee of 30 per cent of that part of the net cash flow generated in respect of a project that resulted in a Project IRR greater than 20 per cent; minus
- any performance fees previously paid in respect of the relevant project.

The provision for performance fees at the period end has been determined based on an estimated IRR in excess of 20 per cent across all projects.

# UNITECH CORPORATE PARKS PLC

## Notes to the Consolidated Interim Financial Statements (Unaudited) for the six months ended 30 September 2007

### 5. Property, plant and equipment

	Investment properties under construction at valuation £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Value, cost or deemed cost</b>				
Balance at 1 April 2007	331,699,787	116,865	943	331,817,595
Additions	14,998,462	277,475	7,830	15,283,767
Revaluation of investment properties under construction	256,927,859	-	-	256,927,859
Effect of movements in exchange rates	18,266,895	5,525	45	18,272,465
Balance at 30 September 2007	<u>621,893,003</u>	<u>399,865</u>	<u>8,818</u>	<u>622,301,686</u>
<b>Depreciation</b>				
Balance at 1 April 2007	-	273	18	291
Depreciation for the period	-	10,813	1,781	12,594
Effect of movements in exchange rates	-	134	21	155
Balance at 30 September 2007	<u>-</u>	<u>11,220</u>	<u>1,820</u>	<u>12,885</u>
<b>Carrying amounts</b>				
At 1 April 2007	<u>331,699,787</u>	<u>116,592</u>	<u>925</u>	<u>331,817,304</u>
At 30 September 2007	<u>621,893,003</u>	<u>388,645</u>	<u>6,998</u>	<u>622,288,801</u>

Investment properties under construction were valued at market value in accordance with the RICS Appraisal and Valuation Standards by Knight Frank at 30 September 2007.

### 6. Determination of fair value

#### Investment properties under construction

At 31 March 2007 the Company's properties were valued at fair value by Jones Lang LaSalle based on current prices in an active market for similar lease and other contracts.

At 30 September 2007 the Company's properties were valued at fair value by Knight Frank on the basis of the net present value of the Company's interests in the proposed developments for each of the properties.

### 7. Financial assets at fair value through profit or loss

	Unaudited 30 September 2007 £	Audited 31 March 2007 £
<b>Designated at fair value through profit or loss</b>		
- structured notes	<u>20,007,709</u>	<u>-</u>
Total financial assets at fair value through profit or loss	<u>20,007,709</u>	<u>-</u>

During the period the Company has invested surplus cash reserves in structured note products with the aim of enhancing the return on its cash reserves. Of the amount invested in structured notes £15,115,900 is invested in notes with capital protection having returns based upon fluctuations in market interest and exchange rates over the term of the note. An amount of £4,891,809 is invested in medium term notes with floating interest rates. The Directors accept the values quoted by the issuing brokers as representing the fair value of the structured notes.

# UNITECH CORPORATE PARKS PLC

## Notes to the Consolidated Interim Financial Statements (Unaudited) for the six months ended 30 September 2007

### 8. Deferred tax liabilities

	<b>Unaudited</b> <b>30 September</b> <b>2007</b> £	<b>Audited</b> <b>31 March</b> <b>2007</b> £
<i>Deferred tax liabilities</i>		
Arising on revaluation of investment properties under construction	<u>(108,070,661)</u>	<u>(100,413,908)</u>

Deferred tax arising on the revaluation of investment properties under construction has been provided for at the reporting date. The Company does not intend that any taxation charge will arise since any disposal of the Company's investment properties would be effected by way of a sale of the Group's interest in the joint venture.

### 9. Loss per share

The calculation of loss per share for the six months ended 30 September 2007 is based on the net loss for the period attributable to ordinary shareholders of £637,738 and a weighted average number of ordinary shares outstanding of 360,000,000.

### 10. Net asset value per share

The calculation of net asset value per share of £1.6018 as at 30 September 2007 is based on the net assets attributable to ordinary shareholders of £576,663,318 and 360,000,000 ordinary shares outstanding.

The Board considers the provision of deferred tax a technical accounting issue and does not believe that a material tax liability will arise on a correctly structured sale of the Company's assets. The adjusted net asset value per share after excluding the deferred tax provision of £108,070,661 is £1.9020 as at 30 September 2007.

**Unitech Corporate Parks Plc**

**Registered Office**

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