

21 December 2011

**Unitech Corporate Parks Plc**  
**(“UCP” or the “Company”)**

**HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011**

**RETURN TO PROFIT DRIVEN BY STRONG LETTINGS PROGRESS**

Unitech Corporate Parks Plc (AIM: UCP), one of the leading investment companies focusing on commercial real estate in India, announces results for the six months ended 30 September 2011.

**Key points:**

- Net Rental Income for the six month period up 44% year-on-year to £9.9m (30 September 2010: £6.5m)
- Rent roll now at £22.9m per annum
- Pre-tax profit of £10.9m (30 September 2010: loss of £105.0m)
- Value of total portfolio up 16% to £331.3m (2010: £285.7m), of which UCP’s 60% share is up 16% year-on-year to £198.8m (30 September 2010: £171.4m)
- NAV as at 30 September 2011 was 47.3p per share (31 March 2011: 49.0p) as a result of continuing expenditure on development which has not yet been fully reflected in the valuation, and adverse currency movements of the Indian rupee against sterling.
- Continued strong lettings progress during the period with a 6.8% increase in the total area leased or subject to binding commitments to 5.21m sq ft as at 30 September 2011, up from 4.88m sq ft on 31 March 2011

A full version of the interim results, including the investment manager’s report with charts and graphs, is available in accordance with AIM Rule 26 on the Company’s website at <http://www.unitechcorporatoparks.com>.

**Commenting on the results Aubrey Adams, chairman of UCP, said:**

“We have continued to make good progress in letting space at our properties, and this has been reflected in a strong set of results, which show a healthy increase in income and a return to profitability.

“Whilst the Indian market remains challenging, the continuing pace of letting space will add to net rental income, which in turn will form the foundation for increasingly attractive assets for international investment funds. This ultimately will allow us to return cash to shareholders.”

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## CHAIRMAN'S STATEMENT

Since the last financial year-end we have continued to make good progress on letting space at our developments. At 30 September 2011, the total area leased or subject to binding pre-leasing commitments had increased to 5.21m sq ft, up from 4.88m sq ft at 31 March 2011. The figure as at 21 November 2011 had further increased to 5.69m sq ft. Given the relative slow-down of the Indian economy and the strong competition in the letting markets this is an excellent achievement by the team at Unitech. More detail on each of the markets in which we operate is given in the Investment Manager's Review.

### Financial results

The Company's 60% share of the market valuation of the assets at 30 September 2011 was £198.8m (31 March 2011: £193.4m).

NAV at 30 September 2011 was 47.3p per share, compared with the NAV at 31 March 2011 of 49p per share. This slight reduction arises from continuing expenditure on development which has not yet been fully reflected in the valuation, and adverse currency movements of the Indian rupee against sterling.

Net rental income for the six month period was £9.9m (30 September 2010 £6.5m) demonstrating the considerable progress being made in letting developments. The current rent roll, as at November 2011, is £22.9m per annum.

### Cash balances and debt

At 30 September 2011 UCP had £14.2m of cash (31 March 2011: £14m) of which £4.9m is held by UCP and the balance is held mainly within the Indian SPVs to fund construction of the development properties. UCP had debt of £5.5m at 30 September 2011 secured against rental income to finance further development.

### Strategy

Our objective remains to actively pursue ways of monetising assets so that in due course we can make cash distributions to shareholders. It now seems unlikely that, with the continuing turmoil in world financial markets, an exit via a Singaporean REIT type structure is possible in the short term. Therefore, our focus will be on selling income producing assets. However I would emphasise caution against trying to sell immature developments at prices that do not reflect longer term value.

### Portfolio update

In total 5.7m sq ft of space is now leased or committed as at 21 November 2011 an increase of 2.4m, or 72% since September 2010. A summary update on the portfolio of six assets is as follows:

- **G2:** 2.1m sq ft is let or with committed leases. We expect the project to be fully constructed and substantially let by Q1 2013.
- **K1:** 1.7m sq ft is subject to commitments
- **N1;** 0.2m sq ft is now let
- **N2:** 1.4m sq ft is committed
- **N3:** there has been some site preparation work, but no construction is expected in the near future

- **G1:** construction work has now commenced following receipt of a letter of intent for 0.3m sq ft

A full detailed update on the portfolio is given in the Investment Manager's Review.

### **Portfolio spend**

Total cumulative expenditure on the portfolio at 30 September 2011 amounted to £206.9m (UCP's 60% share £124.1m). It is anticipated that to build out the 16.5m sq ft, representing the completion of all projects with the exception of N3, would require an additional £345.1m (UCP's 60% share £207.1m) of expenditure.

### **Summary of valuations**

Knight Frank, our independent valuer, valued the properties at £331.3m as at 30 September 2011, of which the Company's 60% share amounted to £198.8m.

The WACC and capitalisation rates used for the purposes of valuations at 30 September 2011 are as follows

Portfolio	WACC	Capitalisation rate
K1	17.5%	12.0%
N2	16.0%	11.5%
G2	15.0%	11.5%
N1	16.5%	11.5%

### **AGM/EGM**

As already announced, all the resolutions at the AGM on 21 October 2011 were passed and at the subsequent EGM the various resolutions proposed by a small group of shareholders were dismissed by substantial majorities. We are pleased at the confidence shareholders have shown in the current Board and the rejection of resolutions, which we believe would have been highly detrimental to the interests of shareholders as a whole.

### **Outlook**

Whilst the Indian market remains challenging, the continuing pace of letting space will add to net rental income, which in turn will form the foundation for increasingly attractive assets for international investment funds. This ultimately will allow us to return cash to shareholders.

**Aubrey Adams**  
Chairman

**20 December 2011**

## **INVESTMENT MANAGER'S REVIEW**

### **Overview of Indian Economy**

The Indian economy expanded at almost 6.9% per annum in the quarter ended September 2011, compared to an expansion at 7.7% per annum in the quarter ended June 2011, registering its slowest pace in the past six quarters. This was primarily on account of the continuing high interest rate regime and weak global economic conditions (Source: Ministry of Statistics and Programme Implementation, Government of India, Press Notes dated 30<sup>th</sup> August 2011 and 30<sup>th</sup> November 2011).

To arrest rising inflation and manage liquidity and currency, RBI (Reserve Bank of India) continued with the tightening of the key benchmark rates resulting in an increase in borrowing costs.

### **Overview of Indian Real Estate Sector**

Whilst markets rebounded in Q2 2011 from the subdued levels in Q1 2011, with major office markets including Bengaluru, Mumbai and Delhi NCR reporting a sharp increase in activity, however, in Q3 2011 the momentum in deal closure was lost and overall market activity remained low during this period. (Source: DTZ Property Times, Q2 and Q3 2011)

Q2 2011 saw the sharpest quarterly increase in office supply since the real estate market recovery began in the beginning of year 2010, reflecting the increased developer confidence in select sub-markets, however, Q3 2011 saw a sharp decline in office supply by almost 50% Q-o-Q due to tight monetary policy measures which pushed up the cost of funds over the course of the year. (Source: DTZ Property Times, Q2 and Q3 2011)

Similarly, whilst Q2 2011 witnessed an increase in cumulative take-up of 26% across India's seven larger cities, reflecting sharp uptake in demand, Q3 2011 space take-up dropped 33% Q-o-Q to the lowest level in the past year as a number of occupiers remained cautious and revaluated their expansion plans. (Source: DTZ Property Times, Q2 and Q3 2011)

### **Commercial Rent and Capital Values Across Key Cities**

#### **I) Gurgaon Office Market Overview**

Gurgaon is the fastest growing town in the country and the pace of development has been quite rapid such that it has been branded as the 'Millennium City of India'. (Source: Knight Frank Research- Sept 2011)

Gurgaon is an established IT/ITES destination and also houses a number of non-IT majors. (Source: Knight Frank Research – Sept 2011)

Preference for Gurgaon for setting up operation by IT majors has resulted in 22 notified IT/ITES SEZs in the region by real estate majors. (Source: Knight Frank Research - Sept 2011)

Gurgaon leads office space supply in the NCR with a 45% to 50% market share. The Gurgaon market has also seen a demand for pure commercial office spaces from all sectors. (Source: Knight Frank Research - Sept 2011)

Approximately 24.61m sq ft of commercial office space (IT & Non-IT) is expected to come on stream by 2014 in Gurgaon and Manesar. Around 45% of the supply will be made available in the numerous IT Parks with 55% in the SEZs. The revival of the economy along with the increasing interest from potential acquirers has resulted in the recommencement of construction projects which were stalled during the recession. (Source: Knight Frank Research - Sept 2011)

Gurgaon continued to be an attractive market for existing tenant expansion plans, leading to enhanced leasing activity during the last few quarters.

With this increase in demand, rental values in certain micro markets observed an increase of 12% to 13% Q-o-Q while values of IT stock in the other markets remained static, albeit under downward pressure due to surplus stock.

### **Rental and Capital Values**

The average rental level in the Gurgaon market is approximately INR 65 per sq ft per month. However, as you would expect, this is negotiable depending upon the space requirement of the clients (warm shell, bare shell), location of the project, brand of the building and other factors. *(Source: Knight Frank Research - Sept 2011)*

## **II) Noida Office Market Overview**

The city is the outsourcing hub for IT/ITES industry and is home to automobile ancillary units and manufacturing companies. Development of the Taj corridor and development of huge SEZ and IT parks has attracted high levels of foreign direct investment into the city. *(Source: Knight Frank Research - Sept 2011)*

Noida is emerging as a low-cost alternative to Delhi and Gurgaon, to become the next big office destination. With cheaper land costs and the development of numerous high-profile projects, the city is emerging as a viable alternative to Gurgaon. *(Source: Knight Frank Research - Sept 2011)*

Noida currently caters to IT/ITES companies that operate from an independent or BTS (built-to-suit) development. Unlike the Gurgaon commercial property market, where benchmark rates have been established by developers, lease rentals of property in Noida vary extensively. *(Source: Knight Frank Research - Sept 2011)*

Approximately 1.68m sq ft of IT/ITES office supply is expected to come on stream in Noida by the end of 2011. Further, it is expected that by the end of 2013, Noida will witness a huge supply due to the recommencement of deferred projects. *(Source: Knight Frank Research - Sept 2011)*

Overall office leasing activity in Noida remained low in the quarter ended September 2011. However an increasing occupier interest in SEZ projects along the Noida – Greater Noida expressway is likely to give a push to transaction activity in the near term, while, due to abundant ready office supply available, rental levels are expected to remain under pressure in the short to medium term.

### **Rental and Capital Values**

The commercial space rentals vary depending on the location of the projects within Noida. In Sector-62, rentals vary in the range of Rs.25 to Rs.35 per sq ft per month for IT space which are further negotiable. In Sector-125, Sector-127 & Sector-135 the IT space rentals vary between Rs.35 and Rs.45 per sq ft per month (not inclusive of CAM charges). The monthly CAM (common area maintenance) charges are between Rs.12 and Rs.15 per sq ft per month. *(Source: Knight Frank Research - Sept 2011)*

## **III) Greater Noida Office Market Overview:**

The Greater Noida office market is still at a nascent stage. Commercial space usage is dominated by industries and so far, the office market in the city is confined to knowledge parks and campus development on individual land parcels. Very few office structures exist in the city itself. *(Source: Knight Frank Research - Sept 2011)*

There is a large quantum of IT space under construction on the Taj Expressway as well as along the Greater Noida Expressway. The Tech Zone in Greater Noida (approx 300 acres) has been allotted to many developers. *(Source: Knight Frank Research - Sept 2011)*

There is low demand for leasing of IT/ITES space in the Greater Noida region from IT/ITES businesses. This is due to the abundant supply of IT/ITES office space available in Noida on the Noida-Greater Noida expressway and Sector-62.

#### IV) Kolkata Office Market Overview

The Kolkata office market continues to be dominated by the IT/ITES sector, which accounts for almost 60% of the total real estate development in the city. Suburban locations of New Town Rajarhat and Salt Lake Sector V are expected to meet the demand emanating from the IT/ITES sectors. Large space requirements of the technology and IT sectors has pushed real estate growth towards the suburban and peripheral areas of the city. (Source: Knight Frank Research - Sept 2011)

Approximately 7,000 hectares of land in possession of West Bengal Housing Infrastructure Development Corporation in Rajarhat have been earmarked for residential/commercial and industrial space. Out of this approximately 200 acres of land have been earmarked for IT/ITES units. (Source: Knight Frank Research - Sept 2011)

New Town (Rajarhat), in the east of Kolkata, is being promoted as an IT hub. The government has allotted approximately 27.78m sq ft of land area for the development of IT/ITES in the area. (Source: Knight Frank Research - Sept-2011)

The Kolkata market will witness a huge office space supply (IT) by the end of 2011 and into 2012. Approximately 10.69m sq ft of office space in Kolkata is expected to be operational by the end of 2013. (Source: Knight Frank Research - Sept 2011)

The peripheral markets of Salt Lake and Rajarhat witnessed relatively low enquiry levels during the third quarter of this year. Rental values are expected to remain stable over the next few quarters, primarily due to supply pipeline.

#### Rental and Capital Values

Base rental levels in the Central Business District (CBD) areas of Park Street, Camac Street are in the range Rs.90 to Rs.125 per sq ft per month. However, rental values in the CBD location of Dalhousie Square area are in the range of Rs.55 to Rs.65 per sq ft per month. The prevailing rate in Salt Lake, a preferred destination for the IT/ITES sector, ranges from Rs.43 to Rs.50 per sq ft per month. (Source: Knight Frank Research - Sept 2011)

Rajarhat, being a peripheral location for the IT/ITES sector has average rental rates ranging from Rs.28 to Rs.38 per sq ft per month. (Source: Knight Frank Research- Sept 2011)

#### PROJECT UPDATE

(Amount in millions)

Projects	Actual Work Awarded		Construction Cost Incurred as on 30 <sup>th</sup> Sept 2011		Estimated Total Construction Cost	
	INR (Rs.)	Pound (£)	INR (Rs.)	Pound (£)	INR (Rs.)	Pound (£)
<b>N1</b>	4,909	64	2,816	37	5,191	68
<b>N2</b>	4,787	63	2,670	35	8,426	110
<b>G1</b>	1,804	24	864	11	9,014	118
<b>G2</b>	4,454	58	4,438	58	7,989	105
<b>K1</b>	4,852	64	5,000	66	11,503	151
<b>Total</b>	<b>20,806</b>	<b>273</b>	<b>15,788</b>	<b>207</b>	<b>42,123</b>	<b>552</b>

\*Estimated Construction costs for N3 have not been included in the IMR as the Investment Manager does not expect any construction in N3 until there is any demand visibility for that project. Construction cost incurred in N3 amounts to INR 373m (£4.9m) as at 30 September 2011.

An update on the Company's five other assets, all as at 30 September 2011, is as follows:

- **InfoSpace, Dundahera, Gurgaon (“G2-IST”)**: The total completed and operational LA for Batch 1, Batch 2 and Batch 3 amounted to 1.718m sq ft. LA to be completed, relating to Batches 4, 5 and 6 of G2-IST, is currently estimated to be 1.905m sq ft. G2-IST has Committed Leases\* in respect of approximately 2.109m sq ft amounting to 58% of the aggregate estimated LA for G2-IST when fully completed. As at 30 September 2011 the leased area where rent has already started accruing is 1.577m sq ft. The tenant profile of G2-IST represented by those with Committed Leases is diverse, displaying a wide variety of industry sub-sectors in the IT and ITES segments.
- **InfoSpace, Kolkata (“K1”)**: The completed LA for K1 amounted to approximately 1.642m sq ft and the LA to be completed across the development is currently estimated to be approximately 2.708m sq ft. As at 30 September 2011, K1 had Committed Leases\* in respect of 1.364m sq ft amounting to approximately 31% of the aggregate estimated LA for K1 when fully completed. As of 30 September 2011 the leased area where rent has already started accruing is 1.027m sq ft.
- **InfoSpace, Sector 62, Noida (“N1”)**: The estimated LA is currently expected to be approximately 2.064m sq ft. The completed LA is approximately 0.270m sq ft. As at 30 September 2011, N1 had Committed Leases \* in respect of 0.192m sq ft amounting to approximately 9% of the aggregate estimated LA for N1 when fully completed. As at 30 September 2011 the leased area where rent has already started accruing is 0.163m sq ft.
- **InfoSpace, Sector 135, Noida (“N2”)**: The estimated LA is currently expected to be approximately 3.172 m sq ft consisting of approximately 3.141 m sq ft of office space and approximately 0.031 m sq ft of retail space. The first batch of N2, Batch 1 comprising approximately 0.956m sq ft of LA is complete and operational. As at 30 September 2011, N2 has Committed Leases\* in respect of 1.343m sq ft amounting to approximately 42% of the aggregate estimated LA for N2 when fully completed. As of 30 September 2011 the leased area where rent has already started accruing is 0.837m sq ft.
- **InfoSpace, Gurgaon (“G1-ITC”)**: The estimated LA at completion is currently expected to be approximately 3.260m sq ft consisting of approximately 3.210m sq ft of office space and approximately 0.050m sq ft of retail space. As of 30 September 2011 G1 has Committed Leases of 0.206m sq ft.

The updated leased/committed space for each project as at 21 November 2011 is as follow:

Project	Estimated Lettable Area LA (sq ft)	LA operational/ ready for fit-outs (sq ft)	LA Leased (sq ft)	Pre-Lease Commitments (sq ft)	Total Committed Space (sq ft)
G1	3,260,000	-	-	289,769	289,769
G2-IST	3,622,744	1,717,744	1,612,084	525,862	2,137,946
K1	4,395,742	1,642,191	1,433,246	263,205	1,696,451
N1	2,064,000	270,000	192,358	-	192,358
N2	3,172,635	955,630	864,317	506,151	1,370,468
<b>Total</b>	<b><u>16,515,121</u></b>	<b><u>4,585,565</u></b>	<b><u>4,102,005</u></b>	<b><u>1,584,987</u></b>	<b><u>5,686,992</u></b>
N3	4,947,054	-	-	-	-

<b>Total</b>	<b>21,462,175</b>	<b>4,585,565</b>	<b>4,102,005</b>	<b>1,584,987</b>	<b>5,686,992</b>
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### Debt Financing

In order to meet the funding requirements for construction of the projects a number of financing options were considered. To this end the K1 & N2 project companies have been granted a facility of INR 3,400m (£44.6m) from a public sector bank in India secured on existing lease rentals of which INR 700m (£9.2m) had been drawn as at 30 September 2011.

### Summary of Valuation:

Knight Frank, an independent valuer, valued the joint ventures' properties under construction as at 30 September 2011 at a valuation of £331.3 million. The Company's share of the market valuation of the assets as at 30 September 2011 representing 60% of the joint ventures' total portfolio, is £198.8 million.

### Project Progress (as at 30 September 2011)

#### Progress of Leasing

LA Completed and Leased

(Fig in sq ft)

UCP Assets	Estimated Completion Date	Estimated Lettable Area (LA)	LA Completed/ready for fit-outs				LA Completed & Leased			
			Actual		%		Actual		%	
			Mar-11	Sept-11	Mar-11	Sept-11	Mar-11	Sept-11	Mar-11	Sept-11
G2	Mar-13	3,622,744	1,717,744	1,717,744	47.4	47.4	1,669,771	1,582,929	46.1	43.7
K1	Dec-21	4,377,755	1,642,191	1,642,191	37.5	37.5	1,184,529	1,363,876	27.1	31.2
N1	Jul-16	2,064,000	270,000	270,000	13.1	13.1	37,149	192,358	1.8	9.3
N2	Dec-16	3,172,635	954,348	955,630	30.1	30.1	770,755	836,560	24.3	26.4
N3	Mar-23	4,947,055	-	-	-	-	-	-	-	-
G1	Mar-16	3,260,000	-	-	-	-	-	-	-	-
<b>Total</b>		<b>21,444,189</b>	<b>4,584,283</b>	<b>4,585,565</b>	<b>21.4</b>	<b>21.4</b>	<b>3,662,204</b>	<b>3,975,723</b>	<b>17.1</b>	<b>18.5</b>

\*Rent accruing as at 31 March 2011 – 2,704,373 Sq ft

# Rent accruing as at 30 September 2011 – 3,604,179 Sq ft

#### Committed Leases

(Fig in sq ft)

UCP Assets	Estimated Completion Date	Estimated Lettable Area (LA)	Committed Leases		Committed Leases (%)	
			Mar-11	Sept-11	Mar-11	Sept-11
G2	Mar-13	3,622,744	2,195,633	2,108,791	60.6	58.2
K1	Dec-21	4,377,755	1,184,529	1,363,876	27.1	31.2
N1	Jul-16	2,064,000	37,149	192,358	1.8	9.3
N2	Dec-16	3,172,635	1,258,341	1,342,711	39.7	42.3
N3	Mar-23	4,947,055	-	-	-	-
G1	Mar-16	3,260,000	206,309	206,309	6.3	6.3
<b>Total</b>		<b>21,444,189</b>	<b>4,881,961</b>	<b>5,214,045</b>	<b>22.8</b>	<b>24.3</b>

## Development Progress

### Completed LA and LA to be completed as at 30 September 2011

(Start date wherever not mentioned is subject to market conditions)

G2-IST Batches	Start Date	Estimated Completion Date	Total Estimated Construction Costs (1)		Estimated LA (sq ft)	LA (sq ft)	
			(Rs. million)	(£ million)		Committed Leases	LA Completed & Leased
Batch 1		Commenced	918	12	464,057	430,457	430,457
Batch 2		Commenced	1,467	19	667,089	612,725	612,725
Amenity		Commenced	55	1	25,000	5,043	5,043
Batch 3		Commenced	1,111	15	561,598	534,704	534,704
Batch 4	Sep-10	Jun-12	1,815	24	800,000	128,856	-
Batch 5	Jun-10	Mar-12	1,471	19	650,000	397,006	-
Batch 6		Mar-13	1,089	14	430,000	-	-
Amenity		Dec-12	63	1	25,000	-	-
<b>Total</b>			<b>7,989</b>	<b>105</b>	<b>3,622,744</b>	<b>2,108,791</b>	<b>1,582,929</b>

#### Notes:

- 1 Includes fit-outs of £16 million and excludes interest during construction.
- 2 Rent accruing as on 30 September 2011-1,577,886 Sq ft.

K1 Batches	Start Date	Estimated Completion Date	Total Estimated Construction Costs (1)		Estimated LA (sq ft)	LA (sq ft)	
			(Rs. million)	(£ million)		Committed Leases	LA Completed & Leased
Batch 1	Dec-05	Commenced	1,628	21	797,650	747,622	747,622
Batch 2.1	Dec-06	Commenced	566	8	267,500	267,500	267,500
Batch 2.2	Dec-06	Commenced	343	5	157,871	-	-
Batch 2.3	Dec-06	Commenced	401	5	181,448	111,032	111,032
Batch 3.1		Commenced	484	7	237,722	237,722	237,722
Batch 3.2	Dec-08	Dec-11	528	7	246,014	-	-
Batch 3.3	Jan-11	Dec-12	618	9	264,000	-	-
Batch 4.1		Jul-12	998	13	383,333	-	-
Batch 4.2		Jul-13	1,068	14	383,333	-	-
Batch 4.3		Jun-15	1,141	15	383,333	-	-
Batch 5.1		Dec-17	1,142	15	358,517	-	-
Batch 5.2		Jun-19	1,277	16	358,517	-	-
Batch 5.3		Dec-21	1,309	17	358,517	-	-
<b>Total</b>			<b>11,503</b>	<b>152</b>	<b>4,377,755</b>	<b>1,363,876</b>	<b>1,363,876</b>

Notes:

- 1 Includes fit-outs of £14 million and excludes interest during construction.
- 2 Rent accruing as on 30 September 2011-1,027,006 Sq ft.

N1 Batches	Start Date	Estimated Completion Date	Total Estimated Construction Costs (1)		Estimated LA (sq ft)	LA (sq ft)	
			(Rs. million)	(£ million)		Committed Leases	LA Completed & Leased
Batch 1		Commenced	655	9	270,000	192,358	192,358
Batch 2	Dec-06	Dec-11	922	12	380,000	-	-
Batch 3	Jan-07	Jul-12	873	11	357,000	-	-
Batch 4	Dec-07	Jul-14	692	9	274,000	-	-
Batch 5	Jan-08	Jul-15	1,123	15	436,000	-	-
Batch 6	Feb-08	Jul-16	926	12	347,000	-	-
<b>Total</b>			<b>5,191</b>	<b>68</b>	<b>2,064,000</b>	<b>192,358</b>	<b>192,358</b>

Notes:

- 1 Includes fit-outs of £7 million and excludes interest during construction.
- 2 Rent accruing as on 30 September 2011- 162,727 Sq ft.

G1-ITC Batches	Start Date	Estimated Completion Date	Total Estimated Construction Costs (1)		Estimated LA (sq ft)	LA (sq ft)	
			(Rs. million)	(£ million)		Committed Leases	LA Completed & Leased
Batch 1	Dec-12	Dec-14	981	13	340,000	-	-
Batch 2	Dec-10	Oct-12	1,007	13	430,000	206,309	-
Batch 3	Dec-10	Apr-12	779	10	300,000	-	-
Amenity		Mar-13	65	1	25,000	-	-
Batch 4	Dec-10	Jun-12	823	11	340,000	-	-
Batch 5	Dec-10	Oct-12	1,106	14	430,000	-	-
Batch 6		Dec-14	803	11	300,000	-	-
Batch 7		Jul-15	1,065	14	340,000	-	-
Amenity		Mar-16	78	1	25,000	-	-
Batch 8		Jul-15	1,347	18	430,000	-	-
Batch 9		Jan-16	960	12	300,000	-	-
<b>Total</b>			<b>9,014</b>	<b>118</b>	<b>3,260,000</b>	<b>206,309</b>	<b>-</b>

Notes:

- 1 Includes fit-outs of £21 million and excludes interest during construction.

N2 Batches	Start Date	Estimated Completion Date	Total Estimated Construction Costs (1)		Estimated LA (sq ft)	LA (sq ft)	
			(Rs. million)	(£ million)		Committed Leases	LA Completed & Leased
Batch 1.1		Commenced	427	6	207,826	207,826	207,826
Batch 1.2		Commenced	553	7	250,839	161,346	161,346
Batch 1.3		Commenced	454	6	206,865	177,288	177,288
Batch 1.4		Commenced	553	7	290,100	290,100	290,100
Batch 2.1	Sep-10	Apr-12	590	8	229,814	-	-
Batch 2.2	Sep-10	Apr-12	944	12	367,809	-	-
Batch 2.3	Sep-10	Apr-12	648	9	252,362	252,149	-
Batch 3.1	Sep-11	Dec-14	683	9	229,814	-	-
Batch 3.2	Sep-11	Dec-14	1,093	14	367,809	-	-
Batch 3.3	Sep-11	Jul-13	750	10	254,002	254,002	-
Batch 4		Dec-16	1,731	23	515,395	-	-
<b>Total</b>			<b>8,426</b>	<b>111</b>	<b>3,172,635</b>	<b>1,342,711</b>	<b>836,560</b>

Notes:

- 1 Includes fit-outs of £11 million and excludes interest during construction.
- 2 Rent accruing as on 30 September 2011 -836,560 Sq ft

**Nectrus Limited**  
Investment Manager

**20 December 2011**

## **INDEPENDENT AUDITORS' REVIEW REPORT TO UNITECH CORPORATE PARKS PLC**

### **Introduction**

We have been engaged by the Company to review the condensed set of financial statements in the interim report for the six months ended 30 September 2011 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related explanatory notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

### **Directors' responsibilities**

The interim report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim report in accordance with the AIM Rules.

As disclosed in Note 2, the annual financial statements of the Group are prepared in accordance with IFRSs. The condensed set of financial statements included in this interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting*.

### **Our responsibility**

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim report based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim report for the six months ended 30 September 2011 has not been prepared, in all material respects, in accordance with IAS 34 and the AIM Rules.

**KPMG Audit LLC**  
**Chartered Accountants**  
**Douglas**  
**Isle of Man**

20 December 2011

**Consolidated Statement of Comprehensive Income  
for the six months ended 30 September 2011**

	Note	Unaudited six months ended 30 September 2011 £	Unaudited six months ended 30 September 2010 £	Audited year ended 31 March 2011 £
<b>Income</b>				
Investment property revenue		9,889,172	6,524,958	11,671,198
Interest income on cash balances		176,248	553,259	956,966
Foreign exchange loss		-	(22,131)	-
Income on amortisation of security deposits	10	453,267	-	2,898,578
Net (gain)/loss from fair value adjustment on investment property	7	7,476,699	(106,936,513)	(103,114,477)
		<u>17,995,386</u>	<u>(99,880,427)</u>	<u>(87,587,735)</u>
<b>Expenditure</b>				
Management fees	6	2,367,281	2,367,281	4,721,623
Administration and accounting fees		30,000	29,375	59,503
Directors' fees		69,089	100,475	190,000
Audit fees		11,528	17,835	25,647
Other operating expenses	9	3,880,635	2,464,825	5,648,140
		<u>6,358,533</u>	<u>4,979,791</u>	<u>10,644,913</u>
<b>Operating income/(loss) for the period/year</b>		11,636,853	(104,860,218)	(98,232,648)
Leasehold rights cost		(48,478)	-	(155,044)
Expense on amortisation of security deposits	10	(668,673)	-	(335,734)
Finance lease costs		-	(141,708)	-
<b>Profit/(loss) for the period/year before tax</b>		10,919,702	(105,001,926)	(98,723,426)
Current tax expense		(936,296)	(54,358)	(19,905)
Deferred tax (expenses)/credit		(4,576,732)	32,444,015	27,953,072
<b>Profit/(loss) for the period/year</b>		<u>5,406,674</u>	<u>(72,612,269)</u>	<u>(70,790,259)</u>
<b>Other comprehensive loss</b>				
Foreign currency translation differences for foreign operations		(11,475,152)	(6,565,442)	(10,927,481)
<b>Other comprehensive loss for the period/year net of income tax</b>		<u>(11,475,152)</u>	<u>(6,565,442)</u>	<u>(10,927,481)</u>
<b>Total comprehensive loss for the period/year</b>		<u>(6,068,478)</u>	<u>(79,177,711)</u>	<u>(81,717,740)</u>
<b>Basic and diluted earnings/(loss) per share</b>	17	1.50p	(20.17)p	(19.66)p

The Directors consider that all results derive from continuing activities.

**Consolidated Statement of Financial Position  
as at 30 September 2011**

	Note	Unaudited 30 September 2011 £	Audited 31 March 2011 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property	7	198,780,001	193,365,310
Property, plant and equipment	8	272,059	278,688
		<u>199,052,060</u>	<u>193,643,998</u>
<b>Current assets</b>			
Trade and other receivables	13	6,987,659	5,409,732
Cash at bank and brokers		14,179,186	14,053,833
		<u>21,166,845</u>	<u>19,463,565</u>
<b>Total assets</b>		<u>220,218,905</u>	<u>213,107,563</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		57,676,547	69,151,699
Revaluation reserve		(22,468,045)	(22,468,045)
Retained loss		(211,296,852)	(216,703,526)
		<u>170,430,641</u>	<u>176,499,119</u>
<b>Non-current liabilities</b>			
Leasehold rights liabilities	12	404,733	605,037
Bank loans	16	4,480,059	-
Deferred tax liabilities	15	26,643,786	23,739,931
		<u>31,528,578</u>	<u>24,344,968</u>
<b>Current liabilities</b>			
Leasehold rights liabilities	12	675,621	721,421
Bank loans	16	1,023,699	-
Trade and other payables	14	16,560,366	11,531,691
Income tax liabilities		-	10,364
		<u>18,259,686</u>	<u>12,263,476</u>
<b>Total liabilities</b>		<u>49,788,264</u>	<u>36,608,444</u>
<b>Total equity and liabilities</b>		<u>220,218,905</u>	<u>213,107,563</u>

**Consolidated Statement of Changes in Equity  
for the six months ended 30 September 2011**

	<b>Unaudited six months ended 30 September 2011 £</b>	<b>Unaudited six months ended 30 September 2010 £</b>	<b>Audited year ended 31 March 2011 £</b>
<b>Balance at start of period/year</b>	176,499,119	258,216,859	258,216,859
<b>Total comprehensive income/(loss) for the period/year</b>			
Profit/(loss) for the period/year	5,406,674	(72,612,269)	(70,790,259)
Other comprehensive loss	(11,475,152)	(6,565,442)	(10,927,481)
<b>Total comprehensive loss for the period/year</b>	<u>(6,068,478)</u>	<u>(79,177,711)</u>	<u>(81,717,740)</u>
<b>Balance at end of period/year</b>	<u>170,430,641</u>	<u>179,039,148</u>	<u>176,499,119</u>

**Consolidated Statement of Cash Flows  
for the six months ended 30 September 2011**

	Unaudited six months ended 30 September 2011 £	Unaudited six months ended 30 September 2010 £	Audited year ended 31 March 2011 £
<b>Operating activities</b>			
Profit/(loss) for the period/year before tax	10,919,702	(105,001,926)	(98,723,426)
Adjustment for:			
Interest income on cash balances	(176,248)	(553,259)	(956,966)
Income on amortisation of security deposits	(453,267)	-	(2,898,578)
Net (gain)/loss from fair value adjustment on investment property	(7,476,699)	106,936,513	103,114,477
Foreign exchange loss	-	22,131	-
Leasehold rights costs	48,478	-	155,044
Expense on amortisation of security deposits	668,673	-	335,734
Finance lease costs	-	141,708	-
Depreciation	8,579	45,006	42,547
<b>Operating profit before changes in working capital</b>	<b>3,539,218</b>	<b>1,590,173</b>	<b>1,068,832</b>
(Increase)/decrease in trade and other receivables	(1,655,261)	1,301,903	5,955,237
Increase in trade and other payables	4,008,105	1,850,897	5,105,160
	5,892,062	4,742,973	12,129,229
Tax paid	(1,193,256)	(58,981)	(351,287)
<b>Net cash generated from operating activities</b>	<b>4,698,806</b>	<b>4,683,992</b>	<b>11,777,942</b>
<b>Investing activities</b>			
Acquisition of investment property including advances	(11,392,825)	(11,999,466)	(35,451,595)
Acquisition of property, plant and equipment	(20,058)	(492,533)	(214,023)
Interest received	176,844	1,135,082	1,540,938
<b>Net cash used in from investing activities</b>	<b>(11,236,039)</b>	<b>(11,356,917)</b>	<b>(34,124,680)</b>
<b>Financing activities</b>			
Borrowings from banks	5,710,541	-	-
Movement on security deposits	1,696,467	-	-
Payment of leasehold rights liabilities	(216,453)	-	(736,576)
Payment of finance lease liability	-	(621,437)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>7,190,555</b>	<b>(621,437)</b>	<b>(736,576)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>653,322</b>	<b>(7,294,362)</b>	<b>(23,083,314)</b>
Cash and cash equivalents at beginning of period/year	14,053,833	38,385,317	38,385,317
Exchange difference on cash and cash equivalents	(527,969)	(839,222)	(1,248,170)
<b>Cash and cash equivalents at end of period/year</b>	<b>14,179,186</b>	<b>30,251,733</b>	<b>14,053,833</b>

## Notes to the Consolidated Interim Financial Statements for the six months ended 30 September 2011

### 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 Group 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 2011 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.unitechcorporatoparks.com](http://www.unitechcorporatoparks.com).

### 2. Statement of compliance

The annual financial statements are prepared in accordance with International Financial Reporting Standards. The consolidated interim financial statements have been prepared in accordance with 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 year ended 31 March 2011.

These consolidated interim financial statements were approved by the Board of Directors on 20 December 2011.

### 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 year ended 31 March 2011.

### 4. Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2011. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 11: Determination of Fair Value and Note 6: Management Fees.

### 5. Financial risk management policies

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 March 2011.

### 6. Management fees

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. With effect from 19 February 2009, 25% of the management fee is being deferred until the sale of each asset is completed and will be contingent on an internal rate of return ("IRR") of 10% being achieved on that project. The remaining 75% of the management fee is to be invested in UCP shares acquired in the open market.

At 30 September 2011, the total deferred management fee amounted to £4,316,298 (31 March 2011: £3,535,829). No provision for deferred management fee has been made at 30 September 2011 (31 March 2011: £nil), as the IRR on each project is below 10%.

In addition the Group may have to pay 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 results 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 on an individual project basis. No provision has been made at 30 September 2011 (31 March 2011: £nil) based on the Project IRRs.

## 7. Investment property

	<b>Unaudited 30 September 2011 £</b>	<b>Audited 31 March 2011 £</b>
<b>Value</b>		
Balance at start of period/year	193,365,310	274,412,440
Reclassification from investment property under construction	-	1,094,035
Reversal of land finance lease liabilities	-	(1,572,396)
Additions	11,392,825	34,810,137
Revaluation of investment property	7,476,699	(103,114,477)
Effect of movements in exchange rates	(13,454,833)	(12,264,429)
Balance at end of period/year	<u>198,780,001</u>	<u>193,365,310</u>

## 8. Property, plant and equipment

	<b>Land and buildings £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Value, cost or deemed cost</b>				
Balance at 1 April 2011	15,005	157,345	135,387	307,737
Additions	-	8,949	11,109	20,058
Effect of movements in exchange rates	(953)	(10,314)	(8,997)	(20,264)
Balance at 30 September 2011	<u>14,052</u>	<u>155,980</u>	<u>137,499</u>	<u>307,531</u>
<b>Depreciation</b>				
Balance at 1 April 2011	973	14,165	13,911	29,049
Depreciation for the period	119	2,463	5,997	8,579
Effect of movements in exchange rates	(65)	(1,055)	(1,036)	(2,156)
Balance at 30 September 2011	<u>1,027</u>	<u>15,573</u>	<u>18,872</u>	<u>35,472</u>
<b>Carrying amounts</b>				
At 1 April 2011	<u>14,032</u>	<u>143,180</u>	<u>121,476</u>	<u>278,688</u>
At 30 September 2011	<u>13,025</u>	<u>140,407</u>	<u>118,627</u>	<u>272,059</u>

## 9. Other operating expenses

### 9.1 Other operating expenses comprise:

	Unaudited 30 September 2011 £	Audited 31 March 2011 £
Legal and professional fees	129,226	616,826
Shareholder servicing fees	48,174	96,613
NOMAD fee	11,114	113,166
Property valuation fees	20,952	30,775
Depreciation	8,579	42,547
Share of joint venture other expenses (Note 9.2)	3,633,649	4,354,593
Sundry expenses	40,787	362,506
Foreign exchange	(11,846)	31,114
	<u>3,880,635</u>	<u>5,648,140</u>

### 9.2 Share of joint venture other expenses

	Unaudited 30 September 2011 £	Audited 31 March 2011 £
Audit fees	9,491	23,929
Brokerage expenses	247,963	397,888
Legal & professional Fees & taxes	79,130	53,837
Maintenance expenses	77,467	-
Lease rent	3,044,252	3,777,650
General expenses	5,343	14,405
Administration expenses	18,656	-
Health club expenses	138,681	80,528
	<u>12,666</u>	<u>6,356</u>
	<u>3,633,649</u>	<u>4,354,593</u>

## 10. Lease security deposits

The Indian SPVs obtain lease security deposits from lessees. These lease security deposits are an integral part of the leasing arrangements and have a contractual repayment date, which is the last day of the non-cancellable lease period.

Security deposits have always been carried at historical cost. As per the requirements of IAS 39 "Financial Instruments - Recognition and Measurement" - these need to be discounted to arrive at the amortised cost (as it would have been at the inception of the deposit term) and the difference between amortised cost and historical cost is recognised as "interest income" in the profit or loss, which unwinds as "interest expense" over the non-cancellable period.

Interest income on amortisation of security deposits of £0.5m (September 2010: £Nil) and related interest expense of £0.7m (September 2010: £Nil) were recognised in the profit or loss during the period.

## 11. Determination of fair value

### Investment property and investment property under construction

The Company's investment properties were valued at fair value in accordance with the RICS Appraisal and Valuation Standards by Knight Frank at 30 September 2011 and 31 March 2011. The valuer used the following valuation methodologies depending on each project's particular circumstances.

At 30 September 2011		Value £'m
Category	Method	
Already constructed and leased out portion	Income approach - Discounted cash flow method (DCF)	113.9
Already constructed/under construction portion	Cost approach - land and building method	11.2
Land without construction	Market approach - land comparison method	73.7

**Income approach** - this valuation methodology is applicable to properties which are in the nature of investments. All investments are intended to generate revenues and profits. The valuation methodology consists of ascertaining the present worth of future benefits. The income approach begins with an analysis of present income and series of projected income in the future. The primary factors that decide the yield of land and building by way of rental are the location, amenities provided in the building, occupational use, age of the building and type of neighbourhood.

**Cost approach** - under this valuation methodology, the value of a property is estimated by summing the land value and the depreciated value of any improvement. In most cases where the cost approach is involved, the overall methodology is a hybrid of the cost and sales comparison approaches, i.e. while the replacement cost to construct a building can be determined by adding the labour, material and other costs, land values and depreciation must be derived from an analysis of comparable data.

**Market approach** - this valuation methodology is applicable to all property which is capable of being bought or sold in the market. A comparison is made for the purpose of valuation with similar properties that have recently been sold in the market and have thus been acquired at market value. The sale comparison approach is the preferred approach when sales data are available.

In the absence of a sale, sale prices of comparable properties are usually considered the best evidence of market value. Sale comparison approach models the behaviour of the market by comparing the properties being appraised with similar properties that have recently been sold or for which offers to purchase have been made. Comparable properties are selected for similarity to the subject property by way of attributes, such as age, size, shape, quality of construction, building features, condition, design, gentry, etc. Sales prices are then adjusted for their difference from the subject property and a market value is estimated from the adjusted sales price of the comparable properties.

#### Individual property values

		Unaudited 30 September 2011 £	Audited 31 March 2011 £
G1	Gurgaon	19,538,340	20,862,834
G2	Gurgaon	71,926,250	72,998,931
N1	Noida	20,151,615	17,294,744
N2	Noida	40,326,818	35,429,038
N3	Greater Noida	2,673,254	1,922,571
K1	Kolkata	44,163,724	44,857,192
		<u>198,780,001</u>	<u>193,365,310</u>

#### Weighted average cost of capital and capitalisation rates

The following weighted average cost of capital (WACC) and capitalisation rates (CR) were used in determining fair value.

		Unaudited 30 September 2011		Audited 31 March 2011	
		WACC	CR	WACC	CR
G2	Gurgaon	15.00%	11.50%	15.00%	11.50%
N1	Noida	16.50%	11.50%	16.50%	11.50%
N2	Noida	16.00%	11.50%	16.00%	11.50%
K1	Kolkata	17.50%	12.00%	17.50%	12.00%

## 12. Leases

The land lease liability component that was previously capitalised as a finance lease was deemed to be an operating lease and was reversed during the year ended 31 March 2011.

The outstanding land liabilities related to the land leasehold rights are payable as follows:

	<b>Unaudited 30 September 2011 £</b>	<b>Audited 31 March 2011 £</b>
Less than one year	675,621	721,421
Between one and five years	404,733	605,037
	<u>1,080,354</u>	<u>1,326,458</u>

The New Okhla Industrial Development Area (Noida) authority allotted Shantiniketan Properties Limited a leasehold title to a 19.3 acre site in Noida for 90 years from 24 March 2006 for the purpose of setting up an IT and ITES project on the site. The annual ground lease rent payable is INR 7,349,865 for the first 10 years with a 10 year review cycle.

The Noida authority allotted Seaview Developers Limited a leasehold title to a 29.7 acre site in Noida for 90 years from 17 February 2006 for the purpose of setting up an IT SEZ at the project site. The annual ground lease rent payable is INR 11,766,000 for the first 10 years with a 10 year review cycle.

The Noida authority allotted Unitech Infra-Con Limited leasehold title to two sites comprising 74.75 acres in Greater Noida Technical Zone for the purpose of setting up an IT and an IT SEZ. The annual ground lease rents payable for the 90 year leases which commenced 9 June 2006 and 11 August 2006 are INR 3,311,238 and INR 2,488,997 respectively for the first 10 years with a 10 year review cycle.

## 13. Trade and other receivables

	<b>Unaudited 30 September 2011 £</b>	<b>Audited 31 March 2011 £</b>
Amount due from related party (Note 19)	-	197,798
Trade and other receivables	6,987,659	5,211,934
	<u>6,987,659</u>	<u>5,409,732</u>

## 14. Trade and other payables

	<b>Unaudited 30 September 2011 £</b>	<b>Audited 31 March 2011 £</b>
Trade payables	14,129,471	9,566,366
Amounts due to related parties (Note 19)	(13,305)	822,527
Social security and other taxes	204,960	216,061
Other payables	2,239,240	926,737
	<u>16,560,366</u>	<u>11,531,691</u>

## 15. Deferred tax liabilities

	<b>Unaudited 30 September 2011 £</b>	<b>Audited 31 March 2011 £</b>
<i>Deferred tax liabilities are attributable to the following</i>		
Investment property	26,028,554	22,917,829
Security deposits	615,232	822,102
	<u>26,643,786</u>	<u>23,739,931</u>

Deferred tax arising on the revaluation of investment property has been provided for at the reporting date as Indian capital gains tax would be payable in the event that the property is sold.

## 16. Bank loans

Bank loans are repayable as follows:

	<b>Unaudited 30 September 2011</b>	<b>Audited 31 March 2011</b>
	<b>£</b>	<b>£</b>
Less than one year	1,023,699	-
Between one and two years	1,023,699	-
Between two and five years	3,071,097	-
More than five years	385,263	-
	<u>5,503,758</u>	<u>-</u>

## 17. Earnings per share

The calculation of income per share for the six months ended 30 September 2011 is based on the income for the period attributable to ordinary shareholders of £5,406,674 (six months ended 30 September 2010: loss of £72,612,269) and a weighted average number of ordinary shares outstanding of 360,000,000 (six months ended 30 September 2010: 360,000,000 ordinary shares outstanding).

## 18. Net asset value per share

The calculation of net asset value per share of £0.47 as at 30 September 2011 (£0.49 as at 31 March 2011) is based on the net assets attributable to ordinary shareholders of £170,430,641 and 360,000,000 ordinary shares outstanding (£176,499,119 and 360,000,000 ordinary shares outstanding as at 31 March 2011).

## 19. Related-party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Ajay Chandra, a Director of the Company, is also the Managing Director of Unitech Limited.

As at 30 September 2011 and 31 March 2011 Aubrey John Adams was beneficially interested in 300,000 Ordinary Shares in the Company.

As at 30 September 2011 Ajay Chandra was beneficially interested in 1,731,737 Ordinary Shares in the Company (31 March 2011: 781,737).

During October 2011 Donald Lake purchased 42,500 Ordinary Shares in the Company.

Nectrus Limited, the Investment Manager to the Company, is an affiliate of the Unitech Group, the Company's co-investor in the investment property under construction. It receives a management fee and performance fee from the Group as detailed in Note 6. In May 2009, Nectrus Limited agreed to compensate the Company for a loss of £4,919,424 incurred on a structured note investment. This amount has been repaid by way of offsetting the investment management fee due. At 30 September 2011 the balance owed by Nectrus Limited to the Company amounted to £Nil (31 March 2011: £197,798). At 30 September 2011 Nectrus Limited was beneficially interested in 20,889,168 Ordinary Shares in the Company.

Unitech Limited, the Company's co-investor, acts as project manager (for property which is under construction) for which it receives a project management fee at 5% of the total cost of construction. It also acts as property manager (for property which has been leased/operational property) for which it receives a property management fee based on the operational area. The Group's 60% share of the fees payable to Unitech Limited for the six months ended 30 September 2011 totalled £793,794 (six months ended 30 September 2010: £243,758) and the amount outstanding as at 30 September 2011 was £83,601 (31 March 2011: £822,527).

Unitech Property Management Pvt. Ltd ("UPMP"), which is a wholly owned subsidiary of Unitech Limited, is rendering its services in respect of management and co-ordination of operation and maintenance services of the complexes including the common areas and certain other services. The fees payable to UPMP for the six months ended 30 September 2011 totalled £318,562 (six months ended 30 September 2010: £368,419) and the amount due from UPMP as at 30 September 2011 was £103,870 (31 March 2011: payable £358,284).

## **20. Commitments**

The Group's share of capital commitments in respect of capital expenditure contracted for by the joint ventures as at 30 September 2011 was £55,739,698 (31 March 2011: £79,607,874).

## **21. Subsequent events**

There are no significant subsequent events after the reporting date that would require disclosure in the consolidated financial statements.