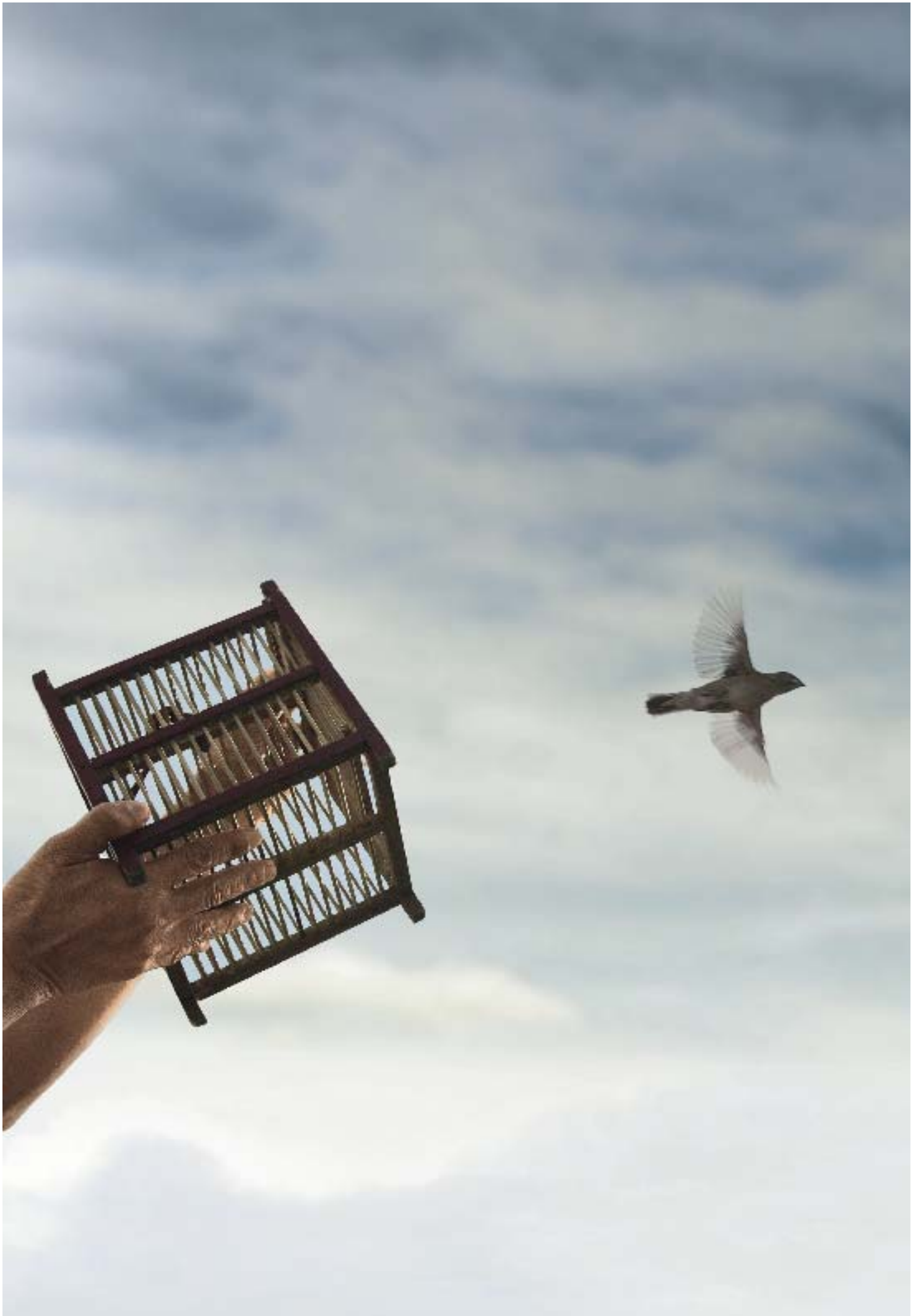


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Annual Report **2007**



www.unitechcorporateparks.com

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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

3rd Floor Exchange House
54 - 62 Athol Street
Douglas
Isle of Man IM1 1JD

Investment Manager

Nectrus Limited
Ifigeneias 7, 4th Floor
Strovolos
Nicosia
Cyprus

Administrator and Registrar

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Isle of Man IM1 1JD

Crest Service Provider

Capita Registrars (Jersey) Limited
Victoria Chambers
Liberation Square
1/3 The Esplanade
St. Helier
Jersey

Auditors

KPMG Audit LLC
Heritage Court
39 - 41 Athol Street
Douglas
Isle of Man IM99 1HN

Nominated Advisor and Broker

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

Legal Advisers (Isle of Man law)

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

Legal Advisers (Cypriot law)

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Fortuna Court
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Flom (UK) LLP
40 Bank Street
Canary Wharf
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Legal Advisers (Mauritian law)

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5th Floor Chancery House
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Port Louis
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103 Ashoka Estate
Barakhamba Road
New Delhi 110001



unitech[®] CORPORATE PARKS PLC

is a listed vehicle for investing in Indian Commercial Real Estate

Unitech Corporate Parks Plc (“UCP”) is a company incorporated in the Isle of Man in September 2006, with the initial business strategy of making investment(s), in Indian commercial real estate, that is being developed specifically for the high growth IT (Information Technology) and ITES (Information Technology Enabled Services) sectors.

UCP intends to focus on making investments in Special Economic Zones (“SEZs”) dedicated to the IT and ITES industries (IT SEZs) or IT Parks, which are suitable for foreign direct investment (“FDI”) in India.

UCP intends to co-invest along with Unitech Limited and its affiliates (“Unitech Group”), which is one of India’s leading developers.

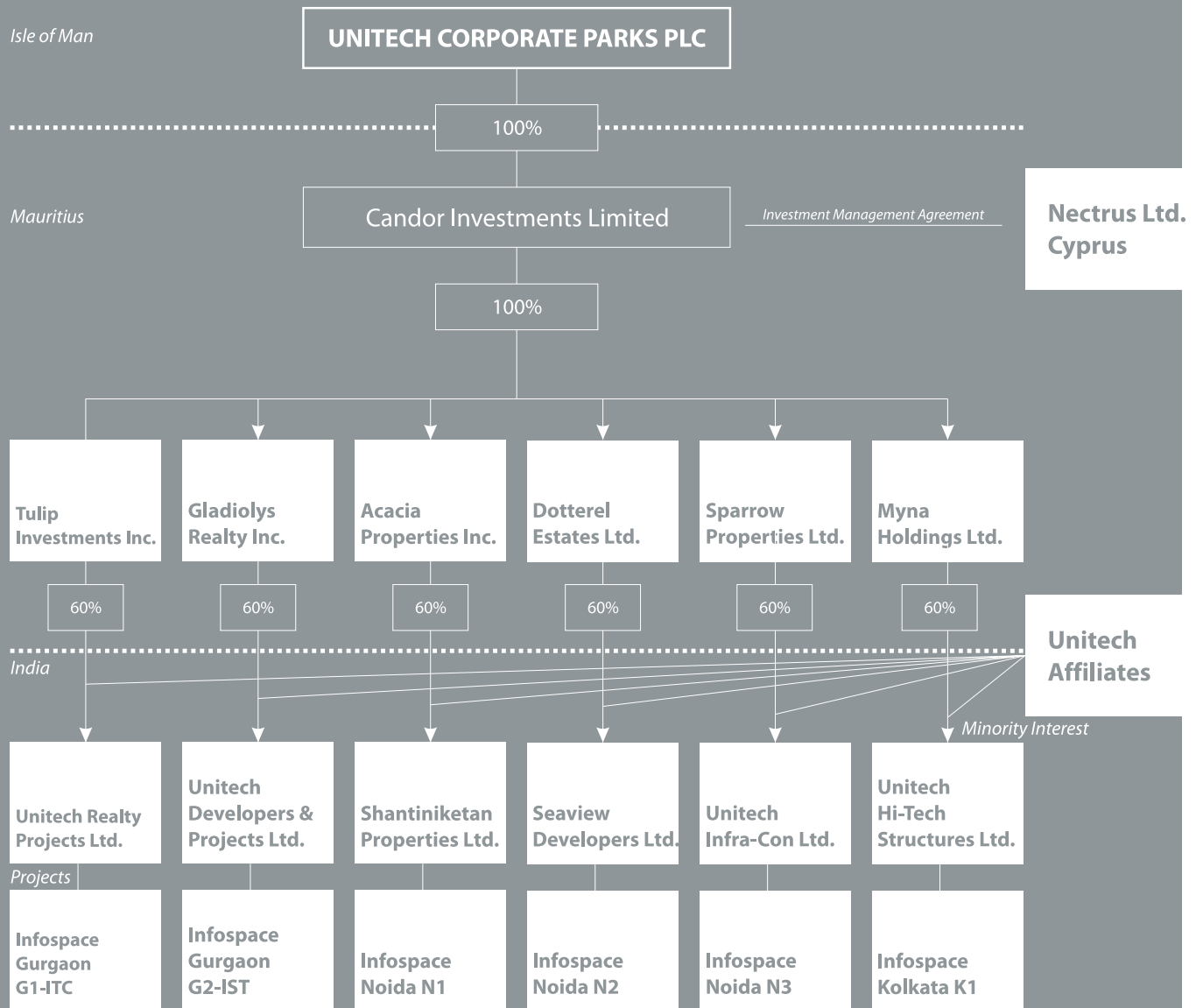
The Unitech Group will provide investment advisory services to UCP and also render project management services to the Seed Portfolio projects. As a result of these arrangements, UCP will have access to the considerable experience of the Unitech Group.

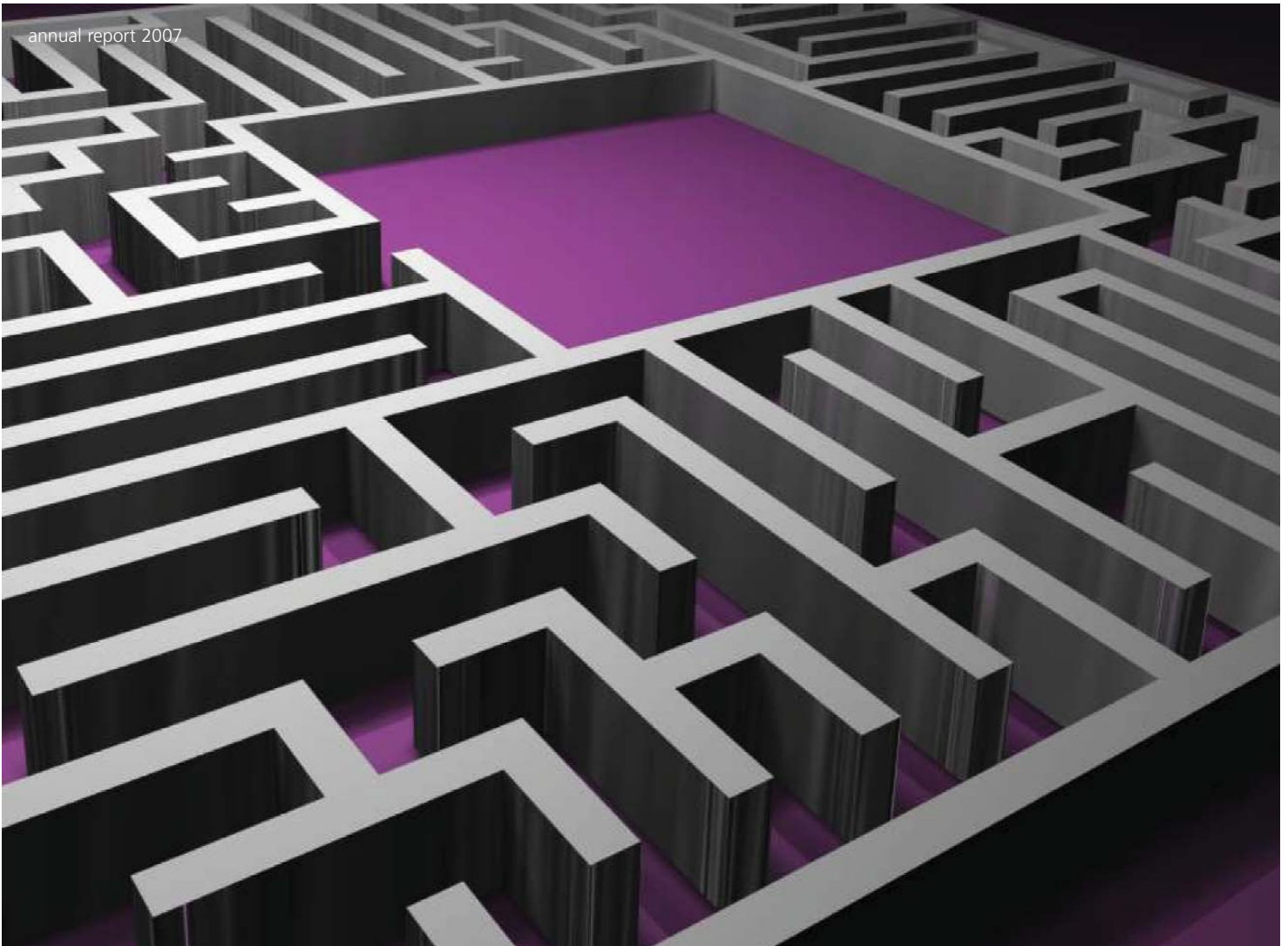
Tracking its history back to 1971, Unitech Group has over 30 years’ experience in the construction and real estate development business in India, Unitech Limited is listed on the Bombay Stock Exchange Limited and the National Stock Exchange Limited in India. The Unitech Group’s real estate portfolio encompasses the development of integrated townships, residential complexes, commercial office space, IT Parks and SEZ developments, retail developments, hotels and amusement parks. From its beginnings as a real estate developer focusing on the NCR, the Unitech Group has expanded its operations to other major cities in India including Kolkata, Hyderabad, Bangalore, Kochi, Chennai, Lucknow, Varanasi, Chandigarh and Agra.

UCP intends to invest in the development of real estate projects in India, including IT SEZs* and IT Parks aimed specifically at the IT and ITES industries. The trend towards business process outsourcing (“BPO”), particularly by the IT and ITES industries has created considerable growth in these sectors in India. This growth has led to an increased demand for office space to cater for IT and ITES businesses.

* SEZs are areas approved by the Government of India in order to encourage the generation of additional economic activity, the export of goods and services, domestic and foreign investment and the development of infrastructure facilities. UCP aims to invest in IT SEZ developments as it believes that prospective tenants will be attracted by the fiscal benefits afforded to the occupants located in such zones.

The Group Structure





Management of the company

The management of UCP vests in its Board of Directors, which is responsible for the overall management of the Company and the Group as well as the formulation and implementation of the Company's investment strategy.

The Board comprises of 5 (five) non-executive Directors viz.:

1. Atul Kapur, Chairman
2. Aubrey John Adams
3. Ajay Chandra
4. Mohammad Yousuf Khan
5. Donald Lake



ATUL KAPUR

Atul Kapur is aged 43 years and holds a degree from the University of Delhi and is also a qualified Chartered Accountant. He is currently the Managing Partner of Auricman Capital LLP, which advises Private Equity Funds in India.

Previously, Mr. Kapur was a Managing Director at Goldman Sachs International between 2000 and 2006 and was responsible for European and Indian private equity investments within the European Principal Strategies Group. He has also worked for nine years in the Principal Investments area of Goldman Sachs in Hong Kong, Singapore and London.

AUBREY JOHN ADAMS

He is aged 57 and is a Fellow of the Institute of Chartered Accountants in England and Wales and he also holds a Master's degree from the University of Cambridge. He is currently a Director of the Wigmore Hall Trust.

He worked for PricewaterhouseCoopers in the Audit and Management Consultancy divisions from 1970 to 1979. He was appointed as the Group Chief Executive of Savills Plc in 2000 having previously served as Finance Director (1990-1991) and then Managing Director between 1991 and 2000. Mr. Adams was a non Executive Director of Associated British Ports between 1996 and 2006.

AJAY CHANDRA

He is aged 39 years and has a Bachelor's degree in Civil Engineering from Cornell University, USA and a Master's degree in Business Administration from the University of North Carolina, USA. He is currently the Managing Director of Unitech Limited, which is the largest listed Real Estate developer in India. He is responsible for all of Unitech Limited's real estate activities in the Eastern, Southern and Western regions of India and also for Unitech Limited's expansion into amusement and entertainment parks across India.

Between 1992 and 1993, Mr. Chandra worked as an Equity Analyst for Jardine Fleming.

Board of Directors

MOHAMMAD YOUSUF KHAN

Aged 62, holds an honorary doctorate degree in Business Management from Burkes University and a degree in Science from the University of Kashmir. He is currently the Chairman of the Banking and Advisory Council for Yes Bank Limited. He is also a Director of Bharat Hotels in India and a Senior Advisor to Berenson & Company.

Previously, he has held the positions of Chairman of J&K Bank, Managing Director of J&K Agro Industries Development Corporation and Managing Director of J&K Tourism Development Corporation.

DONALD LAKE

He is aged 62 and is a Fellow member of The Royal Institution of Chartered Surveyors. He has over thirty years' experience in the development of commercial and residential building projects and has worked on a significant number of projects in the UK, Channel Islands and Isle of Man. Mr. Lake is also a Director of four other listed companies, Close High Income Properties PLC (listed on the London Stock Exchange plc), Equest Balkan Properties PLC (listed on the Alternative Investment Market operated by the London Stock Exchange plc), Business Centre Properties PLC (listed in the Channel Islands) and Healthcare and Leisure Property Fund PLC (listed in the Channel Islands).

A learned man is not learned
in all things, but an able man
is able in all, even in
ignorance.

Montaigne

Following admission, UCP has invested the proceeds in the following seed portfolio projects, comprising of six IT or ITES related projects, five of which are located in the National Capital Region ("NCR", being the area surrounding Delhi, India) and one of which is located in Kolkata, India.

(a) Infospace, Gurgaon (G1-ITC)

(b) Infospace, Dundaheera, Gurgaon (G2-IST)

(c) Infospace, Sector 62, Noida (N1)

(d) Infospace, Sector 135, Noida (N2)

(e) Infospace, Greater Noida (N3)

(f) Infospace, Kolkata (K1)





Perspective View -
Infospace, Kolkata



Basement Facilities -
Infospace, Kolkata



Actual Shot -
Infospace, Gurgaon



Aerial View -
Infospace, Greater Noida



Perspective -
Infospace, Greater Noida



Aerial View -
Infospace, Noida Sector 62



Actual Shot -
Infospace, Noida Sector 62



Site -
Infospace, Noida Sector 132



Perspective -
Infospace, Noida Sector 132

Chairman's Statement

It is my privilege to report UCP's results for the period ended 31 March 2007, UCP's first set of results since its successful Admission to the AIM market ("Admission") of the London Stock Exchange in December 2006, through which it raised a net amount of £347 million after issue expenses.

As at 31 March 2007, UCP had already invested approximately £317 million (91%) of its initial net funds, evidence of significant progress and consistent with the Company's original investment objectives.

I am also pleased to update Shareholders on the ongoing substantial progress made by your Company in the period since the balance sheet date.

Results

Net investment income for the period was £2.7 million.

Adjusted NAV as of 31 March 2007 was £1.2974 per share.

NAV as of 31 March 2007 was £1.0184 per share compared to £0.9626 per share at the time of Admission. This represents a rise of 5.8% over the three months from 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. See note 10 of the accompanying financial statements for further information on the deferred tax provision.

As previously announced to Shareholders, Jones Lang LaSalle ("JLL"), an independent valuer, completed the valuation of the Company's properties as at 31 March 2007. The Board of UCP is pleased to report, therefore, that the total market valuation of the six assets in the Company's portfolio ("Seed Portfolio Assets") including construction costs and based on the exchange rate on 31 March 2007, is £553.0 million, compared to £481.5 million at Admission. UCP's ownership of 60% of these projects is therefore valued at £331.8 million compared to £288.9 million at the time of Admission.

As at 31 March 2007, the Group held £110 million of cash.

As stated in the Admission document, the Directors have not proposed a dividend in respect of the period ended 31 March 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.

Since its Admission, UCP has made strong progress towards its goal of capitalising on the diverse and growing Indian real estate market. The project focus continues to remain centered around the development of assets in the suburbs of major metropolitan cities, which the Company regards as offering good prospects for capital and income growth, and we are pleased to report that the pipeline of assets offering attractive investment opportunities that we are considering for acquisition remains strong. The Board will consider the appropriate means for financing such opportunities as necessary.

The Company has co-invested in the Seed Portfolio Assets alongside Unitech Limited ("Unitech") and its affiliates. Unitech is a leading real estate developer in India with a track record of over 30 years in the construction and real estate development businesses. Unitech has extensive experience of developing commercial and residential real estate projects in India. Projects previously developed by Unitech have attracted occupiers including Colt Telecom, Convergys, EDS, Exxon Mobil, Fidelity, Hewitt, Hewlett Packard, Keane, Reebok, Royal Bank of Scotland, UT Starcom and Vertex.

The Company has appointed Nectrus Limited, an affiliate of Unitech, (the "Investment Manager") to provide investment advisory services to the Company with respect to the identification, structuring and execution of potential investments and investment strategy. In addition, Unitech provides project management services in respect of the Seed Portfolio Assets.

We are pleased that, as anticipated, through the combination of the local knowledge, experience and reputation of Unitech with the international expertise and capabilities of the

external consultants, an unrivaled team has been put in place to plan, design, and undertake the development of the Seed Portfolio Assets. Based on the track record of the combined team, we are confident of achieving the development targets necessary to realise the anticipated project returns.

Seed Portfolio Assets

As described above, the Company has co-invested with Unitech 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%.

The Company's six assets are as follows:

- **Infospace Gurgaon ("G1-ITC")** has 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. Its site is located in the Gurgaon area of the National Capital Region and is being designed by Callison Architecture Inc.
- **InfoSpace, Dundahera, Gurgaon ("G2-IST")** is being developed by Unitech Developers and Projects Limited ("UDPL") as a proposed IT and ITES SEZ. The completed project is designed to have a total leaseable area of

approximately 3.75 million sq ft consisting of 3.70 million sq ft of office space and 50,000 sq ft of retail space. G2-IST is a 28.4 acre site located in Dundaheera, Gurgaon on the Old Gurgaon Highway and near to the Delhi-Gurgaon border. The buildings, designed by Callison Architecture, Inc., will be finished to a high standard and are expected to include recreational facilities such as food courts, a gymnasium and coffee shops.

- **InfoSpace, Sector 62, Noida ("N1")** is being developed by Shantiniketan Properties Limited and has been designed by Callison Architecture, Inc.. It will provide approximately 2.03 million sq ft of leaseable area surrounded by a landscaped common area upon completion. The complex is designed to provide 1.97 million sq ft of office space and 60,000 sq ft of retail space and is expected to include facilities such as food courts, a gymnasium, coffee shops and other amenities. N1 is a 19.3 acre site located close to National Highway 24 in Noida.
- **InfoSpace, Sector 135, Noida ("N2")** is being designed by RSP Architects and being developed by Seaview Developers Limited as an IT and ITES SEZ. The proposed development consists of 29.7 acres of land and is designed to provide approximately 3.13 million sq ft of leaseable area upon completion, comprising 3.07 million sq ft of office space and 60,000 sq ft of retail space. N2 is situated in Sector 135 next to the expressway connecting Noida to Greater Noida.
- **InfoSpace, Greater Noida ("N3")** is being designed by Hellmuth, Obata and Kassabamm, Inc. and developed by Unitech Infra-Con Limited ("UICL") as a proposed IT and ITES SEZ of 50 acres. This will provide approximately 4.95 million sq ft of leaseable area consisting of 4.85 million sq ft of office space and 100,000 sq ft of retail space upon completion. The project design is expected to include on-site facilities such as car parking, a food court and a health club. N3 is located in Greater Noida Technical Zone and adjacent to the proposed route of the Taj Expressway.
- **Infospace, Kolkata ("K1")** is being designed by RMJM and developed by Unitech Hi-Tech Structures Limited as an IT and ITES SEZ over approximately 45.4 acres. On completion, the complex will have a total leaseable area of 4.35 million sq ft. The site is designed to provide 4.25 million sq ft of office space and 100,000 sq ft of retail space and is expected to include amenities such as food courts, coffee shops and a gymnasium. K1 is located in New Town, Rajarhat, east of Kolkata, approximately 500 metres from the proposed central business district of New Town. The site has a large frontage on to one of the major roads at New Town, which also provides good access to the property, and is well connected by the Express Highway to Kolkata airport and the city centre.

Project Progress

We are delighted to report strong progress in the Seed Portfolio Assets, with construction and letting programmes running on schedule.

At the time of Admission, UCP had “in-principle” approval from the Government of India’s Board of Approval for the proposed five IT SEZ projects out of six UCP projects.

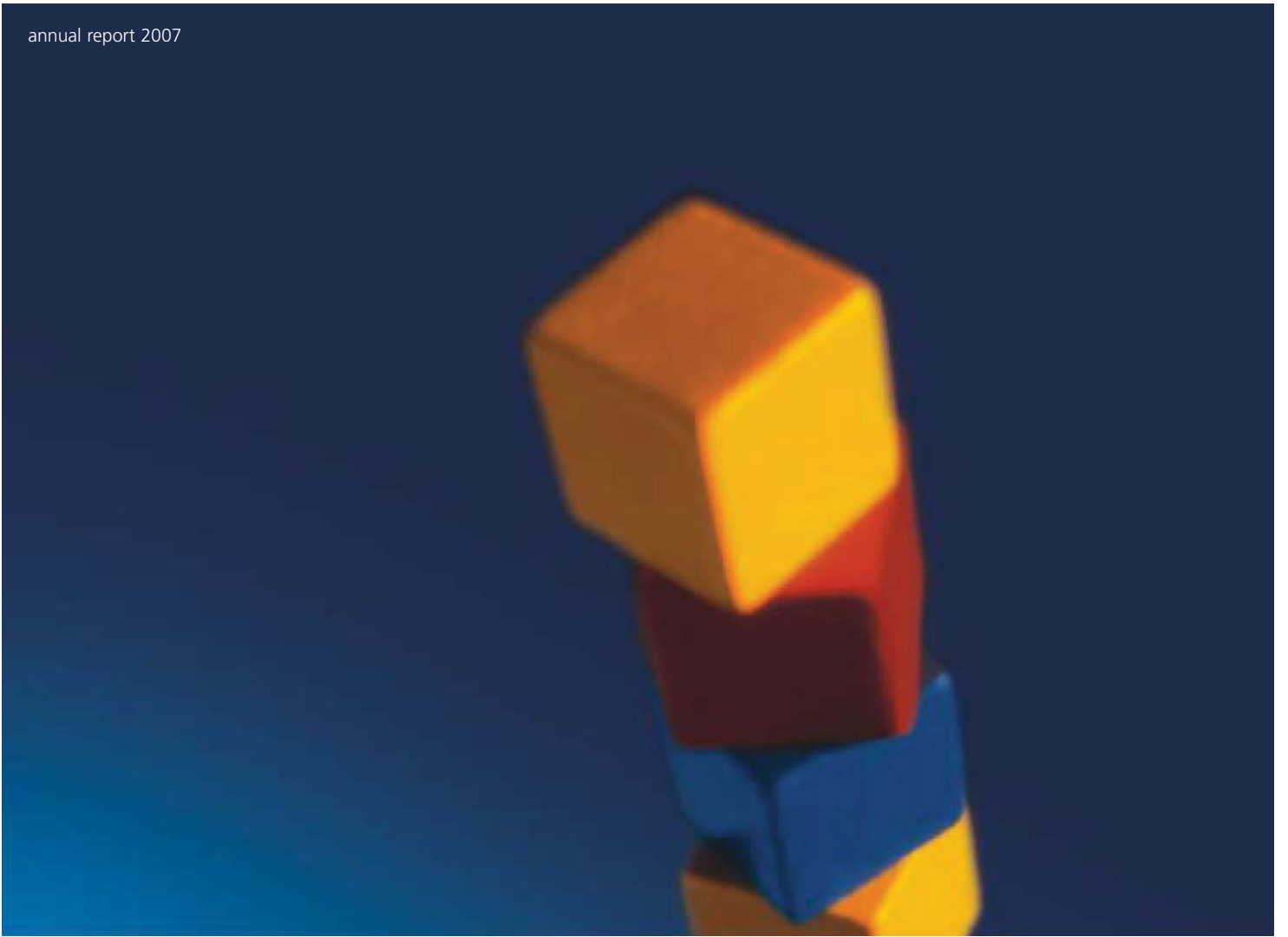
The projects that have received formal approval have to be notified by the Government of India before receiving the relevant benefits as laid down under the SEZ act.

Project	SEZ Approval Status at Admission	Current SEZ Approval Status
Kolkata project ("K1")	"In-principle"	Formal approval received
InfoSpace, Greater Noida ("N3")	"In-principle"	Formal approval received
InfoSpace, Sector 135, Noida ("N2")	"In-principle"	Formal approval received
InfoSpace, Dundahera, Gurgaon ("G2-IST")	"In-principle"	Formal approval received
InfoSpace, Gurgaon ("G1-ITC")	"In-principle"	Formal approval has been granted by the Board of Approvals on 12 July 2007. Formal communication is yet to be received

The detailed progress made is as follows:

- **Infospace, Dundahera, Gurgaon ("G2-IST");** Phase 1 of the project, which is approximately 460,000 sq ft is likely to be handed over for internal fit-out soon. Rental activity for G2-IST is on schedule and ahead of our expectations in terms of rental levels per square feet. Letters of Intent have been signed with tenants including an international bank, an international consulting firm and a number of Business Process Outsourcing ("BPO") firms for approximately 460,000 sq ft of commercial space in Phase 1. Another two buildings totalling approximately 1.1 million sq ft of space are expected to be ready for handover for fit-out by early to mid 2008. Further discussions are already taking place with several companies for approximately 500,000 sq ft of this space.
- **Infospace, Kolkata ("K1");** Phase 1 of the project, which is approximately 760,000 sq ft of space is expected to be ready for handing over for internal fit-out by January 2008. Discussions are ongoing with prospective tenants for leasing the aforesaid area. Construction of Phase 2 for approximately 700,000 sq ft has commenced recently. In addition, a Letter of Intent has already been executed with an international BPO firm for approximately 700,000 sq ft of a "built to suit" facility forming Phase 3 of the project. Further negotiations are underway with several companies for approximately 1.2 million sq ft of total space in subsequent phases of the project.
- **Infospace, Sector 62, Noida ("N1");** the foundation work of Phase 1 of this project is almost complete and foundation work for Phase 2 is currently in progress. The Company is holding discussions with a domestic telecommunications company for a potential letting of Phase 1 of the project.
- **Infospace, Sector 135, Noida ("N2");** construction work for this project has commenced and discussions with multinational IT companies for approximately 1.0 million sq ft of space are underway.
- Pre-construction activities have started at **Infospace, Greater Noida ("N3").** The Company is in discussion with a major BPO with regard to a significant letting.
- **Infospace, Gurgaon ("G1-ITC");** preconstruction works have started and discussions with multinational IT companies over potential take-up of approximately 1.1 million sq ft of space are underway.

These 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.



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, 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 strategy of developing commercial and retail space to satisfy the increasing demand.

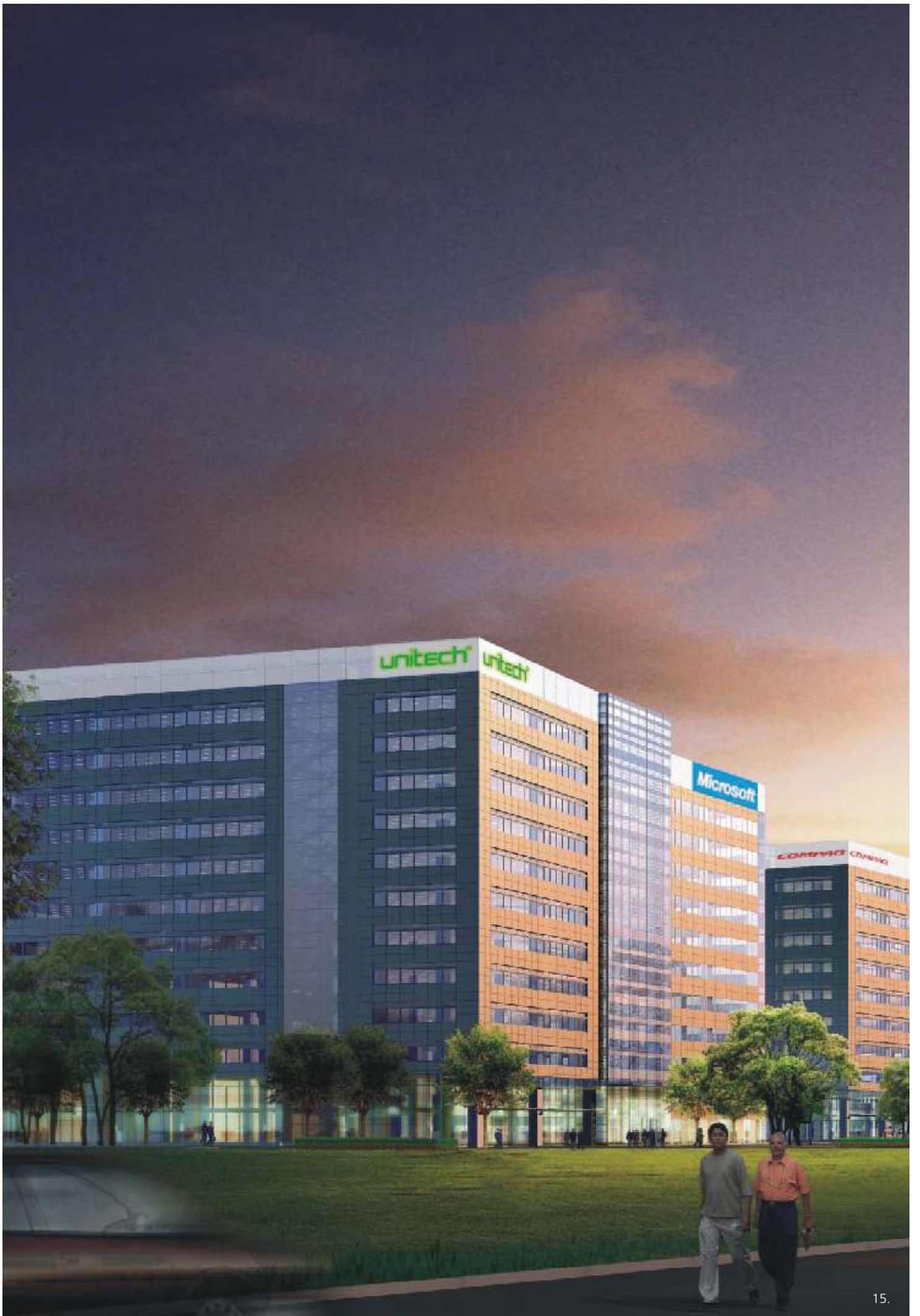
As evidenced by the recent successful IPO of an Indian commercial property portfolio, listed on the Singapore Stock Exchange, we believe that currently there is strong investor appetite for high quality real estate assets as those in your Company's portfolio.

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.

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.

Atul Kapur
Chairman

7 August 2007



Investment Manager's Review

India Macro

The Indian economy is the fourth largest in the world as measured by purchasing power parity (PPP), with a gross domestic product (GDP) of USD 4.04 trillion in 2006. It is also the second fastest growing major economy in the world (after China, which had a GDP growth rate of 10.7% in 2006). India's foreign exchange reserves, which stand in excess of USD 200 billion, reflect the investor's confidence in the economy. As detailed in Goldman Sachs' BRIC Report, India's economy is likely to become the third largest in the world by 2032, ranking just after the United States and China. (Source: JLL, *Economic Survey of India, PricewaterhouseCoopers Global Real Estate Now March 2007*)

Due to its regulated financial environment, under-control inflation, stable political outlook, growing foreign exchange reserves, sustained growth in all sectors of the economy and young demographic profile, the economy is expected to maintain a healthy growth rate during the next few years. As a result of the robust economic fundamentals, India has emerged as an attractive investment destination. Continual liberalization and global liquidity have resulted in significant increases in FDI and FII flows which help support the investments required to fund such high growth.

Within services, offshoring and outsourcing activities by global MNCs are a key driver of this growth. India is now one of the most preferred destinations in terms of skilled and low-cost labor for such offshoring activities. In fact, India topped the AT Kearney Offshore Location Attractiveness index in 2005 by a significant margin, due to its mix of low costs, English language strengths, a well-developed institutional framework, significant depth in human resources and critical mass of existing outsourcing activities. Apart from IT/ITES and BPO services, there has also been rapid growth in offshoring of activities to India in other industries such as banking and financial, health care and hospitality services.

India Real Estate

India has been experiencing increasing real estate activity across all property segments of commercial, retail, residential and hospitality in the past few years. India real estate is expected to grow from USD 12 billion in 2005 to USD 50 billion in 2010. Over USD 15 billion of foreign investment is estimated to have flown in in the year 2006-2007 of which 30% is in real estate. (Source: Industry Experts, JLL Merrill Lynch, ASSOM Study, ENAM Research estimates)

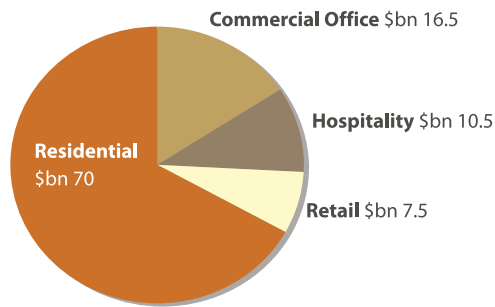
The sector contributes 2% to the country's current GDP, with its share expected to rise to 5% in the medium to long term. As in other countries, the Indian real estate sector has significant linkages with several other sectors of the economy and over 250 associated industries. Typically, every rupee invested in this sector results in 78 paise being added to the GDP. (Source: *Deutsche Bank Report on Unitech Corporate Park, 2 March 07*)

Strong demand for residential housing, township development, commercial/IT Parks and retail malls is more structural. The key drivers to it are existing shortages, demographics, urbanization, growth in nuclear families, easy availability of finance, and rising incomes. Additionally thrust on infrastructure projects across the country has further enhanced the growth potential for real estate assets. (Source: JLL, Merrill Lynch, ASSOM Study)

The growth in the number of households has been faster than the population growth resulting in an increase in the demand-supply gap for housing units. This is largely due to the recent trend of joint families breaking up into nuclear families, driving demand for more residential units. (Source: *Deutsche Bank Report on Unitech Corporate Park, 2 March 2007*)

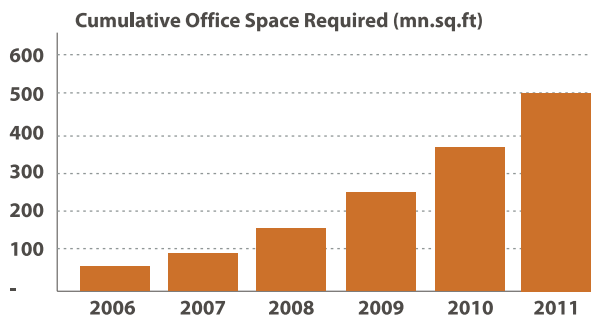
While most developers remain concentrated on the residential segment, players with development plans across residential, commercial and retail assets would offer stronger growth potential. A combination of a develop-sell model for residential and a develop-lease-sell model for some commercial/IT Parks and retail assets will be more appropriate. (Source: *Citigroup Investment Research, 4 May 2007*)

**Projected Investments by segment
(estimated to be USD 104.5 bn over the period
2007-2010)**



(Source: CLSA Asia Pacific Markets, 25 January 2007)

**Total Commercial Demand,
million sq ft, 2006-2011E**



Source: Citigroup Investment Research, 4 May 2007

India Commercial Office Space - IT/ITES Space

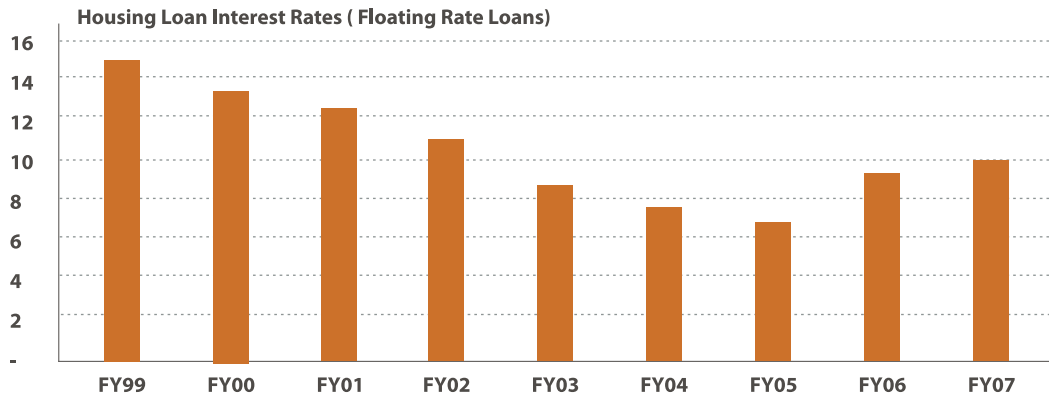
A significant part of India's strong economic growth has been driven by the services segments – domestic, outsourcing and knowledge sources segments. This has created significant demand for large scale high quality office space across geographic markets. Low stock of Grade A buildings in absolute terms and relative terms, the strong demand for IT/ITES services, and the growing domestic economy has triggered this demand. (Source: JLL, Merrill Lynch, Research reports, ASSOM Study)

The Indian IT/ITES industry is among the significant drivers of commercial real estate. With the IT/ITES industry expected to grow at 15-20% CAGR over FY2010-16E, this would translate into potential commercial real estate demand of another 400-700 million sq ft. Add to this the demand from the non-IT/ITES sectors from domestic companies, banks, insurance companies, other financial services firms building out and MNCs targeting the India market; the total potential commercial real estate demand is likely to be ~450-530 million sq ft by FY2011E.

(Source: Citigroup Investment Research, 4 May, 2007)

According to a McKinsey-NASSCOM study, an additional 14 - 16 million people would be required in the IT/ITES space alone, directly or indirectly, which would further create cumulative demand of 150 million sq ft of office space by FY 2010. With limited availability of land and high prices in city centres, demand is shifting to new cities and the outskirts of large towns. Hence, even Tier-II and Tier-III cities are recording significant growth in demand.

Interest Rate movement



Source: HDFC Bank
Housing loan rates have moved up 250bps from their lows in FY05

The direction of interest rates remains critical to the property development cycle. Key risks to demand are spiraling interest rates and high property prices, which have raised some affordability issues in the near term.

Government of India intends to cool real estate asset prices by curtailing funds to developers, imposing service taxes on commercial/retail lease rentals and withdrawing tax benefits on housing projects to developers. It is also proposed to clamp down on

overseas financing via External Commercial Borrowings for real estate developers to contain inflation. Lack of easy access to capital will lower projected Return on Equity.

According to HDFC Chairman Deepak Parekh, interest rates in the Indian economy, including home loan rates, have peaked and he neither expects a hike in interest rates by Reserve Bank of India nor a fall in interest rates in the near future. (Source: *Business Line*, 11 July, 07)

Project Update

SEZ Status: The position regarding the status for approval as SEZ for each joint venture is given below:

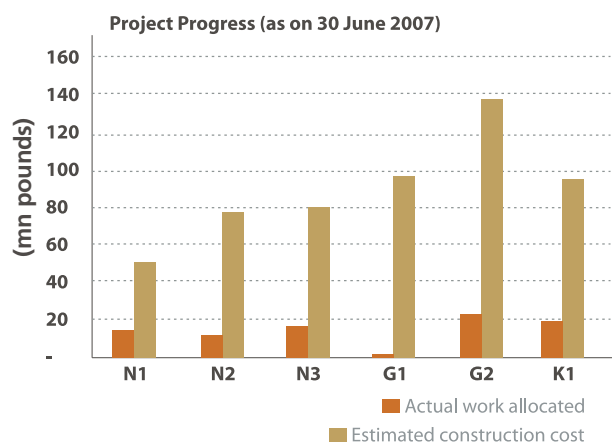
Company Name	Location	Area (in acres)	Status (as on 30 June 2007)
N2 Seaview Developers Ltd.	Sector-135, Noida	29.7	Formal approval received on 21 June 2007. Notification has been applied for and the tax benefit shall accrue after notification.
N3 Unitech Infra-Con Ltd.	TZ-04, Greater Noida	50.0	Formal approval received on 23 May 2007. Notification has been applied for on 8 June 2007 and the tax benefit shall accrue after notification.
G1(ITC) Unitech Realty Projects Ltd.	Village Tikri, Gurgaon	24.7	Formal approval has been granted by the Board of Approvals on 12 July 2007. Formal communication is yet to be received.
G2(IST) Unitech Developers & Projects Ltd.	Village Dundahera, Gurgaon	28.4	Formal approval received on 19 June 2007. Notification to be applied for and the tax benefit shall accrue after notification.
K1 Unitech Hi-Tech Structures Ltd.	Rajahat, Kolkata	45.4	Formal approval received on 23 May 2007. Notification to be applied for and the tax benefit shall accrue after notification.

The development status of each of the projects is as follows:

- Infospace, Dundaheera, Gurgaon (“G2-IST”);** Phase 1 of the project, which is approximately 460,000 sq ft is likely to be handed over for internal fit-out soon. Rental activity for G2-IST is on schedule and ahead of our expectations in terms of rental levels per sq ft. Letters of Intent have been signed with tenants including an international bank, an international consulting firm and a number of Business Process Outsourcing (“BPO”) firms for approximately 460,000 sq ft of commercial space in Phase 1. Another two buildings totalling approximately 1.1 million sq ft of space are expected to be ready for handover for fit-out by early to mid 2008. Further discussions are already taking place with several companies for approximately 500,000 sq ft of this space.
- Infospace, Kolkata (“K1”);** Phase 1 of the project, which is approximately 760,000 sq ft of space is expected to be ready for handing over for internal fit-out by January 2008. Discussions are ongoing with prospective tenants for leasing the aforesaid area. Construction of Phase 2 for approximately 700,000 sq ft has commenced recently. In addition, a Letter of Intent has already been executed with an international BPO firm for approximately 700,000 sq ft of a “built to suit” facility forming Phase 3 of the project. Further negotiations are underway with several companies for approximately 1.2 million sq ft of total space in subsequent phases of the project.
- Infospace, Sector 62, Noida (“N1”);** the foundation work of Phase 1 of this project is almost complete and foundation work for Phase 2 is currently in progress. The Company is holding discussions with a domestic telecommunications company for a potential letting of Phase 1 of the project.

- Infospace, Sector 135, Noida (“N2”);** construction work for this project has commenced and discussions with multinational IT companies for approximately 1 million sq ft of space are underway.
- Pre-construction activities have started at **Infospace, Greater Noida (“N3”)**. The Company is in discussion with a major BPO with regard to a significant letting.
- Infospace, Gurgaon (“G1-ITC”);** preconstruction works have started and discussions with multinational IT companies over potential take-up of approximately 1.1 million sq ft of space are underway.

These 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.



Summary of Valuations

Jones Lang LaSalle (JLL), an independent valuer, valued the joint ventures' properties under construction as at 31 March 2007 at a valuation of £551.0 million compared with a valuation of £481.5 million as at 8 November 2006. The value reported in the financial statements is based on an adjusted valuation of £553.0 million, which is after accounting for actual expenditure incurred versus estimates used in the JLL valuation. The Company's share of the market valuation of the assets as at 31 March 2007 (representing 60% of the joint ventures' total portfolio), including construction costs is £331.8 million. This represents a 14% increase in the market value of the Company's assets from the date of Admission to 31 March 2007.

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 strong investor appetite for high quality real estate assets as those in your Company's portfolio.

Nectrus Limited

Investment Manager

7 August 2007



Directors' Report

The Directors present their report and financial statements for the period from 6 September 2006, the Company's date of incorporation, to 31 March 2007.

Principal activities

Unitech Corporate Parks PLC (the "Company") is an investment company established to invest in the Indian real estate sector. The Company's strategy is to invest in commercial real estate developed specifically for the high growth IT (Information Technology) and ITES (IT Enabled Services) sectors. The Company focuses on investment in Special Economic Zones dedicated to the IT and ITES industries (IT SEZs) or IT Parks which are suitable for foreign direct investment ("FDI"). The Company currently participates as a co-investor alongside the Unitech Group in six investment property development projects. The Unitech Group is the largest listed real estate developer in India by market capitalisation.

Results and dividend

The Group's consolidated financial statements are set out on pages 25 to 40. The Group reported net assets at the balance sheet date of £366,632,527 and in the period to 31 March 2007 loss attributable to the shareholders of £44,305.

The Directors do not propose a dividend in respect of the period ended 31 March 2007.

Directors

The Directors of the Company during the period and to date were:

Atul Kapur (Chairman)

(appointed 4 December 2006)

Aubrey John Adams

(appointed 4 December 2006)

Ajay Chandra

(appointed 13 November 2006)

Mohammad Yousuf Khan

(appointed 4 December 2006)

Donald Lake

(appointed 30 November 2006)

Neal Stuart Aitken

(appointed 6 September 2006;

resigned 4 December 2006)

John Michael Killip

(appointed 6 September 2006;

resigned 4 December 2006)

None of the Directors had any interest in the shares of the Company.

Secretary

The Secretary of the Company during the period and to date was:

Elizabeth Tansell

(appointed 4 December 2006)

Neal Stuart Aitken

(appointed 6 September 2006;

resigned 4 December 2006)

Auditors

KPMG Audit LLC, Isle of Man, chartered accountants were appointed auditors on 6 December 2006.

KPMG Audit LLC, Isle of Man, retire under the provisions of section 12(2) of the Isle of Man Companies Act 1982 and being eligible they offer themselves for re-election at the forthcoming AGM.

By Order of the Board

E. Tansell

Company Secretary

7 August 2007

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year, which meet the requirements of Isle of Man company law. In addition, the Directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards.

The Group and Parent Company financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Parent Company and of the profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Parent Company and to enable them to ensure that the financial statements comply with Isle of Man Companies Acts 1931 to 2004. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

By Order of the Board

E. Tansell
Company Secretary

7 August 2007

Corporate Governance Statement

The Directors recognise the value of the Principles of Good Corporate Governance and Code of Best Practice as set out in the Combined Code and although the Company is not obliged by the listing rules of the Alternative Investment Market of the London Stock Exchange to do so, the Board intends to take appropriate measures to ensure that the Company complies with the Combined Code to the extent appropriate taking into account the size of the Company and the nature of its business.

The Board directs the Company's activities in an effective manner through its regular Board meetings and monitors performance through timely and relevant reporting procedures.

The members of the Board, all of whom are non-executive, meet quarterly.

The Board has established an Audit Committee but does not consider it necessary to establish remuneration and nomination committees. The Board as a whole will review annually the level of Directors' fees. Aubrey Adams is Chairman of the Audit Committee.

Audit Committee

The Audit Committee is a sub-committee of the Board and makes recommendations to the Board which retains the right of final decision. The Audit Committee has primary responsibility for reviewing the financial statements and the accounting policies, principles and practices underlying them, liaising with the external auditors and reviewing the effectiveness of internal controls.

The terms of reference of the Audit Committee cover the following:

- the composition of the Committee, quorum and who else attends meetings;
- appointment and duties of the Chairman;
- duties in relation to external reporting, including reviews of financial statements, shareholder communications and other announcements; and
- duties in relation to the external auditors, including appointment/dismissal, approval of fees, discussion of audit.

Aubrey Adams

Chairman, Audit Committee

7 August 2007

Report of the Independent Auditors, KPMG Audit LLC, to the members of Unitech Corporate Parks PLC

We have audited the Group and Parent Company financial statements ("the financial statements") of Unitech Corporate Parks PLC for the period from 6 September 2006 (date of incorporation) to 31 March 2007 which comprise the Consolidated Income Statement, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statements of Changes in Equity and the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 15 of the Companies Act 1982. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable Isle of Man company law and International Financial Reporting Standards are set out in the Statement of Directors' Responsibilities on page 22.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Isle of Man Companies Acts 1931 to 2004. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company, has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if

information specified by law regarding the Directors' transactions with the Company is not disclosed.

We read the Directors' Report and any other information accompanying the financial statements and consider the implications for our report if we become aware of any apparent misstatements or inconsistencies within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the UK Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the Group's and Parent Company's affairs as at 31 March 2007 and of the Group's loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Isle of Man Companies Acts 1931 to 2004; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit LLC
Chartered Accountants

Douglas Isle of Man

7 August 2007

Consolidated Income Statement

for the period from 6 September 2006 to 31 March 2007

	Note	£
Income		
Interest income		2,703,121
		2,703,121
Expenditure		
Management fee	4	1,407,976
Administration and accounting fees		44,974
Directors' fees		63,309
Audit fees		25,376
Other operating expenses		138,131
		1,679,766
Operating profit for the period		1,023,355
Finance costs		(742,024)
Profit for the period before taxation		281,331
Taxation	10	(325,636)
Net loss for the period after tax and carried forward		(44,305)
Loss per share	12	(0.01)p

The notes on pages 29 to 40 form an integral part of these financial statements.



Consolidated and Company Balance Sheets

as at 31 March 2007

	Note	Group £	Company £
Assets			
Non - current assets			
Investment in subsidiary	15	-	317,000,000
Property, plant and equipment	7	331,817,304	-
Intangible assets - goodwill	8	34,633,986	-
Deferred tax asset	10	43,863	-
		366,495,153	317,000,000
Current assets			
Trade and other receivables		3,463,831	106,685
Cash at bank and brokers		110,210,552	30,067,380
		113,674,383	30,174,065
Total assets		480,169,536	347,174,065
Financed by: Equity and liabilities			
Capital and reserves			
Share capital	11	3,600,000	3,600,000
Share premium	11	342,918,991	342,918,991
Translation reserve	11	4,478,399	-
Revaluation reserve	11	15,679,442	-
Retained (loss)/profit		(44,305)	272,455
		366,632,527	346,791,446
Non-current liabilities			
Finance lease liability	13	4,710,494	-
Performance fee provision	4	1,575,000	-
Deferred tax	10	100,413,908	-
		106,699,402	
Current liabilities			
Finance lease liability	13	892,706	-
Trade and other payables		5,575,402	382,619
Income tax liabilities	10	369,499	-
		6,837,607	382,619
Total liabilities		113,537,009	382,619
Total equity and liabilities		480,169,536	347,174,065

These financial statements were approved by the Board of Directors on 7 August 2007 and signed on their behalf by:
Aubrey Adams, Director and Donald Lake, Director

The notes on pages 29 to 40 form an integral part of these financial statements.

Consolidated and Company Statements of Changes in Equity

for the period from 6 September 2006 to 31 March 2007

	Share capital	Share premium	Translation Reserve	Revaluation reserve	Retained earnings	Total
	£	£	£	£	£	£
Group						
Issue of shares	3,600,000	356,399,802	-	-	-	359,999,802
Costs incurred in the issue of shares	-	(13,480,811)	-	-	-	(13,480,811)
Currency translation differences on consolidation of subsidiaries and joint ventures	-	-	4,478,399	-	-	4,478,399
Gain on revaluation of investment property under construction	-	-	-	25,979,780	-	25,979,780
Deferred tax arising from revaluation of investment property under construction	-	-	-	(8,725,338)	-	(8,725,338)
Performance fee provision	-	-	-	(1,575,000)	-	(1,575,000)
Loss for the period	-	-	-	-	(44,305)	(44,305)
Balance at 31 March 2007	3,600,000	342,918,991	4,478,399	15,679,442	(44,305)	366,632,527
Company						
Issue of shares	3,600,000	356,399,802	-	-	-	359,999,802
Costs incurred in the issue of shares	-	(13,480,811)	-	-	-	(13,480,811)
Profit for the period	-	-	-	-	272,455	272,455
Balance at 31 March 2007	3,600,000	342,918,991	-	-	272,455	346,791,446

The notes on pages 29 to 40 form an integral part of these financial statements.

Consolidated Cash Flow Statement

for the period from 6 September 2006 to 31 March 2007

	Group £
Cash flows from operating activities	
Profit for the period before tax	281,331
Adjustment for:	
Depreciation	291
Interest receivable	(2,703,121)
Operating loss before working capital changes	(2,421,499)
Decrease in trade and other receivables	2,927,847
Increase in trade and other payables	38,860
Net cash flow from operating activities	545,208
Cash flows from investing activities	
Acquisition of interests in joint ventures, net of cash acquired	(226,421,910)
Acquisition of property, plant and equipment	(14,658,169)
Interest received	2,638,418
Net cash outflow from investing activities	(238,441,661)
Cash flows from financing activities	
Proceeds from issuance of share capital	359,999,802
Share issue expenses paid	(13,208,861)
Cash inflow from financing activities	346,790,941
Net increase in cash and cash equivalents	108,894,488
Cash and cash equivalents at beginning of period	-
Exchange difference on cash and cash equivalents	1,316,064
Cash and cash equivalents at end of period	110,210,552

The notes on pages 29 to 40 form an integral part of these financial statements.



Notes to the Consolidated Financial Statements

for the period from
6 September 2006 to 31 March 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 Company invests in the Indian real estate sector. The Company's strategy is to invest in commercial real estate developed specifically for the high growth IT (Information Technology) and ITES (IT Enabled Services) sectors. The Company intends to focus on investment in Special Economic Zones dedicated to the IT and ITES industries (IT SEZs) or IT Parks which are suitable for foreign direct investment (FDI).

The Company does not have any employees.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ('IFRS') and the Isle of Man Companies Acts 1931-2004.

In accordance with the provisions of Section 3 of the Isle of Man Companies Act 1982, no separate income statement has been presented for the Company.

2.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except that investment property under construction is measured at fair value.

2.3 Functional and presentation currency

These consolidated financial statements are presented in British pounds, which is the Company's functional currency.

2.4 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.

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 6: Determination of Fair Value and Note 4: Management Fees.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below:

3.1 Basis of consolidation

(a) Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(b) Joint Ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Joint ventures are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.

(c) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Foreign currency

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on translation are recognised in the income statement.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to British pounds at exchange rates at the reporting date. The income and expenses of foreign operations are translated to British pounds at exchange rates at the dates of the transactions. Exchange differences arising on translation of foreign operations are taken to the translation reserve. On disposal of a foreign operation, in part or in full, the relevant amount in the translation reserve is transferred to profit or loss reserve.

3.3 Property, plant and equipment

(a) Investment property under construction

Investment property under construction is measured initially at its cost, including related transaction costs. After initial recognition, investment property under construction is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties has been carried out by Jones Lang LaSalle (independent professionally qualified valuers) as of 31 March 2007. Gains and losses arising from the revaluation of investment properties under construction are taken to equity.

(b) Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement in the financial period in which they are incurred.

(c) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Investment property under construction is not depreciated.

The estimated useful lives are as follows:

Plant and machinery	14 years
Fixtures and fittings	16 years

3.4 Intangible assets - goodwill

Goodwill represents the difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary or joint venture at the effective date of acquisition. Goodwill on acquisition of subsidiaries and joint ventures is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment.

The gain or loss on disposal of subsidiaries and joint ventures is calculated by reference to the Group's share of net assets at the date of disposal including the attributable amount of any goodwill remaining.

3.5 Finance leases

Lease of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments, comprising of lease premium and annual lease rentals and stamp duty, if any, forms part of the initial cost of the property interest. Each lease payment is allocated between the liability and finance charges, where applicable, so as to achieve a constant rate on the final balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Investment properties under construction acquired under finance leases are carried at their fair value.

3.6 Interest income

Interest income comprises bank interest earned on uninvested funds and is recognised on an accruals basis.

3.7 Expenses

Expenses are accounted for on an accruals basis.

3.8 Finance costs

Finance costs comprise interest expense on lease payments.

3.9 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary timing differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary timing differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.10 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.11 Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.12 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group invests in a single geographic region and has a single business segment.

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 of 20 per cent across all projects.

5. Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed below.

5.2 Market risk

(i) *Risks relating to real estate and investment property development in India*

Political, economic and social factors, changes in Indian law or regulations and the status of India's relations with other countries may adversely affect the value of the Company's assets.

The performance of the Group is dependent on the state of the Indian property market and its ability to acquire interest in development projects, develop the projects, lease the developments at attractive rentals and/or sell the developments. The market value and rental rates for properties is generally affected by overall conditions in the economy, such as growth in and absolute levels of GDP, employment trends, inflation and changes in interest rates. Market value can also be affected by regional or local conditions and the Group's current development projects are mainly concentrated in the National Capital Region.

The Group focuses on development of real estate for the IT and ITES industries which are dependent on the continued popularity of business process outsourcing, principally by businesses located in Western Europe and North America. Competitive pressure from other countries providing similar services, reduction or removal of tax incentives and changes in government policy with regard to foreign direct investment may impact the results of the Company adversely.

The construction work at all of the Group's development projects is performed by third party contractors and the Group is reliant on such contractors performing these services in accordance with the relevant construction contracts. If the contractors fail to perform their obligations in a manner consistent with their contracts, the development projects may not be completed as and when envisaged, which may lead to unexpected costs. The Group has entered into a Project Management Agreement with Unitech Limited, its co-investor and India's largest listed property developer (by market capitalisation), under which Unitech Limited is engaged to provide property management services in respect of each of the investment properties under construction.

The Group is exposed to fluctuations in the prices of raw materials and components used in its construction projects. These commodities include steel, cement and timber. The costs of components and various small parts sourced from outside manufacturers may also fluctuate based on their availability from suppliers. Notwithstanding the Group's intention to protect itself against any increases in such costs by entering into fixed price construction contracts, nonetheless, the Group has a residual exposure to any such increases.

(ii) Foreign currency risk

The Company's principal operating currency will be Pounds but substantially all of its income and expenditure are expected to be denominated in currencies other than Pounds, primarily the Rupee. All monies returned to shareholders and the reported net asset value of the Company will be denominated in Pounds. Consequently, the Company's performance will be subject to the effect of exchange rate fluctuations with respect to the currencies in which its income and expenditure are denominated. Where feasible and, as appropriate the Company intends to finance assets using local currency denominated financing.

The Group's currency exposure as at 31 March 2007 was as follows:

	£
British Pounds	30,809,060
Indian Rupees	335 823 647
Net Assets	366,632,527

(iii) Interest rate risk

The Group holds financial assets and liabilities that are interest bearing; as a result the Group is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The effective rate of interest on the Group's finance lease liabilities is 10% per annum.

5.3 Credit risk

The Group has no significant concentrations of credit risk.

5.4 Liquidity risk

The Company has retained approximately £30 million in cash in order to meet the future management fees and operating expenses of the Group.

6. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

6.1 Investment properties under construction

The best evidence of fair value is current prices in an active market for similar lease and other contracts. The Company has appointed Jones Lang LaSalle (an international firm of valuers) as its valuers for the purpose of determining the fair value of investment properties under construction. The valuation is undertaken twice early at 31 March and 30 September.

6.2 Assets and liabilities on acquisition of subsidiaries and joint ventures

The fair value of assets and liabilities acquired as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after

proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The market value of items of plant, equipment, fixtures and fittings is based on quoted market prices for similar items.

7. Property, plant and equipment

	Investment properties under construction at valuation £	Plant and machinery £	Fixtures and fittings £	Total £
Value, cost or deemed cost				
Balance at 6 September 2006	-	-	-	-
Acquisition through business combinations	286,438,069	8,438	618	286,447,125
Additions	14,549,497	108,357	315	14,658,169
Revaluation of investment properties under construction	25,979,780	-	-	25,979,780
Effect of movements in exchange rates	4,732,441	70	10	4,732,521
Balance at 31 March 2007	331,699,787	116,865	943	331,817,595
Depreciation				
Balance at 6 September 2006	-	-	-	-
Depreciation for the period	-	273	18	291
Balance at 31 March 2007	-	273	18	291
Carrying amounts				
At 6 September 2006	-	-	-	-
At 31 March 2007	331,699,787	116,592	925	331,817,304

The net book value, at cost, of investment properties under construction was £300,987,566 at the reporting date.

Investment properties under construction were valued at market value in accordance with the RICS Appraisal and Valuation Standards by Jones Lang LaSalle at 31 March 2007.

With the exception of the site being developed by Unitech Developers and Projects Limited ("UDPL") all

land is held freehold or under long leaseholds. The site being developed by UDPL is owned by Gurgaon InfoSpace Limited ("GIL"). Under the terms of a Joint Development Agreement GIL has granted development rights over the site to UDPL. In consideration for development of the project at Gurgaon, UDPL is entitled to receive 72 per cent of the gross proceeds arising from the sale or lease of the developed areas. UDPL has agreed to incur all construction and fit-out costs in respect of the development.

8. Intangible assets - goodwill

Cost	£
Balance at 6 September 2006	-
Arising on acquisition of interests in joint ventures	34,633,986
Balance at 31 March 2007	34,633,986

There was no impairment of goodwill as at the reporting date.

9. Acquisition of interests in joint ventures

The fair value of assets and liabilities acquired on acquisition of interests in joint ventures during the period was as follows:

	Net book value £	Adjustments £	Fair value £
Property, plant and equipment	12,899,568	273,547,557	286,447,125
Deferred tax liability	-	(90,157,663)	(90,157,663)
Cash and cash equivalents	88,353,009	-	88,353,009
Other assets less liabilities	(4,501,538)	-	(4,501,538)
Net identifiable assets and liabilities	96,751,039	183,389,894	280,140,933
Goodwill on acquisition of joint ventures			34,633,986
Consideration paid, satisfied in cash			314,774,919
Cash acquired			(88,353,009)
Net cash outflow			226,421,910

10. Taxation

A standard zero per cent rate of income tax applies for Isle of Man companies (except in relation to profits arising from banking, or from land and property in the Isle of Man). The Company is required to pay an annual corporate charge, currently £250.

The Mauritius subsidiaries are subject to taxation at 15 per cent on dividends received from the joint venture companies however a foreign tax credit will be available reducing the tax rate to 3 per cent. The Mauritius subsidiaries are not expected to have any liability to capital gains tax.

The joint venture companies are subject to corporate taxation in India at the rate of 33.66 per cent on their net income and short term gains.

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

Income tax expense in the income statement:

	£
Current tax in joint ventures	369,499
Deferred tax arising on operating losses	(43,863)
	325,636

Deferred tax assets and liabilities as at 31 March 2007

	£
Deferred tax assets	
Arising on net operating losses in subsidiary companies	43,863
Deferred tax liabilities	
Arising on revaluation of investment properties under construction	(100,413,908)

11. Share capital and reserves

11.1 Share capital

Shares of par value £0.01 each	Number	£
Authorised	500,000,000	5,000,000
Issued	360,000,000	3,600,000

The Company was incorporated on 6 September 2006 with an authorised share capital of £2,000 comprising 2,000 ordinary shares of £1.00 each, of which two shares were issued. On 14 December 2006 the share capital of the Company was sub-divided into 200,000 shares of £0.01 each and the authorised share capital increased to £50,000, comprising 500,000,000 shares of £0.01 each. On 20 December 2006 the Company was admitted to AIM and, by way of a private placing, a further 359,999,800 ordinary shares of par value £0.01 each were issued at a price of £1.00 each.

11.2 Share premium

Costs totalling £13,480,811 associated with the placement of shares have been charged against share premium received on the issue of the shares.

11.3 Translation reserve

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

11.4 Revaluation reserve

The revaluation reserve comprises gains arising on the revaluation of investment properties under construction to their fair value at the reporting date, net of related deferred tax and a provision for performance fees.

12. Loss per share

The calculation of loss per share at 31 March 2007 of 0.01p is based on the net loss attributable to ordinary shareholders of £44,305 and a weighted average number of ordinary shares outstanding of 360,000,000.

The Company has no dilutive potential ordinary shares; the dilutive earnings per share is the same as the basic earnings per share.

The Company's modified earnings per share after including net gains of £15,679,442 for the period which have been taken directly to revaluation reserves was 4.3p.

13. Finance lease liabilities

Finance lease liabilities are payable as follows:

	£
Less than one year	892,706
Between one and five years	3,122,446
More than five years	1,588,048
	5,603,200

The New Okhla Industrial Development Area (Noida) authority has 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 has 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 has 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.

14. 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.

Nectrus Limited, the Investment Manager to the Company, is an affiliate of the Unitech Group, the Company's co-investor in the investment properties under construction. It receives a management fee and performance fee from the Group as detailed in Note 4.

Unitech Limited, the Company's co-investor, acts as Property Manager for the investment properties under construction and receives fees from the joint ventures.

15. Group entities

15.1 Subsidiaries

	Country of incorporation	Class of shares	Percentage holding
Candor Investments Limited	Mauritius	Ordinary	100%
Acacia Properties Inc.	Mauritius	Ordinary	100%
Dotterel Estates Limited	Mauritius	Ordinary	100%
Gladiolys Realty Inc.	Mauritius	Ordinary	100%
Myna Holdings Limited	Mauritius	Ordinary	100%
Sparrow Properties Limited	Mauritius	Ordinary	100%
Tulipa Investments Inc.	Mauritius	Ordinary	100%

On 16 November 2006 the Company acquired the entire share capital of Candor Investments Limited for a consideration of US\$1. Prior to its acquisition by the Company, Candor Investments Limited had not traded.

On 28 November 2006 Candor Investments Limited acquired the entire share capital of the six underlying subsidiaries at par for a consideration of US\$1 each. Prior to their acquisition by Candor Investments Limited none of the underlying subsidiaries had traded.

On 10 January 2007 Acacia Properties Inc. acquired a 60% interest in the ordinary share capital and a 100% interest in the preference share capital of Shantiniketan Properties Limited for a consideration of INR 2,630 million.

On 10 January 2007 Dotterel Estates Limited acquired a 60% interest in the ordinary share capital of Seaview Developers Limited for a consideration of INR 4,526 million.

On 29 January 2007 Tulipa Investments Inc. acquired a 60% interest in the ordinary share capital of Unitech Realty Projects Limited for a consideration of INR 6,268 million.

On 11 January 2007 Gladiolys Realty Inc. acquired a 60% interest in the ordinary share capital of Unitech Developers and Projects Limited for a consideration of INR 5,709 million.

On 23 January 2007 Myna Holdings Limited acquired a 60% interest in the ordinary share capital of Unitech Hi-Tech Structures Limited for a consideration of INR 5,167 million.

On 10 January 2007 Sparrow Properties Limited acquired a 60% interest in the ordinary share capital of Unitech Infra-Con Limited for a consideration of INR 2,973 million.

15.2 Joint ventures

The following companies have been proportionately consolidated as joint ventures.

	Country of incorporation	Class of shares	Percentage holding
Shantiniketan Properties Limited	India	Ordinary	60%
Shantiniketan Properties Limited	India	Preference	100%
Seaview Developers Limited	India	Ordinary	60%
Unitech Developers and Projects Limited	India	Ordinary	60%
Unitech Hi-Tech Structures Limited	India	Ordinary	60%
Unitech Infra-Con Limited	India	Ordinary	60%
Unitech Realty Projects Limited	India	Ordinary	60%

The following amounts representing the Group's 60% share of the post-acquisition income and expenses of the joint ventures are included within the income statement.

	£
Income	
Interest income	1,520,266
	<u>1,520,266</u>
Expenses	
Other operating expenses	24,154
	<u>24,154</u>
Net income	1,496,122
Finance costs	(742,024)
Taxation	(369,499)
Net income for the period after taxation	<u>384,589</u>

The following amounts representing the Group's 60% share of the assets and liabilities of the joint ventures at the reporting date are included within the balance sheet.

	£
Assets	
Non-current assets	
Property, plant and equipment	331,817,304
	<u>331,817,304</u>
Current assets	
Trade and other receivables	3,357,146
Cash at bank	77,233,646
	<u>80,590,792</u>
Total assets	<u>412,408,096</u>
Liabilities	
Non-current liabilities	
Finance lease liability	4,710,494
Deferred tax	100,413,908
	<u>105,124,402</u>
Current liabilities	
Trade and other payables	3,761,681
Income tax liability	369,499
Finance lease liability	892,706
	<u>5,023,886</u>
Total liabilities	<u>110,148,288</u>
Net assets	<u>302,259,808</u>

16. Commitments

The Group's share of capital commitments in respect of capital expenditure contracted for by the joint ventures as at 31 March 2007 was £32,422,940.

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