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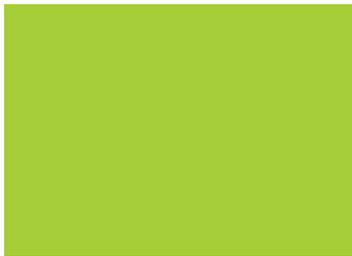
AIM Admission Document

Joint Global Co-ordinators and Bookrunners

Deutsche Bank 
Nominated Adviser

Morgan Stanley

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should immediately consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.

This document is an AIM Admission Document which has been drawn up in accordance with the AIM Rules. No offer of securities to the public (for the purposes of section 102B of the FSMA) is being made in connection with the Placing. This document does not constitute a prospectus pursuant to the Prospectus Directive, but has been drawn up in accordance with the requirements of the Prospectus Directive, in so far as required by the AIM Rules. This document has not been, and will not be approved by the Financial Services Authority of the United Kingdom.

This document is issued in connection with a "private placement" within the meaning of the Isle of Man Companies (Private Placements) (Prospectus Exemptions) Regulations 2000 and, accordingly, is exempt from the provisions of the IOM Acts relating to the content of prospectuses and other technical rules relating to prospectuses. This document and the Placing have not been approved by the Isle of Man Financial Supervision Commission or any other governmental or regulatory authority in or of the Isle of Man.

Application has been made for the Ordinary Shares, both issued and to be issued pursuant to the Placing, to be admitted to trading on AIM. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any such exchange.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Further it is emphasised that no application is being made for the admission of the Ordinary Shares to the Official List. Neither the London Stock Exchange nor the United Kingdom Listing Authority has examined or approved the contents of this document.

The AIM Rules are less demanding than those of the Official List. Prospective investors should read the whole text of this document and should be aware that an investment in the Company is speculative and involves a higher than normal degree of risk. The attention of prospective investors is drawn in particular to the section entitled "Risk Factors" set out in Part 1 of this document. All statements regarding the Company's business should be viewed in light of these risk factors.

It is expected that Admission will become effective and unconditional dealings in the Shares will commence on AIM on 20 December 2006. Conditional dealings in the Shares before Admission are expected to commence on AIM on 15 December 2006 and will only be settled if Admission takes place. **All dealings before commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned.**



(a company incorporated in the Isle of Man and registered with number 117626C)

**Placing of 359,999,800 Ordinary Shares of one penny each at 100 pence per share
and
Admission to trading on AIM**

*Joint Global Co-ordinator, Joint Bookrunner,
Nominated Adviser and Broker*

Deutsche Bank AG

*Joint Global Co-ordinator
and
Joint Bookrunner*

Morgan Stanley

Share Capital

(immediately following the Placing and on Admission and assuming no exercise of the Over-allotment Option)

Authorised		Ordinary Shares	Issued and fully paid	
Amount	Number		Amount	Number
£5,000,000	500,000,000	Of one penny each	£3,600,000	360,000,000

The Company, whose registered office appears on page 2 of this document and the Directors of the Company, whose names appear on page 2 of this document, each accepts responsibility for the information contained in this document including responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. In respect of the information contained in Part 5 of this document, the Company and the Directors each take responsibility for the accurate reproduction of the information contained therein.

The Placing Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all respects with all other Ordinary Shares which will be in issue on completion of the Placing. The Placing is conditional upon, *inter alia*, Admission taking place on or before 20 December 2006 (or such later date as the Company, Deutsche Bank AG, London Branch (“Deutsche Bank”) and Morgan Stanley & Co. International Limited (“Morgan Stanley”) may agree). Prospective investors should consult their professional advisers on potential tax consequences of subscribing for, purchasing, holding, converting or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold within the United States except to Qualified Institutional Buyers (“QIBs”) in accordance with Rule 144A under the Securities Act or outside the United States in accordance with Regulation S of the Securities Act. Prospective purchasers that are QIBs are hereby notified that the seller of Ordinary Shares may be relying upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of Ordinary Shares, including restrictions related to the US Employee Retirement Income Security Act of 1974 (“ERISA”), see Part 9 of this document.

Deutsche Bank and Morgan Stanley are each acting exclusively for the Company and no-one else in connection with the Placing and Admission. Deutsche Bank and Morgan Stanley will not be responsible for providing the protections afforded to customers of Deutsche Bank or Morgan Stanley, as the case may be, nor for providing advice in connection with the Placing and Admission. Deutsche Bank’s responsibilities as the Company’s nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. Neither Deutsche Bank nor Morgan Stanley is making any representation or warranty, express or implied, as to the contents of this document.

In connection with the Placing, Deutsche Bank, as stabilising manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot and effect other transactions with a view to supporting the market price of the Ordinary Shares at a level higher than that which might otherwise prevail in the open market. Deutsche Bank is not required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market or otherwise. Such stabilising measures, if commenced, may be discontinued at any time without prior notice and may only be taken during the period from 15 December 2006 up to 14 January 2007. In no event will measures be taken to stabilise the market price of the Ordinary Shares above the Placing Price. Save as required by law or regulation, neither Deutsche Bank nor any of its agents intends to disclose the extent of any over-allotments and/or stabilisation transactions under the Placing.

In connection with the Placing, Deutsche Bank as stabilising manager may, for stabilisation purposes over-allot Ordinary Shares up to a maximum of 20 per cent. of the total number of Ordinary Shares comprised in the Placing. The Company has granted to Deutsche Bank, an Over-allotment Option pursuant to which Deutsche Bank may require the Company to issue additional Ordinary Shares at the Placing Price to cover over-allotments, if any, made in connection with the Placing and to cover any short positions resulting from such over-allotments and/or from sales of Ordinary Shares effected by it during the stabilising period. The number of Ordinary Shares subject to the Over-allotment Option is, in aggregate, equal to approximately 15 per cent. of the total number of Placing Shares to be issued in the Placing (before any exercise of the Over-allotment Option). The Over-allotment Option may be exercised from the date of commencement of conditional trading for a period of 30 calendar days thereafter.

Deutsche Bank has been appointed as nominated adviser and broker to the Company. In accordance with the AIM Rules, Deutsche Bank has confirmed to the London Stock Exchange that it has satisfied itself that the Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and the Rules of the London Stock Exchange and that, to the best of its knowledge and belief having made due and careful enquiry, all relevant requirements of the AIM Rules have been complied with and Deutsche Bank is satisfied that the Company and the Placing Shares are appropriate to be admitted to AIM. Without limiting the statutory rights of any person to whom this document is issued, no liability whatsoever is accepted by Deutsche Bank or Morgan Stanley for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which the Company and its Directors are solely responsible.

In making any investment decision in respect of the Placing, no information or representation should be relied upon in relation to the Placing, the Company, any of its subsidiaries or investments or the Placing Shares,

other than as contained in this document. No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised.

In connection with the Placing, Deutsche Bank and Morgan Stanley and any affiliates acting as an investor for their own account may take up the Placing Shares and in that capacity may retain, purchase or sell for their own account such securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, reference in this document to the Placing Shares being offered or placed should be read as including any offering or placement of securities to Deutsche Bank and Morgan Stanley and any affiliate acting in such capacity. Neither Deutsche Bank nor Morgan Stanley intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

NOTICE IN CONNECTION WITH THE UNITED STATES OF AMERICA, CANADA AND JAPAN

This document is not, save in certain limited circumstances pursuant to applicable private placement exemptions, for distribution in or into the United States, Canada or Japan. The Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S and to persons within the United States reasonably believed to be Qualified Institutional Buyers pursuant to the exemption from registration provided by Rule 144A.

No purchase, sale or transfer of any Ordinary Shares may be made by any “Plan” (as defined below) or any person investing “plan assets” that could result in assets of the Company constituting “Plan assets” within the meaning of ERISA, that are subject to Title I of ERISA or Section 4975 of the Internal Revenue Code of 1986 (the “Code”). Accordingly, investors using assets of retirement plans or benefit plans that are subject to ERISA or Section 4975 of the Code or of an entity whose assets are deemed to be Plan assets by reason of US Department of Labor Regulation 29 C.F.R. 2510.3-101, as modified by Section 3(42) of ERISA (including, as applicable, assets of an insurance company general account), will not be permitted to acquire the Ordinary Shares, and any such investor will be required to represent or will, by its acquisition or holding of an Ordinary Share be deemed to have represented, that it is not a “benefit plan investor” within the meaning of ERISA that is using assets of a Plan or other entity that is subject to ERISA or Section 4975 of the Internal Revenue Code. Any purported purchase or transfer of an Ordinary Share that would cause the Company’s assets to be deemed to be “Plan assets” under ERISA that are subject to Title I of ERISA or Section 4975 of the Code, or otherwise does not comply with the foregoing, is subject to restrictions as provided in the Company’s Articles of Association and this document. See “Certain ERISA Considerations” in section 9.3.2. of Part 10 of this document.

The Ordinary Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed on or endorsed the merits of the Placing or the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

The Ordinary Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under applicable US federal securities laws and as permitted as set forth in Part 10 of this document. Hedging transactions in the United States involving the Ordinary Shares may not be conducted unless in compliance with the Securities Act. Prospective investors should understand that they may be required to bear the financial risks of their investment for an indefinite period of time.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“RSA 421-B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE

SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any Ordinary Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act it will, during any period in which it is neither subject to Section 13 or 15(d) under the US Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such Ordinary Shares or to any prospective purchaser of such Ordinary Shares designated by such holder or beneficial owner, on the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

NOTICE TO PROSPECTIVE INVESTORS IN THE ISLE OF MAN

This document has not been registered or filed as a prospectus with any governmental or other authority in the Isle of Man and this document and the issue of the Placing Shares have not been approved or passed upon by the Isle of Man Financial Supervision Commission or any other governmental or regulatory authority in or of the Isle of Man. This document may only be issued by or on behalf of the Company, or by or on behalf of any person who is or has been engaged or interested in the formation of the Company, to persons falling within the ambit of the Isle of Man Companies (Private Placements) (Prospectus Exemptions) Regulations 2000, including (without limitation) persons whose ordinary activities involve them in acquiring, holding, managing or disposing of shares or debentures (as principal or agent) for the purposes of their businesses.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This document is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (“qualified investors”) that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). This document and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

The Ordinary Shares may not be offered or sold in Hong Kong, by means of any document other than (i) to “professional investors” as defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”) and any rules made under that ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance, Chapter 32 of the Laws of Hong Kong or which do not constitute an offer to the public within the meaning of that ordinance. No advertisement, invitation or document relating to the Ordinary Shares may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Ordinary Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that ordinance.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED ARAB EMIRATES (EXCLUDING THE DUBAI INTERNATIONAL FINANCIAL CENTRE)

The Ordinary Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (“UAE”) other than in compliance with the laws of the UAE. Prospective investors in the Dubai International Financial Centre should have regard to the specific notice to prospective investors in the Dubai International Financial Centre set out below. The information contained in this document does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the UAE, as amended) or otherwise and is not intended to be a public offer. This document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and

Commodities Authority or the Dubai Financial Services Authority. If you do not understand the contents of this document you should consult an authorised financial adviser. This document is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

NOTICE TO PROSPECTIVE INVESTORS IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE

This statement relates to an “exempt offer” in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This statement is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorised financial adviser. For the avoidance of doubt, the Ordinary Shares are not interests in a “fund” or “collective investment scheme” within the meaning of either the Collective Investment Law (DIFC Law No. 1 of 2006) or the Collective Investment Rules Module of the Dubai Financial Services Authority Rulebook.

NOTICE TO PROSPECTIVE INVESTORS IN INDIA

This document is for information purposes only and does not constitute an offer or invitation for any investment or subscription for shares in India. Any person who is in possession of this document is hereby notified that no action has been or will be taken that would allow an offering of Ordinary Shares in India and neither this document nor any offering material relating to the Ordinary Shares has been submitted to the Registrar of Companies or the Securities and Exchange Board of India for prior review or approval. Further, no prospectus filing has been made with the Registrar of Companies, India. Accordingly, the Ordinary Shares may not be offered, sold, transferred or delivered and neither this document nor any offering material relating to the Ordinary Shares may be distributed or made available (in whole or in part) in India, directly or indirectly in connection with any offer or invitation for any investment or subscription for the Ordinary Shares in India.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a “relevant member state”) an offer to the public of the Ordinary Shares may not be made in that relevant member state, except that an offer to the public in that relevant member state of any Ordinary Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that relevant member state:

- (a) to legal entities that are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- (b) to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43 million and (3) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company or any Joint Global Co-ordinator of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each subscriber for or purchaser of Ordinary Shares described in this document located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive. For the purposes of this provision, the expression an “offer to the public” in relation to any Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing and the Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented,

warranted to and agreed with the Joint Global Co-ordinators and the Company that (i) the Ordinary Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant member state other than qualified investors, or in circumstances in which the prior consent of the Joint Global Co-ordinators has been obtained to each such proposed offer or resale, or (ii) where Ordinary Shares have been acquired by it or on behalf of persons in any relevant member state other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons. The Company and the Joint Global Co-ordinators and each of their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, warranty and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified either Joint Global Co-ordinator of such fact in writing may, with the consent of such Joint Global Co-ordinator, be permitted to subscribe for or purchase Ordinary Shares.

NOTICE TO PROSPECTIVE INVESTORS IN SINGAPORE

This document has not been, and will not be, lodged or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, no Ordinary Shares shall be offered for sale or sold or made the subject of an invitation for subscription or purchase, nor shall this document or any other offering document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Ordinary Shares, whether directly or indirectly, be circulated or distributed to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act of Singapore (the “SFA”), (ii) to a relevant person (as defined in Section 275(2)), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Each Joint Global Co-ordinator hereby notifies each of the following relevant persons specified in Section 275 of the SFA who subscribes or purchases the Ordinary Shares from or through itself, namely a person which is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

that shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Ordinary Shares under Section 275 except:

- (i) to an institutional investor under Section 274, or to a relevant person, or to any person pursuant to an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;
- (ii) where no consideration is given for the transfer; or
- (iii) by operation of law.

Furthermore, no advertisement is being made offering or calling attention to an offer or intended offer of the Ordinary Shares.

NOTICE TO PROSPECTIVE INVESTORS IN ITALY

The offering of the Ordinary Shares has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”), in accordance with Italian securities legislation. Accordingly, the Ordinary Shares may not be offered, sold or delivered, and copies of this document or any other document relating to the Ordinary Shares may not be distributed in Italy except to Professional Investors, as defined in Art. 31.2 of CONSOB Regulation no. 11522 of 1 July 1998, as amended, pursuant to Art. 30.2 and Art. 100 of Legislative Decree no. 58 of 24 February 1998 (the “Finance Law”) or in any other circumstance where an express exemption to comply with the solicitation restrictions provided by the Finance Law or CONSOB Regulation no. 11971 of 14 May 1999, as amended (the “Issuers Regulation”) applies, including those provided for under Art. 100 of the Finance Law and Art. 33 of the Issuers Regulation, and provided, however, that any such offer, sale, or delivery of the Ordinary Shares or distribution of copies of this document or any other document relating to the Ordinary Shares in Italy must (i) be made in accordance with all applicable Italian laws and regulations, (ii) be conducted in accordance with any relevant limitations or procedural requirements the Bank of Italy or CONSOB may impose

upon the offer or sale of the securities, and (iii) be made only by (a) banks, investment firms or financial companies enrolled in the special register provided for in Article 107 of the Legislative Decree no. 385 of 1 September 1993, as amended (the “Banking Law Consolidated Act”), to the extent duly authorised to engage in the placement and/or underwriting of financial instruments in Italy in accordance with the Finance Law and the relevant implementing regulations; or by (b) foreign banks or financial institutions (the controlling shareholding of which is owned by one or more banks located in the same EU Member State) authorised to place and distribute securities in the Republic of Italy pursuant to Articles 15, 16 and 18 of the Banking Law Consolidated Act, in each case acting in compliance with every applicable law and regulation.

Each subscriber for or purchaser of Ordinary Shares described in this document located in Italy will be deemed to have represented, acknowledged and agreed that it is a “Professional Investor”.

In the case of any Ordinary Shares being offered to a financial intermediary, such financial intermediary will also be deemed to have represented, warranted to and agreed with the Underwriters and the Company that (i) the Ordinary Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in Italy other than Professional Investors, or in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale, or (ii) where Ordinary Shares have been acquired by it or on behalf of persons in Italy other than Professional Investors, the offer of those Ordinary Shares to it is not treated under the applicable Italian laws and regulations as having been made to such persons.

The Company and the Underwriters and each of their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, warranty and agreement. Notwithstanding the above, a person who is not a Professional Investor and who has notified the Underwriters of such fact in writing may, with the consent of the Underwriters, be permitted to subscribe for or purchase Ordinary Shares.

NOTICE TO PROSPECTIVE INVESTORS IN AUSTRALIA

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of the Commonwealth of Australia (the “Act”)) in relation to the Ordinary Shares has been lodged with the Australian Securities and Investments Commission (“ASIC”), the Australian Stock Exchange (“ASX”) or any other government agency in Australia. Each Joint Global Co-ordinator has represented, warranted and agreed that it:

- (a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Ordinary Shares in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive Admission Document, advertisement or other offering material relating to the Ordinary Shares in Australia, unless:
 - (i) the minimum aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, but disregarding moneys lent by the offeror or its associates);
 - (ii) the offeree or invitee is either a “sophisticated investor” or a “professional investor” in accordance with section 708(8) or 708(11) of the Act; or
 - (iii) the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Act,

and such action complies with all applicable laws, regulations and directives and does not require any document to be lodged with ASIC, ASX or any other government agency in Australia.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company concerning, amongst other things, the investment objective and policy, financing strategies, results of operations, financial condition, liquidity, prospects and dividend policy of the Company and the

markets in which it, directly and indirectly, will invest. All forward-looking statements address matters that involve risks and uncertainties because, by their nature, they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity and dividend policy may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the investment performance, results of operations, financial condition, liquidity and dividend policy of the Company are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally and in the Indian real estate market specifically, the Company's status as a newly incorporated company, legislative/regulatory changes, changes in taxation regimes, the Company's ability to invest the cash on its balance sheet and the proceeds of this Placing in suitable investments on a timely basis, the availability and cost of capital for future investments and the availability of suitable financing.

Potential investors are advised to read this document in its entirety, and, in particular, Part 1 of this document entitled "Risk Factors" for a further discussion of the factors that could affect the Company's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the AIM Rules), the Company expressly disclaims any obligations publicly to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Company is incorporated under the IoM Acts. Service of process upon Directors and officers of the Company, all of whom reside outside the United States, may be difficult to effect within the United States and the United Kingdom. Furthermore, since the directly owned assets of the Company are outside the United States and the United Kingdom, any judgement obtained in the United States or the United Kingdom against the Company may not be enforceable in practice within the United States or the United Kingdom. There is doubt as to the enforceability in both the United Kingdom and the Isle of Man, in original actions or in actions for enforcement of judgements of US courts, of civil liabilities predicated upon US federal securities laws. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in both the United Kingdom and the Isle of Man.

Certain Directors of both the Company and the Investment Manager, will be based in India. Recognition and enforcement of foreign judgements is provided for under Section 13 of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgements shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgement has not been pronounced by a court of competent jurisdiction; (ii) where the judgement has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgement is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgement was obtained were opposed to natural justice; (v) where the judgement has been obtained by fraud; and (vi) where the judgement sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgements. Section 44A of the Civil Code provides that where a foreign judgement has been rendered by a superior court, within the meaning of that section, in any country or territory outside India which the Government of India has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgement had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties.

The United Kingdom has been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A but the United States has not been so declared. A judgement of a court of a country which is not a reciprocating territory may be enforced only by a fresh suit upon the judgement and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgement in the same manner as any other suit filed to enforce a civil liability in India.

The submission to the jurisdiction of the courts in any other jurisdiction under a document by the parties thereto may not oust the jurisdiction of Indian courts which may disregard the contractual choice of jurisdiction if the Indian party shows “good and sufficient reasons”.

Enforcement of a foreign arbitral award is provided under the provisions of the Arbitration and Conciliation Act, 1996. India is a party to both the New York Convention and the Geneva Convention, regulating the enforcement of foreign awards and appropriate procedures for enforcement have been inserted in the Arbitration and Conciliation Act, 1996. However enforcement of such awards in India may take significant time.

INDUSTRY AND MARKET DATA

This document contains governmental, industry and market data. The official data published by Indian federal, regional and local government agencies are substantially less complete or researched than those of Western countries. Official statistics may also be produced on different bases than those used in Western countries. Any discussions of matters relating to India in this document must, therefore, be subject to uncertainty due to concerns about the completeness or reliability of available official and public information. Additionally, the Company relies on and refers to information and statistics from various third party sources and its own internal estimates including, without limitation, the information contained in Part 5 of this document. The Directors believe that these sources and estimates are reliable, but have not independently verified them. However, to the extent that such sources or estimates are based on official data released by Indian federal, regional and local government agencies, they will be subject to the same uncertainty mentioned above. Unless otherwise stated, all such data is presented in nominal terms and have not been restated to reflect the effects of inflation.

PRESENTATION OF FINANCIAL INFORMATION

The Company is newly formed and as of the time of the Placing only has limited financial information available. All future financial information for the Company is intended to be prepared in accordance with IFRS as adopted by the European Union and, unless otherwise indicated, the financial information in this document has been prepared in accordance with IFRS as adopted by the European Union, a body of accounting principles that may differ materially from US GAAP. The Company has not quantified the impact of these differences. In making an investment decision, prospective investors must rely on their own examination of the Company and its subsidiary undertakings from time to time, the terms of the Placing and the financial information in this document (and should give consideration to the fact that such financial information is limited). Prospective investors should consult their own professional advisers for an understanding of the difference between IFRS as adopted by the European Union and US GAAP.

Copies of this document will be available to the public free of charge from the registered office of the Company, the offices of Deutsche Bank, at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and from the offices of Morgan Stanley, at 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom, during normal office hours (Saturdays, Sundays and bank holidays excepted) from the date of this document until the date which is one month following Admission.

Exchange Rate information

The exchange rate used in this document for the conversion of amounts in Pounds into Rupees is £1 = Rs. 85.93, being the average daily exchange rate for the conversion of Pounds into Rupees for the period from 6 November 2006 to 4 December 2006 published by the Reserve Bank of India. No representation is made that amounts are able to be, or could have been, converted at such rate or at all.

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PLACING STATISTICS

Placing Price	100 pence
Number of Ordinary Shares in issue prior to the Placing and Admission	200
Number of Placing Shares ⁽¹⁾	359,999,800
Number of Shares subject to the Over-allotment Option	53,999,970
Number of Ordinary Shares in issue following the Placing and on Admission ⁽¹⁾	360,000,000
Estimated net proceeds of the Placing receivable by the Company ⁽²⁾	£343.44 million
Proportion of enlarged issued ordinary share capital being placed	100 per cent.
Market capitalisation at the Placing Price on Admission ⁽³⁾	£360 million

Notes:

- (1) Assuming no exercise of the Over-allotment Option.
- (2) Net proceeds of the Placing (assuming no exercise of the Over-allotment Option) are after deduction of the expenses of the Placing.
- (3) Market capitalisation has been calculated based on the number of Ordinary Shares in issue following the Placing at the Placing Price and assuming no exercise of the Over-allotment Option.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS⁽¹⁾

Publication of this document	15 December 2006
Expected date of commencement of conditional dealings ⁽²⁾	15 December 2006
Admission effective and commencement of unconditional dealings in the Ordinary Shares on AIM	20 December 2006
CREST accounts to be credited (where applicable)	20 December 2006
Despatch of definitive share certificates (where applicable)	12 January 2007

Notes:

- (1) Each of the dates in the above timetable is subject to change.
- (2) If Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties involved.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Atul Kapur (Non-executive chairman) Aubrey John Adams (Non-executive director) Ajay Chandra (Non-executive director) Mohammad Yousuf Khan (Non-executive director) Donald Lake (Non-executive director) each of whose business address is the Registered Office
Registered Office	3 rd Floor Exchange House 54-62 Athol Street Douglas Isle of Man IM1 1JD
Company Secretary	Elizabeth Tansell
Investment Manager	Nectrus Limited Ifigeneias 7, 4 th Floor Strovolos Nicosia Cyprus
Nominated Adviser, Broker, Joint Global Co-ordinator and Joint Bookrunner	Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB
Joint Global Co-ordinator and Joint Bookrunner	Morgan Stanley & Co. International Limited 25 Cabot Square Canary Wharf London E14 4QA
Industry Consultant	Jones Lang LaSalle Property Consultants (India) Pvt Ltd Level 7 World Trade Tower Barakhamba Lane New Delhi 110001
Legal Advisers to the Company	<i>As to English and US law:</i> Skadden, Arps, Slate, Meagher & Flom (UK) LLP 40 Bank Street Canary Wharf London E14 5DS <i>As to Isle of Man law:</i> Cains Advocates Limited 15-19 Athol Street Douglas Isle of Man IM1 1LB <i>As to Indian law:</i> Luthra & Luthra Law Offices 103 Ashoka Estate Barakhamba Road New Delhi 110001 <i>As to Mauritian law:</i> De Comarmond & Koenig 5 th Floor Chancery House Lislet Geoffroy Street Port Louis Mauritius

As to Cypriot law:
Chrysses Demetriades & Co
Fortuna Court
284 Makarios III Avenue
Limasol 3105
Cyprus

**Legal Advisers to Nominated Adviser,
Broker, Joint Global Co-ordinators
and Joint Bookrunners** *As to English and US law:*
Linklaters
One Silk Street
London EC2Y 8HQ

Auditors
KPMG LLC
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN

Financial Administrator *As to Isle of Man services:*
Chamberlain Fund Services Limited
3rd Floor Exchange House
54-62 Athol Street
Douglas
Isle of Man IM1 1JD

As to Mauritian services:
Mauritius International Trust Company Limited
Level 11
One Cathedral Square
Port Louis
Mauritius

Reporting Accountants
KPMG LLP
1-2 Dorset Rise
London EC4Y 8EN

Registrar
Chamberlain Fund Services Limited
3rd Floor Exchange House
54-62 Athol Street
Douglas
Isle of Man IM1 1JD

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

KEY INFORMATION

The information below is only a summary of more detailed information included in other sections of this document. The summary is not complete and does not contain all the information that each person to whom the terms and conditions of the Placing apply should consider before buying the Ordinary Shares. Investors should pay particular attention to the Risk Factors set out in Part 1 of this document. Investors should read the whole of this document and not just rely upon this key information section.

1. OVERVIEW

The Company

Unitech Corporate Parks Plc is a company newly incorporated in the Isle of Man whose strategy is to invest in the Indian real estate sector. The Company's strategy is to focus on investment 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 intends, upon Admission, to invest in the Seed Portfolio Assets, comprising six IT or ITES related projects, five of which are located in the National Capital Region (NCR, being the area around Delhi) and one of which is located in the Kolkata area. The Seed Portfolio Assets are expected to have a total leaseable area of 21.5 million sq. ft. Five of the Seed Portfolio Assets have received "in-principle" SEZ approval from the Board of Approval (of which two have completed the second stage of approval having also obtained a state government recommendation). The sixth Seed Portfolio Asset is being developed as an IT Park. The Directors expect that such investment will account for all of the proceeds of the Placing (net of expenses incurred in connection with the Placing and reserves for certain ongoing business expenses (including certain investment management fees)). Construction work has commenced in respect of three of the projects comprising the Seed Portfolio Assets and planning and design work in respect of each of the three other Seed Portfolio Assets has begun. Of the five projects located in the NCR, two are located in Noida ("N1" and "N2"), one in Greater Noida ("N3") and two in Gurgaon ("G1" and "G2"). The sixth project is located in the Kolkata area ("K1").

The Company intends to co-invest with affiliates of Unitech, India's largest listed property developer (by market capitalisation), in the Seed Portfolio Assets with the Company acquiring control. It is anticipated that similar co-investment arrangements with Unitech will be entered into in respect of future projects to be acquired by the Company.

The Directors intend that the Company will have an initial operating period of eight years (from 31 December 2006), although this may be extended by a resolution of the Directors or the Shareholders, subject to a maximum operating period of twelve years.

The Investment Manager

Nectrus Limited, a Cyprus-incorporated affiliate of Unitech, has been engaged to provide non-binding investment advisory services to Candor, a subsidiary of the Company. Pursuant to the Investment Management Agreement dated 14 December 2006 between the Company, Candor and the Investment Manager, the Investment Manager has agreed to provide real estate investment advisory services and related advice, including investment recommendations and real estate management services, in respect of properties owned (directly or indirectly) by the Company and in respect of future real estate investment opportunities in consideration for management and performance fees.

2. INVESTMENT STRATEGY

The Company's strategy is to target the real estate requirements of the growing Indian IT and ITES sectors. The Company only intends to invest in IT Parks which have received approval from the relevant government authority for establishing an IT Park and in IT SEZs in respect of which "in-principle" SEZ approval has been obtained from the relevant authority. The Company's primary areas of investment will be in the development of IT SEZs and IT Parks which are suitable for FDI.

Targeting the IT and ITES industries

The Company intends to target the development of real estate projects aimed specifically at the IT and ITES industries in India. 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.

Investment in IT SEZs or IT Parks

The Company intends to focus on investment in IT SEZs and IT Parks. 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. The Company aims to invest in IT SEZ developments as the Directors believe that prospective tenants will be attracted by the fiscal benefits afforded to the occupants locating in such zones. The ability of non-governmental entities to invest in SEZs is a relatively recent innovation in the Indian real estate market. SEZs also offer favourable customs controls, duties and tariffs and other fiscal and tax benefits to developers of such zones as well as their occupants.

Investment in Unitech Group developments

The Company’s strategy is to co-invest with Unitech affiliates in Unitech Group developments. The Seed Portfolio Assets are developments which, prior to Admission, were solely owned, or were being developed, by the Unitech Group. Under the terms of a Right of First Refusal Agreement, Candor has been granted a right of first refusal by Unitech to invest in certain qualifying IT Parks or IT SEZs to be developed in future by the Unitech Group.

3. COMPETITIVE STRENGTHS

High Quality Initial Portfolio

The Company has identified six projects to be acquired immediately following Admission that will account for all of the proceeds of the Placing (net of expenses incurred in connection with the Placing and reserves for certain ongoing business expenses (including certain investment management fees)). The Seed Portfolio Assets are located in established or emerging IT and ITES centres. The Seed Portfolio Assets comprise high quality developments which the Directors envisage will be constructed to meet the standards required by multinational IT and ITES tenants. The Seed Portfolio Assets are all located in, or connected via local transport links to, prime commercial centres.

Relationship with the Unitech Group

The Company has access to the considerable real estate experience of the Unitech Group. In addition to co-investing in the Company’s developments, the Unitech Group will provide investment advisory and project management advice to the Company. As a consequence of these arrangements, the Company believes that the interests of the Company and Unitech will be aligned as the Company develops its portfolio of projects.

Targeting the IT and ITES Sectors

The Directors believe that the IT and ITES sectors offer an important growth opportunity and that real estate companies that focus on IT and ITES companies will be well positioned to take advantage of the opportunities presented by the expected growth of these sectors.

4. USE OF PROCEEDS

Assuming that the Company receives proceeds of £343.44 million from the Placing, (and assuming no exercise of the Over-allotment Option), after the deduction of £16.56 million of underwriting commission and other fees and expenses relating to the Placing, the Company intends to invest £317.39 million of the proceeds to acquire a 60 per cent. interest in each of the SPVs. The Company intends to use the balance of the proceeds of the Placing (£26.05 million) to fund certain ongoing business expenses (including certain investment management fees).

Of the amount invested, £149.18 million will be used to subscribe for an issue of new shares in the SPVs. This will partially fund future investments required in respect of the development of the Seed Portfolio Assets, including construction and operating costs. The remaining £168.20 million will be used as consideration for the purchase of shares in the SPVs from the Unitech Group.

5. DISTRIBUTIONS

The development of the Seed Portfolio Assets will be highly capital intensive. The Directors do not therefore anticipate that dividends will be paid in the foreseeable future. The Directors will consider the payment of dividends when, in their opinion, it becomes commercially prudent to do so.

6. DETAILS OF THE PLACING

Pursuant to the Placing, the Company expects to issue 359,999,800 Ordinary Shares (assuming there is no exercise of the Over-allotment Option). The Placing Shares will represent substantially all of the expected issued ordinary share capital of the Company immediately following Admission. In addition, 53,999,970 Ordinary Shares will be subject to the Over-allotment Option which may be exercisable in whole or in part, upon notice by Deutsche Bank, as stabilising manager, at any time within 30 calendar days after commencement of conditional dealings in the Ordinary Shares. The Over-allotment Option is described in section 5 of Part 9 of this document.

7. LOCK-IN ARRANGEMENTS

Pursuant to the Underwriting Agreement, the Company has undertaken to each of the Underwriters, *inter alia*, not to offer, issue or sell Ordinary Shares (or any interests therein or in respect thereof) for a period of 180 days from Admission (subject to certain limited exceptions). Further details of these arrangements are set out in section 8 of Part 11 of this document.

Pursuant to the Underwriting Agreement, each of the Directors has undertaken not to sell any Ordinary Shares (or any interests therein or in respect thereof) for a period of one year from Admission (subject to certain exceptions). None of the Directors currently holds any Ordinary Shares (or any interests therein or in respect thereof).

8. RISK FACTORS

Potential investors should consider carefully the risk factors set out in Part 1 of this document, together with all the other information set out in this document and their own circumstances, before deciding whether to invest in the Company.

PART 1: RISK FACTORS

Prospective investors should carefully consider the risks described below in the light of the information in this document and their personal circumstances before making any decision to invest in the Company. The investment offered in this document may not be suitable for all of its recipients. An investment in the Company is only suitable for prospective investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. Investors should note that land use and ownership rights and development rights in India are inherently uncertain and subject to the risks set out below. If any of the events or circumstances described below should actually occur, the Company's business, financial condition and results of operations could be materially affected. In such circumstances, the market price of the Ordinary Shares may fall and investors could lose all or part of their investment.

The risk factors summarised below are not intended to be exhaustive and are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company. A prospective investor who is in any doubt about the action it should take should consult a professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

Prospective investors should be aware that the value of the Ordinary Shares and income from them may decrease and that they may not realise their initial investment.

1. RISKS RELATING TO THE COMPANY

The Company is a newly formed company with no operating history and therefore investors are not able to assess the Company's prospects on the basis of past results

The Company was incorporated on 6 September 2006 and has no significant financial history. It may be difficult, therefore, to evaluate the Company's current or future prospects. Past performance of the Unitech Group should not be construed as an indication of the future performance of the Company. Companies in their initial stages of development present substantial business and financial risks and may suffer significant losses.

The Company may fail to meet its investment objectives

There can be no assurance that the investment objectives of the Company will be met. The results of the Company's operations will depend on many factors, including but not limited to, its ability to complete construction of its developments, the continued attractiveness of India to foreign investment, in particular to the IT and ITES sectors, the availability of further opportunities for the acquisition or development of real estate assets, the availability of finance to achieve leverage and general economic conditions in India.

The Company is exposed to significant risk in developing its projects including cost overruns

The Company has agreed to acquire interests in six projects that are at an early stage of development. Construction work on three of the projects is due to start between January and February 2007 and initial work in respect of the first phase of construction has begun at the other three sites. The development of new projects involves various risks, including, among others, regulatory risk, construction risk, financing risk and the risk that these projects may prove to be unprofitable. These risks are exacerbated in development projects in emerging markets such as India.

Property developments typically require substantial capital outlay during the construction period and may take years before a return can be generated, if at all. Each phase of the Company's current projects is estimated to take approximately 18 months to complete from the date of commencement of construction (other than the phases of K1, each of which is scheduled to take approximately 21 months to complete). The time and costs required to complete a property development may be subject to substantial increases due to many factors, including shortages of, or price increases with respect to, construction materials (which may prove defective), equipment, technical skills and labour, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, changes in government or regulatory policies, delays in obtaining the requisite approvals, permits, licences or certifications from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevent the completion of, a property development project and result in costs substantially exceeding those originally budgeted.

Further, prior to undertaking a new project, the Company will conduct due diligence in respect of the title to the underlying land and in certain circumstances obtain valuation reports from third parties. Due to the nature of the industry and jurisdiction in which the Company operates, certain potential risks and liabilities may not come to the Company's notice while conducting such diligence. Consequently, the Company may face unexpected liabilities and a project may not be as profitable as initially estimated. Such unexpected liabilities may negatively impact the Company's business, financial condition and results of operations.

Title to three of the Seed Portfolio Assets is held under leases allocated by government authorities or has been subject to transfers of title that are subject to a number of specific conditions. These conditions include the completion of the relevant development project according to a specific schedule. Failure to comply with leasehold allotment conditions could result in the governmental authority modifying the terms of the lease or, in extreme cases, terminating the lease.

The Company's strategy is concentrated on the IT and ITES industries

The Company's strategic focus on the development of real estate for the IT and ITES industries may not be successful. The recent growth in the IT and ITES industries in India may not be sustainable. The Indian IT and ITES industries may come under competitive pressure from other countries providing similar services such as the Philippines. In addition, the IT and ITES industries in India are dependent on the continued popularity of BPO by businesses located in Western Europe and North America. It is possible that BPO may become politically less acceptable in such countries and the practice may be reduced or stopped. In addition, the Government of India has granted a number of tax incentives to companies in the IT and ITES sectors which may be withdrawn thus reducing the profits of such companies. Any adverse affect on the IT and ITES industry in India or on the BPO industry may have a negative impact on the Company's business, financial condition and results of operations. Demand for office space from IT and ITES companies may fall in the event that the IT and ITES sectors suffer a decrease in revenues or profitability or the expansion of such sectors slows or ceases entirely and may lead to decreases in rental revenues and property values in the IT and ITES real estate sectors, which may adversely affect the Company's business, results of operations and financial condition. In addition, an increasing number of other real estate developers in India are focusing on the IT and ITES sectors given the anticipated growth of these sectors. As a consequence, an increasing number of real estate developments aimed at these sectors is likely to become available in the cities targeted by the Group in India, which may adversely affect the Company's business, results of operations and financial condition.

The Company may in the future be unable to invest in suitable projects to carry out its investment strategy, or may be delayed in making such investment, which may reduce the Company's profitability and the return on Shareholders' investment

Following the disposal of any of the Seed Portfolio Assets, the Company's ability to implement its strategy and achieve its desired returns in the future will depend largely on its ability to identify and invest in suitable development projects in a timely manner on satisfactory terms, including as to price. Although the Directors believe that the Company will have the opportunity to invest in a number of future Unitech development projects (through the right of first refusal granted by Unitech to Candor to invest in certain qualifying projects in which a Unitech affiliate holds a certain minimum stake), there can be no assurance that such development projects will prove attractive to, or meet the investment criteria of, the Company. Delays that the Company may encounter in the future in the selection, acquisition, development and sale of new or additional properties could adversely affect Shareholders' returns and distributions by the Company.

Shareholders will not know in which projects or properties the Company may invest in the future, and must rely on the Directors, acting on the advice of the Investment Manager, to select them and then develop and sell them

Investors must rely on the Company, through its Directors acting on the advice of the Investment Manager, to identify and acquire suitable future investment properties or projects. Additionally, the Company will be dependent on the Investment Manager to assist in advising on Company strategy in respect of the disposal of the Group's developed projects. Shareholders will not participate in evaluating these investment opportunities or strategic decision making. Shareholders will be unable to evaluate the economic merit of particular projects prior to their acquisition and similarly will be unable to evaluate the Group's strategy with respect to the disposal of its projects or the proposed terms of sale of any particular investment. This document only describes the parameters the Company and the Investment Manager will use to identify potential projects in which the Company may decide to invest and the policies to be adopted in respect of the development and sale of those investments.

The Company may encounter additional risk by investing in development projects through joint ventures with Unitech affiliates or possibly in respect of potential projects with other developers together with Unitech

The Company's investments in development projects are expected to be made through joint venture arrangements with Unitech affiliates or potentially, in respect of certain projects, with other developers in addition to Unitech. Control of certain aspects of the Group's development projects will, therefore, be shared. Investments in joint ventures involve risks not otherwise present if the Company were to invest in development projects on its own. For example, certain decisions relating to an asset in which an investment may be made may depend upon the consent or approval of the Company's joint venture partner or be under the control of the joint venture partner.

The Group, through Unitech Developers and Projects Limited ("UDPL"), is developing the G2-IST project pursuant to a joint development agreement (the "IST JDA") with an independent third party, Gurgaon InfoSpace Limited ("GIL"). UDPL has no ownership or leasehold interest in the land on which G2-IST is to be constructed and enjoys commercial rights only under a revenue and profit sharing arrangement with GIL in respect of the G2-IST project. The Company has not conducted due diligence in respect of, or made any detailed enquiry as to, GIL's title to the underlying land. UDPL has agreed to incur all construction and fit-out costs in respect of the proposed development. Breach by UDPL of the terms of the IST JDA may entitle GIL to terminate the agreement and claim an indemnity from UDPL for any liabilities to third parties arising from such breach. Any dispute between UDPL and GIL may make it difficult for UDPL to complete the development and may have a material adverse impact on UDPL's ability to recover its share of any revenue or profits derived from the project. Members of the Group may enter into similar joint development arrangements with respect to future investments and this may expose the Group to additional risks in respect of developing properties to which it does not hold title. In addition, as a result of the uncertainty in respect of title to land in India there can be no complete assurance that GIL or any other party to a future joint development agreement will have full title to the relevant project land.

The interests of a joint venture partner may conflict with those of the Company and disputes may arise with joint venture partners. As a result, the Company may not be able to manage, dispose or deal with a particular project in the way that it would wish or delays in a development may occur. A joint venture partner may fail to perform its obligations in respect of a joint venture and the Company or any of its subsidiaries may be required to make additional investment into the relevant development which may adversely affect the Company's financial condition or results of operations.

The Company is reliant on the continued success of the Unitech Group and must maintain a strong commercial relationship with the Unitech Group in order to manage its development projects and implement its investment strategy

The development of the Seed Portfolio Assets will be managed by Unitech under a project management agreement in respect of each project and it is the Company's strategy to invest in new projects which will also be managed by Unitech (the Project Manager). The Company is reliant on the Project Manager to co-ordinate construction and development of the Seed Portfolio Assets and any other further development projects. The Directors expect that the Project Manager will provide the same services in respect of future projects and will assist in the marketing of all projects to prospective tenants, and, potentially, provide management services in respect of the completed projects pending sale. The Project Manager will retain day-to-day control of the Company's projects. Therefore, the Company's ability to procure the timely and budgeted completion and successful occupancy of such projects relies substantially on the quality of service and performance of the Project Manager. Recourse to the Project Manager for any costs or losses incurred as a result of any delay or cost overrun will be extremely limited. If the Project Manager were to fail to provide the services required to the standard undertaken by the Project Manager, the relevant SPV would be likely to incur delays or unexpected costs such as, the non-payment of rent, penalties or termination of leases by tenants. If the Project Manager ceases to perform its services in accordance with the Project Management Agreement the Company is likely to encounter difficulties in finding a suitable replacement. Any failure to find a suitable replacement in a timely fashion is likely to result in the Company incurring additional cost. Any non-Unitech affiliated project manager may not be incentivised to perform such obligations in the same manner as Unitech. Any change in project manager or any increase in the costs in relation to the project management of the Group's portfolio of assets could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, the Investment Manager and Indian Investment Adviser are affiliates of Unitech. In respect of future developments, the Company will be largely reliant on Unitech as a source of eligible development opportunities to present to the Group. If the Unitech Group ceases to be successful in identifying projects that are

deemed eligible projects under the Right of First Refusal Agreement or the relationship between the Company and the Unitech Group deteriorates, the Company may be provided with fewer investment opportunities and may not be able to invest in projects which provide attractive returns.

A number of agreements in respect of the Seed Portfolio Assets are currently entered into with Unitech rather than the relevant SPVs. In order to enforce any rights under such contracts Unitech must assign the benefit of or novate such contracts to the relevant SPVs. The Company is reliant on Unitech to do so in a timely fashion. Any failure to do so may impede the Company in enforcing its rights in respect of the relevant projects and lead to delays or losses thereby negatively impacting the Company's financial condition or results of operations.

It may not be possible to sell the SPVs or their underlying assets at the desired price or at all

The disposal of completed developments is a key element of the Company's strategy. However, investments in Indian property may be difficult, slow or impossible to realise. Sales of developments on the scale envisaged by the Company are, so far as the Directors are aware, unprecedented in the Indian market. Within India, the absence of structures such as REITs constrains the amount of liquidity available for real estate investment by Indian investors. In addition, the Company will be subject to the general risks incidental to the ownership of real property, including changes in the supply of or demand for competing properties in an area, a decline in rental rates, changes in interest rates and the availability of mortgage finance, changes in property tax rates and landlord and tenant or planning laws and environmental factors. The marketability and value of any properties invested in by the Company will, therefore, depend on many factors beyond the control of the Company and there is no assurance that there will be either a ready market for any properties of the Company (or properties jointly developed by the Company) or that such properties will be sold at a profit or in a timely manner. If the Company is unable to sell a project when it desires, it may incur additional costs or be unable to invest in other developments. The sale of land within an SEZ is prohibited and potential purchasers may be unwilling to buy shares in the companies that hold, directly or indirectly, such land. In addition, the range of potential purchasers of the Company's developments may be restricted by a limitation on the Company selling to a number of specified Indian developers who are competitors of Unitech, without the consent of Unitech.

The illiquid nature of the Company's investments may limit its ability to respond to changes in the Indian real estate market

Large real estate portfolio investments are generally not as liquid as other forms of investment and consequentially the Group may have limited ability to react promptly to changes in market conditions. For example, it may be unable to dispose of its interests in the SPVs in response to changing economic, financial and investment conditions. There can be no assurance that the Group will find a purchaser for each or any of the SPVs and costs incurred in development of projects may not be recovered if there is a downturn in the market which reduces the income from such investments and/or the price at which the Group can realise investments.

The Company may be subject to liability following the disposal of investments

The Company may dispose of investments in certain circumstances and may be required to give representations and warranties about those investments and to pay damages to the extent that any such representations or warranties are inaccurate. Any such liabilities may adversely affect the Company's business, financial condition and results of operations.

The Group relies on third parties to carry out its day-to-day activities

Currently, each member of the Group has appointed directors but otherwise the Group has no employees and relies on services provided by third parties, such as the Investment Manager, the Project Manager and the corporate administrators in the Isle of Man and Mauritius to carry out its day-to-day activities. In particular, the Board relies on information provided by these third parties in respect of the Group's financial position, investment activities and project management to assess the Group's performance and make decisions on the basis of such assessment. The Group is dependent on these services and should any of such third parties fail to carry out its services, it may have a material adverse impact on the operations of the Group.

Limited geographic and sectoral portfolio diversification

All of the Seed Portfolio Assets are IT SEZs or IT Parks located in the NCR or Kolkata region. As a result of this geographic and sectoral concentration, any change in the Indian national, regional or local political or regulatory environment, any decline in economic activity in India generally, or the NCR or Kolkata in particular, and any downturn or weakness in the local real estate market due to changes in the level of demand for or supply

of IT and ITES office space or otherwise, may adversely affect the Company's results of operations, financial condition and the value of the Company's properties.

Diversification beyond the Company's current geographic focus

The Seed Portfolio Assets are all located in the NCR or Kolkata. However, the Company's strategy is to consider investments in other areas in India. There can be no assurance that Unitech will be able to source eligible developments in such areas or that any investment by the Company in such areas will be successful. In particular, neither Unitech nor the Company may be successful in developing relationships with local authorities, contractors and suppliers in areas in which the Unitech Group currently has limited experience and contacts. Unitech may therefore encounter difficulties in obtaining the approvals required for a project to be eligible for investment consideration by the Company. Following any such investment by the Company such project may be affected by the Unitech Group's relative lack of experience and contacts in such areas as regards obtaining the approvals necessary for the development of such projects. Any such difficulties may lead to cost overruns, construction defects or delays which, in turn, may affect the Company's results of operations, financial condition and the value of the Company's properties.

The Company may not pay dividends or other distributions to Shareholders during its period of operations and the Company is restricted in the amount and time in which it can pay distributions

The Company's investments are long term and the Group's projects will initially be highly capital intensive given the development status of the Group's portfolio. The Directors do not anticipate that a dividend will be realised for at least two years from the date of this document. If opportunities arise that, in the Directors' opinion, are suitable for investment by the Company, the Company may invest the whole or part of the proceeds from the disposal of any investment in new investments and therefore such proceeds may not be available for distribution to Shareholders following any sale of any of the Company's assets. It is therefore possible that the first distribution to Shareholders, if any, may be upon the winding-up of the Company in the period eight to twelve years from 31 December 2006 (although the Company may be wound up earlier upon the passing of the appropriate resolution by the Shareholders). There can, however, be no guarantee that the Company will be able to pay any dividends at any time in the future.

In addition, all dividends or other distributions will be made at the discretion of the Directors. The payment of any initial dividend and the achievement of any future dividend increases in accordance with the Company's dividend policy will depend upon a number of factors, including the availability of sufficient distributable reserves. Under the applicable guidelines with respect to FDI, certain restrictions have been imposed on the repatriation of the original investment in N1 by the relevant Mauritian Subsidiary for a period of three years. The generation of profits for distribution depends on amongst other factors the successful management of the Company's existing properties, the Company's success in investing the net proceeds of the Placing in accordance with its objectives, interest costs, taxes and profits on the development and sale of properties.

Prior to investment of the net proceeds of the Placing or the proceeds from the future sale of any assets of the Company in development projects, the Company will invest in short term investments which may lower Shareholders' returns

Until the Company fully utilises the net proceeds of the Placing in the development of the Seed Portfolio Assets, the Company is likely to invest part of the proceeds of the Placing in short-term, highly liquid or other authorised investments. The Company is expected to invest the proceeds of the sale of any assets in similar investments until suitable real estate investment opportunities are identified. Such short-term investments are not likely to earn as high a return as the Company expects to earn on its real estate investments, and the Company can give no assurance as to how long it will take it to deploy fully such proceeds in developing any of the Group's projects. If the Company is unable to deploy these funds quickly in relation to the Seed Portfolio Assets or with respect to future developments it is unable to identify real estate investment opportunities promptly, the potential return on the Company's investments may be reduced which could have a material adverse effect on the value of the shares.

The Company's operations and valuations may be affected by exchange rate fluctuations and governmental policy on the Rupee

The Company's principal operating currency will be Pounds but substantially all of the Group's 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. The valuation of the Seed Portfolio Assets has been, and valuations of future real estate or real estate related assets will be, performed in Rupees. If the value of the Rupee was to fall relative to other currencies, especially Pounds, the value of the Company's assets, on a consolidated basis, would also fall. In addition, the Rupee is not freely convertible and approval may be required from Indian governmental authorities for currency exchanges, potentially hampering the Company's ability to remit funds from India.

The Group intends to borrow to fund its future growth

The Company intends to borrow to fund its development of the Seed Portfolio Assets and future developments, generally through the use of bank credit facilities, and intends to utilise leverage in order to enhance returns to Shareholders. The extent of the Company's borrowings and the terms thereof will depend on the Company's ability to obtain credit facilities. External debt financing will be required for the Company to fund its capital requirements to complete the development of the Seed Portfolio Assets and thereafter to exploit fully other opportunities that may become available to the Group. Real estate prices, revenues, taxes, capital expenditures and operating expenses as well as a range of macroeconomic issues are all factors which may have an impact on the amount of capital that may be required or can be borrowed by the Group. There is no assurance that financing will be available on terms acceptable to the Group, or at all, to finance its current development needs or any future developments. If the Group is unable to obtain financing as needed, returns to Shareholders may be materially impacted and the Group may be required to reduce the scope of its operations or anticipated expansion, forfeit its interest in some or all of its properties, incur financial penalties and reduce or terminate its operations.

Additionally, any equity financing may have a dilutive effect as there are no provisions of Isle of Man law which confer pre-emption rights upon existing shareholders and debt financing, if available, may involve restrictions on financing, operating activities and distributions to shareholders.

The Group is subject to interest rate risk

To the extent that any member of the Group incurs floating rate indebtedness, changes in interest rates may increase its cost of borrowing, impacting its profitability and having an adverse effect on the Company's ability to pay dividends to Shareholders. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political conditions, and other factors beyond the Company's control. Interest rate increases could result in the Company's interest expense exceeding the income from its property portfolio, which may result in operating losses for the Company. In the extreme, a high level of leverage may lead to a complete loss of the value of Shareholders' investment in the Company.

Any borrowings could adversely affect the level of the Company's dividends

The Company's cash available for distribution to holders of the Ordinary Shares may be reduced to the extent that changes in market conditions, increases in interest rates and/or levels of amortisation imposed by any lenders cause the Group's cost of borrowing to increase relative to the income that can be derived from its portfolio of properties. Further, any financing arrangements of the Company or its subsidiaries may contain provisions prohibiting or restricting the payment of dividends from companies within the Group to their parent companies (if any) and by the Company itself.

The structure and specific provisions of any financing arrangements could give rise to additional risk

The use of borrowings also presents the risk that the Group may be unable to service interest payments and principal repayments or comply with other requirements of any loans, rendering borrowings immediately repayable in whole or in part, together with any attendant cost, and the Group might be forced to sell some of its assets to meet such obligations, with the risk that borrowings will not be able to be refinanced or that the terms of such refinancing may be less favourable than the existing terms of borrowing. Any borrowings of any member of the Group will generally be secured against some or all of the Group's assets and in particular the real estate assets of the SPVs. The Company expects that the borrowings of each SPV will be secured only against the assets of that SPV and will be on a non-recourse basis to the other assets of the Group. The non-recourse nature of such borrowings may restrict the Group's ability as a whole to raise debt finance. Additionally, a decline in the property market or tenant default may result in a breach of any loan to value and/or the debt service cover ratios specified in the Group's banking arrangements, thereby causing an event of default with the result that the lenders could enforce their security and take possession of the underlying properties. Any cross-default provisions could

magnify the effect of an individual default and if such a provision were exercised, this could result in a substantial loss for the Company. Adverse changes to the market values of the property portfolios of the Group could cause the amount of refinancing proceeds to be insufficient to repay fully any existing debt upon maturity and the Group may be unable to fund the payment of such shortfall.

The Group may be required to re-finance any borrowings it has from time to time. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions which are beyond the Group's control) may make it difficult for the Group to obtain such new finance on attractive terms or even at all. If the Group's borrowings become more expensive, relative to the income it receives from its investments, then the Company's profits will be adversely affected. Adverse changes to the market values of the property portfolios of the Company could also cause the amount of refinancing proceeds to be insufficient to repay fully its existing debt upon maturity and the Group may be unable to fund payment of such shortfall. If the Group is not able to obtain new finance at all then the Company may suffer a substantial loss as a result of having to dispose of the investments which cannot be re-financed.

Neither the Company nor Unitech has fully protected all its intellectual property rights

The intellectual property rights of Unitech in its company name and of the Company in respect of its company logo are not fully protected. An application to register these intellectual property rights has been rejected by the Registrar of Trademarks in New Delhi. There can be no assurance any further submissions by Unitech to obtain registration of these rights will be successful or will not be delayed. In the event that the intellectual property rights in respect of the Unitech name or company logo either infringe the intellectual property rights of another person or the application to register the intellectual property rights is further refused, the Company's ability to use its intellectual property rights may be restricted or lost. Any such restriction or removal could have an adverse effect on the Company's reputation, business or results of operations. The Company does not intend to register any intellectual property rights in the name "InfoSpace" as the Company does not believe any significant value to the Company exists in such name. Consequently, the protections available to the holder of a registered trademark will not be available to the Company. Further, the use of the "InfoSpace" name may infringe the intellectual property rights of another person and the Company may incur liabilities arising from the unauthorised use of such intellectual property rights.

The Group and its assets may be adversely affected by natural disasters

The NCR is located in a region prone to high seismic activity and at risk from earthquakes. Should an earthquake, or any other natural disaster, such as cyclones or floods, occur in any area where the Group's developments are located, significant damage may be done to buildings located in the Company's developments and to the infrastructure in the surrounding area. Any such damage may have an adverse effect on the Company's business, financial condition or results of operations.

Conditions precedent to the acquisition of the SPVs may not be fulfilled

Pursuant to the Share Subscription and Purchase Agreements, the subscription for, and purchase of, shares in each of the SPVs are subject to certain conditions precedent. For example, the agreements are conditional upon all representations and warranties given by Unitech in respect of the SPVs being true and correct and that each party to the agreements has taken all necessary corporate action in respect of the sale and subscriptions of the shares. There can be no assurance that these conditions will be fulfilled in respect of all or any of the SPVs. To the extent such conditions are not fulfilled, the Group may not be able to invest in the relevant Seed Portfolio Asset and therefore the Company may not be able to effect its strategy and generate the returns targeted.

It may not be possible to enforce any judgment obtained outside India, including in the United States, against the Company or any of its affiliates in India, except by way of a suit in India on such judgment

The majority of the Company's assets are located in India. As a result, it may not be possible to enforce judgments obtained in foreign courts against the Company and other persons or entities, including judgments predicated upon the civil liability provisions of the securities laws of foreign jurisdictions. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. There is no such reciprocity with the United States. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be executed in India. Even if an investor obtained a judgment in such a jurisdiction against the Company or its officers or directors, it may be required to file fresh suit in India and obtain a decree from an Indian court. It is unlikely that an Indian court

would award damages on the same basis as a foreign court if an action is brought in India or to the same extent awarded in a final judgment rendered in another jurisdiction if it believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the Reserve Bank of India to repatriate any amount recovered.

The submission to the jurisdiction of the courts in any other jurisdiction under a document by the parties thereto may not oust the jurisdiction of Indian courts which may disregard the contractual choice of jurisdiction if the Indian party shows “good and sufficient reasons”.

Foreign direct investment in the real estate sector in India under the automatic route is governed by a policy statement which may be ambiguous in its terms

FDI Regulations impose certain conditions on investment in real estate in India. Government policy in respect of FDI in the real estate sector in India is regulated by Press Note 2 (2005 Series) dated 2 March 2005 (“Press Note 2”) issued by the Government of India, Ministry of Commerce & Industry Department of Industrial Policy & Promotion SIA (FC Division) which permits foreign direct investment of up to 100 per cent. subject to the project fulfilling certain specified conditions. The FDI Regulations and Press Note 2, however, are subject to differing interpretations. For example, foreign direct investment is subject to the condition that for joint ventures with Indian partners the “minimum capitalisation” should be US\$5 million. However, there is some ambiguity on what is meant by “minimum capitalisation”. In addition, although the FDI Regulations and Press Note 2 stipulate that funds have to be brought in within six months of “commencement of business of the Company”, the term “commencement of business of the Company” has not been defined or explained and may also be subject to differing interpretations. There can be no assurance as to the position the Government of India will take in interpreting Press Note 2 and the FDI Regulations. An interpretation by the Government of Press Note 2 and the FDI Regulations that is inconsistent with the proposed investment by the Group could prevent the Group from fulfilling its investment strategy and/or result in partial or total reversal of the investment in N1 and have an adverse effect on the Company’s profitability and the potential returns to Shareholders.

FDI Regulations place restrictions on the Company’s ability to transfer its interests in N1

The capital to be invested by the Group will be in ordinary shares and preference shares in the SPVs which will hold the Seed Portfolio Assets. Under the FDI Regulations applicable in respect of N1, the original investment cannot be repatriated before a period of three years from completion of minimum capitalisation. Any earlier exit will require the prior approval of the Government of India through the Foreign Investment Promotion Board.

Some of the capital to be invested by the Group will be through subscription for preference shares in the SPV which will hold title to N1. Preference shares subscribed through foreign direct investment may be subject to a five year lock in period. Consequently, although the terms of the preference shares permit the SPV to redeem preference shares at any time between three to seven years from their date of issue, it may not be permissible for the SPV to redeem the preference shares before the expiry of five years from the date of subscription. However, there is no restriction on transfer of the preference shares during this period. Further, the rate of dividend on the preference shares shall not exceed 300 basis points over the Prime Lending Rate of the State Bank of India prevailing as on the date of the meeting of the Board of the SPV in which the issue of preference shares is recommended. The inability to redeem the preference shares could inhibit the Group in fulfilling its investment strategy and have an adverse effect on its profitability and the potential returns to Shareholders in respect of the investment in N1.

2. RISKS RELATING TO REAL ESTATE INVESTMENT AND PROPERTY DEVELOPMENT

The impact of a downturn in the real estate market and general economic conditions may affect the operations and success of the Company

The performance of the Company will depend on its ability to acquire interests in development projects, develop the projects, lease the developments at attractive rentals and/or sell the developments. This will depend in large part on the state of the property market in India. The property market is cyclical and property values may go down as well as up. The performance of the Company will be adversely affected by a downturn in the property market.

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. A downturn in general economic conditions in India

may reduce demand for the Company's development projects, which could lead to potential losses on the projects.

Any property valuation is subjective and may not reflect the achievable sale price of a given property asset

The valuation of property and property-related assets is inherently subjective. As a result, valuations are subject to uncertainty. Moreover, all property valuations and estimates of rental income, including the Valuation Report in Part 7 of this document, are made on the basis of assumptions which may not prove to reflect the true position. There can be no assurance that valuations performed by JLL in respect of the Seed Portfolio Assets or the Investment Manager's advice based on such valuations will be correct, that the Company's share price will accurately reflect the net asset value of the Group, or that the proceeds realised from the sale of the Seed Portfolio Assets will be equal to or greater than such valuations. In order to determine the level of consideration which it intends to pay for its interest in the SPVs, the Company has made a number of assumptions about the present value of the Seed Portfolio Assets, such as the construction costs and the length of time it will take to complete each project. If any of these assumptions or JLL's valuation proves to be materially inaccurate, the Company may have overvalued the Seed Portfolio Assets and may not be able to achieve the expected return on its investment and may not recover the full amount it has invested in the projects.

The Company intends to perform valuations of its property assets on a six monthly basis only. As a result, the Company's share price may not accurately reflect the value of its underlying assets between such valuations, if at all. There is no assurance that the valuation of the properties and property-related assets will reflect actual sale prices even where such sales occur shortly after the relevant valuation date. Investors are cautioned from placing undue reliance on the Valuation Report and the periodic valuations obtained by the Company.

Limited availability, quality and reliability of market data creates uncertainty as to market values

The real estate market in India is characterised by a limited amount of publicly available data and research compared to certain other industrialised countries. Recently, a small number of private organisations have begun to publish statistical and other research data with respect to the Indian real estate markets. Primarily because of the relatively short period of time for which such data has been collected and published, the scope of such data is significantly less broad and tends to be less consistent than the data relating to certain other industrialised countries. The relative lack of such data makes it more difficult to assess market values of real estate in India than in such other industrialised countries.

Environmental risks may adversely affect the Group's projects

No environmental due diligence has been carried out in respect of the Seed Portfolio Assets. A developer is required to apply for a no objection certificate ("NOC") from the respective state Pollution Control Board in respect of any new development. The Group has applied for NOCs in respect of all of the Seed Portfolio Assets. There can be no assurance that the Group will obtain NOCs in respect of any of these projects in a timely manner, if at all. In addition, an environmental assessment of land is required before the projects can receive certain regulatory approvals from government authorities. Any such assessment may reveal material environmental pollution which could result in the relevant project not receiving the approvals required for development.

If hazardous or toxic substances are discovered at any of the Group's properties, they may give rise to environmental pollution for which the relevant SPV may incur substantial liabilities for the cost of clean up or other remedial measures. Any such pollution may also have an adverse impact on the value of the land. The owner or occupier of land may incur liabilities regardless of whether it knew or was responsible for the release or presence of those substances. Although environmental law in India does not specifically provide for such obligations this may not always be the case. There is an increasing awareness of environmental issues throughout the world and India may introduce laws which could result in heavy penalties as well as liability for the costs of remedial action on the occupier of land.

If the Company suffers losses that are not covered by insurance or that exceed insurance cover, it could lose invested capital and anticipated profits

The real estate assets owned by an SPV or in respect of which an SPV acquires development rights could suffer physical damage caused by accident, fire or other causes, resulting in losses which may not be fully compensated by insurance. During the construction phase of a development, building insurance will typically be obtained by the relevant contractor rather than the Company or Project Manager. If the contractor fails to obtain insurance or act in accordance with the terms of the relevant insurance policy, any loss suffered may not be covered and the Company may be unable to recover some or all of the loss from the contractor. In addition, there

are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, that may be uninsurable or are not economically insurable. Furthermore, insurance policies are subject to exclusions and deductibles. Inflation, changes in building codes and ordinances, environmental considerations, and other factors might also result in insurance proceeds being insufficient to repair or replace a property if it is damaged or destroyed. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose capital invested in the SPV. If, in the future, the Company has guarantee obligations under any of the financing arrangements used to construct the development, it could also be liable for any debt or other financial obligation related to such financing arrangements. There can be no assurance that uninsured losses or material losses in excess of any insurance proceeds will not occur in the future.

Building and other consents may not be granted

There can be no assurance that any building permits, consents or other approvals required from third parties in connection with the construction and letting of existing or new development projects will be issued or granted to the relevant SPV. It is possible that some projects will be located in areas that will require the addition of significant infrastructure support, including roads, electrical power, telecommunications, water and waste treatment. The Group may be dependent on third parties, including local authorities, to provide such services. Such services may also require a variety of consents and approvals. Any delay or failure by any third party to provide such additional services to the Group or a failure to obtain any required consents and approvals on acceptable terms or in a timely fashion may affect the Group's ability to execute or complete existing and/or new development projects.

Construction and development projects are subject to risks associated with the engagement of third party contractors

The construction work at all of the Company's development projects will be performed by third party contractors. The Company has no direct control over the day-to-day activities of such contractors and 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 Company's projects may not be completed as or when envisaged, if at all, thus leading to unexpected costs. The SPVs may not recover all or any losses they incur as a result of legal action in respect of breach by third party contractors of their respective obligations to the Group. If a contractor engaged to work on a development becomes insolvent, it may prove impossible to recover compensation for such defective work or materials and the relevant SPV may incur losses as a result of funding the repair of the defective work or paying damages to persons who have suffered loss as a result of such defective work.

Inadequate health and safety precautions or other improper conduct may affect the Group

Construction sites can be hazardous working environments and the rates of accidents and fatalities in the construction industry are high relative to those in certain other industries. In developing countries, such as India, the health and safety standards on construction sites may not be applied as stringently as in industrialised countries. Accidents and, in particular, fatalities may have an adverse impact on the Group's reputation and may result in fines and/or investigations by public authorities as well as litigation from injured workers or their dependants.

The real estate development and construction industries are not immune to the risks of corrupt practices. Large construction projects in all parts of the world provide opportunities for corruption. Such corruption may include bribery, deliberate poor workmanship or the deliberate supply of low quality materials. If any member of the Group is the victim of such corruption, the ability of the SPVs to complete the relevant projects as planned may be disrupted thereby materially affecting the business, financial condition and results of operations of the Company.

The Government of India's SEZ policy is relatively new and has attracted political opposition and may be restricted or withdrawn

The Government of India's policy in respect of SEZs is currently a politically sensitive issue in India. In addition, the Finance Ministry of India has expressed concern in respect of tax revenues lost as a result of commercial activities enjoying fiscal exemptions under the SEZ regime. The Government of India's policy has been criticised on economic grounds by the International Monetary Fund and it has been suggested that the fiscal exemptions may be challenged by the World Trade Organisation. It is possible that, as a result of political pressures, the procedure for obtaining SEZ status may become more onerous or that the types of land that are

eligible for SEZ status will be restricted or that the SEZ regime will be withdrawn. As the laws and regulations relating to SEZs have been in force for a relatively short period of time, there may be some uncertainty with respect to the interpretation and application of such laws and regulations. For example, the extent to which businesses may move their existing operations to SEZs is unclear and possibly limited. If businesses cannot move their existing operations into SEZs, the Company will be reliant on businesses which are expanding their operations in India as a source of potential tenants. Additionally, regulatory authorities may allege non-compliance and may subject the SPVs to regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings under applicable laws and regulations. Any such changes to the SEZ regime may adversely affect the Company's results of operations, financial condition and the value of the Company's properties.

The SEZ approval process may not be complete

Five of the projects comprising the Seed Portfolio Assets have received "in-principle" SEZ approval from the Board of Approval and two such projects have completed the second stage of the SEZ approval process, having received a recommendation from the relevant state government. In respect of future developments, the Group intends to invest in SEZs once such "in-principle" SEZ approval (rather than final approval) has been obtained. The granting of full SEZ status is dependent on compliance with various conditions within a certain time limit including the submission of project development plans, amongst other documents, for approval by the appropriate authorities. There can be no assurance that the SPVs will be able to comply with such conditions or that such final approval will be granted. There is also no assurance that the Company will fulfil such conditions within the relevant time limits. If such conditions are not fulfilled, final approval for an SEZ may be delayed or may not be available on favourable terms or at all. Maintenance of SEZ status will also require the fulfilment of certain conditions on an on-going basis. The SPVs may not be able to comply with new laws, regulations or policies that may come into effect from time to time with respect to SEZs. In addition, the SPVs holding assets in respect of K1 and N3 have obtained SEZ approval in respect of projects of certain areas with a view to obtaining SEZ status for larger areas in due course in order to construct the later stages of the relevant projects. There can be no assurance that such approval will be obtained. Any failure or delay in obtaining the requisite SEZ status could delay a development project and/or have an adverse impact, financial or otherwise, on the Company.

Areas identified for development as potential SEZs may not have sufficient infrastructure

As competition for land of an area large enough to be eligible for SEZ status increases, the Company may not be able to develop large sites in central or developing suburban areas. The Company may have to develop SEZs in areas for which infrastructure and transport links are not fully developed. In the event that adequate infrastructure and transportation links are not available, the SEZ may not be as attractive to potential tenants or purchasers of the development as the Directors would have wished. The Company may also be reliant on local authorities to construct the infrastructure that the development may require. With regard to future developments as the Company is likely to be developing greenfield sites, there can be no assurance that any such area will prove attractive to tenants or potential purchasers of the development and therefore the rate of return that the Directors had intended to achieve may not be realised.

Certain press reports indicate that the Board of Approval may not grant any more "in-principle" approvals for the establishment of IT SEZs

It was recently reported in the press in India that the Board of Approval would not grant any more "in-principle" approvals for IT SEZs for the time being and that the Board of Approval is due to review its position in six to twelve months. There can be no assurance that the Board of Approval will not adopt such a policy in the future. If Unitech (or any other developer) is unable to obtain "in-principle" approval for IT SEZs, the Company will not be able to invest in the development of new IT SEZs in the future. The Company would, therefore, be unable to effect a material element of its strategy which may have an adverse effect on its business, financial condition and results of operations.

3. RISKS RELATING TO THE INVESTMENT MANAGER AND INDIAN INVESTMENT ADVISER

Lack of operating history

Although the Investment Manager has access, through its board members and the Indian Investment Adviser, to personnel with extensive experience in investment analysis, real estate development and investment in India, the Investment Manager is newly formed and has no history upon which potential investors may base an

evaluation of the anticipated performance of the Company. The Investment Manager must develop and implement operating procedures in order to perform its responsibilities and if it is not able to do so successfully the Company's performance may be adversely affected.

In addition, the Investment Manager acts exclusively for the Company and has no source of revenue other than the fees payable under the Investment Management Agreement. In the event that the Investment Manager fails to perform its obligations under the Investment Management Agreement, it may have insufficient assets to meet any claim for damages from the Group.

The Company's performance is dependent in part on the advice of the Investment Manager

The Company is reliant on the advice of the Investment Manager and will have limited opportunity to conduct its own due diligence prior to any investment. In particular, the Company's performance is likely to be dependent on the ability of the Investment Manager, with the assistance of the Indian Investment Adviser, to source, select, evaluate, complete and realise appropriate investments. The ability of the Investment Manager to do so depends, in turn, upon certain key individuals. The loss of any suitably qualified member of the Investment Manager's management team may have a material adverse effect on the Company's business, financial condition and results of operations. The advice of the Investment Manager will be based on assumptions in respect of the Seed Portfolio Assets or future projects. Such assumptions may prove to be incorrect and therefore the return realised for a completed project may be lower than anticipated by the Company.

The Investment Manager will rely on third parties to enable it to carry out its obligations under the Investment Management Agreement

In carrying out its services under the Investment Management Agreement, the Investment Manager will procure, through the Indian Investment Adviser, the services of various third party advisors, including third party valuers, property agents, surveyors, environmental consultants, lawyers, accountants, investment advisors based in India and other advisors in respect of the potential acquisition and disposal of properties. If the Investment Manager is unable to retain suitably qualified and experienced advisors, it may have a material adverse effect on the quality of the advice and services provided to the Group.

The Investment Manager's compensation structure may encourage the Investment Manager to invest in high risk investments

The Investment Manager is a Unitech affiliate and the companies within the Unitech Group will invest in each of the SPVs thereby having an interest in the success of the Group. However, the Investment Manager's compensation structure may be viewed as creating an incentive for the Investment Manager to recommend investments that are riskier than would be the case in the absence of such incentivised compensation. Such remuneration arrangement could therefore adversely affect the manner in which the Investment Manager recommends investments and thereby have an adverse effect on the Company.

The Investment Management Agreement may be terminated in certain circumstances

The Investment Manager may terminate the Investment Management Agreement in the event of the insolvency of Candor or the Company or in the event of a material breach of such agreement. The right of first refusal of Candor to invest in certain Unitech Group projects terminates automatically upon termination of the Investment Management Agreement. If the Investment Manager ceases to act as Investment Manager or in the event that the right of first refusal in respect of investment in certain Unitech Group projects terminates, it is unlikely the Company would be able to invest in further Unitech projects. In addition, the Group would have to identify and appoint a replacement investment manager who may not be as effective as the proposed Investment Manager. In certain circumstances, Candor is liable to pay further fees to the Investment Manager following termination of the Investment Management Agreement. The occurrence of any of the events set out above would have a material adverse effect on the Company's business, financial condition and results of operations.

4. RISKS RELATING TO INVESTMENT IN INDIA AND INDIAN REAL ESTATE DEVELOPMENT ASSETS

The Company's business may be impacted by political, economic and social risks

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. In addition, the Indian economy may differ favourably or unfavourably from other economies in several respects, including the rate of growth of

GDP, the rate of inflation, resource self-sufficiency and balance of payments. The Company does not intend to obtain political risk insurance. Future actions of the Indian central government or the relevant Indian state governments could have a significant effect on the Indian economy, which could adversely affect private sector companies, market conditions and prices and yields of the Company's portfolio investments. The occurrence of local unrest, or external tensions, could adversely affect India's political and economic stability and, consequently, adversely affect the Company's investments.

As a foreign investor, the Company's non-SEZ real estate investments are and will be subject to minimum requirements and limitations under FDI Regulations relating to Indian real estate and potentially other limitations

FDI Regulations impose minimum conditions on non-SEZ real estate investment. Minimum requirements include minimum capitalisation levels that would apply to each SPV, minimum buildable area, and limitations on repatriation of minimum capital invested. In addition, there are certain restrictions on investing in Indian real estate. Pursuant to such restrictions, the Company may not be able to dispose of undeveloped land unless certain minimum infrastructure has been added, even if the Company elected not to develop a project after investing in it.

The Company's operations may be affected by any change in or clarification of the FDI Regulations relating to Indian real estate

The liberalisation of the regulations relating to foreign direct investment has attracted investments into the Indian real estate market. There can be no assurance that the Government of India will not seek to reverse its liberalisation programme, either in whole or in part. The Government of India may introduce further clarifications in relation to the FDI Regulations which may or may not be in accordance with the Company's understanding or be beneficial for the investments planned by the Company. A full or partial reversal of the Government of India's liberalisation programme (including by amendment or clarification of the SEZ regime or FDI regulations) would inhibit the Company in fulfilling its investment strategy and have an adverse effect on its profitability and the potential returns to Shareholders.

The Company will be required to obtain various government approvals for its activities and failure to do so may have a material adverse effect on the Company

Certain Indian governmental approvals, including approvals from the Securities and Exchange Board of India or the central government or the respective state government may be required before the Company can make certain investments. Any failure to obtain such approvals in a timely fashion, or at all, may delay or hinder the progress of developments in which the Company invests.

The SPVs are subject to local and municipal laws which vary from location to location and ensuring compliance with such laws could be time consuming and costly

The real estate sector is subject to local and municipal laws and taxes, in addition to central and state level laws and taxes. Exposure to such laws and taxes could vary significantly from project to project depending on the location and such laws and taxes are subject to change or revision from time to time. Municipal taxes and statutory expenses for compliance with laws could lead to a reduction in the return on the Company's investments. Obtaining required licences, permits and authorisations may be delayed which will have an impact on timing of project development and consequential returns to the Company. In addition, local and municipal laws in India sometimes contradict each other or India's national laws or are subject to revision from time to time. The land held or acquired by the SPVs may be adversely affected by such contradictions or revisions thereby reducing the value of such investments.

The Group's title to its real estate assets may be uncertain

In India, property records do not provide a guarantee of the title to the land. Further, some or all of the land in the Seed Portfolio Assets may have irregularities of title or be subject to or affected by encumbrances of which the Company may not be aware. Property records in India have not been fully computerised and are generally maintained manually with physical records of all land related documents, which are also manually updated. This updating process can take a significant amount of time and can result in inaccuracies or errors and increase the difficulty of obtaining property records and/or materially impact the Company's ability to rely on them. As a result the title of the real property in which the Company may invest may not be clear or may be in doubt. Further, independent verification of title may be difficult and time consuming. The SPVs are unlikely to be able to obtain title insurance in India due to the limited availability of such cover. A lack of title insurance, coupled

with difficulties in verifying title to land, may increase the Company's exposure to third parties claiming title to the property. This could result in a delay in the SPVs selling the property or even a loss of title to the property, affect valuations of the property, or otherwise materially prejudice the development of the property which could in turn have an adverse effect on the Company's business, financial condition or results of operations.

Property litigation in India is common and time consuming

Property litigation in India is generally very time consuming and litigation with respect to land ownership in India is common (including public interest litigation). If any property in which the Company has invested is subject to any litigation, this could delay a development project and/or have an adverse impact, financial or otherwise, on the Company. Any judgment obtained by the Group in the Indian courts in respect of the ownership of or title to any particular development may also be difficult to enforce, if it is enforceable at all.

Land is subject to compulsory acquisition by the government and compensation in lieu may be inadequate

The right to own property in India is subject to restrictions that may be imposed by the government. In particular, the government has the right to acquire any land, if such acquisition is for a "public purpose", after compensation is paid to the owner. However, the compensation paid may not adequately recompense the owner for the loss of such property. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of infrastructure projects such as roads, railways and airports. Any such action in respect of any of the projects in which the Company is investing (or may invest in the future) may adversely affect the Company's business, financial condition or results of operations.

5. RISKS RELATING TO TAXATION

Renegotiation of the India-Mauritius Double Taxation Avoidance Agreement

Press reports indicate that a high level delegation from the Indian Central Board of Direct Taxes and Securities and Exchange Board of India recently met authorities in Mauritius to discuss possible steps to prevent what they view as misuse of the India-Mauritius Double Taxation Avoidance Agreement ("DTAA").

The Mauritian authorities have said that they will be looking closely at 'conduit' companies with parent companies in other jurisdictions holding subsidiaries or special purpose vehicles in Mauritius only to avail themselves of treaty benefits with India or other treaty jurisdictions. The Mauritian authorities have issued revised guidelines, strengthening the conditions for issue of tax residency certificates to Mauritian companies. This revision is being viewed as a conscious effort by the Mauritian authorities to mitigate any perception that Mauritius vehicles are mere conduits for treaty shopping purposes.

The press reports also indicate that the Government of India has proposed that only Mauritian companies listed on a recognised stock exchange should be eligible for capital gains tax exemption under the India-Mauritius Double Taxation Avoidance Agreement. The Government of India has also proposed that a company should have a total expenditure of US\$200,000 or more on operations in the resident state for at least two years from the date the capital gains arise. Also, a shell or a conduit company with negligible or no business operations will not be allowed to enjoy the capital gains tax exemption.

An amendment to the capital gains articles in the DTAA may result in capital gains made on the Group's investments in India becoming liable to capital gains tax in India which could have a material adverse effect on the Company's business, financial condition and results of operations.

The implications of tax systems in India and Mauritius are uncertain and various tax laws are subject to differing interpretations

Tax systems in some of the countries in which the Group will operate are often characterised by frequent changes in tax regulations, as a result of which many tax regulations are either not subject to firmly established interpretations or are subject to frequently changing interpretation by the tax authorities. Often, tax laws have not been in force for significant periods of time or are constantly amended and only a few precedents regarding tax issues are available. Differing opinions regarding the legal interpretation of tax laws often exist both among and within governmental ministries and authorities, including tax administrations, creating uncertainty and areas of conflict for taxpayers and Shareholders. This degree of uncertainty in tax regulations by the tax authorities, combined with high penalties for non-compliance and a risk of arbitrary action by government or administrative authorities, may result in tax risks in India and Mauritius being significantly higher than in countries with more stable tax systems. For instance, there is no assurance that tax authorities in the above countries will not take positions that differ from the Company's positions with regard to interpretative issues, including residency status.

Any of the above events may result in a material adverse effect on the Company's business, financial condition and results of operations.

The Group's Mauritian companies' applications for the relevant Tax Residence Certificates are not complete

Under Mauritian law, a company wishing to benefit from the India-Mauritius Double Taxation Avoidance Agreement is required to hold a valid Tax Residence Certificate ("TRC") issued by the Mauritius Revenue Authority ("MRA"). In order to obtain a TRC a company must be classified as a Global Business Company Category 1 ("GBC1"). The Financial Services Commission of Mauritius, having completed its necessary enquiries in respect of the Company, granted Candor GBC1 status on 30 November 2006 and a TRC was granted by the MRA on 11 December 2006. Each of the Mauritian Subsidiaries was granted GBC1 status on 11 December 2006 and applications for TRCs were submitted to the MRA on 12 December 2006. Although not anticipated by the Directors, there can be no assurance that the grant of the TRCs to the Mauritian Subsidiaries will not be delayed or refused. If the Mauritian Subsidiaries are delayed in obtaining TRCs the Company will not procure the transfer of the proceeds of the Placing to the Mauritian Subsidiaries, as appropriate, which will delay the investment by the Company in the Seed Portfolio Assets. If any of the Mauritian Subsidiaries were unable to obtain TRCs they would be unable to benefit from the DTAA and the Group would be exposed to a greater liability to tax. Any such delay or exposure would have a material effect on the Company's business, financial condition and results of operations.

Changes to the tax residency of the Company and other members of the Group or changes to the treatment of intra-group arrangements could adversely affect the Company's financial and operating results

Any change in the Company's tax status or in taxation legislation or any interpretation thereof in the Isle of Man, Cyprus, Mauritius, India or any country where the Company has assets or operations could affect the value of the assets held by the Company or the Company's ability to achieve its investment strategy or provide favourable returns to Shareholders. Any such change could also adversely affect the net amount of any dividends payable to Shareholders.

If the Company is treated as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests or in which its interests are managed, income attributable to or effectively connected with such permanent establishment or trade or business may be subject to tax in the place of such permanent establishment.

Were the entire management and control of any of the Company, Candor or the Mauritian Subsidiaries deemed to take place from India or if any such entities were deemed to have a permanent establishment in India, any such Group company could be treated as being subject to Indian tax and such companies could, as a consequence, be subject to tax in India on their worldwide income.

In order to maintain its status as an entity not subject to UK tax, the Company is required to be controlled and managed outside the United Kingdom and not to establish a permanent establishment in the United Kingdom. The composition of the Board, the place of residence of the Board's individual members and the location(s) in which the Board makes decisions are all factors which, among others will be important in determining and maintaining the non-UK tax resident status of the Company. While the Company is organised in the Isle of Man and a majority of the Directors live outside the United Kingdom, if significant decision making were to be conducted by the Company in or from the United Kingdom, the Company could lose its non-UK tax resident status. As such, any inadvertent management of the Company from the United Kingdom could potentially lead to the Company being considered a United Kingdom tax resident, which would negatively affect its financial and operating results.

In order for the Company to maintain its tax status, continued attention must be paid to ensure that all relevant conditions are satisfied in all the jurisdictions in which the Company operates in order to avail itself of the benefits of, for example, double tax treaties and local country requirements.

There is a risk that amounts paid or received under intra group arrangements in the future could be deemed for tax purposes to be lower or higher, as the case may be, which may increase the Group's taxable income or decrease the amount of losses available to the Group with a consequential negative effect on its financial and operating results.

The holding company structure for the Group's real estate interests means that the tax base cost of certain of the Group's properties may be lower than their acquisition cost, which may have an adverse effect on the value realised upon disposal of those properties

Most of the Group's interests in projects are likely to be held through shareholdings in the SPVs. If the SPVs were to dispose of their direct real estate interests, rather than the Group selling its interests in these companies, the tax base cost for calculation of the gains generated on disposal of the real estate may well be lower than the value attributed to that real estate by the Group when it acquired its interest in the property holding company, therefore increasing any tax liability to be borne indirectly on disposal by the Group. There may be situations where, in order to dispose of a property, the SPV is required to sell the underlying real estate rather than the Group selling its interests in an SPV, thereby increasing the Company's tax exposure.

There is a substantial risk that the Company will be classified as a passive foreign investment company for United States federal income tax purposes, which could subject United States investors in the Ordinary Shares to adverse tax consequences

There is a substantial risk that the Company will be classified as a passive foreign investment company (a "PFIC") for United States federal income tax purposes for the current taxable year. PFIC status is a factual determination made annually after the close of each taxable year on the basis of the composition of the Company's income and the value of the Company's active versus passive assets. If the Company were to be or become classified as a PFIC, United States investors in the Ordinary Shares may incur significantly increased United States income tax on gain recognised on the sale or other disposition of the Ordinary Shares and on the receipt of distributions on the Ordinary Shares to the extent such gain or distribution is treated as an "excess distribution" under the United States federal income tax rules. See the section entitled "US Taxation — Passive Foreign Investment Company Considerations" in section 1 of Part 10 of this document.

Potential investors are urged to consult their tax advisor concerning the United States federal income tax consequences of acquiring, holding, and disposing of Ordinary Shares if the Company is or becomes classified as a PFIC, including the possibility of making a "mark-to-market" election.

The assets of the Company could be deemed "plan assets" that are subject to the requirements of ERISA or section 4975 of the Code

Unless an exception applies and if 25 per cent. or more of the Ordinary Shares (calculated in accordance with ERISA) or any other class or equity interest in the Company are owned, directly or indirectly, by "Benefit Plan Investors" (as defined for purposes of ERISA), assets of the Company could be deemed to be "plan assets" subject to the constraints of ERISA. Accordingly, no Benefit Plan Investor will be permitted to acquire the Ordinary Shares. Prospective investors should refer to "Certain ERISA Considerations" and "Transfer Restrictions" in section 9 of Part 9 of this document and should consult with their legal advisers before investing in Ordinary Shares.

The Company has not and will not register as an investment company in reliance on the real estate exemption set forth in Section 3(c)(5)(C) and Section 3(c)(6) of the US Investment Company Act

The Company believes it qualifies for an exemption to the definition of "investment company" set forth in Section 3(c)(5)(C) of the US Investment Company Act 1940, which exempts from regulation companies that are primarily engaged in "purchasing or otherwise acquiring mortgages and other liens on and interests in real estate." Section 3(c)(6) of the US Investment Company Act exempts companies that engage in a Section 3(c)(5)(C) business (together with one or more other exempt businesses) through majority owned subsidiaries. Accordingly, the Company will not be required to register as an investment company in the United States under the Investment Company Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which the Company believes will be applicable to the Company or investors in the Company.

Although the phrase "primarily engaged" is not defined in the Investment Company Act, the US Securities Exchange Commission has taken the position in a series of no-action letters that in order to satisfy the "primarily engaged" requirement of Section 3(c)(5)(C), a company must invest at least fifty-five percent of its assets in real estate and an additional twenty-five percent of the company's assets must be invested in real estate related assets, although the twenty-five percent requirement may be reduced to the extent that more than fifty-five percent of the company's assets are to be invested in real estate. The Company intends to comply with such requirements under Section 3(c)(5)(C) and Section 3(c)(6), which will limit its ability to engage in certain business activities, such as

acquiring securities issued by real estate companies that are not majority-owned subsidiaries or acquiring other investment securities.

6. RISKS RELATING TO THE ORDINARY SHARES

There is currently no market for the Ordinary Shares and a market for the Ordinary Shares may not develop, which could adversely affect the liquidity and price of the Ordinary Shares

There is currently no market for the Ordinary Shares. Therefore, prospective investors should be aware that they cannot benefit from information about the prior market history of the Ordinary Shares in making their decisions to invest. Furthermore, an active trading market for the Ordinary Shares may never develop or, if it does develop, may not be maintained. Shareholders may be unable to sell their Ordinary Shares unless a market can be established or maintained.

Securities traded on AIM

Investment in securities traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List. AIM has been in existence since June 1995 but there can be no assurance as to its future success or the liquidity in the market for the Ordinary Shares. It is possible that an active trading market may not develop or continue upon completion of the Placing. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Placing Price. As a result of fluctuations in the market price of the Ordinary Shares, Shareholders may not be able to sell their Ordinary Shares at or above the Placing Price, or at all. Shareholders may therefore realise less than, or lose all of, their investment.

In addition, AIM is a less regulated market than the Official List. For example, there are fewer circumstances in which the Company would be required to seek shareholder approval for transactions undertaken by the Company. Shareholders may suffer actual or perceived prejudice to the extent the Company takes advantage of the increased flexibility it is allowed through an AIM listing.

Share price volatility

The price at which the Ordinary Shares are traded and the price for which Shareholders may realise their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect the quoted property investment sector or quoted companies generally and which are outside the Company's control. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, Indian legislative changes relating to property investment, general economic, political or regulatory conditions in India or changes in market sentiment towards the Ordinary Shares.

The results of the Company's operations may fluctuate significantly due to a variety of factors, many of which may be outside the Company's control. Period to period comparisons of the Company's results of operations may not be meaningful and Shareholders should not rely on them as indications of the Company's future performance. The Company's results of operations may fall below the expectations of securities analysts and Shareholders. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market prices for securities and which may be unrelated to the Company's operating performance. Any of these events could result in a decline in the market price of the Ordinary Shares.

The price of the Ordinary Shares may be affected by terrorist attacks, civil unrest and other acts of violence or war involving India and other countries

Terrorist attacks and other acts of violence or war may adversely affect financial markets worldwide, as well as AIM. Recently there have been military hostilities and continuing civil unrest and instability in Iraq, Afghanistan and the Middle East. The Asian region has also experienced instances of civil unrest and hostilities among neighbouring countries, including between India and Pakistan, which are both nuclear powers. India has also experienced internal civil disturbances, terrorist attacks and riots during recent years.

Events of this nature, as well as social and civil unrest within and between other countries in Asia, may adversely affect global economic conditions and the Indian economy. In particular, an escalation of the conflict between India and Pakistan, or any future civil unrest, terrorist attacks or other adverse social, economic and political events in India might result in investor concern about stability in the region and create a negative perception that investment in India entails a higher degree of risk.

If such events occur, the Company's business, prospects and the price of the Ordinary Shares may be adversely affected.

It is intended that the Company will only operate for a specified time period

Under the Articles, the Company will operate for eight years. This period may be extended, by the Board or by 75 per cent. of Shareholders voting in a general meeting, by up to a maximum operating period of 12 years, after which it will be wound up. Although the Company may be wound up at any time by 75 per cent. of the Shareholders voting in a general meeting, there is a risk that Shareholders will not be able to realise a return on their investment (if any) until the end of the operating period. There is also a risk that Shareholders wishing to continue to invest in the Company may no longer be able to because the operating period has come to an end. The realisation of Shareholders' investments (if any) may be at a time that may lead to increased or unexpected tax consequences for Shareholders.

The Ordinary Shares are subject to restrictions on transfers

The Ordinary Shares have not been registered in the United States under the Securities Act or under other applicable securities laws and are subject to restrictions on transfer contained under such laws. They may not be resold in the United States, except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities law and subject to the limitations set out in "Transfer Restrictions" in section 9.3.3 of Part 9 of this document.

The Company does not intend to create a public market in the United States for resales of the Ordinary Shares

The Ordinary Shares constitute "restricted securities" as defined in Rule 144 under the Securities Act, and accordingly, are not freely tradable in the United States. The Company does not intend to list the Ordinary Shares on an established securities exchange in the United States, have them quoted on an automated inter-dealer quotation system or otherwise create a public market in the United States for resales of the Ordinary Shares. Prospective investors should refer to "Transfer Restrictions" in section 9.3.3 of Part 9 this document.

PART 2: INFORMATION ON THE COMPANY

1. INTRODUCTION

Unitech Corporate Parks Plc is a company newly incorporated in the Isle of Man whose strategy is to invest in the Indian real estate sector. The Company's strategy is to focus on investment 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 intends, upon Admission, to invest in the Seed Portfolio Assets, comprising six IT or ITES related projects, five of which are located in the National Capital Region (NCR, being the area around Delhi) and one of which is located in the Kolkata area. The Seed Portfolio Assets are expected to have a total leaseable area of 21.5 million sq. ft. Five of the Seed Portfolio Assets have received "in-principle" SEZ approval from the Board of Approval (of which two have completed the second stage of approval having also obtained a state recommendation). The sixth Seed Portfolio Asset is designated as an IT Park. The Directors expect that such investment will account for all of the proceeds of the Placing (net of expenses incurred in connection with the Placing and reserves for certain ongoing business expenses (including certain investment management fees)). Construction work has commenced in respect of three of the projects comprising the Seed Portfolio Assets and planning and design work in respect of each of the three other Seed Portfolio Assets has begun. Of the five projects located in the NCR, two are located in Noida ("N1" and "N2"), one in Greater Noida ("N3") and two in Gurgaon ("G1" and "G2"). The sixth project is located in the Kolkata area ("K1").

The market value of one hundred per cent. of the Seed Portfolio Assets, in which it has been agreed that the Company will acquire interests of sixty per cent. (assuming no exercise of the Over allotment Option), has been assessed by JLL to be Rs. 41,373,000,000 (£481.47 million) as at 8 November 2006, calculated using a direct comparison/market and residual approach. For the purpose of carrying out the valuations, JLL has made a number of assumptions about each of the Seed Portfolio Assets, including that the relevant SPV is the legal and beneficial owner of 100 per cent. of the property interests and has good and marketable title to the properties (other than in the case of G2-IST for which the terms of the IST JDA have been taken into account). The total investment of the Company in the Seed Portfolio Assets exceeds the amount of the JLL valuation as the Company's investment includes the cost of funding, in part, future construction costs.

A valuation is inherently subjective and the valuations are not directly comparable to the consideration being paid by the Company for its interests in the Seed Portfolio Assets. For further details of the valuations, methodologies and underlying assumptions, see the Valuation Report and also see "Any property valuation is subjective and may not reflect the achievable sale price of a given property asset" and "Limited availability, quality and reliability of market data creates uncertainty as to market values" in Part 1 of this document.

The Company intends to co-invest with Unitech affiliates in the Seed Portfolio Assets with the Company acquiring control. It is anticipated that similar co-investment arrangements with Unitech will be entered into in respect of future projects to be acquired by the Company.

Nectrus Limited, an affiliate of Unitech, has agreed to provide investment management services to the Company with respect to the identification, structuring and execution of potential investment opportunities and in connection with the implementation of the Company's investment strategy. It is also intended that Unitech will provide project management services in respect of the Seed Portfolio Asset developments and any future projects in which the Company invests.

Tracing its history back to 1971, Unitech has over 30 years' experience in the construction and real estate development businesses in India. Unitech listed on the Bombay Stock Exchange in 1986 and on the National Stock Exchange of India in 1999 and is now the largest listed real estate developer in India by market capitalisation (approximately US\$8.7 billion as at 14 December 2006). The Unitech Group is developing (or has developed) a combination of commercial, retail and residential real estate developments in many major cities in India, including in the NCR and in Kolkata, Hyderabad, Bangalore, Kochi, Chennai, Lucknow, Aurangabad, Varanasi, Chandigarh and Agra.

The Directors intend that the Company will have an initial operating period of eight years (from 31 December 2006), although this may be extended by a resolution of the Directors or the Shareholders, subject to a maximum operating period of twelve years.

2. INVESTMENT OPPORTUNITY

The Company's investment strategy has been developed in response to the changing macroeconomic environment in India, changes in the regulatory and tax regimes that encourage investment in the commercial real estate sector and the opportunities available in such sector.

Macroeconomic environment in India

- India is predicted to be the second fastest growing major economy from 2006 to 2010.
- India is expected to become the world's third largest economy (measured by purchasing power parity (PPP)) by 2010. Although estimates vary, according to the World Bank, India's GDP is currently the fourth largest in the world on the basis of PPP.
- Overall, India attracted FDI of around US\$40 billion between 1991 and 2005, approximately 50 per cent. of which was attracted after 2000. Significant growth potential exists for FDI in India, as it is currently at low levels compared to global standards, accounting for less than 1 per cent. of GDP.
- India benefits from a growing young population, fuelling domestic demand. Currently half the population of India is under 25 and India is expected to add 71 million people to its working age population of 691 million by 2010.

Favourable regulatory and tax regime with respect to the real estate sector

- The real estate sector has benefited from the Government of India's recognition that real estate development is critical to the country's infrastructure and economic development.
- The Government of India changed the FDI Regulations for the real estate sector with effect from 1 April 2005 to attract greater foreign investment.
- Further development is being supported by the Government of India which has eased regulations relating to the creation of SEZs and has granted tax advantages to companies investing in real estate.

Opportunities in the commercial real estate sector

- Demand for commercial office space is estimated to grow at an annual rate of 20 to 25 per cent. over the next 10 years, which equates to a total of approximately 500-650 million sq. ft.
- The IT and ITES sectors are driving demand for quality office space and it has been estimated by JLL that these sectors will require 50 to 70 million sq. ft. of office space over the next two to three years.
- Suburban areas are emerging as growth markets for offices, with 75 per cent. of office development currently being undertaken in suburban and peripheral locations.

3. INVESTMENT STRATEGY

The Company's strategy is to target the real estate requirements of the growing Indian IT and ITES sectors. The Company intends to invest only in IT SEZs and IT Parks in respect of which certain preliminary approvals have been obtained from the relevant authorities. The Company's primary areas of investment will therefore be in the development of IT SEZs and IT Parks which are suitable for FDI.

Targeting the IT and ITES industries

The Company intends to target the development of real estate projects aimed specifically at the IT and ITES industries in India. The increasing trend towards business process outsourcing ("BPO") by many international businesses, particularly by the IT and ITES industries, has created considerable growth in these sectors in India. This growth has led to increased demand for office space suitable for IT and ITES businesses. It is estimated that the annual demand for IT space will increase from 30 million sq. ft. in 2006 (actual plus projected) to 45 million sq. ft. in 2009 (projected). Certain IT and ITES companies have specific requirements not readily available in property developments most commonly available in India, such as the need for 24 hour guaranteed uninterrupted power supply, reliable connectivity for uninterrupted and secure data transmission and enhanced air conditioning systems. These specific requirements can be more readily provided in newly constructed developments built specifically for IT and ITES businesses.

Investment in IT SEZs or IT Parks

The Company intends to focus on investment in IT SEZs or IT Parks. 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. The new regime for the establishment and development of SEZs came into force on 10 February 2006. Public and private sector entities can apply for SEZ status for a specified area of land although there are certain restrictions in respect of the minimum area of land of an SEZ. In particular, certain SEZs are designated for use specifically by businesses in the IT industry (IT SEZs). Further details of the regulation and benefits of SEZs and IT Parks is described under “Indian Regulatory and Property Law Overview” in Part 6 of this document.

The Company aims to invest in IT SEZ developments as the Directors believe that prospective tenants will be attracted by the fiscal benefits afforded to the occupants locating in such zones. These benefits include exemption from import duties on, amongst other things, capital goods and raw materials and exemption from payment of income tax on profits for a period of ten consecutive years. In addition, IT SEZs are required to provide the infrastructure support required by IT and ITES businesses. SEZs also offer favourable customs controls, duties and tariffs and other fiscal and tax benefits to developers of such zones as well as their occupants. In addition to the fiscal benefits associated with SEZs, the SEZ Rules provide for a simplification of the procedures relating to the development of SEZs.

SEZs are a key element of the development plans of the central and certain state governments in India, which are each increasingly encouraging the development of SEZs across the country. The first significant stage of the approval process in respect of an SEZ is obtaining “in-principle” approval from the Board of Approval. This is followed by a recommendation from the relevant state authority prior to final approval being obtained. The approval process is described in more detail in section 6 of this Part 2 and Part 6 of this document. As at 6 December 2006 (being the last practicable date prior to the issue of this document for which records were available) 166 SEZs have received “in-principle” approval and 237 have received final approval from the relevant authorities since the new SEZ regime came into force in February 2006. The Government of India has supported this increase in the number of SEZs in order to increase exports from the manufacturing service sectors, including the IT and ITES sectors whilst also encouraging the construction of essential infrastructure. For the reasons set out above, the Government of India’s promotion of SEZs has created opportunities for real estate developers. Five of the six Seed Portfolio Assets have obtained “in-principle” SEZ approval from the Board of Approval of which two projects have also received a recommendation from the state government.

The Company may also invest in new projects that are not located in SEZs. Where the Company makes such an investment, it is the Directors’ intention to develop such projects as IT Parks where the Company will be able to take advantage of certain benefits afforded by state governments to the developers and occupants of property constructed for or occupied by companies in the IT or ITES industries.

Investment in Unitech Group developments

The Company’s strategy is to co-invest with Unitech affiliates in Unitech Group developments. The Seed Portfolio Assets are developments which, prior to Admission, were being developed by the Unitech Group. Under the terms of the Right of First Refusal Agreement, Candor has been granted a right of first refusal by Unitech to invest in any “qualifying IT Park or IT SEZ” in the future. A “qualifying IT Park or IT SEZ” is any project being developed by the Unitech Group that has a minimum buildable area of one million sq. ft. in which a Unitech affiliate holds an equity stake of 76 per cent. or more and in respect of which “in-principle” approval (in the case of an IT SEZ) has been obtained or, in the case of IT Parks, the relevant state government authority approval, has been obtained. Assuming Unitech acquires such development rights and acquires such approvals, the Company expects to have access to investment opportunities not available to its competitors.

Investment in projects located on land plots that are contiguous

The Company also intends to invest only in those projects where all the land that is required for the anticipated project has been acquired and does not intend to acquire land with the expectation that adjacent land needed to develop a project as an IT SEZ or an IT Park may become available. Consequently, the Company expects to be less exposed to the risk that the proposed project land will not be available for development or will only be available in part.

Geographic focus on areas with high growth potential

Five of the six Seed Portfolio Assets are located in the NCR and one is located in the Kolkata area. The NCR is one of India's main IT and ITES centres. The Directors believe that Kolkata is an emerging IT/BPO centre with considerable growth potential. The Directors intend to focus on future investment opportunities in or around the major cities of India (such as Delhi, Kolkata and Bangalore). These cities have historically been the focus of Indian companies and the Indian operations of major foreign companies which have established or developed their businesses in these areas in order to benefit from the large labour markets available. The Directors believe that such cities will continue to be the primary focus of such businesses. However, the Directors also believe that there may be investment opportunities for real estate development in other cities such as Chennai and Hyderabad which remain relatively under-developed in comparison with cities such as Delhi, Kolkata and Bangalore.

Target investment in projects with a potential project IRR of 25 per cent. or more

The Company intends to target projects that the Investment Manager advises may generate a sufficient cash flow in order to produce a project IRR of 25 per cent. or more to each SPV. The Company's IRR will be reduced by investment management fees and costs incurred by the Group. The Company cannot guarantee any IRR on its investments. The targeted IRR is merely an investment objective and not a guarantee of any anticipated return and the Company or its investments may not be able to achieve such targeted return consistently, or at all.

Exit strategy

The Directors intend to realise the Company's investments in projects in a manner aimed at maximising returns to the Company, taking into account factors such as the stage of development of a project, and occupancy levels. The Directors believe that the exit strategy most likely to maximise a return on investments may be the sale of the Mauritian Subsidiaries or the SPVs. There are no specific governmental controls relating to the sale of companies holding land in SEZs whereas the sale of such land itself is prohibited. The Directors believe that potential purchasers may include international financial investors, property funds, real estate investment trusts ("REITs") and certain other Indian real estate companies, including Unitech. However, if the Directors are of the opinion that a higher return could be obtained through continuing to hold the relevant project assets following completion then, the Company may decide not to dispose of any particular development asset but to retain such project. Given the time required to complete the initial stages of each proposed development, the Directors do not anticipate that the Group will dispose of any of the Seed Portfolio Assets prior to the end of 2008. Following the disposal of any development, the Directors will evaluate whether to reinvest the proceeds of sale in a new development project or to make a distribution to Shareholders, if possible.

Under the Articles, the Company will have an initial life of eight years from 31 December 2006. At any time prior to 31 December 2013, the Board or 75 per cent. of the Shareholders voting in a general meeting may resolve to extend the operating period of the Company for a period of between one and three years. Thereafter, the Board or Shareholders may similarly resolve to extend the operating period of the Company on one or more occasions up to a maximum total life of 12 years (from 31 December 2006), after which the Company will be wound up. The Shareholders voting in a general meeting may resolve to wind-up the Company at any time including before the expiry of the initial eight year period or any extension thereto. In the event of such an early winding-up of the Company, certain performance fees may be payable to the Investment Manager by Candor.

4. COMPETITIVE STRENGTHS

High Quality Initial Portfolio

Fully seeded portfolio

The Company has identified six projects to be acquired immediately following Admission that will account for all of the proceeds of the Placing (net of expenses incurred in connection with the Placing and reserves for certain ongoing business expenses (including certain investment management fees)). The Company is therefore not exposed to risks that it may not successfully acquire the relevant land. The Company has completed due diligence and design work has begun in respect of all of the Seed Portfolio Assets and preliminary construction work has commenced on three of the projects. The proposed investment in the SPVs will be completed as soon as practicable after Admission.

High quality developments in established or emerging IT and ITES centres

The Directors believe that each of the Seed Portfolio Assets presents an attractive investment opportunity. The Seed Portfolio Assets comprise high quality developments located in, or connected via

local transport links to, prime commercial centres. The Seed Portfolio Assets are all located in established or emerging IT and ITES centres and the Directors envisage the projects will be constructed to meet the standards required by multinational IT and ITES tenants. The buildings for each proposed development comprising the Seed Portfolio Assets have been designed by internationally recognised architects such as Callison Architecture, Inc., Hellmuth, Obata and Kassabamm, Inc. (HOK) and RMJM Singapore Pte Ltd. As a result, the Directors believe the developments will prove attractive to the multinational IT and ITES businesses the Company will target as potential occupants.

Relationship with the Unitech Group

The Company has access to the considerable real estate experience of the Unitech Group. In addition to co-investing in the Company's developments, the Unitech Group will provide investment advisory and project management advice to the Company. As a consequence of these arrangements, the Company believes that the interests of the Company and Unitech will be aligned as the Company develops its portfolio of projects.

Unitech is India's largest listed real estate company by market capitalisation (US\$8.7 billion as at 14 December 2006). As of the date of this document, the Unitech Group had successfully completed nine commercial real estate projects, with approximately 1.8 million sq. ft. of leaseable area. In addition, the Unitech Group is currently developing a 1.5 million sq. ft. IT Park, Uni TechWorld (Gurgaon) of which 1.1 million sq. ft. is completed and leased out.

Co-investment in Unitech Group projects

The Company's policy is to co-invest in developments with the Unitech Group. The Seed Portfolio Assets were each held prior to Admission by the Unitech Group which has carried out certain initial zoning and design work in respect of each project and has commenced initial construction work in respect of three of the projects. Going forward, the Company has a right to co-invest in certain qualifying projects with the Unitech Group. Under the terms of the Right of First Refusal Agreement, Candor shall have a right of first refusal to invest in certain Unitech IT Parks or IT SEZ developments with a minimum buildable area of one million sq. ft. in which a Unitech affiliate holds an equity stake of 76 per cent. or more. If the Company invests in any such development, the Company shall acquire majority control and a Unitech affiliate shall retain an equity interest of at least 26 per cent. The Company may therefore have access to investment opportunities not open to its competitors and, in particular, potential access to qualifying pipeline projects that are available to India's largest listed real estate developer (by market capitalisation). The Company believes it will therefore be able to invest in developments from an early stage with a developer who has proven experience and demonstrated capability in developing commercial real estate in India and with whom the Company has a close working relationship.

Access to the Unitech Group's real estate expertise

Nectrus Limited, a Unitech affiliate, will manage the Company's real estate investments with the assistance of the Indian Investment Advisor (also a Unitech affiliate). Sanjay Chandra, Managing Director of Unitech, has considerable experience in the Indian real estate development industry and is a director of the Investment Manager. The Directors expect that the Company will therefore have the benefit of the expertise of individuals who are familiar with the Indian real estate market. Through its relationship with the Unitech Group and under the terms of the Project Management Agreements (as described in section 3 of Part 3 of this document), the Company expects to have access to the Unitech Group's expertise in managing large construction projects that take several years to complete. The Directors believe that, by drawing on the Unitech Group's expertise in project management, the Company will have an advantage over other companies investing in the Indian real estate sector who may not have a similar relationship with a development company with comparable experience in India. The Unitech Group also has dedicated teams who have experience in marketing, letting and managing real estate developments. The Directors believe that the Company will benefit from access to the experience of such personnel.

Geographically diverse real estate developer with a track record with multinational companies

The Unitech Group is one of India's few real estate developers with wide geographic operations in India. The occupants of buildings developed by Unitech include Colt Telecom, Convergys, EDS, Exxon Mobil, Fidelity, General Motors, Hewitt, Hewlett Packard, Keane, Reebok, Royal Bank of Scotland, UTStarCom and Vertex. This contrasts with most real estate developers in India who typically operate in limited local markets and are relatively unknown to such multinational companies. The Directors believe

that existing multinational occupiers of buildings developed by Unitech wishing to expand their operations are more likely to approach Unitech, with whom they already have a commercial relationship, rather than regional developers. The relationship with the Unitech Group, therefore, potentially affords the Company valuable access to prospective multinational occupiers of the Company's developments.

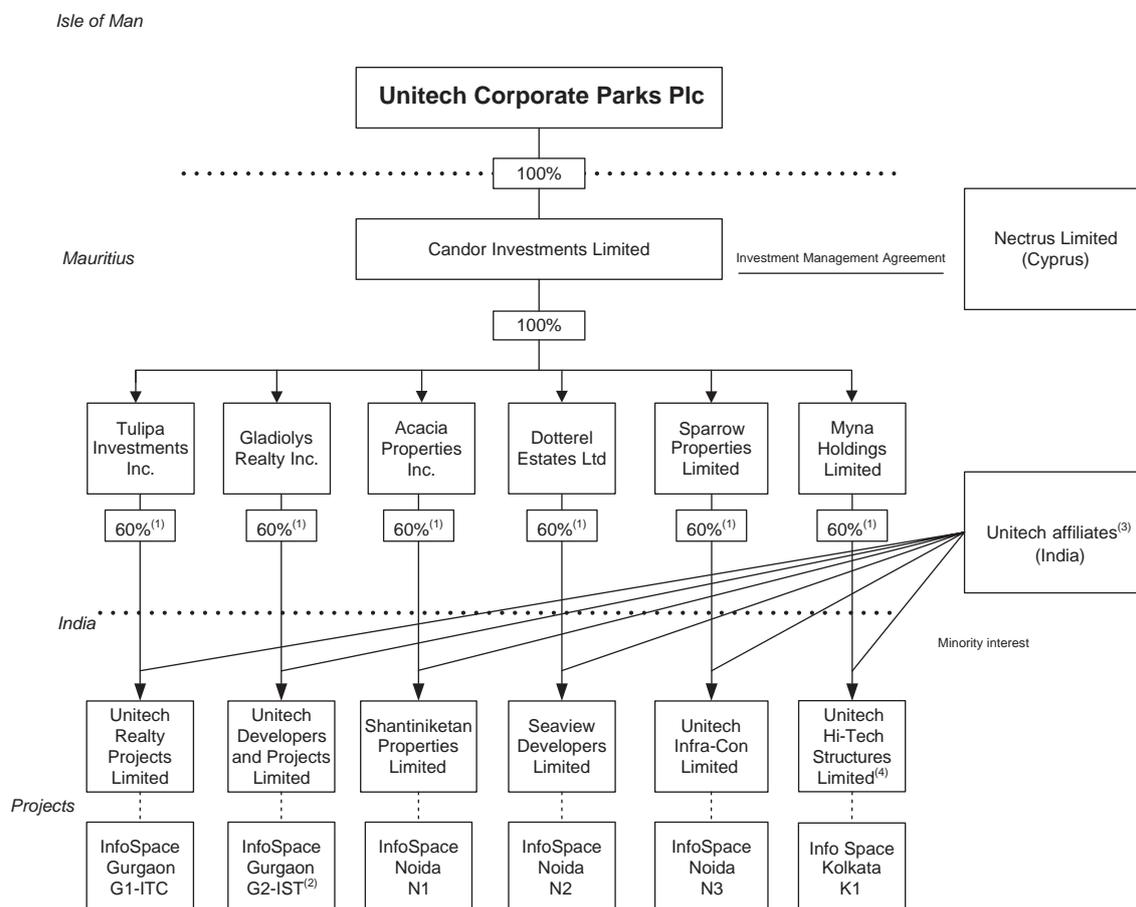
Targeting the IT and ITES sectors

The Directors believe that the IT and ITES sectors offer an important growth opportunity and that real estate companies that focus on IT and ITES companies will be well positioned to take advantage of the opportunities presented by the expected growth of these sectors. IT and ITES businesses are generally concentrated in specific areas across India such as Gurgaon and Noida (in the NCR) and more recently, Rajarhat in Kolkata. The Company intends to invest in developments located in these established and emerging IT centres in order to be positioned where demand for real estate developments for the IT and ITES industries is likely to be significant.

In addition, the Directors believe that businesses in the IT and ITES industries are likely to be attracted to IT SEZs because of the tax advantages offered to occupants of IT SEZs and the infrastructure support that must be provided for an area to qualify as an IT SEZ. The Company, by attracting foreign IT/ITES tenants, may be able to obtain attractive margins on the development of properties through construction and fit-out of buildings to the specifications which may be required by such tenants.

5. GROUP STRUCTURE

The structure of the Group is set out in the chart below. Following their proposed acquisition by the Company, it is intended that the Seed Portfolio Assets will each be held by an SPV. Each of the Mauritian Subsidiaries holds a majority stake in the share capital in an SPV. The Mauritian Subsidiaries are all wholly-owned by Candor which is itself a wholly owned subsidiary of the Company. Under the terms of the Investment Management Agreement, Nectrus Limited, a Unitech affiliate, will provide investment management services to Candor.



Note:

- (1) Each of the Mauritian Subsidiaries will hold a majority stake in the share capital of an Indian SPV. The shareholding by the relevant Mauritian Subsidiary in each SPV, assuming no exercise of the Over-allotment Option, will be 60 per cent. In the event that the Over-allotment Option is exercised in full, the Group's percentage ownership in each of the SPVs will be increased up to a maximum of 69 per cent. See "Over-allotment and Stabilisation" in Part 9 of this document for further details of the Over-allotment Option.
- (2) The Seed Portfolio Assets are each held by an SPV with the exception of G2-IST in respect of which the title to the land is held by Gurgaon InfoSpace Limited ("GIL"), a third party not affiliated with the Company or the Unitech Group. The Group, through Unitech Developers and Projects Limited ("UDPL"), has development rights with respect to G2-IST pursuant to a joint development agreement with GIL under which UDPL is entitled to 72 per cent. of the revenue arising from G2-IST — see "IST JDA" on page 35 below.
- (3) Other than in respect of Unitech Hi-tech Structures Limited, a Unitech affiliate will hold a 40 per cent. shareholding in each SPV assuming no exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised in full, the Unitech Group's shareholding in each SPV will decrease to 31 per cent.
- (4) Unitech holds 90 per cent. and Maxlon Limited, a Cyprus based entity controlled by Mr. Prasoon Mukherjee, the pre-Admission controlling Shareholder, holds 10 per cent. of the issued share capital of Unitech Hi-Tech Structures Limited. Following investment of the proceeds by the Company, Myna Holdings Limited will acquire a 60 per cent. interest in Unitech Hi-Tech Structures while Unitech and Maxlon Limited will hold 36 per cent. and 4 per cent. respectively. In the event that the Over-allotment Option is exercised in full, Myna Holdings Limited will hold a maximum of 69 per cent. and Unitech's and Maxlon Limited's holdings will be diluted to approximately 27.9 per cent. and 3.1 per cent., respectively.

6. OVERVIEW OF THE SEED PORTFOLIO ASSETS

The table below sets out summary details of each of the Seed Portfolio Assets, including the actual or expected dates of the beginning of construction, expected dates of completion of construction, the expected

leaseable area and the Market Value (as defined in the Valuation Report). The proposed projects to develop the Seed Portfolio Assets have a total leaseable area of 21.5 million sq. ft. The market value of 100 per cent. of the Seed Portfolio Assets according to the Valuation Report is Rs. 41,373,000,000 (£481.47 million). The Seed Portfolio Assets are at an early stage of development and construction has commenced in respect of only three projects. Investors are advised to consider the status of each of the projects current development as set out in more detail under the headings “Construction” below.

<u>Project</u>	<u>Description</u>	<u>Total Project Area</u>	<u>Phase 1 construction (actual/expected)</u>	<u>Project construction completion (expected)</u>	<u>Leaseable Area (at completion)⁽¹⁾</u>	<u>Valuation⁽²⁾ (100 per cent. interest) (millions)</u>
G1 - ITC	IT/ITES SEZ in Gurgaon	24.7 acres	February 2007	July 2009	Office: 3,213,737 sq. ft. Retail: 50,000 sq. ft.	Rs. 11,143 £129.68
G2 - IST	IT/ITES SEZ in Gurgaon ⁽³⁾	28.4 acres	October 2005	March 2009	Office: 3,699,076 sq. ft. Retail: 50,000 sq. ft.	Rs. 9,441 £109.87
N1	IT Park in Noida	19.3 acres	July 2006	December 2008	Office: 1,971,590 sq. ft. Retail: 60,000 sq. ft.	Rs. 4,102 £47.74
N2	IT/ITES SEZ in Noida	29.7 acres	January 2007	June 2009	Office: 3,069,177 sq. ft. Retail: 60,000 sq. ft.	Rs. 6,730 £78.32
N3	IT/ITES SEZ in Greater Noida	50.0 acres	January 2007	June 2009	Office: 4,847,055 sq. ft. Retail: 100,000 sq. ft.	Rs. 3,523 £41.00
K1	IT/ITES SEZ in Kolkata	45.4 acres	December 2005	April 2010	Office: 4,250,773 sq. ft. Retail: 100,000 sq. ft.	Rs. 6,434 £74.87
TOTAL		197.5 acres			21,471,408 sq. ft.	Rs. 41,373 £481.47

(1) Given areas are estimates in line with project designs as at the date of this document and are subject to change.

(2) JLL’s valuation as at 8 November 2006. See JLL’s valuation report in Part 7 of this document.

(3) Title to G2-IST is owned by GIL. Pursuant to a joint development agreement between UDPL, IST Limited, Unitech and GIL, UDPL has exclusive development rights in respect of G2-IST and is entitled to 72 per cent. of the gross sales or deposits from the sale, transfer, lease and licence of the developed property. GIL will receive the remaining 28 per cent. — see “IST JDA” page 35 below.

Investment in Seed Portfolio Assets

The Company intends to invest all of the proceeds of the Placing (net of expenses incurred in connection with the Placing and reserves for certain ongoing business expenses (including certain investment management fees)) in the SPVs. Such proceeds will be used to fund the Company’s acquisition of the Seed Portfolio Assets from Unitech and to partially finance the construction costs in respect of each project.

<u>Project</u>	<u>SPV</u>	<u>Subscription consideration⁽¹⁾ (millions)</u>	<u>Share purchase consideration⁽²⁾ (millions)</u>	<u>Total consideration payable by the Company (millions)</u>
G1-ITC	Unitech Realty Projects Limited	Rs. 1,176 £13.68	Rs. 5,092 £59.25	Rs. 6,267 £72.94
G2-IST	Unitech Developers and Projects Limited	Rs. 3,266 £38.01	Rs. 2,443 £28.43	Rs. 5,709 £66.44
N1	Shantiniketan Properties Limited	Rs. 1,342 £15.61	Rs. 1,289 £15.00	Rs. 2,630 £30.61
N2	Seaview Developers Limited	Rs. 1,875 £21.82	Rs. 2,651 £30.85	Rs. 4,526 £52.67
N3	Unitech Infra-Con Limited	Rs. 1,932 £22.49	Rs. 1,040 £12.11	Rs. 2,973 £34.59
K1	Unitech Hi-Tech Structures Limited	Rs. 3,228 £37.57	Rs. 1,939 £22.57	Rs. 5,168 £60.14
TOTAL		Rs. 12,819 £149.18	Rs. 14,454 £168.20	Rs. 27,273 £317.39

Note:

(1) Subscriptions will be for shares in each SPV. In addition for N1, the subscription amount also includes subscription for Rs. 223 million (£2.6 million) of preference shares.

(2) Share purchase consideration represents amounts payable to Unitech and its affiliates to finance the acquisition of the Seed Portfolio Assets.

The Seed Portfolio Assets comprise six commercial real estate development projects designed for occupancy by IT and ITES businesses. Five of the Seed Portfolio Assets are located in the NCR and one is in the Kolkata area. The projects involve the development of land areas of between 19 and 50 acres, covering a total of over

197 acres and are designed to provide a total of approximately 21.5 million sq. ft. of leaseable area when completed. The developments include five proposed IT SEZs which have received “in-principle” SEZ approval from the Board of Approval, of which two have received recommendations from their respective state governments.

There are a number of stages in the IT SEZ approval process. First, the developer must submit an application for SEZ status to the Board of Approval. Following a review of the application, the Board of Approval may grant “in-principle” approval of the proposed development, subject to receipt of the recommendation of the relevant state government and satisfaction of certain specified conditions.

The developer must then apply to the relevant state government to obtain its recommendation for the proposed IT SEZ. Subject to the satisfaction of certain conditions, the state government will communicate its recommendation to the Board of Approval. Upon receiving a positive recommendation from the relevant state government, the Board of Approval may make a recommendation to the Government of India to grant final approval to the proposed IT SEZ.

The Government of India will then grant approval to the developer which will specify the conditions to which the approval is subject. The developer must demonstrate to the Government of India that it has taken effective steps to satisfy these conditions, following which the developer receives formal notification of SEZ status for the development.

Investment in the Seed Portfolio Assets will be made by way of subscription for and purchase of shares in each of the SPVs. The subscriptions and purchases will be conditional upon Admission and the satisfaction of certain conditions precedent for each project. For example, the subscriptions and purchases are conditional upon all representations and warranties given by Unitech in respect of the SPVs being true and correct and that each party to the share subscription and purchase agreements have taken all necessary corporate actions in respect of the sale and subscription of the shares. See “Share Subscription and Purchase Agreements” in section 8 of Part 11 of this document for further details.

Unitech has entered into a Project Management Agreement with each SPV and shall act as project manager (the Project Manager) in respect of the project developed by the relevant SPV. The Project Manager will have responsibility for the administration, management and co-ordination of the relevant project, including the management of sub-contractors appointed by the relevant SPV to carry out construction and development works (See “Project Management” in section 3 of Part 3 of this document for further details). Construction is scheduled to be carried out in a number of phases over the duration of each project. Construction has already commenced on three projects with the remaining three projects scheduled to begin by February 2007. The construction timeline for each phase of a project in the NCR takes approximately 18 months to complete and approximately 21 months for K1. Commencement of construction on subsequent phases is scheduled to take place prior to completion of prior phases.

All of the projects comprising the Seed Portfolio Assets have been designed by internationally recognised architects to meet the expected requirements of multinational IT and ITES businesses. The project sites are designated for IT and ITES development and are close to or have good transport links to important commercial centres.

Buildings in the developments will be finished to a “warm shell” standard, meaning that they will be fitted with perimeter, exterior and building core walls, elevators, core electrical and communication systems and other core utilities. Further building fit-outs can be carried out to meet the requirements of tenants once the properties have been let. The costs in respect of fit-outs beyond warm shell standard are generally recovered from tenants in the form of higher rents.

Marketing of the properties, which will be undertaken by the Project Manager through Unitech’s in-house marketing team and independent brokers, may include marketing events, presentations and advertising in the media. As part of the Company’s marketing strategy, prospective tenants may be offered incentives, such as rent-holidays or options over additional space in future phases of the development that becomes available.

By providing some of the first available office space located in IT SEZs or IT Parks in certain markets, the Directors believe that the relevant SPVs may be able to lease office space at a premium in order to select tenants who, in the Directors’ opinion, may be more likely to require further office space in the future as subsequent phases of the Group’s developments are completed. Once located in a particular development, a tenant seeking to occupy further office space may prefer to do so within the same development. Lease agreements may be structured to include options over office space located in parts of a development that are to be completed in subsequent phases in order to encourage tenants to expand their operations within the Company’s developments.

In connection with Admission, JLL has undertaken a valuation of the Market Value (as defined in the Valuation Report) of each of the Seed Portfolio Assets as at 8 November 2006. For the purpose of carrying out the valuations, JLL has made a number of assumptions about each of the Seed Portfolio Assets, including that the relevant SPV is the legal and beneficial owner of 100 per cent. of the property interests and has good and marketable title to the properties (other than in the case of G2-IST for which the terms of the IST JDA have been taken into account).

A valuation is inherently subjective and the valuations are not directly comparable to the consideration being paid by the Company for its interests in the Seed Portfolio Assets. For further details of the valuations, methodologies and underlying assumptions, see the Valuation Report and also see “Any property valuation is subjective uncertain and may not reflect the achievable sale price of a given property asset” and “Limited availability, quality and reliability of market data creates uncertainty as to market values” in Part 1 of this document.

The leaseable areas for each project provided below are approximate estimates in line with project designs as at the date of this document and as such are subject to change and may differ from assumptions made in the Valuation Report.

Gurgaon overview

The Gurgaon district is situated in the NCR approximately 25 kilometres southwest of central Delhi in the State of Haryana. Gurgaon is connected to Delhi by the Mehrauli-Gurgaon Road, the Old Gurgaon Highway and National Highway 8. Delhi Airport, the region’s main domestic and international airport, is located close to Gurgaon. The Directors expect that the proposed metro link with Delhi, which includes a station at Delhi Airport, will enhance the attractiveness of real estate in Gurgaon, as it will improve its transport links with other areas of the NCR. The metro stations are expected to be a popular congregation point from which businesses in Gurgaon will carry out their daily collection and drop-off of employees.

Gurgaon has emerged as a hub for the IT and ITES sectors and is considered the preferred location for corporations locating within the NCR. A number of multinational businesses have operations in Gurgaon. Demand for high end office space in Gurgaon currently outstrips supply, resulting in low vacancy levels. The Directors believe that it has become the market norm with respect to high end properties in the Gurgaon area for tenants to pre-lease space prior to completion of the project while buildings are still under construction.

InfoSpace, Gurgaon (G1-ITC)

Project description

The G1-ITC project is being developed by Unitech Realty Projects Limited (“URPL”) as an IT and ITES SEZ with a total leaseable area of 3.26 million sq. ft. consisting of office space of 3.21 million sq. ft. and retail space of 50,000 sq. ft. The project is being designed by Callison Architecture, Inc. to meet the requirements of multinational IT businesses, with features including “high efficiency” floor plates which are designed to maximise the useable office space available to tenants out of the total area leased, broadband and optical fibre connectivity and on-site car parking. The project is designed to allow further expansion by occupants within the project complex through phased development. It is proposed that the development will include a health club, coffee shops and a food court.

The design services agreement in respect of G1-ITC was entered into between Unitech and Callison Architecture, Inc. on 6 September 2006 (the “G1-ITC Design Agreement”). Under the provisions of the Shareholders’ Agreement between Tulipa Investments Inc., Unitech and URPL, Unitech has undertaken to assign the benefit of the G1-ITC Design Agreement in favour of URPL.

Location

The G1-ITC project site is located on 24.7 acres of land at Tikri, Gurgaon. The property is situated near to a 200 ft. wide road approximately 2.5 kilometres from National Highway 8 and the Gurgaon-Sohna Road and close to the InfoCity and Unitech Cyber Park developments, where a number of IT and ITES companies are based. This area of Gurgaon is also the site of a proposed premium residential development by Unitech and is close to residential areas such as South City I and South City II and a number of proposed shopping malls. G1-ITC will form part of Uniworld Resorts, a 210 acre premium integrated township being developed by Unitech, which will also contain premium villas, high rise apartments, a golf-course and other facilities.

Title

URPL acquired the land for this project from Unitech (two land parcels measuring 3.17 acres and 20.48 acres, respectively) and Unitech Residential Resorts Limited (1.09 acres) on 22 August 2006. URPL holds freehold title to the land.

Approvals

URPL received “in-principle” approval from the Board of Approval to establish an IT SEZ at the project site for land measuring 26 acres on 17 January 2006.

Construction

As of the date of this document, construction has not yet commenced on G1-ITC. The project is scheduled to be completed in three phases, each comprising approximately one third of the completed project. Phase 1 construction is scheduled to begin in February 2007, phase 2 in August 2007 and phase 3 in February 2008. Project construction is scheduled to be completed in July 2009.

InfoSpace, Dundahera, Gurgaon (G2-IST)

Project description

G2-IST is being developed by Unitech Developers and Projects Limited (“UDPL”) pursuant to a joint development agreement with Unitech, IST Limited (“ISTL”) and Gurgaon InfoSpace Limited (“GIL”) (the “IST JDA”). See “IST JDA” below for further details.

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. Assuming all relevant SEZ approvals are obtained, the Directors believe G2-IST will be the first operational IT SEZ in Gurgaon. The buildings, designed by Callison Architecture, Inc., will be finished to a high standard with use of granite and double glazing. It is proposed that the buildings will contain high efficiency floor plates and triple level basements for car parking and services. The project complex is also expected to include recreational facilities such as food courts, a gymnasium and coffee shops.

IST JDA

ISTL, Unitech, GIL and UDPL entered into the IST JDA on 16 November 2006. The IST JDA amends and supplements an earlier joint development agreement between Unitech and ISTL entered into on 1 September 2004. GIL is a wholly owned subsidiary of ISTL. Under the terms of the IST JDA, ISTL, the owner and possessor of the land at G2-IST, has granted rights with respect to the development and establishment of an IT SEZ over the land in favour of GIL and UDPL and has agreed to transfer the title to the property to GIL. GIL has agreed to provide UDPL with the authority to use the land for development purposes. GIL will retain ownership and possession of the land at G2-IST but will grant a power of attorney in favour of UDPL to allow UDPL to obtain any approvals and licenses required to carry out development on the site. UDPL is required to complete the development of the project at G2-IST within 60 months of approval being granted for such development. This period may be extended by a further 24 months at the option of GIL.

In consideration for development of the project at G2-IST, UDPL is entitled to 72 per cent. of the gross sale receipts or deposits from the purchasers and/or tenants, as the case may be, arising out of the sale or lease of the developed areas of the G2-IST and GIL is entitled to receive 28 per cent. UDPL has agreed to incur all construction and fit-out costs in respect of G2-IST. Breach by UDPL of the terms of this IST JDA may entitle GIL to terminate the agreement and claim an indemnity from UDPL for any liabilities to third parties arising from such breach. In the event either GIL or UDPL does not agree to the terms of sale or lease of a particular area, the other party is free to sell the area and the sale proceeds from such a sale will be adjusted against the *pro rata* share of the sale proceeds divided amongst UDPL and GIL in the proportions of 72 per cent. and 28 per cent., respectively.

Location

G2-IST is a 28.4 acre site located in Dundahera, Gurgaon on the Old Gurgaon Highway and near to the Delhi-Gurgaon border. As at the date of this document, the project is the closest “in-principle” approved SEZ to Delhi Airport, which is approximately seven kilometres away. The Directors believe that the project will benefit

from the proposed metro station at Delhi Airport, which is scheduled to open in 2010, thus reducing transportation costs associated with collecting employees.

Title

Title to the land at G2-IST is held by ISTL which holds the property on a freehold basis. Pursuant to the IST JDA, ISTL has agreed to transfer the title to GIL. UDPL has exclusive development rights in respect of the property pursuant to the IST JDA.

Approvals

ISTL received “in-principle” approval from the Board of Approval to establish an IT and ITES SEZ at the project site for land measuring 28.4 acres on 17 January 2006.

Under the SEZ Rules, it is a condition to the grant of final SEZ approval that the land is vacated. ISTL operates a precision engineering and manufacturing unit on part of the project land, although ISTL is currently relocating this unit to alternative premises. The Directors expect ISTL to have relocated such business by early 2007.

Construction

The project is scheduled to be completed in five phases. The master plan for phase 1 (13.35 acres) and phase 2 (8.58 acres) has already been finalised. Construction of the first building in phase 1 (comprising a total area of 461,136 sq. ft. and approximately 12.3 per cent. of the completed project) commenced in October 2005 and as of the date of this document, five floors have been completed. Phase 2 construction (16.8 per cent.) commenced in July 2006. Phase 3 (23.3 per cent.) is scheduled to begin in April 2007, phase 4 (23.3 per cent.) in July 2007, and phase 5 (24.2 per cent.) in October 2007. Construction of all five phases is scheduled to be completed by March 2009.

The Directors believe that phase 1 buildings will be ready for fit-out in January 2007 and for tenants to begin operations at the project site in April 2007.

Noida and Greater Noida overview

The New Okhla Industrial Development Area (Noida) is located within the NCR, immediately south east of Delhi, in the State of Uttar Pradesh. Noida is linked to Delhi by National Highway 24, the Noida Link Road and the Noida Toll Bridge. The region was established under the U.P. Industrial Area Development Act in 1976 as an integrated industrial township. This area comprises approximately 20,316 hectares which is administered by the New Okhla Industrial Development Authority (the “Noida Authority”), a department of the government of Uttar Pradesh. Since its formation, the Noida Authority has undertaken a number of schemes to develop the electronics and IT industry in Noida, such as improving transport and communications infrastructure throughout the area.

Noida has become an attractive destination for IT and ITES businesses in the NCR due to its well planned infrastructure and close proximity to residential developments. The rental values for high-end office space in the area have increased from Rs. 35/sq. ft./month in the first quarter of 2005 to Rs. 45/sq. ft./month in the third quarter of 2006, representing a yield in the range of between 10 and 11 per cent.

Greater Noida is an integrated industrial township which is an extension to Noida and is located approximately 15 kilometres from Noida central business district to which it is connected by an eight lane expressway. Greater Noida has benefited from growth in Noida and a well planned infrastructure such as private power distribution, wide roads and underground cables and drainage.

InfoSpace, Sector 62, Noida (N1)

Project description

Shantiniketan Properties Limited (“SPL”) is the developer of N1. The completed project at N1 will provide 2.03 million sq. ft. of leaseable area surrounded by a landscaped common area. The project has roads at either side of the development providing greater access to the individual buildings and a connection to National Highway 24 and nearby residential areas. Both phase 1 and phase 2 buildings are designed to have excellent visibility from the main road approaching the site. The buildings have been designed by Callison Architecture, Inc. with high efficiency floor plates and a basement for car parking and services. The complex is designed to provide 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.

Location

N1 is a 19.3 acre site located close to National Highway 24 in Noida. A number of established IT companies, including HCL, EXL and CSC, have operations in close proximity to this development. The site is also situated close to established residential property developments.

Title

SPL was allocated a leasehold title to the land at N1 by the Noida Authority 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 Rs. 7,349,865 for the first 10 years with an escalation not exceeding 50 per cent. for every 10 yearly review thereafter.

Approvals

SPL's building plans were approved by the Noida Authority in August 2006. Such approvals are valid for a period of two years from the date of issue.

Construction

The project is scheduled to be completed in three phases, each phase comprising approximately one third of the leaseable area of the project. Construction on phase 1 commenced in July 2006. Phase 2 is scheduled to begin in January 2007 and phase 3 in July 2007. Construction of all phases is scheduled to be completed by December 2008.

InfoSpace, Sector 135, Noida (N2)

Project description

N2 is being developed by Seaview Developers Limited (SDL) 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 consisting of 3.07 million sq. ft. of office space and 60,000 sq. ft. of retail space. The project is being designed by RSP Architects.

Location

N2 is situated in Sector 135 next to the expressway connecting Noida to Greater Noida. It is approximately 25 kilometres from Delhi central business district. The project is near Unitech's proposed Express City development, a prime residential project consisting of premium villas, multi-storied apartments, a golf course and other facilities. Four other residential projects have been completed in land adjacent to N2. The Directors believe that N2's close proximity to these residential areas make it a particularly attractive destination for IT and ITES companies.

Title

The Noida Authority allotted the project site to SDL on 17 February 2006 and granted a leasehold title to SDL for 90 years from 25 May 2006 for the purpose of developing an IT SEZ. The annual ground lease rent payable is Rs. 11,766,000 for the first 10 years with an escalation not exceeding 50 per cent. for every 10 yearly review thereafter.

Approvals

SDL has received "in-principle" approval from the Board of Approval and the recommendation of the Government of the State of Uttar Pradesh to establish an IT and ITES SEZ at the project site. This approval has been forwarded to the Board of Approval for final approval.

Construction

The project will be developed over three phases, each phase comprising approximately one third of the leaseable area of the completed project. Phase 1 construction is due to commence in January 2007 and be completed in June 2008. Construction of phase 2 is scheduled to begin in July 2007 and phase 3 in January 2008. Construction of all phases is scheduled to be completed by June 2009.

InfoSpace, Greater Noida (N3)

Project description

N3 is being developed by Unitech Infra-Con Limited (UICL). Designed by Hellmuth, Obata and Kassabamm, Inc. (HOK), this project is a proposed IT and ITES SEZ of approximately 50 acres which will provide 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. The project design incorporates large high efficiency floor plates, high floor-to-floor clearances for optimal space utilisation and is expected to include on-site facilities such as car parking, a food court and a health club. The Directors expect that the property will benefit from excellent visibility once the proposed Taj Expressway has been completed.

Location

N3 is located in Greater Noida Technical Zone which comprises 12 land parcels of varying sizes for IT Parks (from which a number of companies may operate) and campus developments (which are generally owned and occupied by a single company). The proposed route of the Taj Expressway runs adjacent to the site. The entire plot of land on which N3 is located is 74.75 acres. However, UICL has entered into a joint development agreement with Unitech with respect to 24.75 acres. See Infra-Con JDA below for further details.

Title

The site at N3 comprises two plots which were allocated to UICL for the development of an IT and ITES Park. The terms of the leases for both plots are 90 years, one commencing 9 June 2006, the other 11 August 2006. The annual ground lease rent payable is Rs. 3,311,238 and Rs. 2,488,997 respectively for the first 10 years with an escalation not exceeding 50 per cent. for every 10 yearly review thereafter.

Approvals

UICL has received “in-principle” approval from the Board of Approval and the recommendation of the Government of the State of Uttar Pradesh to establish an IT and ITES SEZ at the project site for land measuring 40.94 acres. The total land area being developed at this site is 74.75 acres. UICL has applied to extend the proposed SEZ from the currently approved 40.94 acres to the entire site.

Infra-Con JDA

UICL, Unitech and Sparrow Properties Limited have entered into a joint development agreement (the “Infra-Con JDA”) with respect to the development of N3. UICL has received “in-principle” SEZ approval for land measuring 40.94 acres situated at N3 and UICL has made an application for the extension of the SEZ area from 40.94 acres to 74.75 acres. UICL has agreed to grant Unitech development rights with respect to 24.75 acres (the “IC JDA Land”). Of the 24.75 acres, Unitech has agreed that only 3 acres may be developed as processing land and 21.75 acres will be developed as non-processing land. Unitech shall be responsible for obtaining necessary construction permits, financing and completion of development in respect of the IC JDA Land. UICL has agreed to execute a power of attorney in favour of Unitech to allow it to carry out a wide range of activities in relation to the property, including signing any applications, guarantees, undertakings, declarations or representations and obtaining any approvals, permissions and sanctions required by law in respect of the IC JDA Land.

There is no revenue sharing arrangement between UICL and Unitech in relation to N3. All construction costs and expenses towards the development of the IC JDA Land shall be borne by Unitech. Unitech shall be entitled to 100 per cent. of the gross sale receipts or deposits from the purchasers and/or tenants, as the case may be, arising out of the sale or lease of the IC JDA Land. In the event UICL incurs any expenses with respect to the IC JDA Land, Unitech agrees to reimburse UICL for such expenses. Under the terms of the Infra-Con JDA, UICL shall also be entitled to the refund of all fees, security deposits and other deposits of whatsoever nature deposited by it with various statutory authorities for seeking various approvals or service connections, in the event they relate to the IC JDA Land. Unitech is required to undertake that construction and obtain the ‘certificate of completion of development work’ on the IC JDA Land.

Construction

N3 will be developed over three phases, each phase comprising approximately one third of the total leaseable area of the completed project. Phase 1 construction is due to commence in January 2007. Phase 2 is scheduled to take place from July 2007 and phase 3 from January 2008. Construction of all phases is expected to be completed by June 2009.

Kolkata overview

Kolkata is India's third largest city and is the capital of the State of West Bengal. The extended metropolitan area of Kolkata has a population of over 14 million. Kolkata is an important centre for education in eastern India with a number of established institutes including IIM Calcutta, Presidency College, University of Calcutta, St. Xavier's College, Jadavpur University, Rabindra Bharati University, Saha Institute of Nuclear Physics and the National Institute of Fashion Technology.

Kolkata is home to the industrial operations of many major Indian corporations and has more recently also become a centre for the IT sector following the formation of New Town, Rajarhat and the extension of Salt Lake's Sector-V. A number of multinational businesses have established offices in the New Town or the Salt Lake areas of Kolkata.

New Town, Rajarhat is a township under development in the north eastern quadrant of Kolkata. The area is administered by West Bengal Housing Infrastructure Development Corporation Ltd. which allocates land to developers on a freehold basis subject to land use restrictions as set out in the land use master plan for New Town. The township is divided into four "Action Areas" for planned development. All of the land in Action Area 1 has been allotted to developers and a number of housing schemes and commercial developments have been completed in the area. The land allotments for Action Area 2, in which InfoSpace Kolkata is located, are ongoing as of the date of this document. Action Area 2 is the proposed site of the central business district of New Town and 80 percent. of the land in this area has been designated for commercial development.

InfoSpace, Kolkata (K1)

Project description

K1 is being developed by Unitech Hi-Tech Structures Limited ("UHTSL") as an IT and ITES SEZ over 48.37 acres. However, UHTSL has entered into a joint development agreement with BUUIPL with respect to 2.97 acres. See K1 JDA below for further details. Designed by RMJM, 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.

Unitech holds 90 per cent. of the share capital in UHTSL and 10 per cent. is held by Maxlon Limited, a Cyprus based entity unrelated to the Company or Unitech Group. Following investment of the proceeds by the Company, it is intended that Myna Holdings Limited, a wholly owned indirect subsidiary of the Company will hold 60 per cent. of the share capital of UHTSL, Unitech will hold 36 per cent. and Maxlon Limited, a Cyprus based entity controlled by Mr. Prasoon Mukerjee, the pre-Admission controlling Shareholder will hold 4 per cent. In the event that the Over-allotment Option is exercised in full Myna Holdings Limited's interest will increase to 69 per cent. and Unitech's and Maxlon Limited's interests will be diluted to approximately 27.9 per cent. and 3.1 per cent. respectively. See "Group Structure" at section 5 of Part 2 of this document.

Location

K1 is located at Plot No. 1, Block DH, Street 316 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. The site is well connected by the Express Highway to Kolkata airport and the city centre. As at the date of this document, the adjacent land parcels are vacant. However, there are a large number of existing proposed developments in the locality, including a 100 acre convention centre, 5-star hotels and residential projects.

Title

West Bengal Housing and Infrastructure Development Corporation Limited ("WBHIDCO") allotted the project site to Bengal Unitech Universal Infrastructure Private Limited ("BUUIPL") on a freehold basis for IT use. BUUIPL has granted a lease of the project land to UHTSL for a period of 30 years, with an option by UHTSL to renew for two further periods of 30 years.

Approvals

UHTSL received "in-principle" approval from the Board of Approval to establish an IT and ITES SEZ at the project site for 25.01 acres of land on 17 January 2006. UHTSL has applied to extend the proposed SEZ to the entire 48.37 acres. BUUIPL has also received approvals from WBHIDCO to begin piling work and for bulk

supply of electricity. The benefit of these approvals has been assigned to UHTSL by way of a business transfer agreement.

K1 JDA

UHTSL, BUUIPL and Myna Holdings Limited have entered into a joint development agreement (the “K1 JDA”) with respect to the development of K1. UHTSL has received “in-principle” SEZ approval for land measuring 25.01 acres situated at K1 and UHTSL has made an application for the extension of the SEZ area from 25.01 acres to 48.37 acres. UHTSL has agreed to grant BUUIPL development rights with respect to 2.97 acres (the “K1 JDA Land”), which will be developed as non-processing land. BUUIPL shall be responsible for obtaining necessary construction permits, financing and completion of development in respect of the K1 JDA Land. UHTSL has agreed to execute a power of attorney in favour of BUUIPL to allow it to carry out a wide range of activities in relation to the property, including signing any applications, guarantees, undertakings, declarations or representations and obtaining any approvals, permissions and sanctions required by law in respect of the K1 JDA Land.

There is no revenue sharing arrangement between the UHTSL and BUUIPL in relation to K1. All construction costs and expenses towards the development of the K1 JDA Land shall be borne by BUUIPL and it is entitled to 100 per cent. of the gross sale receipts or deposits from the purchasers and/or tenants, as the case may be, arising out of the sale or lease of the developed areas. In the event that UHTSL incurs any expenses with respect to the K1 JDA Land, BUUIPL agrees to reimburse UHTSL for such expenses. Under the terms of the K1 JDA, UHTSL shall also be entitled to the refund of all fees, security deposits and other deposits of whatsoever nature deposited by it with various statutory authorities for seeking various approvals or service connections, in the event they relate to the K1 JDA Land.

Business Transfer Agreement

On 14 December 2006, an agreement was entered into between BUUIPL and UHTSL, for the transfer of that part of BUUIPL’s business which relates to K1’s processing area to UHTSL, including assets, approvals, permits, licenses and contracts relating to the project.

Construction

K1 is scheduled to be developed in six equal phases, each phase comprising approximately 16.7 per cent. of the total project. Construction of phase 1 began in December 2005. A boundary wall is in place and the site currently has an operational 30,000 sq. ft. corporate office of Unitech and a 30,000 sq. ft. temporary incubation facility for IT and ITES purposes. The incubation facility allows prospective tenants to begin operations from the site prior to completion of construction work and fit outs of the project buildings. Part of the site has been landscaped and paving and street lighting is in place. The site has urban level infrastructure such as an access road, water supply lines, power lines and sewage lines up to the site boundary.

Phase 2 construction commenced in August 2006, phase 3 is expected to commence in February 2007, phase 4 in August 2007, phase 5 in February 2008 and phase 6 in August 2008. Construction of all phases is expected to be completed by April 2010. Office space area of approximately 730,000 sq. ft. is scheduled to be ready for fit-outs by June 2007 and for operations by August 2007. Subject to the receipt of the appropriate approvals, the Directors expect that the project will be the first operational IT SEZ in Kolkata.

7. USE OF PROCEEDS

Assuming that the Company receives proceeds of £343.44 million from the Placing, (and assuming no exercise of the Over-allotment Option), after the deduction of £16.56 million of underwriting commission and other fees and expenses relating to the Placing, the Company intends to invest £317.39 million of the proceeds to acquire a 60 per cent. interest in each of the SPVs. The Company intends to use the balance of the proceeds of the Placing (£26.05 million) to fund certain ongoing business expenses (including certain investment management fees).

Of the amount invested, £149.18 million will be used to subscribe for an issue of new shares in the SPVs. This will partially fund future investments required in respect of the development of the Seed Portfolio Assets, including construction and operating costs. The remaining £168.20 million will be used as consideration for the purchase of shares in the SPVs from the Unitech Group.

8. LIQUIDITY AND FINANCING

The Group will need to raise additional finance in order to finance fully the development of the Seed Portfolio Assets. Following the Placing and Admission, the Group will have no material external indebtedness. The Company expects the Group to have the capacity to raise external debt financing and the Directors expect that each of the SPVs will borrow with recourse only to its own assets. The Group's ability to raise external debt finance will depend upon, *inter alia*, the status of the permits and approvals necessary to proceed with the development of each of the Seed Portfolio Assets. There can however be no assurance that the Group will succeed in raising debt finance on acceptable commercial terms, if at all. See "The Group intends to borrow to fund its future growth" in Part 1 of this document.

The Company expects the aggregate of such borrowings by the SPVs will represent a loan to value ratio of approximately 60 to 70 per cent. on a consolidated basis across all the projects. However, the amount of borrowings of each SPV may vary and shall be determined on a project by project basis by the Board.

9. THE UNITECH GROUP

Unitech is the largest listed real estate developer in India by market capitalisation (approximately US\$8.7 billion as at 14 December 2006). The Unitech Group also has a construction business, which undertakes both civil construction and infrastructure projects. Unitech was incorporated on 9 February 1971 and converted to a public limited company as Unitech Limited on 17 October 1985. In 1986, Unitech launched its real estate development business, with its first project in Gurgaon. From being predominantly a real estate developer focusing on the NCR, the Unitech Group has, since 2005, expanded its operations to other major cities in India, including Kolkata, Hyderabad, Bangalore, Kochi, Chennai, Lucknow, Varanasi, Chandigarh and Agra.

Unitech'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. As of December 2006, the Unitech Group had developed approximately 2.9 million sq. ft. of office space. The strategy of the Unitech Group is to sell such developments upon completion rather than to retain and manage the properties.

Unitech has developed a significant reputation in relation to commercial projects, having built some of the landmark office spaces in the regions where it operates. The occupants of buildings developed by Unitech include multinational companies such as Colt Telecom, Convergys, EDS, Exxon Mobil, Fidelity, General Motors, Hewitt Associates, Hewlett Packard, Keane, Reebok, Royal Bank of Scotland, UTStarCom and Vertex, many of whom are repeat customers. Going forward, IT Parks are expected to be an important growth area in the commercial real estate sector and, therefore, Unitech is expected to accord significant importance to the development of projects in this area. In the three years ended 31 March 2004, 2005 and 2006, the Unitech Group's consolidated total income was Rs. 6,314,274,952, Rs. 11,299,877,310 and Rs. 15,375,750,724, respectively, its net assets were Rs. 3,806,019,660, Rs. 8,099,645,688 and Rs. 14,491,371,749, respectively, and its net profit was Rs. 879,194,197, Rs. 1,019,810,987 and Rs. 1,742,732,232, respectively. The Unitech Group currently employs over 1,700 people. In 1998, Unitech became the first real estate company in India to receive ISO 9001:2000 certification for design, planning, construction and marketing of real estate in the NCR.

10. COMPETITION

The real estate development industry in India is fragmented and regional. With high returns being generated in the real estate sector, it is possible that the Company will face competition in its sphere of activity, especially from international businesses.

The Directors believe that the principal competitors of the Company in terms of attracting tenants to its developments and selling those developments will be large national players like DLF Universal Limited and certain regional developers.

The Unitech Group faces competition from DLF Universal Limited and local developers for the acquisition of land which is suitable for development. In particular, local developers may have extensive local contacts which may make it easier for them to acquire land plots.

11. CURRENCY ISSUES AND CASH MANAGEMENT

The Directors anticipate that investments will predominantly be made in Rupees whereas the Company's accounts are expressed in Pounds. The Company is, therefore, likely to be exposed to variations in currency exchange rates which might affect the Company's reported results of operations, its ability to pay dividends and

its overall return on investment. The Company does not intend to enter into currency hedging transactions. Where feasible, and as appropriate, the Company intends to finance assets using local currency denominated financing. The Company does not currently intend to enter into any transactions in derivative instruments for speculative purposes.

The Directors intend that any cash (including any proceeds from the Placing not invested in the Seed Portfolio Assets upon Admission) held by the Company will be held on deposit or invested in money-market funds or other near-cash instruments.

12. INSURANCE

The Company intends to procure insurance for its real estate assets on an asset by asset basis on terms considered by the Company to be appropriate and having due regard to the advice received from the Project Manager, cost and availability of cover. It is unlikely that the Company will be able to obtain title insurance in India due to limited product availability.

In addition, the Company intends to obtain directors' and officers' insurance cover up to an amount considered by the Board to be appropriate.

13. DIRECTORS AND MANAGEMENT

The Directors are responsible for the overall management of the Company and the Group as well as the formulation and implementation of the Company's investment strategy. As at the date of this document, there are five non-executive members of the Board, all of whom were elected in November to December 2006. A brief biographical description of each Director is set out below.

Atul Kapur, Non-executive Chairman (aged 43)

Atul Kapur is currently Managing Partner of Auricman Capital LLP, which advises private equity funds in India. 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 also worked for nine years in the Principal Investments area of Goldman Sachs in Hong Kong, Singapore and London. Mr Kapur has a degree from the University of Delhi and is a qualified Chartered Accountant.

Aubrey John Adams, Non-executive director (aged 57)

Aubrey Adams was appointed 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 non Executive Director of Associated British Ports between 1996 and 2006 where he was at various times Chairman of the Audit Committee, Senior Non-executive Director and acting Chairman. He was Finance Director of Peachey Property Corporation from 1978 to 1989 and was a Council Member of the British Property Federation and Chairman of the Accounting Committee. 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 is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a masters degree from the University of Cambridge.

Ajay Chandra, Non-executive director (aged 39)

Ajay Chandra is currently Managing Director of Unitech Limited. 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, an international investment bank, covering both banking and hospitality sectors. Mr Chandra 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.

Mohammad Yousuf Khan, Non-executive director (aged 62)

Mohammad Yousuf Khan is 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. Dr Khan holds an honorary doctorate degree in Business Management from Burkes University and a degree in Science from the University of Kashmir. Dr

Khan has received a number of awards with respect to his contribution to the banking, finance and business sectors in India.

Donald Lake, Non-executive director (aged 62)

Donald Lake 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. From 1977 to 1991, Mr Lake was retained as an advisor to the board of Crusader Insurance plc in respect of its property investment holdings and was the sole external member of that company's property investment and mortgage committees. Mr Lake is currently a director of three listed companies, Close High Income Properties PLC (listed on 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). Mr Lake is a Fellow of the Royal Institution of Chartered Surveyors.

14. CORPORATE GOVERNANCE

The Directors recognise the value of the Principles of Good Governance and Code of Best Practice as set out in the Combined Code and they intend to take measures to ensure that the Company complies with the Combined Code to the appropriate extent, taking into account the size of the Company and nature of its business. The Board of the Company consists of five non-executive Directors, of whom four are independent Directors.

Audit Committee

The Company has established the Audit Committee, which comprises Aubrey John Adams (Chairman of the Committee) and Mohammad Yousuf Khan. The Audit Committee will meet at least twice a year and will consider the appointment and fee of the external auditors and will also discuss the scope of the audit and its findings. This Committee will also be responsible for monitoring compliance with accounting and legal requirements and for reviewing the annual and interim financial statements of the Company prior to their submission for approval by the Board. The Audit Committee will focus on ensuring that an effective system of internal financial and non-financial controls is maintained. The Audit Committee will have unrestricted access to the Company's auditors.

The Company does not currently consider it necessary to establish remuneration and nomination committees. The Board as a whole will review annually the level of Directors' fees.

The Company intends to take all reasonable steps to ensure compliance by the Directors, the Directors' family and any employees with the provisions of the AIM Rules relating to dealings in securities of the Company and has adopted the Model Code under the FSA's Listing Rules for this purpose.

15. DISTRIBUTIONS

The Company's ability to pay dividends will be subject to its ability to generate cash from its existing projects and management's access to, and evaluation of, further projects. Under current FDI restrictions, original investments (being at least the minimum capitalisation) cannot be repatriated for at least three years. The Directors anticipate that the earliest realisation of initial investments will take at least two years. To the extent that opportunities exist that satisfy the Company's investment criteria, the Company may reinvest profits rather than distribute them.

16. TAKEOVER CODE

It is possible that the Takeover Code will not apply to the Company and therefore a takeover offer for the Company may not be regulated by the UK takeover authorities. The Articles contain certain takeover protections, although these will not provide the full protections afforded by the Takeover Code. The relevant provisions of the Articles are summarised in section 4 of Part 11 of this document.

17. DISCLOSURE OF SHAREHOLDINGS

The Company has, conditional upon Admission, adopted provisions in the Articles requiring any person who becomes interested in three per cent. or more of the Company's relevant share capital to disclose the amount of shares and, so far as he or she is aware, the identity and address of the relevant shareholder and providing for sanctions against persons who fail to do so. The relevant provisions of the Articles are summarised in section 4 of Part 11 of this document.

18. TAXATION

General information relating to UK and US taxation in respect of the Shareholders and Isle of Man, UK, Mauritian and Indian taxation of the Group is summarised in Part 10 of this document.

A prospective investor who is in any doubt as to his or her tax position, should consult his or her independent financial adviser and/or other professional advisers immediately.

19. RISK FACTORS

Prospective investors should carefully consider the information set out in Part 1 of this document entitled “Risk Factors” which sets out certain risk factors relating to the Company and any investment in the Ordinary Shares.

PART 3: INVESTMENT MANAGEMENT, RIGHT OF FIRST REFUSAL AND PROJECT MANAGEMENT AGREEMENTS

1. INVESTMENT MANAGEMENT

Nectrus Limited (the Investment Manager) is a private company limited by shares and incorporated and registered in Cyprus. The board of directors of the Investment Manager consists of three directors including Sanjay Chandra, Managing Director of Unitech.

The Investment Manager has been engaged to provide non-binding investment advisory services to the Company and to assist in managing the Company's assets. Pursuant to the Investment Management Agreement dated 14 December 2006 between the Company, Candor and the Investment Manager (the "Investment Management Agreement"), the Investment Manager has agreed to provide real estate investment advisory services and related advice, including investment recommendations and real estate management services, in respect of properties owned (directly or indirectly) by the Company and in respect of future real estate investment opportunities. The Investment Manager has undertaken to Candor that the services under the Investment Management Agreement shall be provided by suitably qualified personnel who shall be available to provide such services as reasonably requested by Candor. The principal terms of the Investment Management Agreement are summarised below.

Investment Manager's Scope of Services

The Investment Manager's responsibilities shall include:

- recommending the Company's investment in the Seed Portfolio Assets;
- recommending and reviewing a portfolio strategy for the Group;
- providing asset management advice in relation to investments and potential investments, monitoring changes in the market environment and opportunities for improving net operating income and asset value in respect of investments and conducting reviews of the investments to evaluate performance;
- on an annual basis, producing a revised business plan in respect of each investment, including forecast revenues and expenditure and management initiatives;
- providing advice on any investment opportunities, disposal proposals and other transactions which the Investment Manager considers as potential investments for the Company, having regard to the Company's investment policies;
- serving as a consultant with respect to periodic reviews of the Company's investment policies and procedures and monitoring the compliance of the investments, borrowings and other activities with the investment policies and procedures;
- on a six monthly basis, procuring valuations by an internationally recognised third party valuer in respect of the Company's investments;
- on a six monthly basis, reviewing the feasibility and attractiveness of realising value from the Company's investments and providing Candor with a sell versus hold recommendation;
- where the Board decides to dispose of an investment, the Investment Manager shall, at the instruction of Candor, negotiate with and/or oversee property agents, lawyers, the Project Manager, financial advisors or others in order to complete the documentation for such disposal;
- reviewing borrowing terms and identifying appropriate financing and refinancing options for Candor and its subsidiaries;
- at the request of Candor, identifying one or more project managers to provide project management services in respect of the properties held by the Group; and
- recommending to Candor appropriate third parties to maintain records, books and accounts with respect to the ownership and operation of the properties held by the Group and procuring, at the request of Candor, the preparation of quarterly and annual reports and other services, in respect of other members of the Group.

Investment Process

The Investment Manager will liaise, on the Company's behalf, with such persons in relation to investment opportunities, sales proposals and other transactions which the Investment Manager considers, with regard to the Company's investment policies and procedures, to be suitable potential investments for the Company. When suitable investments are identified, the Investment Manager will initiate the due diligence process including an analysis of the property, title due diligence, a site assessment, a potential tenant assessment and a review of cashflow potential. As part of the due diligence process, the Investment Manager may also recommend that the Company engages, or the Investment Manager engages on behalf of the Company, professionals such as property agents, valuers, surveyors, environmental consultants, lawyers and accountants. Any advisory services to be performed in India will be undertaken by the Indian Investment Adviser or a third party professional service provider.

Following completion of its due diligence review, the Investment Manager will prepare a detailed investment recommendation which shall include details of information obtained through due diligence, an investment strategy for the property, financial analysis of the development potential of the property and the Investment Manager's guideline recommendations in relation to whether the Company should acquire the property and, if so, on what terms.

While the Investment Manager may provide the advice, services and recommendation described above, the decision whether or not to proceed with an investment in a property shall be made only by the Board. Following any decision by the Board to proceed with an investment, and within parameters set by and subject to the control of the Board, the Investment Manager shall negotiate and/or instruct property agents, lawyers, or others to negotiate with and complete the documentation for the purchase of the investment on behalf of the Company or as otherwise provided following certain termination events.

Investment Manager's Fees

(i) Management Fee

The Investment Manager will receive an annual management fee of 2 per cent. of the Company's average invested equity capital to be paid quarterly in arrear.

(ii) Performance Fee

The Investment Manager will also receive a performance fee ("Performance Fee") calculated by reference to the amount by which the internal rate of return on an investment in a project ("Project IRR") exceeds certain performance benchmarks. The Investment Manager will receive:

- a performance fee of 20 per cent. of that part of the net cash flow generated in respect of a project that resulted 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.

75 per cent. of any Performance Fee shall be payable in cash following the disposal (in whole or in part) of the relevant real estate asset, SPV or Mauritian Subsidiary and 25 per cent. shall be held in escrow by an independent escrow agent. Following the date at which the Company no longer holds (directly or indirectly) any real property interests and prior to the date of the distribution of the assets of the Company, if any, upon liquidation, or as otherwise provided following certain termination events (the "Distribution Date"), Candor shall be paid from the cash held in escrow, an amount calculated as follows:

- all amounts previously paid in respect of the Performance Fees as described above; minus
- 20 per cent. of that part of the total net cash flow generated in respect of all of the Company's projects that resulted in an overall IRR of greater than 10 per cent. and less than or equal to 20 per cent.; and
- 30 per cent. of that part of the total net cash flow generated in respect of all of the Company's projects that resulted in an overall IRR of greater than 20 per cent.

No amount in excess of the amount in the escrow account shall be paid to Candor. Any amounts remaining in the escrow account after payment to Candor (including interest) shall be paid to the Investment Manager. The Investment Manager may withdraw up to the entire amount held in the escrow account to the extent the

Investment Manager procures a bank guarantee or similar instrument in favour of Candor for the amount withdrawn.

Term and Termination of the Investment Management Agreement

The Investment Management Agreement is for an initial term of eight years and thereafter is automatically extended, to the extent that the life of the Company is extended, up to a maximum term of 12 years.

The Investment Manager may terminate the Investment Management Agreement, with immediate effect, in the event of the insolvency of the Company or Candor or upon a material breach of the Investment Management Agreement by the Company or Candor which is not capable of remedy. The Investment Manager may terminate the Investment Management Agreement upon 60 business days' notice if Candor or the Company commits a material breach of the Investment Management Agreement unless such breach is remedied within 30 business days after it has given such notice.

Candor is entitled to terminate the Investment Management Agreement with immediate effect if there is a change of control of the Investment Manager, if the Investment Manager or the Company becomes insolvent or upon a material breach of the Investment Management Agreement which is not capable of remedy. Candor may terminate the Investment Management Agreement upon 60 business days' notice, if the Investment Manager commits a material breach of the Investment Management Agreement unless such breach is remedied within 30 business days after it has given such notice.

Candor may also terminate the Investment Management Agreement in the event that the Board or Shareholders resolve to wind-up the Company or if the Shareholders resolve to terminate the Investment Management Agreement provided that the Investment Manager is given not less than 12 months' prior notice.

Fees payable on termination of the Investment Management Agreement

In the event of the termination of the Investment Management Agreement by the Investment Manager or by Candor (pursuant to the paragraph above only), the Investment Manager shall be entitled to receive the Performance Fees and fees payable prior to the Distribution Date as if all of Candor's investments were realised on the date of such termination at an open market value to be determined by an internationally recognised third party valuer.

In the event of the termination of the Investment Management Agreement by the Investment Manager in the circumstances set out above or by Candor following a Shareholders' resolution to terminate the Investment Management Agreement, the Investment Manager shall be entitled to receive any Management Fee due to be paid for the period of the life of the Company as at the date of termination. No such fee is payable in the event of termination due to a resolution of the Board or the Shareholders to wind up the Company.

The Investment Manager shall not be entitled to any Management Fees accruing after the date of a termination by Candor following a shareholders' resolution to do so where such termination occurs after the third anniversary of the effective date of the Investment Management Agreement if by or on such date the overall IRR in respect of Candor's investments is less than ten per cent.

No other fees, other than Management Fees that have already accrued, shall be payable in the event of a termination of the Investment Management Agreement by Candor for a change of control of the Investment Manager, insolvency of the Investment Manager or the Company, a breach that cannot be remedied or has not been remedied within the proscribed cure period. In the event of termination as a result of a resolution to wind-up UCP, accrued Management Fees and Performance Fees (as described above) shall be payable to the Investment Manager.

In the event of termination by Candor for reasons of force majeure any accrued Management Fees and any Performance Fees (calculated as above by reference to a third party valuation) shall be payable to the Investment Manager.

Indemnity

Under the Investment Management Agreement, the Investment Manager shall indemnify Candor for any losses to the extent that such losses are caused by the Investment Manager's gross negligence, wilful misconduct or fraud.

2. RIGHT OF FIRST REFUSAL

Pursuant to an agreement dated 14 December 2006 (the “Right of First Refusal Agreement”), Unitech has agreed to offer Candor a right of first refusal over any IT SEZ or IT Park project in which Unitech or an affiliate of Unitech in aggregate holds an equity interest of not less than 76 per cent. which (i) has a minimum buildable area of not less than 1,000,000 square feet and (ii) has received a recommendation from the relevant authority (in respect of an IT Park) or for which “in-principle” approval has been obtained from the Board of Approval (in respect of an IT SEZ) (“Qualifying Projects”).

As soon as reasonably practicable after a project becomes a Qualifying Project and no later than the date on which construction work in respect of that project commences, Unitech shall notify Candor of its intention to develop the Qualifying Project and make an offer to sell to Candor an interest in the project. No later than two months after such initial notice, Unitech shall provide Candor with a comprehensive investment notice which shall include a description of the development opportunity, summary of any due diligence performed by Unitech, cash flow projections and return on investment analysis, the percentage equity interest which Unitech intends to offer to Candor, the price payable by Candor for such interest and any other details required by Candor to make an investment decision. Candor shall have the right to purchase a minimum equity interest of 50 per cent. plus one share in a Qualifying Project. Unitech may, at its discretion, offer to Candor an equity interest of up to 74 per cent. of the total equity interest in the Qualifying Project. However, Candor may purchase a lower equity stake (subject to a minimum stake of 50 per cent. plus one share).

Candor may exercise its right of first refusal at any time during a period of two months following receipt of the investment notice. The price at which Unitech shall offer the equity interest to Candor shall be the lower of (i) the market value of the relevant Qualifying Project as determined by an internationally recognised third party valuer and (ii) the present value at which the expected Project IRR for the development is equal to 25 per cent., unless such valuation is less than Unitech’s historical cost basis in the project, in which case the Qualifying Project valuation shall be equal to Unitech’s historical cost basis in the Qualifying Project. Upon the exercise by Candor of such option, Candor and Unitech shall use their best endeavours to agree on terms of the investment by a member of the Group (and in any event within one month) and thereafter such member of the Group shall pay the consideration in respect of the option to Unitech.

If Candor declines to make the investment in a Qualifying Project, Unitech may develop the project on its own, provided there is no material change in the project. If such a material change occurs, the opportunity to invest in such project must be offered to Candor again. For the purposes of the right of first refusal, a material change is a change in the project’s buildable area of more than five per cent. Unitech may also, following a decision by Candor not to invest, sell an interest in the Qualifying Project to a third party, provided the terms are not materially more favourable (with regards to price) to that third party than those offered to Candor. If the terms offered to such third party are materially more favourable (with regards to price), the opportunity to invest in such project must be offered to Candor again on the same terms.

3. PROJECT MANAGEMENT

Each of the SPVs has entered into an agreement with the Project Manager for the provision of project management services in respect of the Seed Portfolio Assets (each a “Project Management Agreement”). The general duties of the Project Manager under the Project Management Agreements are to:

- exercise reasonable endeavours to procure proper and timely completion of the projects within budget;
- inform the relevant SPV in the event that mistakes, deficiencies and/or deviations in the work of contractors occur and seek the SPV’s direction as to appropriate remedies;
- provide general supervision and inspection of project works and the performance of third party contractors of their obligations; and
- notify the relevant SPV of any event which would be reasonably likely to increase the cost of or the time taken to complete a project, or to materially change the financial viability, quality or function of the project.

Specifically, services provided by the Project Manager shall include:

- management of the development process including design, planning, pre-letting and pre-selling and instructing contractors and professional advisors in connection with such work;
- management of letting, lease renewals, lease restructuring, assignments, rent reviews (if applicable) continually to optimise the occupation of each property;

- co-ordinating with all members of the project team regarding reporting and recording procedures;
- providing advice and assistance to ensure compliance with the SPV's ongoing financial reporting obligations;
- providing all information necessary for the preparation of the SPV's financial reports and accounts, to be audited in accordance with generally accepted accounting principles;
- liaising with tenants to address concerns and requirements;
- arranging for works of maintenance, repair and the provision of services and instructing contractors and professional advisers in connection with such work;
- providing arrangements for billing and collecting rents including maintenance charges; and
- using reasonable endeavours to place obligations on third party contractors to procure and maintain such insurance cover as is reasonable having regard to their duties to be performed.

As consideration for providing the project management services, the Project Manager will receive a fee for each project of 5 per cent. of the total cost of construction of the project (exclusive of service tax). The Project Manager will receive an additional fee, on an arm's length basis, for successfully letting any properties forming part of the project.

The Project Manager shall indemnify the SPV for loss or damage arising from the Project Manager's fraud, gross negligence or wilful default. The Project Manager shall also be liable to the SPV for any direct loss or damage attributable to the non-performance or breach by the Project Manager of its obligations under the Project Management Agreement but shall not be liable for any indirect, remote or consequential loss or damage. In addition, the Project Manager shall not be liable to the SPV in respect of any loss, damage, extra expense or cost which is not attributable to the failure of the Project Manager to perform its obligations under the Project Management Agreements.

In particular, provided that it has diligently performed its obligations under the Project Management Agreement, the Project Manager shall not be liable to the SPV for any losses incurred in respect of, and without limitation, the following:

- delay by the SPV in handing over the premises;
- delay or failure by the SPV to obtain necessary approvals, consent or decisions, as may be required in respect of a project;
- breach by third party contractors of their respective contractual obligations to the SPV, provided that upon learning of any material breach of obligations by such contractors, the Project Manager shall have the responsibility of promptly informing the SPV;
- decisions affecting the budget and construction schedule for the project which do not have the approval or concurrence of the Project Manager and/or which are beyond the control of the Project Manager, including any decision in relation to the project to be taken by the SPV;
- occurrence of any force majeure event (as defined in the Project Management Agreements);
- failure to meet any financial or other forecasts;
- designs created by third party contractors as contained within the respective agreements with the SPV; or
- the SPV acting on advice or recommendations that may be provided by any consultant or adviser appointed by the SPV, on which the SPV has acted despite the negative recommendations of the Project Manager.

PART 4: FACTORS AFFECTING RESULTS OF OPERATIONS AND CRITICAL ACCOUNTING POLICIES

The overview of financial results below provides information which the Company believes is relevant to an assessment and understanding of certain factors affecting the Company's consolidated financial position and results of operations and a summary of certain critical accounting policies affecting the Company. Investors should read this overview in conjunction with the Company's pro forma financial statement and the related notes, which are included in Part 8 of this document.

The Company has prepared its pro forma financial statement in accordance with IFRS, which differ in certain respects from accounting principles generally accepted in the US.

1. OVERVIEW

Unitech Corporate Parks Plc is a company newly incorporated in the Isle of Man whose strategy is to invest in the Indian real estate sector. The Company's strategy is to focus on investment 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 intends, upon Admission, to invest in the Seed Portfolio Assets, comprising six IT or ITES related projects, five of which are located in the National Capital Region (NCR, being the area around Delhi) and one of which is located in the Kolkata area. The Seed Portfolio Assets are expected to have a total leaseable area of 21.5 million sq. ft. Five of the Seed Portfolio Assets have received "in-principle" SEZ approval from the Board of Approval (of which two have completed the second stage of approval having also obtained a state recommendation). The sixth Seed Portfolio Asset is designated as an IT Park. The Directors expect that such investment will account for all of the proceeds of the Placing (net of expenses incurred in connection with the Placing and reserves for certain ongoing business expenses (including certain investment management fees)). Construction work has commenced in respect of three of the projects comprising the Seed Portfolio Assets and planning and design work in respect of each of the three other Seed Portfolio Assets has begun. Of the five projects located in the NCR, two are located in Noida ("N1" and "N2"), one in Greater Noida ("N3") and two in Gurgaon ("G1" and "G2"). The sixth project is located in the Kolkata area ("K1").

2. FACTORS AFFECTING RESULTS OF OPERATIONS

The Company's results of operations depend on various factors, including the following:

Macroeconomic factors in India

All of the Company's property assets will be located in India and accordingly, macroeconomic factors in India will have a direct significant impact on its business, results of operations and financial condition. These macroeconomic factors include population growth, change in the demographic profile of India towards a greater proportion of young people, inflation, the level of foreign direct investment, the growth of the Indian economy and interest rates, as well as the political and economic environment. The Company believes that the Indian economy will grow in the next few years and, accordingly, expects to develop projects, including the Seed Portfolio Assets, in the expectation that the Company will benefit from the forecast growth in the Indian economy.

Seed Portfolio Assets

Currently, the Company intends to invest in IT or ITES projects together with the Unitech Group. In the future, the Company also intends to invest primarily in IT Parks and IT SEZ development projects in India sourced by Unitech. Candor, a direct subsidiary of the Company, has a right of first refusal in respect of certain qualifying IT Parks and IT SEZ development projects with a minimum buildable area of one million sq. ft. in which Unitech has a minimum equity stake of 76 per cent. As a result, assuming Unitech acquires such development rights and acquires the relevant approvals for such projects to be eligible for investment by the Company, the Company expects to have the opportunity to invest in projects identified and evaluated by an experienced real estate developer in India.

Occupancy levels and rental income

The attractiveness of the Company's real estate assets and any revenue it will derive from rental of properties it owns, and therefore its future growth, will depend on the increase in market rents over time, the number of properties it will have available for rental, the market demand for those properties and occupancy rates.

Construction risks

All of the Company's real estate investments will typically require substantial capital expenditure during construction and it may take many months or years before the revenue can be recognised. The time taken and the costs involved in completing the construction of a real estate development can be adversely affected by many factors including: shortages of construction materials, equipment and labour, natural disasters, disputes with labour or sub-contractors, accidents and other unforeseeable circumstances. Delays in the process of obtaining the requisite licences, permits or approvals from government agencies or authorities can also increase the cost, and/or delay the completion of a project.

Construction and land acquisition costs

The predominant component of the Company's on-going expenditures will be the cost of construction. The Company will also require substantial capital outlay for the acquisition of new projects. Construction costs may fluctuate as a result of the volatile price movement of construction materials such as steel, cement and timber. Although the Company seeks to reduce its exposure to short-term price fluctuations of construction materials and limit project cost overruns by outsourcing construction work (including procurement of supplies) of its property developments on a fixed price basis, nonetheless, the Company may still have a residual exposure to longer term price increases of such construction materials.

Management Fees

Another component of the Company's operating costs will be management fees to be paid to the Investment Manager for the management of all of the Company's investments. The Company itself does not have any employees and relies on the Unitech Group and its affiliates through the Investment Management Agreement for investment advisory services and other resources. As such, a large percentage of the Company's expenses will be management fees paid to the Investment Manager. See "Investment Management — Investment Manager's Fees" in Part 3 of this document.

Ability to borrow funds at competitive rates

Real estate development projects, by their nature, are typically capital intensive and require high levels of leverage. In the future, the Company plans to borrow to fund the investment in real estate assets and development projects through the use of bank credit facilities, and will utilise leverage in order to enhance its return on equity. However, if for any reason the Company is unable to obtain adequate financing in a timely manner and on acceptable terms, or at all, its financial condition and results of operations could be materially adversely affected. See "The Group intends to borrow to fund its future growth" in Part 1 of this document.

Market variations in valuation of properties

The valuation of the Company's properties is determined principally by market forces of supply and demand. The Company will have to price its rentals and the sale price of its developments by reference to market rates for similar types of properties in their locality. The rental prices and sale prices of the Company's properties will therefore depend on the location, number, square footage, and mix of properties and on prevailing market supply and demand conditions at the time development of real estate projects is completed.

Supply and demand conditions in the real estate market, and hence the prices the Company may charge for its properties, are affected by various factors, including prevailing economic, income and demographic conditions, the availability of comparable properties completed or under development, changes in governmental policies relating to zoning and land use, changes in applicable governmental schemes relating to tax benefits for investment in certain types of development projects, including IT SEZs and IT Parks, and competition from other local real estate development firms. In particular, the prices of the Company's properties will be affected by trends in the IT and ITES sectors, in which substantially all of the Company's investments are concentrated.

3. LIQUIDITY AND CAPITAL RESOURCES

The Company expects that, going forward, it will finance its growth and its working capital requirements with a combination of the proceeds from the Placing, bank borrowings and returns from the potential sale of its developments. The Company will need to raise additional finance in order to finance fully the development of the Seed Portfolio Assets. Following the Placing and Admission, the Company will have no material external indebtedness. The Company expects to have the capacity to raise external debt financing and the Directors expect that each of the SPVs will borrow with recourse only to its assets. The Company's ability to raise external debt finance will depend upon, *inter alia*, the status of the permits and approvals necessary to proceed with the development of each of the Seed Portfolio Assets. There can however be no assurance that the Company will succeed in raising debt finance on acceptable commercial terms, if at all. See "The Group intends to borrow to fund its future growth" in Part 1 of this document.

Taking into account the estimated net proceeds available to the Company from the Placing, the Company believes it has sufficient working capital for its requirements for at least the next 12 months. However, the Company cannot give any assurance that its business or operations will not change in a manner that would consume its available capital resources more rapidly than anticipated, especially as it continues to evaluate other investment and development opportunities.

4. DISCLOSURE ABOUT MARKET RISK

Market risk is the risk of loss related to adverse changes in market prices, including interest rate and foreign exchange rates of financial instruments. The Company is exposed to various types of market risks, in the normal course of business. For instance, the Company is exposed to market interest rates and exchange rate movements on foreign currency denominated borrowings. The following discussion and analysis, which constitute "forward-looking statements" that involve risk and uncertainties, summarise the Company's exposure to different market risks:

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.

Liquidity Risk

There is a potential risk that the subsidiaries of the Company may not be able to remit sufficient cash flows to enable the Company to distribute its cash flow to its Shareholders. To address this risk, the Company is structured and internally financed in a manner generally designed to maximise the remittance of cash with a minimal tax leakage.

Commodities Risk

The Company 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 Company's intention to protect itself against any increases in such costs by entering into fixed price construction contracts, nonetheless, the Company has a residual exposure to any such increases.

5. CRITICAL ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The consolidated financial statements are presented in Pounds and all values are rounded to the nearest million (£'000,000) except when otherwise indicated.

Basis of consolidation

The Group financial statements incorporate the net assets and liabilities of the Group at the balance sheet date and their results for the period then ended.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights; currently exercisable or convertible potential voting rights; or by way of contractual agreement. The financial statements of subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated.

Adviser fees

Adviser fees in respect of executory contracts, such as fees payable under the Investment Management Agreement for ongoing advisory services, are charged to the income statement as they accrue.

Adviser fees payable in respect of other services, such as the performance fees payable under the Investment Management Agreement for finding and recommending investments to the Group, are recognised when the service has been provided.

Where such fees are directly attributable to the acquisition by the Group of a subsidiary they are included in the cost of investment in that subsidiary. However, any subsequent changes in the discounted estimates of the payments to be made are recognised in the income statement.

Liabilities arising from adviser fees that are determined by amounts realised on disposal of investments, or by the occurrence of other events, are financial liabilities and are initially recognised at fair value. Fair value is determined as the Directors' estimate of the present value of the future cash flows payable. Where no reliable indicators of future market conditions exist, the Directors base their estimates of future cash flows on conditions in the market at the date of approval of the financial statements. The discount rate used represents the Directors' estimate of the risk adjusted value of money.

After initial recognition the liability is measured at amortised cost using the effective interest rate method. The estimates of the payments to be made are reviewed at each balance sheet date and the carrying value of the liability is adjusted to reflect actual and revised estimated cash flows using the instrument's original effective interest rate. The adjustment is recognised in the income statement.

Intangible assets

After initial recognition, an intangible asset is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. Revaluations are made with such regularity that at the balance sheet date the carrying amount of the asset does not differ materially from its fair value.

Foreign currency translation

Each subsidiary of the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The principal functional currency of the foreign operations is the Rupee. At the reporting date, the assets and liabilities of the Company's subsidiaries are translated into the presentation currency of the Group at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

Financial instruments

Interest-bearing loans and borrowings

Loans and borrowings are initially recognised at fair value net of directly attributable issue costs.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised or impaired, as well as through the amortisation process.

Taxation

Current tax assets and liabilities are measured at the amounts expected to be paid to or recovered from the taxation authorities, based on tax rates and laws that are enacted or substantially enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- (a) where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- (b) in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- (c) deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity, otherwise income tax is recognised in the income statement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Investment property

Investment properties are those which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Any gain or loss arising from a change in fair value is recognised in the income statement.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when it is held to earn rentals or for capital appreciation or for both. Any such property interest is carried at fair value.

Investment property under development

Property that is being constructed or developed for future use as investment property is classified as investment property under development (development projects) and stated at cost until construction or development is complete, at which time, it is reclassified and subsequently accounted for as investment property. At the time of transfer, the difference between the fair value and cost is recorded as income in the income statement.

All costs directly associated with the purchase and construction of a property, and all subsequent capital expenditures for the development qualify as acquisition costs and are capitalised.

Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing cost commences when the activities to prepare the asset are in progress and expenditure on borrowing costs is being incurred. Capitalisation of borrowing costs may continue until the assets are substantially ready for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to that part of the development cost financed out of general funds, to the average rate.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding sales taxes. Rental income represents amounts in respect of operating leases where the Group is lessor. Rentals receivable under operating leases, and incentives given for lessees to enter into lease arrangements, are spread on a straight-line basis over the term of the lease, even if payments are not made on that basis.

Lease payment

Where the property interest held under an operating lease is classified as an investment property, the property interest is accounted for as if it were a finance lease and the fair value model is used for the asset recognised.

Minimum lease payments on the finance lease are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent rents are charged as expenses in the periods in which they are incurred.

The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

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PART 5: MARKET BACKGROUND



Strategic Consulting

**NCR and Kolkata Commercial Real Estate Overview
for
Unitech Corporate Parks Plc**

December 2006

Glossary

- BSE Sensex — Bombay Stock Exchange Sensitive index
- CAGR — Compounded Annual Growth Rate
- CBD — Central Business District
- EM Bypass — Eastern Metropolitan Bypass
- FDI — Foreign Direct Investment
- GDP — Gross Domestic Product
- Greater NOIDA — Extension of NOIDA
- INR — Indian National Rupee (USD 1 = INR 44.69 as on 8 November 2006)
- ITES — Information Technology Enabled Services
- MRTS — Mass Rapid Transit System
- NCR — National Capital Region comprising the capital city of Delhi and suburbs of NOIDA and Gurgaon
- NH — National Highway
- NOIDA — New Okhla Industrial Development Authority
- p.a. — per annum
- PBD — Peripheral Business District
- PPP — Purchasing Power Parity
- SBD — Suburban Business District
- USA — United States of America

1. INDIA — INTRODUCTION

India has a total population of 1.1 billion⁽¹⁾, making it the second most populated country in the world. With 35 per cent.⁽²⁾ of India's population currently under 15 years of age, it is poised to have the world's largest national workforce by 2020. India produces 14 million graduates⁽³⁾ annually and has the second largest pool of English speaking technical manpower after the USA.

The Indian economy is the fifth largest in the world as measured by purchasing power parity (PPP), with a gross domestic product (GDP) of US\$3,611 billion⁽⁴⁾ in 2005. It is also the second fastest growing⁽⁵⁾ major economy in the world (after China, which had an annual GDP growth rate of 10.2 per cent.⁽⁶⁾ in 2005), with an annual GDP growth rate of 8.4 per cent⁽⁷⁾ at the end of the first quarter of 2005 — 2006. Due to its regulated financial environment, under-control inflation, stable political outlook, growing foreign exchange reserves, sustained growth in all sectors of economy and young demographic profile, the Indian economy is expected to maintain a healthy growth rate during the next few years. As a result of these robust fundamentals, India has emerged as an attractive investment destination.

The amount of investment has been steadily rising in the past few years. Levels of foreign direct investment (FDI) in India reached US\$7.2 billion⁽⁸⁾ in 2005-2006 from US\$5.6 billion in the previous year. The real estate sector has recently been opened to 100 per cent. FDI subject to certain conditions on the minimum size of the development and the minimum investment amount.⁽⁹⁾

India is perceived as an emerging economy and the outlook on investments in the country is positive. It is expected that with the substantial number of private equity funds, foreign developers and other investors showing interest in the Indian real estate sector, there will be significant levels of investment in this sector going forward.

2. OVERVIEW OF THE INDIAN REAL ESTATE ENVIRONMENT

India has been experiencing increased real estate activity across all property segments of commercial, retail, residential and hospitality in the past few years. Increased economic activity, growth of the IT/ITES sector, change in FDI regulations and higher disposable incomes are some of the prime drivers for this growth. Most of the initial growth has been witnessed in the larger cities of India including the NCR-Delhi, Mumbai, Chennai, Bangalore, Pune and Hyderabad. However, this growth is now trickling to the secondary cities such as Kolkata, Chandigarh, Ahmedabad, Jaipur, Cochin and Vizag, which is visible in the increased level of real estate investment activity across the country.

⁽¹⁾ Source: Census of India 1991-2001

⁽²⁾ Source: Central Intelligence Agency Handbook (India)

⁽³⁾ Source: NASSCOM-McKinsey Report 2005

⁽⁴⁾ Source: Central Intelligence Agency Handbook (India)

⁽⁵⁾ Source: International Monetary Fund

⁽⁶⁾ Source: Central Intelligence Agency Handbook (China)

⁽⁷⁾ Source: Government of India (Central Statistical Organisation)

⁽⁸⁾ Source: Reserve Bank of India

⁽⁹⁾ According to RBI guidelines, FDI in real estate allowed only with minimum capital requirement of US\$10 million for wholly owned subsidiaries and US\$5 million for joint ventures with Indian firms.

Some of the major factors driving the growth of the real estate business in India are the following:

Table 1: Key drivers and inhibitors

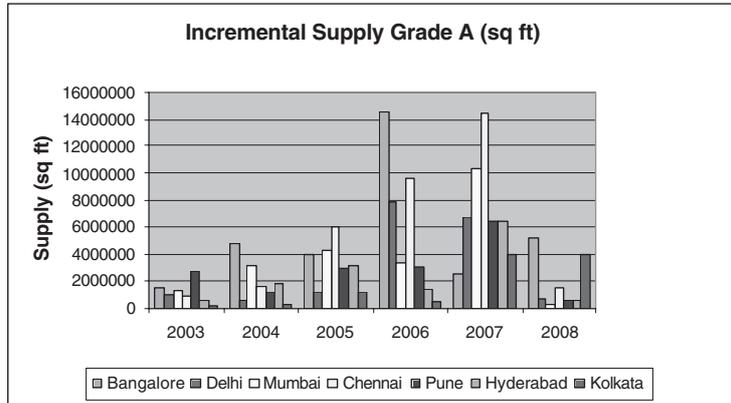
Key Drivers	Key Inhibitors
<ul style="list-style-type: none"> • Strong and stable economy <ul style="list-style-type: none"> • Stable GDP growth of 8.4 per cent. (1Q 2005-2006). • Foreign exchange reserves in excess of US\$140 billion as of November 2006. • Inflation in check at 5-6 per cent. p.a. • Preferred status of India as an outsourcing and off-shoring destination entailing continuous expansion of IT/ITES businesses. • Fiscal policies to boost private consumption <ul style="list-style-type: none"> • Taxation structure supporting investment in housing. • Annual bank lending rates have declined by over 5 per cent. in the last three years. • Positive legislative changes <ul style="list-style-type: none"> • Urban Land Ceiling Act⁽¹⁰⁾ has been repealed in all but three states. • Recognition and incentives for multiplexes and entertainment as a distinct industry. • Foreign investment in real estate allowed with minimum capital restrictions. • Liberal norms for investment in financial services, media, retail and leisure. • Securitisation Bill that entailed streamlining foreclosure, eviction and recovery process has enabled stronger credit disbursements. 	<ul style="list-style-type: none"> • Government policies and industry practices <ul style="list-style-type: none"> • Multiplicity of governing agencies and lack of transparency and co-ordination among the agencies. • Variation in land governing laws across locations, the same being a state level subject. • Indecision over opening up of the FDI in retail sector has subdued the flow of fresh capital investment in the sector. • Evident increase in pressure on availability of skilled talent. • Though the initiatives on the infrastructure front are in place, the pace of execution and quality remain issues, leading to short term infrastructure bottlenecks. • Rapid urbanisation necessitates review of city planning norms to ensure well balanced growth.

Source: Jones Lang LaSalle Research

⁽¹⁰⁾ This Central Act limits the extent of property that may be retained by an individual/company

One of the key indicators of the real estate markets, the Grade A office space supply, has grown rapidly over the last 4 years to 2006. The following chart presents an overview of incremental Grade A office supply across the key cities of India. The supply has grown at a CAGR of 70 per cent, from approximately 8 million sq.ft. in 2003 to an estimated 40 million sq.ft. by the end of 2006.

Figure 1: Grade A office space supply (sq.ft.)



Source: Jones Lang LaSalle Research

Note:

1. Historic and current supply includes the buildings receiving Occupancy Certificate and/or commencing operations.
2. The figures listed for 2007 and 2008 are projected values based on announced plans by developers.
3. The incremental supply from November 2007 onwards has been estimated on the basis of information collected from the developers in respective locations.

IT/ITES industry as a major growth driver

The IT/ITES sector remains the major demand driver for Grade A office space across various city locations.

India’s IT/ITES market had a turnover of US\$16.2 billion⁽¹¹⁾ in 2004-2005. This sector directly employs approximately 0.7 million⁽¹²⁾ people in India and is likely to employ 2 million by 2014.

The McKinsey — NASSCOM 2005 study states that the IT/ITES sectors will earn US\$60 billion in exports by March 2010, an increase from 3 per cent share of the GDP to about 7 per cent. The Report projects that the business process outsourcing (BPO) industry will grow from the present US\$11.6 billion to US\$150 billion by 2010, while IT outsourcing will increase from US\$18.4 billion to US\$150 billion over the next five years.

The projected growth implies that the Indian IT and BPO industry will directly employ approximately 2.3 million people and provide indirect employment to another 6.5 million workers by 2010⁽¹³⁾.

Software Technology Parks India⁽¹⁴⁾(STPI) was created to facilitate the process of setting up software units in the country. Units registered with STPI are given several incentives such as duty free imports of software and hardware products and corporate income tax exemption until 2009-10.

The central government’s recently announced scheme of sector-specific Special Economic Zones (SEZs) is also expected to give a boost to industry in India. Some of the incentives that SEZs will have are corporate

⁽¹¹⁾ Source: NASSCOM-McKinsey Report 2005

⁽¹²⁾ Source: NASSCOM-McKinsey Report 2005

⁽¹³⁾ Source: NASSCOM-McKinsey Report 2005

⁽¹⁴⁾ An autonomous organisation under the Ministry of Information Technology which governs the establishment and regulation of IT parks across the country

income tax exemption for 10 years out of a 15 year period and exemptions from dividend distribution tax and minimum alternate taxes.

Given the nature of the IT/ITES sector and its requirements, the industry is concentrated in major urban nodes of the country. Cities and regions which can be considered as key IT nodes in India today include Bangalore, the National Capital Region (NCR), Mumbai, Chennai, Pune, Hyderabad and Kolkata. The revenue breakdown from each of these nodes in 2005 was as follows: Bangalore 41 per cent., NCR 18 per cent., Chennai 16 per cent., Hyderabad 12 per cent., Pune 9 per cent., and Kolkata 3 per cent. Revenue is a function of employee productivity and also the number of employees in the given sector. Hence there is a correlation between revenue growth and corresponding increase in space required by IT firms due to the increased number of employees.

3. NATIONAL CAPITAL REGION (NCR)

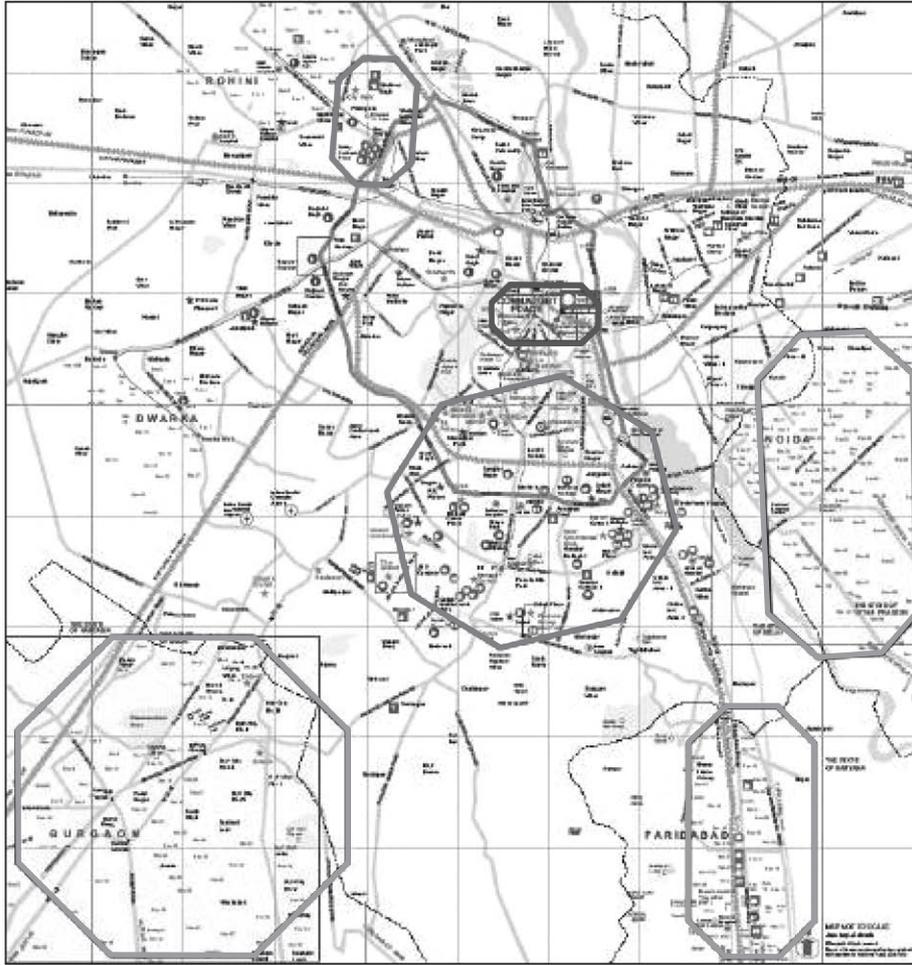
Introduction

The National Capital Region comprises the state of Delhi and parts of the neighbouring states of Uttar Pradesh, Haryana and Rajasthan. Delhi and the satellite townships of Gurgaon and NOIDA are the key components of the NCR for the purposes of the real estate market analysis. The NCR is the most urbanised region in the country with 93 per cent. urban population⁽¹⁵⁾. India's capital city and the most prosperous state, Delhi has become a nucleus of trade, commerce and industry in the northern region. It has attracted 11.5 per cent. of the total FDI flows into India in the period between August 1991 to 2005⁽¹⁶⁾ second only to the state of Maharashtra. The last decade has seen tremendous growth in the region being supported by the development of suburbs like Gurgaon and NOIDA as new economic destinations. Gurgaon, developed as an industrial township, has evolved into a BPO destination due to the presence of suitable real estate formats at relatively low costs, access to the large manpower pool in Delhi and good telecom connectivity. Gurgaon is witnessing an increased demand for office space, driven by technology backed corporates in the financial services and ITES/BPO sector. The government policies are supporting the growth by providing more built area (Floor Area Ratio) to IT/ITES companies setting up their base in the industrial sectors.

⁽¹⁵⁾ Source: Indicus Market Skyline of India 2006

⁽¹⁶⁾ Source: Reserve Bank of India

Figure 2: Delhi micro market classification



Source: Jones Lang LaSalle Research

Table 2: Micro market classification for Grade A properties in National Capital Region

Micro markets for Grade A office property			
Micro market	Localities included	Brief site context	Map Code
CBD (Central Business District)	Connaught Place	Central Delhi	■
SBD (Secondary Business District)	Nehru Place, Jhandewala Extension, New Friends Colony, Munirka, Okhla & Mohan Co-operative	South Delhi	■
PBD (Peripheral Business District)	Gurgaon (southwest), NOIDA & Greater NOIDA (southeast)	Located in the southwest and southeast of Delhi. Constitute satellite townships of Delhi.	■

Source – Jones Lang LaSalle Research

During the last 7 years, Gurgaon has emerged as the most significant IT/ITES cluster within the NCR, due to the availability of contemporary Grade A office stock, priced significantly lower than comparable office stock in central Delhi. Also, over the last couple of years, NOIDA has been attracting similar attention from developers and occupiers, and has large scale development prospects over the next 3-4 years on the back of the proposed real estate projects.

The following are some of the key infrastructure initiatives proposed in the NCR as per media reports and various market information sources.

Table 3: City infrastructure initiatives

<u>Infrastructure Initiatives</u>	<u>Implications</u>
<p>A US\$1.15 billion expressway around the national capital is expected to be constructed within the next 5 years. The expressway is divided into two parts — the Western Peripheral Expressway (WPE) and the Eastern Peripheral Expressway (EPE).</p> <p>Delhi airport privatisation</p> <p>The Delhi airport is the busiest airport in India and faces severe capacity constraints and infrastructure issues. In order to address this problem, the Government of India has accorded Delhi airport to a consortium to convert it into a world class airport.</p> <p>Flyovers/Overpasses in Delhi</p> <p>15 more flyovers/overpasses are proposed by the Delhi Government, to be completed before the 2010 Commonwealth Games event to be held in Delhi.</p> <p>MRTS</p> <p>A 245 km metro system network to cater to demand is currently under development in Delhi, expected to be fully operational across all phases by 2021. Whilst the Phase-I of MRTS (aggregate length of 39 kms) is operational, with further aggregate length of 21 kms expected to be completed by 2010.</p>	<p>The expressway is expected to free up the ring roads from heavy traffic transiting Delhi and allow for smoother intra city traffic flow. This will also reduce travel times to surrounding areas such as NOIDA and Gurgaon.</p> <p>A world class airport located within the city and improved accessibility from the suburbs is expected to provide enhanced connectivity and further attract business operations to the NCR.</p> <p>This would contribute to the reduction in commute time and help streamline the traffic flow across the city.</p> <p>The MRTS is expected to provide a major boost to the existing public transport system and will specifically ease connectivity between Delhi and the suburbs. This should have a positive impact on the growth and sustained development of the suburban regions.</p>

Source — Jones Lang LaSalle Research

NOIDA — Introduction

The New Okhla Industrial Development Authority (NOIDA) was established under the U.P. Industrial Area Development Act, 1976. Over the last two decades, it has evolved as a planned and integrated township, well connected to Delhi through a network of roads, national highways and an 8 lane expressway. NOIDA is located in the state of Uttar Pradesh at the fringes of east Delhi, approximately 14 km from the CBD of Connaught Place.

Greater NOIDA is an extension to the NOIDA township and is approximately 15 km away. Greater NOIDA is a well planned integrated township, connected to NOIDA through an 8 lane expressway, offering excellent connectivity.

NOIDA enjoys excellent 4 way connectivity from Delhi. NOIDA can be accessed by NH24 which is a major highway that connects Delhi with the neighbouring state of Uttar Pradesh. There is also an access through an 8 lane expressway that connects the southern part of Delhi directly to NOIDA and in turn connects to the NOIDA-Greater NOIDA Expressway. Alternatively, NOIDA can also be accessed by a link road from southeast Delhi that connects the SBDs of Jasola and Saket to NOIDA. Finally, there is access through east Delhi which passes through Shahadra.

NOIDA — Real estate market overview

The NOIDA and Greater NOIDA region is governed by strict zoning laws, with clear demarcated zones for commercial office, retail, residential and institutional uses.

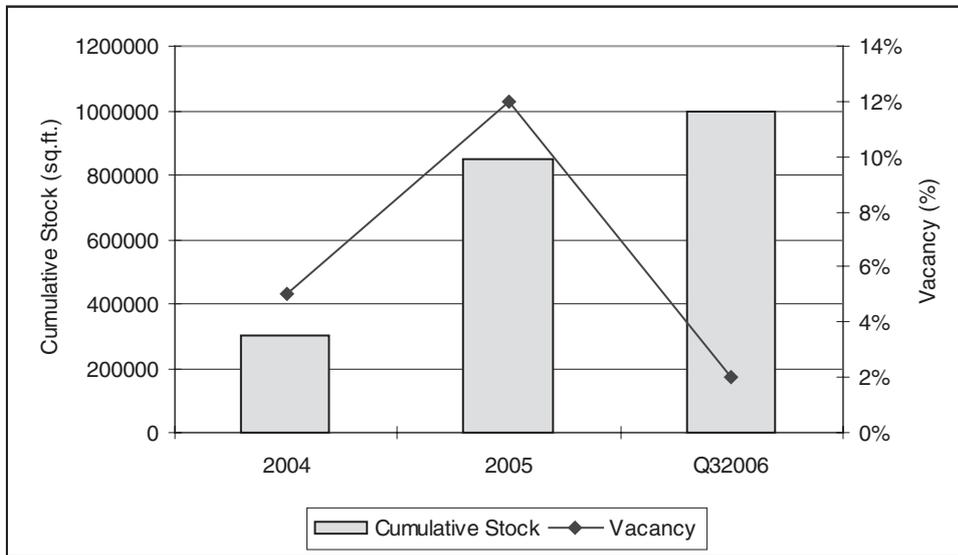
The existing commercial Grade A office space primarily constitutes exclusive standalone campuses of IT/ITES companies. However, with the government opening up the allotment of large land parcels to developers for speculative development, there are likely to be a number of speculative build projects in the future.

The warm shell Grade A office space rentals in NOIDA are in the range of INR 35-45/sq.ft./month. The existing stock of speculatively developed office space in NOIDA aggregates to approximately 1 million sq.ft. This is expected to grow to a size of 4 million sq.ft. by the end of 2007 (based on the information provided by the developers as of November 2006). With the government commencing allotment of fresh land parcels for development of office space across the new institutional sectors 132, 135, 141 and 142, we expect an increase in supply during the next few years. The growing size of the office space market would help establish a commercial hub by creating a critical mass of development and business activity in the region.

Some of the major IT/ITES companies operating out of NOIDA include CSC, Xansa, TCS, HCL, EXL services and ST Microelectronics.

The total Grade A speculative office stock by the end of the third quarter of 2006 is approximately 1 million sq.ft. The current vacancy levels for Grade A speculative office space is between 2-3 per cent on account of high demand and a corresponding restricted supply.

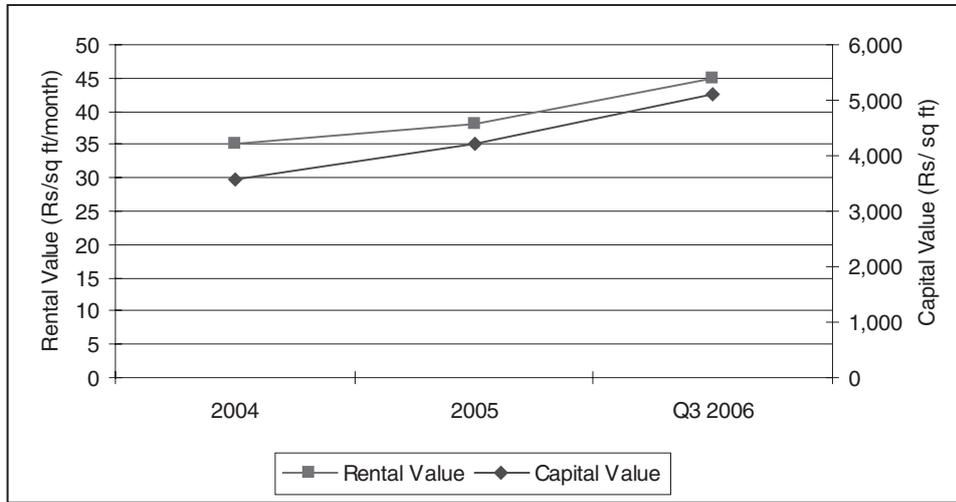
Figure 3: Stock absorption and vacancy in NOIDA



Source: Jones Lang LaSalle Research

The warm shell rental values for Grade A speculative office space in NOIDA have increased from INR 35/sq.ft./month in 1Q2005 to INR 45/sq.ft./month in 3Q2006. The capital values for warm shell Grade A speculative office space in NOIDA for the same period have increased from INR 3,500/sq.ft. to INR 5,000/sq.ft. The expectations of yield are between 10-11 per cent. p.a.

Figure 4: Warm shell rental and capital values for IT/ITES office space in NOIDA



Source: Jones Lang LaSalle Research

Factors which make NOIDA a preferred destination for IT/ITES firms include relatively lower rentals for Grade A office space (vis-à-vis Grade A office rentals in Delhi and Gurgaon), presence of quality infrastructure and excellent accessibility from Delhi.

Gurgaon — Introduction

Gurgaon is a city in the northern Indian state of Haryana, with a population of approximately 1 million according to the 2001 national census. It is part of the NCR and is the heart of a major industrial area. Due to its proximity to Delhi and intelligent policy initiatives of the state government, Gurgaon has emerged as one of the India's major outsourcing hubs, housing major multinationals. It therefore hosts IT/ITES businesses as well as the manufacturing industry.

A number of infrastructure projects such as the Delhi-Gurgaon Metro rail, the Delhi-Gurgaon Expressway and the Faridabad-Gurgaon Road are being currently developed and are expected to ease the infrastructure and commuting issues and support growth in the region.

Gurgaon enjoys good accessibility and connectivity with Delhi. NH8 is the major access road that connects Delhi to Gurgaon and in turn passes through the international airport. This access is in the process of being converted to an 8 lane expressway, being part of the national Golden Quadrilateral project. Additional access exists through the Mehrauli-Gurgaon Road which connects South Delhi with Gurgaon.

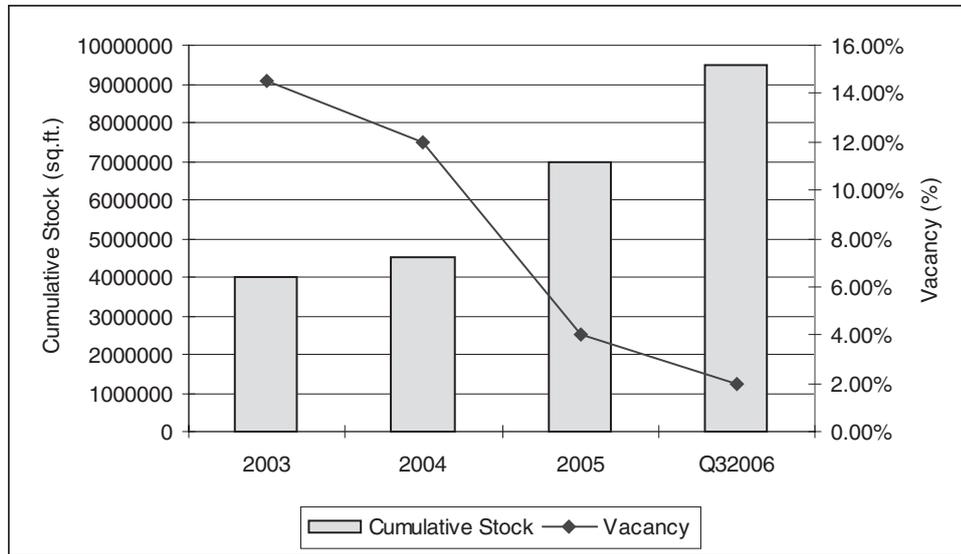
Gurgaon — Real estate market overview

Gurgaon's occupier profile is dictated by its status as one of India's major outsourcing hubs, with major multinationals such as Niksun Incorporated, Alcatel, HCL Technologies, IBM Daksh, eFunds, Fidelity Investments, IBM and American Express. Other reputed companies such as Hitachi Metals, the Coca-Cola Company, PepsiCo, GlaxoSmithKline and Hewlett Packard have also chosen to locate their Indian corporate headquarters in Gurgaon.

Gurgaon is dominated by speculative office space developed by large developers such as DLF and Unitech, catering to the growing demand for office space from the IT/ITES companies. The warm shell Grade A office space rentals in Gurgaon are in the range of INR 55-60/sq.ft./month.

The cumulative Grade A speculative office stock by the end of 2006 is expected to be approximately 10 million sq.ft. translating into a CAGR of 38 per cent. over the last 3 years. Current vacancy rates in Gurgaon are extremely low at approximately 2 per cent., due to lack of supply as well as robust demand.

Figure 5: Supply absorption and vacancy in Gurgaon

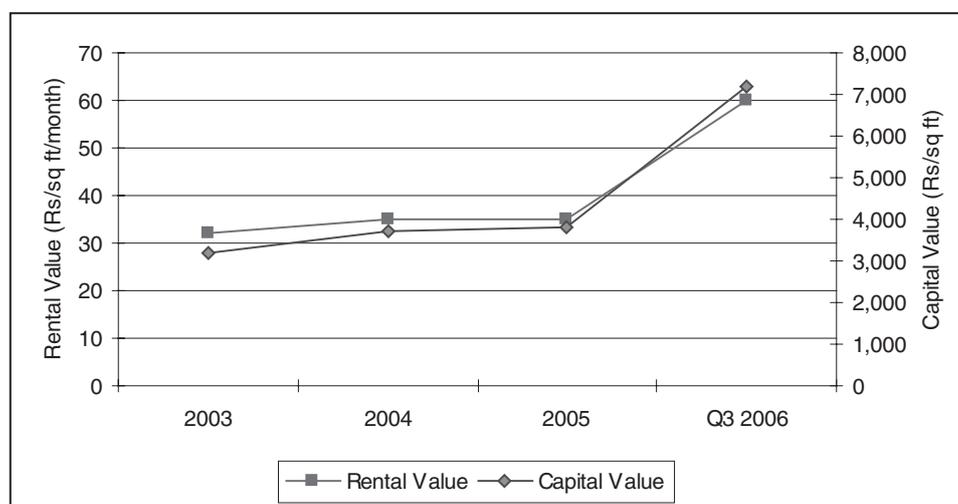


Source: Jones Lang LaSalle Research

The warm shell rental values for Grade A speculative office space in Gurgaon have increased from INR 35/sq.ft./month in 2005 to INR 60/sq.ft./month in 2006, reflecting the demand supply mismatch.

The capital values for Grade A speculative office space in Gurgaon, for the same period, have increased from INR 3,800/sq.ft. to INR 7,200/sq.ft. representing a yield of 10-10.5 per cent. p.a.

Figure 6: Warm shell rental and capital values for IT/ITES office space in Gurgaon



Source: Jones Lang LaSalle Research

4. KOLKATA

Introduction

Kolkata is the capital city of the state of West Bengal, one of the oldest urban centres and the former trading and commercial capital of India. The Kolkata region has one of the highest literacy levels (81.31 per cent.⁽¹⁷⁾) and untapped spending capacity in the country which is attracting industry and capital to the region. The primary fiscal drivers for Kolkata are traditionally industry, commerce and more recently the emerging IT/ITES sector. The total urban population of 16.2 million for the Kolkata Metropolitan Region covers 1,900 sq. km. and has shown a decadal urban growth rate (1991 to 2001) of 4 per cent. p.a.⁽¹⁸⁾

The commercial areas of Kolkata are classified into the Central Business District (CBD) and the Peripheral Business District (PBD).

Table 4: Micro market classification for Grade A properties in the National Capital Region

Micro markets for Grade A office property	
Micro market	Localities included
CBD	Areas include Park Street, AJC Bose Road, Landsdowne Road, Russel Street, Middleton Street and Chowrangee Road.
PBD	Areas include Salt Lake Sector V and New Town Rajarhat.

Source: Jones Lang LaSalle Research

The new CBD comprises several grid iron roads (namely Chowrangee Street, Camac Street, Park Street and AJC Bose Road) in central Kolkata. The supply of office space in the new CBD is restricted due to non-availability of good plot sizes for office developments (i.e. office projects of 50,000 to 1 million sq.ft. require plot sizes of 5 to 10 acres) and difficulty in consolidation of plots. The occupant profile comprises sales and marketing head offices for retail bank branches, financial institutions and insurance companies.

⁽¹⁷⁾ Source: Indicus Market Skyline of India 2006

⁽¹⁸⁾ Source: Indicus Market Skyline of India 2006

An emerging office location is the PBD comprising two areas in the eastern part of Kolkata, namely Salt Lake and New Town Rajarhat. These are being actively promoted by the West Bengal government as IT/ITES hubs. The area has developed since 2000 and has become the preferred destination for IT/ITES companies within the city.

Following are the key efforts made in the infrastructure sector, by the local and state authorities in the Kolkata Metropolitan region:

Table 5: Key infrastructure developments

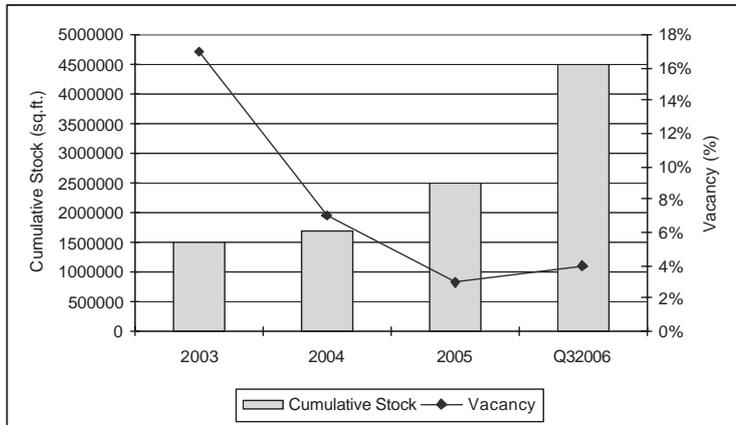
<u>Infrastructure Initiative</u>	<u>Implications</u>
<p><u>MRTS Expansion -</u> The network is being expanded to the north and southeastern part of the city.</p>	<p>Areas where new stations are being built (Gariah in the south east and around the airport in the north) are witnessing launches of new residential projects.</p>
<p><u>National Highways -</u> National Highway 2 and 6 that cross Haora form part of the “Golden Quadrilateral” (the Mega National program to upgrade the National highways connecting Kolkata, Delhi, Mumbai, Chennai and Bangalore to 8 lane expressways) are being developed with aggressive completion schedules.</p>	<p>Improvement in accessibility to Haora will result in diverting part of Kolkata’s development in its direction.</p>
<p><u>Township development -</u> 2 large townships in Howrah, West Haora Township (Salim Ciputra Group-Indonesia) and Dankuni township (bid finalisation stage) are being developed under the central FDI township scheme. New Town Rajarhat developed over 3,075 hectares is being undertaken by the West Bengal Housing and Infrastructure Corporation where large land parcels are being allotted and sold to private developers.</p>	<p>The negative perception about Haora in the west is likely to change and new developments are likely to bring growth impetus and the city could possibly expand towards the west.</p>
<p><u>Upgradation of road network -</u> Three new 6 lane expressways have been developed in the east & south. These are EM Bypass and New Town Rajarhat Expressway in the east and Diamond Harbour Road in the south. EM Bypass connects the north (Ulta Danga) to the southeast (Gariah) of the city.</p>	<p>These roadways have provided major growth impetus in the respective regions of Kolkata.</p>

Source: Kolkata Metropolitan Region Development Plan, Jones Lang LaSalle Research

Kolkata — real estate market overview

In the PBD, the current operational Grade A office stock stands at approximately 2 million sq.ft. The vacancies are low at under 4 per cent.

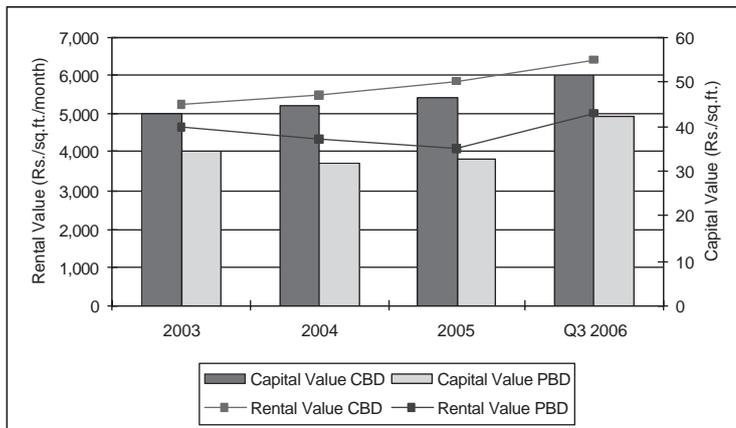
Figure 7: Stock and vacancy trends in Kolkata



Source: Jones Lang LaSalle Research

In the CBD the warm shell rentals have been constantly rising over past 2-3 years by almost 25 per cent. p.a. Current capital values stand at INR 7,000/sq.ft. Current Grade A warm shell rentals in the PBD range between INR 40-45/sq.ft./month.

Figure 8: Warm shell rental and capital values for IT/ITES office space in Kolkata



Source: Jones Lang LaSalle Research

The Kolkata CBD is a hub for financial services and telecom companies. Most of the IT/ITES companies are concentrated in the PBD of the city.

PART 6: INDIAN REGULATORY AND PROPERTY LAW OVERVIEW

1. OVERVIEW

India, like the UK, follows the deeds system where registration of title to immovable property is mandatory. The principal statute governing real estate transactions is the Transfer of Property Act, 1882 which deals with transfer, conveyance, gifts, mortgage, leases, etc. of property. However, under the Constitution of India, states have the legislative and administrative jurisdiction in respect of lands falling within their jurisdictions. State legislation varies from state to state and there are differing laws relating to such matters as land ceiling, land use, stamp duties, land revenue and consolidation of holdings. For example, the acquisition of land is regulated by state land reform laws which prescribe limits up to which an entity may acquire agricultural land and the transfer of agricultural land is subject to laws enacted by the appropriate state legislature. Municipal authorities, town planning and zoning regulatory authorities also have jurisdiction over land issues and these entities also prescribe and control development norms, building plans and by-laws and provide infrastructure facilities for developments. Lately, environmental issues have become extremely important in large-scale developments.

Provided below is a brief overview of the principal modes of acquiring rights in respect of immovable property in India and the significant laws and regulations which govern real estate development in India.

2. LAW RELATING TO TRANSFER OF PROPERTY

Indian laws classify property into moveable and immovable property. Immoveable property is normally understood to include, among other things, land, buildings and benefits arising out of land and things attached to the earth or permanently fastened to anything attached to the earth. Unless stated otherwise, references below to property are references to “immovable property”.

The transfer of immovable property, except agricultural land, is governed by the provisions of the TP Act.

Transfer of Property Act, 1882

The TP Act details general principles of realty, such as sale, exchange, mortgage, lease and gift of property, part-performance and *lis pendens*. A person who has invested in immovable property or has any share or interest in the property is presumed to have notice of the title above any other person in residence.

The TP Act recognises, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: the transfer of ownership in property for a price, paid or promised to be paid.
- Mortgage: the transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The TP Act recognises several forms of mortgages over a property.
- Charges: transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by an operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: the transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions. A detailed discussion on leases is provided below.

In addition to the above, the owner of property is entitled to enjoy or transfer the right to use or derive benefit from that property (the “usufruct”). A lessee of property may also enjoy the benefits arising out of land. The owner of immovable property may also create a right over the usufruct of that property by creation of a usufructory mortgage.

Further, it may be noted that as regards transfer of any interest in the property, the transferor transfers such interest, including any incidents, in the property, which he is capable of passing and under law, he cannot transfer a better title than he himself possesses.

Co-ownership and Joint Ownership

The TP Act recognises co-ownership and joint ownership of property. One of the co-owners of a property may transfer its interest in the property and the transferee in such case acquires the transferor’s right to joint possession or other common or part enjoyment of the property. The transferee in such cases also acquires the right to enforce the partition of the property. If a co-owner’s share in the property is ascertainable, it would be

termed as co-ownership, in absence of which it will be termed as joint ownership. Further, the law also recognises joint possession by lessors.

Leasehold Rights

As noted above, a lease creates a tenancy right in favour of the lessee to enjoy property subject to a lease. The term of the lease and the mode of termination of the lease can be determined by the parties.

Under the lease of a property, the lessee has a right of enjoyment of the property without interruption, provided that the lessee continues to pay the rent reserved by the lease agreement and performs other terms and conditions binding on the lessee.

Sub-leases or transfer of the interests held by a lessee to another person is usually regulated by the terms of the underlying lease. Further, the TP Act stipulates that a lessee shall not erect any permanent structures on leased property without the consent of the lessor, except where such fixture is for an agricultural purpose. However, the TP Act does not prohibit the assignment of lease agreements, though this may be restricted by the terms of the lease.

Easements

The law relating to easements and licences in property is governed by the Indian Easements Act, 1882. An easement is a right which the owner or occupier of land possesses over the land of another for beneficial enjoyment of his land. Such right may allow the owner of the land to do and continue to do something or to prevent and continue to prevent something being done, in or upon land which is not his own.

Easement rights may be acquired or created by (a) an express grant; (b) a grant or reservation implied from a certain transfer of property; (c) prescription, on account of long use for a period of twenty years; or (d) local custom.

Licences

Licences over property are governed principally by the Easements Act. Under the Easements Act, a licence is defined as a right to use property without any interest created in favour of the licensee, as opposed to a lease, which creates an interest in favour of the lessee. Therefore, a licensee does not have any juridical possession of the property but only an occupation. Unlike a lessee, a licensee does not have any interest in the property. The period and incident upon which a licence may be revoked may be provided in the licence agreement entered between the licensor and the licensee.

Indian Registration Act, 1908

The Indian Registration Act, 1908 has been enacted with the object of providing public notice of the execution of documents affecting a transfer of interest in property. The purpose of the Registration Act is the conservation of evidence, assurances and title, publication of documents and prevention of fraud. It details formalities to register documents. The Registration Act identifies documents for which registration is compulsory and includes, among others, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in property of the value of one hundred Rupees or more, and a lease of property for any term exceeding one year or reserving a yearly rent.

A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the TP Act or as collateral), unless it has been registered. The process of registration of a document involves submission of the document to be registered at the office of the Registrar or Sub-Registrar in the relevant district where the property is situated along with payment of the appropriate amount of stamp duty. Evidence of the registration is normally available through an inspection of the relevant land records, which usually contain details of the registered property.

Indian Stamp Act, 1899

There is a direct relationship between the Registration Act and the Indian Stamp Act, 1899. Stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, state governments also have the power to prescribe

the stamp duty rates for various instruments (leases, sale deed, mortgage deed, etc.). Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Unduly stamped instruments can be validated by paying a penalty of up to ten times of the total duty payable on such instruments.

Urban Land (Ceiling and Regulation) Act, 1976

This Act fixed ceilings on vacant and urban land. Under this legislation, excess vacant land is required to be surrendered to a “Competent Authority” for a minimum level of compensation. Alternatively, the “Competent Authority” is empowered to allow the land to be developed for permitted purposes. The Government of India repealed this Act in relation to most areas with effect from 11 January 1999 by enacting the Urban Land (Ceiling and Regulation) Repeal Act 1999. However, it is still in force in certain states including Andhra Pradesh, Assam, Bihar, Orissa, Maharashtra and West Bengal.

In states where the urban land ceiling law is still operative, there are restrictions on the purchase of large areas of land.

Land Acquisition Act, 1894

The Government of India is empowered to acquire and seize any property, however, the courts in India have, through numerous decisions stipulated that any property acquired by the government must satisfy the due process of law. The key legislation relating to the expropriation of property is the Land Acquisition Act, 1894.

Under the provisions of the LA Act, land in any locality can be acquired compulsorily by the government whenever it appears to the government that it is needed or is likely to be needed for any public purpose or for use by a corporate body. Under the LA Act, the term “public purpose” has been defined to include, among other things, the provision of village sites, or the extension, planned development or improvement of existing village sites; provision of land for town or rural planning; provision of land for its planned development from public funds in pursuance of any scheme or policy of government and subsequent disposal thereof in whole or in part by lease, assignment or outright sale with the object of securing further development as planned; the provision of land for any other scheme of development sponsored by government, or, with the prior approval of the appropriate government, by a local authority; and the provision of any premises or building for locating a public office, but does not include acquisition of land for companies.

Any person having an interest in such land has the right to object and the right to compensation. The value of compensation for the property acquired depends on several factors, which, among other things, include the market value of the land and damage sustained by the person in terms of loss of profits.

Laws for Classification of Land User

Usually, land is publicly classified under one or more categories, such as residential, commercial, agricultural, etc. Land classified under a specified category is permitted to be used only for such purpose. In order to use land for any other purpose, the classification of the land may need to be changed in the appropriate land records by making an application to the relevant municipal or land revenue authorities.

In addition, some state governments in India have imposed various restrictions, which vary from state to state, on the transfer of property within such states. Such restrictions provide for restrictions on the transfer of property, including among others, a prohibition on the transfer of agricultural land to non-agriculturalists, a prohibition on the transfer of land to a person not domiciled in the concerned state and restrictions on the transfer of land in favour of a person not belonging to a certain tribe.

Development of Agricultural Land

The acquisition of land is regulated by state land reform laws which prescribe limits up to which an entity may acquire agricultural land. Any transfer of land which results in the aggregate land holdings of the acquirer in the state to exceed this ceiling is void, and the surplus land is deemed, from the date of the transfer, to have been vested in the state government free of all encumbrances.

When local authorities declare certain agricultural areas as earmarked for non-agricultural use, namely townships, commercial complexes etc., agricultural lands may be acquired by different entities for development. After obtaining a conversion certificate from the appropriate authority with respect to a change in use of the land from agricultural to non-agricultural, the ceilings referred to above will not be applicable.

While granting licences for development of townships, the authorities generally levy development or other external charges for the provision of peripheral services. Such licences require approvals of layout plans for development and building plans for construction activities. The transfer of agricultural land is subject to laws enacted by the appropriate state legislature. The licences are transferable on permission of the appropriate authority. Similar to urban development laws, approvals of the layout plans and building plans, if applicable, need to be obtained.

Environment (Protection) Act, 1986

The real estate sector is subject to central, state and local regulations designed to protect the environment. Among other things, these laws regulate the environmental impact of construction and development activities, emission of air pollutants and discharge of chemicals into surrounding water bodies. These various environmental laws give primary environmental oversight authority to the Ministry of Environment and Forest, the Central Pollution Control Board and the State Pollution Control Board. The MoEF is the key national regulatory agency responsible for policy formulation, planning and co-ordination of all issues related to environmental protection. The CPCB is the law enforcing body at the national level. It enforces environmental legislation, coordinates the activities of State Pollution Control Committees, establishes environmental standards and plans and executes a nationwide programme for the prevention, control and abatement of pollution.

The Environment Impact Assessment Notification S.O.60 (E), issued on 27 January 1994 under the provisions of the Environment (Protection) Act, 1986, as amended from time to time, prescribes that new construction projects having an investment of more than Rs. 500 million require prior environmental clearance of the MoEF. The environmental clearance must be obtained from the MoEF according to the procedure specified in the EIA Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained.

The application to the MoEF is required to be accompanied by a project report which should include an Environmental Impact Assessment Report and an Environment Management Plan. The Impact Assessment Authority evaluates the report and plan submitted. Such assessment is required to be completed within a period of ninety days from receipt of the requisite documents from the project developer/manager. Thereafter, a public hearing has to be completed and a decision conveyed within thirty days.

The clearance granted is valid for a period of five years from the commencement of the construction or operation of the project and has to be renewed thereafter in the event the project lasts longer than five years. The project developer/manager concerned is required to submit a half yearly report to the IAA to enable it to monitor effectively the implementation of the recommendations and conditions subject to which the environmental clearance has been given.

If no comments from the IAA are received within the time limits outlined above, the project would be deemed to have been approved as proposed by the project developer/manager.

Land Use Planning

Land use planning and its regulation, including the formulation of regulations for building construction, form a vital part of the urban planning process. There are several authorities having jurisdiction to regulate land use planning and real estate development activities in each Indian state. This often causes confusion and sometimes conflict between various authorities and can result in delays in approvals.

Various enactments, rules and regulations have been made by the central government, concerned state governments and other authorised agencies and bodies such as the Ministry of Urban Development, State Land Development and/or Planning Boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning, management and taxation of land and real estate. All relevant applicable laws, rules and regulations have to be taken into consideration by any person or entity proposing to enter into any real estate development or construction activity in this sector in India.

Building Consents

Each state and city has its own set of laws which govern planned development and rules for construction (such as floor area ratio "FAR" or floor space index "FSI" limits). The various authorities that govern building activities in states are the Town and Country Planning Department, municipal corporations and the Urban Arts Commission. Any application for undertaking any construction or development activity has to be made to the TCPD, which is a state level department engaged in the physical planning of urban centres and rural areas in the state. The TCPD prepares the schemes and projects of various different agencies so as to improve living and

working environments and to provide planned and developed sites for residential, commercial and industrial purposes.

The municipal corporations regulate building development and construction norms. For example, building plans are required to be approved by the relevant municipal authority. The Urban Arts Commission advises the central government in the matter of preserving, developing and maintaining the aesthetic quality of urban and environmental design in some states and also provides advice and guidance to any local body with respect to building or engineering operations or any development proposal which affects or is likely to affect the skyline or the aesthetic quality of the surroundings or any public amenity provided therein. Under certain state laws, the local body, before it accords its approval for building operations, engineering operations or development proposals, is obliged to refer all such operations to the Urban Arts Commission and seek its approval for the project.

Besides the above, certain approvals and consents may also be required from various other departments, such as the Fire Department, the Airport Authority of India and the Archaeological Survey of India. Obtaining all these approvals can be time consuming. However, experienced developers well versed with local laws and building regulations are, more often than not, able to get the consents. Sometimes there may be intervention by third parties through court action against land use change.

3. REGULATION OF REAL ESTATE DEVELOPMENT

Special Economic Zones Act, 2005

The Special Economic Zones Act 2005, which came into force on 10 February 2006, provides for the establishment, development and management of Special Economic Zones for the generation of additional economic activity, promotion of exports of goods and services, promotion of domestic and foreign investment, development of infrastructure facilities and matters connected therewith or incidental thereto. The provisions of the SEZ Act prevail in the case of a conflict between provisions of the SEZ Act and provisions of any other law in force.

The Special Economic Zones Rules 2006, which effectively implement the provisions of the SEZ Act and came into force on 10 February 2006, provide for the simplification of procedures relating to the development, operation and maintenance of SEZs and the establishment of and conduct of business in SEZs. Certain states, such as Haryana (in which Gurgaon is located) have also introduced specific legislation in order to facilitate the establishment of SEZs within such states.

The SEZ Act provides that the Government of India, any state government or any person may, either jointly or severally, establish an SEZ in accordance with the procedure under the SEZ Act. An SEZ is a demarcated area of land, the occupants of which are entitled to special privileges. In addition to certain other benefits, these are specifically delineated duty free enclaves and deemed to be a foreign territory for the purposes of trade operations as well as duties and tariffs.

The developer of an SEZ is eligible for certain fiscal benefits, including the following:

- Deduction from the computation of income of 100 per cent. of profits derived from the business of developing an SEZ for a period of any 10 consecutive years out of 15 years from the beginning of the year in which the SEZ is finally approved pursuant to a notice in the Indian Official Gazette.
- No dividend distribution tax is payable on dividends declared, distributed or paid on or after 1 April 2005 by the developer out of income in a particular year, attributable to developing, or developing and operating, or developing, operating and maintaining an SEZ;
- Exemption from 'Minimum Alternate Tax' imposed by the Income Tax Act, 1961 on income accruing or arising on or after 1 April 2005 from business carried on or services rendered in an SEZ;
- No custom duty will be levied for any goods imported into, or service provided in, the SEZ for the purposes of its authorised operations;
- Drawback or such other benefits on goods brought or services provided from the 'domestic tariff area' into an SEZ or services provided in the SEZ by the service providers located outside India to carry on the authorised operations by a developer;
- Exemption from service tax on taxable services provided to a developer to carry on its authorised operations in the SEZ;

- Exemption from the levy of taxes on the sale of goods, if such goods are used to carry on the authorised operations of a developer; and
- Exemption from various other duties and taxes under the enactments specified in Schedule I of the SEZ Act.

The functioning of SEZs is governed by a three-tier administrative structure:

- the Board of Approval constituted under the SEZ Act, a body at the level of central government consisting of 19 members, which performs the function of promoting and ensuring orderly development of SEZs. The Board of Approval has the power to grant approval, among other things, for (a) a proposal to set up an SEZ; or for (b) providing infrastructure facilities in an SEZ;
- the Unit Approval Committee, the zonal level committee, which deals with the function of approving units in SEZs and other related issues; and
- the Development Commissioner, who is overall in-charge of an SEZ in relation to each SEZ, who exercises administrative control and supervision over other officers and employees appointed pursuant to the provisions of the SEZ Act and whose functions among other things, include rendering guidance in relation to setting up units in an SEZ, monitoring the performance of the developer and the units in an SEZ and ensuring proper co-ordination with the central government or state government departments concerned.

Procedure for establishing an SEZ

Any person who intends to set up an SEZ, after identification of the area, is required to make an application to the concerned state government or to the Board of Approval for approval. If the application is made to the state government, it may forward the application together with its recommendations to the Board of Approval. In the event the application is made directly to the Board of Approval, it may grant the approval which shall be subject to the approval of the concerned state government.

The developer in its application is required, among other things, to state (i) whether the applicant is the owner of the land which is proposed to be converted into a SEZ; (ii) whether the land is in his possession; (iii) details of lease if the land is taken on lease; (iv) if the land is either not under the ownership or possession of the developer, then the steps that he is taking to acquire the land; (v) whether the area is contiguous or not; (vi) cost of the land, proposed infrastructure and total investments; (vii) means of financing; (viii) details of equity, including foreign investment; and (ix) information regarding past applications.

Once the Board of Approval has approved the proposal, it is required to communicate the same to the Government of India, which shall grant a letter of approval upon such terms, conditions and entitlements as may be approved by the Board of Approval or the proposal may be approved in a modified form. Such letter is valid for 3 years, within which the developer is required to take effective steps to implement the project. Extension is not usually granted, but may be considered on merits. The Government of India may grant an in-principle approval, which indicates in-principle agreement with the proposal submitted by the SEZ developer, subject to satisfaction of certain conditions, which are required to be satisfied before the Government accords its final approval. The in-principle approval is usually valid for a limited period of time, within which the recommendation of the concerned state government on the proposal should be obtained and a detailed proposal for seeking formal approval should be submitted to the central government. The validity of the in-principle approval may be extended by the central government on merits.

After the grant of the letter of approval, the developer has to submit (i) the exact particulars of the identified area to the central government, along with (ii) proof of legal rights and possession of the relevant property and (iii) a certificate from the state government to the effect that the area is free from all encumbrances (a lease is permissible, if the period is at least 20 years). The land has to be contiguous and vacant and shall have no public thoroughfare. Thereafter the central government provides a notice that the identified area is designated as an SEZ, if the area is found to be of sufficient size.

Minimum area requirements

Minimum area requirements stipulated for various categories of SEZs are:

- Multi-product SEZs: 1,000 hectares or more;
- Services-sector SEZs: 100 hectares or more;

- Sector-specific SEZs such as gems and jewellery, information technology and bio-technology: 10 hectares or more; and
- All other sectors: 100 hectares or more.

A sector-specific SEZ is defined as a zone meant exclusively for one or more products or services in a sector.

The area requirement for multi-product SEZs has been relaxed to 200 hectares and for sector-specific SEZs to 50 hectares for certain states (such as those of Assam, Meghalaya, Nagaland, Arunachal Pradesh, Mizoram, Manipur, Tripura Himachal Pradesh, Uttaranchal, Sikkim, Jammu & Kashmir and Goa) and Union Territories, in view of the lack of large tracts of contiguous land in such states and Union Territories.

Additionally, for electronics hardware & software SEZs, including those in relation to the IT and ITES sectors, the area shall be 10 hectares (approximately 24.7 acres or 100,000 square meters) or more with minimum built up processing area of 100,000 square meters.

The area within an SEZ may be demarcated by the central government or any authority specified by it (such as the Development Commissioner) as:

- Processing area for establishment of units for carrying on activities for the purpose of which the SEZ is proposed, being the manufacture of certain goods, or rendering services; or
- Area exclusively for trading or warehousing purposes; or
- Non-Processing Areas for activities other than the ones specified above.

A sector-specific SEZ is required to have a minimum Processing Area of 50 per cent. of the total area of the SEZ.

Restrictions on Transfer and Outsourcing

The developer/co-developer is required to hold a minimum equity stake of 26 per cent. in an entity (i.e. special purpose vehicle or separate entity) proposing to create business, residential or recreational facilities in an SEZ. Under the SEZ Act a developer may not sell the actual land which is located in the SEZ. The land may, however, be allotted on lease in the Processing Area for development of infrastructure facilities for exclusive use by the lessees, on a lease basis.

In non-Processing Areas, no vacant land in the non-Processing Area can be leased for business and social purposes such as educational institutions, hospitals, hotels, recreation and entertainment facilities, residential and business complexes, to any person except a co-developer approved by the Board of Approval. However, the developer or co-developer may lease the completed infrastructure along with the vacant land appurtenant thereto for such purposes. The infrastructure for business or social purposes in the SEZ, as may be approved by the Board of Approval, will be eligible for exemptions, concessions and drawback. Any such transfer of land is valid only if it is made to a person with a valid letter of approval from the Development Commissioner.

IT SEZs

The following additional facilities are required in order to qualify as an IT related SEZ:

- 24 hours uninterrupted power supply at stable frequency in the SEZ;
- reliable connectivity for uninterrupted and secure data transmission;
- provision for central air-conditioning system; and
- a ready to use, furnished plug and pay facility for end users.

Further, the Government of India, through a press release dated 21 September 2006, has prescribed a list of authorised operations in the non-processing area of the SEZs, which would be used by the Board of Approval for authorising operations and any infrastructure created in excess thereof shall not be eligible for any duty and tax concessions to the developer or co-developer as provided in the SEZ Act. The list of authorised operations for IT and ITES SEZs includes among other things, the following:

- Roads with street lighting, signals & signage;
- Water treatment plant, water supply lines (dedicated lines up to source), sewage lines, storm water drains and water channels of appropriate capacity;

- Sewage and garbage disposal plant, pipelines and other necessary infrastructure for sewage and garbage disposal, sewage treatment plants;
- Electrical, gas and liquefied natural gas distribution network including necessary sub-stations of appropriate capacity, pipeline network etc;
- Security offices, police posts, etc, at entry, exit and other points within and along the periphery of the site;
- Effluent treatment plant and pipelines and other infrastructure for effluent treatment;
- Office space;
- Parking including multi-level car parking;
- Telecom and other communication facilities including internet connectivity;
- Rain water harvesting plant;
- Power (including power back up facilities);
- Air conditioning;
- Swimming pools;
- Fire protection system with sprinklers, fire and smoke detectors;
- Recreational facilities;
- Employee welfare facilities like ATMs, crèches, medical centres and other such facilities;
- Shopping arcades/retail space;
- Business/convention centres;
- Common data centre with inter-connectivity;
- Housing/service apartments;
- Play grounds;
- Bus bays;
- Food services including cafeterias, food courts, restaurants, coffee shops, canteens and catering facilities;
- Landscaping and water bodies;
- Clinic and medical centres;
- Wi-Fi services;
- Drip and micro irrigation systems; and
- Any other operation ancillary or incidental to operations specified above which the Board of Approval may authorise from time to time.

The said press release also provides for certain criteria to be followed by the Board of Approval for approval of the proposals of the SEZ developers including certain minimum investment and net worth eligibility norms, provides that a sector specific SEZs is required to have a minimum investment of Rs. 2500 million or the net worth of the promoter company and its group, should be at least Rs. 500 million. The precise meaning of “net worth” is yet to be clarified by the Government of India.

Industrial Parks

“Industrial parks” are industrial model towns/industrial parks for carrying out integrated manufacturing activities, (including common facilities, such as roads, power, water, drainage and telecommunications within its precincts) and research and development. Industrial parks enjoy certain tax benefits under Section 80-IA (4)(iii) of the IT Act and can be established under a scheme pursuant to Notification S.O. 354 (E) dated 1 April 2002, by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. The tax benefits under Section 80-IA (4)(iii) are in the form of an allowance to deduct up to 100 per cent. of the profits derived from the business of development, operation and maintenance of industrial parks in accordance with the IP Scheme, for the period between 1 April 1997 and 31 March 2009.

An industrial park project is required to establish (a) an industrial model town for development of industrial infrastructure for carrying out integrated manufacturing activities (including research and development) by providing plots or sheds and common facilities within its precincts; (b) an industrial park for the development of infrastructural facilities or built-up space with common facilities in any area allotted or earmarked for the purposes of specified industrial uses; or (c) a growth centre under the growth centre scheme of the Government of India.

Proposals to establish industrial parks which meet the criteria set out in the IP Scheme (such as minimum land area to be developed, minimum percentage of area to be allocated for industrial use etc.) are accorded automatic government approval by the Secretariat of Industrial Approvals. Proposals not meeting such parameters require the prior sanction of the 'Empowered Committee' set up by the DIPP.

Benefits afforded by state governments in respect of the IT and ITES sectors

The three states in which the Seed Portfolio Assets are located typically provide certain benefits to developers and occupants of property constructed for or occupied by companies in the IT or ITES industries under their respective IT policies. The benefits include a simplified approval system, the preferential allotment of land, continuous and uninterrupted power supply and incentives for the provision of on-site power generation, assistance in obtaining the relevant approvals from the various government departments and exemption from certain labour laws and legislation relating to pollution control.

Modes of Acquisition of Interest and Development Rights in Property

Due to the constraints under the laws prescribing a ceiling on the acquisition of land, a real estate development company (REDC) may enter into a range of agreements in order to acquire interests in land. Brief details of the most common arrangements are provided herein below.

Agreements for Acquisition of Land

REDCs enter into agreements with third parties, which may be in the form of an agreement to sell or a memorandum of understanding, for the acquisition of land and pooling of land resources, for the purpose of the development of specified projects such as integrated townships. Under such agreements, the contracting parties agree to acquire land in certain areas selected by the REDC, which agrees to provide an interest-free fund to such contracting parties for meeting the costs of the acquisitions. Further, the contracting parties are required to pool the acquired land with the land owned by the REDC and deliver possession of the same to the REDC, for the purpose of developing the project. Typically, an REDC is free to develop the land at its absolute discretion and is also authorised to develop, market and sell the project at its own cost, risk and expense.

Joint Development Agreements

Another mode of acquiring land used by REDCs is to enter into JDAs with the title holders of land (on which the real estate projects have been envisaged) for joint development or development by the REDCs, of the real estate projects. The JDAs may be in the form of a memorandum of understanding or a joint venture agreement (wherein the parties agree to undertake joint development of the project and their rights inter-se will be determined by the JDA). Under the terms of a JDA, REDCs may be authorised to develop, construct, finance and market the project on the relevant land. For the purpose of development and construction of the project, REDCs are required to comply with approved building plans in relation to the project.

Public Auctions and Government Allotment

The governments in various states undertake large real estate development projects, for the purposes of which bids satisfying certain eligibility criteria (such as technical and financial criteria) are invited. After evaluation of the bids submitted by the REDCs, the government through the various regional bodies and local development authorities, selects the most eligible REDC for the development of the project and undertakes to grant certain rights for the purposes of a project such as a perpetual lease of the project land in favour of the REDC, subject to satisfaction of certain conditions. In the ordinary course, the governmental authority may grant such an undertaking in the form of a reservation-cum-allotment letter, the salient terms of which usually include among other things, the nature of allotment (lease, conveyance, etc.), the period of grant, the consideration for allotment and the payment schedule.

4. FOREIGN INVESTMENT IN INDIAN PROPERTY

With the intention of sourcing the requisite capital for growth of the real estate sector, the Government of India has introduced reforms and liberalised foreign investment policies for this sector. This can be regarded as the first step towards radically changing and reorganising the real estate sector in the country.

FDI in an Indian company is governed by the provisions of the Foreign Exchange Management Act 1999, the Foreign Exchange Management (Transfer of Issue of Security to Persons resident outside India) Regulations 2000 (as amended from time to time) and the Foreign Direct Investment Policy issued in April 2006 by the DIPP.

Prior to 2 March 2005, FDI in the real estate sector was prohibited. However, now, the real estate sector in India is open to FDI to a limited extent. FDI in townships, housing, built-up infrastructure and construction development projects including, among others, commercial premises, hotels, resorts, hospitals and city and regional level infrastructure, is permitted under the automatic route, where no approval of the Foreign Investment Promotion Board (Ministry of Finance, Government of India) is required, subject to certain conditions and policy guidelines notified through Press Note 2 (2005 Series) dated 2 March 2005 issued by the DIPP, which in summary are:

- A minimum area to be developed of 10 hectares in the case of serviced housing plots and 50,000 square metres in the case of construction development projects. Where the development is a combination of the two, the minimum area can be either 10 hectares or 50,000 square metres.
- A minimum capitalisation of US\$10 million for wholly owned subsidiaries and US\$5 million for a joint venture has been specified such capitalisation to be effected within six months of commencement of business of the company.
- The investment is not permitted to be repatriated before three years from completion of the minimum capitalisation except with prior approval from the Foreign Investment Promotion Board (Ministry of Finance, Government of India).
- At least 50 per cent. of the project is required to be developed within five years of obtaining all statutory clearances and the responsibility for obtaining such clearances rests with the foreign investor.
- The sale of undeveloped plots is prohibited. “Undeveloped plots” is defined as those plots where roads, water supply, street lighting, drainage, sewerage, and other conveniences, as applicable under prescribed regulations, have not been made available. It is necessary that the investor provides this infrastructure and obtains the completion certificate from the concerned local body or service agency before he is allowed to dispose of serviced housing plots.
- Compliance with the rules, regulations and by-laws of state government, municipal and local body.

Press Note 2 (2006 Series) dated 16 January 2006 issued by the DIPP, clarifies that the above policy guidelines shall not be applicable to SEZs and the establishment and operation of hotels and hospitals. FDI in SEZs is regulated separately under the SEZ Act.

Domestic lending to real estate and SEZ developers

Although there are no restrictions on a real estate company’s ability to undertake debt obligations from domestic institutions, the Reserve Bank of India has, in its circular dated 1 March 2006 (RBI/2005-06/310 DBOD.BP.BC. 65/08.12.01/2005-06) cautioned all scheduled commercial banks to curb excessively risky lending by exercising selectivity and strengthening the loan approval process. In view of the above, the RBI has advised SCBs that while appraising loan proposals involving real estate, SCBs should ensure that the borrowers should have obtained prior permission from government, local governments or other statutory authorities for the relevant project, wherever required.

Further, the RBI has, in its circular dated 20 September 2006 (RBI/2006-07/131 DBOD.BP.BC. 30/21.01.002/2006-2007) stated that the exposure of banks to developing SEZs or acquiring units in SEZs which include real estate would be treated as exposure to the commercial real estate sector and therefore banks would have to assign appropriate risk weights for such exposures as per the existing guidelines.

Overseas lending to real estate and SEZ developers

With regard to loans or other debt finance from overseas banks or lending institutions, however, there are certain restrictions. External commercial borrowings are governed by the guidelines issued by the RBI from time to time. RBI issued the current ECB guidelines on 1 July 2006 (RBI/2006-07/25 Master Circular No. /07/2006-07). The ECB Guidelines refer to “commercial loans, in the form of bank loans, buyers’ credit, suppliers’ credit, securitised

instruments (e.g. floating rate notes and fixed rate bonds) availed from non-resident lenders with a minimum average maturity of 3 years.”

In terms of the ECB Guidelines, utilisation of ECB proceeds is not permitted in real estate sector. The term ‘real estate’ excludes the development of integrated townships (as defined under Press Note 3 (2002 Series) dated 4 January 2002). Therefore, ECB proceeds can be utilised for the development of integrated townships. In this regard, a press release has been issued by the Ministry of Finance dated 3 June 2005 (F.No.4(19)/2004-ECB) whereby the exception to the real estate sector has been widened to include construction development projects and other sectors under Press Note 2 (2005 Series).

For the purposes of the ECB Guidelines, “integrated township” includes housing, commercial premises, hotels, resorts, city and regional level urban infrastructure facilities such as roads and bridges, mass rapid transit systems and the manufacture of building materials. Development of land and providing allied infrastructure forms an integrated part of the township’s development. The minimum area to be developed should be 100 acres for which norms and standards are to be followed as per local bylaws and rules. In the absence of such bylaws and rules, a minimum of two thousand dwelling units per approximately ten thousand of population will need to be developed.

Under the ECB Guidelines, the units in an SEZ can raise ECB for their own requirements (as per the specific limits under the ECB Guidelines, currently capped at US\$500 million) but borrowed funds may not be transferred or further lent to their affiliates or any other units in the domestic tariff area.

PART 7: VALUATION REPORT



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15 December 2006

**The Board of Directors
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**Deutsche Bank AG, London Branch
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**Morgan Stanley & Co. International Limited
25 Cabot Square
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Dear Sirs

Re: Valuation of a Portfolio of Property Interests for Unitech Corporate Parks Plc

Instructions and Purpose of Valuation

In connection with the proposed placing of ordinary shares in Unitech Corporate Parks Plc (the “Company”) and admission to trading on AIM, a market of the London Stock Exchange plc (“Admission”), we have been instructed by the Company to provide our opinion on the market value (the “Valuation”) of a portfolio of property interests and development rights in six locations across India (hereinafter referred to individually as a “Property” and collectively, the “Properties” or the “Portfolio”). A summary of each of the Properties is set out in Appendix A.

We understand that this letter will be included in the admission document prepared by the Company in connection with Admission, which investors will rely on in making their decision to invest in the Company.

We also understand that this valuation report will be relied upon by the directors of the Company, Deutsche Bank AG, London Branch and Morgan Stanley & Co. International Limited.

Date of Valuation

We confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we deem necessary to derive our opinion of the Market Value (as defined below) for each of the Properties and the development rights within the Portfolio as at 8 November 2006 (the “Date of Valuation”).

Portfolio Overview

We have categorised the Properties as follows:

Group I — 1 freehold Property to be held by the Company

Group II — 4 leasehold Properties to be held by the Company

Group III — 1 Joint Development Interest to be held by the Company

Basis of Valuation

Our valuations have been prepared in accordance with the “RICS Appraisal and Valuation Standards”, published by the Royal Institution of Chartered Surveyors (“RICS”) and the “International Valuation Standards” published by the International Valuation Standards Committee (“IVSC”), subject to variation to meet local established law, custom, practice and market conditions and our General Principles of Valuation, a copy of which is attached.

Our valuations of the property interests are made on the basis of the ‘**Market Value**’ defined by the IVSC and adopted by the RICS as follows:

“Market Value is the estimated amount for which a Property should exchange on the Date of Valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

We have applied the definition of Market Value to each Property independently and ignored the potential effect of selling the entire portfolio at any one time. We have valued the Properties with the benefit of vacant possession, unless otherwise stated.

For Properties in Groups I and II, the valuations in this report reflect 100% of the respective property interest. For the Property in Group III, we have made reference to the copy of the joint development agreement (the “JDA”) made available to us in relation to the rights and obligations of the Company.

Valuation Assumptions

Our engagement has been executed to the best of our ability, with reasonable skill and care in the timeframe agreed by the Company and us, subject to the following key assumptions and limitations.

For the freehold and leasehold properties within the Portfolio, we have been instructed by the Company to assume that the Company is the legal and beneficial owner of the property interests and that the Company has good and marketable titles to the Properties.

For the development rights held by the Company under the JDA, we have been instructed to value on the assumption that the Company has the right to freely transfer its interest under the JDA. Furthermore, we have been instructed by the Company to make the assumption that the proposed development for the IST Property (referred to as G2) would be completed in compliance with the time line as allowed by the JDA in respect of the Property (including extension of time as appropriate) and that the title owner would not be in a position to exercise the right to cancel the JDA.

Our Valuation assumes that the owner can transfer the individual Property in the market without the benefit of a deferred-terms contract, leaseback, management agreement or any similar arrangements which would serve to affect the value of the Property.

Unless otherwise stated, we have valued each Property on the assumption that it is freely disposable and transferable without payment of any premium to the relevant authorities.

No allowance has been made in our valuations for any charges, mortgages or amounts owing to the Properties nor for any expenses or taxation which may be incurred in effecting sales. Unless otherwise stated, it is

assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect values.

We have further assumed that the Properties (and any works thereto) comply with all relevant statutory and development control regulations. We have not undertaken independent verification of the compliance with the statutory norms that regulate the development on the respective properties. The information on land use, development mix and size has been provided by the Company. For the development projects, we have assumed that all the relevant approvals have been obtained and all fees and charges payable, if any, have been fully settled.

We would like to add that our Valuations would depend on the assumptions made in the course of the Valuations. We have taken the Company's instructions in making various assumptions for the purpose of this valuation exercise, for example the availability of the Special Economic Zone ("SEZ") approvals for the various projects. If such approvals become unattainable or the timing has been materially delayed, our Valuations would be adversely affected and we reserve our rights to adjust our figures accordingly. We would also highlight the assumptions in relation to the alienation of the relevant property interests which are subject to restrictions on transfer.

Further general assumptions made to the Valuations include the following:

- Construction costs — we adopted the construction costs rates for the proposed developments (including office and retail space) as provided by the Company and cross-referenced to benchmarks obtained through market research and surveys from reputable developers and contractors;
- Settlement of premium with relevant government agencies — as per the Company's instruction, we have assumed that all premiums and fees to the government and relevant authorities, if any, have been settled in full;
- Site plans — we have assumed that the site plans have been duly approved by the respective authorities;
- Site drawings — we have assumed that the site drawings have been duly approved by the respective authorities;
- SEZ approvals — where relevant, we have been instructed to prepare the Valuations on the assumption that such approvals have been duly obtained. We have been given to understand five of the Properties have received "in-principle" SEZ approval from the Board of Approval. Two of these five have also received a recommendation from the relevant state government. The final approvals for conversion into SEZ purposes have yet to be received. We have been instructed by the Company to conduct the Valuations on the assumptions that the sites have been fully acquired, consolidated and ready for development as SEZs. Furthermore, it has been assumed that the key permits for development of SEZs for the relevant Properties have been obtained, and that the development schemes are approved and all necessary premiums, fees and charges, if any, to government and/or relevant authorities for the same have been settled in full;
- We would highlight the assumptions in relation to the disposal of the relevant property interests. As per the SEZ Act and the SEZ rules, the sale of a property within the processing area of an SEZ is not permitted, however leasing of the property or part thereof is permitted. We have been given to understand that long leases (say terms of 90 years) could be created for processing areas of SEZ properties. As per the instruction of the Company and for the purpose of this Valuation, we have assumed that the Properties with SEZ status could be freely transferable in the market. As per the SEZ Act and SEZ rules, both sale and lease is allowed in the non-processing area of SEZ properties;
- Registration documents — we have assumed the allotments of the relevant Properties have been properly made and that registrations have been completed with the respective authorities;
- The Floor Area Ratio "FAR" and Floor Space Index "FSI" used in our valuations are as confirmed by the Company. The definition (usually used in development control regulations) for the same is as follows:

FAR refers to the quotient obtained by dividing the total covered area on all floors, excluding areas stipulated under regulations, by the plot area.

FSI refers to the ratio of the combined gross floor area of all floors, excluding areas specifically exempted under regulations, to the area of the plots.

The exclusions from the FSI and FAR include stair well and lift well areas, stair cover areas (not exceeding height restrictions), facade/architectural elements, lift machine rooms, roof tanks within prescribed limits, chimneys, ventilation, air conditioning and service equipment attached to the building and area of covered car parking spaces, and for the mandatory covered car parks needed to be provided as per the development control regulations.

Valuation Methodologies

The Valuations of the Properties have been assessed using both the Direct Comparison Approach and the Residual Approach.

Direct Comparison/Market Approach. This approach is based on comparing the property to be valued directly with other comparable properties, which have recently been subject to the transfer of legal ownership. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the properties under consideration.

Residual Approach. This approach is a means of valuing land/development projects/development rights under a joint venture scheme by reference to the assessment of the completed development value (commonly referred to as Gross Development Value or “GDV”) assuming completion at the date of valuation and deducting thereon the development costs including demolition cost (if any), foundation cost, superstructure construction cost, professional fees and finance costs, together with developer’s profit and risk, etc. It relies on a series of assumptions, with reference to the prevailing market conditions, to arrive at an estimated market value of the property interest being held for development.

Source of Information

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us on such matters as statutory notices, easements, tenure, the identification of the Properties, land use, planning/SEZ approvals, site areas, development schemes, proposed gross floor areas, estimated development time schedules and costs including relocation cost, construction cost and professional fee estimates, joint venture agreements, property titles and all other relevant matters. Dimensions, measurements and areas included in the Valuation are based on information contained in copies of documents provided to us and are therefore only approximations. No on-site measurements have been taken.

We have not been instructed to independently verify the information provided to us. We are not aware of any reason to doubt the truth, accuracy or reasonableness of the information provided to us by the Company which is material to the Valuations. We were also advised by the Company that no material facts or assumptions have been omitted from the information provided to us. Our Valuations are dependent on the adequacy and accuracy of the information supplied by the Company. Should this information prove to be incorrect or inadequate, the accuracy of our Valuations may be affected.

Property Title Investigation

Due to the nature of the land registration system in India, which has restrictive access to the public, we have not conducted title searches nor checked the town planning approvals of the Properties. We have been provided with copies of various property titles and related documents from the Company. All documents have been used for reference only. We have not been provided with any legal reports on the Properties.

We have not seen original planning and/or development and occupation consents for the Properties and we have assumed that the Properties have been erected and are/will be occupied and used in accordance with such approvals/consents and that there are no outstanding statutory notices, unless otherwise stated.

We have assumed, unless informed to the contrary, that the titles of all the Properties are good, marketable and free of all encumbrances, restrictions, easements or other outgoing of an onerous nature which would materially effect on the values of the property interests under consideration. We have also assumed that there is no material litigation pending in relation to any of the Properties and that all property taxes and any other statutory dues have been paid in full.

For the property interest in K1, Kolkata, we have been advised that Unitech Hi-tech Structures Limited (“UHTSL”) holds leasehold interest over land measuring 48.37 acres in the said property. The same was leased to UHTSL by a supplemental lease agreement dated 28 October 2006 by Bengal Unitech Universal Infrastructure Private Limited (“BUUIPL”). The additional land measuring 23.37 acres, which is the balance land out of the total land of 48.37 acres, was leased to UHTSL pursuant to an agreement to lease dated 20 October 2006 between BUUIPL and UHTSL.

We have been advised that as at the date of this Valuation that the freehold and leasehold interests of the Properties and/or the joint development rights are held either by Unitech Limited or its direct or indirect subsidiaries. We have further been advised that, upon Admission, the shares of the subsidiaries of the companies holding the Properties will be transferred to subsidiaries of the Company.

Site Investigation

We have inspected the general locale and environment of each of the Properties between 4 and 6 October 2006.

We have been provided with an official site plan of each of the Properties. We were not instructed to carry out site measurements to verify the correctness of the site areas of the Properties and have assumed that the site areas shown on the documents provided to us are correct.

We have not carried out any investigations on sites in order to determine the suitability of ground conditions and services, nor did we undertake archaeological, ecological or environmental surveys. Our Valuations are based on the assumptions that these aspects are satisfactory and that where developments are contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these matters. However, should it be established subsequently that contamination exists at the Properties or on any neighbouring lands, or the Properties have been or are being put to any contaminative use, this may have an adverse effect on the Market Value of the relevant Property.

Plant and Machinery

Our Valuation normally includes all plant and machinery that form part of the building services installations. However, process plant, machinery and equipment which may have been installed wholly in connection with the occupiers’ commercial processes, together with furniture and furnishings, tenants’ fixtures and fittings are excluded in our Valuations.

Summary of Valuations

Based on the Valuation parameters, and the limitations and assumptions discussed herein, we are of the opinion that the total aggregate Market Value of the Properties, as at 8 November 2006 was in the order of:

	<u>Market Value as at 8 November 2006</u> (INR)
Group I	
Freehold property to be held by the Company	11,143,000,000
Group II	
Leasehold properties to be held by the Company	20,789,000,000
Group III	
Joint development interest to be held by the Company	9,441,000,000
Grand Total	41,373,000,000

The Properties have been valued in Indian National Rupee (“INR”).

A summary of each of the Properties is set out in Appendix A.



JONES LANG
LASALLE

Yours faithfully
For and on behalf of
Jones Lang LaSalle Limited

For and on behalf of
Jones Lang LaSalle Limited

A handwritten signature in black ink that reads "Manisha".

Manisha Grover
National Director

A handwritten signature in black ink that reads "C K Lau".

C K Lau
International Director
MRICS, MHKIS, RPS (GP)

**Appendix A — Summary of
Properties Group I — Freehold Properties to
be held by the Company**

<u>No.</u>	<u>Property Address</u>	<u>Description & Tenure</u>	<u>Specified Additional Assumptions</u>	<u>Market Value as at 8 November 2006 INR</u>
G1	Village Tikri, State Highway, Off Sohna Road, Gurgaon, Haryana, India	<p>Site area is 24.74 acres and upon completion, the development would provide a total saleable area of approximately 3,367,324 sq. ft.</p> <p>The Property is freehold and has been awarded in-principle approval for an IT/ITES SEZ.</p> <p>The property is located at a distance of approximately 2-3 km from NH8. It can be accessed via a four-lane sector road leading off Sohna Road. The property is in close proximity to emerging middle income and premium segment group housing developments like Uniworld City, Greenwood City and South City II.</p>	The current intended use of the Property is for IT Park (SEZ) development.	11,143,000,000

Group I — Sub-Total: 11,143,000,000

Notes:

(1) Title documents provided:

- Copy of in-principle approval for SEZ issued by Ministry of Commerce and Industry, Government of India, to M/s Unitech Realty Projects Limited, dated 17 January 2006 (for 26 acres);
- Copy of transfer deed between M/s Unitech Limited and M/s Unitech Realty Projects Limited for 3.16875 acres, dated 22 August 2006;
- Copy of transfer deed between M/s Unitech Limited and M/s Unitech Realty Projects Limited for 20.4765 acres, dated 22 August 2006;
- Copy of transfer deed between M/s Unitech Residential Resorts Limited and M/s Unitech Realty Projects Limited for 1.0921875 acres, dated 22 August 2006; and
- Copy of Non-Encumbrance Certificate, dated August 26 2006 issued to M/s Unitech Realty Projects Limited for the above stated land parcels.

(2) Please also note the general assumptions referred to in this letter.

Group II — Leasehold Properties to be held by the Company

<u>No.</u>	<u>Property Address</u>	<u>Description & Tenure</u>	<u>Specified Additional Assumptions</u>	<u>Market Value as at 8 November 2006 INR</u>
K1	Block No. DH1, DH2, DH3 in Action Area 2, New Town Rajarhat, Kolkata, West Bengal, India	<p>Site area is 45.4 acres and upon completion the development would provide a total saleable area of approximately 4,350,773 sq. ft. The Property is under construction.</p> <p>The Property has been allotted by the government to Bengal Unitech Universal Infrastructure Private Limited (BUUIPL) for institutional IT/ITES office use. The same was leased to Unitech Hi-Tech Structures Limited (UHTSL) who holds leasehold interest over 48.37 acres in the said Property.</p> <p>The Property is located in Action Area 2 of New Town Rajarhat, Kolkata (“New Town”). The New Town is being developed in the northeast quadrant of Kolkata by the West Bengal Housing Infrastructure Development Corporation Ltd. (WBHIDCO) and categorised as a fast emerging peripheral district of Kolkata, with a planned population of 1.5 million.</p>	<p>Of the total 45.4 acres, 39.168 acres have been conveyed. Of the total 45.4 acres, 25.01 acres have received in-principle approval for SEZ.</p> <p>This valuation was based on the assumption that the Property comprises the entire 45.4 acres and the entire land parcel has received SEZ approval.</p>	6,434,000,000

Notes:

(1) Title and related documents provided:

- Copy of In-principle approval for SEZ (Ministry of Commerce and Industry, Government of India, dated 17 January 2006) (for part of the Property — 25.01 acres);
- Copy of supplemental Lease Agreement dated 28 October 2006 between Bengal Unitech Universal Infrastructure Private Limited (“BUUIPL”) and UHTSL;
- Copy of Lease agreement to lease dated 20 October 2006 between BUUIPL and UHTSL;
- Copy of conveyance deeds (between West Bengal Housing Infrastructure Development Corporation Limited (“WBHIDCO”) and Bengal Unitech Universal Infrastructure (P) Ltd.), dated 30 May 2005 and 30 November 2005;
- Copy of memorandum of understanding between WBHIDCO and M/s Bengal Unitech Universal Limited, dated 7 October, 2004;
- Copy of No objection Certificate from Airports Authority of India to Bengal Unitech Universal Infrastructure (P) Ltd., dated 7 July 2005;
- Copy of New Town, Kolkata Development Control Regulations, 2002; and
- Letter dated 26 October 2006 by UHTSL to the Central Government, in respect of its previous SEZ application dated 17 October 2005 thereby extending the area from 25 acres to 48.37 acres.

(2) Please also note the general assumptions referred to in this letter.

<u>No.</u>	<u>Property Address</u>	<u>Description & Tenure</u>	<u>Specified Additional Assumptions</u>	<u>Market Value as at 8 November 2006 INR</u>
N1	Plot No. B-2, Sector 62, NOIDA, Uttar Pradesh, India	<p>Site area is 19.25 acres and upon completion the development would provide a total saleable area of approximately 2,096,325 sq. ft.</p> <p>The Property is leasehold and has been allotted by the government for institutional IT/ITES office use for a term of 90 years commencing on 24 March 2006. The annual ground lease rent payable is INR 7,349,865 for the first 10 years and with an escalation not to exceed 50% for every 10 yearly review thereafter.</p> <p>The property is located approximately 2 km from Shipra Mall in Ghaziabad. It can be easily accessed from Delhi through the 75 metre wide NH24 highway. NH24 connects Delhi with Ghaziabad. Sector 62 is flanked by industrial developments in Sector 63 and Sector 64.</p>	The valuation was conducted assuming all premium to the government has been paid in full. We have assumed that the leasehold interest can be transferred in the market.	4,102,000,000

Notes:

- (1) Title documents provided:
 - Copy of lease deed between NOIDA Authority and M/s. Shantiniketan Properties Ltd., dated 24 March 2006.
- (2) Please also note the general assumption referred to in this letter.

<u>No.</u>	<u>Property Address</u>	<u>Description & Tenure</u>	<u>Specified Additional Assumptions</u>	<u>Market Value as at 8 November 2006 INR</u>
N2	Plot No. 20 & 21, Sector 135, NOIDA, Uttar Pradesh, India	<p>Site area is 29.65 acres and upon completion, the development would provide a total saleable area of approximately 3,228,885 sq. ft.</p> <p>The Property is leasehold and has been allotted by the government for institutional IT/ITES office use for a term of 90 years commencing on 25 May 2006. The annual ground lease rent payable is INR 11,766,000 for the first 10 years and with an escalation of not exceeding 50% every 10 years thereafter.</p> <p>The Property received “in-principle” approval from the Board of Approval and the recommendation of the Government of the State of Uttar Pradesh. The recommendation has been forwarded to the Board of Approval for final approval.</p> <p>The Property enjoys access and frontage on the service road which runs parallel to NOIDA-Greater NOIDA Expressway. Plot No 20 faces the service road off the Expressway. Plot No 21 is located behind Plot No 20. The property enjoys good connectivity and visibility from the NOIDA-Greater NOIDA Expressway. Sector 135 is a newly developed institutional sector by the NOIDA Development Authority.</p>	The valuation was conducted assuming the Property has received approval as an IT/ITES SEZ and all premium to the government has been paid in full. We have assumed that the leasehold interest can be transferred in the market.	6,730,000,000

Notes:

(1) Title and related documents provided:

- Copy of application for in-principle approval submitted by Industrial Development Department, Uttar Pradesh Administration to Ministry of Commerce and Industry, Government of India, dated 7 August 2006;
- Copy of Layout plan for Sector 135;
- Copy of lease deed between New Okhla Industrial Development Authority and M/s Seaview Developers Ltd., dated 25 May 2006; and
- Copy of the “in-principle” approval dated 7 January 2006.

(2) Please also note the general assumptions referred to in this letter.

<u>No.</u>	<u>Property Address</u>	<u>Description & Tenure</u>	<u>Specified Additional Assumptions</u>	<u>Market Value as at 8 November 2006 INR</u>
N3	Portion of Plot No. TZ4, Greater NOIDA, Uttar Pradesh, India	<p>Plot No. TZ4 comprises a total site area of 74.75 acres, of which the subject site area is 50 acres. Upon completion, the subject development would provide a total saleable area of approximately 5,104,688 sq. ft. Plot No. TZ4 is leasehold and has been allotted by the government for institutional IT/ITES office use in two parts, in June 2006 and August 2006 for 41.42 acres and 33.33 acres respectively.</p> <p>The lease terms are 90 years commencing on 8 June 2006 and 11 August 2006 respectively. The annual ground lease rent payable is INR 3,311,238 and 2,488,997 respectively for the first 10 years, with an escalation of not exceeding 50% every 10 yearly review thereafter.</p> <p>The site has received in principle approval from the Central Board over 41.42 acres and application for the approval on the remaining site has been submitted to the Ministry of Commerce.</p>	The valuation is conducted assuming the Property has received approval as an IT/ITES SEZ and all premium to the government has been paid in full. We have assumed that the leasehold interest can be transferred in the market.	3,523,000,000

<u>No.</u>	<u>Property Address</u>	<u>Description & Tenure</u>	<u>Specified Additional Assumptions</u>	<u>Market Value as at 8 November 2006 INR</u>
		<p>The property is located in Greater NOIDA Technical Zone (TZ). This zone comprises of 12 land parcels of varying sizes for IT park and campus developments. Greater NOIDA is an extension of NOIDA and is approximately 15 km from NOIDA's CBD (i.e. Sector 18). NOIDA and Greater NOIDA are connected by the 8 lane NOIDA-Greater NOIDA Expressway. The proposed 8-lane Taj Expressway will run adjacent to the Property. The TZ borders the village Kasna and other institutional sectors of Greater NOIDA. The proposed 125 acre Gautam Budh University campus site is located across the road from the Property. Vehicular access to the Property, currently, is through a road from Kasna village.</p>		

Group II — Sub-Total: 20,789,000,000

Notes:

(1) Title and related documents provided:

- Copy of letter by the Government of the State of Uttar Pradesh to the Central Government, no. 2319/18-04-2006-29(SEZ)/06 dated 7 August, 2006 granting approval to the proposal of Unitech Infra-Con Limited for setting up a SEZ for IT/ITES SEZ at Plot No. TZ-04, Greater Noida over land measuring 40.94 acres;
- Application dated 20 November 2006 by Unitech Infra-Con Limited to the Central Government for extending the area for setting up IT/ITES specific SEZ on land admeasuring 74.75 acres;
- Copy of application for In-principle approval submitted by Industrial Development Department, Uttar Pradesh Administration to Ministry of Commerce and Industry, Government of India, dated 7 August 2006;
- Copy of lease deed between the Greater NOIDA Industrial Development Authority and M/s Unitech Infra-Con Ltd., dated 8 June 2006;
- Copy of lease deed between the Greater NOIDA Industrial Development Authority and M/s Unitech Infra-Con Ltd., dated 11 August 2006;
- Copy of terms and conditions for application for establishment of IT Industries and IT Enabled Services and Biotech Park; and
- Floor Area Ratio details for Greater NOIDA.

(2) Please note the general assumptions referred to in this letter.

Group III — Joint Development Right interest to be held by the Company

<u>No.</u>	<u>Property Address</u>	<u>Description & Tenure</u>	<u>Specified Additional Assumptions</u>	<u>Market Value as at 8 November 2006 INR</u>
G2-IST	Village Dundahera, Old Delhi-Jaipur Road, Gurgaon, Haryana, India	<p>Site area is 28.41 acres and upon completion, the development would provide a total saleable area of approximately 3,867,311 sq. ft. The property is under construction.</p> <p>Unitech Developers and Projects Limited (“Developer”) has entered into an agreement with Gurgaon Infospace Limited (“Landowner”), (the “ISTL JDA”) who holds the property of a freehold basis. The Property has received in-principle approval for IT/ITES SEZ.</p> <p>The Property is located on Old Delhi-Jaipur Road in Gurgaon, adjoining the Delhi-Gurgaon border. The locations on either side of the border are industrial hubs, e.g. Udyog Vihar, Electronic City on the Gurgaon side and Kapashera on the Delhi side. Kapashera is located at a distance of approximately 2-3 km from the Property. A premium residential project called Gurgaon One is also located in close vicinity to the Property.</p>	<p>Some salient features of the ISTL JDA are: All construction and development costs are borne by the Developer. 72% of the revenues will belong to the Developer.</p> <p>The construction to be completed within 60 months from the date of grant of license by Town Country Planning Department. Failure by the Developer to complete construction and receive occupancy certificate within the stipulated period would attract penalty clauses as stated in the ISTL JDA</p> <p>We have been instructed by the Company to make the assumption that the proposed development for the ISTL Property would be completed in compliance with the time line as allowed by the ISTL JDA and that the Landowner will not be in a position to exercise the right to cancel the ISTL JDA. In the course of our Valuation, we have been instructed to conduct the Valuation on the assumption that such development rights can be freely transferred in the market.</p>	9,441,000,000

Notes:

(1) Title and related documents provided:

- Copy of the in-principle approval for SEZ issued by Ministry of Commerce and Industry, Government of India to M/s IST Ltd, dated 12 January 2006 for 28.41 acres; and
- Amended ISTL JDA (dated 16 November 2006) between Unitech Limited, IST Limited, and Unitech Developers and Projects Limited and Gurgaon Infospace Limited.

(2) Please also note the general assumptions referred to in this letter.

Group III — Sub-Total: 9,441,000,000

APPENDIX 1

**GENERAL PRINCIPLES ADOPTED IN THE PREPARATION
AND CONDITIONS THAT APPLY TO AND FORM PART
OF THE VALUATIONS AND REPORTS**

This document sets out the general principles upon which our Valuations are normally prepared, and the conditions that apply to and form part of our Valuations. They apply unless we have specifically mentioned otherwise in the body of the Valuation. Where appropriate, we will be pleased to discuss variations to suit any particular circumstances, where appropriate, or to arrange for the execution of structural or site surveys, or any other more detailed enquiries. Any variations to these general principles and/or conditions must be confirmed in writing.

Valuation Methodology

All work is carried out in accordance with the “RICS Appraisal and Valuation Standards” published by the Royal Institution of Chartered Surveyors (“RICS”) and the “International Valuation Standards” published by the International Valuation Standards Committee (“IVSC”), as appropriate, subject to variation to meet local established law, custom, practice and market conditions with the RICS Appraisal and Valuation Standards prevailing over IVSC’s International Valuation Standards to the extent of any inconsistency. Unless otherwise stated, our valuations are undertaken as External Valuers as defined in the the RICS Appraisal and Valuation Standards.

Valuation Basis

Our valuations are made on the basis of Market Value adopted by the RICS, set out as follows:

“Market Value is the estimated amount for which a Property should exchange on the date of Valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

Our valuations are made on the assumption that the owner sells the property on the open market without the benefit of a deferred terms contract, leaseback, joint venture or similar arrangement which would serve to affect the value of the property.

Each valuation is current as at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the preceding half of this paragraph, we do not assume any responsibility or accept liability where this valuation is relied upon after the expiration of six months from the date of valuation.

Costs

No allowances are made in our valuations for dealing with any encumbrances such as charges, mortgages, nor for amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale or disposal.

Source of Information

We accept as being complete and correct the information provided to us, by the sources listed, as to details of tenure, tenancies, tenant improvements, planning consents and other relevant matters, as summarised in our report.

Assumptions

Unless we state otherwise in the valuation, our valuation assumes (without investigation on our part), where applicable,

- (a) good and marketable title, and no encumbrance on the property’s title which could materially affect its value,

- (b) no encroachment by or on the property and no unauthorised additions or structural alterations (our valuation is made according to the original layout as shown in the Registered Floor Plans or developer's brochure and assumes no outstanding reinstatement costs to be charged on the property),
- (c) no major environmental factor (including contamination) affects the property,
- (d) no deficiencies in the structural integrity of the property and other improvements,
- (e) the property is not affected or required for any public purposes or is to be acquired for a public purpose,
- (f) there are no outstanding statutory orders on the property or the likely possibility of future orders being made by a regulatory authority,
- (g) body corporate records and finances are in a satisfactory order and there are no major financial commitments, orders or levies in respect of any major rectifications, remedial or other works to be undertaken by the body corporate above normal maintenance,
- (h) no material litigation pending relating to the property,
- (i) that the property (and any works thereto) comply with all relevant statutory regulations, including enactments relating to fire regulations,
- (j) no deleterious materials (including by way of example asbestos and calcium chloride),
- (k) ground conditions and services are suitable (including, particularly with respect to agricultural land, no possibility of latent infestation in the soil or of disease which might affect crops or stock at any time in the future) and no extraordinary expenses or delays will be incurred due to archaeological, ecological or environmental matters.

Without affecting the generality of the above, where leases or documents of title or site and building surveys or building report or pest certificate or engineer's certificate or body corporate records are provided to us for the purpose of the valuation, reliance must not be placed on our interpretation thereof of any of these documents.

Tenants

Enquiries as to the financial standing of actual or prospective tenants are not made unless we specifically agree to it in writing. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise in writing, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

Measurements

Unless otherwise stated, we do not physically measure the actual properties or verify the floor areas provided to us.

Jurisdiction

Unless the parties otherwise agree in writing, all disputes arising out of and relating to our valuation shall be finally settled under the jurisdiction of the Hong Kong Courts.

APPENDIX 2 — LIMITING CONDITIONS

This property valuation and report is subject to the following conditions:

1. Unless stated otherwise the information on which this Valuation is based has been supplied to us by the Company. This information is believed to be reliable but to the extent that we have relied on such information reasonably and in good faith we can accept no responsibility if it should prove not to be so. In the case of information that has been obtained by our market research, it will be so mentioned.
2. The value assessed in this report for the subject Properties applies only in the terms of and for the purpose of this report. The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.

Special Assumptions

The following assumptions have been made with respect to the subject Property and have an impact on the value of the Property.

1. We have relied upon, to the extent reasonable as being complete and correct, the information provided to us, by the Company, as to details of the Property measurements including land and built up area.
2. The title of all the Property is clear, marketable and free of all encumbrances.
3. Property taxes have been paid.

PART 8: HISTORICAL FINANCIAL INFORMATION AND PRO-FORMA FINANCIAL INFORMATION

A. ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION



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The Directors
Unitech Corporate Parks Plc
54-62 Athol Street
Douglas,
Isle of Man,
IM1 1JD

15 December 2006

Dear Sirs

Unitech Corporate Parks Plc (the 'Company')

We report on the financial information set out on pages 100 to 102. This financial information has been prepared for inclusion in the AIM Admission Document dated 15 December 2006 of Unitech Corporate Parks Plc on the basis of the accounting policies set out in note 1. This report is required by Paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 15 December 2006, a true and fair view of the state of affairs of Unitech Corporate Parks Plc as at the date stated and of its changes in equity for the period then ended in accordance with the basis of preparation set out in note 1 and in accordance with International Financial Reporting Standards as described in note 1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

KPMG
Chartered Accountants

B. HISTORICAL FINANCIAL INFORMATION

Historical financial information on Unitech Corporate Parks Plc for the period from incorporation to 15 November 2006

The financial information set out below of Unitech Corporate Parks Plc (the “Company”) for the period 6 September 2006 to 15 November 2006 has been prepared by the directors of the Company on the basis set out in note 1.

UNITECH CORPORATE PARKS PLC

Balance Sheet

	<u>Note</u>	<u>15 November 2006</u> £
CURRENT ASSETS		
Other receivables	2	2
Cash at bank		=
		2
Creditors: amounts falling due within one year		=
NET CURRENT ASSETS		<u>2</u>
CAPITAL AND RESERVES		
Called up share capital	2	2
Share premium account		—
Profit and loss account		=
SHAREHOLDERS’ FUNDS — EQUITY		<u>2</u>

The financial statements were approved by the board of directors and authorised for issue on 14 December 2006.

Statement of changes in equity

	<u>Note</u>	<u>Issued Share Capital</u> £	<u>Total</u> £
Share capital subscribed in the period	<u>3</u>	<u>2</u>	<u>2</u>
At 15 November 2006		2	2
		=	=

Income statement

An income statement has not been prepared as the Company has not traded.

The fee for the audit of these financial statements, the annual Isle of Man Corporate Charge and other professional costs in connection with the Placing will be charged in the financial statements for the period from incorporation to 31 March 2007.

Statement of cash flows

A cash flow statement has not been prepared since the Company had no cash transactions during the period.

Notes to the historical financial information

1) ACCOUNTING POLICIES

Incorporation and principal activity

Unitech Corporate Parks Plc was incorporated in the Isle of Man on 6 September 2006 under registration number 117626C. The Company’s principal activity is to act as a holding company for a group of companies involved in property investment. The Company’s registered office is situated at 3rd Floor Exchange House, 54-62 Athol Street, Douglas, Isle of Man IM1 1JD

Save for entering into the conditional agreements described in note 4, the Company has not traded, has prepared no financial statements for presentation to its members and has not declared or paid a dividend.

Basis of preparation

The financial information comprises the Balance Sheet and Statement of changes in equity of the Company. The financial information has been prepared from accounting records of the Company for the period from incorporation to 15 November 2006.

The financial information is presented in Pounds and is prepared on the historical cost basis. No audited financial statements have been made up and no dividends have been declared or paid since the date of incorporation.

Statement of compliance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The preparation of financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on the Directors' best judgement as to what is reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Share capital

Ordinary Shares are classified as equity.

Issue costs

The costs incurred by the Company in connection with the proposed Issue and admission to trading on AIM, a market operated by the London Stock Exchange plc will be charged to the share premium account arising on the proposed issue of shares in connection therewith.

2) OTHER RECEIVABLES

On incorporation two shares were issued, nil paid. These two shares were subsequently fully paid on 13 December 2006.

3) SHARE CAPITAL

The Company was incorporated in the Isle of Man on 6 September 2006 with an authorised share capital of £2,000 divided into 2,000 ordinary shares of £1.00 each of which 2 ordinary shares were allotted on incorporation and were unpaid.

4) POST BALANCE SHEET EVENTS

Changes in share capital

The Company has entered into a conditional Underwriting Agreement pursuant to which up to 359,999,800 ordinary shares will be issued for a consideration of 100 pence each upon the admission of the entire ordinary share capital of the company to trading on AIM, a market operated by the London Stock Exchange plc, resulting in gross proceeds to the Company of up to £359,999,800. The costs incurred by the Company in respect of the proposed placing and the admission will be charged to the share premium account.

Acquisition of subsidiaries

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

On 28 November 2006, Candor acquired the entire share capital of 6 Mauritius incorporated companies ("Mauritius subsidiaries"), at par for a consideration of US\$1. Prior to their acquisition by Candor, none of the Mauritius subsidiaries had traded.

Agreements to acquire subsidiaries

Following advice received from Nectrus Limited (the “Investment Manager”) under the Investment Management Agreement described below, on 14 December 2006, through the Share Subscription and Share Purchase Agreements, each of the Mauritius subsidiaries has, subject to certain conditions precedent being met, agreed to acquire a 60 per cent. interest in each of the six Indian companies (“SPVs”), for an aggregate consideration of £317.4 million. The acquisition of the SPVs is expected to be effected through (i) subscription for primary equity shares in the relevant SPV representing between 11 and 39 per cent. of the share capital for total consideration of £146.6 million, (ii) a purchase of a portion of Unitech’s direct and indirect shareholding in these SPVs for a total consideration of £168.2 million and (iii) subscription for preference shares in Shantiniketan Properties Limited (the owner of N1) for an aggregate amount of £2.6 million.

Administration agreements

On 14 December 2006, the Company entered into an administration agreement with Chamberlain Fund Services Limited of Douglas, Isle of Man (the “IoM Administrator”). Under this agreement, the IoM Administrator will provide the Company with administrative, registrar and company secretarial services for an annual fee of £50,000 plus VAT.

On 14 December 2006, Candor entered into an administration agreement with Mauritius International Trust Company Limited (the “Mauritian Administrator”). Under this agreement, the Mauritian Administrator will provide administrative, registrar and company secretarial services for an annual fee of US\$66,450, in respect of Candor and its 6 subsidiary companies in Mauritius.

Investment management agreement

On 14 December 2006, Candor entered into the Investment Management Agreement with the Investment Manager. Under the terms of this agreement, the Investment Manager is required to evaluate development proposal/investment opportunities and give non-binding advice to Candor. The Investment Manager will earn an annual management fee and a performance fee on investment exits depending on the returns generated.

Project management agreement

On 14 December 2006, each of the SPVs entered into a Project Management Agreement for the provision of project management services in respect of the Seed Portfolio Assets (each a “Project Management Agreement”). The Project Manager will earn a fee for each project of five per cent. of the total cost of construction of the project (exclusive of service tax). The Project Manager will receive an additional fee, on an arm’s length basis, for successfully letting any properties forming part of the project.

PART 8

C. PRO-FORMA FINANCIAL INFORMATION

Unaudited pro-forma financial information

The following unaudited pro-forma statement of net assets of the Group is provided to illustrate the effect on the net assets of Group of the Placing and the acquisitions of shares in the SPVs subsequent to 15 November 2006, as if these events had taken place on 15 November 2006. This unaudited pro-forma has been prepared for illustrative purposes only, and because of its nature, addresses a hypothetical situation and does not represent the actual financial position or results of the Group. The unaudited pro-forma statement of net assets is compiled on the basis set out below and is consistent with the accounting policies set out in Part 4 paragraph 5, Critical Accounting Policies.

	Notes	As at 15 Nov 2006	Adjustments		Unaudited pro forma balance sheet
			Proceeds of the Placing	Acquisitions	
			(Amounts in £ million)		
		1	2	3	
Non-current assets					
Investment properties		—	—	367	367
Development projects		—	—	9	9
Intangible asset		—	—	106	106
(rights under joint development agreement)		—	—	—	—
Total non-current assets		—	—	482	482
Non-current liabilities					
Finance lease liability		—	—	(11)	(11)
Liability for Advisers' fee		—	—	(31)	(31)
Total non-current liabilities		—	—	(42)	(42)
Net non-current assets [A]		—	—	440	440
Current assets					
Cash and cash equivalents		—	343	(168)	175
Trade and other receivables		—	—	1	1
Total current assets		—	343	(167)	176
Current liabilities					
Trade and other payables		—	—	(9)	(9)
Total current liabilities		—	—	(9)	(9)
Net current assets/(liabilities) [B]		—	343	(176)	167
Deferred tax [C]		—	—	(147)	(147)
Minority interests [D]		—	—	(185)	(185)
Total net assets [A+B–C–D]		—	343	(68)	275

Notes:

- The financial information as at 15 November 2006 has been extracted without material adjustment from the financial information presented in Part 8(B) of this document.
- The unaudited pro-forma financial information assumes net proceeds of £343 million from the Placing after deducting assumed issue costs amounting to £17 million.
- Acquisitions represent the Initial Portfolio of properties to be acquired from Unitech Group (see Paragraph 6 of Part 2 of this document for an overview of the Seed Portfolio Assets).

Amounts included in respect of the Acquisitions represent the aggregation of the following:

- IFRS unaudited management accounts of the underlying six SPVs as at 30 June 2006 including a valuation of investment properties on the basis of the valuation carried out by an independent valuer Jones Lang LaSalle Property Consultants (India) Pvt. Ltd. as reflected in their report dated 8 November 2006 included in Part 7 of this document ("the Valuation Report").

- Land acquisitions made by the SPVs subsequent to 30 June 2006 based on the Valuation Report, together with the related deferred tax liabilities.
 - Items of assets and liabilities in respect of development work in the G2 and K1 projects based on carved out financial information of Unitech Group companies as at 30 June 2006.
 - An intangible asset representing the fair market value of the right available to G2 under a Joint development agreement with a third party based on the Valuation Report, together with the related deferred tax liabilities.
 - Minority interests of £185m arising from consolidation of the underlying SPVs.
 - The present value of the Advisers fee (directly attributable to the acquisition of the SPVs) liability estimated at £31m payable to the Investment Manager under the Investment Management Agreement as described in Part 3 of this document.
 - Cash outflow of £168m representing the Share purchase consideration payable to Unitech to acquire a portion of its existing shares in the SPVs.
4. It is assumed that any goodwill arising on consolidation has been impaired with immediate effect.
5. No account has been taken for trading, capitalised construction costs, trade receivables and trade payables in SPVs after 30 June 2006. Further, no account has been taken for trading of UCP after 15 November 2006.

PART 9: THE PLACING

1. DESCRIPTION OF THE PLACING

Under the Placing, the Company will issue 359,999,800 Ordinary Shares (assuming there is no exercise of the Over-allotment Option), raising proceeds of approximately £343.44 million, net of underwriting commissions and other estimated fees and expenses relating to the Placing of approximately £16.56 million.

The Placing Shares represent substantially all of the expected issued Ordinary Shares of the Company immediately following Admission.

In addition, 53,999,970 million Ordinary Shares will be made available by the Company to Deutsche Bank pursuant to the Over-allotment Option described below.

Under the Placing, Ordinary Shares will be placed outside the United States to certain institutional investors in the United Kingdom and elsewhere and in the United States to QIBs pursuant to Rule 144A or another exemption from, or in a transaction not subject to the registration requirements of the Securities Act. Certain restrictions that apply to the distribution of this document and the Ordinary Shares being issued under the Placing in certain jurisdictions are described in section 9 of Part 9.

When admitted to trading, the Ordinary Shares will be registered with ISIN IM00B1HWL911 and SEDOL number B1HWL91.

2. TERMS AND CONDITIONS OF THE PLACING

2.1 Introduction

These terms and conditions apply to persons making an offer to purchase Placing Shares under the Placing. Each person to whom these conditions apply who confirms his agreement to each Underwriter, the Registrar and the Company to purchase Placing Shares under the Placing (an "Investor") hereby agrees with each of the Underwriters, the Registrar and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be sold under the Placing. An Investor shall, without limitation, become so bound if either of the Joint Global Co-ordinators (a) confirms to such Investor: (i) the Placing Price; and (ii) the Investor's allocation of Placing Shares; and (b) notifies, on behalf of the Company, the name of the Investor to the Registrar.

2.2 Agreement to Acquire Placing Shares

Conditional on (i) Admission occurring and becoming effective by 8 a.m. on or prior to 20 December 2006 (or such later date as the Company and the Joint Global Co-ordinators may agree (not being later than 31 December 2006)); and (ii) the confirmation mentioned under paragraph 2.1 above, an Investor agrees to become a member of the Company and agrees to acquire Placing Shares at the Placing Price. The number of Placing Shares issued to such Investor under the Placing shall be in accordance with the arrangements described above. To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not be entitled (other than in the event of fraud) to exercise any remedy of rescission at any time. This does not affect any other rights such Investor may have.

2.3 Payment for Placing Shares

Each Investor undertakes to pay the Placing Price for the Placing Shares issued to such Investor in such manner as shall be directed by the Underwriters.

In the event of any failure by an Investor to pay as so directed by an Underwriter, the relevant Investor shall be deemed hereby to have appointed each Underwriter or any nominee of an Underwriter to sell (in one or more transactions) any or all of the Placing Shares in respect of which payment shall not have been made as so directed and to have agreed to indemnify on demand each Underwriter in respect of any liability for UK stamp duty and/or stamp duty reserve tax arising in respect of any such sale or sales.

2.4 Representations and Warranties

By receiving this document, each Investor and any person confirming his agreement to purchase Placing Shares on behalf of an Investor or authorising the Joint Global Co-ordinators to notify an

Investor's name to the Registrar, is deemed to represent and warrant to each of the Underwriters, the Registrar and the Company that:

- (a) in agreeing to subscribe for Placing Shares under the Placing, the Investor is relying on this document or any supplementary admission document (as the case may be) or any regulatory announcement issued by the Company, and not on any other information or representation concerning the Company or the Placing. Such Investor agrees that none of the Company, the Registrar nor any Underwriter nor any of their respective officers, directors, employees or advisers will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation (other than in the event of fraud);
- (b) if the Investor is in a Relevant Member State:
 - (i) he is a Qualified Investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
 - (ii) in the case of Ordinary Shares acquired by a person as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Ordinary Shares acquired by that person in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of the Joint Global Co-ordinators has been given to the offer or resale; or (ii) where Ordinary Shares have been acquired on behalf of persons in any Relevant Member State other than Qualified Investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- (c) if the laws of any place outside the United Kingdom are applicable to the Investor's agreement to purchase Placing Shares and/or acceptance thereof, such Investor has complied with all such laws and none of the Joint Global Co-ordinators, the Company and the Registrar will infringe any laws outside the United Kingdom as a result of such Investor's agreement to purchase Placing Shares and/or acceptance thereof or any actions arising from such Investor's rights and obligations under the Investor's agreement to purchase Placing Shares and/or acceptance thereof or under the Articles;
- (d) in the case of a person who confirms to an Underwriter on behalf of an Investor an agreement to purchase Placing Shares and/or who authorises the Joint Global Co-ordinators to notify the Investor's name to the Registrar as mentioned under paragraph 2.1 above, that person represents and warrants that he has authority to do so on behalf of the Investor as provided under paragraph 2.1 above;
- (e) the Investor is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the UK Finance Act 1986 (depository receipts and clearance services);
- (f) in the case of a person who confirms to an Underwriter on behalf of an Investor, which is an entity other than a natural person, an agreement to purchase Placing Shares and/or who authorises the notification of such Investor's name to the Registrar, that person warrants that he has authority to do so on behalf of the Investor;
- (g) (A) it is:
 - (i) a QIB; and
 - (ii) acquiring such Ordinary Shares for its own account, or for the account of one or more QIBs;or
 - (B) it is purchasing the Ordinary Shares outside the United States in an "offshore transaction" in compliance with Regulation S;

- (h) it acknowledges that the Ordinary Shares have not been and will not be registered under the Securities Act and represents to and agrees with the Company and the Joint Global Co-ordinators that, for so long as the Ordinary Shares are outstanding, it will offer, resell, pledge or otherwise transfer the Ordinary Shares:
 - (i) in the United States only to a QIB in a transaction meeting the requirements of Rule 144A;
 - (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act; or
 - (iii) pursuant to any other exemption from the registration requirements of the Securities Act, in all cases in accordance with any applicable securities laws of any State of the United States;
- (i) it understands and acknowledges that, under the Articles of Association, the Directors have the power to require the sale or transfer of the Ordinary Shares if the sale or transfer of Ordinary Shares is made other than in compliance with the restrictions stated herein. Such power may be exercised amongst other things in order to avoid acquisition by a Benefit Plan Investor;
- (j) it understands and acknowledges that its purchase and holding of such Ordinary Shares constitutes a representation and agreement by it that by its purchase and holding of such Ordinary Shares or any interest therein, the purchaser and/or holder thereof and each transferee will be deemed to have represented and warranted at the time of its purchase and throughout the period that it holds such Ordinary Share or interest therein, that:
 - (i) it is not:
 - (1) a Benefit Plan Investor (as defined in paragraph 9.3.2 (Certain ERISA Considerations) of Part 9 of this document); or
 - (2) a governmental plan or church plan that is subject to any federal, state or local law that is substantially similar to the provisions of section 406 of ERISA or section 4975 of the Code or any entity whose assets are treated as assets of any such Plan; and
 - (ii) it will not sell or otherwise transfer any such Ordinary Share or interest to any person without first obtaining these same foregoing representations and warranties;
- (k) it understands that the Company may receive a list of participants holding positions in the Ordinary Shares from the clearing and settlement systems; and
- (l) it acknowledges that the Company, the Joint Global Co-ordinators and their affiliates, and others will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Ordinary Shares is no longer accurate, it shall promptly notify the Company and the Joint Global Co-ordinators. If it is acquiring any Ordinary Shares as a fiduciary or agent for one or more investor accounts who are QIBs, it represents that it has sole investment discretion with respect to each such account, and that it has full power to make the above acknowledgements, representations and agreements on behalf of each such account.

Prospective purchasers are hereby notified that sellers of the Ordinary Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

2.5 Supply and Disclosure of Information

If any of the Underwriters, the Registrar or the Company or any of their agents request any information about an Investor's agreement to purchase Placing Shares, such Investor must promptly disclose it to them.

2.6 Right to Amend the Size of the Placing

The Joint Global Co-ordinators reserve the right to amend the size of the Placing at any time prior to Admission.

2.7 Miscellaneous

The rights and remedies of each Underwriter, the Registrar and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, each Investor may be asked to disclose, in writing or orally to any Underwriter:

- (a) if he is an individual, his nationality; or
- (b) if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

All documents will be sent at the Investor's risk. They may be sent by post to such Investor at an address notified to the Joint Global Co-ordinators.

The contract to purchase Placing Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Joint Global Co-ordinators, the Company and the Registrar, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an Investor in any other jurisdiction.

In the case of a joint agreement to purchase Placing Shares, references to an "Investor" in these terms and conditions are to each such person jointly purchasing Placing Shares under such agreement and each such person's liability under such agreement is joint and several.

Each of the Underwriters and the Company expressly reserve the right to modify the terms of the Placing (including, without limitation, its timetable and settlement) at any time before allocations of the Placing Shares are determined.

The Ordinary Shares are in registered form. Prior to Admission, the Company has issued share certificates in respect of its issued share capital, and has maintained its register of members in book entry form. The register of members has been maintained by the Company at its registered office.

3. ALLOCATION

The rights attaching to the Placing Shares will be uniform in all respects and the Placing Shares (along with any Ordinary Shares that are not Placing Shares) will form a single class for all purposes. The Ordinary Shares allocated under the Placing have been underwritten, subject to certain conditions, by the Underwriters as described in the paragraph headed "Underwriting Arrangements" below in section 7 of Part 9 of this document. Allocations under the Placing will be determined at the discretion of the Underwriters following consultation with the Company. All Ordinary Shares issued pursuant to the Placing will be issued, payable in full, at the Placing Price. General information about liability for UK stamp duty and stamp duty reserve tax is described in Part 10 of this document.

4. DEALING ARRANGEMENTS

The Placing is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, which are typical for an agreement of this nature. Certain conditions are related to events which are outside the control of the Company, the Directors and the Underwriters. Further details of the Underwriting Agreement are described in section 8 of Part 11 of this document.

It is expected that Admission will take place and unconditional dealings in the Ordinary Shares will commence on AIM at 8.00 a.m. (London time) on 20 December 2006. Settlement of dealings from that date will be on a three day rolling basis. Prior to Admission, it is expected that dealings in the Ordinary Shares will commence on a conditional basis on AIM on 15 December 2006. The earliest date for settlement of such dealings will be 20 December 2006. All dealings in the Ordinary Shares prior to the commencement of unconditional dealings will be on a "conditional basis", will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. These dates and times may be changed.

Each investor will be required to undertake to pay the Placing Price for the Ordinary Shares sold or issued to such investor in such manner as shall be directed by the Underwriters.

It is expected that Ordinary Shares allocated to Investors in the Placing will be delivered in uncertificated form and settlement will take place through CREST on Admission. No temporary documents of title will be issued. Dealings in advance of crediting of the relevant CREST stock account shall be at the risk of the person concerned.

5. OVER-ALLOTMENT AND STABILISATION

In connection with the Placing, Deutsche Bank, as stabilising manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot and effect other transactions with a view to supporting the market price of the Ordinary Shares at a level higher than that which might otherwise prevail in the open market. Deutsche Bank is not required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market or otherwise. Such stabilising measures, if commenced, may be discontinued at any time without prior notice and may only be taken during the period from 15 December 2006 up to 14 January 2007. In no event will measures be taken to stabilise the market price of the Ordinary Shares above the Placing Price. Save as required by law or regulation, neither Deutsche Bank nor any of its agents intends to disclose the extent of any over-allotments and/or stabilisation transactions under the Placing.

In connection with the Placing, Deutsche Bank, as stabilising manager, may, for stabilisation purposes, over-allot Ordinary Shares up to a maximum of 20 per cent. of the total number of Ordinary Shares comprised in the Placing. For the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of Ordinary Shares by it during the stabilising period, the Company has granted to Deutsche Bank the Over-allotment Option, pursuant to which Deutsche Bank may, on behalf of the Underwriters, require the Company to issue additional Ordinary Shares up to a maximum of 15 per cent. of the total number of Placing Shares (not including the Over-allotment Shares) at the Placing Price. The Over-allotment Option is exercisable in whole or in part, upon notice by Deutsche Bank, at any time on or before the 30th calendar day after commencement of conditional dealings in the Ordinary Shares. Any Ordinary Shares made available pursuant to the Over-allotment Option will be issued on the same terms and conditions as the Placing Shares and will form a single class for all purposes with all the other Ordinary Shares.

6. CREST

CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer.

The Articles permit the holding of Ordinary Shares under the CREST system.

Application has been made for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. It is intended that, where applicable, definitive share certificates in respect of the Placing Shares will be distributed from 12 January 2007 or as soon as practicable thereafter. An Investor applying for Ordinary Shares in the Placing may, however, elect to receive Ordinary Shares in uncertificated form if such Investor is a system member (as defined in the CREST Regulations) in relation to CREST.

7. UNDERWRITING ARRANGEMENTS

The Underwriters have entered into commitments under the Underwriting Agreement pursuant to which they have agreed, subject to certain conditions, to procure subscribers for the Ordinary Shares to be issued by the Company under the Placing, or, failing which, themselves to subscribe for such Ordinary Shares, at the Placing Price.

The Underwriting Agreement contains provisions entitling the Underwriters to terminate the Underwriting Agreement at any time prior to Admission in certain circumstances.

Further details of the terms of the Underwriting Agreement are set out in section 8 of Part 11 of this document.

8. LOCK-IN ARRANGEMENTS

Pursuant to the Underwriting Agreement, the Company has undertaken to each of the Underwriters, *inter alia*, not to offer, issue or sell Ordinary Shares (or any interests therein or in respect thereof) for a period of 180 days from Admission (subject to certain limited exceptions).

Pursuant to the Underwriting Agreement, each of the Directors has undertaken not to sell any Ordinary Shares (or any interests therein or in respect thereof) for a period of one year from Admission (subject to certain exceptions). None of the Directors currently hold any Ordinary Shares (or any interests therein or in respect thereof).

9. SALE AND TRANSFER RESTRICTIONS

The distribution of this document and the offer of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions, including those that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

9.1 European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a “relevant member state”) an offer to the public of the Ordinary Shares may not be made in that relevant member state, except that an offer to the public in that relevant member state of any Ordinary Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that relevant member state:

- (a) to legal entities that are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- (b) to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43 million and (3) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company or any Joint Global Co-ordinator of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each subscriber for or purchaser of Ordinary Shares described in this document located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive. For the purposes of this provision, the expression an “offer to the public” in relation to any Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing and the Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, warranted to and agreed with the Joint Global Co-ordinators and the Company that (i) the Ordinary Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant member state other than qualified investors, or in circumstances in which the prior consent of the Joint Global Co-ordinators have been obtained to each such proposed offer or resale, or (ii) where Ordinary Shares have been acquired by it or on behalf of persons in any relevant member state other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons. The Company and the Joint Global Co-ordinators and each of their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, warranty and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Global Co-ordinators of such fact in writing may, with the consent of the Joint Global Co-ordinators, be permitted to subscribe for or purchase Ordinary Shares.

9.2 United Kingdom

This document is being distributed only to, and is directed only at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), (ii) falling within Article 49(2) (a) to (d) of the Order or (iii) to whom it may otherwise lawfully be distributed (all such persons together with Qualified Investors (as defined above) being referred to as “relevant persons”). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only in the United Kingdom to relevant persons, and will be engaged in only with such persons.

9.3 United States

9.3.1 General

The Ordinary Shares have not been, and will not be, registered under the Securities Act or the applicable securities laws and regulations of any state of the United States and, subject to certain exceptions, may not be offered or sold in the United States. Accordingly, each of Deutsche Bank and Morgan Stanley may offer Ordinary Shares only through qualified affiliates or agents to persons reasonably believed to be QIBs in transactions meeting the requirements of Rule 144A or outside the United States in “offshore transactions” pursuant to Regulation S. Further, as described below, there are certain restrictions concerning the Ordinary Shares which affect potential US investors. These restrictions are (i) a prohibition on investors that are subject to Title I of ERISA or Section 4975 of the Internal Revenue Code of 1986 (the “Code”) from investing in the Ordinary Shares and (ii) certain restrictions related to resales or other transfers of the Ordinary Shares.

9.3.2 Certain ERISA considerations

As described below, the Company will prohibit investors that are subject to Title I of ERISA or section 4975 of the Code from acquiring any Ordinary Shares (or any interests therein).

General

ERISA, and section 4975 of the Code, impose certain restrictions on (a) employee benefit plans (as defined in section 3(3) of ERISA), (b) plans (as defined in section 4975(e)(1) of the Code) that are subject to section 4975 of the Code, including individual retirement accounts and annuities or Keogh plans, (c) any entities whose underlying assets include plan assets by reason of an investment by a plan described in (a) or (b) in such entities (each of (a), (b) and (c), a “Plan”) and (d) persons who have certain specified relationships to Plans (“Parties in Interest” under ERISA and “Disqualified Persons” under the Code). Moreover, based on the reasoning of the US Supreme Court in *John Hancock Life Ins. Co. v. Harris Trust and Sav. Bank*, 510 US 86 (1993), an insurance company’s general account may be deemed to include assets of Plans investing in the general account (e.g. through the purchase of certain types of contracts), and such insurance company might be treated as a Party in Interest with respect to a Plan by virtue of such investment. ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA, and ERISA and section 4975 of the Code prohibit certain transactions between a Plan and Parties in Interest or Disqualified Persons with respect to such Plan. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code.

The US Department of Labor (the “DOL”) has promulgated regulations, 29 C.F.R. §2510.3-101 (the “Plan Asset Regulations”) describing what constitutes the assets of a Plan with respect to the Plan’s investment in an entity for purposes of the fiduciary responsibility provisions of Title I of ERISA and section 4975 of the Code. Under the Plan Asset Regulations, if a Plan invests in an “equity interest” of an entity that is neither a “publicly offered security” nor a security issued by an investment company registered under the US Investment Company Act of 1940 (the “Investment Company Act”), the Plan’s assets are deemed to include both the equity interest itself and an undivided interest in each of the entity’s underlying assets, unless it is established that the entity is an “operating company” or that equity participation by “benefit plan investors” is not “significant”.

Under the Plan Asset Regulations, equity participation in an entity by Benefit Plan Investors is “significant” on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25 per cent. or more of the value of any class of equity interest in the entity is held by Benefit Plan Investors (the “25 per cent. Threshold”).

The term “Benefit Plan Investor” is defined to include any (i) “employee benefit plan” (as defined in section 3(3) of ERISA), that is subject to part 4 of Title I of ERISA, (ii) plan subject to section 4975 of the Code, or (iii) entity whose underlying assets include plan assets by reason of such an employee benefit plan’s or Plan’s investment in such entity, including without limitation, as applicable, an insurance company general account. For purposes of making determinations under the 25 per cent. Threshold, (i) the value of any Ordinary Shares held by a person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person (each such person or affiliate, a “Controlling Person”), is disregarded which, in the case of the Company, will include the Investment Adviser and its affiliates, and (ii) only the proportion of an insurance company general account’s equity investment in the Company that represents plan assets is taken into account.

The Ordinary Shares will constitute “equity interests” in the Company for purposes of the Plan Asset Regulations; the Company will not be registered under the Investment Company Act; the Ordinary Shares are not “publicly offered securities” for the purposes of the Plan Asset Regulations; and it is not likely that the Company will qualify as an “operating company” for purposes of the Plan Asset Regulations. Therefore, if equity participation in the Ordinary Shares by Benefit Plan Investors is “significant” within the meaning of the Plan Asset Regulations, the assets of the Company could be deemed to be the assets of Plans investing in the Ordinary Shares. If the assets of the Company were deemed to constitute the assets of an investing Plan among other results, (i) transactions involving the assets of the Company could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and section 4975 of the Code, (ii) the assets of the Company could be subject to ERISA’s reporting and disclosure requirements, (iii) the fiduciary causing the Plan to make an investment in the Ordinary Shares could be deemed to have delegated its responsibility to manage the assets of the Plan, (iv) it is not clear whether section 404(b) of ERISA, which generally provides that no fiduciary may maintain the indicia of ownership of any assets of a Plan outside the jurisdiction of the district courts of the United States would be satisfied or any of the exceptions to this requirement set forth on 29 C.F.R. section 2550.404b-1 would be available, (v) the fiduciary making an investment in the Company on behalf of a Plan could be deemed to have improperly delegated its asset management responsibility, and (vi) the Investment Adviser will be an ERISA fiduciary.

Restrictions on purchase by Benefit Plan Investors

The purchase or acquisition of any Ordinary Shares (or interests therein) by investors that are Plans subject to Title I of ERISA or section 4975 of the Code is prohibited. Accordingly, Investors using assets of Plans that are subject to Title I of ERISA or section 4975 of the Code (including, as applicable, assets of an insurance company general account) will not be permitted to acquire the Ordinary Shares (or interests therein) and each investor will be required to represent, or will be deemed to have represented by virtue of its acquisition of Ordinary Shares, as applicable, that it is not a Benefit Plan Investor. Each purchaser of an Ordinary Share admitted to settlement by means of CREST or otherwise will be deemed to represent and warrant that it is not a Benefit Plan Investor. In addition, the Company’s Articles of Association provide that a purported transfer of any Ordinary Share (or interest therein) to a Benefit Plan Investor shall be deemed to be null and void and shall vest no rights in the purported transferee. For a discussion of transfer restrictions with respect to the Ordinary Shares, see “Transfer Restrictions”.

9.3.3 Transfer restrictions

Due to the following restrictions, purchasers of Ordinary Shares in the United States are advised to consult legal counsel prior to making any offer for, resale, pledge or other transfer of the Ordinary Shares.

Each purchaser of the Ordinary Shares offered in the United States will be deemed to have acknowledged that it has received a copy of this admission document and such other information as it deems necessary, if any, to make an investment decision and will be deemed to have represented and warranted that (terms used herein that are defined in Rule 144A are used herein as defined therein):

- (i) it is (i) a QIB or a broker-dealer acting for a QIB, (ii) acquiring such Ordinary Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein and (iii) is aware and each beneficial owner of such Ordinary Shares has been advised that the sale of Ordinary Shares to it may be being made in reliance on Rule 144A;
- (ii) it understands that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or territory of the United States and are being offered in the United States only to QIBs in a transaction not involving any public offering in the United States within the meaning of the Securities Act. The purchaser understands and agrees that the Ordinary Shares may not be reoffered, resold, pledged or otherwise transferred except (i) to a person whom the purchaser and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (ii) in an “offshore transaction” in compliance with Rule 903 or Rule 904 of Regulation S, or (iii) pursuant to any other exemption from the registration requirements of the Securities Act;
- (iii) it acknowledges that the Ordinary Shares offered and sold hereby are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of Ordinary Shares;
- (iv) it understands that any offer, sale, pledge or other transfer of the Ordinary Shares made other than in compliance with the above-stated restrictions may not be recognised by the Company;
- (v) it further understands that under the Articles of Association, the Directors have the power to require the sale or transfer of the Ordinary Shares if the sale or transfer of Ordinary Shares is made other than in compliance with the restrictions stated herein. Such power may be exercised amongst other things in order to avoid acquisition of Ordinary Shares by a Benefit Plan Investor;
- (vi) if it is acquiring the Ordinary Shares for the account of one or more investors, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

Prospective investors are hereby notified that sellers of Ordinary Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

The Company’s Articles of Association provide that each purchaser or transferee of an Ordinary Share will represent and warrant or will be deemed to represent and warrant that it is not, and is not acting on behalf of, a person who is a “plan” that is subject to Title I of ERISA or Section 4975 of the Code or an entity whose underlying assets include “plan assets” as defined in 29 C.F.R. 2510.3-101 as modified by section 3(42) of ERISA, and that this representation will remain true and correct at all times when the Ordinary Shares are held by a shareholder.

In addition, until 40 days after commencement of the Placing, any offer or sale of the Ordinary Shares within the United States by a dealer (whether or not participating in the Placing) may violate the registration requirements of the Securities Act if such offer or sale is made

otherwise than in accordance with Rule 144A under the Securities Act or pursuant to another exemption from registration under the Securities Act.

Regulation S Ordinary Shares

Each purchaser of the Ordinary Shares offered outside the United States in reliance on Regulation S will be deemed to have represented and agreed that (i) it is, at the time of the offer to it of Ordinary Shares and at the time the buy order originated, outside the United States for the purposes of Regulation S (terms used in this paragraph that are defined in Regulation S are used herein as defined therein) and it and each transferee is not and will not be (a) a Benefit Plan Investor (as defined in the Plan Assets Regulation) or (b) a government plan or church plan that is subject to any federal, state or local law that is substantially similar to the provisions of section 406 of ERISA or section 4975 of the Code or any entity whose assets are treated as assets of any such Plan, and (ii) it will not sell or otherwise transfer any such share or interest therein to any person without first obtaining these foregoing representations and warranties.

The Company, the Joint Global Co-ordinators and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and warranties.

9.4 Isle of Man

This document has not been registered or filed as a prospectus with any governmental or other authority in the Isle of Man and this document and the issue of the Ordinary Shares have not been approved or passed upon by the Isle of Man Financial Supervision Commission or any other governmental or regulatory authority in or of the Isle of Man. This document may only be issued by or on behalf of the Company, or by or on behalf of any person who is or has been engaged or interested in the formation of the Company, to persons falling within the ambit of the Isle of Man Companies (Private Placements) (Prospectus Exemptions) Regulations 2000, including (without limitation) persons whose ordinary activities involve them in acquiring, holding, managing or disposing of shares or debentures (as principal or agent) for the purposes of their businesses.

9.5 Other Jurisdictions

The Ordinary Shares have not been and will not be registered under the applicable securities laws of Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered or sold in Canada or Japan, or to, or for the account or benefit of, any resident of Canada or Japan.

Hong Kong

The Ordinary Shares may not be offered or sold in Hong Kong by means of any document, other than (i) to “professional investors” as defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”) and any rules made under that ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance, Chapter 32 of the Laws of Hong Kong or which do not constitute an offer to the public within the meaning of that ordinance. No advertisement, invitation or document relating to the Ordinary Shares may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Ordinary Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that ordinance.

United Arab Emirates (excluding the Dubai International Finance Centre)

The Ordinary Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (“UAE”) other than in compliance with the laws of the UAE. Prospective investors in the Dubai International Financial Centre should have regard to the specific notice to prospective investors in the Dubai International Financial Centre set out below. The information contained in this document does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the UAE, as amended) or otherwise and is not intended to be a public offer. This document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and

Commodities Authority or the Dubai Financial Services Authority. If you do not understand the contents of this document you should consult an authorised financial adviser. This document is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

Dubai International Finance Centre

This document relates to an “exempt offer” in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorised financial adviser. For the avoidance of doubt, the Ordinary Shares are not interests in a “fund” or “collective investment scheme” within the meaning of either the Collective Investment Law (DIFC Law No. 1 of 2006) or the Collective Investment Rules Module of the Dubai Financial Services Authority Rulebook.

India

This document is for information purposes only and does not constitute an offer or invitation for any investment or subscription for shares in India. Any person who is in possession of this document is hereby notified that no action has been or will be taken that would allow an offering of Ordinary Shares in India and neither this document nor any offering material relating to the Ordinary Shares has been submitted to the Registrar of Companies or the Securities and Exchange Board of India for prior review or approval. Further, no prospectus filing has been made with the Registrar of Companies, India. Accordingly, the Ordinary Shares may not be offered, sold, transferred or delivered and neither this document nor any offering material relating to the Ordinary Shares may be distributed or made available (in whole or in part) in India, directly or indirectly in connection with any offer or invitation for any investment or subscription for the shares in India.

Singapore

This document has not been, and will not be, lodged or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, no Ordinary Shares shall be offered for sale or sold or made the subject of an invitation for subscription or purchase, nor shall this document or any other offering document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Ordinary Shares, whether directly or indirectly, be circulated or distributed to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act of Singapore (the “SFA”), (ii) to a relevant person (as defined in Section 275(2)), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Each Joint Global Co-ordinator hereby notifies each of the following relevant persons specified in Section 275 of the SFA who subscribes or purchases the Ordinary Shares from or through itself, namely a person which is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Ordinary Shares under Section 275 except:

- (i) to an institutional investor under Section 274, or to a relevant person, or to any person pursuant to an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;
- (ii) where no consideration is given for the transfer; or
- (iii) by operation of law.

Furthermore, no advertisement is being made offering or calling attention to an offer or intended offer of the Ordinary Shares.

Italy

The offering of the Ordinary Shares has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB"), in accordance with Italian securities legislation. Accordingly, the Ordinary Shares may not be offered, sold or delivered, and copies of this document or any other document relating to the Ordinary Shares may not be distributed in Italy except to Professional Investors, as defined in Art. 31.2 of CONSOB Regulation no. 11522 of 1 July 1998, as amended, pursuant to Art. 30.2 and Art. 100 of Legislative Decree no. 58 of 24 February 1998 (the "Finance Law") or in any other circumstance where an express exemption to comply with the solicitation restrictions provided by the Finance Law or CONSOB Regulation no. 11971 of 14 May 1999, as amended (the "Issuers Regulation") applies, including those provided for under Art. 100 of the Finance Law and Art. 33 of the Issuers Regulation, and provided, however, that any such offer, sale or delivery of the Ordinary Shares or distribution of copies of this document or any other document relating to the Ordinary Shares in Italy must (i) be made in accordance with all applicable Italian laws and regulations, (ii) be conducted in accordance with any relevant limitations or procedural requirements the Bank of Italy or CONSOB may impose upon the offer or sale of the securities, and (iii) be made only by (a) banks, investment firms or financial companies enrolled in the special register provided for in Article 107 of the Legislative Decree no. 385 of 1 September 1993, as amended (the "Banking Law Consolidated Act"), to the extent duly authorised to engage in the placement and/or underwriting of financial instruments in Italy in accordance with the Finance Law and the relevant implementing regulations; or by (b) foreign banks or financial institutions (the controlling shareholding of which is owned by one or more banks located in the same EU Member State) authorised to place and distribute securities in the Republic of Italy pursuant to Articles 15, 16 and 18 of the Banking Law Consolidated Act, in each case acting in compliance with every applicable law and regulation.

Each subscriber for or purchaser of Ordinary Shares described in this document located in Italy will be deemed to have represented, acknowledged and agreed that it is a "Professional Investor".

In the case of any Ordinary Shares being offered to a financial intermediary, such financial intermediary will also be deemed to have represented, warranted to and agreed with the Underwriters and the Company that (i) the Ordinary Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in Italy other than Professional Investors, or in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale, or (ii) where Ordinary Shares have been acquired by it or on behalf of persons in Italy other than Professional Investors, the offer of those Ordinary Shares to it is not treated under the applicable Italian laws and regulations as having been made to such persons.

The Company and the Underwriters and each of their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, warranty and agreement. Notwithstanding the above, a person who is not a Professional Investor and who has notified the Underwriters of such fact in writing may, with the consent of the Underwriters, be permitted to subscribe for or purchase Ordinary Shares.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of the Commonwealth of Australia (the “Act”)) in relation to the Ordinary Shares has been lodged with the Australian Securities and Investments Commission (“ASIC”), the Australian Stock Exchange (“ASX”) or any other government agency in Australia. Each Joint Global Co-ordinator has represented, warranted and agreed that it:

- (a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Ordinary Shares in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive Admission Document, advertisement or other offering material relating to the Ordinary Shares in Australia,

unless:

- (i) the minimum aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, but disregarding moneys lent by the offeror or its associates);
- (ii) the offeree or invitee is either a “sophisticated investor” or a “professional investor” in accordance with section 708(8) or 708(11) of the Act; or
- (iii) the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Act,

and such action complies with all applicable laws, regulations and directives and does not require any document to be lodged with ASIC, ASX or any other government agency in Australia.

PART 10: TAXATION

The following information, which relates to UK, US, Isle of Man, Indian and Mauritian taxation, is applicable to the Group and its assets. It is based upon the legislation and published practice currently in force in the UK, US, Isle of Man, India and Mauritius. The information is not exhaustive and if potential investors are in any doubt about the taxation consequences of acquiring, holding or disposing of Ordinary Shares they should seek advice from their own professional advisers.

It is the responsibility of all persons interested in purchasing Ordinary Shares to inform themselves regarding any tax consequences of acquiring, holding or disposing of Ordinary Shares in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of Ordinary Shares.

1. TAXATION OF SHAREHOLDERS

UK Taxation

The following statements are of a general nature and are based on current UK tax law and on the current practice of HMRC, as of the date of this document, both of which are subject to change, possibly with retroactive effect. They are intended to address only certain UK tax consequences for Shareholders who are resident or ordinarily resident in the UK (except where expressly stated otherwise), who are the beneficial owners of the Ordinary Shares and who hold the Ordinary Shares as capital assets and they do not address the UK tax consequences which may be relevant to other classes of Shareholders such as dealers in securities or employees. The statements assume that the Shareholder is not a company which either directly or indirectly controls 10 per cent. or more of the Company's share capital, voting power or profits and that the Shareholder does not hold the Shares in trust.

The following is intended only as a general guide and is not intended to be, nor should it be considered to be, legal or tax advice to any particular prospective subscriber for or purchaser of Shares. Accordingly, prospective subscribers for or purchasers of Shares who are in any doubt as to their tax position regarding the acquisition, ownership and disposition of the Shares or who are subject to tax in a jurisdiction other than the United Kingdom should consult their own tax advisers.

UK Shareholders

Taxation of Dividends on the Shares

UK resident individual Shareholders will, subject to their personal circumstances, be liable to UK income tax on dividends received on the Ordinary Shares. The income tax charge in respect of dividends for UK resident individual Shareholders will (depending on the amount of the Shareholder's overall taxable income) be at the dividend ordinary rate of 10 per cent. or the dividend upper rate of 32.5 per cent. For this purpose, dividends are treated as the top slice of an individual Shareholder's income.

UK resident corporate Shareholders will be liable to corporation tax on dividends received from the Company (currently chargeable at 30 per cent. unless the corporate Shareholder concerned qualifies for the "small companies" rate).

No UK tax credit will be attached to dividends received by Shareholders.

Taxation of Capital Gains

On the basis that the Company is not an open-ended investment company, it should not as at the date of this document be treated as an "offshore fund" for the purposes of UK taxation. Accordingly, the provisions of Chapter V of Part XVII of the UK Income and Corporation Taxes Act 1988 (the "Taxes Act") should not apply. Likewise, the provisions of section 98 and paragraph 4 of schedule 10 to the Finance Act 1996, and paragraphs 36 and 37 of Schedule 26 to the UK Finance Act 2002 should not apply to corporate shareholders. For so long as the Company is not an "offshore fund", a disposal of Ordinary Shares by a Shareholder who is resident, or, in the case of an individual, ordinarily resident in the UK may, subject to any available exemptions or reliefs, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

Special rules apply to tax gains on disposals made by individuals at a time when they are temporarily not resident or ordinarily resident in the United Kingdom.

Any chargeable gain (or allowable loss) will be calculated by reference to the consideration received for the disposal of the Ordinary Shares less the allowable cost to the Shareholder of acquiring such Ordinary Shares.

For Shareholders within the charge to UK corporation tax, indexation allowance on the acquisition cost may be available to reduce the amount of chargeable gain realised on a disposal of Ordinary Shares but will not create or increase an allowable loss. For individual Shareholders, taper relief may be available to reduce the proportion of any chargeable gain realised on a disposal of Ordinary Shares.

UK Stamp Duty and UK Stamp Duty Reserve Tax (“SDRT”)

The following comments are intended as a guide to the general UK stamp duty and UK SDRT position and do not apply to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules apply.

There is generally no liability to UK stamp duty or UK SDRT on the issue of Ordinary Shares by the Company.

UK stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of the Ordinary Shares executed within the UK or which relates to any property situated, or any matter or thing done or to be done, in the UK.

Provided that the Ordinary Shares are not registered in any register kept in the UK by or on behalf of the Company, any agreement to transfer the Ordinary Shares will not be subject to UK SDRT.

Other United Kingdom Tax Considerations

The attention of UK resident or ordinarily resident and, if individuals, domiciled Shareholders is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to an investor who holds, alone or together with associated persons, more than a 10 per cent. interest in the Company.

The attention of UK resident Shareholders is drawn also to Section 703 of the Taxes Act under which HMRC may seek to cancel tax advantages from certain transactions in securities.

A UK resident corporate Shareholder who, together with connected or associated persons, is entitled to at least 25 per cent. of the share capital of the Company should note the provisions of the controlled foreign companies legislation contained in Sections 747-756 of the Taxes Act.

The attention of Shareholders who are individuals ordinarily resident in the UK is drawn to the provisions of Sections 739-745 of the Taxes Act which can in certain circumstances render such individuals liable to tax in respect of undistributed profits of the Company.

Non-UK Shareholders

Shareholders who are not resident or ordinarily resident in the United Kingdom and do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the United Kingdom with which the Shares are connected will not normally be liable to United Kingdom taxation on dividends received on the Ordinary Shares or on gains arising on the sale or other disposal of their Shares.

Shareholders who are not resident in the UK but who are carrying on a trade in the UK for tax purposes with which their shareholding is connected will, depending on their circumstances, be liable to UK income tax or corporation tax on dividends paid by the Company.

A Shareholder who is not resident in the UK for tax purposes but who carries on a trade, profession or vocation in the UK through a branch, agency or, in the case of a corporate Shareholder, permanent establishment and has used, held or acquired Ordinary Shares for the purposes of such trade, profession or vocation may also be subject to UK tax on chargeable gains on a disposal of those Ordinary Shares (subject to any available exemptions or reliefs).

US Taxation

The following is a summary of certain United States federal income tax considerations relating to the acquisition, ownership, and disposition of Ordinary Shares by US Holder’s (as defined below) that will hold their Ordinary Shares as “capital assets” (generally, property held for investment) under the United States

Internal Revenue Code (the “Code”). This summary is based upon existing United States federal income tax law, which is subject to differing interpretations or change, possibly with retroactive effect. This summary does not discuss all aspects of United States federal income taxation which may be important to particular investors in light of their individual investment circumstances, including investors subject to special tax rules (for example, financial institutions, insurance companies, broker-dealers, partnerships and their partners, and tax-exempt organisations (including private foundations)), holders who are not US Holders, holders who own (directly, indirectly, or constructively) 10 per cent. or more of our voting stock, investors that will hold Ordinary Shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for United States federal income tax purposes, or investors that have a functional currency other than the United States dollar, all of whom may be subject to tax rules that differ significantly from those summarised below. In addition, this summary does not discuss any non-United States, state, or local tax considerations. Investors are urged to consult their tax advisors regarding the United States federal, state, local, and non-United States income and other tax considerations of an investment in Ordinary Shares.

TO ENSURE COMPLIANCE WITH UNITED STATES TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF ORDINARY SHARES ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS OF ORDINARY SHARES FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS OF ORDINARY SHARES UNDER THE UNITED STATES INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTION DESCRIBED HEREIN; AND (C) HOLDERS OF ORDINARY SHARES SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

General

For purposes of this summary, a “US Holder” is a beneficial owner of Ordinary Shares that is, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity taxable as a corporation for United States federal income tax purposes) created in, or organised under the law of, the United States or any State or political subdivision thereof, (iii) an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise elected to be treated as a United States person under the Code.

If a partnership is a beneficial owner of Ordinary Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership.

Passive Foreign Investment Company Considerations

A non-United States corporation, such as the Company, will be treated as a “passive foreign investment company” (a “PFIC”), for United States federal income tax purposes, if 75 per cent. or more of its gross income consists of certain types of “passive” income or 50 per cent. or more of its assets are passive. The determination of whether the Company is, or will become, classified as a PFIC is a fact intensive determination that can only be made after the close of each taxable year. This determination is made annually based on the composition and amounts of income that the Company earns and the composition and valuation of the Company’s assets, all of which are subject to change.

Based on the Company’s current and projected income and assets, the Company believes that there is a substantial risk that it will be classified as a PFIC, for United States federal income tax purposes, for the Company’s current taxable year ending 31 March 2007. If the Company is classified as a PFIC for any year during which a US Holder holds Ordinary Shares, the Company generally will continue to be treated as a PFIC for all succeeding years during which such US Holder holds Ordinary Shares.

If the Company is or becomes classified as a PFIC for any taxable year, and unless a US Holder makes a “mark-to-market” election (as described below), such US Holder would be subject to special rules with respect to (i) any gain realised on the sale or other disposition of Ordinary Shares, and (ii) any “excess distribution” made by the Company on Ordinary Shares (generally, any distributions paid to such US Holder in respect of Ordinary Shares during a single taxable year that are greater than 125 per cent. of the average annual distributions received by such US Holder during the three preceding taxable years or, if shorter, such US Holder’s holding period for such Ordinary Shares).

Under the PFIC rules:

- the gain or excess distribution would be allocated ratably over a holder's US Holding period for Ordinary Shares;
- the amount allocated to the taxable year in which the gain or excess distribution was realised, and any taxable year prior to the first taxable year that such US Holder held Ordinary Shares in which the Company was classified as a PFIC (a "pre-PFIC year"), would be taxable as ordinary income; and
- the amount allocated to each year, other than the current year and any pre-PFIC year, would be subject to tax at the highest tax rate in effect for that year, and an interest charge generally applicable to underpayments of tax would be imposed on the resulting tax for each such year for the period it had been deferred.

As an alternative to the foregoing rules, a US Holder of "marketable stock" in a PFIC may make a mark-to-market election, provided that the shares are "regularly traded" on a "qualified exchange." While the Company anticipates that the Ordinary Shares may qualify as being "regularly traded" on AIM, no assurances may be given in this regard. Under the PFIC Treasury regulations, a qualified exchange includes a foreign securities exchange that is "regulated or supervised" by a governmental authority of the country in which the market is located and in respect of which certain other requirements are met. Because it is uncertain whether AIM would be treated as regulated or supervised by a governmental authority within the meaning of the PFIC Treasury regulations, no assurances may be given that AIM constitutes a qualified exchange. If a US Holder makes a valid mark-to-market election, he will generally (i) include as ordinary income for each taxable year the excess, if any, of the fair market value of his Ordinary Shares as determined at the end of the taxable year over the adjusted tax basis of such Ordinary Shares, and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of his Ordinary Shares over the fair market value of such Ordinary Shares as determined at the end of the taxable year, but only to the extent of the amount previously included in income as a result of the mark-to-market election. Such US Holder's adjusted tax basis in his Ordinary Shares would be adjusted to reflect any income or loss resulting from the mark-to-market election. Gain on the sale or other disposition of Ordinary Shares would be treated as ordinary income. A mark-to-market election applies to the taxable year for which the election was made and all subsequent taxable years unless the Ordinary Shares cease to be marketable stock or the Internal Revenue Service consents to the revocation of such election.

The "qualified electing fund" election which serves as a further alternative to the foregoing rules, is not available.

If a US Holder owns Ordinary Shares during any year that the Company is classified as a PFIC, such US Holder must file an annual Internal Revenue Service Form 8621 that describes the distributions received on Ordinary Shares and the gain realised on the disposition of Ordinary Shares. Holders are urged to consult their tax advisor concerning the United States federal income tax consequences of acquiring, holding, and disposing of Ordinary Shares if the Company is or becomes classified as a PFIC, including the possibility of making a mark-to-market election.

Dividends

Except to the extent discussed above under the heading "Passive Foreign Investment Company Considerations", any cash distributions paid on Ordinary Shares out of the Company's earnings and profits, as determined under United States federal income tax principles, will be includible in the gross income of a US Holder as dividend income. Any such dividends will not be eligible for the reduced rates of taxation generally applicable to dividends paid by certain foreign corporations to certain non-corporate holders. Dividends received on the Ordinary Shares will not be eligible for the dividends received deduction allowed to corporations.

Cash distributions on Ordinary Shares in excess of the Company's earnings and profits will be treated as a tax-free return of capital to the extent of the US Holder's adjusted tax basis in its Ordinary Shares, and thereafter as gain from the sale or exchange of a capital asset. The amount of any cash distribution paid in Pounds should equal the United States dollar value of such Pounds on the date of the distribution, regardless of whether the Pounds are actually converted into United States dollars at that time. Gain or loss, if any, recognised on a subsequent sale, conversion, or other disposition of Pounds generally will be United States source ordinary income or loss.

Dividends generally will be treated as income from foreign sources for United States foreign tax credit purposes. A US Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on Ordinary Shares. A US Holder

who does not elect to claim a foreign tax credit for foreign income tax withheld, may instead claim a deduction, for United States federal income tax purposes, in respect of such withholdings, but only for a year in which such US Holder elects to do so for all creditable foreign income taxes.

Sale or Other Disposition of Ordinary Shares

Except to the extent discussed above under the heading “Passive Foreign Investment Company Considerations”, a US Holder will generally recognise capital gain or loss upon the sale or other disposition of Ordinary Shares in an amount equal to the difference between the amount realised upon the disposition and the holder’s adjusted tax basis in such Ordinary Shares. Any capital gain or loss will be long-term if the Ordinary Shares have been held for more than one year and will generally be United States source gain or loss for United States foreign tax credit purposes. The deductibility of a capital loss may be subject to limitations.

2. TAXATION OF THE COMPANY AND ITS SUBSIDIARIES

It is intended that the Company will have business conducted through subsidiary or associated companies in overseas jurisdictions including India. It is expected that tax will be payable by the overseas subsidiary or associated companies in those jurisdictions. It is expected that the Indian companies will pay tax at a rate of 33.66 per cent. in India based on current tax rates. The Directors intend to organise the Group’s affairs so as to minimise, through appropriate planning and other opportunities, the incidence of taxation arising.

Isle of Man Taxation

A standard zero per cent. rate of income tax applies for companies (except in relation to profits arising from banking, or from land and property in the Isle of Man) with effect from 6 April 2006. Withholding tax on dividends paid to non-residents has also effectively been abolished for companies subject to the zero per cent. rate with effect from 6 April 2006. However, all companies are required to pay an annual corporate charge, currently £250 and will need to submit annual returns, notwithstanding that the tax rate applicable will be zero per cent.

Companies in which Isle of Man residents have an interest may also be subject to a distributable profits charge, though this will not apply to companies listed on a recognised stock exchange such as AIM.

There is no capital gains tax, inheritance tax or stamp duty in the Isle of Man. The Isle of Man has an agreement with HMRC with regard to the collection of customs revenue and the two territories are considered as one area for VAT purposes. The Isle of Man’s VAT legislation broadly mirrors the UK VAT legislation, but there are some minor differences in the VAT rates applicable in respect of some goods and services.

The EU savings tax directive (Council Directive 2003/48/EC) came into force on 1 July 2005. The Isle of Man has entered into bilateral agreements with the EU Member States which effectively require the Isle of Man to comply with the requirements of such Directive.

UK Taxation

It is the intention of the directors to conduct the affairs of the Company so that it does not become resident for taxation purposes in the UK and so that it does not carry out any trade in the UK (whether or not through a permanent establishment situated therein). On this basis, the Company should not be liable for UK taxation on its income or gains other than UK income tax on UK source income (if any).

India and Mauritius Taxation

The section below outlines certain significant Indian and Mauritian tax principles that are likely to apply to the SPVs, Candor and the Mauritian Subsidiaries.

The discussion of Indian tax matters contained herein is based on existing law, including the provisions of the Income Tax Act and the provisions of the DTAA, and current Indian Revenue practice as at the date of this document. No assurance can be given that future legislation, administrative rulings or court decisions will not significantly modify the conclusions set forth in this summary, possibly with retroactive effect.

The tax status of the structure relies upon the provisions of the DTAA. No assurance can be given that the terms of the DTAA will not be subject to renegotiation in the future. Any such change could have a material adverse effect on the returns of the Group. There can be no assurance that the DTAA will continue and will be in full force and effect during the life of the Group.

Mauritian exchange control laws and regulations have been suspended since 1994. The suspension of these exchange control laws and regulations may be lifted at any time. Any payments made to or by the Mauritian members of the Group are, therefore, not restricted by the exchange control laws and regulations. Although it is unlikely that the suspension of such laws and regulations will be lifted, there is no assurance this will not happen.

There is no guarantee that the Group's structure will be able to maintain the tax status that is envisaged under current laws and regulations.

Taxation of the income on investments made by the Mauritian Subsidiaries in India

The incidence of Indian tax on the income of the Mauritian Subsidiaries will depend upon the provisions of the Income Tax Act as well as the provisions of the DTAA. The provisions of the Income Tax Act will apply to an investor eligible for DTAA benefits only to the extent to which they are more beneficial than the provisions of the DTAA.

The Mauritian Subsidiaries income will generally consist of dividends or interest income received from the SPVs in which the Mauritian Subsidiaries have invested or gains, if any, from the sale of securities of the SPVs.

Capital Gains from sale of shares/convertible debentures

According to the provisions of the DTAA, capital gains realised by the Mauritian Subsidiaries on a sale of shares and/or other securities in the SPVs will not be subject to Indian tax.

However, given that the SPVs into which the Mauritian Subsidiaries will invest will be engaged in real estate development activities and therefore be holding immovable property, it is possible that the Indian Revenue Authorities could seek to reclassify the sale of shares of the SPVs as a sale of immovable property. In that case, any gains derived from sale of the SPVs would become taxable in India as the taxing rights for gains on the sale of immovable property under the tax treaty lie with the country in which the immovable property is situated. Since there has been little historic foreign investment in Indian real estate, there are no precedents available to conclude on this issue.

In a ruling of the Indian Authority for Advance Rulings, gains earned by a private equity fund based in Mauritius were held to be "business income". This ruling is a private ruling and is applicable only to the applicant although it could have persuasive value in deciding similar cases. If the income of the Mauritian Subsidiaries is treated as "business income", then such income will not be subject to Indian tax as long as the Mauritian Subsidiaries do not have a permanent establishment in India. If the Mauritian Subsidiaries are held to have a permanent establishment in India, then the amount of such income attributable to the operations of the permanent establishment in India would be taxable in India at an effective rate of 41.82 per cent. on a net income basis.

There will not be any Mauritian tax on capital gains, as Mauritius does not tax capital gains from the sale of shares.

Dividends

Dividends paid by the SPVs are subject to a distribution tax at the rate of 14.025 per cent. This tax is payable by the SPVs distributing the dividend and not by the recipient.

In Mauritius, the dividends received from the SPVs will be taxable at the rate of 15 per cent. However, a foreign tax credit will be available. Underlying tax credit applies if the Mauritian company owns at least 5 per cent. of the SPVs and includes the Indian dividend distribution tax and the corporate tax paid/spared by the SPVs. The underlying tax credit should reduce the Mauritian tax liability to nil. Where documentary evidence is not available, the foreign tax credit is presumed to be 80 per cent. of the Mauritian tax chargeable.

Interest

Interest income received on any loans advanced by the Mauritian Subsidiaries to the SPVs would be liable to tax in India as Indian sourced income, Such income would be taxable in India at the rate of 20.91 per cent. where the debt is not in Indian currency.

In Mauritius, interest income received from the SPVs would generally be taxable at 15 per cent. However, after allowing for the withholding tax paid in India of 20.91 per cent., the tax on interest would be reduced to nil in Mauritius.

Taxation in the event DTAA benefits are denied

This section outlines certain significant principles of Indian tax under the Income Tax Act that the Mauritian Subsidiaries would be subject to if, for any reason, they were denied the benefits of the DTAA.

Capital Gains

Gains earned on the transfer of shares and other listed securities held for a period of 12 months or less are treated as short-term capital gains and those held for more than 12 months are treated as long-term capital gains.

Capital Gains in relation to unlisted SPVs

Capital gains arising from the sale of shares of an unlisted SPV will be taxable in the hands of investors at the following rates:

- (a) 10 per cent. (plus applicable Surcharge and Education Cess) if long-term capital gains; and
- (b) 20 per cent. (plus applicable Surcharge and Education Cess) if short-term capital gains.

Capital gains arising from the sale of shares of a listed SPV will be taxable in the hands of investors at the following rates:

- (c) long-term capital gains arising from the sale of the shares of listed SPVs, which are transacted on a recognised stock exchange in India, will not be taxable to investors (investors may however, be liable for Minimum Alternate Tax (see below)). However, a securities transaction tax of 0.125 per cent. will be payable by each of the buyer and seller of shares when carrying out this kind of transaction;
- (d) short-term capital gains arising from the sale of the shares of listed SPVs, which are transacted on a recognised stock exchange in India, will be taxable in the hands of investors at an effective rate of 10.455 per cent.

Dividend and interest

Taxation of dividends and interest by Mauritian Subsidiaries received from the SPVs in the absence of tax treaty benefits would be the same as mentioned above.

Taxation of Candor

Candor will receive dividends from the Mauritian Subsidiaries in respect of their investment in the SPVs. As per Mauritius tax law, dividends paid by a Mauritius company to resident or non-resident shareholders are not taxable in Mauritius. These dividends will thus, be exempt from Mauritius tax.

Under the investment structure, Candor will derive income indirectly from the SPVs. Income derived by Candor from the SPVs would neither be received in India and nor accrue/arise or be deemed to accrue/arise in India. Hence, such income would not be taxable in India.

Provided that the Mauritian Subsidiaries obtain GBC1 licences any dividend income received by Candor's Mauritian Subsidiaries will be taxable in Mauritius at 15 per cent. However, Candor's Mauritian Subsidiaries will be eligible for a deemed foreign tax credit of 80 per cent., thereby reducing the effective rate of tax on dividends to 3 per cent.

Mauritius tax law does not levy any tax on capital gains. Thus, Candor and its subsidiaries will be exempt from Mauritius tax in respect of capital gains derived from the sale of shares of the Mauritian Subsidiaries or the Indian SPVs.

Taxation of the SPVs

The SPVs would be subject to corporate tax on their net income. The rate of corporate tax is 33.66 per cent. in India. The SPVs may be eligible for tax holidays, subject to certain conditions where they are engaged in certain specified sectors such as development, maintenance and/or operation of industrial parks, establishment and operation of SEZs, development and building of housing projects (of specified size) in India etc.

MAT (see below) may however be payable at 11.22 per cent. on their book profits (except where the SPV is engaged in establishment and operation of SEZs).

Capital gains tax may also be levied in respect of the disposal of capital assets. The rate of taxation of capital gains in the hands of the SPVs will depend upon whether the asset is long term or short term. A capital gain is

treated as short term if the capital asset (other than shares) transferred is held for a period of 36 months or less. If the capital asset (other than shares) is held for more than 36 months, then the gains arising from their transfer shall be treated as long term. In respect of the Indian businesses, the rate of short term capital gains tax (other than shares) is 33.66 per cent. and the rate of long term capital gains tax is 22.44 per cent. (other than shares).

Other tax levies

Minimum Alternate Tax (MAT)

The SPVs would be liable to pay MAT at 11.22 per cent. of their book profits (except where the SPVs are engaged in the establishment and operation of a SEZ) where the normal tax payable is less than the MAT liability as computed. The application of MAT to foreign companies is uncertain.

Corporate Fringe Benefits Tax (FBT)

An Indian company, irrespective of whether it is liable to pay income tax or not, is required to pay FBT on certain specified “fringe benefits” that are provided/deemed to be provided to its employees. FBT is payable at the rate of 33.66 per cent. of the value of the fringe benefits.

3. REAL ESTATE TAXATION

The key taxes directly impacting the real estate sector are sales tax/VAT and service tax. These are discussed below.

Sales tax/VAT

Sales tax/VAT is leviable on sale or lease of moveable property in India. Immoveable property is not subject to sales tax/VAT in India. The rate of taxation depends upon whether the sale of moveable property is an intra-state sale or an inter-state sale, the nature of the moveable property and the state in/from where sale is made.

Where the sale is an intra-state sale, in such case local state sales tax rates would apply. In the last few years, various states in India have been moving to the VAT regime, which also encompasses local sales tax. These rates range between 4 per cent. to 12.5 per cent. across states in India and depend upon the nature of moveable property being sold or leased.

In case of inter-state sales, in lieu of the local sales tax/VAT rate, a Central Sales Tax (“CST”) rate would apply. CST is payable at the higher of 10 per cent. or the local sales tax/VAT rate prevailing in the state where the movement of goods commences. However, in case of inter state sale to a dealer registered in another state and issues statutory declarations, CST is payable at 4 per cent.

In case of construction contracts, transfer of property used for construction is liable to sales tax/VAT. However, no sales tax/VAT is levied on the services portion of the contract. Input VAT paid on local purchases of construction materials can be credited, provided VAT is payable on output.

Service tax

Service tax is levied on identified services provided by specified service providers at a rate of 12.24 per cent. (including applicable surcharges). The tax is levied on the gross value of taxable services. Specific real estate services covered by the service tax net are:

- Commercial or industrial construction services
- Construction of complex services
- Site formation and clearance service
- Erection, commissioning or installation service
- Real estate agent services
- Maintenance or repair services
- Consulting engineer services
- Intellectual property service

In addition certain other taxable services categories such as Business Auxiliary service, Business Support service etc. may also get attracted in case of real estate activities.

Input taxes paid on services procured are creditable against any output service tax liability. However, such credit is not available where there is no taxable output service.

Sale/lease of real estate does not attract service tax in India. Thus, service tax paid on taxable services used for the construction of the real estate would not be available as input credit as the developer would not have an output service tax liability on the sale/lease of real estate.

However, if a developer enters into an agreement to sell with a prospective customer, while the real estate is under construction, then, based on an Indian Supreme Court decision and a consequent clarification issued by the revenue authorities, such a transaction could attract service tax. In such a scenario, service tax paid on the taxable services used for the construction of the real estate would be available as input credit to discharge the output service tax liability. Under the service tax legislation there is a specific definition of input service and service tax paid on any service which does not qualify as an input service (e.g. insurance service) would not be available as input credit.

Input service means any service:

- (i) used by a provider of taxable service for providing an output service; or
- (ii) used by a manufacturer, whether directly or indirectly, in or in relation to the manufacture of final products and clearance of final products from the place of removal,

and includes services used in relation to setting up, modernisation, renovation or repairs of a factory, premises of a provider of output services or an office relating to such factory or premises, advertisement or sales promotion, market research, storage up to the place of removal, procurement of inputs, activities relating to business, such as accounting, auditing, financing, recruitment and quality control, coaching and training, computer networking, credit rating, share registry, and security, inward transportation of inputs or capital goods and outward transportation up to the place of removal.

Further, in respect of the following services, abatement to the extent of 67 per cent. of the gross value is allowed subject to certain conditions:

- Commercial or industrial construction
- Construction of complex
- Erection, commissioning or installation service

In effect, for these services 33 per cent. of the value is deemed to be the service element on which service tax is levied.

PART 11: ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The Company, whose registered office appears on page 2 of this document, and the Directors of the Company, whose names appear on page 2 of this document, each accepts responsibility for the information contained in this document including responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. In respect of the information contained in Part 5 of this document, the Company and the Directors each takes responsibility for the accurate reproduction of the information contained therein.
- 1.2 JLL (whose registered office is set out on page 2 of this document) accept responsibility for the information contained in Part 5 of this document and Part 7 of this document. To the best of the knowledge and belief of JLL (who have taken all reasonable care to ensure that such is the case), the information contained in Part 5 of this document and Part 7 of this document is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 KPMG LLP, for the purposes of paragraph (a) of Schedule Two of the AIM Rules, accept responsibility for their report in Part 8 (a) as part of the AIM Admission Document and declare that they have taken all reasonable care to ensure that the information contained in this report is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

2. THE COMPANY AND ITS SUBSIDIARIES

- 2.1 The Company was incorporated and registered in the Isle of Man on 6 September 2006 under the name Unitech Corporate Parks Plc with registered number 117626C as a public limited company under the laws of the Isle of Man. The principal activity of the Company is that of a holding company of property development companies.
- 2.2 The Company's registered office and principal place of business is 3rd Floor, Exchange House, 54-62 Athol Street, Douglas, Isle of Man, IM1 1JD. The Company is domiciled in the Isle of Man. The telephone number of the Company's registered office is +44 (0) 1624 641 560.
- 2.3 The principal legislation under which the Company operates is the Companies Acts 1931 to 2004 of the Isle of Man.

2.4 The Company has the following subsidiary companies:

<u>Name</u>	<u>Date of Incorporation</u>	<u>Country of Incorporation</u>	<u>Principal Activity</u>	<u>Percentage of share capital held by the Company and (if different) percentage of voting power held</u>
Candor Investments Limited	4 September 2006	Republic of Mauritius	To engage in any qualified global business or businesses whatsoever which are not prohibited under the laws for the time being in force in the Republic of Mauritius	100%
Acacia Properties Inc.	24 November 2006	Republic of Mauritius	As above	Indirect 100% shareholding through Candor Investments Limited
Dotterel Estates Ltd	23 November 2006	Republic of Mauritius	As above	Indirect 100% shareholding through Candor Investments Limited
Gladiolys Realty Inc.	23 November 2006	Republic of Mauritius	As above	Indirect 100% shareholding through Candor Investments Limited
Myna Holdings Limited	23 November 2006	Republic of Mauritius	As above	Indirect 100% shareholding through Candor Investments Limited
Sparrow Properties Limited	24 November 2006	Republic of Mauritius	As above	Indirect 100% shareholding through Candor Investments Limited
Tulipa Investments Inc.	23 November 2006	Republic of Mauritius	As above	Indirect 100% shareholding through Candor Investments Limited

2.5 As soon as practicable following Admission and upon acquisition of the Seed Portfolio Assets, the Company will have the following additional subsidiary companies:

<u>Name</u>	<u>Date of Incorporation</u>	<u>Country of Incorporation</u>	<u>Principal Activity</u>	<u>Percentage of share capital held by the Company and (if different) percentage of voting power held</u>
Shantiniketan Properties Limited	4 April 2005	India	To act as real estate developers, builders, colonisers, contractors, town planners in India and abroad and other related activities	Indirect 60% shareholding through Candor Investments Limited
Seaview Developers Limited	21 March 2004	India	As above	Indirect 60% shareholding through Candor Investments Limited
Unitech Infra-Con Limited	5 April 2005	India	As above	Indirect 60% shareholding through Candor Investments Limited
Unitech Hi-Tech Structures Limited	13 October 2005	India	As above	Indirect 60% shareholding through Candor Investments Limited 10% shareholding by Maxlon Limited
Unitech Realty Projects Limited	8 September 2005	India	As above	Indirect 60% shareholding through Candor Investments Limited
Unitech Developers and Projects Limited	27 July 2006	India	As above	Indirect 60% shareholding through Candor Investments Limited

3. SHARE CAPITAL OF THE COMPANY

- 3.1 The Company was incorporated on 6 September 2006, with an authorised share capital of £2,000 divided into 2,000 Ordinary Shares of £1 each.
- 3.2 The initial subscriber shares were held in the names of Neal Stuart Aitken and Equity Limited, each of whom held one Ordinary Share of £1 each.
- 3.3 On 13 November 2006, Neal Stuart Aitken transferred one Ordinary Share of £1 to Prasoon Mukherjee.
- 3.4 Special resolutions of the Shareholders were duly passed on 14 December 2006 resolving, *inter alia*, that:
- (a) the authorised share capital of the Company be increased from £2,000 to £5,000,000 by the creation of 4,998,000 Ordinary Shares;
 - (b) all of the issued and unissued Ordinary Shares of £1 each in the capital of the Company be sub-divided into 100 shares of one penny each;
 - (c) authority to allot shares for the purposes of the Placing and the Over-allotment Option to be granted to the Directors;
 - (d) general authority to allot shares be granted to the Directors up to an aggregate nominal amount of £1.4 million; and
 - (e) new articles of association of the Company be adopted.
- 3.5 The authorised, issued and fully paid share capital of the Company as at 14 December 2006 (being the last practicable date prior to the issue of this document), is as set out below:

<u>Class of Shares</u>	<u>Authorised</u>		<u>Issued and fully paid or credited as fully paid</u>	
	<u>Number</u>	<u>Amount (£)</u>	<u>Number</u>	<u>Amount (£)</u>
Ordinary Shares	500,000,000	5,000,000	200	2

- 3.6 Following Admission and the Placing, the authorised and issued share capital of the Company will be as follows:

<u>Class of Shares</u>	<u>Authorised</u>		<u>Issued and fully paid or credited as fully paid</u>	
	<u>Number</u>	<u>Amount (£)</u>	<u>Number</u>	<u>Amount (£)</u>
Ordinary Shares	500,000,000	5,000,000	360,000,000	3,600,000

- 3.7 No capital of the Company is proposed to be issued or is under option or is agreed to be put under option.
- 3.8 The Company does not hold any Ordinary Shares (i.e. treasury shares) and no such shares are held on behalf of the Company or by any of its subsidiaries.
- 3.9 The Company has no outstanding convertible securities, exchangeable securities or securities with warrants.
- 3.10 There are no relevant acquisition rights or obligations over the Company's authorised but unissued capital or undertakings to increase the Company's issued share capital.
- 3.11 The Company does not have in issue any listed or unlisted securities not representing share capital.

4. MEMORANDUM AND ARTICLES OF ASSOCIATION

- 4.1 The Companies Act 1986 (the "1986 Act") of the Isle of Man removed the need for the objects of a company incorporated in the Isle of Man after 1 June 1988 to be set out in the Memorandum of Association of the company, by providing that the company has, subject to the 1986 Act, the capacity and the rights, powers and privileges of an individual. As the Company is a company which was incorporated in the Isle of Man after 1 June 1988, the objects of the Company are not set out in its Memorandum of Association but, pursuant to the 1986 Act, the Company has the capacity and, subject to the 1986 Act, the rights, powers and privileges of an individual.

The Memorandum of Association of the Company does not set out any restrictions on the exercise of the rights, powers and privileges of the Company.

4.2 The Articles were adopted by the Company on 14 December 2006, by way of written special resolution.

4.3 The following is a description of the rights attaching to the Ordinary Shares based on the Articles which have been adopted. The description does not purport to be complete and is qualified in its entirety by the full terms of the Articles.

4.4 The Articles contain, *inter alia*, provisions to the following effect:

(a) Voting rights

Subject to the provisions of the IOM Acts and to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall on a show of hands have one vote and on a poll every member present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote for each share of which he is the holder.

(b) Variation of rights

Subject to the provisions of the IOM Acts, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be, or be about to be, in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles.

(c) Alteration of capital

The Company in general meeting may from time to time by ordinary resolution:

- (i) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (ii) consolidate and/or divide, re-designate or convert all or any of its share capital (whether issued or not) into shares of larger or smaller nominal amount, or into different classes of shares, than its existing shares;
- (iii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (iv) subject to the provisions of the IOM Acts, sub-divide its shares or any of them into shares of smaller nominal value than is fixed by the Memorandum of Association and may by such resolution determine that as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares but so that the proportion between the amount paid up and the amount (if any) not paid up on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

Subject to the provisions of the IOM Acts and to any rights for the time being attached to any shares, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any undistributable reserve in any manner.

Subject to the provisions of the IOM Acts and to any rights for the time being attached to any shares, the Company may enter into any contract for the purchase of any of its own shares of any class (including any redeemable shares) and any contract under which it may, subject to any conditions, become entitled or obliged to purchase all or any of such shares. Any shares to be so

purchased may be selected in any manner whatsoever provided that if at the relevant date proposed for approval of the proposed purchase there shall be in issue any shares of a class entitling the holders to convert into equity share capital of the Company then no such purchase shall take place unless it has been sanctioned by a special resolution passed at a separate general meeting (or meetings if there is more than one class) of the holders of such class of convertible shares.

(d) Transfer of shares

Each member may transfer all or any of his shares, in the case of certificated shares, by instrument of transfer in writing in any usual form or in any form approved by the Board or, in the case of uncertificated shares, without a written instrument in accordance with the Uncertificated Regulations. Any written instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Company's register of members as the holder of the share.

The Board may refuse to register any transfer of a certificated share unless:

- (i) it is in respect of a share which is fully paid up;
- (ii) it is in respect of a share on which the Company has no lien;
- (iii) it is in respect of only one class of shares;
- (iv) it is in favour of a single transferee or not more than four joint transferees;
- (v) it is duly stamped (if so required); and
- (vi) it is delivered for registration to the registered office, or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer where a certificate has not been required to be issued) by the certificate for the shares to which it relates and/or such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so,

provided that such discretion may not be exercised in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Board may from time to time determine (subject to the Uncertificated Regulations in the case of any shares of a class which is a Participating Security being a share or class of shares or a renounceable right of allotment of a share, title to which is permitted to be transferred by means of an Uncertificated System in accordance with the Uncertificated Regulations). Notice of closure of the register of members of the Company shall be given in accordance with the requirements of the Acts.

The Board shall register a transfer of title to any uncertificated share or the renunciation or transfer of any renounceable right of allotment of a share which is a Participating Security held in uncertificated form in accordance with the Uncertificated Regulations, except that the Board may refuse (subject to any relevant requirements applicable to the recognised investment exchange(s) to which the shares of the Company are admitted) to register any such transfer or renunciation which is in favour of more than four persons jointly or in any other circumstance permitted by the Uncertificated Regulations. The Directors have the power to require the sale or transfer or refuse the registration of Ordinary Shares if the sale or transfer of such shares is made other than in compliance with certain US restrictions.

(e) Dividends

Subject to the provisions of the Articles, the Company may, by ordinary resolution, declare that dividends be paid to members, out of profits available for distribution in accordance with Isle of Man law, according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board.

The Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution in accordance with Isle of Man law and the position of the Company. If at any time the share capital of the Company is divided into different classes, the Board may pay such

interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer in consequence of the declaration or by the lawful payment of any interim dividend on any shares ranking after those with preferential rights.

(f) Uncashed and unclaimed dividends

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto by post are returned to the Company undelivered or left uncashed on two consecutive occasions the Company shall not be obliged to send any further dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose. All dividends, interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

(g) Disclosure of substantial interests in shares

Every person who, to his knowledge becomes interested, or becomes aware that he is or has become interested, in three per cent. or more of the shares for the time being in issue of any relevant class of shares of the Company, shall be under obligation to give to the Company notice in writing of that fact, specifying:

- (i) the amount of shares of the relevant class in which he was to his knowledge interested immediately after the obligation arose; and
- (ii) so far as known to him, the identity and address of each registered holder of those shares and the amount of shares then held by each such holder.

Every person who ceases to be interested, or becomes aware that he has ceased to be interested, in three per cent. or more of the shares for the time being in issue of any relevant class of shares of the Company, shall be under an obligation to give to the Company notice in writing of that fact.

Where:

- (i) a person is to his knowledge, interested in three per cent. or more of the shares for the time being in issue of any relevant class of shares of the Company; and
- (ii) there occurs to his knowledge, or he becomes aware that there has occurred, a change in his percentage interest in the shares of that class for the time being in issue;

that person shall be under an obligation to give to the Company notice in writing of the change, specifying:

- (i) the amount of shares of the relevant class in which he was to his knowledge interested immediately after the obligation arose; and
- (ii) so far as known to him, the identity and address of each registered holder of such shares and the amount of shares then held by each such holder.

An obligation to give a notice to the Company (as specified in this paragraph (g)) shall be fulfilled before the end of the second working day after the day on which it arises and is a continuing obligation.

(h) Register of Substantial Interests

The Directors shall keep a register (the Register of Substantial Interests) and shall procure that information covering substantial interests is within three working days thereafter inscribed in the Register of Substantial Interests against that person's name received.

The Register of Substantial Interests shall be kept at the registered office.

(i) Suspension of rights

The Board may at any time serve a notice (Information Notice) upon a member requiring the member to disclose to the Board in writing, within the time period specified, information relating to any beneficial interest of any third party or any other interest of any kind whatsoever which a third party may have in relation to any or all shares registered in the member's name. If a member has been issued with an Information Notice and has failed in relation to any shares the subject of the Information Notice (relevant shares) to furnish any information required by such notice within the time period specified therein, then the Board may at any time following fourteen days from the expiry of the date on which the information required to be furnished pursuant to the relevant Information Notice is due to be received by the Board, serve on the relevant holder a notice (in this paragraph called a disenfranchisement notice) whereupon the following sanctions shall apply:

(i) Voting

the member shall not with effect from the service of the disenfranchisement notice be entitled in respect of the relevant shares to be present or to vote (either in person or by representative or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

(ii) Dividends and transfers

where the relevant shares represent at least 0.25 per cent. in nominal value of their class:

- (1) any dividend or other money payable in respect of the relevant shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect pursuant to the Articles to receive shares instead of that dividend; and
- (2) subject in the case of uncertificated shares to the relevant Uncertificated Regulations, no transfer, other than an approved transfer, of any relevant shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required pursuant to the relevant Information Notice and the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

(j) Minority shareholder protection

(i) A person must not, in circumstances in which that person would thereby effect, or purport to effect, a prohibited acquisition:

- (1) acting by himself or with persons determined by the Board to be acting in concert seek to acquire shares (whether by a series of transactions over a period of time or otherwise), which carry 30 per cent. or more of the voting rights attributable to the shares in the Company; or
- (2) acting by himself or with persons determined by the Board to be acting in concert, hold not less than 30 per cent. but not more than 50 per cent. of the voting rights attributable to the shares in the Company and seek to acquire, by himself or with persons determined by the Board to be acting in concert, additional shares which, taken together with the shares held by the persons determined by the Board to be acting in concert with him, increase his voting rights,

except as a result of a permitted acquisition, which shall be the case if:

- (3) the Board consents to the acquisition (even if, in the absence of such consent, the acquisition would be a prohibited acquisition);
- (4) the acquisition is made in circumstances in which the Takeover Code, if it applied to the Company, would require an offer to be made in accordance with Rule 9 of the Takeover Code as if it so applied, and such offer is made and not subsequently withdrawn;
- (5) the acquisition arises from the repayment of a stock borrowing arrangement (on arm's length commercial terms); or

- (6) as a consequence of the Company redeeming or purchasing its own shares, there is a resulting increase in the percentage of the voting rights attributable to the shares held by a person or persons determined by the Board to be acting in concert and such an increase would constitute a breach of the limits set out in this paragraph (i) above;
- (ii) An acquisition is a Prohibited Acquisition if Rules 4, 5, 6 or 8 of the Takeover Code would, in whole or in part, apply to the acquisition if the Company were subject to the Takeover Code and the acquisition were made (or if not yet made, would if and when made be) in breach of or would otherwise not comply with Rules 4, 5, 6 or 8 of the Takeover Code.
- (k) Power of Board to sell Excess Shares and implement the Takeover Code
- (i) Where the Board has reason to believe that any acquisition has taken place in contravention of paragraph (j) above the Board may do all or any of the following:
- (1) require any member or persons appearing or purporting to be interested in any shares in the Company to provide such information as the Board considers appropriate to determine any of the matters set out in this paragraph, including without limitation the issue of an Information Notice;
 - (2) have regard to such public filings as it considers appropriate to determine any of the matters under paragraph (j);
 - (3) make such determinations under paragraph (j) and this paragraph as it thinks fit, either after calling for submissions from affected members or other persons under (1) above or without calling for such submissions;
 - (4) determine that some or all of the shares held by such members which carry more than 30 per cent. of the voting rights attributable to the shares in the Company (Excess Shares) must be sold;
 - (5) determine that some or all of the Excess Shares will not carry any voting right or right to any dividends or other distributions from a particular time for a definite or indefinite period; or
 - (6) take such other action as it thinks fit for the purposes of paragraph (j) and this paragraph (k), including:
 - prescribing rules (not inconsistent with the Articles);
 - setting deadlines for the provision of information;
 - drawing adverse inferences where information requested is not provided;
 - making determinations or interim determinations;
 - executing documents on behalf of a member;
 - converting any Excess Shares held in uncertificated form into certificated form or vice versa;
 - paying costs and expenses out of proceeds of sale; and
 - changing any decision or determination or rule previously made.
- (ii) The Board has full authority to determine the application of paragraph (j) and this paragraph (k), including as to the deemed application of the whole or any part of the Takeover Code. The Board shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with paragraph (j) or this paragraph (k).
- (l) Winding-up
- The Company shall be automatically wound up on 31 December 2014 unless the period of operation of the Company is extended by a resolution of the Board or by a special resolution passed by 75 per cent. of the members of the Company at a general meeting. The period of operation can be extended by periods of between one and three years up to a total period of

operation of 12 years, after which the Company must be wound up commencing 31 December 2018.

(m) Return of capital

If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding up is paid up on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that as nearly as may be the losses are borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively, subject to the rights attached to any shares which may be issued on special terms or conditions.

If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members but if any division is resolved otherwise than in accordance with such rights the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to Section 222 of the Isle of Man Companies Act 1931. The liquidator may with the like sanction vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine but no member shall be compelled to accept any assets on which there is a liability.

A special resolution sanctioning a transfer or sale to another company duly passed pursuant to Section 222 of the Isle of Man Companies Act 1931 may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

(n) Share issue and pre-emption rights

Subject to the provisions of the IOM Acts, the Articles and any resolution of the Company, the Board may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any unissued shares (whether forming part of the original or any increased capital) to such persons, at such times and generally on such terms as the Board may decide but no share may be issued at a discount.

There are no statutory pre-emption rights under Isle of Man law.

(o) Borrowing powers

Subject to the other provisions of the Articles and the IOM Acts, the Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(p) Directors

The Articles provide that, unless and until otherwise determined by the Company by ordinary resolution the number of Directors (other than any alternate Directors) shall be not less than two or more than 10. A majority of the Directors shall at all times be resident outside either the United Kingdom or India. The Board shall consist of five non-executive directors of whom at least four shall be independent.

Subject to the provisions of the Articles, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy, or as an addition to the existing Board, and may also determine the rotation in which any additional Directors are to retire, but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles.

No person shall be disqualified from being appointed or re-appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age nor shall it be necessary by reason of his age to give special notice of any resolution.

At each annual general meeting, one third of the Directors shall retire from office. A retiring Director shall be eligible for re-election at such annual general meeting.

A Director shall not be required to hold any shares in the capital of the Company by way of qualification.

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £170,000 per annum, which amount shall exclude the fee of £1,000 payable to any Director (other than an alternate Director) each time that Director physically attends a meeting of the Board in the Isle of Man, or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or in default of such determination, equally (except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he holds office). Any fees payable pursuant to such provision shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provisions of the Articles and shall accrue from day to day.

The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with the provisions of the Articles may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to the Articles.

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company.

(q) Directors' interests and indemnity

A Director who to his knowledge is in any way (directly or indirectly) interested in any contract arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

Except as provided below, a Director shall not vote on or be counted in the quorum in relation to any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is or is to be a party and in which he has (directly or indirectly) an interest which is material (other than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through the Company) or a duty which conflicts with the interests of the Company unless his duty or interest arises only because the resolution relates to one of the matters set out in the following subparagraphs in which case he shall be entitled to vote and be counted in the quorum:

- (i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

- (iii) where the Company or any of its subsidiaries is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (iv) relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 198 to 211 of the Isle of Man Companies Act 1985) representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such company;
- (v) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- (vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

An interest of a person who is, for any purpose of the IOM Acts (excluding any such modification thereof not in force when the Articles became binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director otherwise has.

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or termination) of 2 or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

Subject to the IOM Acts, but without prejudice to any indemnity to which he may otherwise be entitled, every Director, alternate Director, secretary or other officer of the Company (other than an auditor) shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution of his duties.

(r) General Meetings

Subject to the provisions of the IOM Acts, annual general meetings shall be held at such time and place as the Board may determine. All general meetings other than annual general meetings, shall be called extraordinary general meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit. At any meeting convened on such requisition (or any meeting requisitioned pursuant to section 113 of the Companies Act 1931) no business shall be transacted except that stated by the requisition or proposed by the Board. If there are not within the Isle of Man sufficient members of the Board to convene a general meeting, any Director or any member of the Company may call a general meeting.

An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or a resolution appointing a person as a Director or a resolution of which special notice has been given to the Company shall be convened by not less than 21 clear days' notice in writing. Other extraordinary general meetings shall be convened by not less than 14 clear days' notice in writing.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a Chairman, which shall not be treated as part of the business of the meeting. Subject to the provisions of the Articles, two persons entitled to attend and to vote on the

business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

If, within five minutes (or such longer interval not exceeding 30 minutes as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting, a quorum is not present or if, during a meeting, such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine, being not less than 14 nor more than 28 days thereafter. If, at such adjourned meeting, a quorum is not present within 15 minutes from the time appointed for holding the meeting, one member present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or if, during the adjourned meeting, a quorum ceases to be present, the adjourned meeting shall be dissolved. The Company shall give at least seven clear days' notice of any meeting adjourned through lack of quorum (where such meeting is adjourned to a day being not less than 14 nor more than 28 days thereafter).

The Board may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world. The members present in person or by proxy at satellite meeting places shall be counted in the quorum for, and entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that members attending at all the meeting places are able to:

- (i) participate in the business for which the meeting has been convened;
- (ii) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place; and
- (iii) be heard and seen by all other persons so present in the same way.

The Chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place.

If, after the sending of notice of a general meeting but before the meeting is held or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board decides that it is impractical or unreasonable, for a reason beyond its control, to hold the meeting at the declared place and/or time, it may change the place and/or postpone the time at which the meeting is to be held. If such a decision is made, the Board may then change the place and/or postpone the time again if it decides that it is reasonable to do so. In either case:

- (i) no new notice of the meeting need be sent, but the Board shall, if practicable, advertise the date, time and place of the meeting in at least two newspapers having a national circulation and shall make arrangements for notices of the change of place and/or postponement to appear at the original place and/or the original time; and
- (ii) a proxy appointment in relation to the meeting may, if by means of an instrument, be delivered to the office or to such other place as may be specified by or on behalf of the Company or, if contained in an electronic communication, be received at the address (if any) specified by or on behalf of the Company, at any time not less than 48 hours before any postponed time appointed for holding this meeting.

5. DIRECTORS AND OTHER INTERESTS

- 5.1 None of the Directors (or any persons connected with them within the meaning of section 346 of the English Companies Act), so far as is known to the Directors or could with reasonable diligence be ascertained by them, has any interests in the issued share capital of the Company which have been notified to the Company as at 14 December 2006, being the last practicable date prior to the issue of this document. No director or such connected person is expected to have any such interests upon Admission other than Aubrey Adams who may acquire up to 150,000 Ordinary Shares.

- 5.2 Save as disclosed in paragraph 5.1 above, none of the Directors has any interest in the share capital or loan capital of the Company or any company in the Group nor does any person connected with the Directors (within the meaning of section 346 of the English Companies Act) have any such interest, whether beneficial or non-beneficial.
- 5.3 None of the Directors or any person connected with them (within the meaning of section 346 of the English Companies Act) is interested in any related financial product referenced to Ordinary Shares (being a financial product where value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares including a contract for difference or a fixed odds bet).
- 5.4 In addition to their directorships in the Company and any other company in the Group, the Directors have held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this document.

<u>Full Name</u>	<u>Current Directorships</u>	<u>Former Directorships</u>	<u>Age</u>
Atul Kapur	None	Wireless Information Networks Limited	43
Aubrey John Adams	Batley Mills Ladieswear Limited Savills Commercial Limited Cordea Savills Investments Limited Cordea Savills Investments Management Limited Davies & Millett Limited Savills (Europe) Limited Foster Bowden Limited FPDSavills Limited Grosvenor Hill Properties Limited Grosvenor Hill Ventures Limited George Stead Limited Savills (L&P) Limited GHV (Llantrisant) Limited NetMortgage Limited Savills plc Savills (Overseas Holdings) Limited SavNet Limited Savills Asset Warehouse 1 Limited Savills Asset Warehouse 2 Limited Shaw Cramond Limited Savills (Dormant 1) Limited Savills (Dormant 2) Limited Savills Finance Holdings plc Savills Finance Limited Savills Financial Services plc S F Securities Limited Savills Investments Limited Savills Investor Syndicate GP Limited S.I.S. No.1 Nominee Limited Savills Private Finance Limited Walker Walton Hanson Limited Associated British Ports Holdings PLC Pinnacle Regeneration Group plc Savills (US) Limited The Wigmore Hall Trust Limited	GHV (Sale) Limited Grosvenor Waterside Group PLC Savills Fund Management Limited Savills Residential Property Company Limited Shiplake Court Enterprises Limited Shiplake Court Limited Trammell Crow Savills (UK) Limited Trammell Crow Savills Limited Trammell Crow Company Limited	57

<u>Full Name</u>	<u>Current Directorships</u>	<u>Former Directorships</u>	<u>Age</u>
Ajay Chandra	Unitech Amusement Parks Ltd Unitech Limited Unitech Hotels Private Ltd Unitech Landmark Developers Ltd MHW Hospitality Ltd Unitech Business Parks Ltd Global Perspectives Ltd Arihant Unitech Realty Projects Ltd Bengal Unitech Universal Infrastructure Pvt. Ltd Kolkata International Convention Centre Ltd Bengal Unitech Universal Townscapes Ltd Bengal Unitech Universal Siliguri Projects Ltd Unitech Developers & Hotels Private Ltd Havelock Properties Ltd International Recreation Prks Pvt. Ltd Valdel Corporation (P) Ltd Mayfair Capital Private Ltd CIG Realty Investor India (P) Ltd CIG Properties Pvt. Ltd CIG Housing Pvt. Ltd Sungrace Products Pvt. Ltd New Kolkata International Development Pvt. Ltd	Unitech Holdings Ltd Unitech Realty Private Ltd Unitech Golf Resorts Ltd	39
Mohammad Yousuf Khan	Bharat Hotels Limited Zee Telefilms Limited Star Health SAIL	J&K Bank Limited	62
Donald Lake	Close High Income Properties PLC Healthcare and Leisure Property Fund PLC Business Centre Properties PLC Rosscarbery Limited CHIP (One) Limited CHIP (Two) Limited CHIP (Three) Limited CHIP (Four) Limited CHIP (Five) Limited CHIP (Six) Limited	Tower Hill Property Company Limited Sands Investment Company Limited Rockbottom Securities Limited Creatra Services Limited Family Investment (One) Limited Galefield Securities Limited Hillgrove Estates Limited Oakacre Limited Ashacre Limited Charlton Holdings Limited Sterling Property Fund PLC North Cape Properties Limited Architypes Limited	62

5.5 No Director:

- (a) has any unspent convictions in relation to indictable offences; or
- (b) has been bankrupt or the subject of an individual voluntary arrangement; or
- (c) has been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or

- (d) has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement; or
 - (e) has owned, or been a partner in a partnership which owned, any asset which, while he owned that asset, or while he was a partner or within 12 months after his ceasing to be a partner in the partnership which owned that asset, entered into receivership; or
 - (f) has been the subject of any public criticism by statutory or regulatory authority (including recognised professional bodies); or
 - (g) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company; or
 - (h) has any convictions in relation to fraudulent offences for at least the previous five years.
- 5.6 No loans made or guarantees granted or provided by any member of the Group to or for the benefit of any Director are outstanding.
- 5.7 No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and which was effected by the Company or any of its subsidiaries and remains in any respect outstanding or unperformed.

6. MAJOR SHAREHOLDERS

- 6.1 Save as set out below, the Directors are not aware of any person who, in accordance with the Company's national law, has a notifiable interest of the Company's capital or voting rights as at 14 December 2006, being the last practicable date prior to the issue of this document and immediately following Admission.

Name	Current		Immediately following Admission	
	Number of Ordinary Shares	Per cent. of Outstanding Ordinary Shares	Number of Ordinary Shares	Per cent. of Outstanding Ordinary Shares
Prasoon Mukherjee . . .	1	50	200	<0.01%
Equity Limited	1	50	0	0

- 6.2 Equity Limited holds the legal title to one Ordinary Share in the Company, the beneficial interest in which is held by Prasoon Mukherjee.
- 6.3 Certain of the above registered holders may be depositaries, which hold Ordinary Shares on behalf of beneficial shareholders. Unless disclosed above, the Company is not aware of the beneficial holders of such shares.
- 6.4 The Company's major shareholders identified in paragraph 6.1 above, as holders of Ordinary Shares, have voting rights proportional to their holdings of such Ordinary Shares. Ordinary Shares carry one vote per Ordinary Share.
- 6.5 Following Admission, the Directors are not aware of any person, directly or indirectly, jointly or severally, who will exercise or could exercise control over the Company.
- 6.6 There are no arrangements known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

7. DIRECTORS' SERVICE AGREEMENTS AND TERMS OF APPOINTMENT

7.1 Executive Directors

The Company has no executive directors.

7.2 Non-Executive Directors

- (a) Atul Kapur has been engaged by the Company as a non-executive Chairman under a letter of appointment dated 6 December 2006. The engagement is terminable at the will of the parties. A fee of £60,000 per annum is payable under the letter. Atul Kapur's appointment will terminate automatically if he is not re-elected to his position by the Shareholders.

- (b) Aubrey John Adams has been engaged by the Company as a non-executive Director under a letter of appointment dated 6 December 2006. The engagement is terminable at the will of the parties. A fee of £35,000 per annum is payable under the letter. Aubrey Adams' appointment will terminate automatically if he is not re-elected to his position by the Shareholders.
- (c) Ajay Chandra has been engaged by the Company as a non-executive Director under a letter of appointment dated 6 December 2006. The engagement is terminable at the will of the parties. A fee of £25,000 per annum is payable under the letter. Ajay Chandra's appointment will terminate automatically if he is not re-elected to his position by the Shareholders.
- (d) Mohammad Yousuf Khan has been engaged by the Company as a non-executive Director under a letter of appointment dated 6 December 2006. The engagement is terminable at the will of the parties. A fee of £25,000 per annum is payable under the letter. Mohammad Khan's appointment will terminate automatically if he is not re-elected to his position by the Shareholders.
- (e) Donald Lake has been engaged by the Company as a non-executive Director under a letter of appointment dated 6 December 2006. The engagement is terminable at the will of the parties. A fee of £25,000 per annum is payable under the letter. Donald Lake's appointment will terminate automatically if he is not re-elected to his position by the Shareholders.

Each Director will receive a sitting fee of £1,000 for each board meeting that he attends physically. In addition, Donald Lake will receive a fee of £1,000 for each occasion that he travels to Mauritius to attend a board meeting of either Candor or any of the Mauritian Subsidiaries.

The Company shall reimburse each Director for all reasonable travelling, hotel, entertainment, out of pocket and other expenses wholly and exclusively and necessarily incurred by them in the proper performance of their duties.

There are no service agreements in existence between any of the Directors and the Company or any of its subsidiaries which cannot be determined by the employing company without payment of compensation (other than statutory compensation) within one year.

There is no arrangement under which any Director has waived or agreed to waive future emoluments.

There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Director was selected as a member of the Company's administrative, management or supervisory bodies or as a member of senior management.

The date of appointment of each Director is as follows:

<u>Name</u>	<u>Date of Appointment</u>
Atul Kapur	4 December 2006
Aubrey John Adams	4 December 2006
Ajay Chandra	13 November 2006
Mohammad Yousuf Khan	4 December 2006
Donald Lake	30 November 2006

The Directors do not have a fixed term of office, however, one third of the Directors must retire by rotation at each annual general meeting of the Company.

8. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiaries within, the two years preceding the date of this document and are or may be material:

(a) Underwriting Agreement

Pursuant to an underwriting agreement dated 14 December 2006 between the Company, the Investment Manager, the Directors and the Underwriters:

- (i) the Company has appointed Deutsche Bank and Morgan Stanley as Joint Global Co-ordinators, Joint Bookrunners and Underwriters to the Placing;

- (ii) the Company has agreed, subject to certain conditions, to issue the Ordinary Shares to be issued under the Placing at the Placing Price;
- (iii) the Underwriters have severally agreed, subject to certain conditions that are typical for an agreement of this nature, including Admission and the continued accuracy of the representations and warranties given in the Underwriting Agreement, to procure subscribers for or, failing which, the Underwriters have severally agreed to subscribe for themselves, the Ordinary Shares to be issued and sold under the Placing at the Placing Price;
- (iv) the Company has agreed to pay to the Joint Global Co-ordinators a commission of 3.0 per cent. (and at the sole discretion of the Company an additional fee of up to 1.0 per cent.) of the amount equal to the Placing Price multiplied by the number of Ordinary Shares which the Joint Global Co-ordinators have agreed to procure subscribers for, or failing which the Underwriters subscribe themselves, pursuant to the terms of the Underwriting Agreement;
- (v) the Joint Global Co-ordinators may terminate the Underwriting Agreement in certain circumstances that are typical for an agreement of this nature prior to Admission. These circumstances include the occurrence of a material adverse effect on the condition (financial or otherwise), management, assets or prospects of the Company or the Group and certain changes in financial, political or economic conditions (as are more fully set out in the Underwriting Agreement);
- (vi) the Company has agreed to pay (in the portions as set out in the Underwriting Agreement) by way of reimbursement to the Joint Global Co-ordinators or as otherwise set out in the Underwriting Agreement, any stamp duty or stamp duty reserve tax arising on the issue of Ordinary Shares by them under the Placing;
- (vii) the Company has agreed to pay or cause to be paid (together with any related value added tax) certain costs, charges, fees and expenses of, or in connection with, or incidental to, amongst others, the Placing, Admission or the other arrangements contemplated by the Underwriting Agreement;
- (viii) the Company and the Investment Manager have given certain representations, warranties, undertakings and indemnities to the Underwriters. The Directors have each given certain representations, warranties and undertakings to the Underwriters, subject to certain limitations;
- (ix) the indemnity in respect of the representations and warranties given by the Investment Manager to the Underwriters is supported by a “keep well” agreement, pursuant to which Unitech Limited has agreed to keep the Investment Manager sufficiently capitalised to discharge all of its obligations in respect of a claim in respect of the representations and warranties of the Investment Manager; and
- (x) the Company has undertaken, amongst other things, not to issue, offer, pledge, sell, contract to sell or grant any option to purchase any Ordinary Shares (or any interest therein or in respect thereof) for a period of 180 days from Admission, and each of the Directors has undertaken not to sell any Ordinary Shares (or any interest therein or in respect thereof) for a period of one year from Admission, in each case, save for certain exceptions including any disposal or disposition arising on the death of a Director, pursuant to an intervening court order or in acceptance of a general offer made to shareholders of the Company to acquire all the issued and allotted ordinary shares of the Company without the prior written consent of each of the Joint Global Co-ordinators.

(b) Nominated Adviser and Broker Agreement

A nominated adviser and broker agreement dated 14 December 2006 between the Company and Deutsche Bank sets out the terms on which Deutsche Bank has agreed to act as the Company’s nominated adviser and broker as required by the AIM Rules. In its capacity as nominated adviser, Deutsche Bank has agreed to provide, *inter alia*, advice and guidance to the Directors as to their responsibilities and obligations to ensure compliance by the Company with the AIM Rules. The Nominated Adviser and Broker Agreement is terminable by either party on 45 days’ notice.

(c) Share Subscription and Purchase Agreements

On 14 December 2006, each of the Mauritian Subsidiaries entered into a share subscription and purchase agreement (each an “SSPA” and together, the “SSPAs”) with the SPV to be acquired by

such Mauritian Subsidiary and the existing shareholder of such SPV (each a “Seller” and together, the “Sellers”) which sets out the terms on which the Mauritian Subsidiaries have agreed to purchase and subscribe for shares in the SPVs. The purchases of, and subscriptions for, shares under the SSPAs are subject to certain customary conditions precedent, including all representations and warranties remaining true and correct, and each party to the SSPA having taken all necessary corporate action to authorise the sale and issue of the shares.

In addition, the sale and purchase of the shares is conditional upon the receipt by the Mauritian Subsidiary of its TRC, and certain other project specific conditions precedent.

Pursuant to the terms of the SSPAs, the Sellers have made customary representations and warranties with respect to title to the shares as well as representations and warranties with regard to the accounts and financial information of the SPVs, solvency, material capital commitments, material contracts, absence of material litigation, title to land and the approvals in respect of the projects being developed by such SPVs. In those SSPAs in which Unitech Limited is not the Seller, Unitech Limited agrees to give certain representations and warranties in respect of the land and the project. The Seller, and, where applicable, Unitech Limited as guarantor, agree to indemnify the Mauritian Subsidiary against all direct losses suffered as a result of the breach by the Seller and/or Unitech Limited of their respective warranties. In addition, the Seller agrees to indemnify the Mauritian Subsidiary against losses arising from the Seller’s fraud, negligence or wilful or material breach of the SSPA. The SSPAs are governed by the laws of India.

(d) Shareholders’ Agreements

Shareholders’ agreements dated 14 December 2006 have been entered into between, respectively, Candor, a Mauritian Subsidiary, a Unitech Group member (“Unitech Shareholder”) and the SPV in which the Mauritian Subsidiary and the Unitech Shareholder will hold shares (each, a “Shareholders’ Agreement”). Each of the Shareholders’ Agreements sets out the rights and obligations of the Mauritian Subsidiary and the relevant Unitech Shareholder as shareholders in the relevant SPV. The Shareholders’ Agreements are governed by the laws of India.

Under the terms of each of the Shareholders’ Agreements:

- (i) each Shareholders’ Agreement comes into effect upon the issue and transfer of shares in the SPV to the Mauritian Subsidiary pursuant to the applicable SSPA and shall remain in force until (1) the Unitech Shareholder ceases to hold at least 26 per cent. of the paid-up equity share capital in the SPV or (2) termination occurs in accordance with the provisions of the Shareholders’ Agreement;
- (ii) the SPV shall not issue any new equity shares unless it has first offered such equity shares to the Unitech Shareholder and the relevant Mauritian Subsidiary on a *pro rata* basis in accordance with each entity’s pre-existing shareholding in the SPV;
- (iii) for as long as the Mauritian Subsidiary is the majority shareholder of the SPV, it shall be entitled to nominate the majority of directors to the board;
- (iv) the relevant SPV will not be permitted to carry out certain actions without the vote or prior written consent of the Mauritian Subsidiary and the Unitech Shareholder. Such joint consent items include issuing shares, amending the articles of association of the SPV, making acquisitions, changing the capital structure, appointing additional directors and changing the business plan or the accounting policies of the SPV;
- (v) the Mauritian Subsidiary’s rights under the Shareholders’ Agreement shall continue in full force and effect so long as it continues to maintain the largest shareholding in the SPV. A Unitech Shareholder’s rights under the Shareholders’ Agreement shall continue provided that it holds at least 26 per cent. of the shares in the SPV;
- (vi) the Mauritian Subsidiary shall not, without the consent of the Unitech Shareholder, transfer its shares to any of a number of specified Indian developers who are competitors of Unitech;
- (vii) subject to certain conditions, the shareholders shall have tag along and drag along rights, and, after the third anniversary of the effective date of the Shareholders’ Agreement, the Mauritian Subsidiary shall have the right to require the Unitech Shareholder to publicly list its shares in the SPV through an initial public offering; and

(viii) all decisions as to dividends (if any) shall be made by the board of directors of the SPV.

(e) Investment Management Agreement

The Investment Management Agreement is summarised in Part 3 of this document.

(f) Project Management Agreements

The Project Management Agreements are summarised in Part 3 of this document.

(g) IST JDA

The IST JDA is summarised in Part 2 of this document.

(h) Infra-Con JDA

The Infra-Con JDA is summarised in Part 2 of this document.

(i) K1 JDA

The K1 JDA is summarised in Part 2 of this document.

(j) The Isle of Man Administration Agreement

The Isle of Man Administration Agreement dated 14 December 2006 entered into between the Company and the IOM Administrator sets out the terms on which the IOM Administrator has agreed to provide the Company with financial administrative, registrar and company secretarial services for an annual fee. The fee will be subject to annual review. The Isle of Man Administration Agreement may be terminated by the IOM Administrator on six months' notice and by the Company on three months' notice. The Administrator has agreed to provide a suitably qualified individual to act as secretary of an Isle of Man public company. The Company has agreed to indemnify the Administrator against liability arising out of its appointment other than liability arising in the case of wilful breach of duty, negligence, fraud or breach of contract on the part of the Administrator or any of its servants or agents.

(k) The Mauritius Administration Agreement

The Mauritian Administration Agreement dated 14 December 2006 entered into between Candor and the Mauritian Administrator sets out the terms on which the Mauritian Administrator has agreed to provide Candor and the Mauritian Subsidiaries with financial administration, company formation, management and secretarial services for an annual fee of US\$66,450 in respect of work undertaken for Candor and each Mauritian Subsidiary. The Mauritian Administration Agreement is terminable by either Candor or the Mauritian Administrator on 90 days' notice. Candor has agreed to indemnify the Mauritian Administrator against liability arising out of its appointment other than liability arising in the case of fraud, bad faith, wilful default or negligence on the part of the Mauritian Administrator or any of its designates.

9. EMPLOYEES

The Company has no employees.

10. WORKING CAPITAL

The Directors, having made due and careful enquiry, are of the opinion that following Admission and after taking into account the net proceeds of the Placing receivable by the Company, the working capital available to the Company and the Group will, from the date of Admission, be sufficient for its present requirements, that is, at least for the period of 12 months from Admission.

11. SIGNIFICANT CHANGES

Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group from 15 November 2006, being the date to which the accountants' reports on the Company set out in Part 8 of this document, were prepared, to 14 December 2006, the last practical date prior to publication of this document.

12. LITIGATION

There are no governmental, legal or arbitration proceedings, whether active, pending or threatened against, or being brought by, the Company or any member of the Group during the previous 12 months which may have, or have had in the recent past, significant effects on the financial condition or profitability of the Company or the Group.

13. GENERAL

- (a) Save as disclosed in Part 2, the Company has no significant investments in progress.
- (b) There have been no public takeover bids by third parties in respect of the Company's equity, which have occurred during the last financial year and the current financial year.
- (c) The total costs, charges and expenses payable by the Company in connection with or incidental to the Placing (assuming no exercise of the Over-allotment Option) and Admission (including registration and stock exchange fees, fees for printing, advertising and distribution costs, legal and accounting fees, and those fees and commissions payable pursuant to the agreements described in paragraph 8 (Underwriting Agreement) above are estimated to amount to approximately £16.56 million. The net proceeds of the Placing (assuming no exercise of the Over-allotment Option) receivable by the Company are estimated to be £343.44 million.
- (d) Save as set out in section 1 of Part 9 and except for fees payable to the professional advisers whose names are set out on pages 2 and 3 above, no person has:
- (i) received, directly or indirectly, from the Company within the 12 months preceding the application for Admission; or
 - (ii) entered into any contractual arrangement (not otherwise disclosed in this Part 11) to receive directly or indirectly, from the Company, on or after Admission;
- any of the following:
- fees totalling £10,000 or more; or
 - securities in the Company with a value of £10,000 or more calculated by reference to the expected opening price on Admission; or
 - any other benefit with a value of £10,000 or more at the date of Admission.
- (e) KPMG LLC (whose registered office is set out on page 3 of this document), who are members of the Isle of Man Institute of Chartered Accountants, were appointed as auditors of the Company on 6 December 2006. Prior to such appointment, as the Company was formed on 6 September 2006, no auditors had been appointed.
- (f) JLL has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports contained in Part 5 and Part 7 of this document and the references to such reports and to its name in the form and context in which they appear and has accepted responsibility for the contents of such reports.
- (g) KPMG LLP has given and has not withdrawn its written consent to the inclusion of its report set out in Part 8 of this document in the form and context in which it appears and has authorised the content of such report for the purposes of Schedule Two of the AIM Rules.
- (h) The arrangements for paying for the Placing Shares are summarised in Part 9 of this document and in the Underwriting Agreement.
- (i) Copies of this document will be available free of charge, from the offices of the Company, Morgan Stanley, at 25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom and Deutsche Bank, at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom, during normal business hours on any weekday (excluding bank holidays) for a period of not less than one month from the date of Admission.

GLOSSARY

“BPO”	business process outsourcing;
“ECB”	external commercial borrowings;
“FAR”	floor area ratio;
“FDI”	foreign direct investment;
“FSI”	floor space index;
“GDP”	gross domestic product;
“IT”	information technology;
“ITES”	information technology enabled services;
“IT Park”	a business park specialising in providing office space and facilities to the IT and ITES industries;
“JDA”	joint development agreement;
“NCR”	National Capital Region (which encompasses Delhi and the surrounding areas including Faridabad, Gurgaon, Gaziabad, Noida and Greater Noida);
“REDC”	real estate development company; and
“REIT”	real estate investment trust.

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“1986 Act”	the Companies Act 1986 of the Isle of Man;
“Admission”	the effective admission of the entire ordinary share capital of the Company, issued and to be issued, to trading on AIM becoming effective as provided in the AIM Rules;
“affiliate”	in respect of a company, means a company that is controlled by, or is under common control with, that company;
“AIM”	AIM, a market operated by the London Stock Exchange;
“AIM Rules”	the rules for AIM companies and their nominated advisers issued by the London Stock Exchange governing admission to, and the operation of, AIM;
“Articles”	the articles of association of the Company;
“Audit Committee”	the audit committee of the Board from time to time;
“Board”	the board of Directors of the Company for the time being, including any duly constituted committee of the Directors;
“Board of Approval”	the board of approval constituted under the SEZ Act;
“Broker”	Deutsche Bank acting in such capacity, details of which are set out on page 143 of this document;
“BUUIPL”	Bengal Unitech Universal Infrastructure Private Limited;
“Candor”	Candor Investments Limited;
“Civil Code”	the Indian Code of Civil Procedure, 1908;
“Combined Code”	the code of best practice, including the principles of good governance, set out in the Combined Code on Corporate Governance published in July 2003 by the Financial Reporting Council;
“Company”	Unitech Corporate Parks Plc;
“CPCB”	the Indian Central Pollution Control Board;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
“Deutsche Bank”	Deutsche Bank AG, London Branch;
“DIPP”	the Indian Department of Industrial Policy and Promotion Ministry of Commerce and Industry, Government of India;
“Directors”	the directors of the Company whose full names appear on page 2 of this document;
“Distribution Date”	date of the distribution of the assets of the Company, if any, upon liquidation;
“DTAA”	the India-Mauritius Double Taxation Avoidance Agreement;
“Easements Act”	the Indian Easements Act, 1882;
“ECB Guidelines”	the ECB guidelines issued by the RBI on 1 July 2006 (RBI/2006-07/25 Master Circular No./07/2006-07);

“EIA Notification”	the Indian Environment Impact Assessment Notification S.O.60(E), issued on 27 January 1994 under the provisions of the Environment (Protection) Act 1986, as amended from time to time;
“English Companies Act”	the Companies Act 1985 (as amended);
“EU”	the European Union;
“FDI Policy”	the Indian Foreign Direct Investment Policy issued in April 2006 by the DIPP;
“FDI Regulations”	the regulations governing foreign direct investment in India, including the FDI Policy;
“FEMA”	the Indian Foreign Exchange Management Act 1999;
“FEMA Regulations”	the Indian Foreign Exchange Management (Transfer of Issue of Security to Persons resident outside India) Regulations 2000 (as amended from time to time);
“FIPB”	the Indian Foreign Investment Promotions Board;
“FSA”	the Financial Services Authority;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“G1-ITC”	the Seed Portfolio Asset located in Gurgaon described on page 34 of this document;
“G1-ITC Design Agreement”	the design services agreement in respect of G1-ITC entered into between Unitech and Callison Architecture, Inc. on 6 September 2006;
“G2-IST”	the Seed Portfolio Asset located in Gurgaon described on page 35 of this document;
“GBC1”	in respect of Mauritian companies, Global Business Category 1;
“GIL”	Gurgaon InfoSpace Limited;
“Group”	the Company and its direct and indirect subsidiaries;
“HMRC”	Her Majesty’s Revenue and Customs;
“HOK”	Hellmuth, Obata and Kassabamm, Inc.;
“IAA”	the Indian Impact Assessment Authority;
“IFRS”	International Financial Reporting Standards;
“Income Tax Act”	the Indian Income Tax Act 1961;
“Indian Investment Adviser”	Shantiniketan Buildwell Limited;
“Infra-Con JDA”	the joint development agreement between Unitech UICL and Sparrow Properties Limited entered into on 14 December 2006;
“Investment Management Agreement”	the agreement between the Company, Candor and the Investment Manager dated 14 December 2006 relating to the provision of investment management services;
“Investment Manager”	Nectrus Limited;
“Investment Policy”	the investment policy of the Company;
“Investor”	each person to whom the terms and conditions of the Placing apply;
“IOM Acts”	the Isle of Man Companies Acts 1931 to 2004, as amended;
“IP Scheme”	the scheme pursuant to Notification S.O.354(E) dated 1 April 2002 by the DIPP in respect of industrial parks;
“IRR”	internal rate of return;

“IST JDA”	joint development agreement between Unitech, ISTL, UDPL and GIL entered into on 16 November 2006;
“ISTL”	IST Limited;
“IT Act”	the Indian Income Tax Act, 1961;
“IT SEZ”	Special Economic Zones dedicated to IT and ITES industries (as described under the SEZ Act);
“JLL”	Jones Lang LaSalle Property Consultants (India) Pvt Ltd;
“Joint Global Co-Ordinators”	Deutsche Bank and Morgan Stanley;
“K1”	the Seed Portfolio Asset located in Kolkata described on page 39 of this document;
“K1 JDA”	joint development agreement between UHTSL and BUUIPL dated 14 December 2006;
“LA Act”	the Land Acquisition Act, 1894;
“Listing Rules”	the Listing Rules published by the Financial Services Authority;
“London Stock Exchange”	London Stock Exchange plc;
“LTV”	loan to value;
“Mauritian Subsidiaries”	the direct shareholders of the SPVs which at the date of this document are Acacia Properties Inc., Dotterel Estates Ltd, Gladiolys Realty Inc., Myna Holdings Limited, Sparrow Properties Limited, and Tulipa Investments Inc.;
“Model Code”	the Model Code;
“MoEF”	the Indian Ministry of Environment and Forests;
“Morgan Stanley”	Morgan Stanley & Co. International Limited;
“MRA”	Mauritius Revenue Authority;
“N1”	the Seed Portfolio Asset located in Noida described on page 36 of this document;
“N2”	the Seed Portfolio Asset located in Noida described on page 37 of this document;
“N3”	the Seed Portfolio Asset located in Greater Noida described on page 38 of this document;
“Noida”	New Okhla Industrial Development Authority;
“Nominated Adviser and Broker Agreement”	the agreement dated 14 December 2006 between the Company and Deutsche Bank acting as nominated adviser and broker to the Company, further details of which are set out in section 8 of Part 11 of this document;
“Official List”	the Official List of the FSA;
“Ordinary Shares”	the ordinary shares of one penny each in the share capital of the Company;
“Over-allotment Option”	the option granted to Deutsche Bank to require the Company to issue up to 53,999,970 additional Ordinary Shares at the Placing Price, inter alia, to cover over-allotments or further allotments, if any, in connection with the Placing and to cover short positions resulting from stabilisation transactions, as contained in the Underwriting Agreement;
“Over-allotment Shares”	up to 53,999,970 additional Ordinary Shares to be made available under the Over-allotment Option;

“Panel”	the Panel on Takeovers and Mergers of the United Kingdom;
“Participating Security”	has the meaning ascribed to it in section 4 of Part 11 of this document;
“Performance Fee”	the performance fee payable to the Investment Manager pursuant to the Investment Management Agreement calculated by reference to the amount by which the internal rate of return on an investment in a project exceeds certain performance benchmarks;
“PFIC”	passive foreign investment company;
“Placees”	subscribers for Placing Shares procured by the Underwriters on behalf of the Company pursuant to the Underwriting Agreement;
“Placing”	the conditional placing of the Placing Shares at the Placing Price pursuant to the Underwriting Agreement;
“Placing Price”	100 pence per Placing Share;
“Placing Shares”	the Ordinary Shares to be allotted to and placed with institutional investors pursuant to the Placing, such allotment being conditional on Admission;
“Press Note 2”	Press Note 2 (2005 Series) dated 2 March 2005 issued by the DIPP;
“Processing Area”	has the meaning ascribed to it under the provisions of the SEZ Act;
“Project IRR”	has the meaning ascribed to it in section 1 of Part 3 of this document;
“Project Management Agreements”	the project management agreements between each of the SPVs and the Project Manager;
“Project Manager”	Unitech Limited;
“Prospectus Directive”	EU Directive 2003/17/EC, including any implementing measure in any Relevant Member State;
“QIB”	qualified institutional buyer;
“Qualified Institutional Buyer”	has the meaning given by Rule 144A under the Securities Act;
“Qualifying Projects”	has the meaning ascribed to it in section 2 of Part 3 of this document;
“RBI”	the Reserve Bank of India;
“Registrar”	Chamberlain Fund Services Limited;
“Registration Act”	the Indian Registration Act, 1908;
“Regulation S”	Regulation S under the Securities Act;
“Relevant Member State”	any member state of the European Economic Area which has implemented the Prospectus Directive;
“Right of First Refusal Agreement”	the right of first refusal agreement dated 14 December 2006 entered into between Candor and Unitech in respect of future Qualifying Projects;
“Rs.” or “Rupees”	Rupees, being the lawful currency for the time being of India;
“SCB”	scheduled commercial bank;
“SDL”	Seaview Developers Limited;
“SDRT”	Stamp Duty Reserve Tax;
“Securities Act”	the US Securities Act of 1933, as amended;
“Seed Portfolio Assets”	the real estate assets of the Company referred to in Part 2 of this document;
“Sellers”	existing shareholders of the SPVs;

“SEZ”	Special Economic Zone;
“SEZ Act”	the Indian Special Economic Zone Act 2005;
“SEZ Rules”	the rules governing SEZs as provided for in the SEZ Act;
“Shareholder(s)”	holder(s) of Ordinary Shares;
“Shareholders’ Agreements”	shareholder’s agreements entered into between Candor, each of the Mauritian Subsidiaries, the SPVs and the Sellers on 14 December 2006;
“SPCB”	the Indian State Pollution Control Board;
“SPL”	Shantiniketan Properties Limited;
“SPVs”	the companies incorporated in India which have invested or will invest directly in development projects and which as at the date of this document are Unitech Realty Projects Limited, Seaview Developers Limited, Unitech Developers and Projects Limited, Unitech Infra-Con Limited, Shantiniketan Properties Limited and Unitech Hi-Tech Structures Limited;
“SSPAs”	share subscription and purchase agreements entered into between each of the Mauritian Subsidiaries and the Sellers on 14 December 2006;
“Stamp Act”	the Indian Stamp Act, 1899;
“subsidiary”	in respect of a company, means any other company that is controlled, directly or indirectly, by that company;
“Takeover Code”	the Takeover Code on Takeovers and Mergers;
“Taxes Act”	the UK Income and Corporation Taxes Act 1988;
“TCPD”	the Indian Town and Country Planning Department;
“TP Act”	the Transfer of Property Act, 1882;
“TRC”	Mauritian Tax Residence Certificate;
“UDPL”	Unitech Developers and Projects Limited;
“UHTSL”	Unitech Hi-Tech Structures Limited;
“UICL”	Unitech Infra-Con Limited;
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the Uncertificated Securities, may be transferred by means of CREST;
“Uncertificated Regulations”	means the Isle of Man Uncertificated Securities Regulations 2005;
“Underwriters”	Deutsche Bank and Morgan Stanley and each an “Underwriter”;
“Underwriting Agreement”	an underwriting agreement dated 14 December 2006 between the Company, the Investment Manager, the Directors, the Joint Global Co-ordinators and the Underwriters;
“Unitech”	Unitech Limited;
“Unitech Group”	Unitech and its direct and indirect subsidiaries;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“URPL”	Unitech Realty Projects Limited;
“USA” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
“US\$” or “US Dollars”	US dollars, the lawful currency for the time being of the USA;

“US GAAP”	generally accepted accounting principles in the US;
“Valuation Report”	the Valuation Report produced by JLL dated 15 December 2006 set out in Part 5 of this document;
“WBHIDCO”	West Bengal Housing and Infrastructure Development Corporation Limited; and
“£” or “Pounds”	Pounds sterling, the lawful currency for the time being of the United Kingdom.

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