

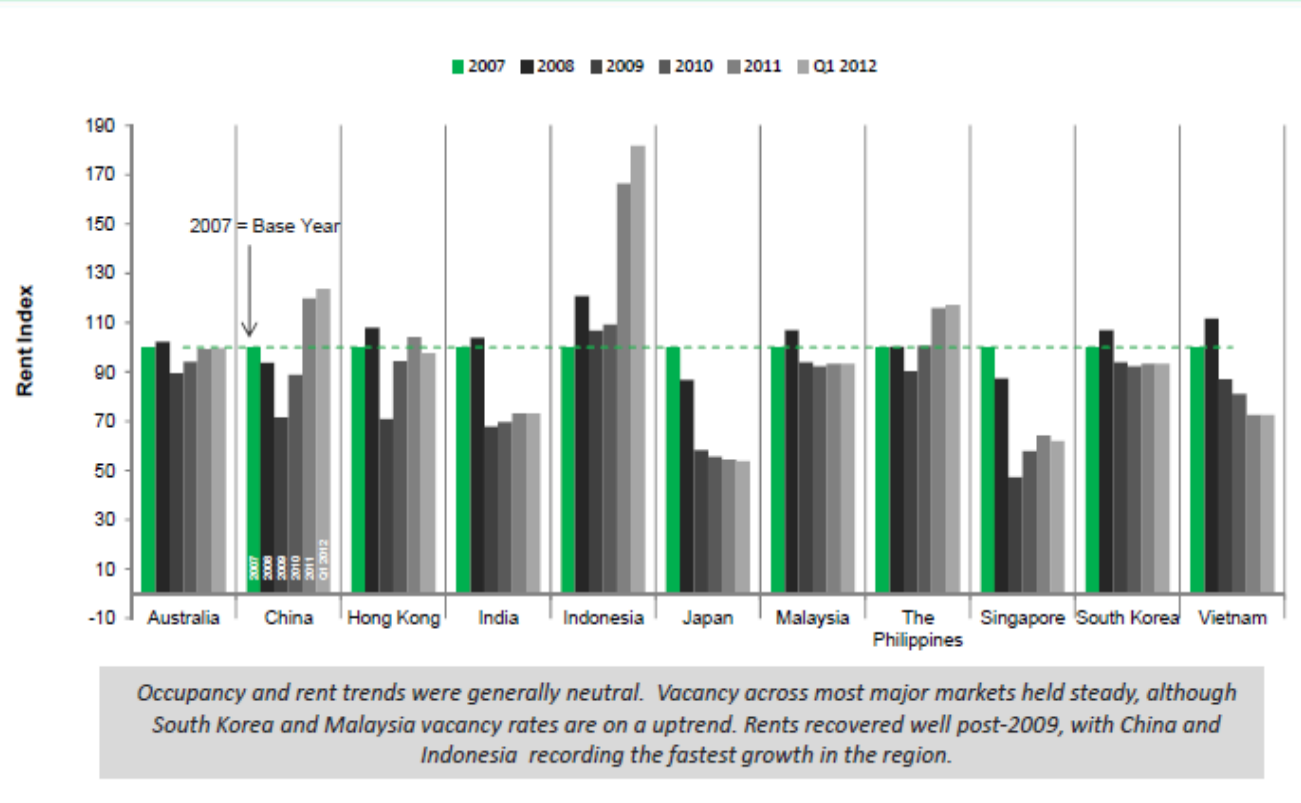
REAL ESTATE DISCUSSION 29-Nov-2012

Credits:

- HSR Property Consultants Report
- KPMG Real Estate Market Brief I& II – 2012
- Jones Lang Lasalle Report – 2012
- Acuity Partners / AVN Associates
- JB Securities

Regional Comparisons

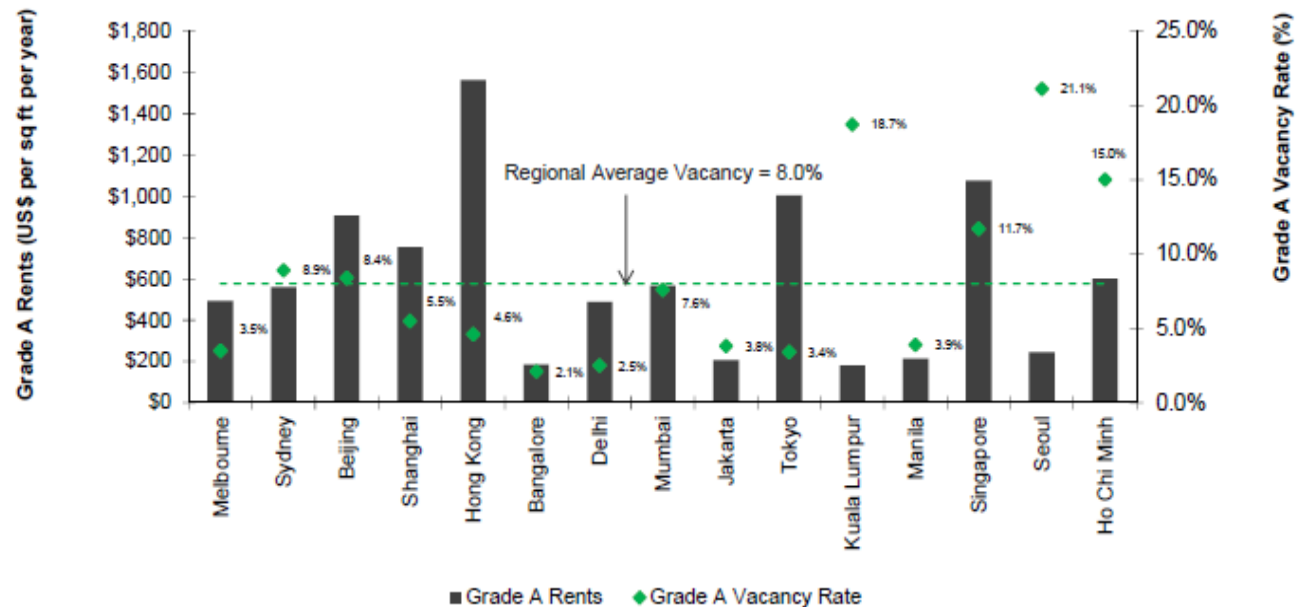
Asia-Pacific Office Market Overview Grade A Rental Rate Growth



- Clear downturn post GFC, but slow pick up since
- Vietnam outlier

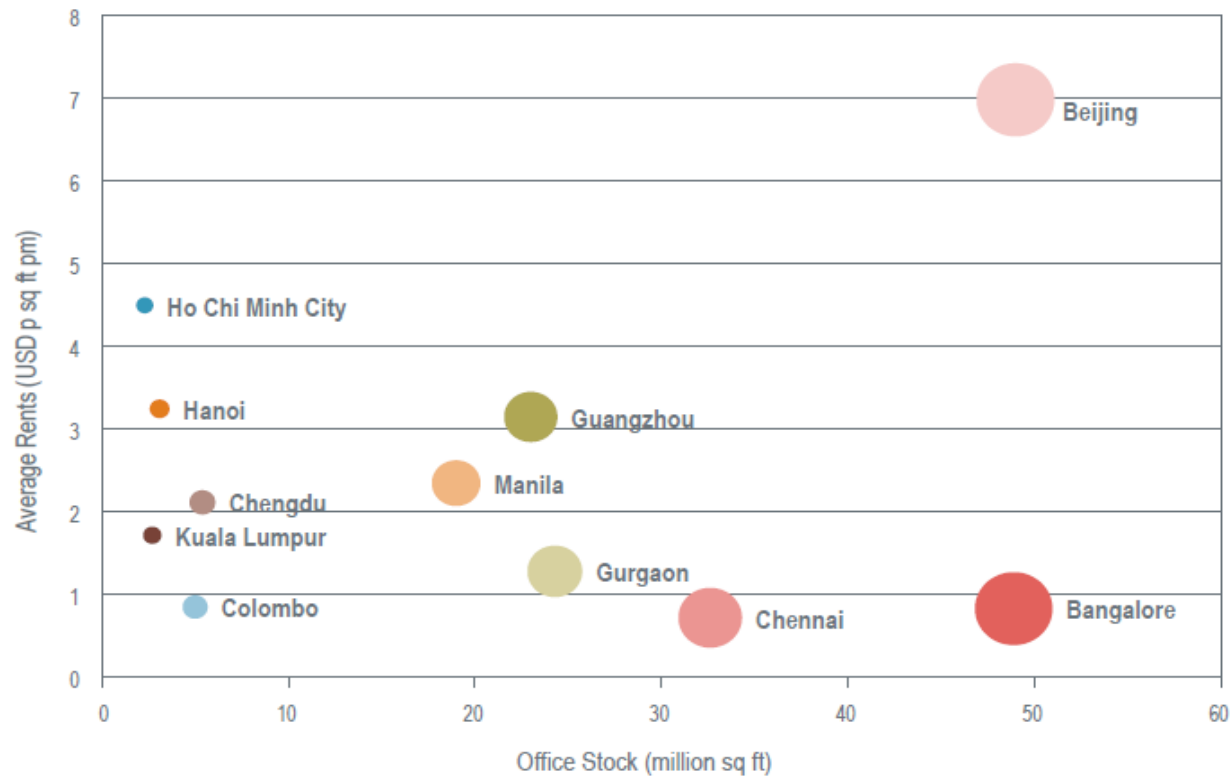
Regional Comparisons

Asia-Pacific Office Market – CBD Q1 2012 Grade A Rental vs Overall Vacancy Rates



- Rental yields still far higher than SL for grade A
- Little correlation between vacancy rates and yield

Regional Comparisons



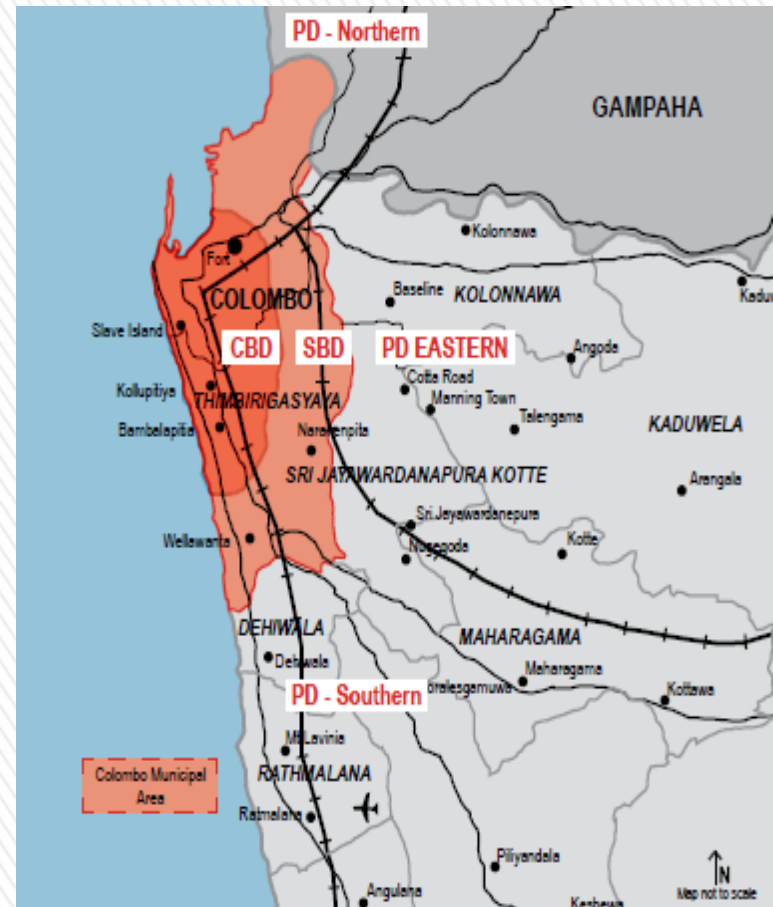
Source: Jones Lang LaSalle, 4Q11 | Note: The size of the bubble indicates the office stock (Net Lettable Area) in these cities. 1 USD = 130.24 LKR (As of March 23, 2012)

- Indian Southern state more in line with SL?



Colombo District

- CBD + SBD ~ 2.5sqft of Grade A and a further ~2.5sqft of Grade B
- Currently ~ 765,000 sqft under construction (ready between 2012-2015)
- > 6mn sq ft under approval
- CBD+SBD average rental yields ~ Rs 100-150 (WTC ~ 260) / sqft/m
- Galle Rd/Union place ~ Rs 75-140 /sqft/m, Orion ~ Rs 110



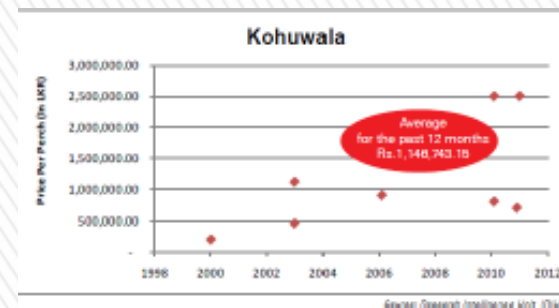
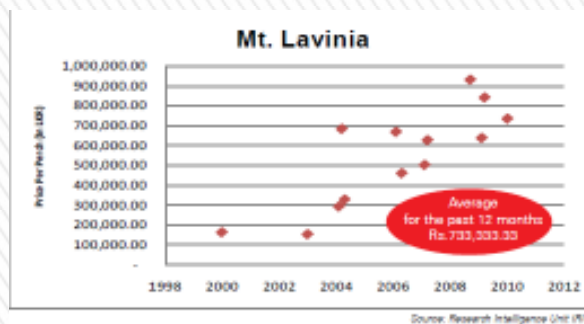
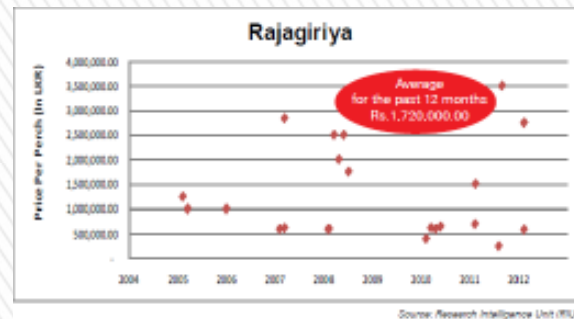
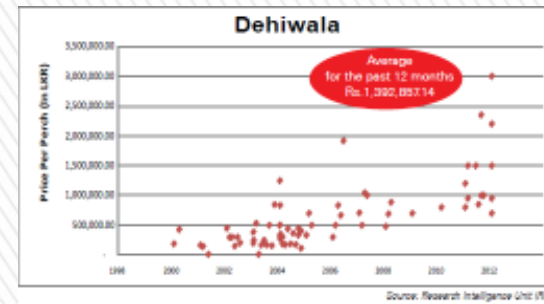
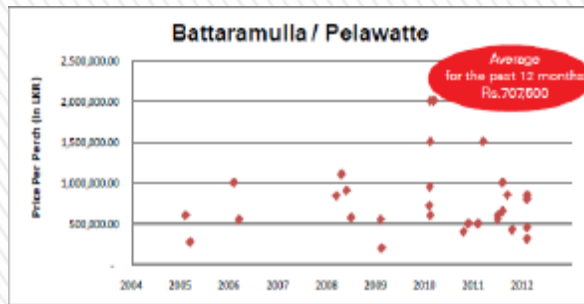
UDA Land Bank



Setting a higher standard

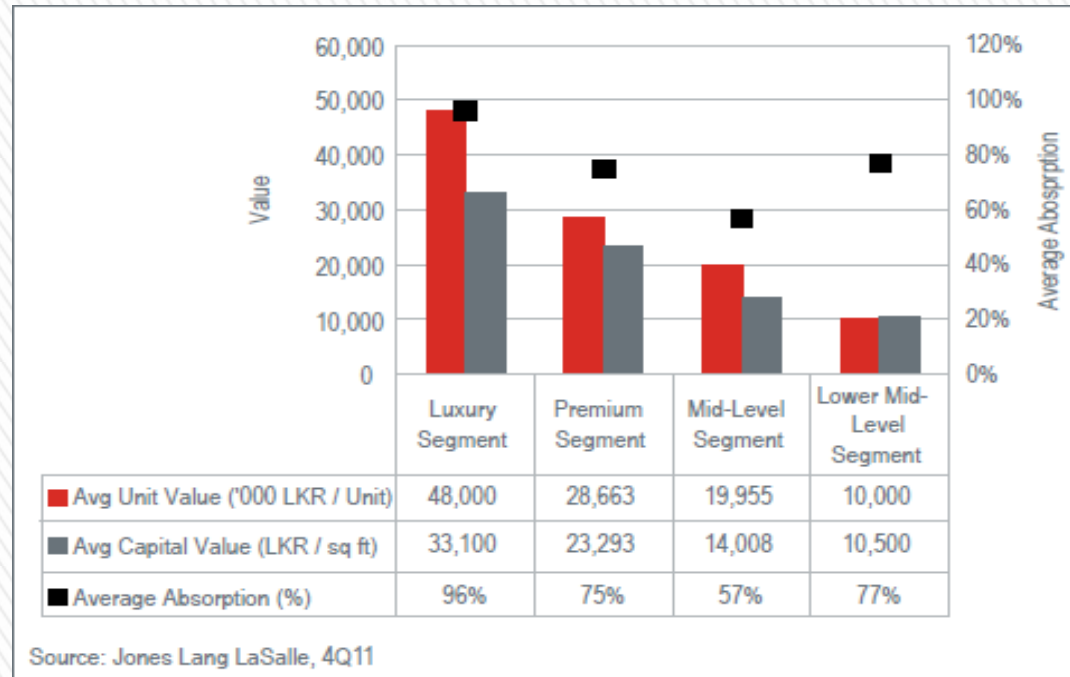
Land No:	Name	acres	roods	perches	
1	Marketing DPT.Garage Premises		1	0	7.08
	Former UDA Head office, D.R. Wijewardena mw		0	2	24.63
2	Typingwatta Borella		1	1	21.19
3	Bekariwatta land Borella		2	2	34
4	Bekariwatta land Narahenpita		0	2	37.2
5	Nipon Mawatha land		66	2	5
6	Beddagana land		146	3	29
7	Madinnagoda land Rajagiriya		10	1	30
8	Land at Sri Jayawardenapura Mawatha (near HSBC)		15	3	37.93
9	Thombuwekumbura at Rajagiriya		6	0	31.86
10	Velupullewatta land Rajagiriya		1	2	9.45
11	Bandaranayakepura Rajagiriya		3	3	16.31
12	Nawala Road, Nugegoda land (Weli site)		0	3	34
13	Battaramull & Kalapaluwawa Rajagiriya (Golf Ground)		224	3	0.2
14	Pelawatta Battaramull (Marshy land)		200	0	0
15	Welivita Malabe		0	1	20
16	Welivita Malabe		5	0	28
17	Welivita Malabe		2	2	0
18	Malabe Halbarawa Watta		7	0	8
19	Boralesgamuwa		7	2	28
20	Boralesgamuwa (UC Building)		4	0	0
21	Piliyandala		12	0	0
22	Mahalwarawa		0	63	0
23	Bellanwila		1	4	0
24	Nawinna		15	3	30
25	Katuwawala (Samarakoonwatta)		0	3	23.8
26	Maharagama (Divisional Secretary Office)		1	0	7
27	Maharagama (Bus Stand)		0	1	30
28	Kulasevena Watta		5	2	5
29	Kottawa		0	2	5
30	Maharagama Pamunuwa		0	0	22
31	Gingerhena Depanama		7	3	27
32	Pitipana Mahena		123	0	0
33	Godagama		4	0	0
34	Homagama		12	0	0
35	Kosgama		6	1	0
36	Niamulla Watta		17	0	0
37	Padukka		7	1	0
38	Hanwella		4	3	17.14
39	Pothuwilkumbura		22	0	0
40	Lands Panchikawatta		2	2	39.3
41	Central Cinema land @ Maradana		1	0	3
42	Mudaligewatta land @ Union Place		2	2	30
	total		941	122	641.09
	colombo and environs (san's fillable land)		140	38	470.75

The Suburbs



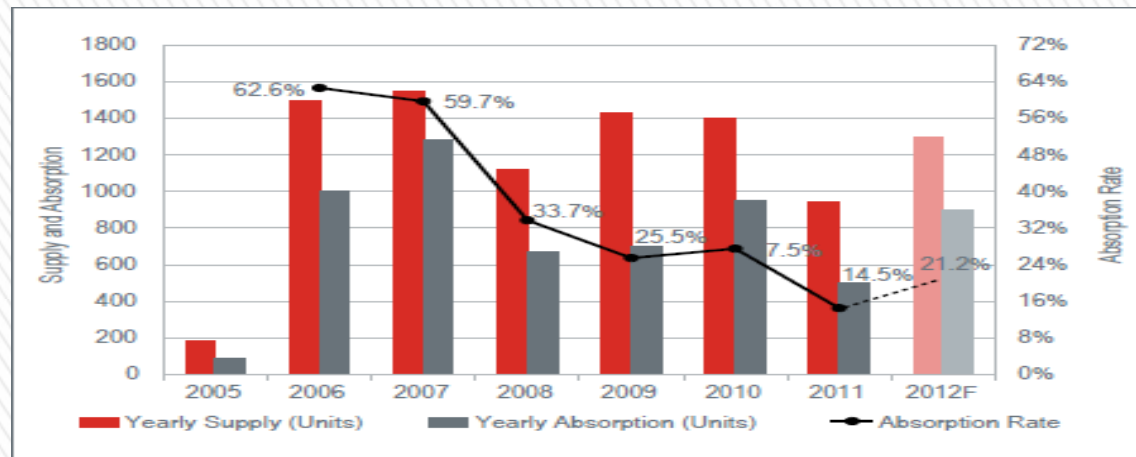
- Estimated CAGRs over the periods 15-17%

Residential High Rise



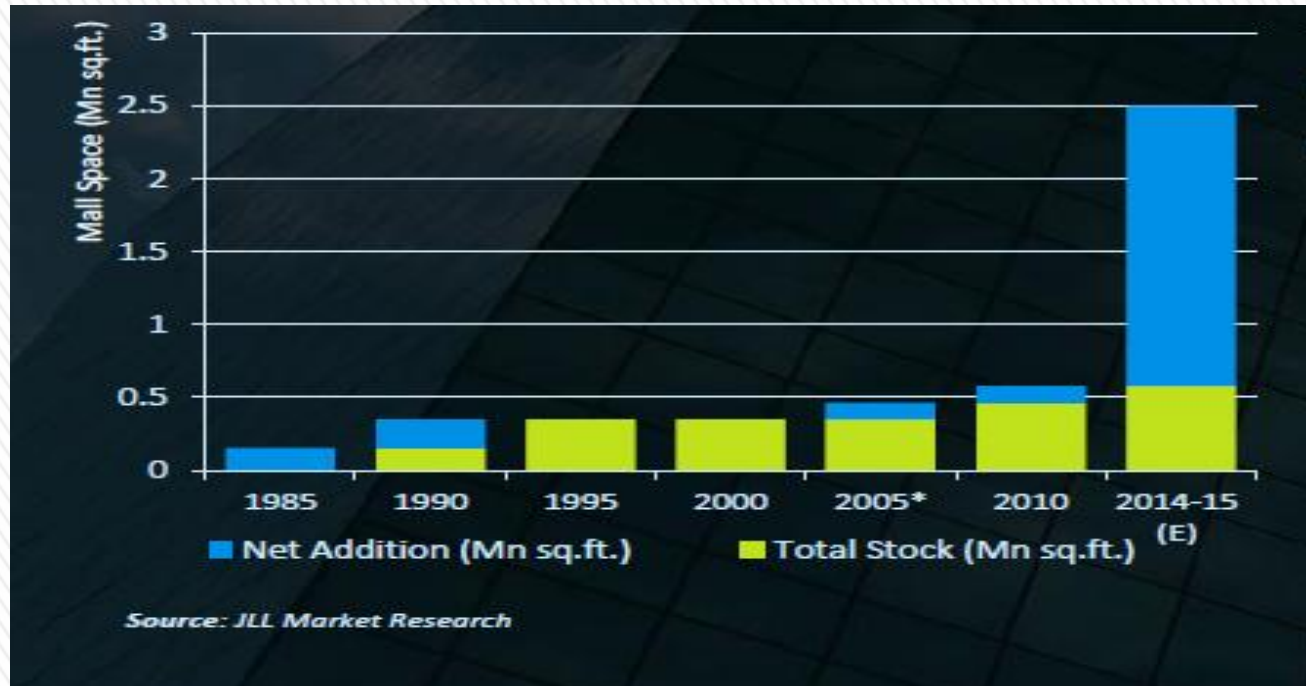
- 70% of 4100 condominiums sold 2007-2011 were for investment purposes
- Rental Yields ranged from 3%-7%
- Highlighted the affordability mismatch viz per capita income / mortgage rates and cost of dwellings. And hence demand drivers from expat/diaspora

Residential High Rise



Year	2005	2006	2007	2008	2009	2010	2011	2012F
Yearly Supply (Units)	184	1,498	1,547	1,123	1,433	1,402	942	1,300
Cumulative Supply (Units)	184	1,682	3,228	4,351	5,785	7,187	8,129	9,429
Yearly Absorption (Units)	85	1,000	1,280	670	700	950	500	900
Cumulative Absorption (Units)	85	1,085	2,365	3,035	3,735	4,685	5,185	6,085
Cumulative Absorption (%)	46%	65%	73%	70%	65%	65%	64%	65%
Unsold Stock	99	597	864	1,317	2,050	2,502	2,944	3,344
Available Stock		1,597	2,144	1,987	2,750	3,452	3,444	4,244
Absorption Rate		62.6%	59.7%	33.7%	25.5%	27.5%	14.5%	21.2%

Malls/Retail



	Majestic City	Odel	MGF Gurgaon
Sq Feet	200,000	33,000	300,000
Footfalls wknd/wk	60k/30k	5k/2.5k	30k/12k
Avg Ticket SL Rs	N/a	2275	3600-4800
Avg Rent SL Rs	250	175-550	190-600

Discussion Structure

- Demand Dynamics
- Financing options for buyers
- Cost Dynamics
- Financing/development Options for developers
- Govt roles
- Taxation
- Legal / regulatory
- Strategies/ trends going forward