

Press Release

Embassy Office Parks REIT Announces Second Quarter FY 2019-20 Results; Reports Another Strong Quarter of Leasing and a Quarterly Distribution of Rs. 4,630 million

Bengaluru, India - November 11, 2019

Embassy Office Parks REIT (NSE: EMBASSY / BSE: 542602) (**'Embassy REIT'**), India's first listed Real Estate Investment Trust (REIT) and the largest in Asia by area, reported results today for the second quarter ended September 30, 2019.

Commenting on the results, Michael Holland, Chief Executive Officer of Embassy REIT, said, "We are pleased to report another strong quarter of performance and distributions to our Unitholders through our underlying commitment to provide world class space solutions to global occupiers. Companies all around the world continue to look for highly educated, highly skilled, technologically oriented employees at a reasonable cost and this continues to drive the consistent demand for Indian office and for our portfolio. We now turn our focus to continue this solid performance in the second half of the financial year."

Distribution

The Board of Directors of Embassy Office Parks Management Services Private Limited (**'EOPMSPL'**), Manager to Embassy REIT, at its Board Meeting held earlier today, declared a distribution of Rs 4,630 million or Rs. 6.00 per unit for 2Q FY2020. With this, cumulative distribution for 1H FY2020 totals Rs.8,797 million or Rs.11.4 per unit. The record date for 2Q FY2020 distribution is November 19, 2019 and the distribution will be paid on or before November 26, 2019.

Financial Highlights

- Revenue from Operations for 2Q FY2020 grew year-on-year by 15% to Rs. 5,206 million and cumulatively grew year-on-year by 17% for 1H FY2020
- Net Operating Income for 2Q FY2020 grew year-on-year by 16% to Rs. 4,384 million and cumulatively grew year-on-year by 18% for 1H FY2020
- Net Operating Income margin for 2Q FY2020 and 1H FY2020 stood at 84%
- Conservative balance sheet with Net Debt to TEV at 11% as at September 30, 2019

Business Highlights

- Portfolio occupancy increased to 94.7% as on September 30, 2019; an increase of 100 bps year-on-year
- New leasing during 2Q FY2020 was 595k sf with a strong pipeline of over c.500k sf
- Cumulative new leasing for 1H FY2020 stood at c.1.2 msf with a 67% mark-to-market spread on c.0.9msf re-leases YTD
- Near-term office development projects totaling 1.4 msf are tracking two quarters ahead of targeted delivery with 23% already pre-let and additional c.400k sf pipeline

Vikaash Khdloya, Deputy Chief Executive Officer and Chief Operating Officer of Embassy REIT said, "Our robust leasing activity reflects the scale and quality of our business and the continued strong market fundamentals. Our development program is progressing ahead of schedule and we are well capitalized to fund future inorganic growth opportunities."

Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the quarterly results and performance, that includes (i) condensed standalone and consolidated financial statements for the Quarter and Half-year ended September 30, 2019, (ii) an investor presentation covering 2Q FY2020 results, and (iii) a supplemental operating and financial data book that is in line with leading reporting practices across global REITs. All these materials are available in the Investor Relations section of the REIT's website at ir.embassyofficeparks.com

Embassy REIT will host a conference call on November 11, 2019 at 18:30 hours Indian Standard Time to discuss the 2Q FY2020 results. A replay of the call will be available till November 26, 2019 on the Investor Relations section of the REIT's website at ir.embassyofficeparks.com

Disclaimer

This press release is prepared for general information purposes only. The information contained herein is based on management information and estimates. It is only current as of its date, has not been independently verified and may be subject to change without notice. Embassy Office Parks Management Services Private Limited ("the Manager") and Embassy REIT make no representation or warranty, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness and completeness of the content hereof. Each recipient will be solely responsible for its own assessment of the market and the market position of Embassy REIT.

This press release contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements or industry results, to differ materially from those expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Manager assumes no responsibility to amend or update any forward-looking statements.

This press release contains certain financial measures which are not measures determined based on GAAP, Ind-AS or any other internationally accepted accounting principles, and the recipient should not consider such items as an alternative to the historical financial results or other indicators of the Embassy REIT's cash flow based on Ind-AS or IFRS. These non-GAAP financial measures, as defined by the Manager, may not be comparable to similarly titled measures as presented by other REITs due to differences in the way non-GAAP financial measures are calculated. Even though the non-GAAP financial measures are used by management to assess the Embassy REIT's financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of the Embassy REIT's financial position or results of operations as reported under Ind-AS.

Investors should also take note that Embassy REIT was listed on April 1, 2019 and the Embassy REIT assets were acquired between March 22, 2019 to March 25, 2019. Accordingly, the comparative quarterly financial information has been prepared by comparing combined unaudited financial statements for first quarter of FY 2018-19 (assuming that the Embassy REIT held the REIT assets in its present form during Quarter and Half-year ended September 30, 2018) as against condensed consolidated financial statements for during Quarter and Half-year ended September 30, 2019.

About Embassy REIT

Embassy Office Parks is India's first and only listed REIT. The REIT comprises 25 msf of completed and operational commercial properties across India. With approximately 8 msf of on-campus development in the pipeline, the total portfolio spans 33 msf across seven Grade A office parks and four city-center office buildings in India's best performing office markets of Bengaluru, Mumbai, Pune and the National Capital Region (NCR). The portfolio is home to 165 blue chip corporate occupiers, and comprises 75 buildings with strategic amenities, including two completed hotels, two under-construction hotels, and a 100MW solar park that supplies renewable energy to park tenants.

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