

HIRCO PLC
(“Hirco” or the “Company”)

**Further investment of £47.9 million in Commercial Township Development in Chennai
India**

26th March 2007

Hirco PLC (AIM:HIRCO), one of India’s largest real estate investment companies, is pleased to announce a further investment of £47.9 million in its township development in Chennai. Following this investment, 35% of the net funds raised at the time of the company’s IPO will have been deployed.

The investment comprises 13.1 million square feet of saleable mixed use development immediately adjacent to the company’s previously announced investment in the Chennai area. This additional 118 acre development will include a mix of commercial, residential and retail space.

Niranjan Hiranandani, Chairman of Hirco PLC commented,

“Our initial plan for this additional 118 acres as stated at the time of our IPO was to invest in a Special Economic Zone (SEZ). However, until such time as the Government’s SEZ policies have been clarified we wish to move forward quickly to capitalize on the strong real estate demand in the region. We have re-examined the development as a non SEZ commercial township and firmly believe that it represents significant value and continues to offer attractive returns for Hirco investors. We continue to explore being awarded SEZ benefits to further enhance our returns on the project however, as this investment underlines, we are not reliant upon SEZ approval for our developments.”

The township development, known as Hiranandani Palace Gardens, is located south west of Chennai, with easy access to the international airport, the national highway system and rail transport. Palace Gardens will offer a range of apartment sizes and styles designed to appeal to the employees of major companies, including Motorola, Samsung, Wipro, Nokia, BMW, and Accenture, located within the township’s catchment area. The township will be a self sustaining community with offices, schools, health care facilities, shopping, recreational facilities and open space.

Master planning for the initial 251 acre township has been completed and master planning for the additional 118 acres has commenced. A world class team has been assembled to support the Palace Gardens development, including HOK Planning Group, Turner Construction and renowned Indian architect Hafeez Contractor.

For further information, please contact:

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Additional Information

Hirco has invested £47.9 million (equivalent to 70% of the total land value plus initial working capital) in the additional development project through its wholly owned subsidiary, Hirco Holdings Limited. Hirco and Hirco Holdings Limited have entered into an investment agreement with Burke Consolidated Ltd ("BCL"), an entity controlled by the Hiranandani family, to invest in the Township Project through a special purpose vehicle owned by BCL.

Under the Aim Rules, BCL, its subsidiary undertakings and the various land owning companies comprised in the township development are considered "Related parties". The proposed transaction by Hirco in the township development is, accordingly, deemed to be a related party transaction under the AIM Rules.

At the time of the flotation of Hirco, an investment committee made up of certain Hirco directors (the "Investment Committee") was set up independently of the Hiranandani family and is therefore independent of the proposed transaction. The Investment Committee considers, having consulted with HSBC Bank plc, Hirco's Nominated Adviser, that the terms of the proposed transaction are fair and reasonable insofar as Hirco's shareholders are concerned.

Under the investment agreement, Hirco Holdings Limited will acquire participating preference shares in a wholly owned subsidiary of BCL, Burke 2 Ltd, which will itself contract to acquire through a subsidiary the various land owning companies in which the Township Project land title has been aggregated.

Consistent with the ownership model prescribed upon flotation, BCL will retain 100 per cent of the voting ordinary shares in the Township Project. Hirco will acquire an interest in Burke 2 Ltd., equal to 70 per cent of the initial capital value of the Project. BCL will accordingly retain in the Project an interest equal to 30 per cent of its initial capital value. BCL's interest is subordinate to the preference shares of Hirco.

After the return of the preferred shareholder capital and the BCL initial capital value, Hirco will be entitled to 40% of the net profits available.

About the Company

Hirco was formed in 2006 to co-invest in large scale mixed-use township developments in suburban areas outside city centres in India. These townships will be predominately residential and provide high quality affordable housing for India's growing young and affluent working population.

At the time of its admission to trading, Hirco was the largest ever real estate investment company IPO on AIM and the largest AIM IPO in 2006. Further information about the company can be found at www.hircopl.com.