

Preliminary results for the period ended 30 September 2007

December 5, 2007

HIRCO REPORTS STRONG FIRST YEAR RESULTS

Net Asset Value increases to £6.14 per share as of 30 September 2007 versus £4.74 in December 2006 at the time of the IPO

LONDON – Hirco PLC (AIM:HRCO), the investment vehicle for Hiranandani, India's largest developer of prestigious mixed-use townships, today announced its audited fiscal 2007 year-end financial results for the period beginning 2 November 2006, when the Company was incorporated, through 30 September 2007.

Fiscal 2007 Highlights

- Profit after tax was £107.1 million, representing earnings per share of 140 pence based on 76,526,984 shares outstanding.
- Hirco's Net Asset Value (NAV) as of 30 September 2007, was £6.14 per share, up 29.5% from a NAV of £4.74 per share at the time of the IPO on the London Stock Exchange's Alternative Investment Market (AIM) on 13 December 2006. This reflects an increase of £87.2 million to £341.4¹ million in the valuation of the investment in three properties in which Hirco had invested up to 30 September 2007 – Chennai Residential, Chennai Commercial, and Panvel Commercial.
- The new valuation represents a 34.3% increase from the total acquisition cost of approximately £254.2 million.

¹ The valuation, dated 30 September 2007, was carried out by Jones Lang LaSalle at the request of Hirco's Board of Directors. This valuation does not include the Panvel Residential investment announced subsequently in October 2007.

Recent Developments

- On 25 October 2007, the Company announced a new investment of £96.6 million in a residential development in Panvel (“Panvel Residential”), in the Mumbai Metropolitan Region of India, which is the largest metropolis in India and regarded as the commercial and financial capital of India. At Panvel, Hirco will develop 18.3 million square feet of residential and retail space. The new township is close to the recently announced Navi Mumbai International Airport. Panvel Residential is co-located on a site with Hirco’s Commercial Township development (“Panvel Commercial”) in which Hirco invested in July 2007. The combined Panvel site was also recently designated as a Special Economic Zone, which will provide tax advantages.
- With its three investments in fiscal 2007 and the post-balance sheet Panvel Residential investment, Hirco has deployed 97% of the net funds, or £350.8 million, raised at the IPO within less than 10 months of the flotation. The three fiscal 2007 investments include: a 251-acre, mixed-use development and a 118-acre commercial township in Chennai, the country’s fourth-largest city; and the 303-acre Panvel Commercial development in the Mumbai Metropolitan Region. All four investments were among the projects identified for potential investment at the time of Hirco’s AIM admission.
- Hirco’s Chennai and Panvel township developments have in total 66.4 million square feet of buildable area of residential, commercial, retail and social space.
- As of 12 September 2007, Hirco announced strong residential sales and pricing at its major Chennai residential and commercial developments, which together are called Hiranandani Palace Gardens. The Company reported that sales consideration at Palace Gardens is eight months ahead of schedule; sales values are 18 months ahead of schedule; and the average selling price represents a 52% premium over initial projections. Palace Gardens will offer a range of apartment sizes and styles designed to appeal to the employees of major companies in Chennai, including Motorola, Samsung, Wipro, Nokia, BMW, and Accenture.

Hirco continues to evaluate additional investment opportunities and funding alternatives.

Niranjan Hiranandani, Chairman of Hirco PLC, said:

“With the four investments we have made so far, Hirco has taken significant strides toward its goal of capitalizing on the diverse and growing Indian real estate market. I believe the Indian real estate market is strong and will remain so. There is robust and escalating demand for quality commercial, residential, and retail space. This is driven by India’s continuing economic growth, rising purchasing power and affluence, and constrained supply of quality housing. This reality provides strong support for our strategy of developing world-class, multipurpose townships in the suburbs of major cities in India that deliver a quality environment where people can live, work and play, and improve their lives and living standards.”

Annual General Meeting

The first Annual General Meeting of Hirco PLC will be held on Monday, April 21, 2008, at Mount Murray Hotel and Country Club, Santon, Isle of Man at 9:00 a.m. GMT.

About Hirco

Hirco PLC is the investment vehicle for Hiranandani, India's largest developer of prestigious mixed-use townships for the country's increasingly affluent middle class. Our modern, large-scale developments – combining high-quality residential, commercial and retail components with green space and social and recreational facilities – are strategically located in suburban areas outside major city centres. Hirco's four current projects – in Chennai in southeast India and Panvel, in the Mumbai Metropolitan Region – feature a combined total of 66.4 million square feet of buildable mixed-use space. At the time of its admission to trading on AIM, Hirco was the largest-ever real estate investment company IPO on AIM and the largest AIM IPO in 2006.

For further information about the Company, please visit www.hircopl.com.

Contacts:

Hirco

Jasper Reiser
+91 22 6671 8522
jreiser@hirco.com

Gutenberg Communications

US - Hugh Burnham / Michael Gallo
+1 212 239 8595 / +1 212 239 8594
hugh@gutenbergpr.com
mgallo@gutenbergpr.com

UK – Shalini Siromani
+44 (0) 20 3008 5231
shalini@gutenbergpr.com

India – Pranav Kumar
+91 98 1007 7898
pranav@gutenbergpr.com

Chairman's Statement

Dear Fellow Shareholders,

By every measure, 2007 has been a year of considerable activity and achievement for your company.

Hirco's flotation on the London Stock Exchange's Alternative Investment Market (AIM) in December 2006 was highly successful and the largest AIM offering that year. By October 2007, and in alignment with our stated goal, we had invested in four large-scale, mixed-use township development projects in India.

We have achieved this by building on the Hiranandani Group's strong, 25-year track record as the leading developer of high-quality townships in suburban areas outside India's largest cities.

Hirco is building integrated townships that are aesthetically pleasing and provide high-quality amenities and reliable infrastructure, both for India's growing middle-class domestic consumer and corporate customers.

With this as background, I am pleased to report Hirco PLC's results for the period to 30 September 2007, the Company's first year-end results since its admission to the AIM.

RESULTS TO 30 SEPTEMBER 2007

During the period from 2 November 2006 (the date of Hirco's incorporation) to 30 September 2007, the Company had net investment income of £22.3 million. The fair value gain on investment was £87.2 million, administrative expenses were £2.3 million and profit before tax was £107.1 million, representing earnings per share of 140 pence. As of 30 September 2007, Hirco had invested approximately £254.2 million, which represents 70.1% of the net proceeds of the IPO, and had a net asset value (NAV) of £469.7 million, representing 614 pence per share.

Through the placement on the AIM of approximately 76.5 million shares at 500 pence per share, in what was then AIM's largest-ever real estate investment company IPO, Hirco raised approximately £363 million after offering expenses. Your Board was very pleased to see a number of high-quality institutional investors constituting Hirco's shareholder register.

Hirco proceeded to invest in three projects in India: a 251-acre, mixed-use development and a 118-acre commercial township in Chennai, the country's fourth-largest city; and a 303-acre commercial township in Panvel in the Mumbai Metropolitan Region, which is the largest metropolis in India. The Panvel project was granted Special Economic Zone (SEZ) approval in August 2007. All three investments were among the projects identified for potential investment at the time of Hirco's AIM admission.

The two Chennai projects, together known as Hiranandani Palace Gardens, with total buildable area of over 30 million square feet, will be a self-sustaining community with residential, commercial, retail and social space including schools, health-care facilities, recreational facilities and parks. As of 30 September 2007, sales activity for Palace Gardens remained several months ahead of schedule, and is well ahead of our expectations both in terms of volume and price. These results are very encouraging, as they demonstrate strong demand for the quality product that Hirco is developing.

The commercial component of the Panvel SEZ has a total buildable area of 18 million square feet, including high-quality retail and social space and Grade A commercial space targeting the IT, IT enabled services, biotech and general commercial sectors. The new township is within close proximity to the recently announced Navi Mumbai International Airport.

POST BALANCE SHEET EVENT – INVESTMENT IN PANVEL MIXED-USE TOWNSHIP

On 25 October 2007, Hirco announced it has invested £96.6 million in a residential township development project located in Panvel, immediately adjacent to Hirco's previously announced investment in the Panvel commercial township. The investment, which comprises 18.3 million square feet of buildable space, in a mixed-use development on 280 acres, will include a mix of residential, retail and social space. The combined Panvel site also was recently designated a Special Economic Zone, which will provide tax advantages.

Following the Panvel residential investment, I am pleased to report that Hirco has invested approximately 97% of its initial net funds.

INVESTMENT PIPELINE

While Hirco makes progress on these new projects, we will continue also to seek out attractive opportunities to invest in multi-purpose townships in the suburbs of India's major metropolitan cities. Hirco's investment pipeline remains strong and further investments representing significant value can be expected in the coming months.

NET ASSET VALUE PER SHARE

The Board instructed Jones Lang LaSalle Property Consultants, Pvt. Ltd. to carry out a valuation as of 30 September 2007 of the projects in which Hirco had invested up to that date – the two Chennai projects and the Panvel commercial project. I am very happy to report that the updated valuation of these three investments, prepared on the same basis as that for the IPO, shows an increase to £341.4 million, up approximately £87.2 million or 34.3% from the total acquisition cost of approximately £254.2 million. Taking all properties at fair value, the increase in value of the investments on a per share basis at 30 September 2007 was 114 pence per share. This increase reflects successful operations over a very short period of time. We intend to provide you revised NAVs twice annually at the time of our interim and full-year results announcements.

DIVIDEND

The Board has decided not to declare a dividend this year. This is in accordance with the dividend policy set out in Hirco's AIM admission document, which stated that it was not anticipated that dividends would be paid in the foreseeable future because initially the projects are and will be highly capital intensive. The Board will consider the payment of dividends when it becomes commercially prudent to do so.

OUTLOOK

With the four investments we have made so far, Hirco has taken significant strides toward its goal of capitalizing on the diverse and growing Indian real estate market.

With the most recent investment in the Panvel Township, Hirco has completed its investment of IPO proceeds. The Company continues to investigate strategic funding options that will further enhance project and shareholder returns and provide additional capital to invest in new projects.

I believe the Indian real estate market is strong and will remain so. There is robust and escalating demand for quality commercial, residential, and retail space. This is driven by India's continuing economic growth, rising purchasing power and affluence, and constrained supply of quality housing. This reality provides strong support for our strategy of developing world-class, multi-purpose townships in the suburbs of major cities in India that deliver a quality environment where people can live, work and play, and improve their lives and living standards. I am particularly proud of our efforts to employ environmentally friendly processes on our projects and to ensure that our communities are lush, verdant, and desirable.

The outstanding results we have achieved in our first nine and a half months of operations reflect the strength of our brand, our strategy, our investments, and our team. I wish to thank my fellow Board members for the significant expertise and guidance they are bringing to your company. I also wish to thank Hirco's superior management team for their hard work and achievements. Together, the Board and management team combine an in-depth knowledge of the Indian real estate market and a unique network of contacts that is serving your company well.

With our timely investments in Chennai and Panvel, solid pre-sales activity in Chennai, and the support of a seasoned team to deliver these and future projects, I believe Hirco has established a strong base, with excellent momentum, from which to deliver on its strategy and produce continued success. Working together, we are building quality communities for India's increasingly affluent middle class in strategic growth locations. Together, we are building a quality company for our shareholders.

Niranjan Hiranandani
Chairman
4 December 2007

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 2 NOVEMBER 2006
(DATE OF INCORPORATION) TO 30 SEPTEMBER 2007

CONTINUING OPERATIONS	NOTES	£000
Investment income	5	22,269
Foreign exchange loss		(14)
Net investment income		22,255
Fair value gain on investments	12	87,220
Administrative expenses	6	(2,345)
Net income before finance costs		107,130
Finance costs		-
Profit before taxes		107,130
Income tax expense	7	(19)
Profit for the period		107,111
Earnings per share (consolidated):		
Basic, for the period attributable to ordinary equity holders (pence)	9	140
Diluted, for the period attributable to ordinary equity holders (pence)	9	140

BALANCE SHEETS
AS AT 30 SEPTEMBER 2007

ASSETS	NOTES	GROUP £000	COMPANY £000
NON-CURRENT ASSETS			
Property, plant and equipment	11	42	–
Investments	12	341,392	–
Due from subsidiaries	18	–	256,110
		341,434	256,110
CURRENT ASSETS			
Accrued income		12,086	12,219
Prepaid expenses		158	149
Other current assets		47	38
Cash and cash equivalents	14	116,423	115,584
		128,714	127,990
Total assets		470,148	384,100
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		69	8
Accrued expenses		332	257
Total liabilities		401	265
Net assets		469,747	383,835
EQUITY			
Share capital	16	765	765
Share premium		361,871	361,871
Retained earnings		107,111	21,199
Total equity		469,747	383,835

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD 2 NOVEMBER 2006
 (DATE OF INCORPORATION) TO 30 SEPTEMBER 2007

	SHARE CAPITAL £000	SHARE PREMIUM £000	RETAINED EARNINGS £000	TOTAL £000
Issue of share capital	765	381,869	-	382,634
Share issue costs	-	(19,998)	-	(19,998)
Net profit for the period	-	-	107,111	107,111
As at 30 September 2007	765	361,871	107,111	469,747

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 2 NOVEMBER 2006
(DATE OF INCORPORATION) TO 30 SEPTEMBER 2007

CASH FLOWS FROM OPERATING ACTIVITIES	£000
Net profit before taxation	107,130
Adjustment for:	
Fair value gains on investments	(87,220)
Depreciation	13
Operating profit before working capital changes	19,923
Change in debtors and prepayments	(12,291)
Change in creditors and other accruals	347
Net cash generated from operating activities	7,979
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(20)
Purchase of investments	(254,172)
Net cash used in investing activities	(254,192)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of share capital (net of issue costs)	362,636
Net cash generated from financing activities	362,636
Increase in cash during the period	116,423
Cash balance at the beginning of the period	–
Cash balance at the end of the period	116,423

Hirco PLC

Notes to the Consolidated Financial Statements

Notes to the Financial Statements for the period 2 November 2006 (Date of Incorporation) to 30 September 2007

1. GENERAL INFORMATION

Hirco PLC (the "Company") is a public limited company incorporated in the Isle of Man on 2 November 2006. It was admitted to AIM on 13 December 2006.

The consolidated financial statements of Hirco PLC comprise the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial statements have been prepared for the period from 2 November 2006 (date of incorporation) to 30 September 2007 and are presented in GBP.

The principal activities of the Group include investment in FDI-compliant Indian real estate projects for developments of large-scale, mixed-use township communities which could include co-located special economic zones ("SEZs") in India.

As at 30 September 2007, the Group had six (6) employees.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

The consolidated financial statements have been prepared on an historical cost basis.

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

The period from 2 November 2006 (date of incorporation) to 30 September 2007 is the first period of the Group's operations, and, therefore, no comparatives are presented.

(B) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the results of the Company and entities controlled by the Company (its subsidiaries) made up to 30 September 2007. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are prepared for the same period as the Company, using consistent accounting policies.

The results of subsidiaries acquired during the period are included in the consolidated income statement from the effective date of acquisition.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

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Notes to the Consolidated Financial Statements

(C) FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are presented in British pounds, which is the Company's functional and presentation currency. The functional currency for all of the subsidiaries within the Group is as detailed below:

- Hirco Holdings Limited GBP
- Hirco Inc USD
- Hirco Real Estate Services Private Limited INR

Transactions in foreign currencies are initially recorded at 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. Differences arising therefrom are taken to Income Statement.

The assets and liabilities of foreign operations are translated to GBP at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to GBP at average exchange rates for the period. Foreign currency differences are recognised directly in equity; in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

Investments of the Company's Mauritius subsidiary, Hirco Holdings Limited, are denominated in British pounds and are eligible for Preference Dividend and redemption in British pounds only. Accordingly, they are included in the consolidated accounts at their historical value. These investments are also eligible to participate in the residual profits of the project companies to the extent of 40%. These investments are marked to market for the said 40% participation share bi-annually, based on fair market value of the projects determined by an independent professional valuer. The gain or loss arising on this mark to market valuation is translated at the exchange rate on the date of valuation.

(D) INCOME RECOGNITION

Income is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. In particular:

Preference Dividend income

Income arising from Preference Dividend is recognized on the effective interest rate basis.

Interest income

Interest income is recognized as interest accrues using the effective interest method.

Fair value gain on investments

The Directors determine unrealized fair value gain/(loss) on Investments bi-annually based on the fair market value assessment of the projects done by an independent professional valuer.

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Notes to the Consolidated Financial Statements

(E) INCOME TAX

Current income tax

Current income tax assets and liabilities are measured at the balance sheet date at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax

Deferred income tax is recognized on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

Sales tax / VAT

Income, expenses and assets are recognized net of the amount of sales tax / VAT except:

- where the sales tax / VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax / VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax / VAT included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(F) INVESTMENTS

The Group's interest in participating preference shares issued by Burke 1 Limited, Burke 2 Limited and Burke 3 Limited (note 12) is a compound financial instrument, comprising a debt component in relation to the Preference Dividend and preferred capital return and an equity component equivalent to the share in residual profits.

The debt component is stated at amortized cost, with interest recognized in the income statement on the effective interest rate basis.

The Directors consider that the Group is a venture capital organization and under IAS 31 designate the equity component of its investment in jointly controlled entities, Burke 1 Limited, Burke 2 Limited and Burke 3 Limited (investee companies through which investments in the property development projects are made), as at fair value through profit or loss. Accordingly, under IAS 39, changes in fair value on the equity component are recognized in profit or loss.

Hirco PLC

Notes to the Consolidated Financial Statements

(G) PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leasehold improvements are amortized over the shorter of the lease term or their useful lives.

The estimated useful lives for the current periods are as follows:

- Equipment 3-5 years
- Computers 2-3 years
- Furniture 5-7 years
- Leasehold Improvements 1-2 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(H) TRADE RECEIVABLES

Trade receivables are stated at cost, which is approximately their market value, less an allowance for impairment. An allowance for impairment is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(I) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, bank demand, and time deposits with maturities of three months or less.

(J) TRADE AND OTHER PAYABLES

Trade and other payables are stated at cost, which is approximately their market value.

(K) EQUITY INSTRUMENTS

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Hirco PLC

Notes to the Consolidated Financial Statements

(L) PROVISIONS

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

(M) DIVIDENDS

Dividend distributions to the Company's shareholders are recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Subject to the provisions of the Articles, the Company's Board of Directors may by ordinary resolution declare that out of profits available for distribution in accordance with Isle of Man law dividends be paid to members 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. There is no fixed date on which an entitlement to dividend arises.

(N) IMPAIRMENT OF FINANCIAL ASSETS

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Discussed below are the key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of investments

The fair value of the Group's investments were determined by the Directors based on the valuation of the underlying projects carried out by Jones Lang LaSalle Property Consultants, Pvt. Ltd. ("Jones Lang LaSalle"), an independent valuer, using the valuation standard prescribed by the Royal Institute of Chartered Surveyors.

4. SEGMENTAL REPORTING

The Group has only one business and geographic segment, being the investment in real estate in India and hence no separate segment report has been presented.

Hirco PLC

Notes to the Consolidated Financial Statements

5. INVESTMENT INCOME

	£ 000
Preference dividend	12,034
Bank interest	10,235
	22,269

6. ADMINISTRATIVE EXPENSES

	£ 000
Employee costs	660
Occupancy cost	33
Professional fees	651
Directors' fees	391
Communication charges	308
Other administration costs	289
Depreciation	13
	2,345

7. INCOME TAX

The major components of income tax expense for the period ended 30 September 2007 are:

	£ 000
Current income tax	
Current income tax charge	19
Deferred tax	
Relating to origination and reversal of temporary differences	--
Income tax expense reported in the income statement	19

The Company is incorporated in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004, as amended.

The Isle of Man tax rate for companies is 0%. The rate of withholding tax on dividend payments to non-residents for companies within the 0% corporate income tax regime is also 0%.

Accordingly, the Company will have no liability to Isle of Man income tax on its income or gains and there will be no requirement to deduct withholding tax from payments of dividends to shareholders.

There are no incorporation, capital gains or inheritance taxes payable in the Isle of Man.

The current income tax charge of £18,772 represents tax charges on profit arising in the U.S. and India, which is subject to corporate income tax of 39.00% and 33.99%, respectively.

Hirco PLC

Notes to the Consolidated Financial Statements

8. AUDITORS' REMUNERATION

The following are the details of fees paid to the auditors, KPMG, in various capacities for the year:

Fees paid as	£ 000
Statutory auditors (*)	67
IPO transaction fees (**)	496
Total	563

(*) charged to the income statement

(**) charged to the share premium account

9. EARNINGS PER SHARE

Basic earnings per share for the period ended 30 September 2007 is based on the profit attributable to equity holders of the Company of £107,111,265 and the weighted average number of ordinary shares outstanding during the period ended 30 September 2007 of 76,526,984.

Profit attributable to equity holders of the parent	£107,111,265
Weighted average number of ordinary shares	76,526,984
Earnings per share	Pence
Basic earnings per share	140
Diluted earnings per share	140

There are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

10. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the net assets attributable to the equity holders of the Company of £469,746,526 by the number of ordinary shares as at 30 September 2007 of 76,526,984.

Net assets attributable to equity holders of the parent	£469,746,526
Number of ordinary shares	76,526,984
	Pence
Net asset value per share	614

Hirco PLC

Notes to the Consolidated Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT

	Computers	Leasehold improvements	Furniture	Total
	£ 000	£ 000	£ 000	£ 000
COST				
As at 2 November 2006	-	-	-	-
Additions	4	16	35	55
Balance as at 30 September 2007	4	16	35	55
DEPRECIATION				
As at 2 November 2006	-	-	-	-
Charge for the period	1	2	10	13
Balance as at 30 September 2007	1	2	10	13
NET BOOK VALUE	3	14	25	42

Hirco PLC

Notes to the Consolidated Financial Statements

12. GROUP INVESTMENTS

Group investments comprise participating preference share interests in three Mauritius incorporated companies, Burke 1 Limited, Burke 2 Limited and Burke 3 Limited. The Group owns all the participating preference share interests in these companies. These companies have one other share class, being ordinary shares, which are all owned by Burke Consolidated Limited (see note 18).

Company	Projects in India	Date of investment	Cost £ 000	Fair value gain £ 000	Fair value £ 000
Investment in participating preference shares of:					
Burke 1 Limited	Chennai township projects	13-Feb-2007	77,846	37,667	115,513
Burke 2 Limited	Chennai commercial projects	23-Mar-2007	47,889	17,085	64,974
Burke 3 Limited	Panvel SEZ and commercial projects	19-Jul-2007	128,437	32,468	160,905
Balance as at 30 September 2007			254,172	87,220	341,392

The participating preference share interests in Burke 1 Limited, Burke 2 Limited and Burke 3 Limited entitle the Group to a preference dividend of 12% per annum compounded annually, a preferred capital return and a 40% share in residual profits. As detailed in the accounting policy, the debt component of this compound financial instrument, representing the preference dividend and the preferred capital return, is stated at amortized cost, with the preference dividend accrued under the effective interest method. The equity component representing the 40% residual profit share is stated at fair value. The full consideration payable has been attributed to the debt component; hence there is no cost attributed to the equity component.

The fair value of the Group's investments was determined by the Directors based on the valuation of the underlying projects carried out by Jones Lang LaSalle, an independent valuer, using the valuation standard prescribed by the Royal Institute of Chartered Surveyors. The valuation done by Jones Lang LaSalle is based on the details of pre-sales done, project progress, expected revenue and anticipated cost of construction as on the valuation date. The valuers have also made the reference to market evidence of transaction prices for the similar projects.

The fair value of each investment of the Group is calculated as detailed hereunder:

	Burke 1 Limited £ 000	Burke 2 Limited £ 000	Burke 3 Limited £ 000	Total £ 000
Net worth post valuation as on 30 September 2007 before charging Preference Dividend	209,886	113,074	267,736	590,696
Distribution in the order of contractual preference:				
Preference Dividend	5,886	3,023	3,125	12,034
Repayment of the Group's participating preference shares	77,846	47,889	128,437	254,172
Repayment of the ordinary shares (which are subordinated to the participating preference shares)	31,987	19,449	55,004	106,440
Share of the Group (40%) of the residual net worth	37,667	17,085	32,468	87,220
Share of the ordinary shareholders (60%) of the residual net worth	56,500	25,628	48,702	130,830
Total Distribution	209,886	113,074	267,736	590,696
Fair value gain on the Group's investment (40% residual interest)	37,667	17,085	32,468	87,220

Hirco PLC

Notes to the Consolidated Financial Statements

13. INVESTMENT IN SUBSIDIARY

	£
As at 2 November 2006	—
Additions	51
Balance at 30 September 2007	51

The investment in subsidiary in the Company's financial statements relates to Hirco Holdings Ltd, which is stated at cost. (See Note 17)

14. CASH AND CASH EQUIVALENTS

	Group £ 000	Company £ 000
Cash at bank and in hand	6,347	5,508
Short-term deposits	110,076	110,076
	116,423	115,584

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods up to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The weighted average effective interest rate on short-term deposits was 5.43% per annum. The fair value of cash and short-term deposits is £116,422,753.

As at 30 September 2007, there is no cash held in blocked accounts.

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15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. Risk management is carried out by the Board of Directors.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Indian Rupee. Foreign exchange risk arises from future commercial transactions, recognized monetary assets and liabilities and investments in foreign companies. The principal foreign exchange risk relates to the 40% equity participation in the participating preference share investments (see note 12).

(ii) Price risk

The Group is exposed to property price risk, property rentals risk and the normal risks of property development in relation to the property developments owned by Burke 1 Limited, Burke 2 Limited and Burke 3 Limited.

(iii) Interest rate risk

The Group is exposed to the effects of fluctuations in the prevailing levels of market interest on its cash balances, which are deposited in interest-bearing accounts at floating rates.

(b) Credit risk

The Group has no significant concentrations of credit risk. Cash transactions are limited to high-credit-quality financial institutions.

(c) Liquidity risk

To date all investments have been funded by cash from the IPO and the Group has no debt.

FINANCIAL INSTRUMENTS

FAIR VALUES

Set out below is a comparison by category of carrying amounts and fair values of the entire Group's and the Company's financial instruments that are carried in the financial statements.

	Cost	Group Fair value	Cost	Company Fair value
	£ 000	£ 000	£ 000	£ 000
Financial assets				
Cash	116,423	116,423	115,584	115,584
Investment in preference shares	254,173	341,392	-	-
Investments				
Investment in subsidiary	-	-	0*	0*

* Investment in subsidiary relates to Hirco Holdings Limited of £51.

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Notes to the Consolidated Financial Statements

16. ISSUED CAPITAL

Authorized	Number of shares	Share capital £
Ordinary shares of £0.01 each		
Conversion of founder shares	200,000	2,000
Increase in authorized share capital	99,800,000	998,000
As at 30 September 2007	100,000,000	1,000,000

Issued and fully paid	Number of shares	Share capital £
Ordinary shares of £0.01 each		
Conversion of founder shares	200	2
Issue of ordinary shares	76,526,784	765,268
As at 30 September 2007	76,526,984	765,270

Holders of the ordinary shares are entitled to receive dividends and other distributions and to attend and vote at any general meeting. Founder shares, which were converted to ordinary shares, had exactly the same rights as ordinary shares.

On 2 November 2006, the date of incorporation, two founder shares of £1.00 each were allotted and issued at a price of £1.00 each.

On 5 December 2006, all 2,000 of the issued and unissued founder shares of £1.00 each in the capital of the Company were sub-divided into 200,000 ordinary shares of £0.01 each and the authorized share capital of the Company was increased from £2,000 to £1,000,000 by the creation of 99,800,000 ordinary shares of £0.01 each.

The Company incurred costs of £19,998,186 relating to the issue of shares. The costs were primarily for underwriting, brokerage and professional advisory fees. These equity transaction costs have been charged to the share premium account.

17. GROUP ENTITIES

Name	Country of incorporation	Field of activity	Ownership interest	Type of share held
Held by the Company				
Hirco Holdings Limited	Mauritius	Holding company	100%	Ordinary
Held by Hirco Holdings Ltd				
Hirco Inc	United States of America	Holding company	100%	Ordinary
Hirco Real Estate Services Pvt. Ltd.	India	Holding company	100%	Ordinary

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Notes to the Consolidated Financial Statements

18. RELATED PARTIES

TERMS AND CONDITIONS OF TRANSACTIONS WITH SUBSIDIARIES

The amount due from subsidiaries to the Company of £255,000,000 is an unsecured loan, repayable on demand and is interest-bearing at 12% per annum and the amount of £1,109,807 is an interest free advance. This is eliminated upon consolidation.

The following transactions took place between the Group and related parties during the financial period:

ADVISORY SERVICES FEE

Intrepid Capital Partners (ICP), a company part owned by Cyrus K Vandrevalla, the spouse of Priya Hiranandani, has been paid a fee of US \$2.5 million plus expenses in respect of the advisory services provided by ICP relating to, inter alia the formation of the Company and its preparation for admission to AIM. This is included in share issue costs and deducted from share premium.

KEY MANAGEMENT PERSONNEL COMPENSATION

Fees paid to persons or entities considered to be key management personnel of the Group include:

	£ 000
Directors' fees	391
Consultancy charges	58
Salaries	163

INVESTEE COMPANIES

The Company has invested in participating preference shares issued by Burke 1 Limited, Burke 2 Limited and Burke 3 Limited ("the Burke Companies"), incorporated in Mauritius, which function as special purpose vehicles whose sole assets are 100 per cent interests in their relevant project companies, subject to a shareholders' agreement with Burke Consolidated Limited. Burke Consolidated Limited owns all the ordinary shares in the Burke companies, entitling it to 60% of any residual profits. Burke is owned by the Hiranandani family, ("Hiranandani").

In addition, the project companies have entered into the following agreements with a company owned by Hiranandani to manage the projects:

- A Development Management and General Services Agreement to provide such assistance and advice to the project companies in the development of the projects and completion of all design and / or construction works involved in the projects as may be reasonably requested by the project companies. The fees payable for the services for the period ended 30 September 2007 is £337,803.
- A Marketing Services Agreement to provide sales and marketing assistance to the project companies. The fees payable for the services for the period ended 30 September 2007 is £605,198.

CONVERSION OF FOUNDER SHARES

Upon conversion to ordinary shares, 200 founder shares were transferred to Lakeview Trust, a Hiranandani Related Party.

ALLOTMENT OF SHARES

On 5 December 2006, 76,526,784 new ordinary shares were allotted and issued on the Company's admission to AIM, including 2,526,784 new ordinary shares which were issued and allotted to Liberty Hedge Ventures Limited for consideration of US \$25 million.

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Notes to the Consolidated Financial Statements

19. CONTINGENT LIABILITIES AND COMMITMENTS

The Company has no contingent liabilities as at 30 September 2007.

20. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 25 October 2007, the Company invested £96.6 million in a residential township development project located in Panvel, in the Mumbai Metropolitan Region of India. This investment, which was identified as a pipeline project at the time of the Company's floatation in December 2006, represents the Company's fourth investment to date. Panvel Residential is co-located on a site with the Commercial Township development ("Panvel Commercial") in which Hirco invested in July 2007. The combined Panvel site was also recently designated as a Special Economic Zone, which will provide tax advantages.