

## **Press Release**

### **Hirco plc ("Hirco" or the "Company")**

#### **Hirco Invests £96.6 Million in Development in Mumbai**

##### ***Company Receives Special Economic Zone Approval for Development***

**Oct. 25, 2007** – Hirco PLC (AIM:HRCO.L), the investment vehicle for Hiranandani, India's largest developer of prestigious mixed-use townships, today announced that it has invested £96.6 million in a Residential Township ("Panvel Residential") development project located in Panvel, in the Mumbai Metropolitan Region of India.

Mumbai has a population of approximately 16 million and is regarded as the financial and economic capital of India. The township itself is strategically located near the planned second Mumbai International Airport, major railways and is within driving distance of Mumbai's central business district.

Panvel Residential is a development consisting of 18.3 million buildable square feet of residential and retail space on 280 acres of land in Panvel, a rapidly growing corridor in the Mumbai Metropolitan Region.

The preliminary master plan of the township development calls for a mix of flats, townhomes and villas, designed to capture the increasing pent up demand for these types of residences. The large acreage allows for attractive, large open spaces with park-like settings and pedestrian corridors, offering a premium lifestyle at affordable prices.

The investment in Panvel Residential, which was identified as a Pipeline Project at the time of Hirco's flotation in December 2006, represents Hirco's fourth investment to-date.

"This investment in Panvel Residential complements our recent investment in the co-located commercial project and supports our strategy as India's largest developer of prestigious mixed-use townships for the increasingly affluent middle class in strategic growth locations," said Priya Hiranandani-Vandrevela, CEO of Hirco PLC. "We continue to bring together talent, experience, relationships and reputation to deliver communities and high quality infrastructure in picturesque settings where luxury meets convenience. The Panvel development will certainly be one of the foremost communities in Mumbai and the country."

Panvel Residential is co-located on a site with the Commercial Township development ("Panvel Commercial") in which Hirco invested in July of this year. The combined Panvel site was also recently designated as a Special Economic Zone, which will provide tax advantages.

##### **Highlights of the Residential Township**

The township is expected to benefit from the strong growth in the Mumbai – Pune corridor, which is becoming a preferred location for Mumbai's growing middle class segment. Key

features of Panvel Residential are expected to include primary and secondary schools, healthcare facilities, a hospital, community centres, sports centres, and socio-cultural activity venues.

In line with Hiranandani's sustainable building philosophy, the township will also have a backup power substation, and will have its own water storage and wastewater treatment facilities. The all inclusive township will have its own bus terminal and will boast sufficient parking to support its population. Further luxury features include entertainment centres and high quality shopping facilities.

**For further information please contact:**

**Hirco PLC**

Jasper Reiser  
+91 22 6671 8522  
[jreiser@hirco.com](mailto:jreiser@hirco.com)

**Gutenberg Communications**

Hugh Burnham  
+1 212- 239-8595  
[hugh@gutenbergpr.com](mailto:hugh@gutenbergpr.com)

**Citgate Dewe Rogerson**

Sarah Gestetner  
George Cazenove  
Lindsay Noton  
Tel +44 20 7638 9571

**About Hirco**

At the time of its admission to trading, Hirco PLC was the largest ever real estate investment company IPO on AIM and the largest AIM IPO in 2006. To date, Hirco PLC has invested approximately £350.8 million, which represents 97% of the net funds raised at the time of the IPO. Hirco continues to evaluate additional investment opportunities and funding alternatives. Further information about the company can be found at [www.hircopl.com](http://www.hircopl.com).

**Further Details**

Consistent with the ownership model prescribed upon flotation, Hirco and its wholly-owned subsidiary Hirco Holdings Ltd. 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 called Burke 4 Ltd.

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.