

HIRCO PLC  
19 JULY 2007

## **HIRCO PLC**

### **Hirco PLC announces investment in Commercial Township Development in Panvel, in the Mumbai Metropolitan Region, India.**

Hirco PLC ("Hirco") (AIM:HIRCO), one of India's largest real estate investment companies, is pleased to announce an investment of £128.4 million in a Commercial Township Development project located in Panvel, in the Mumbai Metropolitan Region, India (the "Panvel project"). The investment in the Panvel project, which was identified as a pipeline project location at the time of Hirco's flotation in December 2006, represents Hirco's third investment to-date. The investment is consistent with Hirco's stated strategy, set out at the time of its flotation, to invest in FDI compliant Indian real estate development projects in major metropolitan regions in India. With this investment Hirco has invested approximately 70% of net funds raised at the time of its IPO, and stays on track to invest its remaining capital by the end of this year.

The Panvel project is a new development consisting of 18 million developable square feet of mixed-use commercial space on 303 acres of land in Panvel, a rapidly growing corridor in the Mumbai Metropolitan Region. The project is 62% larger than the commercial project identified in the Company's Admission Document at the time of IPO based on developable square feet. The development is planned as a non-SEZ commercial township and it represents significant value and continues to offer attractive returns for Hirco investors.

#### **Priya Hiranandani-Vandrevala, CEO of Hirco PLC commented,**

"We are very excited to be launching Hirco's development in Panvel. The project is located in an extremely attractive area of suburban Mumbai currently witnessing tremendous growth, including the recently approved airport development at Navi Mumbai, which is within close proximity to the site. This development will feature a mix of office and retail space with a focus on IT and Biotech, which builds upon Hiranandani's heritage in the Mumbai market as a developer of high-quality commercial space."

#### **Niranjan Hiranandani, Chairman of Hirco PLC, added,**

"The Mumbai – Pune corridor is one of the most desirable micro-markets in all of India for development over the next decade and we are proud to have the Hirco Panvel project as the cornerstone township in this area."

**For further information, please contact:**

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### **Notes to Editors**

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

The Panvel project site is located within close proximity of the newly announced International Airport, local railway stations, and has close driving access to Mumbai's Central Business District.

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 and for companies seeking high-quality office space and improved infrastructure. Features of the project are planned to include Grade A office and retail space, IT and Biotech purpose-built complexes, educational and healthcare facilities, and accompanying infrastructure.

#### **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 3 Ltd.

Hirco Holdings Ltd. has acquired an interest in Burke 3 Ltd., equal to 70 per cent of the initial capital value of the project (equivalent to 70 per cent of the total land value plus initial working capital), through the purchase of Burke 3 Ltd.'s preferred shares for £128.44 million. Burke 3 Ltd. will itself contract to acquire through a subsidiary the various land owning companies in which the township project land title has been aggregated.

Under the agreement governing its preferred interest, Hirco Holdings Ltd. is entitled to a preferential 12 per cent cumulative, compounded annual return on its investment together with 40 per cent of any residual profits remaining after a return of the capital investment of the owners of Burke 3 Ltd.

BCL will accordingly retain in the project an interest equal to 30 per cent of its initial capital value and is entitled to 60 per cent of any residual profits remaining after a return of the capital investment of the owners of Burke 3 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.