



News Release

Hirco PLC ("Hirco" or the "Company")

May 8, 2008

HIRCO REPORTS STRONG INTERIM RESULTS

Net Asset Value increases to £6.82 per share as of 31 March 2008, annualised increase of 34% from NAV of £4.74 at time of IPO

LONDON – Hirco PLC (AIM:HRCO), the investment vehicle for Hiranandani, India's largest residential builder and leading developer of prestigious mixed-use townships, today announced its interim results for the first six months of fiscal 2008 ended 31 March 2008.

First-half Fiscal 2008 Highlights

- Profit after tax was £52.48 million, representing earnings per share of 69 pence based on 76,526,984 shares outstanding.
- As of 31 March 2008, Hirco's Net Asset Value (NAV) was £6.82 per share, up 11% from a NAV of £6.14 per share as of 30 September 2007. Hirco's NAV as of 31 March 2008 also represents an annualised increase of 34% 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.
- The Company announced its £96.6-million investment in Panvel Residential on 25 October 2007. Panvel Residential is co-located on a site with Hirco's Panvel Commercial development. The combined Panvel township site is a Special Economic Zone, which will provide tax advantages. The new township is close to the recently announced Navi Mumbai International Airport.

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.

Chennai is India's fourth-largest city. Panvel is located in the Mumbai Metropolitan Region. Mumbai is the largest metropolis in India and regarded as the commercial and financial capital of India.

Recent Developments

- On 10 April 2008, Hirco announced strong residential pre-sales and pricing at both its Chennai and Panvel residential developments.

Niranjan Hiranandani, Chairman of Hirco PLC, said:

“Hirco is making great strides towards its goal of capitalising on the diverse and growing Indian real estate market. There continues to be robust and escalating demand for quality residential, commercial and retail space. This demand is fuelled by India’s continued economic growth, the rising affluence and purchasing power of the Indian people, as well as the high demand for quality housing. This continues to translate into strong support for our strategy of developing world-class, mixed-use townships in the suburbs of India’s major cities.”

About Hirco

Hirco PLC is the investment vehicle for Hiranandani, India’s largest residential builder and leading developer of prestigious mixed-use townships for the country’s increasingly affluent middle class. Hirco’s 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.

Hirco PLC shares are traded on the London Stock Exchange’s Alternative Investment Market (AIM) under the symbol HRCO. At the time of its admission to trading on AIM in December 2006, Hirco PLC was the largest-ever real estate investment company IPO on the AIM and that year’s largest IPO on the AIM.

For additional information about Hirco, including the Company’s corporate DVD and corporate overview, please visit www.hirco.com.

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Barclays Wealth Trustees (Isle of Man) Limited

Nominated Adviser

HSBC Bank PLC

Auditors

KPMG Audit LLC

Chairman's Statement

Dear Fellow Shareholders,

It is my privilege to report Hirco PLC's interim results for the period ending 31 March 2008. During this period, the Company continued to make significant progress in realising its strategy of developing world-class, multi-purpose townships in the suburbs of major cities in India that deliver a high quality living and working environment.

The Company completed its investment of IPO proceeds and has now invested 97% of its initial net funds in four projects. These projects are already reaching key milestones, with construction progress and strong pre-sales activity reflecting the strength of our brand, our strategy, and our team's ability to deliver on objectives in a timely manner, with outstanding results.

RESULTS

Profit after tax was £52.48 million, representing earnings per share of 69 pence based on 76,526,984 shares outstanding.

As of 31 March 2008, Hirco's Net Asset Value (NAV) was £6.82 per share, up 11% from a NAV of £6.14 per share as of 30 September 2007. Hirco's NAV as of 31 March 2008 also represents an annualised increase of 34% 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.

PROJECT INVESTMENT

On 25 October 2007, Hirco announced it had invested £96.6 million in a residential township development 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 residential, retail, and social space. Together, the two Panvel projects are called Hiranandani Palace Gardens.

Hiranandani Palace Gardens Panvel is located in an attractive area of suburban Mumbai that is experiencing tremendous growth. Adding to the value of this investment, Hiranandani Palace Gardens is designated a Special Economic Zone (SEZ), which will provide tax advantages for both the Company and occupants of the development.

PROJECT PROGRESS

I am pleased to report continued progress in each of our project investments.

Hiranandani Palace Gardens Chennai

At Hiranandani Palace Gardens Chennai, presales activity has been strong, with outstanding growth in each of our quarterly pre-construction sales updates. As of 31 March 2008, sales consideration has been accepted on approximately 1,562,820 square feet at an average price of Rs 3,906 (£49.10) per square foot. The total sales consideration as of 31 March 2008 was Rs. 6.1 billion (£76.73 million). This marked the third consecutive quarter of presales growth, and demonstrates the superior quality of our product and the intense demand for the high standard of living that this modern township will provide.

Hiranandani Palace Gardens Panvel

In addition to the outstanding continued results at Hiranandani Palace Gardens Chennai, I am delighted to announce that pre-construction sales for our eagerly anticipated Hiranandani Palace Gardens mixed-use development in Panvel, located in the Mumbai Metropolitan Region, began in March 2008.

As of 31 March 2008, sales consideration had been accepted on approximately 597,014 square feet, at an average price of Rs 4,156 (£52.24) per square foot.

The strong initial sales at Hiranandani Palace Gardens Panvel mark an additional key milestone achieved, and further demonstrate the Company's ability to deliver on its key objectives.

PROJECT EXECUTION

To plan, design, and undertake the development of Hiranandani Palace Gardens in both Chennai and Panvel, we have assembled an excellent global team that combines international experience with the most talented local professionals.

CORPORATE SOCIAL RESPONSIBILITY

In keeping with Hirco's commitment to excellence in environmental leadership, we are employing the same environmentally friendly processes and practices for both the Chennai and Panvel townships that have guided past Hiranandani developments.

Through our sustainable environmental practices including rainwater harvesting and reforestation, reducing our townships' dependence on the public infrastructure, creating parks, gardens, and social amenities, we develop self-sustained communities, and create value by providing residents, tenants, and visitors alike an unsurpassed living and working environment.

CORPORATE VIDEO AND REVISED OVERVIEW PRESENTATION

Hirco released an excellent new corporate video in March that clearly details the Company's value creation model – location, infrastructure, amenities, and the environment.

In addition, Hirco has prepared an updated corporate overview presentation, which summarises the company's strong interim results.

I would encourage you to view the video and presentation, which you may download at [www.hircopl.com/downloads_ &_ presentations.html](http://www.hircopl.com/downloads_&_presentations.html).

OUTLOOK

With the remarkable progress achieved at our projects thus far, Hirco has demonstrated its ability to sustain a high level of achievement.

We continue to take significant strides toward the Company's goal of capitalizing on the diverse and growing Indian real estate market.

I believe that the outstanding results achieved at our projects in Panvel and Chennai are a reflection of the overall strength of demand for the type of high-quality, attractive, sustainable developments that we create. This demand is further driven by India's continuing economic growth, the rising purchasing power and affluence of the Indian people, and the constrained supply of quality housing and office and retail space.

As evidenced by our results in the first half of fiscal 2008, Hirco continues to deliver on its strategic objectives. I believe that the core strengths that we have established – our brand, our strategy, our investments, and our team – will provide a solid base for continued success.

Niranjan Hiranandani

Chairman

7 May 2008

Hirco Plc

Consolidated Income Statement

for the six months ended 31 March 2008

Amount in £'000

Continuing Operations	Notes	Unaudited	Unaudited
		6 Months to 31 March 2008	02 Nov 2006 to 31 March 2007
Investment income	4	21,385	6,320
Foreign Exchange (Loss) / Gain		(9)	19
Net Investment Income		21,376	6,339
Fair value gain on Investments	8	33,105	-
Administrative Expenses	5	(1,991)	(752)
Profit before Taxes		52,490	5,587
Income Tax Expense		(10)	(4)
Profit for the period		52,480	5,583
Number of ordinary shares		76,526,984	76,526,984
Earnings per share (pence), basic and fully diluted	6	68.58	7.30

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Consolidated Balance Sheet

As at 31 March 2008

Amount in £'000

Assets	Notes	Unaudited	Audited
		31 Mar 2008	30 Sep 2007
Assets			
NON-CURRENT ASSETS			
Property, plant and equipment		37	42
Investments	8	471,134	341,392
CURRENT ASSETS			
Accrued preference dividends		32,555	12,086
Other debtors and prepaid expenses		488	158
Other current assets		162	47
Cash and cash equivalents		18,724	116,423
Total Assets		523,100	470,148
Liabilities			
CURRENT LIABILITIES			
Trade & Other Payables		437	69
Accrued Expenses		434	332
Total Liabilities		871	401
Net Assets		522,229	469,747
Equity			
Share Capital		765	765
Share Premium		361,871	361,871
Foreign Exchange Fluctuation Reserve	2	2	-
Retained Earnings		159,591	107,111
Total Equity		522,229	469,747
Total Equity		522,229	469,747
Number of ordinary shares		76,526,984	76,526,984
Net Asset Value per share (£)	7	6.82	6.14

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Statement of changes in equity

for the six months ended 31 March 2008

Amount in £'000

	Share Capital	Share Premium	Foreign Exchange Reserve	Retained Earnings	Total
Issue of Share Capital	765	381,869	-	-	382,634
Share issue cost	-	(19,998)	-	-	(19,998)
Net Profit for the period	-	-	-	107,111	107,111
As at 30 September 2007 (Audited)	765	361,871		107,111	469,747
Translation of foreign operations	-	-	2	-	2
Net Profit for the period	-	-	-	52,480	52,480
As at 31 March 2008 (Unaudited)	765	361,871	2	159,591	522,229

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Consolidated cash flow statement

for the six months ended 31 March 2008

Amount in £'000

Cash flows from operating activities	Unaudited	Unaudited
	6 Months to 31 March 2008	02 Nov 2006 to 31 March 2007
Net Profit for the period :	52,490	5,587
Adjustment for:		
Fair Value gains on Investments	(33,105)	-
Depreciation	17	-
Unrealised Fx Gain on Translation of foreign operations	2	-
Operating Profit before Working Capital changes	19,404	5,587
Change in Trade and Other Receivables	(20,914)	(2,186)
Change in Trade and Other Payables	460	289
Net cash (used by) / generated from operating activities	(1,050)	3,690
Cash flows from investing activities		
Purchase of Fixed Assets	(12)	-
Purchase of Investments	(96,637)	(125,736)
Net cash used in investing activities	(96,649)	(125,736)
Cash flows from financing activities		
Proceeds from issue of Share Capital (net of issue costs)	-	362,526
Net cash generated from financing activities		362,526
(Decrease) / Increase in cash and cash equivalents during the period	(97,699)	240,480
Cash and cash equivalents balance at the beginning of the period (1 October 2007)	116,423	-
Cash and cash equivalents balance at the end of the period	18,724	240,480

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Notes to the Consolidated Financial Statements

for the six months ended 31 March 2008

1. GENERAL INFORMATION

Hirco PLC (the "Company") is a public limited company incorporated in the Isle of Man on 02 November 2006. It was admitted to AIM on 13 December 2006.

The interim consolidated financial statements of Hirco PLC comprise the Company and its subsidiaries (together referred to as the "Group"). The interim consolidated financial statements have been prepared for the period from 01 October 2007 to 31 March 2008 and the comparatives are for the period 02 November 2006 (date of incorporation) to 31 March 2007 for the income statement and cash flow statement and 30 September 2007 for the balance sheet and are presented in GBP. They are unaudited. The period ended 31 March 2007 is less than a full six months, which should be considered when comparing the results to the six months ended 31 March 2008.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") IAS 34 Interim Financial Reporting.

The preparation of financial statements in conformity with IFRS requires the use of critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the Company's accounting policies. Actual results may differ from these estimates.

The interim consolidated financial statements have been prepared on a historical cost basis with the exception of equity interests in unquoted companies, which are stated at fair value.

(B) BASIS OF CONSOLIDATION

The interim consolidated financial statements incorporate the results of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March 2008. 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

for the six months ended 31 March 2008

(C) INVESTMENTS

The Group's interest in Participating Preference Shares issued by Burke 1 Limited, Burke 2 Limited, Burke 3 Limited and Burke 4 Limited (note 8) 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 have elected under IAS 31 to designate the equity component of its investment in jointly controlled entities, Burke 1 Limited, Burke 2 Limited, Burke 3 Limited and Burke 4 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.

Fair Value is determined by the Directors with appropriate regard to IFRS and the International Private Equity and Venture Capital Valuation Guidelines. The estimate of fair value by the Directors is based on the fair market value assessment of the property development projects by an independent professional valuer.

(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.

(E) 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).

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Notes to the Consolidated Financial Statements

for the six months ended 31 March 2008

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.

3. 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.

4. INVESTMENT INCOME

	Six Months to 31 March 2008 £ 000	02 November 2006 to 31 March 2007 £ 000
Preference Dividend	20,521	1,345
Bank Interest	864	4,975
	21,385	6,320

5. ADMINISTRATIVE EXPENSES

	Six Months to 31 March 2008 £ 000	02 November 2006 to 31 March 2007 £ 000
Employee Costs	419	272
Occupancy Costs	96	-
Professional and Consultancy Fees	690	59
Directors' Fees	276	134
Other Administration Costs	493	287
Depreciation	17	-
	1,991	752

Included in Professional and Consultancy fees is £42,000 paid to a director.

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Notes to the Consolidated Financial Statements

for the six months ended 31 March 2008

6. EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

Basic earnings per share for six months ended 31 March 2008 is based on the profit attributable to equity holders of the Company of £ 52,480,710 (period ended 31 March 2007 : £5,583,785) and the weighted average number of ordinary shares outstanding during the six months ended 31 March 2008 of 76,526,984 (period ended 31 March 2007 of 76,526,984).

	31 March 2008	31 March 2007
Profit attributable to equity holders of the parent	£ 52,480,710	£ 5,583,785
Weighted average number of ordinary shares	76,526,984	76,526,984

Earnings per share	Pence	Pence
Basic earnings per share	68.58	7.30
Diluted earnings per share	68.58	7.30

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.

7. 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 £522,228,370 (30 September 2007 : £469,746,526) by the number of ordinary shares as at 31 March 2008 of 76,526,984 (30 September 2007 : 76,526,984).

	31 March 2008	30 September 2007
Net assets attributable to equity holders of the parent	£ 522,228,370	£ 469,746,526
Number of ordinary shares	76,526,984	76,526,984
	£	£
Net asset value per share	6.82	6.14

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Notes to the Consolidated Financial Statements

for the six months ended 31 March 2008

8. INVESTMENTS

Company	Projects in India	Date of Investment	Fair Value As at 30 Sep 07 £ 000	Additions during the period £ 000	Fair Value gain for the period £ 000	Fair Value As at 31 Mar 08 £ 000	Cost of Acquisition £ 000
Investment in participating preference shares of;							
Burke 1 Limited	Chennai township projects	13-Feb-2007	115,513	-	11,521	127,034	77,847
Burke 2 Limited	Chennai commercial projects	23-Mar-2007	64,974	-	1,745	66,719	47,889
Burke 3 Limited & Burke 4 Limited	Panvel SEZ, commercial & residential projects	19-Jul-2007 & 25-Oct-2007	160,905	96,637	19,839	277,381	225,074
Balance as at 31 March 2008			341,392	96,637	33,105	471,134	350,810

The participating preference share interests in Burke 1 Limited, Burke 2 Limited, Burke 3 Limited and Burke 4 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.

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Notes to the Consolidated Financial Statements

for the six months ended 31 March 2008

8. INVESTMENTS (Continued)

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

	Burke 1 Limited £ 000	Burke 2 Limited £ 000	Burke 3 & 4 Limited £ 000	Total £ 000
Net worth post Valuation as on 31 March, 2008 before charging Preference dividend	244,381	120,877	470,375	835,633
Distribution in the order of contractual preference:				
Preference dividend	10,735	5,951	15,869	32,555
Repayment of the group's participating preference shares	77,847	47,889	225,074	350,810
Repayment of the ordinary Shares (which are subordinated to the Participating Preference Shares)	32,830	19,962	98,665	151,457
Share of the Group (40%) of the residual Net worth	49,188	18,830	52,307	120,325
Share of the Ordinary Shareholders (60%) of the residual Net worth	73,781	28,245	78,460	180,486
Total distribution	244,381	120,877	470,375	835,633
 Change in Fair Value:				
Fair value gain of the Group's investment as of 31 March, 2008	49,188	18,830	52,307	120,325
Less: Fair value gain recognized in September 2007	37,667	17,085	32,468	87,220
Fair value gain for the period of the Group's investment (representing share of the Group (40%) of the residual net worth)	11,521	1,745	19,839	33,105

9. RELATED PARTY DISCLOSURE

The Company has invested in participating preference shares issued by Burke 1 Limited, Burke 2 Limited, Burke 3 Limited and Burke 4 Limited ("the Burke 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 Consolidated Limited 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 six month period ended 31 March, 2008 were £504,500 (period to 30 September 2007: £337,803).
- A Marketing Services Agreement to provide Sales and Marketing assistance to the Project companies. The fees payable for the services for the six month ended 31 March, 2008 were £1,666,245 (period to 30 September 2007: £605,198).