



News Release

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

January 22, 2009

HIRCO REPORTS STRONG RESIDENTIAL SALES AT ITS CHENNAI AND PANVEL TOWNSHIPS

Sales and Average Unit Price Increase for 6th Consecutive Quarter in Chennai, 3rd Consecutive Quarter in Panvel in spite of wider adverse market conditions.

LONDON – Hirco PLC (AIM:HRCO), an investment vehicle for Hiranandani, India's largest developer of prestigious mixed-use townships, Hiranandani Palace Gardens township developments in both Chennai and Panvel today announced that sales of residential units in Phase 1 of its Hiranandani Palace Gardens township developments continue to be robust both in terms of volume of units sold and the level of pricing achieved.

As of 31 December 2008, sales consideration for the Chennai residential township has been accepted on approximately 2,044,618 square feet at an average price of Rs 4,192 per square foot. This represents an increase over figures reported in September of 1,838,332 square feet at an average price of Rs 4,073.

Sales consideration for Hirco's Hiranandani Palace Gardens residential township development in Panvel, located in the Mumbai Metropolitan Region, has been accepted on approximately 1,631,047 square feet at an average price of Rs 4,278 per square foot, as of 31 December 2008. This represents an increase over figures reported in September of 1,555,554 square feet at an average price of Rs. 4,214, and includes 62 percent of the units that have been released by the Company for sale to-date.

Niranjan Hiranandani, Chairman of Hirco, said: "We are delighted to post our sixth consecutive quarter of sales momentum in Chennai, and our third consecutive quarter of growth in Panvel, which is a reflection of the superior quality of our product and high standard of living our townships provide. However, we are frustrated by the several publicly disparaging assertions made about Hirco by Laxey Partners and are particularly anxious that such remarks are causing harm to our business and are of great concern to

our customers. We are committed to the projects' profitability and continue to work closely with shareholders to find the optimal solution for all of them."

Both the Chennai and Panvel townships offer a range of apartment sizes and styles designed to appeal to employees of major international companies located within the respective township's catchment area.

The townships are being constructed over three phases, all building to a unique master plan. Hiranandani Palace Gardens townships are self-contained and well-connected communities with modern offices and residences, schools, health care facilities, hotels, retail centres, recreation facilities, and parks, gardens and other public space. The townships are strategically located along business growth corridors of Chennai and Mumbai and have easy access to international airports, the national highway system and rail transport.

Hirco's combined commercial and residential site in Panvel is a Special Economic Zone (SEZ), which will provide tax advantages for both the Company and occupants of the Panvel development. India's SEZs are specifically delineated, duty-free enclaves that are deemed to be foreign territory for the purposes of trade operations and duties and tariffs. SEZs were introduced in India to provide an internationally competitive and less complicated environment for exports.

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.

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 Annual Report and Accounts for the period ended 30 September 2007, please visit www.hirco.com.

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