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June 2, 2011

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

HIRCO ANNOUNCES PLACING

LONDON – Hirco PLC (AIM:HRCO), the AIM-quoted real estate investment company, today announces a placing to raise gross proceeds of £12 million (the "**Placing**").

Hirco today announces that it has raised £12 million before expenses (approximately £11.1 million net of expenses) through a Placing of 24 million new ordinary shares (the "**Placing Shares**") with a nominal value of £0.01 ("**Ordinary Shares**") each at 50 pence per share (the "**Placing Price**") with both existing shareholders and other institutions. The Placing Price is at a discount of 21.6 per cent. to the mid-market closing price of 63.75 pence per Ordinary Share on 1 June 2011.

The proceeds from the Placing will be used to implement the Company's strategy and to preserve long term value for shareholders.

Pursuant to the Placing, Standard Life Investments Limited ("**Standard Life**") and HSBC Private Bank (Suisse) S.A. ("**HSBC Private Bank**") will be subscribing for 3,513,314 Placing Shares and 1,799,900 Placing Shares respectively at the Placing Price. Each of Standard Life and HSBC Private Bank are Substantial Shareholders (as defined in the AIM Rules for Companies published by the London Stock Exchange (the "**AIM Rules**")). Their participation in the Placing constitutes a Related Party Transaction under the AIM Rules. The Directors of the Company consider, having consulted with HSBC Bank plc in its capacity as nominated adviser to the Company, that the terms of the participation of each of Standard Life and HSBC Private Bank in the Placing are fair and reasonable insofar as shareholders are concerned.

The Placing is conditional upon, inter alia, (i) admission of the Placing Shares to trading on the AIM market of the London Stock Exchange; and (ii) the approval by shareholders at an extraordinary general meeting of the Company to be held on 28 June 2011 (the "**Extraordinary General Meeting**") of a resolution to a) increase the Company's authorised share capital and b) to grant the Directors the authority to allot the Placing Shares on a non pre-emptive basis (the "**Placing Resolution**").

The Board has also convened the Extraordinary General Meeting to allow shareholders to consider, and, if thought fit, approve, an amendment of Hirco's articles of association (the "**Articles**") to remove the Board appointment rights currently held by the Hiranandani family, to provide for the deposit of completed proxy forms outside the Isle of Man, and to clarify the calculation of the 48 hour cut-off point for the receipt of valid proxy forms.

A circular will be dispatched to shareholders to provide them with further information on the Placing and to convene the Extraordinary General Meeting to seek shareholder approval for the resolutions necessary to effect the Placing and the above mentioned amendments to the Articles.

ENDS

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The Placing Shares have been and nor will they be registered under the Securities Act or under the applicable securities laws of any state in the United States or any other Excluded Territory and, unless an exemption under such act or laws is available may not be offered for sale or subscription or sold or subscribed directly or indirectly within the Excluded Territories or for the account or benefit of any national, resident or citizen of the Excluded Territories. No public offering of securities will be made in the United States.

The distribution of this announcement in any other jurisdictions may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

HSBC Bank Plc, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Hirco and for no one else in connection with the Placing and will not be responsible to anyone other than Hirco for providing the protections afforded to clients of HSBC Bank Plc nor for providing advice in relation to the Placing or any other matters referred to in this announcement.

The contents of this announcement are not to be construed as legal, financial or tax advice. If necessary, each recipient of this announcement should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

This announcement contains certain statements that are or may be "forward-looking statements". These statements typically contain words such as "intends", "expects", "anticipates", "estimates" and words of similar import. All the statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Hirco's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Hirco's products and services) are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and therefore undue reliance should not be placed on such forward-looking statements. There are a number of factors that could cause the actual results, performance or achievements of Hirco or those markets and economies in which it operates to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Hirco's present and future business strategies and the environment in which Hirco will operate in the future and such assumptions may or may not prove to be correct. Forward-looking statements speak only as at the date they are made. Neither Hirco, HSBC Bank Plc nor any other person undertakes any obligation (other than, in the case of Hirco, pursuant to the AIM Rules) to update publicly any of the information

contained in this announcement, including any forward-looking statements, in the light of new information, change in circumstances or future events.

Any indication in this announcement of the price at which ordinary shares of the Company have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

This announcement does not constitute a recommendation regarding the Placing. The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares.

The Placing Shares will not be admitted to trading on any stock exchange other than the AIM Market of the London Stock Exchange plc.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT: (A) PERSONS WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED, BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (THE "PROSPECTUS DIRECTIVE"); AND (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR THE SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.