

5 November 2009

**NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR
THE REPUBLIC OF SOUTH AFRICA**

THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART IN OR INTO ANY OF THE JURISDICTIONS ABOVE OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION. PLEASE SEE THE IMPORTANT NOTICE AT THE END OF THIS ANNOUNCEMENT

THIS ANNOUNCEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES, NOR SHALL THERE BE ANY SALE OR PURCHASE OF SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH JURISDICTION. THE AVAILABILITY OF THE RIGHTS ISSUE TO PERSONS NOT RESIDENT IN THE UNITED KINGDOM MAY BE AFFECTED BY THE LAWS OF THE RELEVANT JURISDICTIONS. SUCH PERSONS SHOULD INFORM THEMSELVES ABOUT AND OBSERVE ANY APPLICABLE REQUIREMENTS.

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND DOES NOT CONSTITUTE A PROSPECTUS. NOTHING IN THIS ANNOUNCEMENT SHOULD BE INTERPRETED AS A TERM OR CONDITION OF THE RIGHTS ISSUE. ANY DECISION TO PURCHASE, OTHERWISE ACQUIRE, SUBSCRIBE FOR, SELL OR OTHERWISE DISPOSE OF ANY NIL PAID RIGHTS, FULLY PAID RIGHTS AND/OR NEW SHARES MUST BE MADE ONLY ON THE BASIS OF THE INFORMATION CONTAINED IN AND INCORPORATED BY REFERENCE INTO THE PROSPECTUS.

Grainger plc
(“Grainger” or the “Company” or the “Group”)

**PROPOSED 2 FOR 1 RIGHTS ISSUE
TO RAISE GROSS PROCEEDS OF APPROXIMATELY £250 MILLION**

Strengthened financial position will enable the Group to make compelling acquisitions

The Board of Grainger plc today announces the details of a fully underwritten Rights Issue to raise gross proceeds of approximately £250 million (approximately £238 million net of expenses) by the issue of up to 277,628,724 New Shares through a 2 for 1 Rights Issue at 90 pence per New Share.

Grainger’s audited results for the year ended 30 September 2009 have been released today in an accompanying announcement.

Summary

- Fundraising totalling £249.9 million (gross) by way of a fully underwritten rights issue made on the basis of:

2 New Shares at 90 pence per New Share for every 1 Existing Share

held by Qualifying Shareholders at the close of business on the Record Date

- Issue of up to 277,628,724 New Shares (representing 200.0 per cent. of the existing issued share capital and 66.7 per cent. of the enlarged issued share capital immediately following completion of the Rights Issue)

The Issue Price represents a 40.2 per cent. discount to the theoretical ex-rights price based on the closing middle-market price of 271.4 pence per Ordinary Share on 4 November 2009 (being the last business day before the announcement of the terms of the Rights Issue) and a 39.7 per cent. discount to the theoretical ex-rights price based on that closing price adjusted for the proposed final dividend of 3.91 pence per Ordinary Share, which will be paid to Shareholders on the register of members at close of business on 20 November 2009

The Rights Issue is fully underwritten by J.P. Morgan Securities Ltd, Barclays Bank PLC, RBS Hoare Govett Limited and Lloyds TSB Bank plc. Rothschild is acting as Sole Financial Adviser and Joint Sponsor.

- The Rights Issue follows a number of measures undertaken by the Group to strengthen its financial position, including:
 - The debt refinancing as announced on 1 October 2009.
 - Increasing the level of Investment Sales of properties in its Core Portfolio, selling a number of development assets and reducing acquisition activity.
 - Reduced expenditure on purchases for its entire Residential Portfolio and committed cash expenditure in relation to its Development Portfolio.
 - Reduced overheads through a 13 per cent. reduction in headcount.
 - Early conversion of 78 per cent. of the convertible bonds to reduce loan to value and increase net assets.
- The Rights Issue will provide additional equity finance to improve the Group's balance sheet leverage ratios, reduce the overall size and cost of its debt and better to enable it to move from its current strategy of cash conservation to recommence active trading as opportunities arise:
 - Under the terms of the Group's recent refinancing, £104.5 million of the net proceeds of the Rights Issue will be used to prepay and cancel debt. Of the balance of £133.4 million, £68.5 million will be used to reduce (but not cancel) debt until acquisition opportunities arise.
 - This total reduction in debt of £173.0 million together with the balance of proceeds held in cash of £64.9 million following the Rights Issue will reduce the Group's loan to value ratio on the Core Banking Facility from 66.2 per cent. to 53.2 per cent. on a pro forma basis as at 30 September 2009. On a pro forma basis as at 30 September 2009, the Group will have undrawn committed facilities of £228.0 million and unrestricted cash of £76.5m.
 - Following the completion of the Rights Issue, the resulting permanent reduction in debt of £104.5 million together with the reduced interest margins which flow from this due to the margin ratchet mechanism in the Core Banking Facilities, which is tied to the LTV, will reduce the Group's interest margin on a significant portion of the Core Banking Facilities by 50 basis points and the Group's annual interest charge by £5.7 million as compared to the margin and annual interest charge in effect prior to the completion of the Rights Issue.
 - The Board believes that the improved leverage ratios and increased undrawn committed facilities will give the Group a strengthened financial position which will enable it to take advantage of compelling future acquisition opportunities as the market recovers, which should enhance shareholder value over time.
- Each of the Directors and members of the senior management team intends either to take up in full his or her rights to acquire New Shares under the Rights Issue in respect of his or her direct registered holdings or to sell sufficient of his or her rights during the nil paid dealing period to meet the cost of taking up the balance of his or her entitlement to the New Shares.

Details of the Rights Issue

Rothschild is acting as Sole Financial Adviser and Joint Sponsor. J.P. Morgan Cazenove is acting as Sole Global Co-ordinator, Joint Bookrunner and Joint Sponsor. Barclays Bank PLC and RBS Hoare Govett Limited are acting as Joint Bookrunners, and Lloyds TSB Bank plc is acting as Co-Lead Manager.

The Rights Issue is fully underwritten by J.P. Morgan Securities Ltd., Barclays Bank PLC, RBS Hoare Govett Limited and Lloyds TSB Bank plc.

Further details of the Rights Issue are set out in the Prospectus which will be sent to shareholders shortly and will also be made available on Grainger's website, www.graingerplc.co.uk today.

The Rights Issue is conditional upon, amongst other things, approval of the Resolutions by Shareholders at the General Meeting expected to be held on 30 November 2009.

The New Shares, when issued and fully paid, will rank pari passu in all respects with the existing issued Ordinary Shares, including the right to receive dividends or distributions made, paid or declared after the date of the Prospectus. Application will be made to the UK Listing Authority and to the London Stock Exchange for the New Shares to be admitted to the Official List and to trading on the London Stock Exchange. It is expected that Admission will occur and that dealings in the New Shares (nil paid) on the London Stock Exchange will commence at 8.00 a.m. on 1 December 2009.

Andrew Cunningham, Chief Executive of Grainger, commented:

"Since the onset of the economic downturn, Grainger has taken proactive measures to reduce costs and increase revenue. Furthermore, with the recent agreement with our lending banks for two new forward start credit facilities and the reduction in debt and associated costs that can be achieved following the proposed Rights Issue, Grainger will be firmly on the front foot.

The resulting LTV flexibility and strengthened financial position will ensure the Group is well placed to use its specialist skills and market-leading position in the residential market to make compelling acquisitions which should enhance shareholder value over time."

Analyst presentation

Grainger plc will be holding a presentation for analysts and investors today at 11.00 a.m. at the London Stock Exchange, 20 Paternoster Square, London, EC4M 7LS.

The meeting can also be accessed through the following dial-in facility and a copy of the presentation slides will be available on Grainger's website, www.graingerplc.co.uk:

UK dial in: 0845 146 2010

International dial in: + 44 (0)1452 542 304

Expected timetable

Each of the times and dates in the table below is indicative only and may be subject to change.

| | |
|--|--------------------------------|
| Expected publication of the Prospectus | 5 November 2009 |
| Expected despatch of the Prospectus ¹ | 6 November 2009 |
| Record date for the final dividend | 20 November 2009 |
| General Meeting to approve Rights Issue | 10.30 a.m. on 30 November 2009 |
| Dealings in New Shares, nil paid, commence on the London Stock Exchange | 8.00 a.m. on 1 December 2009 |
| Latest time and date for acceptance, payment in full and registration of renunciation of Provisional Allotment Letters | 11.00 a.m. on 15 December 2009 |
| Dealings in New Shares, fully paid, commence on the London Stock Exchange | 8.00 a.m. on 16 December 2009 |

Notes:

The times and dates set out in the expected timetable of principal events above and mentioned throughout this Announcement may be adjusted, in which event details of the new times and dates will be notified to the UK Listing Authority, the London Stock Exchange and, where appropriate, Qualifying Shareholders.

References to times in this timetable are to London times unless otherwise stated.

Footnote:

1. Subject to certain restrictions relating to Shareholders with registered addresses, or who are resident or located, outside the European Economic Area, details of which are set out in the Prospectus.

This summary should be read in conjunction with the full text of this Announcement.

For further information, please contact:

| | |
|---|------------------------------|
| Grainger plc | +44 (0) 20 7795 4700/ |
| Andrew Cunningham, Chief Executive | +44 (0) 191 261 1819 |
| Dave Butler, Director of Corporate Affairs | |
| Rothschild (Sole Financial Adviser & Joint Sponsor) | +44 (0)20 7280 5000 |
| Alex Midgen | |
| Nigel Himsworth | |
| Paul Mitchell | |
| J.P. Morgan Cazenove (Global Co-ordinator, Joint Bookrunner & Joint Sponsor) | +44 (0)20 7588 2828 |
| Robert Fowlds | |
| Jonathan Wilcox | |
| Bronson Albery | |
| Financial Dynamics | +44 (0) 20 7831 3113 |
| Stephanie Highett | |
| Dido Laurimore | |

A prospectus relating to the Rights Issue (the "Prospectus") is expected to be published and posted to Shareholders today provided that it will not be posted or sent to any shareholders residing in Australia, Canada, Japan or the Republic of South Africa and, subject to certain exceptions, the United States or any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law.

The Prospectus will give further details of the Nil Paid Rights, the Fully Paid Rights and the New Shares to be offered pursuant to the Rights Issue.

A copy of the Prospectus when published will be available from the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HS during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excepted) up to 1 December 2010. The Prospectus will also be made available on Grainger's website www.graingerplc.co.uk

Each of N M Rothschild & Sons Limited, J.P. Morgan Cazenove Limited, J.P. Morgan Securities Ltd., Barclays Bank PLC, RBS Hoare Govett Limited and Lloyds TSB Bank plc are acting exclusively for the Company and for no one else in relation to the Rights Issue and will not regard any other person (whether or not a recipient of this Announcement) as a client in relation to the Rights Issue and will not be responsible to any other person for providing the protections afforded to their respective clients nor for providing advice in connection with the Rights Issue, or any other matters referred to in this Announcement.

PROPOSED RIGHTS ISSUE

1. Introduction

The Board of Grainger plc today announces a Rights Issue to raise gross proceeds of approximately £250 million (approximately £238 million net of expenses) by the issue of up to 277,628,724 New Shares (representing 200.0 per cent. of the existing issued share capital and 66.7 per cent. of the enlarged issued share capital immediately following completion of the Rights Issue) through a 2 for 1 Rights Issue at 90 pence per New Share.

The Group has determined to raise additional equity finance to improve the Group's balance sheet leverage ratios, reduce the overall size and cost of its debt and to better enable it to move from its current position of cash conservation to recommence active trading as opportunities arise. Under the terms of the Group's recent refinancing, £104.5 million of the net proceeds of the Rights Issue will be used to prepay and cancel debt. Of the balance of £133.4 million, £68.5 million will be used to reduce (but not cancel) debt until acquisition opportunities arise. This total reduction in debt of £173.0 million together with the balance of proceeds held in cash of £64.9 million following the Rights Issue will reduce the Group's loan to value ratio on the Core Banking Facility from 66.2 per cent. to 53.2 per cent. on a *pro forma* basis as at 30 September 2009. On a *pro forma* basis as at 30 September 2009, the Group will have undrawn committed facilities of £228.0 million and unrestricted cash of £76.5m.

Following the completion of the Rights Issue, the resulting permanent reduction in debt of £104.5 million, together with the reduced interest margins which flow from this due to the margin ratchet mechanism in the Core Banking Facilities, which is tied to the LTV, will reduce the Group's interest margin on a significant portion of the Core Banking Facilities by 50 basis points and the Group's annual interest charge by £5.7 million as compared to the margin and annual interest charge in effect prior to the completion of the Rights Issue. In addition, pending any utilisation of funds on acquisitions, £68.5 million of the balance of the proceeds of the Rights Issue of £133.4 million will be used in part to temporarily reduce borrowings under the Core Banking Facilities; whilst the reduction remains at this level, it will result in monthly interest savings of £0.1 million as compared to the monthly interest charge in effect prior to completion of the Rights Issue.

The Board believes that the improved leverage ratios and increased undrawn committed facilities will give the Group a strengthened financial position which will enable it to take advantage of compelling future acquisition opportunities as the market recovers which should enhance shareholder value over time.

2. Background to the Rights Issue

The Group's competitive position

Grainger is the UK's largest specialist residential property owner traded on the London Stock Exchange. As at 30 September 2009, the Group owned 13,259 residential properties in the United Kingdom and 7,180 primarily residential properties in Germany, which together were valued at £2.1 billion, including the Group's wholly owned Development Portfolio. The Group's operations are organised in six business areas: (i) Core Business; (ii) Retirement Solutions Business; (iii) Fund Management and Residential Investment Business; (iv) Property Services Business; (v) Development Business; and (vi) Europe Business. With the exception of the Property Services Business, each of the Group's businesses has a related portfolio of property assets. The Core, Retirement Solutions and Europe Businesses each manages (in the case of the Core and Retirement Solutions

Businesses, in conjunction with the Property Services Business) and, where appropriate, trades the properties within its related portfolio. The Fund Management and Residential Investments Business provides fund and asset management services to certain of the Group's joint ventures and associates, which comprise the Group's Investment Portfolio. The Development Business develops and trades the assets within the Group's Development Portfolio. The Property Services Business provides property and asset management services to the Group's Core and Retirement Solutions Businesses and property management services to certain of the Group's joint ventures and associates.

The following table sets out the values of the Group's portfolios as at 30 September 2009 and the main property types associated with each portfolio:

| Portfolio | Business Area | Market Value of Portfolio as at 30 September 2009 (£ million) (unaudited) | Properties |
|--------------------------------|--|--|--|
| Core Portfolio | Core Business | 1,059 | Primarily regulated properties which are wholly-owned by the Group, located in the UK, subject to regulated rental rates and generally sold upon vacancy |
| Retirement Solutions Portfolio | Retirement Solutions Business | 481 | Primarily properties subject to home reversion plans which are located in the UK, do not produce rental income and are generally sold upon vacancy |
| Investment Portfolio | Fund Management and Residential Investments Business | 101 | The Group's interests in joint ventures and associates which own primarily residential properties located in the UK and in respect of certain of which the Group provides certain fund, asset and property management services |
| Development Portfolio | Development Business | 83 | Primarily residential-led mixed-use development sites which are wholly-owned by the Group, the majority of which are located in the UK and interests in joint ventures and associates holding development assets |
| German Portfolio ¹ | Europe Business | 473 | Primarily residential units which are wholly owned by the Group, located in Germany, let at market rates and typically re-let, rather than sold upon vacancy |
| Total | — | 2,197 | — |

Source: Management information

1. Excluding Gebau

Market Background

The disruption to the global financial markets, which began in the summer of 2007, and the consequential global recession, particularly in the UK, has led to marked declines in residential housing prices and significant restrictions in the availability of mortgage financing in the UK. This continues to have a negative impact on the largely credit-dependent UK residential property market.

Although the Group has been significantly affected by these trends, the aggregate Vacant Possession Value of the properties in its Residential Portfolio (representing 73.9 per cent. by value of the Group's wholly owned property

assets), measured as the value that the Group expects to obtain by selling on vacancy (as supported by the Group's independent valuers as at 30 September 2009), has out-performed the Nationwide and Halifax house price indices by 1.6 per cent. and 6.7 per cent. respectively over the two year period ended 30 September 2009. The Vacant Possession Value of the Group's Residential Portfolio declined by 11.5 per cent. compared to a 13.1 per cent. and 18.1 per cent. decline in the Nationwide and Halifax house price indices, respectively.

It is also noteworthy that the Group has, in aggregate, been able to continue making profits on the sale of vacant properties due to the fact that the properties in the Residential Portfolio were primarily acquired at a significant discount to current Vacant Possession Values. Additionally, the Group has been able to increase the sales of properties in the Residential Portfolio with a tenant in place, known as "Investment Sales," and has continued to make such sales at acceptable margins over book value. Although Investment Sales are realised at a discount to the Vacant Possession Value, they do provide an additional source of revenue if required, particularly in times of market slowdown.

In Germany, where the property market has been less volatile due to a combination of lower home ownership levels and lower consumer indebtedness, the value of the German Portfolio (representing 22.7 per cent. by value of the Group's wholly owned property) has declined by 2.5 per cent. in the 12 months to 30 September 2009 after a fall of 3.4 per cent. in the 12 months to 30 September 2008.

Notwithstanding recent indications that residential property markets have begun to stabilise, particularly in Central and Greater London, it is possible that declines in the property market will continue and the near term outlook for the UK and German economies and residential property markets remains uncertain. The UK Government has indicated some £3m new homes will be required by 2020, but the Directors believe new house build levels will be well below 100,000 for 2009. The Directors believe that the underlying imbalance between supply and demand in the housing sector will ultimately drive future growth and upward pressure on prices over the long term and that attractive acquisition opportunities are likely to emerge for well capitalised companies with access to debt finance.

There are also signs of a political imperative to make changes to the structure of the UK housing sector in the Homes and Communities Agency ("HCA") work on the Private Rented Sector Initiative ("PRSI"). The Directors believe that with suitable fiscal incentives and planning policies and practices to encourage, for example, build to let schemes, the PRSI would not only help alleviate the supply problem but would also present Grainger, with significant business opportunities.

Current Strategy

In the current economic environment, Grainger has focused on maximising revenue, reducing stock purchases, overhead reduction and enhancing the Group's financial stability and remaining compliant with the covenants under its Core Banking Facilities. To achieve these objectives, the Group has followed a strategy of increasing the level of Investment Sales of properties in its Core Portfolio, selling various development assets and significantly reducing its acquisitions. Proceeds from Investment Sales in the Core Portfolio increased 34 per cent. to £55.1 million in the year ended 30 September 2009 as compared to £41.2 million in the year ended 30 September 2008 and £17.2 million in the year ended 30 September 2007. As a result, despite the difficult market conditions, the Group achieved sales proceeds from disposals in the Residential Portfolio of £162.3 million in the year ended 30 September 2009, which remained broadly consistent with the proceeds generated in the year

ended 30 September 2008 (£161.6 million) and exceeded proceeds generated in the year ended 30 September 2007 (£142.7 million). Of the £162.3 million in sales proceeds generated by the Residential Portfolio in the year ended 30 September 2009, £107.2 million was generated by sales of vacant properties as compared to £55.1 million generated by Investment Sales. The Group has also increased its sales of properties in its Development Portfolio, generating total sales proceeds of £47.1 million for the year ended 30 September 2009 compared to £10.1 million for the year ended 30 September 2008 and £39.5 million for the year ended 30 September 2007. Total sales proceeds from the disposal of property by the Group in the year ended September 2009 were £219.8 million, an increase of 21.5 per cent. over the proceeds of £180.9 million achieved in the year ended 30 September 2008.

The Group has also reduced expenditure on purchases of properties for its Residential Portfolio. Purchases of properties for the Residential Portfolio totalled £11.8 million in the year ended 30 September 2009, compared to £122.9 million in the year ended 30 September 2008 and £405.7 million in the year ended 30 September 2007. In addition, the Group has reduced overheads and realised cost savings within administrative expenses of £2.7 million in the year ended 30 September 2009 as a result of a reduction of headcount by 40 full time equivalent employees, (13 per cent. of the Group's total headcount in the year ended 30 September 2009).

Furthermore, the Group has reduced its committed cash expenditure in relation to its Development Portfolio. Committed cash expenditure on development assets was £10 million as at 30 September 2009, compared to £30 million as at year ended 30 September 2008 and £57 million as at 30 September 2007.

3. Reasons for the Rights Issue

As announced on 1 October 2009, the Group has recently refinanced its Core Banking Facilities resulting in a significantly strengthened liquidity profile until December 2012. The maximum LTV covenant of 80 per cent. remains and accordingly, the Directors believe that the Group is well positioned as regards covenant compliance even in the event of further declines in the property market over the near to mid term.

However, the decline in the value of Grainger's portfolio since 2007 has caused the LTV under the Group's Core Banking Facilities to increase to 66.2 per cent. as at 30 September 2009. Under the Core Banking Facilities there are certain acquisition restrictions if the Group's LTV rises above 70 per cent. The Rights Issue is intended to increase the headroom on the Core Banking Facilities, which would enable the Group to replenish and expand its portfolio ahead of a potential market recovery.

The proposed Rights Issue will provide Grainger with the LTV flexibility it needs to invest further in its Core Portfolio and also provide greater liquidity, allowing Grainger to reduce the proportion of Investment Sales to Vacant Possession Sales and enhancing its ability to realise the Reversionary Surplus on its properties.

Debt Reduction

The Group expects to raise approximately £238 million through the Rights Issue (net of expenses) and will apply approximately £104.5 million of these net proceeds in permanent debt reduction under the terms of the refinancing. The balance of the proceeds of £133.4 million will be held as cash or to reduce outstanding debt under the Group's credit facilities until compelling acquisition opportunities arise. Assuming the Group makes the permanent debt reduction and applies £68.5 million of the balance of the proceeds to prepay and reduce its outstanding debt, together with the balance of proceeds held in cash of £64.9 million, this will reduce the

Group's LTV applicable to the Core Banking Facilities from 66 per cent. to 53 per cent. on a pro forma basis as at 30 September 2009.

As part of the refinancing, the Group negotiated a margin ratchet with its lenders whereby interest margins on a significant portion of its facilities can be reduced by up to 1.25 per cent. The benefit of this ratchet is maximised where the Group's LTV is below 60 per cent. Following the completion of the Rights Issue, the resulting permanent reduction in debt of £104.5 million together with the reduced interest margins which flow from this due to the margin ratchet mechanism in the Core Banking Facilities, which is tied to the LTV, will reduce the Group's interest margin on the Forward Start Facilities by 50 basis points and the Group's annual interest charge by £5.7 million as compared to the margin and annual interest charge in effect prior to the completion of the Rights Issue. In addition, pending any utilisation of funds on acquisitions, part of the balance of the proceeds of the Rights Issue, amounting to £68.5 million, will be used to temporarily reduce borrowings under the Core Banking Facilities; whilst the reduction remains at this level, it will result in monthly interest savings of £0.1 million as compared to the monthly interest charge in effect prior to completion of the Rights Issue.

Funds for investment and growth

The Group intends to use the proceeds of the Rights Issue to recapitalise its business in advance of potential recovery in the property markets. In particular, the Rights Issue is expected to enhance the Group's ability to take advantage of any compelling acquisition opportunities which meet the Group's acquisition criteria and are consistent with the Group's overall strategy. The Group intends to target acquisitions both in its existing asset classes and in alternative residential asset classes which may include intermediate, retirement or shared equity housing, student accommodation or other residential asset classes through a variety of ownership structures, including joint ventures and associates. Residential property values appear to be stabilising across the UK with signs of particular improvement in Central and Greater London. Furthermore, market deal flow in the last three months in the UK has increased noticeably at all levels in relation to both individual residential properties and larger portfolios. Recently the Group has become aware of acquisition opportunities which are immediately available or which may come to the market over the next few months and are mainly focused on London and the South East. These range from attractively priced individual units subject to regulated tenancies through to large portfolios with values in excess of £100 million, and include units and portfolios in alternative residential asset classes. The Group has also been approached by a number of parties who are interested in having Grainger as a co-investment partner across a range of residential sectors. The proceeds of the Rights Issue will enable the Group to pursue these opportunities as and when they arise to enable it to achieve its objectives of replenishing its regulated tenancy stock and expanding its exposure to other residential asset classes.

On this basis, the Board believes that the Rights Issue will significantly strengthen the Group's financial position and its ability to make compelling acquisitions which should enhance shareholder value over time.

Use of proceeds

The Group expects to raise approximately £238 million through the Rights Issue (net of expenses). The terms of the Forward Start Agreement require £104.5 million of the net proceeds of the Rights Issue, to be applied in prepaying and cancelling outstanding amounts under the Group's Core Banking Facilities, although the Forward Start Agreement is not conditional on an equity raise.

The Directors intend to use part of the amount of net proceeds not required to be applied in prepayment of the Core Banking Facilities in accordance with the terms of the Forward Start Agreement to further reduce, but not prepay or cancel, the outstanding amounts under the Core Banking Facilities and to hold the remainder as cash, in each case until such time as compelling acquisition opportunities are identified, following which it will be used to finance those acquisition opportunities.

4. Principal Terms of the Rights Issue

The Company is proposing to offer up to 277,628,724 New Shares by way of a rights issue to Qualifying Shareholders other than, subject to certain exceptions, Qualifying Shareholders who have a registered address, or are resident or located, in the United States or any of the other Excluded Territories. The offer is to be made at 90 pence per New Share, payable in full on acceptance by no later than 11.00 a.m. on 15 December 2009. The Rights Issue is expected to raise up to approximately £238 million, net of expenses. The Rights Issue Price represents a 40.2 per cent. discount to the theoretical ex-rights price based on the closing middle-market price of 271.4 pence per Ordinary Share on 4 November 2009 (being the last business day before the announcement of the terms of the Rights Issue) and a 39.7 per cent. discount to the theoretical ex-rights price based on that closing price adjusted for the proposed final dividend of 3.91 pence per Ordinary Share, which will be paid to Shareholders on the register of members at close of business on 20 November 2009.

The Rights Issue will be made on the basis of:

2 New Shares at 90 pence per New Share for every 1 Existing Share

held by Qualifying Shareholders on the Record Date.

Entitlements to New Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Qualifying Shareholders. Holdings of Existing Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

The Rights Issue is fully underwritten by the Underwriters pursuant and subject to the terms and conditions of the Underwriting Agreement.

The Rights Issue will result in up to 277,628,724 New Shares being issued (representing 200.0 per cent. of the existing issued share capital and 66.7 per cent. of the enlarged issued share capital immediately following completion of the Rights Issue).

The Rights Issue is conditional, *inter alia*, upon:

- (i) the Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated prior to Admission;
- (ii) Admission becoming effective by not later than 8.00 a.m. on 1 December 2009 (or such later time and date as JPMSL and the Joint Sponsors may agree); and
- (iii) the passing, without material amendment, of the Resolutions.

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing issued Ordinary Shares, including the right to receive dividends or distributions made, paid or declared after the date of the Prospectus, save for the final dividend payable on 12 February 2010 to Shareholders on the register on 20

November 2009. Application will be made to the UK Listing Authority and to the London Stock Exchange for the New Shares to be admitted to the Official List and to trading on the London Stock Exchange. It is expected that Admission will occur and that dealings in the New Shares (nil paid) on the London Stock Exchange will commence at 8.00 a.m. on 1 December 2009.

5. Board Changes

On 6 October 2009, the Company announced that, with effect from 20 October 2009, its Chief Executive, Rupert Dickinson, would be standing down from his role and resigning from the Company due to ill health. On behalf of the Board I thank Rupert for his significant contribution over the 17 years that he was a Director, in particular, for the leading role he played in the acquisition of BPT plc, and give him our best wishes for the future and for a full recovery. His place has been taken by Andrew Cunningham who was previously Deputy Chief Executive and Finance Director. Andrew has been serving as the Company's Acting Chief Executive since May 2009 and has been a Director since 1996. On 6 October 2009, the Company also announced that it had commenced the search for a new Property Director and Finance Director to strengthen the executive team.

6. Dividends and Dividend Policy

Given the indications that the residential property markets have begun to stabilise over recent months and the Group's success in generating sales income, the Board has recommended the declaration of a final dividend for the year ended 30 September 2009 equivalent in gross cash terms to that paid as a final dividend in 2008. On 5 November 2009, the Board recommended the payment of a dividend which will amount to 3.91 pence per Ordinary Share and, if approved at the Company's Annual General Meeting, will be paid on 12 February 2010 to Shareholders on the register on 20 November 2009. If approved, the total dividends per Ordinary Share paid by the Company for the year ended 30 September 2009 will be 3.91 pence. For the avoidance of doubt, holders of the New Shares will not be entitled to receive the final dividend payable on 12 February 2010.

Assuming the stabilisation in the economy and the housing market continues to recover, the Board anticipates being in a position to revert to its progressive dividend policy in the year ended 30 September 2010, from a base total cash payment of between £5.5 million and £8 million, the total dividend payments made in respect of the year ended 30 September 2009 and the year ended 30 September 2008, respectively. For the year ended 30 September 2008, the Company paid total dividends of 6.18 pence per Ordinary Share compared to 6.18 pence per Ordinary Share for the year ended 30 September 2007.

7. Current Trading and Prospects

Today Grainger announced its financial results for the year ending 30 September 2009.

Financial highlights

- Operating profit of £79 million (2008: £106 million) before valuation movements and non-recurring items reflecting market conditions and the decline in residential trading profit margins
- Loss before tax of £3 million (excluding valuation movements and non-recurring items) (2008: profit of £12 million):
- Loss before tax of £170 million (2008: £112 million), largely derived from valuation deficits, mark to market adjustments and non-recurring items

- As at 30 September 2009, the Group's wholly owned portfolio of 13,259 residential properties in the United Kingdom and 7,180 primarily residential properties in Germany, together were valued at £2.1 billion (2008: £2.3 billion).
- Gross Net Asset Value per share of 411p (2008: 535p); Grainger NAV per share of 360p (2008: 520p)
- Extended liquidity for the Group's financing secured through the agreement of two new forward start credit facilities totalling £615m.
- Net debt levels (before unamortised finance costs) reduced to £1,561m at the year end from £1,621m in 2008. On the successful completion of the Rights Issue, pro forma net debt levels as at 30 September 2009 will fall to £1,323m.
- At 30 September 2009, the LTV on the Group's core banking facility was 66% (2008: 66%). Under the interest cover covenant, the interest cost must be covered 1.25 times by net cash flow before interest. At the year end, this ratio was well covered at 2.7 times (2008: 2.2 times). On the successful completion of the Rights Issue, the Group's pro forma LTV ratio will decrease to 53%.
- Given the indications that the property markets have begun to stabilise over recent months and the Group's success in generating sales income during the reporting period, the board is recommending a final dividend of 3.91p per share (Final dividend in 2008: 3.91p).

Operational highlights

- Completed sales across the Group totalled £220m (30 Sept 2008: £181m), an increase of 21.5%; total sales pipeline (including properties in solicitors' hands and contracts exchanged) of £55m as at 30 October 2009
- Successful sales programme at the Hornsey Road development, with all 92 units from the April launch reserved. Sales of 91 of these units were completed or contracts exchanged as at 30 September 2009. Following the period end, as at 30 October, 25 out of the 26 units of Phase 2 of this development have been reserved, of which 13 transactions are already completed and five exchanged.
- Implementation and achievement of considerable 'self-help' measures to strengthen the Group's financial position including a cash conservation programme (only £12m of property assets acquired in the UK, compared to £123m in 2008 and £406m in 2007) and a 13% reduction in the number of full time equivalent employees.

Prospects

Given the refinancing of the Core Banking Facilities and depending on future market conditions, the Group does not anticipate making the same level of Investment Sales in the year ended 30 September 2010 as it did in the year ended 30 September 2009. This is expected to produce an improvement in overall sales margins, albeit at the expense of total sales volumes.

Although the residential trading market has shown some sign of recovery over the late summer, the Group remains cautious in its near term outlook and will not remove its focus from prudent financial management. Nevertheless, assuming the successful conclusion of the Rights Issue announced today, the Group would anticipate being in a position to recommence property acquisitions as the market recovers provided pricing levels are appropriate and the Group sees the ability to generate or enhance shareholder value. Indeed, the Group is already beginning to see potential opportunities to build on its existing portfolio.

Whilst economic conditions may remain challenging for some time to come, the Directors believe that following completion of the Rights Issue, the Group will be well positioned to capitalise on future upturns and are excited by the prospect.

The Group will seek to use its expertise and experience to ensure that acquisitions offer the potential to create and enhance value for Shareholders in the medium to long-term.

7. General meeting

A General Meeting of the Company will be held at 20 Moorgate, London EC2R 6DA on 30 November 2009 at 10.30 a.m. The General Meeting is being held for the purpose of considering and, if thought fit, passing ordinary resolutions to increase the Company's authorised ordinary share capital and to grant Directors authority to allot Ordinary Shares. The following is a summary of the text of the Resolutions that will be proposed at the General Meeting:

- (1) an ordinary resolution to increase the authorised share capital of the Company from £8,000,000 to £25,000,000 by the creation of an additional 340,000,000 Ordinary Shares; and
- (2) an ordinary resolution authorising the Directors pursuant to section 551 of the Companies Act 2006 to allot Ordinary Shares up to an aggregate nominal amount of £16,000,000 million.

DEFINITIONS

The definitions set out below apply throughout this Announcement, unless the context requires otherwise.

| | |
|--|---|
| “2004 Facilities” | the £1,528,000,000 term loan and revolving credit facilities provided under the 2004 Facilities Agreement |
| “2004 Facilities Agreement” | an agreement dated 30 June 2004 (as amended from time to time) between amongst others, the Company, Barclays Bank PLC, Lloyds TSB Bank plc and The Royal Bank of Scotland plc (acting as agent for National Westminster Bank plc) |
| “Admission” | admission of the New Shares to (a) the Official List, and (b) trading (nil paid) on the London Stock Exchange’s main market for listed securities |
| “Articles” | the articles of association of the Company which are described in paragraph 4 of Part XI “Additional Information” of the Prospectus |
| “Banks” | N M Rothschild & Sons Limited, J.P. Morgan Cazenove Limited, J.P. Morgan Securities Ltd, Barclays Bank PLC, RBS Hoare Govett Limited and Lloyds TSB Bank plc |
| “Board” | the board of directors, from time to time, of the Company |
| “Business Days” | a day (other than a Saturday or Sunday) on which banks are open for general business in London |
| “Capita Registrars” | a trading name of Capita Registrars Limited |
| “CCSS” | the CREST Courier and Sorting Service established by Euroclear to facilitate, amongst other things, the deposit and withdrawal of securities |
| “certificated” or “in certificated Form” | a share or other security which is not in uncertificated form (that is, not in CREST) |
| “Companies Acts” | has the meaning given in section 2 of the United Kingdom Companies Act 2006 |
| “Company” or “Grainger” | Grainger plc, a public limited company incorporated under the laws of England and Wales |
| “Convertible Bonds” | £112 million in aggregate principal amount of 3.625 per cent. convertible bonds issued by the Company due 2014 |
| “Core Banking Facilities” | the 2004 Facilities and the Forward Start Facilities |
| “Core Portfolio” | the Group’s portfolio of primarily regulated properties which are wholly-owned by the Group and located in the UK |
| “CREST” | the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades in listed securities in the United Kingdom, of which Euroclear is the operator (as defined in the CREST |

Regulations)

| | |
|---|---|
| “CREST Regulations” | the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended |
| “Development Portfolio” | the Group’s portfolio of development properties located in the UK and the Czech Republic |
| “Directors” or “Board” | the Directors of the Company as at the date of the Prospectus |
| “Disclosure and Transparency Rules” | the Disclosure Rules and Transparency Rules of the Financial Services Authority |
| “EU” | European Union |
| “Euroclear” | Euroclear UK & Ireland Limited |
| “Excluded Territories” | the United States, Australia, Canada, Japan and South Africa |
| “executive directors” | the executive Directors of the Company as at the date of the Prospectus |
| “Existing Shares” | the existing Ordinary Shares in issue immediately preceding the issue of the New Shares |
| “Ex-Rights Date” | means the time and date at which the Ordinary Shares are marked ‘ex-rights’ by the London Stock Exchange, expected to be 8.00 a.m. on 1 December 2009 |
| “Financial Services Authority” or “FSA” | the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA |
| “Forward Start Agreement” | an agreement dated 30 September 2009 between amongst others, the Company, Lloyds TSB Bank plc and The Royal Bank of Scotland plc |
| “Forward Start Facilities” | the £615,000,000 term loan facilities provided under the Forward Start Agreement |
| “FSMA” | the Financial Services and Markets Act 2000, as amended |
| “Fully Paid Rights” | rights to acquire New Shares, fully paid |

| | |
|--------------------------------------|--|
| “General Meeting” | the general meeting of the Company to be held at 10.30 a.m. on 30 November 2009, notice of which is set out at the end of the Prospectus |
| “General Meeting Notice” | the notice of General Meeting set out at the end of the Prospectus |
| “German Portfolio” | the Group’s portfolio of primarily residential wholly-owned units located in Germany |
| “Global Co-ordinator” | J.P. Morgan Cazenove Limited |
| “Grainger Net Asset Value” or “GNAV” | the unaudited estimated value of the Reversionary Surplus added to NNNAV, assuming no future movements in residential property values and at a fixed discount rate |
| “Gross Net Asset Value” or “NAV” | the unaudited estimated market value of the Group’s net assets before any deductions for deferred tax and goodwill and after eliminating any adjustments required under International Accounting Standard 39 (Financial Investments: Recognition and Measurement) (except for the Group’s fixed rate debt) |
| “Group” | the Company and its subsidiary undertakings and, where the context requires, its associated undertakings |
| “home reversion plan” | rent free tenancy where the tenant has a right of occupation until forfeited (usually on death). If a tenant retains an equity interest in the property this is a partial home reversion |
| “interest cover” | ratio of adjusted cashflow to consolidated net interest payable |
| “Investment Portfolio” | the Group’s interests in joint ventures and associates which own primarily residential properties located in the UK |
| “Investment Properties” | properties where the intention on acquisition was to hold the property for its long-term rental yield and/or capital appreciation |
| “Investment Sales” | sales of regulated or home reversion properties with a tenant in place |
| “Investment Value” | the market value of a property with an existing tenancy agreement in place (unaudited) |
| “Joint Bookrunners” | J.P. Morgan Cazenove Limited, Barclays Bank PLC and RBS Hoare Govett Limited |
| “Joint Sponsors” | N M Rothschild & Sons Limited and J.P. Morgan Cazenove Limited |
| “JPMSL” | J.P. Morgan Securities Ltd of 125 London Wall, London EC2Y 5AJ |

| | |
|-------------------------------------|---|
| “Listing Rules” | the listing rules of the Financial Services Authority |
| “London Stock Exchange” | London Stock Exchange plc |
| “LTV” or “loan to value” | the unaudited ratio of net debt to the market value (or estimated market value, as appropriate) of properties as applicable to the Core Banking Facilities |
| “Market value” | the estimated amount for which a property would exchange on a date of valuation between a willing buyer and a willing seller (unaudited) |
| “New Share Issue” | the issue of the New Shares in connection with the Rights Issue |
| “New Shares” | the new Ordinary Shares which the Company intends to allot and issue pursuant to the Rights Issue, including, where appropriate, the Provisional Allotment Letters, the Nil Paid Rights and Fully Paid Rights |
| “Nil Paid Rights” | rights to acquire New Shares, nil paid |
| “non-executive Directors” | the non-executive Directors of the Company as at the date of the Prospectus |
| “Official List” | the Official List of the Financial Services Authority |
| “Ordinary Shares” | ordinary shares of five pence each in the capital of the Company having the rights set out in the Articles as described in paragraph 4 of Part XI “Additional Information” |
| “Overseas Shareholders” | Qualifying Shareholders who have registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the United Kingdom |
| “Prospectus” | the Prospectus issued by the Company in respect of the Rights Issue, together with any supplements or amendments thereto |
| “Prospectus Rules” | the Prospectus Rules of the Financial Services Authority |
| “Provisional Allotment Letter” | the provisional allotment letter to be issued to Qualifying non-CREST Shareholders (other than certain Overseas Shareholders) |
| “Qualifying CREST Shareholders” | Qualifying Shareholders holding Shares in uncertificated form |
| “Qualifying non-CREST Shareholders” | Qualifying Shareholders holding Shares in certificated form |
| “Qualifying Shareholders” | Shareholders on the register of members of the Company at the Record Date (other than, for the avoidance of doubt, the Company as holder of Treasury Shares) |
| “Receiving Agent” | Capita Registrars |
| “Record Date” | close of business on 27 November 2009 |

| | |
|-------------------------------------|--|
| “Registrar” | Capita Registrars |
| “regulated tenancy” | tenancy regulated under the Rent Act. Rent is usually sub-market and is set by a local government rent officer and the tenant has security of tenure |
| “Regulation S” | Regulation S under the US Securities Act |
| “Rent Act” | the Rent Act 1977 (as amended) |
| “Residential Portfolio” | the Core Portfolio and Retirement Solutions Portfolio |
| “Resolutions” | the resolutions to be proposed at the General Meeting |
| “Retirement Solutions Portfolio” | the Group’s portfolio of properties, primarily subject to home reversion plans, located in the UK |
| “Reversionary Surplus” | the unaudited difference between the Investment Value of a regulated or home reversion property and the Vacant Possession Value |
| “Rights Issue” | the offer by way of rights to Qualifying Shareholders to acquire New Shares, on the terms and conditions set out in the Prospectus and, in the case of Qualifying non-CREST Shareholders only, the Provisional Allotment Letter |
| “Rights Issue Price” | 90 pence |
| “Rothschild” | NM Rothschild & Sons Limited |
| “Security of tenure” | a tenant’s right to remain on a property following expiry of the tenancy |
| “Senior Managers” | senior managers who are relevant to establishing that the Company has the appropriate expertise and experience for the management of the Company’s business |
| “Shareholders” | holders of Ordinary Shares |
| “statutory tenancy” | tenancy regulated under the Rent Act which follows the expiry of a regulated tenancy and is subject to the same terms as a regulated tenancy |
| “Trading Properties” | properties where the intention on acquisition was to trade such properties or to hold them for immediate sale upon receiving vacant possession within the ordinary course of business |
| “Treasury Shares” | Shares held by the Company in treasury pursuant to the provisions of Chapter 6 of the Companies Act 2006 |
| “Triple Net Asset Value” or “NNNAV” | the unaudited estimated market value of the Group’s net assets after providing for deferred tax and contingent tax, after applying any IAS 39 adjustments and after applying an adjustment to reflect the estimated value of the Group’s fixed rate debt |

| | |
|--|--|
| “UK” or “United Kingdom” | the United Kingdom of Great Britain and Northern Ireland |
| “uncertificated” or “in uncertificated form” | recorded on the register of members as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST |
| “Underwriters” | J.P. Morgan Securities Ltd, Barclays Bank PLC, Lloyds TSB Bank plc and RBS Hoare Govett Limited |
| “Underwriting Agreement” | the agreement between the Company, the Joint Sponsors and the Underwriters described in paragraph 13.1 of Part XI “Additional Information” of the Prospectus |
| “United States” or “US” | the United States of America, its territories and possessions, any state of the United States and the District of Columbia |
| “US Securities Act” | the US Securities Act of 1933, as amended |
| “Vacant Possession Value” | the market value of a property free from any tenancies (unaudited) |

This Announcement has been issued by and is the sole responsibility of Grainger plc.

This Announcement does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security in the capital of the Group in any jurisdiction.

This Announcement and any materials distributed in connection with this Announcement are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This Announcement is not an offer of securities for sale in the United States. The Nil Paid Rights, the Fully Paid Rights, the New Shares and the Provisional Allotment Letters if and when issued in connection with the Rights Issue have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or under the securities legislation of any state or territory or jurisdiction of the United States and may not be offered, sold taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States absent registration under, or an exemption from, the registration requirements of the Securities Act and in compliance with any relevant state securities laws. There will be no public offer of the securities mentioned herein in the United States. Neither this Announcement (including and any materials distributed in connection with this announcement) nor any part or copy of it may be transmitted into the United States, its territories or possessions or distributed, directly or indirectly, in the United States, its territories or possessions. Neither this Announcement nor any copy of it may be taken or transmitted into United States, Australia, Canada, Japan or the Republic of South Africa or any other such jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. Any failure to comply with this restriction may constitute a violation of the securities laws of the United States, Australia, Canada, Japan or the Republic of South Africa. The distribution of this Announcement in other jurisdictions may be restricted by law and persons into whose possession this Announcement comes should inform themselves about, and observe, any such restrictions. The Ordinary Shares (including Existing Shares and New Shares) have not been and will not be registered under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa and, may not be offered or sold within Australia, Canada,, Japan or the Republic of South Africa.

This Announcement and any materials distributed in connection with this Announcement may include forward-looking statements. These forward-looking statements include all matters that are not historical fact, including statements regarding the belief or current expectations of Grainger or the Directors about the Group's businesses and the transactions described in the Prospectus, including statements relating to possible future write-downs or movements in property prices and the Group's capital and financial planning projections. Generally, words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" and similar expressions identify forward-looking statements.

These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Group and are difficult to predict, and which may cause the Group's actual results to materially differ from any future results or developments expressed by or implied from the forward-looking statements. Such risks and uncertainties include the effects of continued or increasing volatility in international financial markets, economic conditions both internationally and in the UK, in which Grainger operates, and other factors affecting the level of Grainger's business activities and the costs and availability of financing for its activities. Any forward-looking statement contained in the Prospectus based on past or current trends or activities of Grainger should not be taken as a representation that such trends or activities will continue in the future. No statement in the Prospectus is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years necessarily will match or exceed the historical or published earnings of the Group.

Each forward-looking statement speaks only as of the date of the particular statement. Except as required by the FSA, the Listing Rules, the Disclosure and Transparency Rules, the Prospectus Rules, the London Stock Exchange or otherwise by law, Grainger expressly disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statements contained herein to reflect any change in Grainger's

expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based. Recipients of this Announcement and/or the Prospectus should conduct their own investigation, evaluation and analysis of the business, data and property described in this Announcement and/or, if and when published, in the Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Banks by the FSMA, none of the Banks accept any responsibility whatsoever, and they make no representation or warranty, express or implied, for the contents of this Announcement including its accuracy, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with the Group, the Nil Paid Rights, the Fully Paid Rights, the New Shares or the Rights Issue and nothing in this Announcement shall be relied upon as a promise or representation in this respect, whether as to the past or the future.

Each of the Banks accordingly disclaims to the fullest extent permitted by law all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which any of them might otherwise have in respect of this document, the Prospectus or any such statement.

Neither the content of Grainger's website nor any website accessible by hyperlinks on Grainger's website is incorporated in, or forms part of, this Announcement.