

13 April 2010

Grainger plc

MARKET UPDATE

Grainger plc ("Grainger" or the "Company"), the UK's largest specialist quoted residential property owner, today provides an update to the market in advance of its results announcement for the half year to 31 March 2010, which will be issued on 20 May 2010.

For the six month period to 31 March 2010, we expect completed sales from our core and retirement solutions portfolio to be approximately £78.5m, an increase of 42% from last year's figure of £55.3m. These completed sales include £5.2m of investment sales (sales with a tenant in place) and £14.9m of one-off sales of land and associated assets from our agricultural portfolio.

In addition to these completed sales we also have a further £30.8m of transactions in the pipeline (either with contracts exchanged or under solicitors' instructions).

Sales made on vacancy, included in completed sales and the pipeline have been made at values approximately 6.3% above September 2009 valuations and at a trading margin of 42% (2009: 36%).

Our development division has made good progress on sales from the second phase of our Hornsey Road development, where 21 units have now been sold for £6.4m and only five units remain.

As noted in our interim management statement, issued in February, we have taken advantage of the increased stability in the residential markets and selectively recommenced our acquisition programme. In the six months to the end of March 2010 we have completed, exchanged on or placed in solicitors hands some £42.6m of property acquisitions. This compares with £12m of acquisitions for the whole of the financial year 2009.

At 31 March we anticipate that we will have cash and committed facilities available to us of approximately £300m.

The Company will comment in more detail on its progress at the time of its interim results announcement.

For further information:

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