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

**GRAINGER SIGNS NEW BANKING FACILITIES
WITH EXTENDED MATURITIES**

**Grainger signs £615 million of Forward Start Facilities, significantly
strengthening the Group’s liquidity profile until December 2012**

In its Interim Management Statement of 12 August 2009, Grainger stated that it was in discussions with its lending banks regarding the planned refinancing of certain of its credit facilities.

Grainger now announces that it has successfully signed two new forward start credit facilities totalling £615 million which will provide extended liquidity for the Group at the time that certain of its existing facilities expire.

These two new facilities comprise a £250 million committed term loan which will become available in June 2010 and a £365 million committed term loan available in June 2011. They will, on those dates, be used to refinance existing revolving credit facilities of £400 million and £475 million that mature on those dates. As a separate matter, those facilities have now been reduced to £250 million and £445 million respectively, which the Group has been able to do by utilising excess short-term committed but undrawn facilities.

Both the new forward start facilities will mature in December 2012.

The other facilities under Grainger’s core borrowing agreement are a £228 million revolving credit facility maturing in December 2012 and £425 million of term loans maturing in June 2013.

As a result of the above, the Group now has no core debt facilities maturing in its financial year to September 2010, with only £109 million maturing in its financial year to September 2011 and only £57 million in its financial year to September 2012. The Group continues to be highly cash generative.

The method of calculation and limits under the Group’s existing financial covenants remain unchanged by the negotiation of these new facilities. The Group’s headroom as at 30 September was approximately £170 million.

Following this successful refinancing, Grainger’s average cost of debt (based on current LIBOR rates) is 5.5% (previously 4.6%). This would reduce to 5.2% should the Loan to Value ratio on the facilities fall below 60% (67% as at 30 June 2009).

Andrew Cunningham, Grainger’s Finance Director and Acting Chief Executive Officer, commented:

“This refinancing results in Grainger having far greater certainty over its medium term financing. Under the old facilities there were aggregate debt repayments of about

£900 million to be made by June 2011. These are now reduced to about £110 million on 30 June 2011 and a minimal amount in the 18 months after that.”

For further information:

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