

14 April 2011



## **Grainger plc**

### **Trading Update**

#### **GRAINGER REPORTS ONGOING OPERATIONAL AND SALES MOMENTUM**

Grainger plc ("Grainger" or the "Company" or the "Group"), the UK's largest quoted residential property owner, today provides a trading update in advance of its interim results for the six months to 31 March 2011 which will be announced on 19 May 2011.

For the six month period to 31 March 2011, we expect completed sales from our UK portfolios (UK residential, home reversions and development) to be £89m (2010: £88m). In addition, there were £1m of sales from our German portfolio (2010: £3m).

Sales on vacancy in our wholly owned portfolios have been made at values in excess of September 2010 vacant possession values. We anticipate that the value of our UK portfolios will increase by approximately 2% at the half year.

As previously reported we have made two strategic portfolio acquisitions in the first six months. These were HI Tricomm Holdings Limited from Invista Castle and our partner's share in the Grainger GenInvest LLPs. These acquisitions brought approximately £400m of assets onto the Group balance sheet. Acquisitions through ordinary trading in our UK residential and home reversion businesses were approximately £9.6m (2010: £14.4m).

Banking covenants are forecast to continue to be comfortably met and we will show continued re-shaping of Group debt with £290m of debt provided by lenders new to the Group. This increases the maturity of our debt and the number of lenders to the Group, and is in line with, and delivers on, our previous statement in our Preliminary Year End Results on 25 November 2010, which was that "going forward, our focus will be on early consideration and implementation of debt financing options".

Profit before tax for the six month period will be materially enhanced by two items, firstly, as anticipated, the partial reversal of mark to market movements on our long term financial derivatives and secondly by the gain on acquisition arising from the purchase of HI Tricomm Holdings Limited as referred to in our statement on 4 February 2011.

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

**-ENDS-**

#### ***For further information:***

##### **Grainger plc**

Andrew Cunningham/ Mark Greenwood/  
Dave Butler

Tel: +44 (0) 20 7795 4700

##### **Financial Dynamics**

Stephanie Highett/ Dido Laurimore/ Will Henderson

Tel: +44 (0) 20 7831 3113