

RNS Number : 2836U
Grainger PLC
13 October 2010

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Grainger plc ("Grainger"/ the "Company"/ the "Group")

Grainger and Moorfield complete formation of

Sovereign Reversions Equity Release Joint Venture

Further to the announcement on 23 August 2010 that Grainger Equity Release Limited ("GERL") had agreed to create a 50:50 joint venture (the "Joint Venture") with MREF II Equity Release Limited, a wholly owned subsidiary of Moorfield Real Estate Fund II ("Moorfield"), to own the assets of Sovereign Reversions plc ("Sovereign"), Grainger is pleased to confirm the formal completion of the formation of the Joint Venture.

As a result, GERL has received a cash consideration of £17.5 million from Moorfield for its 50% stake, representing 50% of the acquisition consideration paid by GERL for Sovereign. In addition, Moorfield will contribute an additional sum to GERL to cover 50% of the associated acquisition and integration costs.

GERL and Moorfield will hold an equal representation on the Sovereign board, with Peter Couch and Paul Barber representing GERL and Graham Sidwell representing Moorfield. Grainger Equity Release Management Limited will manage the assets on behalf of the Joint Venture, for which it will receive an annual management fee based on the prevailing Gross Asset Value.

Enquiries:

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This information is provided by RNS
The company news service from the London Stock Exchange

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