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GROSVENOR ANNOUNCES IMPROVED RESULTS FOR 2009

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2009 RESULTS:

- **Total return -2.8% (-4.1% 2008)**
- **Revenue profit £62.2m (£76.7m loss 2008)**
- **Pretax loss £235.8m (£593.9m loss 2008)**
- **Net asset value £2.54bn (£2.84bn 2008)**

Grosvenor, the privately-owned international property group, reported improved results and an even stronger balance sheet in 2009, despite the difficult conditions in the property market.

Total return was -2.8% compared with -4.1% the previous year and Grosvenor had cash and undrawn committed bank facilities of £964m at the year end, up from £523m in 2008.

The Group reported revenue profit of £62.2m compared with a loss of £76.7m the previous year. Revenue profit includes rental income and profits from trading and development activities but not investment property revaluation gains and losses which are included in the pretax loss figures. The pretax results showed a reduced loss of £235.8m compared with £593.9m in 2008.

Mark Preston, Group Chief Executive, said:

“Our improved results in 2009, coupled with action taken to grow our financial capacity, put us in a good position to take advantage of opportunities and to withstand further economic shocks should they occur.”

“Strategic priorities for the future are to invest more in Asia; reinvest in our core London holdings; and work with the growing pool of international capital seeking a home in property via our fund management business.”

“We do not expect 2010 to be an easy year but our business is in good shape, we are confident about the future and will continue to re-invest in our selected markets when we consider it justified.”

Currency movements had a negative impact on values in 2009. This, together with weaknesses in some international property markets, resulted in a 10.4% fall in net asset value from £2.84bn to £2.54bn. Shareholders' equity of £2.4bn was down from £2.6bn in 2008 returning to broadly the same level as in 2006. The value of total assets, including those managed on behalf of third party investors, fell by 18% from £12.4bn to £10.2bn

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Notes to editors

Grosvenor Group Limited (Grosvenor) is a privately owned property group with offices in 17 of the world's most dynamic cities. We have five regional investment & development businesses in Britain & Ireland, the Americas, Continental Europe, Australia and Asia Pacific. Our international fund management business operates across all these markets.

The Board of Directors comprises six Non-Executive Directors and seven Executive Directors. Biographies are available at www.grosvenor.com.

Operating Company highlights

Grosvenor Britain & Ireland

Despite the UK economy experiencing the worst recession since the 1930s, Grosvenor Britain & Ireland reported improved results and a positive total return of 1.8% compared with a negative return of -14.6% in 2008. Revenue profit was £13.3m in 2009 compared with a £93.3m loss in 2008. Occupancy rates across the portfolio held up well averaging 93.5% by the year end. GBI benefited from its exposure to high-end residential properties on the London estate and the focus on luxury retail. The strategy of reinvesting in the London estate is also paying off. Improvements to Grosvenor's Mount Street have contributed to the rise in rental values from £970 to £3,010 per square metre in two years. Outside the London estate work started on the NEO Bankside residential development in London. Grosvenor has shifted the off estate development focus away from large, retail-led regeneration schemes to smaller, mixed-use and residential projects. The focus in 2010 will be on

building up the development pipeline and improving returns from the core portfolio.

Grosvenor Americas

Results were strong given market conditions but the general decline in asset values meant that Grosvenor Americas posted a negative total return of -14.4% compared with a 2.4% positive return in 2008. The Canadian market, which saw only a modest decline in values, held up better than the USA, where high unemployment led to deteriorating property fundamentals and rising yields. 2009 saw the opening of the Courtyard by Marriott Chevy Chase hotel in Maryland, Grosvenor's first hotel in the Americas for twenty years. Development inventory is down to 5% of capital due to the decision to stop buying in 2007.

Grosvenor Continental Europe

Returns from Sonae Sierra, the shopping centre developer, dominate Grosvenor's Continental European portfolio, and values were sharply down in all Sonae Sierra's markets except Brazil. However the negative total return of -3.1% was unchanged from the year before, helped by high occupancy rates. Sonae Sierra reduced development activity in 2009 in the face of challenging financial market and economic conditions and made a small number of asset sales.

Grosvenor Australia

Grosvenor Australia performed strongly. Although the business recorded a negative total return of -3.6%, this was a significant improvement on the -12.2% total return achieved in 2008. The value of assets under management was 20% down due mainly to the sale of non-core assets. The current focus is on office buildings and a move into residential is planned over the next five years. The highlight in 2009 was the opening of the speculative office development 400 George Street in Brisbane ahead of schedule, with construction costs under budget and the majority of space leased.

Grosvenor Asia Pacific

Grosvenor Asia Pacific enjoyed a good year due to the strong performance of assets in China, recording a 12.8% total return compared with a negative -12.1% the previous year. Total assets under management were slightly down due to successful asset sales. We have ambitious plans to grow our business in Asia both by committing more capital and investing with partners.

Grosvenor Fund Management

It was a challenging year for Grosvenor Fund Management due to the impact of the financial crisis. Falling asset values resulted in negative returns making investors reluctant to commit capital to new funds. Where our funds have relative property benchmarks, they generally outperformed. We also successfully completed a number of debt refinancings with our lenders and investors. Although asset values in some markets began to recover in the fourth quarter, total funds under management were down by £0.6bn to £3.6bn. There are still short term risks in the market and we believe patience will be rewarded. History suggests that investments at this stage of the cycle can

produce good returns. We see opportunities for new fund launches in all our geographic regions and have plans to launch a new London office fund in the UK, a development fund in the USA for the Washington office market, a fourth Japanese fund and a third retail fund in Continental Europe.

For further information, and a glossary of key terms, please refer to the Grosvenor Annual Report & Accounts 2009 available online from 9am on Thursday 15 April at www.grosvenor.com.