

For immediate release

21 December 2006

RECOMMENDED CASH AND SHARE OFFER

for the acquisition of
COUNTRYWIDE PLC

By

**Charlie Holdco 4 Limited, a company formed at the request of
3i GROUP PLC**

to be effected

by means of a Scheme of Arrangement
under section 425 of the Companies Act 1985

Posting of the Scheme Document and profit forecast

Posting

Further to the announcement made by Charlie Holdco 4 Limited and the Independent Directors of Countrywide on 12 December 2006 of a recommended cash and share offer for the Company to be made by Charlie Holdco 4 Limited, the Board of Countrywide is pleased to announce that the Scheme Document is being posted to Shareholders today.

The Offer is being implemented by way of a scheme of arrangement under section 425 of the Companies Act 1985. The Court Meeting and the Extraordinary General Meeting to approve the Scheme will both be held on 15 January 2007

Terms defined in the Scheme Document (or, as the case may be, in the offer announcement dated 12 December 2006) shall have the same meaning in this announcement.

Profit forecast

A trading update provided to the market by Countrywide on 7 July 2006 contained the following statement:

“July and August tend to be reasonably quiet months in our industry, as most people in the UK take their major annual holidays, and we are therefore expecting some seasonal slowdown to occur. However, unless we see a material and surprising adverse change in the market or in macro economic conditions, we are confident that we will comfortably achieve the current brokers' consensus view of our 2006 profit before tax. We understand this to be in the order of £88 million, excluding the profit from the sale of shares in Rightmove on 15 March 2006.”

The above statement represents a profit forecast for the purposes of Rule 28 of the City Code. The Directors have considered this statement and also the current brokers' consensus forecast for Countrywide's pre exceptional profit before tax (i.e. excluding the profit from the sale of shares in Rightmove and TMG Holdings and the sale of the Commercial Surveying and Valuation business) for the year ending 31 December 2006, which is approximately £98 million. The Directors believe that unless there is a material and surprising adverse change in the market or in macro economic conditions prior to the end of the year, Countrywide will achieve pre exceptional profit before tax (i.e. excluding the profit from the sale of shares in Rightmove and TMG Holdings and the sale of the Commercial Surveying and Valuation business) for the year ending 31 December 2006 slightly below the current brokers' consensus view. The bases and assumptions of this profit forecast statement are set out below. Letters from BDO and Hawkpoint and Panmure Gordon relating to the profit forecast are also set out below.

Basis of preparation

The Profit Forecast is based upon:

- the published unaudited interim financial statements of the Countrywide Group for the six months ended 30 June 2006 (see section 3 of Part A of Appendix III of the Scheme Document);
- unaudited management accounts of Countrywide Group for the four months ended 31 October 2006;
- the Countrywide Directors' forecast for the two months to 31 December 2006; and
- flash sales figures for the month ended 30 November 2006.

The Profit Forecast has been prepared on a basis consistent with the accounting policies adopted by the Countrywide Group in its annual financial statements for the year ended 31 December 2005.

Principal assumptions

The Profit Forecast has been prepared on the basis of the principal assumptions set out below:

- there will be no material disruption to Countrywide Group's business arising from natural catastrophes, events of war, civil unrest or emergencies, industrial disputes or other actions by third parties;
- there will be no significant changes in the economic or political conditions in the markets in which Countrywide Group operates;
- there will be no change in legislation, regulation or other official policies or controls, which have a material effect on Countrywide Group's business;
- there will be no material changes in rates of inflation, interest rates or exchange rates;
- there will be no significant disruption to the Countrywide Group's business as a result of the Offer;
- there will be no serious industrial disputes or other interruptions in Countrywide Group's business arising from circumstances outside the Company's control which would adversely affect the Company, its customers or suppliers;
- there will be no significant or unexpected change to the housing market in December 2006;
- the proportion of the pipeline of estate agency housing transactions exchanged carried forwards from November 2006 that complete in December 2006 will remain broadly in line with historic experience;
- the average house price remains constant at £196,000;
- the average estate agency commission rate remains constant at 1.65 per cent.;

- the level of financial services house exchange mortgage conversion rates will remain consistent with recent levels;
- the level of instructions for surveys and valuations in December will be circa 40,000;
- the level of staff and other operating costs will be consistent with recent experience;
- the processes for the closure of Remortgage Conveyancing Matters and the disposal or, failing that, the closure of H2O, Countrywide's Spanish operation, set out in paragraph 6 of Part 1 of the Scheme Document, will commence before the year-end and that costs of circa £3.2 million will be incurred in December 2006 as a result;
- profits attributable to the Company's holding in Rightmove will be circa £0.9 million based on publicly available information;
- additional provision will be required amounting to circa £2.0 million as a result of Countrywide losing its appeal in relation to the High Court action, brought by the purchasers of a former subsidiary in 1996, against Countrywide; and
- no account has been taken of any professional advisory costs in relation to the Offer.

Letters relating to the profit forecast

The Directors, who are solely responsible for the Profit Forecast, have received the following letters from BDO Stoy Hayward, Hawkpoint and Panmure Gordon relating to the Profit Forecast.

Letter from BDO Stoy Hayward relating to the Profit Forecast

“The Directors
Countrywide plc
3 Perry Way
Witham
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CM8 3SX

The Directors
Hawkpoint Partners Limited
41 Lothbury
London
EC2R 7AE

The Directors
Panmure Gordon (UK) Limited
Moorgate Hall
155 Moorgate
London
EC2M 6XB

21 December 2006

Dear Sirs

We report on the profit forecast of pre exceptional profit before tax (i.e. excluding the profit from the sale of shares in Rightmove and TMG Holdings and the sale of the Commercial Surveying and Valuation business) of Countrywide plc (“the Company”) and its subsidiaries (together “the Group”) for the year ending 31 December 2006 (“the Profit Forecast”). The Profit Forecast, together with the material assumptions upon which it is based, are set out in Appendix III, Part B of the scheme document dated 21 December 2006 relating to the acquisition of Countrywide plc by Charlie Holdco 4 Limited, a company formed at the direction of 3i Group plc (“the Scheme Document”).

This report is required by Rule 28.3(b) of the City Code on Takeovers and Mergers (“the City Code”) and is given for the purpose of complying with that rule and for no other purpose. Accordingly, we assume no responsibility in respect of this report to Charlie Holdco 4 or to any person connected to, or acting in concert with, Charlie Holdco 4 or to any other person who is seeking or may in future seek to acquire control of the Company (an “Alternative Offeror”) or to any other person connected to, or acting in concert with, an Alternative Offeror.

Save for any responsibility arising under Rule 28.3(b) of the City Code and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 28.4 of the City Code consenting to its inclusion in the Scheme Document.

Responsibilities

It is the responsibility of the directors of the Company (the “Directors”) to prepare the Profit Forecast in accordance with the requirements of the City Code.

It is our responsibility to form an opinion as required by the City Code as to the proper compilation of the Profit Forecast and to report that opinion to you.

Basis of preparation of the Profit Forecast

The Profit Forecast has been prepared on the basis stated on page 167 of the Scheme Document and is based on the unaudited interim financial results for the 6 months ended 30 June 2006, the unaudited management accounts for the four months ended 31 October 2006 and a forecast for the two months to 31 December 2006. In evaluating the full year position, regard has been given to flash sales figures for the month ended 30 November 2006. The Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Group.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information included in the Profit Forecast has been prepared and considering whether the Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Profit Forecast are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Profit Forecast have not been disclosed and whether any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecast has been properly compiled on the basis stated.

Since the Profit Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Profit Forecast and differences may be material.

Opinion

In our opinion, the Profit Forecast has been properly compiled on the basis of the assumptions made by the Directors and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully

BDO Stoy Hayward LLP”

Letter from Hawkpoint and Panmure Gordon relating to the Profit Forecast

“Hawkpoint Partners Limited
41 Lothbury
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Authorised and regulated by the FSA

Panmure Gordon (UK) Limited
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155 Moorgate
London
EC2M 6XB
Registered in England number 04915201
Authorised and regulated by the FSA

The Directors
Countrywide plc
Countrywide House
Perry Way
Witham
CM8 3SX

21 December 2006

Dear Sirs

We refer to the profit forecast of pre exceptional profit before tax (i.e. excluding the profit from the sale of shares in Rightmove and TMG Holdings and the sale of the Commercial Surveying and Valuation business) of Countrywide plc (“the Company”) and its subsidiaries (together “the Countrywide Group”) for the year ending 31 December 2006 (the “Profit Forecast”). The Profit Forecast, together with the material assumptions upon which it is based, are set out in Appendix III, Part B of the scheme document dated 21 December 2006 relating to the acquisition of Countrywide plc by Charlie Holdco 4 Limited, a company formed at the direction of 3i Group plc (“the Scheme Document”).

We have discussed the Profit Forecast, together with the bases and assumptions upon which it is made, with you and with BDO Stoy Hayward LLP (“BDO Stoy Hayward”), the Company's auditors.

We have also considered the letter dated 21 December 2006 addressed to you and us from BDO Stoy Hayward regarding the accounting policies and calculations upon which the Profit Forecast is based. We have relied upon the accuracy and completeness of all the financial and other information discussed with us and assumed such accuracy and completeness for the purposes of providing this letter.

This letter is provided in compliance with Rule 28.3 of The City Code on Takeovers and Mergers and may be included in the Scheme Document solely for the purposes of that Rule.

On the basis of the foregoing, we consider that the Profit Forecast, for which you as directors are solely responsible, has been made with due care and consideration and after due and careful enquiry by the Company.

Yours faithfully

Jonathan Coddington
Director

Hugh Morgan
Executive Director

For and on behalf of
Hawkpoint Partners Limited

For and on behalf of
Panmure Gordon (UK) Limited”

Enquiries

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Hawkpoint, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Countrywide plc and no-one else in connection with the Proposals and will not be responsible to anyone other than Countrywide and the Independent Directors for providing the protections afforded to clients of Hawkpoint nor for providing advice in relation to the Proposals, the content of this announcement or any matter referred to therein.

Panmure Gordon, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Countrywide plc and no-one else in connection with the Proposals and will not be responsible to anyone other than Countrywide and the Independent Directors for providing the protections afforded to clients of Panmure Gordon nor for providing advice in relation to the Proposals, the content of this announcement or any matter referred to therein.