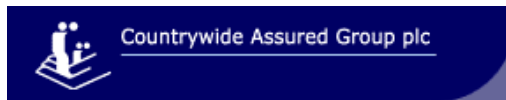


Demerger/sale of life assurance operations



05 December 2003

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Highlights

Demerger/sale of life assurance business

- Proposed demerger or sale of life assurance operations. Sale discussions ongoing

More efficient capital structure

- More efficient capital structure with lower cost of capital going forward. To achieve this, the company is considering its options regarding extending the share buyback programme, dividend policy and a possible return of capital funded by debt

Creation of pure play investment in estate agency business

- Demerger will create two separate, more visible investment propositions with investors being able to invest in the largest residential estate agency/professional property services business

Access to dividend stream if life assurance business is demerged

- If life assurance business is demerged, investors will have access to a substantial potential dividend stream. Objective is to pay an aggregate dividend of at least £10 million in respect of year ending December 2004

Proceeds of sale returned to shareholders if life assurance business is sold

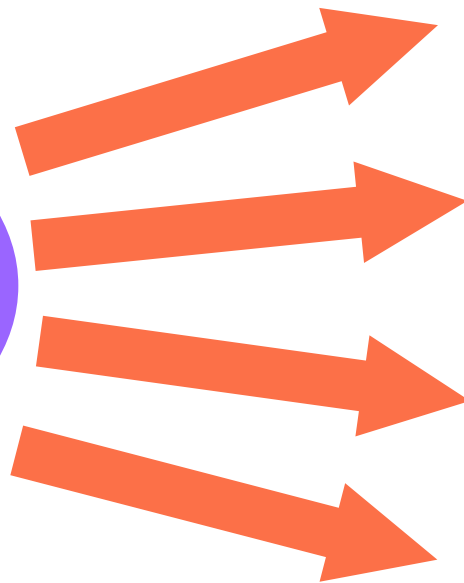
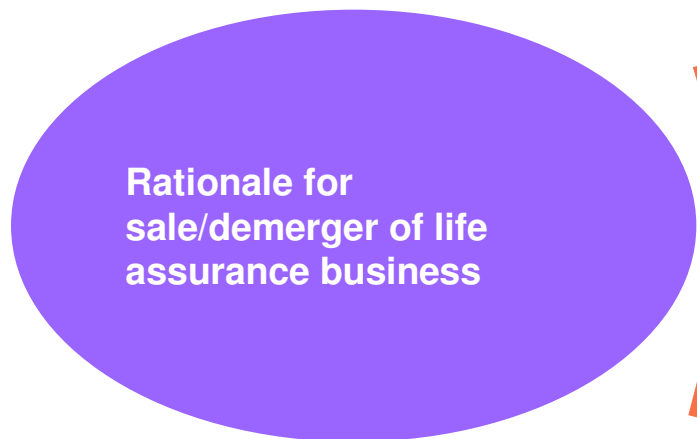
- If life assurance business is sold, the net proceeds will be returned to shareholders

Current trading

- Current trading across all businesses remains in line with Board's expectations

Rationale for transaction

- **Board of Countrywide Group will make a choice between a demerger and a sale once it is clear which option maximises value for Countrywide shareholders**
- Decision to cease writing new life business announced in August 2002
- Board of Countrywide Group has received a number of approaches from interested parties
- Board has been considering options following these approaches



- Life business is substantially closed to new business and activities are different in nature to the rest of the group

- No longer any compelling reasons for two businesses to remain part of the same group

- Investment propositions and capital requirements are entirely different for the two companies

- Response to investor feedback expressing desire to see life assurance business sold or demerged

What Countrywide shareholders will receive

Countrywide shareholders will receive the following

Shares in the continuing Countrywide Group pro rata to existing holding in Countrywide

+

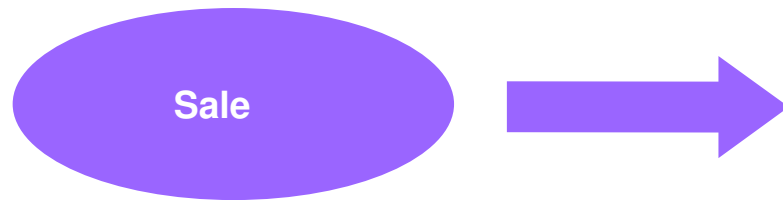


If life business is demerged: shares in Life business pro rata to existing shareholding in Countrywide

or

If life business is sold: a further payment equating to the net proceeds of the sale

Sale of the life assurance business



Benefits

- Deliver significant value to shareholders with net proceeds being returned directly to shareholders
- A complete transfer of risks and rewards associated with the life business to the purchaser
- Leave the remaining Countrywide business as a much more transparent and easily understood, cash generative market leader

Process

- Discussions ongoing with a number of parties

Demerger of the life assurance business



Benefits

- Create two separate investment propositions with clear market valuations
- Create two independent companies with the flexibility of pursuing their own separate strategies appropriate to their respective markets

Process

- The life assurance business will be renamed Chesnara plc

Characteristics of Chesnara

Characteristics of Chesnara

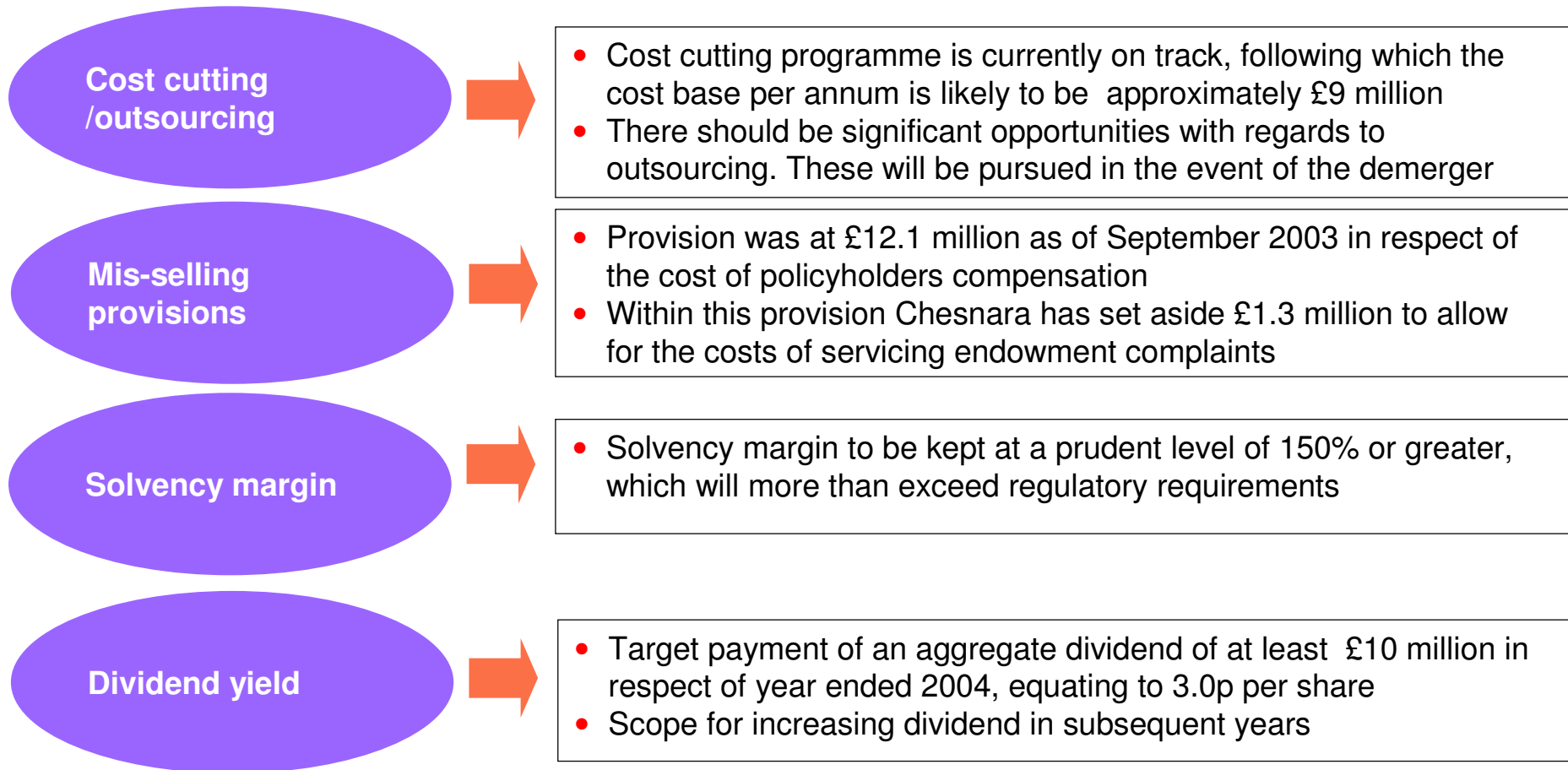
- Targeting a dividend of at least £10 million in respect of the year ended 31 December 2004, equating to 3.0p per existing share
- Capable of paying an attractive dividend yield going forward
- Well capitalised business with solvency margins in excess of statutory requirements
- Strong board and management team with an average of 15 years experience
- Will produce an independent strategy which is likely to include outsourcing and cost minimisation procedures

Strategy for Chesnara



- Provide services to its existing policyholders
- Manage prudently the retention and distribution of capital
- Monitor the cost base and identify areas of potential savings
- Manage relationships with third party service providers such as fund management and information technology
- Address industry wide issues such as mis-selling claims

Current trading and prospects - Chesnara



Board structure - Chesnara

Board of Chesnara

Christopher Spborg	Non-executive Chairman
Graham Kettleborough	Chief Executive
Ken Romney	Finance Director
Frank Hughes	Executive Director
Peter Mason	Senior non-executive Director
Michael Gordon	Non-executive Director
Terry Marris	Non-executive Director

Strategy for Countrywide plc

Strategy for
Countrywide
plc

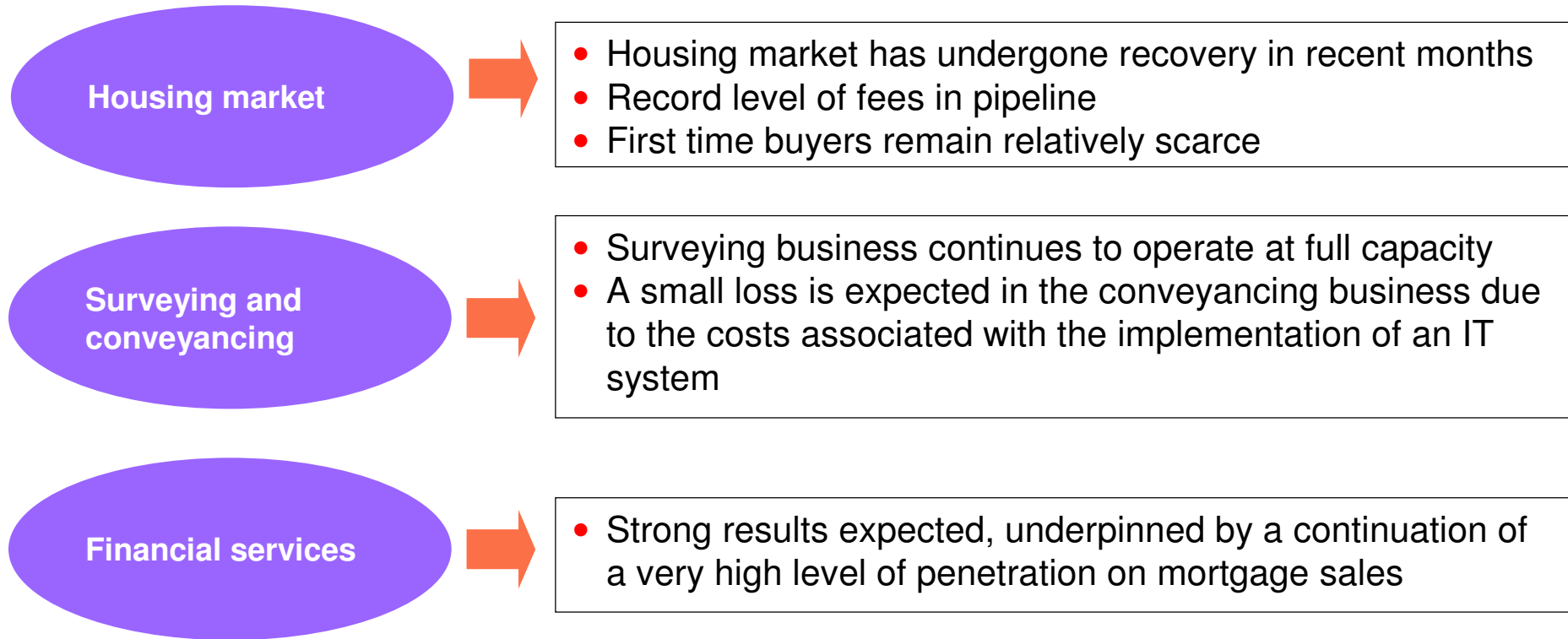


Continue to develop as the market leading residential estate agency and professional property services company



- (1) Develop further conveyancing business
- (2) Develop further estate agency franchising operations
- (3) Expand Spanish estate agency business
- (4) Work to increase already impressive penetration of financial services products
- (5) Continue to expand the Group's surveying business
- (6) Maximise opportunities to the Group from the probable introduction of Home Information Packs

Current trading and prospects - Countrywide plc



Results for the full year remain in line with management expectations

Board structure - Countrywide plc

Board of Countrywide plc

Christopher Sporborg	Non-executive Chairman
Harry Hill	Managing Director
Michael Nower	Finance Director
Michael Gordon	Senior independent non-executive Director
Andrew Brown	Independent non-executive Director
Peter Mason	Independent non-executive Director

Expected timetable

Event	Date
Completion	Spring 2004