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FOR IMMEDIATE RELEASE

2 August 2018

Countrywide plc

Proposed Firm Placing of 1,114,419,569 Firm Placing Shares at 10 pence each

Proposed Placing and Open Offer of 285,580,431 Open Offer Shares at 10 pence each

Countrywide plc (the "**Company**") announces a major capital refinancing plan (the "**Capital Refinancing Plan**") to enable it to continue to deliver its new strategy and turnaround plan.

Capital Refinancing Plan

The Capital Refinancing Plan comprises the following components:

(i) the raising of gross proceeds of approximately £111.4 million by way of the Firm Placing and £28.6 million by way of the Placing and Open Offer (together with the Firm Placing, the "**Issue**") (approximately £129 million in aggregate after deduction of estimated commissions, fees and expenses);

(ii) the amendment of covenant levels by way of the Amended Credit Facility (which is now effective), including an increase of the Group's Covenant net debt to Covenant Adjusted EBITDA ratio at 31 December 2018 to 5.25x from 3.25x under the Previous Credit Facility (with stepped decreases over time); and

(iii) the reduction of net debt by approximately 60 per cent. using the net proceeds of the Issue, including by repaying outstanding indebtedness under the Amended Credit Facility.

The Capital Refinancing Plan is intended to deliver the Group's objectives of accelerating the deleveraging of the Group's balance sheet; providing the Group with greater long-term certainty, flexibility and balance sheet strength, together with improved liquidity and covenant headroom; and reducing the Group's interest payments as a result of the reduction of indebtedness.

A combined prospectus and circular (the "**Combined Prospectus and Circular**") setting out full details of the Issue and the Capital Refinancing Plan is expected to be published on the Company's website and posted to shareholders who have elected to receive hard copies of shareholder documentation later today.

The bookbuilding process for the Firm Placing and conditional Placing of Open Offer Shares (subject to clawback by existing Shareholders under the Open Offer) will be kept open for a short period today to enable orders to be made by institutional shareholders that have not already indicated a desire to participate. The closure of the bookbuilding process will be at the discretion of the Company and the Joint Bookrunners and will be separately announced.

An expected timetable of principal events is set out in the Appendix.

Shareholder approval

The Issue is conditional on, among other things, the approval by the Company's shareholders at a general meeting that the Company has also announced today, which will take place at 10:30 a.m. on 28 August 2018, at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED (the "**General Meeting**"). Other resolutions will also be proposed at the General Meeting to approve a new Absolute Growth Plan ("**AGP**") management incentivisation arrangement, to amend the Company's remuneration policy to accommodate the AGP and to approve the issuance of New Ordinary Shares to existing shareholders in the Company who are entitled to exercise (or control the exercise of) 10 per cent. or more of the votes of the Company (and are therefore "related parties" for the purposes of the Listing Rules).

Irrevocable undertakings and intentions to commit

Oaktree Capital Management

OCM Luxembourg Castle Holdings S.à r.l and OCM Luxembourg EPF III Castle Holdings S.à r.l (each an indirect wholly owned subsidiary of funds advised and managed by Oaktree Capital Management, L.P.), have provided an irrevocable undertaking to Countrywide confirming that they shall vote in favour of the Capital Refinancing Resolutions (other than the Related Party Resolution) to be proposed at the General Meeting.

Subject to the passing of the Capital Refinancing Resolutions, OCM Luxembourg EPF III Castle Holdings S.à r.l has indicated that it will subscribe for £24 million of New Ordinary Shares pursuant to the Firm Placing and/or the Placing (subject to clawback of its participation in the Placing to satisfy Open Offer Entitlements taken up by Qualifying Shareholders under the Open Offer). On this basis, following the Issue, funds advised and managed by Oaktree Capital Management, L.P. will indirectly hold at least 18.9 per cent. of the Enlarged Share Capital of Countrywide.

OCM Luxembourg EPF III Castle Holdings S.à r.l (an indirect wholly owned subsidiary of funds advised and managed by Oaktree Capital Management, L.P.) is a related party of Countrywide for the purposes of the Listing Rules as it is a substantial shareholder of Countrywide (or an associate of such a shareholder) which is entitled to exercise, or control the exercise of, 10 per cent. or more of the votes able to be cast at general meetings of Countrywide.

Directors' intentions

Each of the Directors who is a Shareholder has irrevocably committed to: (i) vote in favour of the resolutions to be proposed at the General Meeting; and (ii) participate in the Issue and subscribe for a number of New Ordinary Shares that is equal to or in excess of their Open Offer Entitlement.

Further details are set out in paragraph 7 of this announcement.

Recommendation

The Board considers that the Capital Refinancing Plan is in the best interests of the Company's shareholders taken as a whole and unanimously recommends that Shareholders vote in favour of the resolutions to be proposed at the General Meeting, as the Directors and Senior Managers intend to do in respect of their own beneficial holdings.

Current Trading and Outlook

The Company has today separately released its half year results for the six months ended 30 June 2018.

The Board believes that the early signs from the turnaround plan are encouraging, notably:

(A) as at 30 June 2018, the sales pipeline was down 9 per cent. year-on-year, compared to down 15 per cent. year-on-year as at 31 December 2017;

(B) the register of properties available was up 3 per cent. year-on-year as at 30 June 2018, compared with a year-on-year decrease of 24 per cent. at 30 June 2017; and

(C) the intra-Group referral rate for complementary services during H1 2018 was 41 pence for every £1 compared to 38 pence for every £1 during H1 2017, representing an 8 per cent. increase compared to H1 2017.

The Board expects the Group's results will benefit from an improved sales pipeline in H2 2018, a traditionally stronger performance in the second half of the year due to seasonality, as well as cost efficiencies that it aims to achieve in the Financial Services and B2B businesses. The Board also expects the Group's revenue from complementary services will increase by the end of 2018, and the Group intends to continue to drive this activity as a key part of its sales strategy, with an aim of increasing revenue from complementary services to historical levels in the medium term.

Management changes

Alongside the Capital Refinancing Plan, a number of senior appointments within the Group have been announced and are effective from today, including the appointment of Paul Creffield to the Board of Countrywide as the Group Managing Director.

Peter Long, Executive Chairman, commented today:

"The capital refinancing announced today is a significant milestone for the Group. It will enable us to build upon the progress we have made to date on our three-year recovery plan as we deliver our return to growth strategy. Although it is still very early in the turnaround, we are encouraged by the operational improvements that we are making and the tangible results that are being achieved. We now have industry expertise and experience across the Group and I am delighted that we have further strengthened the Board and Executive Management team through internal promotion.

With well-known and trusted brands, together with our able and dedicated colleagues we have laid down a strong foundation to build upon and I am confident that we will return Countrywide to profitable growth and long-term success."

Investor presentation

A presentation to investors and analysts will take place today, 2 August 2018, at 10:00 a.m. at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED. The presentation will be webcast at www.countrywide.co.uk. A recording of the webcast will be available on the Company's website later in the day.

Enquiries

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IMPORTANT NOTICE

The defined terms set out in the Appendix apply in this announcement.

This announcement has been issued by and is the sole responsibility of the Company. A copy of the Combined Prospectus and Circular when published will be available from the registered office of the Company and on the Company's website at www.countrywide.co.uk provided that the Combined Prospectus and Circular will not, subject to certain exceptions, be available (whether through the website or otherwise) to Shareholders in the United States or other Excluded Territories.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement. The Combined Prospectus and Circular will give further details of the New Ordinary Shares being offered pursuant to the Firm Placing and the Placing and Open Offer. This announcement is not a prospectus but an advertisement and investors should not acquire any New Ordinary Shares referred to in this announcement except on the basis of the information contained in the Combined Prospectus and Circular. This announcement is for informational purposes only and does not purport to be complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy or completeness. The information in this announcement is subject to change.

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This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation to purchase or subscribe for, or any solicitation to purchase or subscribe for, the New Ordinary Shares in the United States, Australia, Canada, Japan, South Africa, and any other Excluded Territory or any other jurisdiction. The information contained in this announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, Japan or South Africa and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of the securities laws or regulations of such jurisdiction. There will be no public offer of the New Ordinary Shares in the United States, Australia, Canada, Japan, South Africa or any other Excluded Territory. The distribution of this announcement, any other offering or publicity material relating to the Firm Placing and/or the Placing and Open Offer and/or the Combined Prospectus and Circular and/or the transfer of New Ordinary Shares into jurisdictions other than the United Kingdom may be restricted by law or regulation, and, therefore, persons into whose possession this announcement and/or the Combined Prospectus and Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdiction. In particular, subject to certain exceptions, the information contained in this announcement and the Combined Prospectus and Circular should not be distributed, forwarded or transmitted in or into the United States, Australia, Canada, Japan, South Africa or any other Excluded Territory. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. The transfer of the New Ordinary Shares may also be so restricted by law or regulation.

*The New Ordinary Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The New Ordinary Shares offered outside the United States are being offered in reliance on Regulation S under the US Securities Act. There will be no public offer of New Ordinary Shares in the United States. The New Ordinary Shares, the Combined Prospectus and Circular, the Application Form and this announcement have not been recommended, approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the accuracy or adequacy of the Application Form, the Combined Prospectus and Circular or this announcement. Any representation to the contrary is a criminal offence in the United States.*

Accordingly, subject to certain exceptions, the Firm Placing and Placing and Open Offer is not being made in the United States and neither this announcement, the Application Form nor the Combined Prospectus and Circular constitute or will constitute an offer, or an invitation to apply for, or an invitation to subscribe for or acquire any New Ordinary Shares in the United States.

This announcement does not constitute a recommendation concerning the Firm Placing and the Placing and Open Offer. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each Shareholder or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

This announcement contains or incorporates 'forward-looking statements' with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition, performance, results, strategic initiatives and objectives, including in relation to the Firm Placing and the Placing and Open Offer. Generally, words such as "may", "could", "will," "expect," "intend," "estimate," "anticipate," "aim," "outlook," "pro forma," "believe," "plan," "seek," "continue" or similar expressions identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Group's actual results of operations, financial condition or prospects to be materially different from any future results of operations, financial condition or prospects expressed or implied by such statements. Any statement included in this announcement other than a statement of historical fact may be a forward-looking statement (including, without limitation, statements regarding the Group's business strategy, management plans, objectives for future operations, and earning guidance). These forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which it expects to operate in the future. Important factors that could cause the Group's actual results, performance or achievements to differ materially from those in the contemplated or expressed forward-looking statements include, among other things:

- *the Group's ability to implement successfully its turnaround plan and growth strategies;*
- *changes in economic or geopolitical conditions in the United Kingdom that impact employment levels, consumer confidence, the availability of consumer credit, levels of disposable income of existing and potential customers for the Group's products and services, interest rates, foreign investment in the UK and taxation;*
- *the impact of the increasing overall levels of macroeconomic uncertainty in the United Kingdom stemming from Brexit, which has adversely impacted confidence in the housing market with a knock-on effect on property prices, mortgage approvals and volume of transactions;*
- *the cyclical nature of the UK housing market;*
- *continued constraints on, or adverse developments in, the UK residential property market, whether due to the impact of macroeconomic factors or otherwise*;
- *the Group's ability to forecast and meet changes in demand for its products and services, respond to trends in the real estate market (including changes in consumer preferences across all of its channels and brands) as well as successfully diversify the mix of products and services that it offers to increase the resilience of its revenue streams, improve the diversity of its offerings and reduce its dependency on UK house prices and sales volumes;*

- *the Group's ability to achieve and maintain cost savings and operational efficiencies;*

- *the Group's ability to comply with its debt covenants;*

- *the loss of, or adverse changes in, any of the Group's important commercial relationships;*

- *changes in, or failure or inability to comply with, laws or regulations in the United Kingdom governing or otherwise affecting the Group's business and operations and those of its customers, competitors or commercial partners (and therefore, their expectations of the Group), and the interpretations of such laws or regulations by regulators and courts;*

- *legal actions or regulatory investigations or actions, including those in respect of industry requirements, competition, tax or business conduct rules of general applicability;*

- *any increase in the Group's misevaluation liabilities or any adverse development in the litigation or other disputes to which the Group is a party;*

- *failure to maintain, or when needed, obtain authorisations or licences or other regulatory approvals to operate the Group's business, and the effects of actions by regulators, or other developments that may limit or otherwise affect the Group's ability to operate or to operate at the levels of profitability that it envisages;*

- *changing levels of competition in the Group's existing and future lines of business, including as a result of changes in traditional operating models;*

- *interruption or failure of information technology systems and infrastructure upon which all of the Group's channels are reliant;*

- *changes in accounting standards;*

- *significant investments, acquisitions or dispositions, and any delays, unexpected costs, lower-than expected benefits, or other issues experienced in connection with any such transactions;*

- *operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks and the ability to manage cybersecurity risks; and*

- *the loss of any of the Group's senior management or key managers or employees.*

This list of important factors is not exhaustive. There may be other risks, including risks of which the Group is unaware, that could adversely affect the Group's results or the accuracy of forward-looking statements in this announcement. Any forward-looking statements contained in this announcement apply only as at the date of this announcement and are not intended to give any assurance as to future results.

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FOR IMMEDIATE RELEASE

2 August 2018

Countrywide plc

Proposed Firm Placing of 1,114,419,569 Placing Shares at 10 pence each

Proposed Placing and Open Offer of 285,580,431 Open Offer Shares at 10 pence each

1. Introduction

Countrywide announces a major Capital Refinancing Plan to enable it to continue to deliver its new strategy and turnaround plan. The Capital Refinancing Plan comprises a Firm Placing, a Placing and Open Offer and a £275.0 million Amended Credit Facility.

2. Background to and reasons for the Capital Refinancing Plan

The Board believes that the Group is over-leveraged and that the Group's current capital position is unsustainable. The Group's net debt at 30 June 2018 was £211.7 million, compared with Adjusted EBITDA for H1 2018 of £10.7 million. The Group's net debt to Adjusted EBITDA ratio and Covenant net debt to Covenant Adjusted EBITDA ratio were 4.66x and 4.79x respectively, as at the same date.

In order to provide Countrywide with the flexibility to implement its new strategy and turnaround plan, the Board is therefore proposing to implement the Capital Refinancing Plan, comprising the following components:

(i) the raising of gross proceeds of approximately £111.4 million by way of the Firm Placing and £28.6 million by way of the Placing and Open Offer (together with the Firm Placing, the “**Issue**”) (approximately £129 million in aggregate after deduction of estimated commissions, fees and expenses);

(ii) the amendment of covenant levels by way of the Amended Credit Facility (which is now effective), including an increase of the Group’s Covenant net debt to Covenant Adjusted EBITDA ratio at 31 December 2018 to 5.25x from 3.25x under the Previous Credit Facility (with stepped decreases over time); and

(iii) the reduction of net debt by approximately 60 per cent. using the net proceeds of the Issue, including by repaying outstanding indebtedness under the Amended Credit Facility.

The overall effect of the Capital Refinancing Plan will be to give the Group the time and flexibility to rebuild the business and execute its strategy and turnaround with a more sustainable financial structure. The Board, having carefully considered the available alternatives, believes that the Capital Refinancing Plan is the best solution to address the Group’s current challenges and deliver on its renewed strategic potential.

The Board believes that the Group remains well positioned in the medium to longer term. As the largest integrated, full service residential estate agency and property services provider in the UK, as measured by market share of all new listings on the Rightmove Portal (based on Rightmove data for August 2017 through 23 July 2018), with well-known and trusted brands, supported by able, experienced and dedicated colleagues and with strong foundations to build on, the Board is confident in returning Countrywide to profitable growth for the benefit of its customers, shareholders and employees.

3. The Group’s three-year turnaround plan

The Group reset its strategy and outlined its three-year turnaround plan on 8 March 2018. There are five key tenets to the Group’s turnaround plan:

Going “Back to Basics” in Sales and Lettings to regain market share:

The Group has begun to take a range of actions that it believes will deliver profitable growth in the Sales and Lettings business. Early evidence already demonstrates that the strategy is working with the register of properties available up 3 per cent. year-on-year as at 30 June 2018, compared with a year-on-year decrease of 24 per cent. at 30 June 2017.

- <u>Staffing levels and capability</u>: As noted in our 25 June 2018 announcement, the Group has already made substantial progress in re-establishing industry expertise and the right level of staffing and capability in its Sales and Lettings business – at regional, territory and branch levels. Effective 1 April 2018, the Group had in place what it believes to be the right structure at regional level, and during H1 2018 the Group has moved swiftly to put in place local directors with the right experience to help ensure there is the optimum level of oversight and control for its decentralised decision-making approach. At area and branch level, the Board believes that the Group now has in place the right level of staffing and management capability commensurate with the current size and activity levels of the UK housing market. Across the network as a whole, the Group is working to ensure that employees are deployed more effectively, depending on their industry knowledge and expertise, such that the Group enjoys a better result from its overall investment in its employees.

- Decentralising decision-making: The Group believes that its business is a fundamentally entrepreneurial one. As such, the Group is reversing measures implemented in the last few years and empowering local managing directors, regional and branch managers with the autonomy to recruit, develop and promote staff, to market locally and to develop pricing strategies that are competitive by local standards.

- Pricing and fee discipline: The Group is seeking to restore discipline in its pricing and fee strategy, which is particularly important given the backdrop of stagnant to declining house prices in London and Southern England and only modest increases forecast for Northern England and in Scotland.

- Restoring the strength of the Group's Lettings business: The Group's Lettings business provides a reliable source of revenue that the Board regards as having a high potential to recur. The lettings service line has been generally resilient to economic downturns, as lettings transactions have typically increased when property sales decrease, providing a counter-cyclical benefit. A core component of the Group's turnaround plan is therefore to restore the capability, focus and expertise of the Lettings division.

On the basis of certain assumptions and expectations, the Board believes that these actions, if successfully implemented in full, will position the Group well to return the Group's market share to levels last realised in 2016 and could potentially realise around £10-15 million of additional Adjusted EBITDA per annum.

Recovering the branch network's core strengths of selling complementary services:

The delivery of integrated property services – comprising conveyancing and Financial Services (namely mortgages, life protection and general insurance) – is an integral part of the Company's service offering, as well as its profitability.

Following the changes at the beginning of 2018, the Group re-invigorated the focus on selling complementary products and services by implementing new incentive structures and targets for referring complementary services. This has resulted in an increase in the intra-Group referral rate for ancillary services during H1 2018 to 41 pence for every £1 (H1 2017: 38 pence for every £1), representing an 8 per cent. increase compared to H1 2017. The Group expects that its revenue from complementary services will increase further by the end of 2018, and the Group intends to continue to drive this activity as a key part of the sales strategy, with an aim of increasing revenue from complementary services to historical levels in the medium term. On the basis of certain assumptions and expectations, the Board believes that the strategy and turnaround plan, if successfully implemented in full, could potentially realise around £10-15 million Adjusted EBITDA per annum from the sale of complementary products and services.

Cost efficiency:

As part of the turnaround plan, the Group has started a range of cost reduction initiatives that the Board believes (on the basis of certain assumptions and expectations), if successfully implemented in full, could potentially realise around £20-25 million of Adjusted EBITDA savings per annum.

In H1 2018, the Group has already reduced central function overheads by one third, delivering approximately £9 million in savings which has funded the investment to build back the front-line staffing levels in Sales and Lettings. The Group also plans further cost reduction programmes including (i) the transformation of the Group's IT estate, by way of investment to address the Group's legacy IT infrastructure and line of business applications; (ii) investment in contact centre optimisation to improve customer experience through automation, digitisation and improved productivity; and (iii) savings from reduced overheads and other efficiency initiatives such as premises rationalisation, closure of unprofitable branches that cannot be turned around due to market conditions and better procurement processes will also be pursued.

Enhanced measures to improve financial discipline:

In addition to the Capital Refinancing Plan, which the Board expects will realise a £4-6 million reduction in interest costs per annum, Countrywide intends to undertake further measures to improve the Group's financial discipline.

Steps have been taken in H1 2018 to bring greater financial discipline to the Group's budgeting and forecasting processes and a more rigorous approach to working capital management. The focus areas, which the Board believes (on the basis of certain assumptions and expectations) could potentially, if successfully implemented in full, lead to improved operating cash flow conversions are (i) improved working capital discipline by adding capability and improving processes over the collections of all B2B debts; (ii) an improvement programme on timeliness of billing and collections on completion of all residential property transactions; and (iii) one common pool of capital and improved capital allocation across all investment and the introduction of a Group Investment Committee comprising the Executive Committee of the Group.

Continuing to build on the strengths in our B2B and Financial Services businesses:

In its B2B and Financial Services Business Units, the Group has strong market positions in each of the addressable markets for those businesses (by Building Societies Association data). The Group continues to see opportunities to sustain or grow each of these markets as set out below. On the basis of certain assumptions and expectations, the Board believes that these businesses could potentially grow to realise around £4-8 million of additional Adjusted EBITDA per annum.

- B2B Business Unit

Countrywide Surveying Services (CSS) is one of the Group's key businesses and has grown consistently since 2013. Its clients include many major UK banks and building societies. The CSS business has a number of initiatives in place to reinforce and grow its market position and share, including growing its survey penetration in the B2C market.

The Group's conveyancing business, Countrywide Conveyancing Services (CCS), is at scale and the Group operates one of the five largest conveyancing businesses in the UK, having completed approximately 17,000 transactions (on the buy and sell side) amounting to over £4.2 billion in value in 2017, and the Board believes that the business has capacity for many more.

In addition, the Group sees a growing sustainable remortgage market and demand for remortgage conveyancing growing. The Group's strategy is to market its national new homes business (Countrywide Residential Development Solutions) better with a view to increase market share. The Group also intends to grow its Estate and Asset Management business and Lambert Smith Hampton investment management business substantially.

- Financial Services Business Unit

Within the Financial Services Business Unit, the Group's branch-based Mortgage and Protection Consultants (MPCs) are an integral part of the branch-based team providing valuable mortgage advice to both purchasers and vendors who are onward purchasing. In addition to brokering mortgages, the MPCs are able to advise and arrange life protection and general insurance products for customers. The Group will, throughout the remainder of 2018 and beyond, continue to focus on the sale of complementary general insurance and protection products and expect to see incremental yearly improvements in the intra-Group referral rate for complementary services as the product range develops.

The Group's strategy is to grow its core branch-based team by around 60 MPCs by the end of 2018. A new sales management structure that is more closely aligned with the sales service line is being implemented which should provide a greater focus on the performance management of MPCs. The Board believes that this, together with planned IT improvements, will drive the current MPC written mortgage numbers per week to excess of the 1.5 achieved in H1 2018 (H1 2017: 1.4 per week).

The other businesses within the Financial Services Business Unit are Mortgage Intelligence Holdings, The Buy To Let Business, Mortgage Bureau and Dynamo Mortgages.

4. Current trading and outlook

The Company has today separately released its half year results for the six months ended 30 June 2018.

In H1 2018, the Group generated total income of £303.6 million, and reported a loss for the period of £205.8 million and Adjusted EBITDA of £10.7 million, compared to total income of £332.7 million, a loss for the period of £0.5 million and Adjusted EBITDA of £27.8 million in H1 2017.

The underlying results were principally driven by the significantly smaller opening sales pipeline in UK Sales and Lettings and London Sales and Lettings in January 2018 compared to January 2017, which the Board believes was driven by the Group's significant sales pipeline deficit as well as a 3.5 per cent. decline year-on-year in the number of second-hand homes exchanged in the UK in 2018 as at the end of May 2018 (according to HMRC transaction figures). While the Board believes that significant progress has been made with the strategy and turnaround plan during H1 2018, the continued subdued external environment and the deterioration in trading, which became apparent after conclusion of the 2018 business planning process that underpinned the Group's 2017 impairment review, has resulted in a £223.5 million increase in the Group's exceptional costs, from £2.7 million in H1 2017 to £226.2 million in H1 2018, principally driven by further impairment charges of £210.7 million since those recognised in 2017, which has had a material adverse effect on the Group's results for H1 2018.

The Board believes that the early signs from the turnaround plan are encouraging. The sales pipeline is showing signs of improvement: as at 30 June 2018, the sales pipeline was down 9 per cent. year-on-year, compared to down 15 per cent. year-on-year as at 31 December 2017, the fee pipeline was down 13 per cent. year-on-year as at 30 June 2018, compared to down 19 per cent. year-on-year as at 31 December 2017, and the register of properties available was up 3 per cent. year-on-year as at 30 June 2018, compared with a year-on-year decrease of 24 per cent. at 30 June 2017. As part of the Group's turnaround plan, the Group has, in H1 2018, increasingly highlighted the importance of the sale of complementary services from its Financial Services and conveyancing businesses, and the Board is encouraged to see that the intra-Group referral rate for complementary services during H1 2018 was 41 pence for every £1 (H1 2017: 38 pence for every £1), representing an 8 per cent. increase compared to H1 2017.

Outlook

The Board expects the Group's results will benefit from an improved sales pipeline in H2 2018, a traditionally stronger performance in the second half of the year due to seasonality, as well as cost efficiencies that it aims to achieve in the Financial Services and B2B businesses. The Board also expects the Group's revenue from complementary services will increase by the end of 2018, and the Group intends to continue to drive this activity as a key part of its sales strategy, with an aim of increasing revenue from complementary services to historical levels in the medium term.

The Board expects demand for remortgaging to remain robust and rates to remain competitive in H2 2018, while purchases in the buy-to-let market are expected to continue to be constrained by recent regulatory and tax changes in the UK, the full impact of which has yet to be fully felt.

5. Management changes

Alongside the Capital Refinancing Plan, a number of senior appointments within the Group have been announced and are effective from today:

- Peter Long will continue in his role as Executive Chairman through the medium term in order to oversee Countrywide's implementation of its new strategy and turnaround plan in that period;
- Paul Creffield has been appointed to the Board of Countrywide as the Group Managing Director;
- Paul Chapman, a member of our Executive Committee who was previously Managing Director of the B2B Business Unit, has been appointed Chief Operating Officer; and
- Paul Wareham has been appointed Managing Director of the B2B Business Unit and will join Countrywide's Executive Committee.

With these changes, the Board believes that Countrywide has the right team in place to implement the Group's strategy and turnaround plan.

6. Structure and principal terms and conditions of the Issue

Overview of the Firm Placing and the Placing and Open Offer

Countrywide is proposing to raise gross proceeds of £140 million (approximately £129 million after deduction of estimated commissions, fees and expenses) by way of:

- a Firm Placing of 1,114,419,569 Firm Placing Shares; and
- a Placing and Open Offer of 285,580,431 Open Offer Shares,

in each case at an Issue Price of 10 pence per New Ordinary Share. The New Ordinary Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The Issue is fully underwritten by the Joint Bookrunners on the terms and subject to the conditions of the Underwriting Agreement, details of which are set out in the Combined Prospectus and Circular.

The Board has considered the best way to structure the proposed equity capital raising in light of the Group's current financial position. The decision to structure the equity capital raising by way of a combination of a Firm Placing and the Placing and Open Offer takes into account a number of factors, including the total net proceeds to be raised. The Board believes that the Firm Placing will enable Countrywide to satisfy demand from potential new investors as well as current Shareholders wishing to increase their equity positions in Countrywide. The Board has sought to balance the dilution to existing Shareholders arising from the Firm Placing with the need to bring in substantial investors with guaranteed commitments to ensure the success of the Issue. As a result, 20.4 per cent. of the New Ordinary Shares being issued will be available to existing Shareholders through the Open Offer on a pro rata basis.

The Board is seeking the approval of Shareholders, by way of the Capital Refinancing Resolutions at the General Meeting, to the proposed Firm Placing and Placing and Open Offer.

Pricing

The Firm Placing and the Placing and Open Offer will each be made at an Issue Price of 10 pence per New Ordinary Share. The Issue Price represents an 80 *per cent.* discount to the Closing Price of 50 pence on the Reference Date.

The Issue Price (and the discount) has been set by the Directors following their assessment of the prevailing market conditions and anticipated demand for the New Ordinary Shares. The Board, having taken appropriate advice from its advisors, believes that the Issue Price (including the discount) is appropriate in the circumstances.

Dilution

If a Qualifying Shareholder who is not a Placee does not take up any of his Open Offer Entitlements, such Qualifying Shareholder's holding, as a percentage of the Enlarged Share

Capital, will be diluted by 85.3 *per cent.* as a result of the Firm Placing and the Placing and Open Offer.

If a Qualifying Shareholder who is not a Placee takes up his Open Offer Entitlement in full, such Qualifying Shareholder's holding, as a percentage of the Enlarged Share Capital, will be diluted by 67.9 *per cent.* as a result of the Firm Placing.

Further details of the Firm Placing and the Placing and Open Offer are set out in the Combined Prospectus and Circular.

7. Directors' intentions

Each of the Directors who is a Shareholder has irrevocably committed to: (i) vote in favour of the resolutions to be proposed at the General Meeting; and (ii) participate in the Issue and subscribe for a number of New Ordinary Shares that is equal to or in excess of their Open Offer Entitlement.

Set out below are the interests (all of which are beneficial unless otherwise stated), as at the Reference Date, of the Directors and Senior Managers (as well as their immediate families) in the share capital of Countrywide and the interests of the Directors and Senior Managers in the Enlarged Share Capital of Countrywide, assuming that each Director and Senior Manager participates in the Issue and subscribes for a number of New Ordinary Shares that is equal to their respective Open Offer Entitlements or, where a Director or Senior Manager intended at the Reference Date to subscribe for more New Ordinary Shares than their Open Offer Entitlement, such higher number of New Ordinary Shares.

	Ordinary Shares as at the Reference Date		Ordinary Shares immediately following the Issue	
	Number	% of issued share capital at the Reference Date	Number	% of Enlarged Share Capital
Directors				
Peter Long	571,429	0.237	5,571,429	0.339
David Watson	22,070	0.009	171,695	0.010
Paul Creffield	460,239	0.191	1,710,329	0.104
Himanshu Raja	322,841	0.133	1,569,626	0.096
Cathy Turner	10,722	0.004	64,332	0.004
Jane Lighting	10,629	0.004	62,879	0.004

Rupert Gavin	9,500	0.004	20,900	0.001
Natalie Ceeney	23,067	0.010	142,767	0.009
Caleb Kramer	0	0.000	0	0.000
Senior Managers				
Peter Curran	3,357	0.001	0	0.000
Paul Chapman	11,559	0.005	111,309	0.007
Paul Wareham	4,771	0.002	104,521	0.006
Dan Thompson	3,145	0.001	32,895	0.002
Gareth Williams	80,120	0.033	280,120	0.017

8. Irrevocable undertakings and intentions to commit

Oaktree Capital Management

OCM Luxembourg Castle Holdings S.à r.l and OCM Luxembourg EPF III Castle Holdings S.à r.l (each an indirect wholly owned subsidiary of funds advised and managed by Oaktree Capital Management, L.P.), have provided an irrevocable undertaking to Countrywide confirming that they shall vote in favour of the Capital Refinancing Resolutions (other than the Related Party Resolution) to be proposed at the General Meeting.

Subject to the passing of the Capital Refinancing Resolutions, OCM Luxembourg EPF III Castle Holdings S.à r.l has indicated that it will subscribe for £24 million of New Ordinary Shares pursuant to the Firm Placing and/or the Placing (subject to clawback of its participation in the Placing to satisfy Open Offer Entitlements taken up by Qualifying Shareholders under the Open Offer). On this basis, following the Issue, funds advised and managed by Oaktree Capital Management, L.P. will indirectly hold at least 18.9 *per cent*. of the Enlarged Share Capital of Countrywide.

OCM Luxembourg EPF III Castle Holdings S.à r.l (an indirect wholly owned subsidiary of funds advised and managed by Oaktree Capital Management, L.P.) is a related party of Countrywide for the purposes of the Listing Rules as it is a substantial shareholder of Countrywide (or an associate of such a shareholder) which is entitled to exercise, or control the exercise of, 10 per cent. or more of the votes able to be cast at general meetings of Countrywide.

9. General Meeting

The Issue is conditional on, among other things, the approval by the Company's shareholders at the General Meeting that the Company has also announced today, which will take place at 10:30 a.m. on 28 August 2018, at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED.

Other resolutions will also be proposed at the General Meeting to approve a new Absolute Growth Plan ("**AGP**") management incentivisation arrangement, to amend the Company's remuneration policy to accommodate the AGP and to approve the issuance of New Ordinary Shares to existing shareholders in the Company who are entitled to exercise (or control the exercise of) 10 per cent. or more of the votes of the Company (and are therefore "related parties" for the purposes of the Listing Rules) will also be proposed at the General Meeting.

The notice convening the General Meeting is included in the Combined Prospectus and Circular.

10. Working Capital

In the opinion of Countrywide, taking into account the net proceeds of the Issue (being approximately £129 million, after deduction of estimated commissions, fees and expenses) and the drawings available under the Amended Credit Facility, the working capital available to the Group is sufficient for its present requirements (that is, for at least 12 months following the date of the Combined Prospectus and Circular).

11. Importance of your vote

The Capital Refinancing Resolutions must be passed by Shareholders at the General Meeting in order for the Issue to proceed.

If Shareholders do not approve the Capital Refinancing Resolutions:

(i) the Issue cannot be implemented; and

(ii) under the terms of the Amended Credit Facility, the Group's lenders could (following a short negotiation period) demand repayment of all borrowings, which the Group cannot afford.

In such circumstances, the Board believes that the only realistic option for Countrywide would be to seek to further renegotiate or refinance the Amended Credit Facility, and there can be no certainty that the Group would be able to do so on commercially acceptable terms or at all. In the event that the Group were unable to renegotiate or refinance the Amended Credit Facility and the Group's lenders were to demand repayment of all borrowings, a working capital shortfall of the amounts owed (less any surplus working capital held immediately before the demand for repayment) would arise, which would have a material adverse effect on the Group's financial condition and prospects. Without the support of the Group's lenders, Countrywide would be unable to meet its liabilities as they fall due, which would likely result in Countrywide becoming immediately insolvent and having to cease trading.

Accordingly, it is very important that Shareholders vote in favour of the Capital Refinancing Resolutions so that the Capital Refinancing Plan can proceed (assuming that all other conditions are satisfied).

12. Recommendation

The Board considers that the Capital Refinancing Plan is in the best interests of the Shareholders of Countrywide taken as a whole and unanimously recommends that Shareholders vote in favour of the resolutions to be proposed at the General Meeting, as the Directors and Senior Managers intend to do in respect of their own beneficial holdings.

Appendix

Expected Timetable of Principal Events

Record Date for Open Offer Entitlements	5:00 p.m. on 31 July 2018
Announcement of the Capital Refinancing Plan and publication of the Combined Prospectus and Circular	**7:00 a.m. on 2 August 2018**
Ex-Entitlement Time for the Open Offer	8:00 a.m. on 2 August 2018
Posting of the Combined Prospectus and Circular, Application Forms (to Qualifying Non-CREST Shareholders only) and Proxy Forms	2 August 2018
Open Offer Entitlements credited to stock accounts in CREST (Qualifying CREST Shareholders only)	as soon as practicable after 8:00 a.m. on 3 August 2018
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST (i.e. if your Open Offer Entitlements are in CREST and you wish to convert them to certificated form)	4:30 p.m. on 13 August 2018
Latest time for depositing Open Offer Entitlements into CREST (i.e. if your Open Offer Entitlements are represented by an Application Form and you wish to convert them to uncertificated form)	3:00 p.m. on 14 August 2018
Latest time and date for splitting Application Forms (to satisfy *bona fide* market claims only)	3:00 p.m. on 15 August 2018
Latest time and date for receipt of completed Application Forms and payments in full and settlement of CREST instructions (as appropriate)	**11:00 a.m. on 17 August 2018**
Announcement of the results of the Open Offer	21 August 2018
Latest time and date for receipt of Forms of Proxy or electronic proxy appointments	10:30 a.m. on 23 August 2018
General Meeting	**10:30 a.m. on 28 August 2018**
Announcement of the results of the General Meeting	28 August 2018
Admission and dealings in New Ordinary Shares, fully paid, commence on the London Stock Exchange	**by 8:00 a.m. on 30 August 2018**
New Ordinary Shares credited to CREST stock accounts (uncertificated shareholders only)	by 8:00 a.m. on 30 August 2018
Despatch of definitive share certificates for the New Ordinary Shares in certificated form	on or around 6 September 2018

DEFINITIONS

The definitions set out below apply throughout this announcement unless the context requires otherwise:

"Adjusted EBITDA"	has the meaning give to it in section 2.2 of Part II (*Important Information*) of the Combined Prospectus and Circular;
"Admission"	means admission of the New Ordinary Shares to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange;
"AGP"	means the proposed Countrywide Absolute Growth Plan as set out in section 9.5 of Part XII (*Additional Information*) of the Combined Prospectus and Circular;
"Amended Credit Facility"	means the £275 million revolving credit facility available under the Amended Credit Facility Agreement, being an amendment and extension of the revolving credit facility available under the Previous Credit Facility Agreement;
"Amended Credit Facility Agreement"	means the Previous Credit Facility Agreement as amended, extended and restated pursuant to an amendment, extension and restatement agreement that took effect on 2 August 2018, further details of which are set out in section 17 of Part XII (*Additional Information*) of the Combined Prospectus and Circular;
"B2B"	means the Group's Business to Business Business Unit;
"Barclays"	means Barclays Bank PLC, acting through its investment bank;
"Board"	means the board of directors of Countrywide from time to time;
"Brexit"	means the withdrawal of the UK from the European Union;
"Business Units"	means the UK Sales and Lettings Business Unit, the London Sales and Lettings Business Unit, the B2B

	Business Unit and the Financial Services Business Unit, and "**Business Unit**" means any one of them;
"Capital Refinancing Plan"	has the meaning given to it in section 2 of Part I (*Letter from the Executive Chairman of Countrywide of the Combined Prospectus and Circular*);
"Capital Refinancing Resolutions"	means, together, Resolutions 3 and 4 set out in the Notice;
"certificated" or "in certificated form"	refers to a share or other security which is not in uncertificated form (that is, not in CREST);
"Closing Price"	means the closing, middle market quotation of an Existing Ordinary Share, as published in the Daily Official List;
"Combined Prospectus and Circular"	means Countrywide's combined prospectus and circular to be published in connection with the Issue;
"Companies Acts 2006"	means the Companies Act 2006 of the United Kingdom, as amended, modified or re-enacted from time to time;
"Conditional Placee"	means any person who has agreed to conditionally subscribe for Open Offer Shares (subject to clawback to satisfy Open Offer Entitlements taken up by Qualifying Shareholders under the Open Offer) pursuant to the Placing;
"Countrywide" or the **"Company"**	means Countrywide plc of County House, Ground Floor, 100 New London Road, Chelmsford CM2 0RG, a company incorporated in England and Wales with registered number 08340090;
"Covenant Adjusted EBITDA"	has the meaning give to it in section 2.2 of Part II (*Important Information*) of the Combined Prospectus and Circular;
"CREST"	means the system for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the CREST Regulations operated by Euroclear UK;
"Directors"	means the directors of Countrywide as at the date of the Combined Prospectus and Circular, and "**Director**" means any one of them;

"Disclosure Guidance and Transparency Rules"	means the disclosure guidance and transparency rules made under Part VI of FSMA (as set out in the FCA Handbook), as amended;
"DSBP"	means the Countrywide Deferred Share Bonus Plan;
"Enlarged Share Capital"	means the expected issued ordinary share capital of Countrywide immediately following the issue of the New Ordinary Shares;
"EU" or "European Union"	means the European Union first established by the treaty made at Maastricht on 7 February 1992;
"Euroclear UK"	means Euroclear UK & Ireland Limited, the operator of CREST;
"Excluded Territories"	means Australia, Canada, Japan, South Africa, the United States and any other jurisdiction where the extension or availability of the Issue (and any other transaction contemplated thereby) would breach any applicable law or regulation;
"Existing Ordinary Shares"	means, in relation to a particular date, the Ordinary Shares existing as at that date;
"Ex-Entitlement Time"	means 8:00 a.m. on 2 August 2018, being the time at which Ordinary Shares are marked "ex-entitlement";
"FCA"	means the Financial Conduct Authority;
"FCA Handbook"	means the FCA's Handbook of Rules and Guidance, as amended from time to time;
"Financial Services" or "Financial Services Business Unit"	means the Group's Financial Services Business Unit;
"Firm Placee"	means any person who has agreed to subscribe for Firm Placing Shares pursuant to the Firm Placing;
"Firm Placing"	means the firm placing of the Firm Placing Shares as described in the Combined Prospectus and Circular;
"Firm Placing Shares"	means the 1,114,419,569 Ordinary Shares to be issued by Countrywide pursuant to the Firm Placing;
"FSMA"	means the Financial Services and Markets Act 2000 of England and Wales, as amended from time to time;

“General Meeting”	means the general meeting of Countrywide to be convened pursuant to the Notice in order to (among other things) approve the Firm Placing and the Placing and Open Offer;
“Group”	means Countrywide and each of its direct and indirect subsidiary undertakings from time to time (where “subsidiary undertaking” shall have the meaning ascribed to it in the Companies Act 2006);
“H1”	means, in relation to a year, the six month period ending on 30 June of that year (such that “H1 2017” means the six month period starting on 1 January 2017 and ending on 30 June 2017, and analogous expressions shall be construed accordingly);
“H2”	means, in relation to a year, the six month period ending on 31 December of that year (such that “H2 2017” means the six month period starting on 1 July 2017 and ending on 31 December 2017, and analogous expressions shall be construed accordingly);
“HMRC”	means HM Revenue and Customs;
“Issue”	means together, the Firm Placing and the Placing and Open Offer;
“Issue Price”	means 10 pence per New Ordinary Share;
“Jefferies”	means Jefferies International Limited;
“Joint Bookrunners”	means Barclays and Jefferies;
“Lettings”	means the lettings function of the UK Sales and Lettings Business Unit and the London Sales and Lettings Business Unit;
“Listing Rules”	means the listing rules made under Part VI of FSMA (as set out in the FCA Handbook), as amended;
“London Sales and Lettings” or “London Sales and Lettings Business Unit”	means the Group’s London Sales and Lettings Business Unit;
“London Stock Exchange”	means London Stock Exchange Group plc or its successor(s);

“LTIP”	means the Countrywide Long-Term Incentive Plan;
“New Ordinary Shares”	means, together, Firm Placing Shares and the Open Offer Shares;
“Notice”	means the notice convening the General Meeting, included at the appendix to the Combined Prospectus and Circular;
“Oaktree Capital Management”	means Oaktree Capital Management LP;
“Official List”	means the Official List of the UKLA;
“Open Offer”	means the conditional invitation to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in the Combined Prospectus and Circular (and, in the case of Qualifying Non-CREST Shareholders only, the Application Form);
“Open Offer Entitlement”	means a Qualifying Shareholder’s entitlement to subscribe for Open Offer Shares pursuant to the Open Offer;
“Open Offer Shares”	means the 285,580,431 Ordinary Shares to be issued by Countrywide pursuant to the Placing and Open Offer;
“Ordinary Shares”	means the ordinary shares of £0.01 each in the share capital of Countrywide;
“Placee”	means a Conditional Placee or a Firm Placee;
“Placing”	means the conditional placing of the Open Offer Shares (subject to clawback to satisfy Open Offer Entitlements taken up by Qualifying Shareholders under the Open Offer) as described in the Combined Prospectus and Circular;
“Placing Agreement”	means the Placing Agreement between Countrywide, Barclays and Jefferies dated 9 March 2017;
“Placing and Open Offer”	means, together, the Placing and the Open Offer as described in the Combined Prospectus and Circular;
“PRA” or “Prudential Regulation Authority”	means the Prudential Regulation Authority of the United Kingdom;

“Previous Credit Facility”	means the revolving credit facility that was previously made available to Countrywide pursuant to the Previous Credit Facility Agreement;
“Previous Credit Facility Agreement”	means the revolving credit facilities agreement dated 20 March 2013 (as amended and/or amended and restated from time to time) between, among others, Countrywide and HSBC Bank plc (as agent), but excluding the amendment, extension and restatement that took effect on 2 August 2018;
“Proxy Forms” or **“Forms of Proxy”**	means the form of proxy for use by Shareholders in connection with the General Meeting;
“Qualifying CREST Shareholders”	means Qualifying Shareholders holding Ordinary Shares in uncertificated form;
“Qualifying Non-CREST Shareholders”	means Qualifying Shareholders holding Ordinary Shares in certificated form;
“Qualifying Shareholders”	means holders of Existing Ordinary Shares on the register of members of Countrywide at the Record Date;
“Record Date”	means 5:00 p.m. on 31 July 2018;
“Reference Date”	means 1 August 2018, being the last practicable date before the date of the Combined Prospectus and Circular;
“Regulation S”	means Regulation S under the US Securities Act;
“Remuneration Resolutions”	means, together, Resolutions 1 and 2 set out in the Notice;
“Sales”	means the sales function of the UK Sales and Lettings Business Unit and the London Sales and Lettings Business Unit;
“Sales and Lettings” or “Sales and Lettings Business Units”	means, together, the UK Sales and Lettings Business Unit and the London Sales and Lettings Business Unit;
“Shareholders”	means the holders of Ordinary Shares from time to time and “**Shareholder**” means any one of them;

"Senior Managers"	means the senior managers of Countrywide as set out in section 4 of Part XII (*Additional Information*) of the Combined Prospectus and Circular;
"UKLA"	means the FCA when exercising the functions under Part VI of FSMA;
"UK Sales and Lettings" or "UK Sales and Lettings Business Unit"	means the Group's UK Sales and Lettings Business Unit;
"uncertificated" or "in uncertificated form"	refers to a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"Underwriting Agreement"	means the conditional placing and open offer agreement dated 2 August 2018 between Countrywide and the Joint Bookrunners in relation to the Issue, further details of which can be found in section 17 of Part XII (*Additional Information*) of the Combined Prospectus and Circular;
"United Kingdom" or "UK"	means the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia; and
"US Securities Act"	means the US Securities Act of 1933, as amended.