

THE TAKEOVER PANEL

COFFEE REPUBLIC PLC

("COFFEE REPUBLIC")

CAFFE NERO GROUP PLC

("CAFFE NERO GROUP")

Following recent representations made by Deloitte & Touche Corporate Finance, advisers to Coffee Republic, the Panel Executive has been considering the application of Rule 35.1(b) of the Code to the approach by Caffe Nero to Coffee Republic. Following discussions with the parties' advisers, the Panel Executive has ruled that Caffe Nero must, by 12 noon on Monday, 16 December 2002, either announce an offer for Coffee Republic under Rule 2.5 of the Code or announce that it will not proceed with an offer for Coffee Republic. No extension to this deadline will be granted, except with the consent of the Panel Executive. In the event that Caffe Nero announces that it will not proceed with an offer for Coffee Republic, Caffe Nero and any person acting in concert with it will, except with the consent of the Panel Executive, be bound by the restrictions contained in Rule 2.8 of the Code for six months from the date of such announcement.

Each of the parties has accepted this ruling.

25 November 2002