

THE TAKEOVER PANEL

CREST NICHOLSON PLC
("CREST NICHOLSON")

CASTLE BIDCO LIMITED
("CASTLE BIDCO")

Following recent representations made by the advisers to Crest Nicholson, the Panel Executive has been considering the application of Rule 2.4(b) of the Code to the approach by Castle Bidco to Crest Nicholson. Following discussions with both parties' advisers, the Panel Executive has ruled that Castle Bidco must, by 5pm on 12 January 2007, either announce a firm intention to make an offer for Crest Nicholson under Rule 2.5 of the Code or announce that it does not intend to make an offer for Crest Nicholson. No extension to this deadline will be granted, except with the consent of the Panel Executive. In the event that Castle Bidco announces that it does not intend to make an offer for Crest Nicholson, Castle Bidco 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.

5 December 2006