

*Control No. 1077*  
*Nfaly - NICOLA CALET*  
ASST. COMPANY SECRETARY

15 December 2006

The Directors  
McCarthy & Stone Investment Properties (Holdings) Limited  
Homelife House  
26-32 Oxford Road  
Bournemouth  
Dorset  
BH8 8EZ

AU/NP/DM/SB

*501/112*

Dear Sirs,

**McCarthy & Stone Investment Properties (Holdings) Limited**

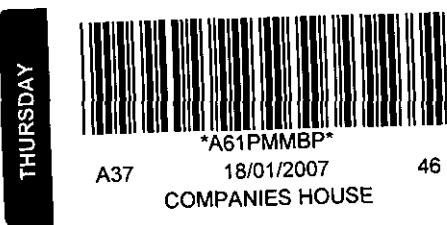
Further to our recent discussions, and in accordance with Section 392 of the Companies Act 1985, we write to notify you of our resignation as auditors of McCarthy & Stone Investment Properties (Holdings) Limited, ("the Company") with immediate effect.

In accordance with Section 394(1) of the Companies Act 1985, we confirm that there are no circumstances connected with our resignation which we consider should be brought to the attention of the members or creditors of the Company.

Yours faithfully

*Ernst & Young LLP*

Ernst & Young LLP



INVESTOR IN PEOPLE

■ The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member practice of Ernst & Young Global. A list of members' names is available for inspection at 1 More London Place, London SE1 2AF, the firm's principal place of business and registered office.