

Price Waterhouse



Private and Confidential

Harrods Group Trustees Limited
87-135 Brompton Road
London SW1X 7XL

35 335 1

9 July 1998

Dear Sirs

HARRODS GROUP PENSION PLAN

We refer to our letter of 20 March 1997 in which we confirmed that we would notify you immediately should we become aware of the existence of any conflict of interest to which we are subject in relation to the Harrods Group Pension Plan (the "Plan").

At a meeting held on 7 July 1998 to discuss arrangements for the audit of the financial statements of the Plan for the year ended 5 April 1988 we became aware that the appointment, on 1 April 1998, of the new Chairman of the Trustee Board gave rise to a conflict of interest.

We believe that under Section 27 of the Pensions Act 1995 we are no longer eligible to act as appointed auditors to the Plan, in accordance with The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the "Regulations").

As required by the Regulations we give notice that we are resigning as auditors to the Plan with immediate effect. There are no circumstances connected with our resignation which, in our opinion, significantly affect the interests of the members or prospective members of, or beneficiaries under, the Plan.

.../continued





Yours faithfully

Price Waterhouse

cc. *Mrs S. Jerman, Harrods Holdings plc*