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The Directors  
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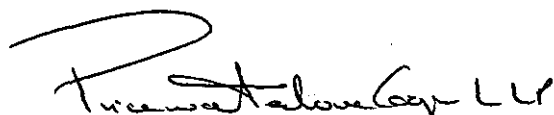
17 February 2003

Dear Sirs,

Following the transfer of substantially all of the business of the UK firm of PricewaterhouseCoopers (PwC) to PricewaterhouseCoopers LLP on 1 January 2003, we have agreed that PricewaterhouseCoopers LLP will be replacing PwC as auditors. We enclose the Letter of Resignation of PwC containing their statutory statement given in connection with ceasing to hold office as auditors.

We confirm, having now completed our professional enquiries, that we will be delighted to accept your invitation to become the auditors of the Argos Retail Group companies (as detailed in the Appendix) on the same terms and conditions as before for PricewaterhouseCoopers, as set out in the engagement letter dated 19 March 2002 (but reading references to any PricewaterhouseCoopers entity or person as references to the corresponding PricewaterhouseCoopers LLP entity or person). Please would you let us have your confirmation of the appointment of PricewaterhouseCoopers LLP on these terms in due course by providing us with a copy of the Board resolution to that effect.

Yours faithfully,



PricewaterhouseCoopers LLP



## Appendix

### Argos Retail Group companies

Argos Holdings plc  
Argos Limited  
Jungle.com Limited  
Jungle.com Holdings Limited  
Argos Card Transactions Limited  
Abound Limited (was Family Hampers Limited)  
GUS Stationery Company Ltd (was G T Cheshire and Sons Limited)  
General Credit Co (Manchester) Ltd  
GUS Catalogue Order Limited  
GUS Printers Ltd  
ARG Equation Limited (was GUS Home Shopping Limited)  
GUS Merchandise Corporation Ltd  
Kay & Co Limited  
Morse's Limited  
All Countries Insurance Co Limited  
W L Overseas Limited  
Whiteaway Laidlaw Bank Limited  
ARG Card Services Limited  
ARG Personal Loans Limited  
GUS Finance Holdings Limited  
GUS Export Corporation Limited  
Reality Holdings Limited  
Reality Solutions UK Limited  
Reality Ventures Limited  
Reality Solutions (UK) Holdings  
Reality Group Limited  
GUS Travel Limited  
White Arrow (Supplies & Services) Ltd  
White Arrow Express Limited  
White Arrow Leasing Limited  
Homebase Limited  
Homebase Group Limited  
Iconford Limited 4071571  
Fifthgrange Limited  
Beddington House (No. 4) limited  
Homebase Card Handling Services Limited  
Homebase Group (2000) Limited  
Beddington House Holdings Limited  
Homebase Holdings Limited  
Home Charm Group limited  
Homebase House and Garden Centre Limited  
Hampden Group limited