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Price Waterhouse



3 August 1998

PRIVATE AND CONFIDENTIAL

The Directors
IBM United Kingdom Trust
IBM South Bank
76 Upper Ground
LONDON
SE1 9PZ

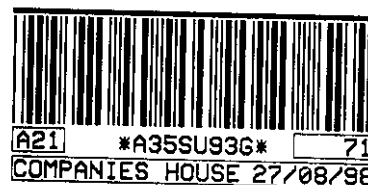
Attention: Ms U James

Dear Sirs

Following the merger of Price Waterhouse and Coopers & Lybrand from 1 July 1998, we have agreed that the new firm, PricewaterhouseCoopers will be replacing us as auditors. In accordance with Section 392 of the Companies Act 1985 we give notice that we are resigning as auditors of IBM United Kingdom Trust with effect from 6 August 1998.

Yours faithfully

PRICE WATERHOUSE



Offices at Aberdeen, Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Hull, Leeds, Leicester, London, Manchester, Middlesbrough, Newcastle, Nottingham, St. Albans, Southampton and Windsor.

The partnership's principal place of business is at Southwark Towers, 32 London Bridge Street, London SE1 9SY where a list of the members of the partnership is kept. P:\WP\ABS\IBM.04\Letters\LDireTrust.doc
The firm is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.