

4 February 2000

The Company Secretary
The Malmaison Hotel (Newcastle) Limited
Gatton Place
St Matthews Road
Redhill
Surrey
RH1 1TA

Arthur Andersen

1 Surrey Street
London
WC2R 2PS

Tel 020 7438 3000
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(Regd No 3276263)

Dear Sirs

As requested, we hereby submit our resignation as auditors of the above company with immediate effect.

In accordance with section 394 of the Companies Act 1985, we confirm that there are no circumstances connected with our ceasing to hold office that we consider should be brought to the attention of the company's members or creditors.

Yours faithfully

Arthur Andersen

