

WINCHESTER
Capital Management Company
INCORPORATED

JOHN H. LIVENS
Executive Vice President

October 8, 1984

Mr. Donald C. Clark
Chairman of the Board
Household International, Inc.
2700 Sanders Road
Prospect Heights, Illinois 60070

Dear Mr. Clark:

On August 27, 1984, one of my associates, Alexander D. Spooner, wrote to you expressing Winchester Capital Management Company's concern about the forthcoming issuance of a new Household International preferred stock to diminish the possibility of a takeover or merger. In this letter, we expressed, "extreme disappointment and disillusionment with your Board members".

Since then, we have an opportunity to review this matter further with Household International's management, other industry and Wall Street sources. Information available from the current court proceedings has also provided more detail.

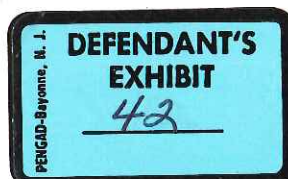
The additional facts have given to us a better understanding of the circumstances surrounding the Board's decision to authorize the issuance of the new preferred stock. Our view now is that under the conditions existing at that time, the Board did not act irresponsibly but we would like to see that the issuance of the preferred stock or any other method to diminish the possibility of a takeover or merger would be put to the vote of all the shareholders, as we would in any matter of such importance.

Recently we have added Household International shares in some of our newer accounts. Our belief is that over a period of time management will be able to reflect the Company's intrinsic value in the markets' evaluation of its shares.

Sincerely yours,

John H. Livens
John H. Livens

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