

To Ferraris Shareholders

29 May 2005

UK Shareholders Association

BM UKSA
London
WC1N 3XX

Phone: 0870-70-60-600
Email: uksa@uksa.org.uk
Web: www.uksa.org.uk

An Update on Our Campaign to Improve Matters at Ferraris Group Plc

You previously responded to our letter regarding the under performance of Ferraris and in particular the large increases in the emoluments of the directors who have overseen a substantial destruction of shareholder value. As you will probably know Steven Mills has stood down as Group Chief executive, partly we feel due to the concerns UKSA expressed in correspondence with the Ferraris board.

Our chairman David Blundell attended a meeting on the 11th May with Ian Dighe, chairman, and Simon Dighton, financial director, during which he expressed the concerns of shareholders, of which he is one. As a result of that meeting, and for the present, UKSA do not intend to take further action due to the assurances made by Ian Dighe which included improving communications with UKSA. However, we will intervene again if circumstances change and at least one representative of the association will be present at the next Annual General Meeting in any event.

If you have any questions on the above, please telephone David Blundell on 01937-572327 or send an email to dwwb@btinternet.com .

If you have not already become a member of UKSA (and there are many other benefits besides being able to get involved in our campaigning activities), then please consider doing so. More information and an application form are present on our web site at www.uksa.org.uk/Membership.htm.

Note that UKSA is a mutual organisation owned by its members and we rely solely on our members to fund UKSA operations (we have no government funding and we do not accept funding from financial institutions). The more members we have the better we can represent your interests.

Yours sincerely

Roger Lawson
Communications Director