

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action which you should take you are recommended to consult your solicitor, accountant or independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your Ordinary Shares in Ultrasis plc, please forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Ultrasis plc (the “Company”)

*(Incorporated and registered in Northern Ireland under
The Companies (Northern Ireland) Order 1986 with registered number NI 15256)*

Registered office:

c/o Elliott Duffy Garrett
Royston House
34 Upper Queen Street
Belfast
Northern Ireland BT1 6FD

Head Office:

4th Floor
13/17 Long Lane
London EC1A 9PN

Directors:

Gerald Malone, *Chairman*
Graham Lewis, *Chief Executive*
Tuvi Orbach, *Non-executive Director*
Michael Mills, *Non-executive Director*

17 December 2003

To the holders of the Ordinary Shares

Dear Shareholder,

Proposed amendments to the articles of association.

The board proposes to put to shareholders at the annual general meeting of the Company to be held on 12 February 2004 resolution numbered 10 which concerns amendments to the Articles of Association of the Company (the “Articles”). The purpose of this letter is to describe the changes and the reasons why the directors recommend that you vote in favour of them. The notice of meeting is set out at the end of the report and accounts for the Company for the year ended 31 July 2003 which are enclosed with this letter.

Borrowings

The accounts for the year ended 31 July 2003 show a significant reduction in the net assets of the Company arising from a charge of £9,156,000 in respect of impairment in the carrying value of goodwill. Under the Articles the borrowings of the Company are limited to two times adjusted share capital and reserves. On the publication of these accounts the Company has no borrowings capacity and existing borrowings have to be ratified by Shareholders. Accordingly two resolutions will be put to shareholders to:

- 1 ratify existing borrowings of the Company; and
- 2 approve an amendment of the terms of the Articles so that:
 - (a) the borrowings limit is adjusted to the higher of £1 million and two times adjusted share capital and reserves; and
 - (b) the principal amount of the Convertible Unsecured Loan Stock (the “Stock”) outstanding is excluded from the definition of borrowings.

Under the terms of the Trust Deed establishing the Stock, changes to Article 96 which addresses borrowings need the approval of an Extraordinary Resolution of the Stockholders. Accordingly a meeting of the Stockholders is convened for 11.15 a.m. on 12 February 2004 (or if later, immediately following the Annual General Meeting to be held on that day) at 13/17 Long Lane, London, EC1A 9PN, at which an Extraordinary Resolution will be put to Stockholders seeking their approval of the changes in the Articles described above.

One effect on the Company's balance sheet of the charge in respect of the carrying value of goodwill is that the Company's net assets are less than half of its called up share capital. Legislation requires that this position is considered by the members in a general meeting. Your Directors believe that the reduction in the net assets as a result of this write down of goodwill has no material effect on the financial health of the Company and accordingly believe that at present it is not necessary to take any action in this respect. A resolution to this effect is included in the notice of the annual general meeting.

Number of directors

Under the Articles the minimum number of directors the Company may have is four. Following the recent restructuring of the Company the Directors consider that this is too many and they propose amending the relevant article to reduce the minimum number to three.

A copy of the full terms of the proposed amendments to the Articles will be available for inspection at the head office of the Company up to and including the date of the Meeting.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you intend to be present at the meeting you are requested to complete, sign and return the form to the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham Kent BR3 4TU as soon as possible and in any event so as to arrive no later than 11.00 a.m. on 10 February 2004. The completion and return of the form of proxy will not preclude you from attending the meeting and voting in person should you wish to do so.

Recommendation

Your Directors consider the proposed amendments to the Articles to be in the best interest of Shareholders as a whole. Accordingly, your Directors recommend Shareholders to vote in favour of the resolution to be proposed at the Annual General Meeting.

Yours faithfully,

M Porter
Secretary