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If you have sold or otherwise transferred all your shares in NextGen Group plc (the "Company"), please send this document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom you made the sale or transfer for onward transmission to the purchaser or transferee.

This document does not constitute an offer to sell, or the solicitation of an offer to purchase, any securities of the Company.

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# NEXTGEN GROUP PLC

## NOTICE OF EXTRAORDINARY GENERAL MEETING

PLACING OF ORDINARY SHARES TO RAISE £1,500,000

INCREASE OF SHARE CAPITAL AND GENERAL AUTHORITY TO ISSUE SHARES

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Notice of an Extraordinary General Meeting of the Company, to be held on 31 March 2008 at 10.00 a.m. at the offices of Seymour Pierce Limited at 20 Old Bailey, London EC4M 7EN, is set out at the end of this document.

Shareholders will find enclosed a Form of Proxy for use at the Extraordinary General Meeting. **The Form of Proxy may be completed and returned by any Shareholder entitled to vote.** To be valid, a Form of Proxy must be completed and returned in accordance with the instructions printed thereon, as soon as practicable and, in any event, so as to arrive no later than 48 hours before the time of the relevant meeting or any adjournment thereof. **Please note, you are entitled to attend and vote at the Extraordinary General Meeting even if you return a Form of Proxy.**

Should you wish to vote at the Extraordinary General Meeting, you are requested to return the accompanying Form of Proxy to the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, and in any event no later than 48 hours before the time of the meeting.

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## ENCLOSURE

Form of Proxy for use at the Extraordinary General Meeting

## PLACING STATISTICS

Number of Ordinary Shares in issue prior to the issue of the Placing Shares and the grant of the Warrants	1,397,645,310
Number of Placing Shares	500,000,000
Number of Ordinary Shares to be issued pursuant to the Warrants	166,666,667
Placing Price and exercise price of the Warrants	0.3 pence
Percentage of the enlarged ordinary share capital represented by the Placing Shares immediately following completion of the Placing	26.35 per cent.
Number of Ordinary Shares in issue immediately following the issue of the Placing Shares	1,897,645,310

## EXPECTED TIMETABLE

Latest date for receipt of Forms of Proxy	10.00 a.m. on 29 March 2008
Extraordinary General Meeting	10.00 a.m. on 31 March 2008
Issue of the Placing Shares and grant of the Warrants	8.00 a.m. on 1 April 2008

*References to time in this document and the Notice of Extraordinary General Meeting are to British Time.*

# NEXTGEN GROUP PLC

(Registered in England and Wales with No. 05556404)

*Directors:*

Klaus Rosenau (*Chairman*)  
Dr. Mike Pisano  
Frank Matthäi  
Dr. Thomas Borcholte  
Dr. Jörg Neermann

*Registered Office:*

Building 56  
Alconbury North Airfield  
Alconbury, Huntingdon  
Cambridgeshire  
PE28 4DA

7 March 2008

*To Shareholders*

Dear Shareholder,

**EXTRAORDINARY GENERAL MEETING  
PLACING OF ORDINARY SHARES TO RAISE £1,500,000  
INCREASE OF SHARE CAPITAL AND GENERAL AUTHORITY TO ISSUE SHARES**

**Introduction**

On behalf of the directors of the Company (the “**Directors**”), I am writing to inform you that, as recently announced, in order to meet its working capital requirements, the Company has raised, subject to shareholder approval and certain other conditions, £1,500,000 (gross) via an equity fundraising. The proceeds will enable the Company to meet its current working capital requirements as well as to provide for the continued growth of the business.

**Background**

The purpose of this document is to explain the background to the Placing and why Shareholder approval is required for each of the resolutions to be proposed at the Extraordinary General Meeting of the Company, notice of which is set out at the end of this document.

The Company has moved into the fast growing market of biomarker detection and monitoring, and is now offering a range of services in this area. Biomarker monitoring is an area rapidly increasing in importance in drug development and academic research and the Company believes this will be an important part of its business in the future.

However, the Company does not have the resources to achieve its objectives in this market without further capital. Accordingly, to position the Company to take advantage of opportunities in this market, the Company has arranged the Placing.

In order to implement the Placing, the Company needs to increase its authorised share capital and extend its existing authority to issue further shares without applying pre-emption rights. The Directors are, therefore, convening an Extraordinary General Meeting of the Company for this purpose, notice of which is set out at the end of this document.

**The Placing**

The fundraising will raise £1,500,000 (gross) and comprises an issue of 500,000,000 ordinary shares of £0.001 each (the “**Ordinary Shares**”) at 0.3 pence per share (the “**Placing Shares**”) and the grant of warrants over 166,666,667 Ordinary Shares with an exercise price of 0.3 pence per share (the “**Warrants**”). The Warrants will be exercisable for a period of three years from the date of grant.

The Placing Shares and the Warrants (the “**Placing**”) will be issued to an existing beneficial shareholder of the Company, Family Trust Select – FIS – Teilfonds Zeus (the “**Investor**”). Immediately after the issue of the Placing Shares, the Investor will hold 775,000,000 Ordinary Shares representing 40.84 per cent. of the then issued share capital. If the Investor was to immediately exercise its Warrants after the issue of the Placing Shares, it would hold 45.62 per cent. of the then issued share capital of the Company.

## **Dispensation from General Offer**

Under Rule 9 (“**Rule 9**”) of the City Code on Takeovers and Mergers (the “**City Code**”), any person, or group of persons acting in concert, which acquires an interest in shares which, when taken together with an interest in shares already held by him or an interest in shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally obliged to make a general offer in cash to all shareholders at the highest price paid by him or any person acting in concert with him within the preceding 12 months.

Rule 9 provides, *inter alia*, that, where any person, together with persons acting in concert with him is interested in shares which in the aggregate carry not less than 30 per cent. but does not hold shares carrying more than 50 per cent. of the voting rights of a company which is subject to the City Code, and such person, or any other person acting in concert with him acquires an interest in any other shares which increases the percentage of shares carrying voting rights in such company in which he is interested, that person is normally obliged to make a general offer to all shareholders, at the highest price paid by him or any person acting in concert with him, within the preceding 12 months.

The Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 if the shareholders of the company, excluding any persons connected in any way with the offeror or any associated company (the “**Independent Shareholders**”), pass an ordinary resolution on a poll (a “**Whitewash Resolution**”) approving such a waiver. The Panel has the power to waive the requirement for a Whitewash Resolution to be put to the shareholders of the company at an extraordinary general meeting where Independent Shareholders holding more than 50 per cent. of the company’s shares capable of being voted on such a resolution confirm in writing that they would vote in favour of a Whitewash Resolution were one to be put to the shareholders of the company at an extraordinary general meeting.

The issue of Placing Shares to the Investor will result in the Investor holding 40.84 per cent. of the then issued share capital (or 45.62 per cent. of the then issued share capital of the Company if the Investor was to exercise its Warrants immediately after the issue of the Placing Shares). The Company has, therefore, obtained such written confirmation from more than 50 per cent. of the Shareholders (excluding the Investor) and the Panel has waived the requirement of a Whitewash Resolution. Accordingly, by voting in favour of the resolutions to be proposed at the Extraordinary General Meeting of the Company, the Placing will be effected without the requirement for the Investor to make a general offer and the Shareholders’ shareholdings will, therefore, be diluted.

## **Increase of authorised share capital**

The current authorised share capital of the Company is £2,000,000 divided into 2,000,000,000 Ordinary Shares. The number of Ordinary Shares to be issued pursuant to the Placing and possible satisfaction of creditors, together with the existing committed share capital requirements of the Company (including existing options and warrants) mean that the authorised share capital of the Company must be increased. It is, therefore, proposed that the authorised share capital be increased from £2,000,000 to £2,500,000 by the creation of 500,000,000 Ordinary Shares.

## **General authority to issue shares**

In addition to the authority to allot the Placing Shares and grant the Warrants pursuant to the Placing, the Company is seeking general authority to allot Ordinary Shares to creditors in full or partial satisfaction of monies owed to them by the Company. The Company is seeking authority to allot up to 33,333,334 Ordinary Shares to creditors representing 2.39 per cent. of the current issued share capital of the Company.

## **Extraordinary General Meeting**

An Extraordinary General Meeting of the Company is being convened for the purpose of increasing the share capital of the Company, granting the Directors authority to allot Ordinary Shares and to disapply pre-emption rights in connection with the issue of the Placing Shares, the exercise of the Warrants and the issue of Ordinary Shares to its creditors, for which the requisite approval of the Shareholders is required. The Notice of Extraordinary General Meeting, which is to be held on 31 March 2008 at 10.00 a.m. at the offices of Seymour Pierce Limited at 20 Old Bailey, London EC4M 7EN, is set out at the end of this document.

### *The Resolutions*

The Notice of the Extraordinary General Meeting contains both ordinary resolutions (which require the approval of a simple majority of Shareholders who vote) and special resolutions (which require the approval of at least 75 per cent. of Shareholders who vote). Resolutions 1, 2 and 3 will be proposed as ordinary resolutions and Resolutions 4 and 5 will be proposed as special resolutions.

#### *Resolution 1*

In order to have sufficient shares to issue the Placing Shares and the Ordinary Shares pursuant to the exercise of the Warrants and the existing warrants and options, and the issue of shares to creditors, the capital of the Company must be increased to £2,500,000 by the creation of 500,000,000 additional Ordinary Shares to rank *pari passu* with the existing Ordinary Shares.

#### *Resolution 2*

The Directors require shareholder authority under Section 80 of the Companies Act 1985 (as amended) for the allotment of 666,666,667 Ordinary Shares that the Company intends to issue pursuant to the Placing. Resolution 2 authorises the Directors to allot such shares. The authority sought under this Resolution 2 will expire on the earlier of 15 months after the passing of the resolution or at the conclusion of the Annual General Meeting of the Company to be held in 2008.

#### *Resolution 3*

The Directors require shareholder authority under Section 80 of the Companies Act 1985 (as amended) for the allotment of 33,333,334 Ordinary Shares that the Company intends to issue to its creditors. Resolution 3 authorises the Directors to allot such shares. The authority sought under this Resolution 3 will expire on the earlier of 15 months after the passing of the resolution or at the conclusion of the Annual General Meeting of the Company to be held in 2008.

#### *Resolution 4*

Resolution 4 proposes to disapply pre-emption rights by giving the Directors authority to allot 666,666,667 Ordinary Shares pursuant to the Placing, without first being required to offer such securities to existing Shareholders. The authority sought under this Resolution 4 will expire on the earlier of 15 months from the passing of the resolution or at the conclusion of the Annual General Meeting of the Company to be held in 2008.

#### *Resolution 5*

Resolution 5 proposes to disapply pre-emption rights by giving the Directors authority to allot 33,333,334 Ordinary Shares to the Company's creditors, without first being required to offer such securities to existing Shareholders. The authority sought under this Resolution 5 will expire on the earlier of 15 months from the passing of the resolution or at the conclusion of the Annual General Meeting of the Company to be held in 2008.

### **Admission**

Application will be made to the London Stock Exchange to admit the Placing Shares to trading on AIM. It is expected that, subject to the passing of the resolutions at the Extraordinary General Meeting, admission of the Placing Shares will become effective on AIM and that dealings will commence on AIM at 8.00 a.m. on 1 April 2008.

The Placing Shares and the Ordinary Shares to be issued pursuant to the exercise of the Warrants and to the Company's creditors will, when issued and fully paid, rank, *pari passu*, in all respects with the existing Ordinary Shares of the Company and will be issued subject to the memorandum and articles of association of the Company.

**Action to be taken**

All Shareholders are asked to complete and return the enclosed Form of Proxy to the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof, whether or not they intend to attend the Extraordinary General Meeting. Completion and return of a Form of Proxy will not preclude a Shareholder so entitled from attending and voting at the Extraordinary General Meeting should he or she so wish.

**Recommendation**

The Directors believe that the Resolutions to be proposed at the Extraordinary General Meeting are in the best interests of the Company and Shareholders as a whole and unanimously recommend that you vote in favour of them as they intend to do in respect of their own beneficial holdings of shares in the Company representing in total 8.28 per cent. of the current issued share capital.

Yours faithfully

**Klaus Rosenau**  
*Chairman*

# NEXTGEN GROUP PLC

*(Registered in England and Wales with No. 05556404)*

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of NextGen Group plc (the "Company") will be held at the offices of Seymour Pierce Limited at 20 Old Bailey, London EC4M 7EN on 31 March 2008 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, with Resolutions 1, 2 and 3 being proposed as ordinary resolutions and Resolutions 4 and 5 being proposed as special resolutions:

### Ordinary Resolutions

1. That the authorised share capital of the Company be increased to £2,500,000 from £2,000,000 by the creation of 500,000,000 Ordinary Shares of £0.001 each in the capital of the Company.
2. That the Directors be authorised generally and unconditionally pursuant to Section 80 of the Companies Act 1985, as amended, (the "Act") (in addition to (and not in substitution for) all other authorities pursuant to Section 80 of the Act, to the extent not utilised at the date this Resolution is passed), to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) but limited to the allotment of relevant securities up to a maximum nominal amount of £666,666.67, such authority (unless previously revoked, varied or renewed) shall expire on the earlier to occur of 15 months after the passing of this Resolution or on the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2008, provided that the Company may before such expiry make an offer, agreement or other arrangement, which would or might require any such relevant securities to be allotted after such expiry and the Directors may allot such relevant securities pursuant to any such offer, agreement or other arrangement as if the authority thereby had not expired.
3. That the Directors be authorised generally and unconditionally pursuant to Section 80 of the Act (in addition to (and not in substitution for) all other authorities pursuant to Section 80 of the Act, to the extent not utilised at the date this Resolution is passed), to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) but limited to the allotment of relevant securities up to a maximum nominal amount of £33,333.34, such authority (unless previously revoked, varied or renewed) shall expire on the earlier to occur of 15 months after the passing of this Resolution or on the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2008, provided that the Company may before such expiry make an offer, agreement or other arrangement, which would or might require any such relevant securities to be allotted after such expiry and the Directors may allot such relevant securities pursuant to any such offer, agreement or other arrangement as if the authority thereby had not expired.

### Special Resolutions

4. Subject to Resolution 2 above being duly passed, that the Directors be generally empowered to allot equity securities (within the meaning of Section 94(2) of the Act) of the Company (in addition to (and not in substitution for) all other authorities pursuant to Section 95 of the Act, to the extent not utilised at the date this Resolution is passed) for cash pursuant to the authority referred to in Resolution 2 above as if Section 89(1) of the Act or any pre-emption provisions contained in the articles of association of the Company or otherwise did not apply to any such allotment, provided that this power is limited to the allotment of equity securities up to an aggregate nominal amount of £666,666.67, such authorities and powers (unless previously revoked, varied or renewed) shall expire on the earlier to occur of 15 months after the passing of this Resolution or on the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2008, provided that the Company may prior to such expiry make any offer, agreement or other arrangement, which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer, agreement or other arrangement as if the power thereby conferred had not expired.

5. Subject to Resolution 3 above being duly passed, that the Directors be generally empowered to allot equity securities (within the meaning of Section 94(2) of the Act) of the Company (in addition to (and not in substitution for) all other authorities pursuant to Section 95 of the Act, to the extent not utilised at the date this Resolution is passed) for cash pursuant to the authority referred to in Resolution 3 above as if Section 89(1) of the Act or any pre-emption provisions contained in the articles of association of the Company or otherwise did not apply to any such allotment, provided that this power is limited to the allotment of equity securities up to an aggregate nominal amount of £33,333.34, such authorities and powers (unless previously revoked, varied or renewed) shall expire on the earlier to occur of 15 months after the passing of this Resolution or on the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2008, provided that the Company may prior to such expiry make any offer, agreement or other arrangement, which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer, agreement or other arrangement as if the power thereby conferred had not expired.

By Order of the Board  
**Justin McCann**  
Secretary

*Registered Office:*  
Building 56  
Alconbury North Airfield  
Alconbury  
Huntingdon  
Cambridgeshire  
PE28 4DA

7 March 2008

**Notes:**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those Shareholders registered in the register of members of the Company as at 6.00 p.m. on 29 March 2008 shall be entitled to attend and vote at this Extraordinary General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after such time shall be disregarded in determining the rights of any person to attend or vote at this Extraordinary General Meeting.
2. Any shareholder who is entitled to attend and vote at this Extraordinary General Meeting is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, speak and vote at the meeting. To appoint more than one proxy, additional Forms of Proxy may be obtained by contacting the Registrars or you may photocopy the form. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. A proxy need not be a shareholder of the Company. Completion and return of the Form of Proxy will not preclude a shareholder from attending and voting at this Extraordinary General Meeting. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
4. If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.
5. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.  
CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.  
The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
6. A Form of Proxy is enclosed which to be effective must be completed, signed and received by the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 48 hours before the time of the Extraordinary General Meeting. You can only appoint a proxy using the procedures set out in these notes and in the notes to the enclosed Form of Proxy.
7. In order to facilitate voting by corporate representatives at the Extraordinary General Meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate Shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives — [www.icsa.org.uk](http://www.icsa.org.uk) — for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.