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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.

NEXTGEN GROUP PLC

NOTICE OF EXTRAORDINARY GENERAL MEETING

TO

INCREASE SHARE CAPITAL AND GRANT GENERAL AUTHORITY TO ISSUE SHARES

Notice of an Extraordinary General Meeting of the Company, to be held on 29 January 2009 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 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

EXPECTED TIMETABLE

Latest date for receipt of Forms of Proxy	10.00 a.m. on 27 January 2009
Extraordinary General Meeting	10.00 a.m. on 29 January 2009

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

6 January 2009

To Shareholders

Dear Shareholder,

EXTRAORDINARY GENERAL MEETING

TO

INCREASE SHARE CAPITAL AND GRANT GENERAL AUTHORITY TO ISSUE SHARES

Introduction

The Board announced on 13 October 2008 and 27 November 2008 that the Company had raised gross funds of £315,000 and £639,000, respectively, through placings of new Ordinary Shares (the "Placings").

The Placings utilised the existing share issue authorities of the Directors. Accordingly, the Board is seeking renewal of their general authorities to issue Ordinary Shares and/or other securities of the Company, such general authority being last granted to them at the Annual General Meeting of the Company held on 5 August 2008.

In addition, the current authorised share capital of the Company is £3,000,000 divided into 3,000,000,000 Ordinary Shares of £0.001 each. The number of Ordinary Shares issued pursuant to the Placings 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 £3,000,000 to £4,500,000 by the creation of 1,500,000,000 Ordinary Shares.

Extraordinary General Meeting

The grant of general authorities to issue Ordinary Shares and/or other securities of the Company and to an increase in the authorised share capital of the Company requires Shareholder approval. Accordingly, 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 such allotments for which the requisite approval of the Shareholders is required. The Notice of Extraordinary General Meeting, which is to be held on 29 January 2009 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 a special resolution (which require the approval of at least 75 per cent. of Shareholders who vote). Resolutions 1 and 2 will be proposed as ordinary resolutions and Resolution 3 will be proposed as a special resolution.

Resolution 1

In order to have sufficient shares to issue the Ordinary Shares in the future and pursuant to the exercise of existing warrants and options the capital of the Company must be increased. Resolution 1 will be proposed as an ordinary resolution to increase the authorised share capital of the Company to £4,500,000 by the creation of 1,500,000,000 additional Ordinary Shares to rank *pari passu* with the existing Ordinary Shares.

Resolution 2

Resolution 2 will be proposed as an ordinary resolution to authorise the Directors pursuant to Section 80 of the Act to allot relevant securities generally up to 1,000,000,000 new Ordinary Shares, which represents approximately 39.26 per cent. of the number of Ordinary Shares in issue as at the date of this document. This authority will expire on the earlier of 15 months after the passing of the Resolution or on the conclusion of the Annual General Meeting of the Company to be held in 2009.

Resolution 3

Resolution 3 will be proposed as a special resolution to empower the Directors pursuant to Section 95 of the Act to allot equity securities for cash otherwise than on a *pro rata* basis generally up to 1,000,000,000 new Ordinary Shares which represents approximately 39.26 per cent. of the number of Ordinary Shares in issue as at the date of this document. This authority will expire on the earlier of 15 months after the passing of the Resolution or on the conclusion of the Annual General Meeting of the Company to be held in 2009.

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 4.5 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 29 January 2009 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, with Resolutions 1 and 2 being proposed as ordinary resolutions and Resolution 3 being proposed as a special resolution:

Ordinary Resolutions

1. That the authorised share capital of the Company be increased to £4,500,000 from £3,000,000 by the creation of 1,500,000,000 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 £1,000,000, 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 2009, 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 Resolution

3. 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 £1,000,000 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 2009, 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

6 January 2009

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 27 January 2009 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 this 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 annual 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 – 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.
8. In accordance with Section 325 of the 2006 Act, the right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the 2006 Act. Persons nominated to receive information rights under Section 146 of the 2006 Act who have been sent a copy of this notice of meeting are hereby informed, in accordance with Section 149(2) of the 2006 Act, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

