

**This document is important and requires your immediate attention.**

If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the capital of Next Fifteen Communications Group plc, please send this document and the accompanying other documents, as soon as possible, to the purchaser or transferee or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

# Next Fifteen Communications Group plc

## Notice of the 2012 Annual General Meeting and Chairman's explanatory letter

# NEXT 15

11 November 2011

## **Letter from the Chairman**

Dear Shareholder,

2012 Annual General Meeting

I enclose details of our thirtieth Annual General Meeting ('AGM'), which is to be held at the Company's offices at The Triangle, 5-17 Hammersmith Grove, London W6 0LG on Tuesday 24 January 2012 at midday. Our offices are very close to Hammersmith tube station (Piccadilly, District, and Hammersmith and City lines) (see map). I hope you will be able to join us, as it is a valuable opportunity for the Directors of the Company to meet Shareholders.

The notice of the AGM, containing the resolutions to be considered at the AGM, is set out on pages 4 and 5 of this notice ('Notice of AGM'), and this letter explains them more fully.

### **Annual Report and Financial Statements – Ordinary Resolution 1**

The business of the AGM will begin with a resolution to receive the financial statements for the year ended 31 July 2011 as well as the Directors' Report and Auditors' Report in respect of such financial statements.

### **Remuneration Policy – Ordinary Resolution 2**

Shareholders are asked to approve the Directors' Remuneration Report for the year ended 31 July 2011, which is set out on pages 17 to 21 of the Annual Report.

### **Final dividend – Ordinary Resolution 3**

This resolution seeks shareholder approval of the final dividend recommended by the Directors of 1.535p per ordinary 2.5p share. If approved, the dividend will be paid on 3 February 2012 to all shareholders registered at the close of business on 6 January 2012.

### **Electing Directors appointed by the Board since the last Annual General Meeting – Ordinary Resolutions 4, 5 and 6**

The Company's Articles of Association require that any Director appointed by the Board must stand for election at the next Annual General Meeting. Richard Eyre was appointed as non-executive Chairman on 12 May 2011, Alicja Lesniak was appointed as a non-executive Director and Senior Independent Director on 1 July 2011, and Margit Wennmachers was appointed as a non-executive Director on 17 August 2011. All three Directors offer themselves for election by Shareholders.

### **Retirement and re-election of Director – Ordinary Resolution 7**

Pursuant to the Company's Articles of Association, every year approximately one-third of the Directors retire by rotation, though they may offer themselves for re-election. This year, Tim Dyson retires as a Director by rotation and is seeking re-election.

### **Reappointment of Auditors and authority to fix their remuneration – Ordinary Resolution 8**

A resolution to reappoint BDO LLP as the Company's auditors is proposed. The resolution also authorises the Directors to fix the auditors' remuneration.

### **Authority to allot shares – Ordinary Resolution 9**

This resolution is to provide for the Directors to continue to have the authority to allot relevant securities. Resolution 9 renews a similar authority given at last year's AGM and authorises the Directors to allot shares in the capital of the Company up to an aggregate nominal amount of £470,071 (being equal to approximately one-third of the issued ordinary share capital of the Company (excluding treasury shares) as at 3 November 2011). This limit is in line with the guidelines issued by the Association of British Insurers ('ABI').

The resolution also seeks authority for the Directors to allot up to two-thirds of the issued share capital of the Company in connection with a pre-emptive rights issue. The guidance issued by the ABI recommends that if this additional authority is used and the amount raised in any rights issue is more than one-third of the Company's pre-issue market capitalisation, all Directors wishing to remain in office should stand for re-election at the next AGM of the Company, and the Board intends to follow this guidance.

The Directors have no present intention of exercising these authorities to allot relevant securities, except in connection with the Company's employee share schemes or as part of deferred considerations for recent acquisitions made by the Group. The authorities expire at the conclusion of the Company's next AGM, or, if earlier, 23 April 2013.

### **Disapplication of pre-emption rights – Special Resolution 10**

This resolution is to renew the Directors' power to allot relevant securities up to a maximum aggregate nominal value of £141,021 (representing approximately 10% of the issued ordinary share capital of the Company (excluding treasury shares) as at 3 November 2011) for cash without first having to offer them to shareholders in proportion to their existing holdings. In addition, in accordance with normal practice, the resolution will enable Directors to allot shares for cash in connection with a rights issue or open offers and in particular, to deal with overseas shareholders and fractional entitlements as they think fit.

This resolution is seeking authority that exceeds the relevant guidance issued by the Pre-emption Group (a group representing listed companies, investors and intermediaries) and the ABI, which recommends a 5% limit. The Board is seeking the increased authority to give it more flexibility to fund small acquisitions. The limit sought is consistent with the practice adopted by other media companies of a similar size listed on AIM.

The power expires at the conclusion of the Company's next AGM or, if earlier, on 23 April 2013.

### **Authorisation for the Company to purchase its own shares – Special Resolution 11**

It is proposed that, in common with many quoted companies, the Company be given authority to make market purchases of its own shares. This authority will be limited to a maximum of 5,640,859 shares, being approximately 10% of the issued ordinary share capital (excluding treasury shares) as at 3 November 2011.

The Board will continue to monitor carefully the capital requirements of the Company and, although at present the Directors have no plans to buy back shares, it may consider it prudent to act at short notice if circumstances warrant. The Board will, however, make use of this authority only when satisfied that it would be in the best interests of the Shareholders and where the expected result of such purchase would be an increase in earnings per share.

The authority will expire at the conclusion of the Company's next AGM or on 23 April 2013, whichever is the earlier. The maximum price (exclusive of expenses) per ordinary share which can be paid on any occasion is limited to 105% of the average of the middle-market quotations, as derived from the London Stock Exchange's Daily Official List, for the five business days prior to the date on which the purchase is made.

The total number of unissued ordinary shares over which options, performance shares and conditional shares were outstanding as at 3 November 2011 was 6,847,573, which represents approximately 12.14% of the issued ordinary share capital (excluding treasury shares) of the Company as at 3 November 2011 and would represent approximately 13.49% of the Company's issued ordinary share capital (excluding treasury shares) if the maximum number of 5,640,859 ordinary shares were to be purchased by the Company pursuant to the authority given by this resolution 11.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury, and may then be cancelled, either immediately or at some point in the future, re-sold for cash or transferred in connection with the Company's employee share plans. The Board will only hold shares purchased pursuant to this authority where it believes this course to be in the best interests of the Company and its Shareholders.

### **Action to be taken**

You will find enclosed a form of proxy for use by Shareholders entitled to attend and vote at the AGM. Whether or not you are able to attend the AGM you are requested to complete and sign the form of proxy in accordance with the instructions printed on it and to return it as soon as possible, so as to arrive at the Company's Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU not later than 48 hours prior to the AGM. Completion and return of the Form of Proxy will not preclude you from attending and voting at the AGM should you wish to do so.

### **Recommendation**

The Directors believe that all of the proposals set out in the Notice of AGM are in the best interests of Shareholders. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the resolutions to be proposed at the AGM, as they intend to do so in respect of their own beneficial holdings. These in aggregate amount to 6,080,442 shares, representing approximately 10.78% of the issued ordinary share capital (excluding treasury shares) in the Company as at 3 November 2011.

I look forward to seeing you at the AGM.

Yours faithfully,



**Richard Eyre**  
Chairman

NOTICE IS HEREBY GIVEN that the thirtieth Annual General Meeting of Next Fifteen Communications Group plc (the 'Company') will be held at The Triangle, 5-17 Hammersmith Grove, London W6 0LG on Tuesday 24 January 2012 at midday for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as Ordinary Resolutions, with the exception of resolutions 10 and 11, which will be proposed as Special Resolutions.

### Ordinary Resolutions

1. To receive and consider the Company's financial statements for the year ended 31 July 2011 together with the Report of the Directors and the Report of the Auditors in respect of such financial statements.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 July 2011.
3. To declare a final dividend for the year ended 31 July 2011 of 1.535p per ordinary share in the capital of the Company to be paid on 3 February 2012 to members whose names appear on the Register of Members of the Company as at the close of business on 6 January 2012.
4. To elect Richard Eyre as a Director.
5. To elect Alicja Lesniak as a Director.
6. To elect Margit Wennmachers as a Director.
7. To re-elect Tim Dyson as a Director who retires by rotation.
8. To reappoint BDO LLP as auditors of the Company until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to fix their remuneration.
9. THAT in place of all existing powers, pursuant to section 551 of the Companies Act 2006 (the 'Act'), the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot Relevant Securities:

- (a) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £940,142 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph (b) of this resolution) in connection with rights issues to holders of ordinary shares in the capital of the Company in proportion (as nearly as may be) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates, or legal or practical problems arising under or as a result of the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory; and
- (b) otherwise than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount of £470,071 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph (a) of this resolution in excess of £470,071).

This authority shall expire (unless previously renewed, varied, or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting or on 23 April 2013, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

In this resolution, 'Relevant Securities' means:

- (a) shares in the Company other than shares allotted pursuant to (i) an employees' share scheme (as defined in section 1166 of the Act); (ii) a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or (iii) a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; and

(b) any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employees' share scheme (as defined by section 1166 of the Act). A reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

### **Special Resolutions**

10. THAT, subject to the passing of resolution 9 and in place of all existing powers, the Directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 9 as if sub-section (1) of section 561 of the Act did not apply to any such allotment, provided that this power is limited to:

- (a) the allotment of equity securities in connection with an offer of equity securities (but, in the case of an allotment pursuant to the authority granted by paragraph (a) of resolution 9, such power shall be limited to the allotment of equity securities in connection with a rights issue) to holders of ordinary shares in the capital of the Company in proportion (as nearly as may be) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, record dates, or legal or practical problems arising under or as a result of the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or the issue and/or transfer and/ or holding of any securities in uncertificated form; and
- (b) the allotment of securities (otherwise than pursuant to paragraph (a) above) having an aggregate nominal value not exceeding £141,021.

Such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 23 April 2013 (whichever is the earlier), save that the Company may before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

11. THAT the Company be and is hereby authorised for the purposes of section 701 of the Act to purchase ordinary shares of 2.5p each ('ordinary shares') in the capital of the Company by way of market purchase (as defined in section 693(4) of the Act) on the London Stock Exchange upon and subject to the following conditions:

- (a) the maximum aggregate number of ordinary shares which may be purchased is 5,640,859; and
- (b) the minimum price (exclusive of expenses) which may be paid for such shares is 2.5p and the maximum price (exclusive of expenses) which may be paid is not more than 5% above the average of the middle-market quotations for ordinary shares taken from the London Stock Exchange Daily Official List for the five business days immediately before the date such purchase on which is made.

The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting or on 23 April 2013, whichever is the earlier, provided that any contract for the purchase of any ordinary shares as aforesaid which was concluded before the expiry of the authority may be executed wholly or partly after the authority expires.

Registered Office: The Triangle, 5-17 Hammersmith Grove, London W6 0LG

BY ORDER OF THE BOARD

**David Dewhurst**  
Company Secretary

11 November 2011

**A Form of Proxy is enclosed with this Notice and instructions for use are shown on the form.**

Notes:

1. A member entitled to attend and vote at the Annual General Meeting ("Meeting") is also entitled to appoint a proxy or proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the Annual General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company. A form of proxy is provided with this notice. Appointment of a proxy will not preclude a member from attending and voting in person at the Annual General Meeting.
2. Forms of proxy, if used (together with any power of attorney or other authority, if any, under which they are signed or notarially certified or in some other way approved by the Board), must be lodged with the Company's Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU not less than 48 hours before the Meeting (or any adjourned Meeting).
3. In the case of joint holders, the vote of the senior holder who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders. Seniority shall be determined by the order in which the names of the holders stand in the Register of Members in respect of the joint holding.
4. Only holders of shares in the capital of the Company who are registered in the Register of Members 48 hours before the Meeting or any adjourned Meeting are entitled to attend and vote at the Meeting or any adjourned Meeting. Changes to entries on the Register of Members after such times shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
5. Copies of the service contracts under which the Directors of the Company are employed by the Company or any of its subsidiaries (or a memorandum of the terms of such service contracts) will be available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) from the date of this Notice until the date of the Meeting and will also be available for inspection at the place of the Meeting for at least 15 minutes prior to such Meeting until its conclusion.
6. As at 5.30 p.m. on 3 November 2011, the Company's issued share capital comprised 57,401,102 ordinary shares of 2.5p each. This includes 992,508 shares which are held in treasury. Each ordinary share, other than the treasury shares, carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.30 p.m. on 3 November 2011 is 56,408,594.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of the Meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST-sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service 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, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company'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 Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) 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 provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST).

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.



