

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your existing ordinary shares in the capital of N Brown Group plc, please send this document, together with the accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

### **N Brown Group plc**

Griffin House  
40 Lever Street  
Manchester  
M60 6ES

**8 June 2007**

### **Registered No. 814103**

To the holders of shares in N Brown Group plc

# 2007 Annual General Meeting

Dear Shareholder

Notice of the annual general meeting to be held on Tuesday 17 July 2007 at 2.30 pm at Griffin House, 40 Lever Street, Manchester, M60 6ES is set out on pages 3 and 4 of this document.

I provide below further information regarding the resolutions, which shareholders are to be asked to approve at the annual general meeting.

The directors consider the resolutions which are set out in the notice of meeting on pages 3 and 4 and which are to be proposed at the forthcoming annual general meeting to be in the best interests of the company and its shareholders as a whole and recommend shareholders to vote in favour of the resolutions as they unanimously intend to do so in respect of their own beneficial shareholdings.

You will find enclosed a form of proxy for use at the annual general meeting. Please complete, sign and return the enclosed form as soon as possible in accordance with the instructions printed thereon whether or not you intend to be present at the meeting. Forms of proxy should be returned so as to be received by the company's registrars, Capita Registrars at Proxy Processing Centre, Telford Road, Bicester, OX26 4LD as soon as possible and in any event not later than 48 hours before the time appointed for the meeting.

Yours faithfully,

**Lord Alliance of Manchester CBE**

Chairman

## Explanatory Notes

### Resolution 1 Annual Report and Accounts

The directors will present to shareholders at the annual general meeting the accounts for the previous financial year, together with their report and the report of the auditors.

### Resolution 2 Directors Remuneration Report

In accordance with section 241A of the Companies Act 1985 ("the Act") shareholders are again asked to approve the directors' remuneration report which is set out on pages 29 to 37 of the annual report and accounts. Your directors are satisfied that the company's policy and practice in relation to directors' remuneration are reasonable and that they deserve shareholder support.

### Resolution 3 Dividends

Final dividends are approved by the shareholders. However, they cannot be more than the amount the board recommends. The board is recommending a final dividend of 5.34 pence per ordinary share for the 52 weeks ended 24 February 2007. If shareholders approve the recommended dividend, it will be paid on 27 July 2007 to shareholders on the register at the close of business on 29 June 2007.

### Resolution 4, 5, 6, 7 and 8 Directors Re-Election

Under the articles of association one third of the directors are required to retire from office at each annual general meeting. In accordance with the Combined Code on Corporate Governance and by virtue of holding office as non-executive directors for more than nine years, Ivan Fallon, Lord Alliance of Manchester CBE (who has attained the age of 74 years) and Nigel Alliance OBE (who has attained the age of 72 years) are subject to annual re-election as directors. Dean Moore and John McGuire, retire by rotation and offer themselves for re-election. Biographical details of all directors including those standing for re-election are included on page 20 of the annual report and accounts.

### Resolution 9 Auditors Re-Appointment

This resolution proposes the re-appointment of Deloitte & Touche LLP as auditors of the company and authorises the directors to determine their remuneration.

### Resolution 10 Authority to Allot Shares

The authority of shareholders is required to enable directors to allot shares and certain rights to subscribe for shares, such as options. Accordingly, in line with the company's usual procedure, which is also standard practice amongst other public companies, this resolution seeks authority for the directors to issue shares and other relevant securities (within the limits of the existing authorised share capital) until the conclusion of next year's annual general meeting or 16 October 2008, if sooner. The resolution will provide for the directors to be able to allot relevant securities up to a nominal amount of £9,892,168. This represents one third of the issued share capital together with the amount of shares that the company may be obliged to allot to satisfy its obligations under the various option schemes, long term incentive plan and annual performance bonus that the company operates. With the exception of shares to be issued in respect of these, the directors have no current intention of exercising this authority.

### Resolution 11 Permission to Allot a Limited Number of Shares other than to Existing Shareholders

When shares and certain rights to subscribe for shares are issued for cash, they normally have to be offered first to existing shareholders in proportion to their current shareholding.

This resolution will enable the directors to allot for cash equity securities up to a nominal amount of £1,483,825 representing approximately 5% of the current issued ordinary share capital, other than to existing shareholders, in order to take advantage of these opportunities as and when they arise. The authority will lapse at the earlier of the next annual general meeting of the company or 16 October 2008, if sooner.

In this context, shareholders should note that the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 ("the Treasury Shares Regulations") came into force on 1 December 2003, with the result that the rights of pre-emption conferred by section 89 of the Act (to the extent not disapplied) now also apply to the sale by the company of any shares which it holds as treasury shares under the Treasury Shares Regulations. Resolution 11, if passed, will also disapply the provisions of section 89 of the Act in relation to any sales of treasury shares, within the limits referred to in the resolution. As at 8 June 2007, the company did not hold any shares in the company in treasury.

### Resolution 12 Authorised Share Capital

In March 2007 the company undertook a Return of Value to its shareholders by way of a B Share mechanism. At the EGM of the company held on 21 February 2007 in connection with the Return of Value, the authorised share capital of the company was increased from £39,000,000 to £39,029,625.88 by the creation of a number of B Shares of 0.01 of a penny each. More B Shares were authorised than were actually required for the purposes of the Return Value. There are therefore a number of authorised but unissued B shares that are in excess of the company's requirements. Currently the authorised share capital of the company stands at £39,003,524.94. The resolution will enable the company to cancel the 352,494 existing authorised but unissued B shares of 0.01 pence each so as to reduce the authorised share capital of the company to £39,000,000 divided into 352,857,142 ordinary shares of 11 1/19 pence each.

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of N Brown Group plc will be held at Griffin House, 40 Lever Street, Manchester M60 6ES on Tuesday, 17 July 2007 at 2.30 pm for the following purposes:

## Ordinary Business

1. To receive the annual accounts of the company for the 52 weeks ended 24 February 2007 together with the directors' and auditors' report on those accounts.
2. To approve the directors' remuneration report for the 52 weeks ended 24 February 2007.
3. To declare a final dividend of 5.34 pence per ordinary share for the 52 weeks ended 24 February 2007.
4. To re-elect as a director Dean Moore.
5. To re-elect as a director John McGuire.
6. To re-elect as a director Lord Alliance of Manchester CBE.
7. To re-elect as a director Nigel Alliance OBE.
8. To re-elect as a director Ivan Fallon.
9. To re-appoint Deloitte & Touche LLP as the company's auditors and to authorise the directors to fix their remuneration.
10. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, in substitution for all existing authorities the directors of the company be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the company to allot relevant securities (within the meaning of section 80 of the said Act) up to an aggregate nominal amount of £9,892,167.55, provided that this authority shall expire at the conclusion of the next annual general meeting of the company after the passing of this resolution or, if earlier, 16 October 2008 and provided further that the company may before such expiry make any offers or agreements which would or might require relevant securities to be allotted after such expiry.

## Special Business

To consider and, if thought fit, pass the following resolutions of which Resolution 11 will be proposed as a special resolution and Resolution 12 will be proposed as an ordinary resolution:-

11. That, subject to the passing of resolution 10 as set out in the notice of this meeting above, the directors of the company be and are hereby empowered pursuant to section 95(1) of the Companies Act 1985 ("the Act") to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the authority conferred by the said resolution 10 and to sell relevant shares (as defined by section 94(5) of the said Act) of the company if, immediately before such sale, such shares were held by the company as treasury shares (within the meaning of section 162A(3) of the said Act)

as if section 89(1) of the Act did not apply to any such allotment and/or sale, provided that this power shall be limited to the allotment of equity securities and/or sale of relevant shares:

- (a) in connection with an offer (whether by way of rights issue, open offer or otherwise) to the holders of ordinary shares where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be) to the respective number of ordinary shares held by them (notwithstanding that, by reason of such exclusions or other arrangements as the directors may deem necessary or desirable to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory, the equity securities to be allotted and/or relevant shares to be sold are not offered to all such holders in proportion to the number of ordinary shares held by each of them); and
- (b) otherwise than pursuant to paragraph (a) above, of equity securities up to an aggregate nominal value of £1,483,825.13

and shall expire at the conclusion of the next annual general meeting of the company after the passing of this resolution or, if earlier, on 16 October 2008 save that the company may before such expiry make any offers or agreements which would or might require equity securities to be allotted, or relevant shares to be sold, after such expiry.

12. That the authorised share capital of the company be reduced from £39,003,524.94 to £39,000,000.00 by the cancellation of all the existing authorised but unissued B Shares of 0.01 pence each, which shares are in excess of the Company's wants, pursuant to section 121(2)(e) of the Companies Act 1985.

By Order of the Board

**Philip F Harland LL.B (Hons), Solicitor**  
Secretary  
8 June 2007

Registered Office:  
Griffin House  
40 Lever Street  
Manchester  
M60 6ES

## Notes

- 1 A member entitled to attend and vote at the annual general meeting convened by the notice set out above is entitled to appoint a proxy or proxies to attend and, on a poll, to vote in his place. A proxy need not be a member of the company.
- 2 A form of proxy is enclosed for your use.
- 3 To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be received by the company's registrars, Capita Registrars at Proxy Processing Centre, Telford Road, Bicester, OX26 4LD not later than 48 hours before the time appointed for holding the meeting.
- 4 Completion and return of the form of proxy will not preclude a member from attending and voting in person at the annual general meeting should he or she so wish.
- 5 Copies of directors' service contracts and a statement of the directors' share interests and those of their families will be available for inspection at the company's registered office during normal business hours on each business day from the date of this notice and up to and including the date of the annual general meeting.
- 6 Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, the company specifies that only those shareholders registered in the register of members of the company as at 2.30pm on Sunday 15 July 2007 (or in the case of an adjournment as at 48 hours before the time appointed for the holding meeting) shall be entitled to attend or vote at the above meeting and that the number of votes which any shareholder may cast, on a poll, will be determined by reference to the number of shares registered in such shareholder's name at that time. Changes to entries on the register after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.