

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in Croma Group PLC, you should pass this document, the accompanying form of proxy and the annual report and accounts of Croma Group PLC for the financial year ended 30 June 2009 without delay to the stockbroker, bank or other person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Croma Group PLC

(Incorporated in England and Wales, registered number 03184978)

Directors:

Nick Hewson (*Non-executive Chairman*)
Sebastian Morley (*Chief Executive*)
Gerald McGill (*Finance Director*)
James Sullivan (*Executive Director*)

Registered office:

Emerald House
East Street
Epsom
Surrey
KT17 1HS

9 November 2009

To holders of ordinary shares of 0.1 pence each ("Ordinary Shares") in the capital of Croma Group plc (the "Company")

Dear Shareholder,

Annual General Meeting

I am pleased to invite you to the annual general meeting of the Company, which will be held at the Hilton Edinburgh Airport Hotel, Edinburgh International Airport, Edinburgh EH28 8LL at 2 p.m. (UK time) on Monday, 7 December 2009 (the "**AGM**"). Also enclosed with this letter is a copy of the annual report and accounts of the Company for the year ended 30 June 2009.

The business to be conducted at the AGM is set out in the notice of annual general meeting at pages **[2]** to **[3]** of this document. You will be asked to consider and vote on the resolutions set out in the notice. An explanation of these resolutions is given in the explanatory notes to the notice of annual general meeting at pages **[3]** to **[4]** of this document.

If you would like to vote on any of the resolutions but cannot come to the AGM, please complete, sign and return (in accordance with the instructions printed on it) the proxy form enclosed with this document. To be valid, completed and signed proxy forms must be received by the Company's registrars by no later than 2.00 p.m. on Saturday, 5 December 2009.

The directors consider that all the proposals to be considered at the AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, the directors unanimously recommend that you vote in favour of all of the proposed resolutions, as they intend to do in respect of their own beneficial shareholdings.

Yours sincerely

Nick Hewson
Chairman

Croma Group PLC*(Incorporated in England and Wales, registered number 03184978)***NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of Croma Group PLC (the "**Company**") will be held at the Hilton Edinburgh Airport Hotel, Edinburgh International Airport, Edinburgh EH28 8LL at 2.00 p.m. (UK time) on Monday, 7 December 2009, for the following purposes:

To consider, and if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions:

- 1 To receive the Company's annual report and accounts for the financial year ended 30 June 2009 together with the reports of the directors and the auditors thereon.
- 2 To reappoint BDO LLP as the auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the directors to determine the auditors' remuneration.
- 3 To re-elect Gerald McGill, who retires at the annual general meeting by rotation, as a director of the Company.
- 4 That:
 - (A) the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "**Act**") to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum nominal amount of £92,616.03; and
 - (B) the authorities given in this Resolution:
 - (1) shall be in substitution for all pre-existing authorities under section 551 of the Act (or its predecessor section 80 of the Companies Act 1985); and
 - (2) unless, renewed, revoked or varied in accordance with the Act, shall expire at the end of the next annual general meeting of the Company to be held in 2010, save that the Company may before such expiry make an offer or agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry.

To consider, and if thought fit, to pass the following resolutions, which will be proposed as special resolutions:

- 5 That:
 - (A) subject to the passing of Resolution 4 set out in the notice of annual general meeting dated 9 November 2009 (the "**Allotment Authority**"), the directors be given power pursuant to section 570 of the Companies Act 2006 (the "**Act**") to allot equity securities (within the meaning of section 560(1) of the Act) for cash, pursuant to the Allotment Authority, as if section 561(1) of the Act did not apply to any such allotment, provided that such power shall be limited to the allotment of equity securities:
 - (1) in the case of paragraph A of the Allotment Authority:
 - (a) in connection with an offer of shares in the Company to:
 - (i) holders of ordinary shares (other than the Company) on a fixed record date in proportion to their respective holdings of such shares; and
 - (ii) other persons entitled to participate in such offer by virtue of, and in accordance with, the rights attaching to any other equity securities held by them;
 - in each case, subject to such exclusions or other arrangements as the directors may deem necessary or appropriate in relation to fractional entitlements, legal, regulatory or practical problems under the laws or the requirements of any regulatory body or stock exchange of any territory or otherwise (a "**Pre-Emptive Offer**"); or
 - (b) otherwise than in connection with a Pre-Emptive Offer, up to a maximum nominal amount of £26,607.59;
 - (B) the power given in this Resolution:
 - (1) shall be in substitution for all pre-existing powers under section 570 of the Act (or its predecessor section 95 of the Companies Act 1985); and

- (2) shall expire at the same time as the Allotment Authority, 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.

6 That any limit previously imposed on the Company's authorised share capital, whether by the Company's memorandum of association or articles of association or by resolution passed by general meeting, be removed.

9 November 2009

By Order of The Board

Registered Office:
Emerald House
East Street
Epsom
Surrey
KT17 1HS

Gerald McGill
Company Secretary

SHAREHOLDER NOTES

1. A member who is entitled to attend and vote at the AGM called by the foregoing notice may appoint a proxy to attend the AGM and speak and vote on his or her behalf. A member may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a member of the Company. A form of proxy (on white paper) for use in connection with the AGM is enclosed and, if used, should be completed and signed and sent or delivered in accordance with the instructions contained therein so as to be received by the Company's registrars, Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible but in any event no later than 2.00 p.m. (UK time) on Saturday, 5 December 2009. Appointment of a proxy will not preclude a member from attending and/or voting in person at the AGM.
2. A member wishing to appoint multiple proxies can photocopy his or her proxy form. It will be necessary for the member to indicate on each separate proxy form the number of shares in relation to which each proxy is authorised to act.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members entered on the register of members of the Company as at 6.00 p.m. (UK time) on Saturday, 5 December 2009 or, in the event that the AGM is adjourned, on the register of members at 6.00 p.m. (UK time) on the day falling two days before the date of any adjourned meeting, shall be entitled to attend or vote at the AGM in respect of the shares registered in their name at that time. Changes to the entries on the register of members after 6.00 p.m. (UK time) on Saturday, 5 December 2009 or, in the event that the AGM is adjourned, on the register of members at 6.00 p.m. (UK time) on the day falling two days before the date of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the AGM, notwithstanding any provisions in any enactment, the articles of association of the Company or other instrument to the contrary.
4. The following documents are available for inspection by any person at the registered office of the Company, during normal business hours Monday to Friday (public holidays excepted) and will be available for inspection at the place of the AGM from 1:45 p.m. until the conclusion of the AGM:
 - (a) copies of the executive directors' service contracts and non-executive directors' letters of appointment; and
 - (b) the Company's annual report and accounts for the year ended 30 June 2009.
5. A member may not use any electronic address provided either in this notice of AGM or any related documents (including the proxy form), to communicate with the Company for any purposes other than those expressly stated.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

General

The notes on the following pages give an explanation of the proposed resolutions. Resolutions 1 to 4 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 5 and 6 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1 – Annual report and accounts

The directors must lay the Company's accounts, the directors' report and the auditor's report before the shareholders in a general meeting. A copy of those accounts and reports are enclosed with this document and are also available on the Company's website at www.cromagroup.co.uk.

Resolutions 2 – Reappointment and remuneration of the auditors

The Company is required to appoint an auditor at each general meeting at which accounts are laid before the shareholders, to hold office until the end of the next such meeting. Resolution 2 proposes the re-appointment of BDO LLP as the Company's auditors and seeks authority for the directors to decide the auditors' remuneration.

Resolutions 3 – Re-election of director

The Company's articles of association require that at least one third of the directors must retire by rotation at each annual general meeting. Gerald McGill is required to retire this year. Being eligible, he offers himself for re-election.

Resolution 4 - Renewal of authority to allot shares

The purpose of this resolution is to renew the authority conferred upon the directors the power to allot shares. Section 551 of the Companies Act 2006 provides that the directors may not allot new shares (other than pursuant to employee share schemes) without shareholder approval. The directors currently have authority to allot relevant securities up to a maximum amount of £92,616.03, being an amount equal to the authorised but unissued share capital of the Company. The resolution proposes that this existing authority to allot securities up to a maximum amount of £92,616.03 be renewed.

In addition, following guidance issued by the ABI in December 2008, the Company is seeking additional authority to allot securities in connection with a fully pre-emptive rights issue up to a maximum amount of £92,616.03, being an amount equal to the authorised but unissued share capital of the Company as at 6 November 2009, being the latest practicable date prior to publication of this document. This power is being sought in order to give the Company flexibility to raise funds in the future should the directors consider it appropriate to do so.

The directors have no present intention of exercising this authority. The authority will expire at the conclusion of the next annual general meeting or, if earlier, on 7 December 2010, unless previously cancelled or varied by the Company in general meeting. It is the intention of the directors to renew this authority annually at each annual general meeting.

As at 6 November 2009 (being the latest practicable date prior to publication of this document), the Company did not hold any shares in treasury.

Resolution 5 - Disapplication of pre-emption rights

Section 561(1) of the Companies Act 2006 provides that if the directors wish to allot any equity securities, or sell any treasury shares (if it holds any), for cash, it must first offer them to existing shareholders in proportion to their existing shareholdings. Section 561 does not apply in connection with allotments made pursuant to an employee share scheme. The purpose of this resolution is to renew the directors' authority to allot shares or sell any treasury shares for cash as if section 561(1) of the Companies Act 2006 did not apply, in connection with rights issues, open offers and other pre-emptive offers pursuant to the authority to allot shares granted by resolution 4, and otherwise up to a total amount of £26,607.59, representing approximately 15 per cent. of the Company's issued Ordinary Share capital as at 6 November 2009, being the latest practicable date prior to publication of this document.

The power conferred by this resolution will expire at the conclusion of the next annual general meeting unless previously cancelled or varied by the Company in general meeting. It is the intention of the directors to renew this power annually at each annual general meeting.

Resolution 6 – Removal of authorised share capital

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital. This resolution removes any limit previously imposed on the Company's authorised share capital. The directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.