

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action to take, you should immediately consult 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 transferred all your ordinary shares in Bright Things plc (“Ordinary Shares”), you should pass this document and the accompanying form of proxy to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

## **BRIGHT THINGS plc**

*(Registered in England No. 5066489)*

*Directors:*

Ian Livingstone (Non-Executive Chairman)  
Dominic Wheatley (Chief Executive Officer)  
Edward Levey (Finance Director)  
Matthew Tims (Publishing Director)

*Registered Office:*

7 Pilgrim Street  
London  
EC4V 6LB

30 September 2008

*To: The holders of Ordinary Shares*

Dear Shareholder

**Placing of 58,760,000 new Ordinary Shares at 1.25 pence per share together with one warrant for every two Ordinary Shares subscribed**

### **Annual General Meeting**

#### **1. Introduction**

It was announced today that the Company conditionally has raised £734,500, before expenses, by the placing of 58,760,000 new Ordinary Shares at 1.25 pence per share (“**Placing**”). Each placee will also be issued with one warrant (“**Warrant**”) for every two placing shares subscribed, each warrant entitling the holder to subscribe for one Ordinary Share, exercisable at 5 pence per share at any time during the three year period following the date of admission of the placing shares to trading on AIM (“**Admission**”).

The Placing is conditional, *inter alia*, on the passing of the resolutions numbered 5, 6 and 7 in the Notice of Annual General Meeting set out at the end of this letter and on Admission.

The Company also today announced its results for the year ended 31 March 2008. A copy of the Annual Report and Accounts for the year ended 31 March 2008 is enclosed with this document. The Annual Report contains the audited financial statements for the period ended 31 March 2008.

At the end of this document is the notice convening the Annual General Meeting of the Company to be held at 10.00 a.m. on Thursday, 23 October 2008 at which, in addition to the ordinary business usually dealt with at the annual general meeting, resolutions will be proposed to increase the authorised share capital of the Company and to grant to the Directors authorities to allot shares, including pursuant to the Placing.

## **2. Background to and details of the Placing**

The last time I wrote to you it was to tell you about the Company's acquisition of Commonworld Limited, which was developing a web-based networking product called SocialGo. The development of the product has continued and the Board is very pleased with the progress which has been made.

SocialGo provides a white-label social networking platform, allowing users to create their own communities with their own branding and advertising. It has many of the features of social networking websites such as Facebook and MySpace but allows users to restrict access and usage to their own specific communities. The fully customisable social network our users create therefore can be for either open access or private.

The Company, in conjunction with consultants from Get On With It Limited ("GOWIT"), has developed the SocialGo product to the point of launch, which is anticipated to take place in November this year, following completion of the trial of a beta version of the product which commenced in August 2008.

To support the SocialGo product, the Company is proposing to use the funds raised through the Placing to provide additional working capital for the Company as it moves from the development stage of the SocialGo product to commence a sales and marketing initiative.

The Company, through its broker HB Corporate, conditionally has raised £734,500, before expenses, by the issue of 58,760,000 new Ordinary Shares at 1.25 pence per share to institutional and other investors.

The Placing is conditional on the placing agreement entered into between the Company and HB Corporate having become unconditional and Admission occurring on 24 October 2008 (or such later time and date as the Company and HB Corporate may agree, being no later than 5 p.m. on 22 November 2008). If any of the conditions of the Placing Agreement are not fulfilled or waived on or before 5 p.m. on 22 November 2008, the Placing will not become unconditional and the placing monies will be returned to the placees, without interest, as soon as practicable thereafter.

The Placing shares will, when issued and fully paid, rank pari passu in all respects with the existing issued Ordinary Shares and are expected to be admitted to trading on AIM on 24 October 2008.

Dominic Wheatley, chief executive of the Company, is subscribing for 16,000,000 new Ordinary Shares pursuant to the Placing and, immediately following the Placing will be interested in 24,205,102 Ordinary Shares, representing approximately 19.57 per cent. of the issued ordinary share capital of the Company, as enlarged by the Placing. I am subscribing for 4,000,000 new Ordinary Shares pursuant to the Placing and, immediately following the Placing will be interested in 5,305,556 Ordinary Shares, representing approximately 4.29 per cent. of the issued ordinary share capital of the Company.

### **3. Board changes and grant of options**

I am delighted to announce that Charles Delamain, who has an excellent track record in building and developing IT companies, has agreed to join the Board as Chief Operating Officer of the Company with effect from 1 October. Charles will strengthen the management team at this important time in the Company's history. It is proposed that immediately following his appointment Charles will be granted an option over 4,000,000 Ordinary Shares exercisable at 1.25 pence per share at any time during the period of 10 years following the date of grant. Charles is also subscribing for 4,000,000 new Ordinary Shares pursuant to the Placing, representing approximately 3.23 per cent. of the issued ordinary share capital of the Company following Admission. The option being granted to Charles will vest in three equal tranches, on each of the first, second and third anniversaries of the date of grant.

In addition to the option to be granted to Charles Delamain, it has been agreed that options over 1,500,000 Ordinary Shares will be granted to each of Alexander Halliday, Stephen Hardman and Ross Crawford, employees of GOWIT, in recognition of the important part GOWIT continues to play in developing the SocialGo product. The Board has further determined that options over 1,100,000 Ordinary Shares should be granted to certain senior staff of the Company to recognise the ongoing importance of their valuable contribution to its success. It is proposed that these options over 5,600,000 Ordinary Shares, in aggregate, will be granted on the same terms as the option to be granted to Charles Delamain (together, the "Options").

Finally, Matthew Tims will step down as Publishing Director of the Company at the Annual General Meeting. I would like to thank Matthew for his contribution to the Company in this important role and am delighted to announce that he has agreed to remain on the Board as a non-executive Director.

### **4. Annual General Meeting**

You will find set out at the end of this document the notice convening the Annual General Meeting for 10.00 a.m. on Thursday, 23 October 2008 at the offices of Faegre & Benson LLP at 7 Pilgrim Street, London EC4V 6LB.

Resolutions 1 to 4 deal with the ordinary business that normally takes place at the Annual General Meeting, and require no explanation. Resolutions numbered 5, 6 and 7 are being proposed:

- (i) to increase the authorised share capital of the Company from £5,000,000 to £7,500,000 by the creation of 250,000,000 Ordinary Shares;
- (ii) to grant authorities to the Directors to allot relevant securities pursuant to Section 80 of the Act up to a maximum aggregate nominal amount of £1,389,654.43, representing 138,965,443 Ordinary Shares, including for the purposes of the Placing and the grant of the Options; and
- (iii) to disapply the statutory pre-emption rights under Section 89(1) of the Act, including for the purposes of the Placing and the grant of the Options.

Following the Placing, the issue of the Warrants and the grant of the Options, the Board will be authorised to issue up to a further 41,225,443 Ordinary Shares, representing approximately 33 per cent. of the enlarged issued share capital of the Company as at Admission, pro rata to

existing Shareholders and otherwise than pro rata to existing shareholders for non-cash consideration. In addition, following Admission, the issue of the Warrants and the grant of the Options, the Board will be empowered to issue up to 18,551,445 Ordinary Shares, representing approximately 15% of the enlarged issued share capital of the Company as at Admission, for cash otherwise than pro rata to existing shareholders. This power will lapse 15 months after the Annual General Meeting or at the conclusion of the annual general meeting to be held in 2009, whichever occurs first.

The authorities sought will replace those granted at the Extraordinary General Meeting held on 24 December 2007.

The new authorities are being sought specifically for the purposes of the Placing, to permit the grant of the Options and otherwise so as to maintain flexibility in the financing of the Company, giving the Directors the opportunity to take advantage of business opportunities as they arise.

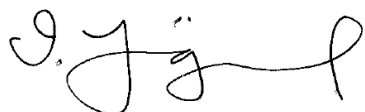
## **5. Action to be Taken**

A form of proxy is enclosed for use by shareholders at the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting, you are asked to complete and return the form of proxy in accordance with the instructions printed thereon so as to be received by the Company's registrars, Share Registrars Limited, Craven House, West Street, Farnham, Surrey GU9 7BR not later than 10.00 a.m. on Tuesday, 21 October 2008. Completion and return of the form of proxy will not preclude you from attending the Annual General Meeting and voting in person, if you so wish.

## **6. Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of the resolutions numbered 5, 6 and 7 in the notice convening the Annual General Meeting, as they intend to do in respect of their own beneficial shareholdings, amounting in aggregate to 9,510,658 existing Ordinary Shares (representing approximately 14.65 per cent. of the current issued ordinary share capital of the Company).

Yours sincerely

A handwritten signature in black ink, appearing to read 'I. Livingstone', written in a cursive style.

**IAN LIVINGSTONE**

*Non-executive Chairman*

## **BRIGHT THINGS PLC**

*(Registered in England and Wales under Number 5066489)*

### **Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting of Bright Things PLC will be held at the offices of Faegre & Benson LLP, 7 Pilgrim Street, London EC4V 6LB at 10.00 a.m. on Thursday, 23 October 2008 for the purpose of considering and, if thought fit, passing the following resolutions:

1. To receive the Company's Report and Accounts for the period ended 31 March 2008.
2. To re-elect Dominic Wheatley, who retires by rotation, as a Director.
3. To elect Mr Charles Delamain as a Director.
4. To re-appoint BDO Stoy Hayward LLP as auditors of the Company and to authorise the Directors to determine their remuneration.

### **Special Business**

To consider and, if thought fit, to pass the following resolutions as to the resolutions numbered 5 and 6 as Ordinary Resolutions and as to the resolution numbered 7 as a Special Resolution:

### **Ordinary Resolutions**

5. THAT the authorised share capital of the Company be and it is hereby increased from £5,000,000 to £7,500,000 by the creation of 250,000,000 new Ordinary Shares of 1 penny each in the capital of the Company each ranking pari passu with the existing Ordinary Shares of 1 penny each in the capital of the Company.
6. THAT the Directors be and they are hereby authorised generally and unconditionally for the purposes of Section 80 of the Companies Act 1985 (the "Act") to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal amount of £1,389,654.43 provided that this authority shall expire five years from the date of the passing of this Resolution save that the Company may make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant thereto as if the authority conferred hereby had not expired, such authority to be in substitution for any existing authorities conferred on the Directors pursuant to Section 80 of the Act.

### **Special Resolution**

7. THAT the Directors be and they are hereby generally empowered pursuant to Section 95 of the Act to allot equity securities (as defined in Section 94(2) of the Act) pursuant to the authority conferred by Resolution numbered 5 above as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:-

- (a) the allotment of new Ordinary Shares and the Warrants pursuant to the Placing described in the circular to shareholders of the Company dated 29 September 2008 ("the Circular");
- (b) the grant of the Options to subscribe for 9,600,000 Ordinary Shares as described in the Circular;
- (c) the allotment of equity securities in connection with a rights issue or open offer in favour of ordinary shareholders where the equity securities attributable to the respective interests of all ordinary shareholders are proportionate to the respective numbers of Ordinary Shares held by them on the record date for such allotment, but subject to such exclusions as the Directors may deem fit to deal with fractional entitlements or problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange; and
- (d) the allotment (otherwise than pursuant to paragraphs (a), (b) and (c) of this Resolution) of equity securities for cash up to an aggregate nominal amount of £185,514.45 such power to expire at the earlier of the date fifteen months from the date of passing of this Resolution and the conclusion of the Annual General Meeting of the Company to be held in 2009;

provided that the Company may make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD  
Edward Levey  
*Company Secretary*

Registered Office:  
7 Pilgrim Street  
London EC4V 6LB

30 September 2008

**NOTES:**

1. A member of the Company is entitled to appoint a proxy or proxies to attend, speak and vote at the meeting in his stead. A member may appoint more than one proxy provided 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 does not need to be a member of the Company.

2. The appointment of a proxy does not preclude you from attending the meeting and voting in person. If you appoint a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

3. To be effective forms of proxy must be duly completed and returned so as to reach Share Registrars Limited, Craven House, West Street, Farnham, Surrey GU9 7BR not less than 48 hours before the time appointed for the holding of the meeting.

4. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered in the Register of members at 6 p.m. on 21 October 2008 ("the specified time"). If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's Register of Members at the time which is not less than 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.