

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

**If you are in any doubt about the contents of this document or the action you should take you should consult an independent adviser authorised under the Financial Services and Markets Act 2000 immediately.**

If you have sold or otherwise transferred all of your Ordinary Shares in Bright Things PLC, please send this document, together with the accompanying form of proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Directors of the Company, whose names appear on page 3, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and this document makes no omission likely to affect the import of such information.

Application will be made for the Placing Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or small companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

It is expected that Admission will become effective and that trading in the Placing Shares on AIM will commence on 14 November 2006.

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## **BRIGHT THINGS PLC**

*(Registered in England and Wales No 5066489)*

### **Conditional Placing of 10,000,000 new Ordinary Shares at 11 pence per share**

#### **Notice of Extraordinary General Meeting**

##### **Nominated Adviser and Broker**

**Corporate Synergy Plc** 

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The notice of an Extraordinary General Meeting of the Company to be held at 10.00 a.m. on 13 November 2006 at the offices of Faegre & Benson LLP, 7 Pilgrim Street, London EC4V 6LB is set out at the end of this document.

Shareholders are asked to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible but, in any event, 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 11 November 2006.

Copies of this document are available from Corporate Synergy Plc at 30 Old Broad Street, London EC2N 1HT during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for one month from the date of this document.

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise.

“Act”	the Companies Act 1985 (as amended)
“Admission”	the admission of the Placing Shares to trading on AIM becoming effective
“AIM”	the market of that name operated by the London Stock Exchange
“Board” or “Directors”	the directors of the Company, whose names appear on page 3 of this document
“Company” or “Bright Things”	Bright Things PLC
“Corporate Synergy”	Corporate Synergy Plc, nominated adviser and broker to the Company
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened for 13 November 2006 by the notice set out at the end of this document (and any adjournment thereof)
“London Stock Exchange”	London Stock Exchange plc
“Options”	the holders of options to subscribe for Ordinary Shares granted by the Company
“Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company
“Placing”	the conditional placing on behalf of the Company by Corporate Synergy of the Placing Shares at the Placing Price
“Placing Price”	11 pence per Placing Share
“Placing Shares”	the 10,000,000 new Ordinary Shares to be issued pursuant to the Placing
“Resolution”	the resolution to be proposed as a special resolution at the Extraordinary General Meeting, notice of which is set out at the end of this document
“Shareholders”	the holders of Ordinary Shares

# BRIGHT THINGS PLC

(Registered in England and Wales No 5066489)

## Directors:

Ian Livingstone (*Non-Executive Chairman*)  
Dominic Wheatley (*Chief Executive Officer*)  
Matthew Tims (*Publishing Director*)  
Adrian Moores (*Finance Director*)  
Charles Fairbairn (*Non-Executive Director*)

## Registered Office:

7 Pilgrim Street  
London EC4V 6LB

19 October 2006

To: Shareholders and, for information only, to the holders of Options

Dear Shareholder

## CONDITIONAL PLACING AND NOTICE OF EGM

### 1. Introduction

It was announced today that the Company is proposing to raise £1.1 million (before expenses) by a placing of 10,000,000 new Ordinary Shares at 11 pence per Ordinary Share by Corporate Synergy as agent for the Company.

The Extraordinary General Meeting is being convened for the purpose of considering the Resolution to permit the Placing to proceed. The Resolution provides for the grant to the Directors of an authority pursuant to Section 80 of the Act to allot shares and a power pursuant to Section 95 of the Act to allot shares for cash otherwise than *pro rata* to existing Shareholders. The Placing is conditional, *inter alia*, on the passing of the Resolution and Admission of the Placing Shares to trading on AIM.

The Placing is being conducted by the Company on a non pre-emptive basis to existing Shareholders in order to avoid the relatively significant cost and delay to the Company which would arise, were the Company to make an open offer to all Shareholders to subscribe for new Ordinary Shares.

### 2. Reasons for the Placing and use of proceeds

As announced on 30 June 2006, the Company has made a strategic shift towards:

- the development of the Company's ASIC chip and patented technology – the Company will seek to licence its patented technology to other consumer electronic companies and/or toy companies. The Company entered into its first licensing agreement with Radica Games Limited (which was recently acquired by Mattel Inc.) earlier this year; and
- generating revenues from interactive DVD games.

The Directors believe that there is an opportunity to develop and market family games for DVD players such as *Lara Croft Tomb Raider – The Action Adventure*, an interactive DVD title that has been licensed and developed by the Company. *Lara Croft Tomb Raider – The Action Adventure* will be available in retail outlets in the United Kingdom from 6 November 2006, in retail outlets in various countries in Europe from the end of November 2006 and in retail outlets in the United States of America from early December 2006.

To take advantage of the perceived opportunity within the interactive DVD games market, the Company is seeking to acquire additional licences and then design, develop and market a range of new interactive DVD games based upon them. For this purpose, the Company has conditionally raised £1.1 million (before expenses) through the proposed issue of the Placing Shares at the Placing Price.

### 3. Details of the Placing

The Company is proposing to raise £1.1 million (before expenses) by the issue of Placing Shares at the Placing Price. Corporate Synergy, as agent for the Company, has agreed to use its reasonable endeavours to place the Placing Shares at the Placing Price with institutional and other investors, subject to *inter alia* the passing of the Resolution at the Extraordinary General Meeting and the Placing Shares being admitted to trading on AIM by 8.00 a.m. on 14 November 2006 or such later

time and date as the Company and Corporate Synergy may agree, being not later than 8.00 a.m. on 28 November 2006. The Placing Price represents a premium of 4.76 per cent. to the closing mid market price of 10.5 pence on AIM as at 18 October 2006 (being the latest practicable date prior to the publication of this document).

Pursuant to the terms of a placing agreement (the 'Placing Agreement') made between the Company and Corporate Synergy, Corporate Synergy has agreed to use its reasonable endeavours to place the Placing Shares with placees. The Placing is conditional on the Placing Agreement having become unconditional and not having been terminated in accordance with its terms prior to Admission. If any of the conditions of the Placing Agreement are not fulfilled or waived on or before 8.00 a.m. on 14 November 2006 (or such later time and date as the Company and Corporate Synergy Plc may agree, being no later than 8.00 a.m. on 28 November 2006), 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 14 November 2006.

Before the Placing, there were 20,450,078 Ordinary Shares in issue and, following Admission of the Placing Shares to trading on AIM, there will be 30,450,078 Ordinary Shares in issue. The Placing Shares are equivalent to approximately 32.8 per cent. of the enlarged issued ordinary share capital.

Dominic Wheatley, chief executive officer of the Company, is subscribing for 909,090 Placing Shares pursuant to the Placing, representing approximately 9 per cent. of the Placing Shares. Immediately following completion of the Placing, Mr Wheatley will be interested in 5,705,102 Ordinary Shares, representing approximately 18.7 per cent. of the Company's then issued share capital.

#### **4. The EGM**

You will find set out at the end of this document a notice convening the EGM for 10.00 a.m. on 13 November 2006 at which the Resolution will be proposed, as a special resolution. The Resolution will permit the issue of up to 20,150,000 Ordinary Shares (including the Placing Shares), such authority to expire on 13 November 2011. The Resolution will also permit the issue, other than *pro rata* to existing Shareholders, of the Placing Shares pursuant to the Placing and of up to a further 4,567,500 Ordinary Shares for cash (being approximately 15 per cent. of the issued share capital of the Company as enlarged by the Placing). This power will lapse on 13 February 2008 or, if earlier, at the conclusion of the next Annual General Meeting of the Company.

The new authorities are being sought specifically for the purposes of the Placing 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. Whether or not you intend to be present at the EGM, 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 11 November 2006. Completion and return of the form of proxy will not preclude you from attending the meeting and voting in person, if you so wish.

#### **6. Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of the Resolution, as they intend to do in respect of their own shareholdings, amounting in aggregate to 4,852,373 Ordinary Shares (representing approximately 23.73 per cent. of the issued share capital of the Company).

Yours sincerely

**IAN LIVINGSTONE**  
*Non-executive chairman*

# BRIGHT THINGS PLC

(Registered in England and Wales under Number 5066489)

## Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of Bright Things PLC (“the Company”) will be held at the offices of Faegre & Benson LLP, 7 Pilgrim Street, London EC4V 6LB at 10.00 a.m. on 13 November 2006 for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

THAT:

- (a) 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 £2,015,000 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;
- (b) the Directors be empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94(2) of the Act) for cash pursuant to the authority conferred by paragraph (a) of this Resolution as if section 89(1) of the Act did not apply to any such allotment, such power to expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date 15 months after the passing of this Resolution, provided that such power is limited to the allotment of equity securities:
  - (i) in connection with a rights issue, open offer or other pre-emptive offer in favour of Shareholders where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) 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 any fractional entitlements or any legal or practical problems under the law of, or requirements of, any regulatory body or any recognised stock exchange in any territory;
  - (ii) up to a maximum aggregate nominal amount of £1,000,000 in connection with the placing of ordinary shares of 10 pence each in the capital of the Company referred to in the circular to shareholders of the Company dated 19 October 2006; and
  - (iii) (otherwise than pursuant to paragraphs (i) and (ii) above) up to an aggregate nominal amount of £456,750;

provided that the Company may, before the expiry of this power, make offers or agreements which would or might require equity securities to be allotted after the expiry of this power and the Directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired.

BY ORDER OF THE BOARD

Adrian Moores  
*Company Secretary*

*Registered Office:*  
7 Pilgrim Street  
London EC4V 6LB

19 October 2006

**Notes:**

- (1) A member entitled to attend and vote at the Extraordinary General Meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company.
- (2) A form of proxy is enclosed. To be valid, the form of proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such authority) must be deposited at the offices of the Company's registrars, Share Registrars Limited, Craven House, West Street, Farnham, Surrey GU9 7BR no later than 10.00 a.m. on 11 November 2006. Completion and return of the form of proxy will not preclude a member from attending and voting in person.
- (3) The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 12 November 2006 shall be entitled to attend and vote at the Extraordinary General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting.



