

Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**To: Company Name/Scheme **BRAINY TOYS LIMITED**ACN/ARSN **28 001 894 033****1. Details of substantial holder (1)**Name **T O Lebbon Group** (refer Section 7 for members of group)ACN/ARSN refer section 7The holder became a substantial holder on 20 / 07 / 2006
Substantial holder on**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6) Shares on issue: 38,161,491
Ordinary Shares	7,251,438	7,251,438	19.0%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7) (see Note 1 below)	Class and number of securities (all ordinary shares)
Timothy Owen Lebbon		10,000
Mark Owen Lebbon		10,000
Michael James Lebbon		10,000
Christine Frances Lebbon		10,000
Chi Investments Pty Ltd		10,000
Noble Investments Pty Ltd <Noble Inv S/F TOL All A/c>		4,339
Noble Investments Pty Ltd <Noble Inv S/F CPL2 Mkt A/c>	500,000 shares part of underwriting shortfall placed by Leadenhall Australia	915,661
Leadenhall Australia Limited	454,368 shares issued to Leadenhall Australia as underwriter as part of the Underwriter's fee (at 6 cents per share)	654,348
www.cricket.com.au Pty Ltd	Part of underwriting shortfall placed by Leadenhall Australia	400,000
Noble Investments Pty Ltd <Noble A/c>	4,217,090 shares part of underwriting shortfall placed by Leadenhall Australia	4,227,090
Noble Investments Pty Ltd <Noble Investments S/F A/c>	Part of underwriting shortfall placed by Leadenhall Australia	500,000
Noble Investments Pty Ltd <Noble Inv S/F TOL LTC A/c>	Part of underwriting shortfall placed by Leadenhall Australia	400,000
Noble Investments Pty Ltd <Noble Inv S/F TOL LTNC A/c>	Part of underwriting shortfall placed by Leadenhall Australia	100,000
		7,251,438

Note 1 – Leadenhall Australia Limited underwrote the Non-renounceable rights issue of 1 share for every 4 shares held by Brainy Toys Limited shareholders registered at 5 pm on 23 June 2006 at an issue price of 6 cents per Share. The underwriting shortfall notified by Brainy Toys to Leadenhall pursuant to the Underwriting Agreement was 5,907,090 shares.

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities (all ordinary shares)
Timothy Owen Lebbon	Timothy Owen Lebbon	Timothy Owen Lebbon	10,000
Mark Owen Lebbon	Mark Owen Lebbon	Mark Owen Lebbon	10,000
Michael James Lebbon	Michael James Lebbon	Michael James Lebbon	10,000
Christine Frances Lebbon	Christine Frances Lebbon	Christine Frances Lebbon	10,000
Chi Investments Pty Ltd	Chi Investments Pty Ltd	Chi Investments Pty Ltd	10,000
Noble Investments Pty Ltd <Noble Inv S/F TOL All A/c>	Noble Investments Pty Ltd <Noble Inv S/F TOL All A/c>	Noble Investments Pty Ltd <Noble Inv S/F TOL All A/c>	4,339
Noble Investments Pty Ltd <Noble Inv S/F CFL2 Mkt A/c>	Noble Investments Pty Ltd <Noble Inv S/F CFL2 Mkt A/c>	Noble Investments Pty Ltd <Noble Inv S/F CFL2 Mkt A/c>	915,661
Leadenhall Australia Limited	Leadenhall Australia Limited	Leadenhall Australia Limited	654,348
www.cricket.com.au Pty Ltd	www.cricket.com.au Pty Ltd	www.cricket.com.au Pty Ltd	400,000
Noble Investments Pty Ltd <Noble A/c>	Noble Investments Pty Ltd <Noble A/c>	Noble Investments Pty Ltd <Noble A/c>	4,227,090
Noble Investments Pty Ltd <Noble Investments S/F A/c>	Noble Investments Pty Ltd <Noble Investments S/F A/c>	Noble Investments Pty Ltd <Noble Investments S/F A/c>	500,000
Noble Investments Pty Ltd <Noble Inv S/F TOL LTC A/c>	Noble Investments Pty Ltd <Noble Inv S/F TOL LTC A/c>	Noble Investments Pty Ltd <Noble Inv S/F TOL LTC A/c>	400,000
Noble Investments Pty Ltd <Noble Inv S/F TOL LTNC A/c>	Noble Investments Pty Ltd <Noble Inv S/F TOL LTNC A/c>	Noble Investments Pty Ltd <Noble Inv S/F TOL LTNC A/c>	100,000
			7,251,438

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Nature of association	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Tim Lebbon	Via T Lebbon	> 4 mths		10,000
Christine Frances Lebbon	Via T Lebbon	> 4 mths		10,000
Mark Owen Lebbon	Via T Lebbon	> 4 mths		10,000
Michael James Lebbon	Via T Lebbon	> 4 mths		10,000
Chi Investments Pty Ltd	Via T Lebbon	> 4 mths		10,000
Noble Investments Pty Ltd <Noble Inv S/F TOL All A/c>	Via T Lebbon	> 4 mths		4,339
Noble Investments Pty Ltd <Noble Inv S/F CFL2 Mkt A/c>	Via T Lebbon	> 4mths		415,661
Noble Investments Pty Ltd <Noble Inv S/F CFL2 Mkt A/c>	Via T Lebbon	6 cents/share		500,000
Leadenhall Australia Limited	Via T Lebbon	> 4mths		200,000
Leadenhall Australia Limited	Via T Lebbon	6 cents/share		454,348
www.cricket.com.au Pty Ltd	Via T Lebbon	> 4 mths		210,000
www.cricket.com.au Pty Ltd	Via T Lebbon	6 cents/share		190,000
Noble Investments Pty Ltd <Noble A/c>	Via T Lebbon	> 4 mths		10,000
Noble Investments Pty Ltd <Noble A/c>	Via T Lebbon	6 cents/share		4,217,090
Noble Investments Pty Ltd <Noble Investments S/F A/c>	Via T Lebbon	6 cents/share		500,000
Noble Investments Pty Ltd <Noble Inv S/F TOL LTC A/c>	Via T Lebbon	6 cents/share		400,000
Noble Investments Pty Ltd <Noble Inv S/F TOL LTNC A/c>	Via T Lebbon	6 cents/share		100,000
				7,251,438

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6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Mr T Lebbon is associated with all entities via significant shareholdings and directorships. Mr T Lebbon is associated Mrs C Lebbon as she is his wife Mr T Lebbon is associated with MQ and MJ Lebbon as they are his children	

7. Addresses

The addresses of persons named in this form are as follows:

Name	ABN	Address
Timothy Owen Lebbon	12 930 874 705	83 Batson Parade, Hindmarsh Island SA 5214
Mark Owen Lebbon		3 Russell Avenue, Hazelwood Park SA 5066
Michael James Lebbon		3 Russell Avenue, Hazelwood Park SA 5066
Christine Frances Lebbon		3 Russell Avenue, Hazelwood Park SA 5066
Chi Investments Pty Ltd	23 064 569 035	Level 1, 31 Franklin Street, Adelaide SA 5066
Noble Investments Pty Ltd <Noble Inv S/F TOL All A/c>	98 168 638 587	Level 1, 31 Franklin Street, Adelaide SA 5066
Noble Investments Pty Ltd <Noble Inv S/F CFL2 Mkt A/c>	98 168 638 587	Level 1, 31 Franklin Street, Adelaide SA 5066
Leadenhall Australia Limited	63 007 997 248	Level 1, 31 Franklin Street, Adelaide SA 5066
www.cricket.com.au Pty Ltd	11 078 893 928	Level 1, 31 Franklin Street, Adelaide SA 5066
Noble Investments Pty Ltd <Noble A/c>	76 967 942 855	Level 1, 31 Franklin Street, Adelaide SA 5066
Noble Investments Pty Ltd <Noble Investments S/F A/c>	98 168 638 587	Level 1, 31 Franklin Street, Adelaide SA 5066
Noble Investments Pty Ltd <Noble Inv S/F TOL LTC A/c>	98 168 638 587	Level 1, 31 Franklin Street, Adelaide SA 5066
Noble Investments Pty Ltd <Noble Inv S/F TOL LTNC A/c>	98 168 638 587	Level 1, 31 Franklin Street, Adelaide SA 5066

Signatureprint name TIM LEBBONcapacity Director

sign here

date 20/07/06**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate detail of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement: and

- (b) any qualification of the power of a person to exercise of, or influence the exercise of, the voting powers or disposal of securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg. If the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional in the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.