

29 November 2007



PRODUCT LICENSING UPDATE

HUMMER LICENSE

Brainytoys Limited ("Brainytoys") is pleased to announce that it has reached agreement with **Equity Management Inc**, acting as Licensing Agent for **General Motors Corporation** ("**GMC**"), on the terms for a Licensing Agreement for the use of **GMC's HUMMER** Brand.

The Agreement will allow Brainytoys to develop a range of **HUMMER** branded products using standard electronic and mechanical drive systems, and remote control technologies sourced from its wholly-owned Enertec Division, as well as Brainytoys own suite of innovative play patterns.

Brainytoys' Managing Director Mr Alex Agüero said, "We are very excited to be working on this project; **HUMMER** is an iconic USA Brand with worldwide recognition and Brainytoys has several products in the pipeline for this line. An important note is that this agreement is Brainytoys' first world-wide agreement, opening up substantial world markets for our **HUMMER** product line."

MASTER TOY LICENSEE OFFER

After the Fall Toy Preview Show held in early October in Dallas, and following further meetings in New York, Brainytoys was recently offered the opportunity to become the Master Toy Licensee for a significant US Brand, encompassing an extensive product range covering multiple price points with major world coverage.

Due to negotiations currently underway, we are unable to announce the details at this stage, however, further conclusive announcements are expected to be made within the next few weeks on this matter.

"Brainytoys is very proud to have been offered such a major opportunity. The offer was made on the strength of Brainytoys' product execution skills and innovative play pattern developments. The offer confirms that our efforts have registered with Licensors, opening up the potential for several other similar opportunities."

"The potential role of Master Toy Licensee confers broad product development opportunities and opens up major mass market opportunities for Brainytoys. If negotiations are successfully concluded this will be Brainytoys' biggest licensing deal by far. Our licensing advisors in the US estimate that this brand could potentially be worth over US \$100 million in retail sales over the next few years and the opportunities open to Brainytoys are significant." Alex Agüero said.

ENDS

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