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Interviews & News!

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Brighter Minds Media Is Marching Steadily Toward Their Goal Of Building An Integrated Multi-Million Media Children's Digital Content Company With Online, Book, And Software Content



Media
Educational Publishing,
Online & Digital Content
(BRI-TSXV)

Brighter Minds Media, Inc.

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Sam Ifergan
Chairman, CEO and CFO

BIO:

Mr. Ifergan held the position of Chairman and CFO of Brighter Minds before taking on this more active role in executing the company's business plans. Mr. Ifergan has over 10 years of entrepreneur-

ial experience with early-stage companies in many different industries. He has been particularly focused on strategic development and finance in his role as President & CEO of Hargan Ventures, an early-stage venture capital fund.

Company Profile:

Brighter Minds Media is a publisher of online and multimedia materials for the whole family with a focus on creating a wholesome online environment for children and the family. Brighter Minds is also proud to offer a fun and educational line of retail products including software and books. All of the company's products incorporate well-known brands such as Bob the Builder, Caillou, Marvel Heroes and DC Heroes characters, Jurassic Park, PBS Kids and Cartoon Network. Brighter Minds' products are available online and at major retailers across the United States and Canada. Brighter Minds Media, Inc. is publicly traded on the TSX Venture Exchange (TSX: BRI.V) and is a Hargan Ventures (www.harganvc.com) investee company.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Ifergan, what is the vision for Brighter Minds Media?

Mr. Ifergan: "We want to build an integrated multi-million media children's digital content company. What we mean by integrated is we create the content across a lot of different platforms whether they be online, book, or software in a box. We distribute it ourselves. We focus on children and we have all kinds of great brands. That has been the mission of the company since we got going in 2003 and

we have been growing and steadily marching toward that goal."

CEOCFO: Please give us an idea of the types of content that you create.

Mr. Ifergan: "Recently we have developed a Bob the Builder™ game. It is a digital educational game that is delivered online to kids and their moms. We have a strategic relationship with HIT Entertainment, as we do with many different owners of TV shows and movies. We get the right to that content and we develop titles around it. Bob the Builder™ is a can-do kind of character and we developed titles around his abilities to save the day and things like that, but the children get to learn about these titles online and at retail. The interesting thing about that is we do it worldwide, so we localize the product in many different languages. That is one aspect; the second aspect is we are also integrating because we know mom is ultimately our customer. Our studies show that moms are usually the buyers of such products for the kids. We are launching a title in November based on Top Chef, which is the top food show and it is a game that we are selling online to sort of build a brand with mom and her kids. Those are more online software products. On our book side we have Batman, Spider Man, but also Kung Fu Panda books, so we are working with some of the leading providers of new content out there. We also have strictly online properties which are 30aday.com, a learning website where kids can go on and get materials."

CEOCFO: What is the age group?

Mr. Ifergan: "The age group we cater to is three to seven."

CEOFO: Do people know that they are looking at a Brighter Minds product; is there an attempt at branding in that area?

Mr. Ifergan: “Some of our own titles where we own the brand like 30aDay and Extreme Moms will make Brighter Minds very prominent. We are always in heated discussions with the licensor whether it be Universal, DC, Marvel, or PBS; obviously, they want to showcase their brand. Never the less, we leverage as much as we can specifically in the digital arena where when they put in and then download the software we can make a nice ad about our company. It is a little easier in the digital arena because there is a lot more room to play with than in the book arena.”

CEOFO: How do you attract people to your site and your products?

Mr. Ifergan: “Right now we haven’t done much marketing online. We are in the midst of a major re-launch of Brighter Minds; we will look entirely different by September 2nd. The main stock gains are 30aday.com and our other 2 new online properties. We haven’t done any major online marketing and that is one of the areas we are planning on growing. What we are doing is cross promoting our online properties in all of our retail products; literally hundreds of thousands of units are promoting our online properties from now on. What you are seeing now is now that we have a new website up and built and ready to go. We are putting out a major concerted effort to promote our website. We are going to try to make it as valuable for parents as possible by offering all kinds of content and materials.”

CEOFO: What is the competitive landscape, and how do you make sure that people are looking at your products?

Mr. Ifergan: “There are very few companies that are focusing on this younger audience like we are, with the greatest passion being publishers of books and online materials. You could strictly find book publishers or online publishers, but very few do it across the board. Also, very few do it at retail and have such branded titles across the spectrum. What we are

trying to do is prove that this model has many synergies and so far that has been working very nicely. Right now we are recognized because the many brands that we’ve licensed are so incredibly powerful.”

CEOFO: Is the bulk of your readership in Canada?

Mr. Ifergan: “Our readership is all US-based. The company is Canadian owned but the primary operations are in Columbus Ohio, so that is effectively where all the people are. We did do this in Canada, but 80% of our business is done in the US.”

CEOFO: What is the financial picture of the company today?

Mr. Ifergan: “We are growing. We have reached our profitability level. We had

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our first net income positive quarter ever last quarter. We have fixed overhead in terms of the team and the size that is required to implement such a product line, marketing plan, and sales plan. That makes us profitable. As with all young, small companies, cash is always an issue. We are always trying to balance operations with growth vs. safety etc, so the financial picture is not super fantastic, but it is very average for a young and growing company. We are considering a round of financing and we have some interested parties. We are negotiating with them to come into the company and not only give us cash but give us insight.”

CEOFO: How do you encourage children to read more?

Mr. Ifergan: “That is one of the challenges that we have. I think younger kids are going online. I know I have young kids and they are going online at younger and younger ages. If five years ago you

would have said a four-year-old would be online, people would have said you were crazy, but that is what is happening. Therefore, they are reading what they are reading online. To get them to read traditional books is a challenge, so you have to have good, interesting content that pulls them in. Books are still good business and a great attraction for kids. You just have to know how to do it right. I think overall, though, if you factor out Harry Potter this would show that kids are reading less.”

CEOFO: Do you find that the current economic downturn is having an effect or is the pricing not high enough to make a difference?

Mr. Ifergan: “I think our retail price points are fine. Studies show that a purchase for kids is very resilient with the economy. Where you are seeing an impact from our perspective is with our customers. Whether they be Target or Wal-Mart, they are being a little more hesitant in terms of the volumes they are bringing in. However, I don’t think we have seen much of an impact from the economy. I suspect they are watching their dimes.”

CEOFO: Is it easy to get shelf space?

Mr. Ifergan: “It is one of the most difficult challenges that a young company like us has to face, and have and we overcame that. That is our big breakthrough last year. It is virtually impossible to do what we did.”

CEOFO: What is ahead the next couple of years down the road?

Mr. Ifergan: “You are going to see us continue to grow organically in our online software business line and our book line, in which we have very strategic synergies. You will see us grow internationally and you may see us grow with this acquisition that we are contemplating. Definitely growth and profitability.”

CEOFO: There are many companies to choose from, why should investors pick Brighter Minds?

Mr. Ifergan: “For an investor that is looking for an opportunity that has a two-

year time horizon to really increase in value, this is a very nice investment. Our valuations are very reasonable compared to any company that you want to look at. The fact that we turned the corner and are profitable is a huge upswing. We play in a big arena, so if we do hit on a few things we can grow very rapidly. Therefore, from that perspective it is one of those investments that has an opportunity to really appreciate. From a trading perspective, if you are the type of investor that wants to invest to flip a stock short-term, I don't think we are the type of company that you should be looking at;

We are more of a patient long-term investment type of scenario.”

CEOCFO: What might investors miss when they look at the company that they need to understand?

Mr. Ifergan: “If I look at this company I would say it is so small, so why should I pay attention to it. That is the biggest thing because in this sector in our space big companies are growing very quickly. It takes one right approach, one thing right and all of a sudden, you are a major player. You then attract the attention of very large media companies that pay a

hefty premium to buy you out. Therefore, there is not much down side and a very big upside.”

CEOCFO: Final thoughts, what should people remember most about Brighter Minds Media?

Mr. Ifergan: “We are a great American company that is growing and has a great team. We are a nice healthy business that is going to do some big things. We are educating kids worldwide and you will see some wonderful things coming from that.”



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