

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action you should take, you are recommended immediately to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your shares in First Artist Corporation Plc, please forward this document together with the enclosed form of proxy, Admission Document and Audited Accounts at once to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

First Artist Corporation Plc

Proposals for

Acquisition of Dewynters Plc

Capital Reduction

Share Consolidation

Placing

and

Savings Related Share Option Scheme

Your attention is drawn to the letter from the Chairman of First Artist Corporation Plc, on pages 4 to 11 of this document, recommending you to vote in favour of the Proposals for the Acquisition, Capital Reduction, Share Consolidation, the granting of authority to purchase and cancel shares in the capital of the Company, and the establishment of a Savings Related Share Option Scheme.

Notice of an Extraordinary General Meeting of First Artist Corporation Plc to be held on 22 December 2006 is set out at the end of this document.

Whether or not you intend to be present at the meeting convened by the above mentioned notice, please complete and sign the enclosed form of proxy and return it to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to be received not later than 48 hours prior to the time of the meeting.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2006</i>
Latest times for receipt of the forms of proxy for the EGM	10 a.m. on 20 December
Extraordinary General Meeting	10 a.m. on 22 December
Dealings on AIM suspended	27 December
Record date for share consolidation	27 December
Admission of New Ordinary Shares*	28 December
CREST Accounts credited with New Ordinary Shares	28 December
	<i>2007</i>
Certificates posted re New Ordinary Shares	4 January
Expected date for the Court hearing of the petition to sanction the Capital Reduction	early 2007

*New Ordinary Shares including those issued on consolidation of Existing Ordinary Shares, Consideration Shares and the Placing Shares.

Completion and Admission may be delayed pending the receipt of certain tax clearances which the Vendors have applied for.

PLACING STATISTICS

Placing Price per New Ordinary Share	62.5p
Number of Existing Ordinary Shares in issue prior to the Placing	113,258,762
Equivalent number of New Ordinary Shares following the Consolidation	11,325,876
Number of Placing Shares	1,600,000
Number of Consideration Shares	100,000
Number of Ordinary Shares in issue immediately following Admission	13,025,876
Percentage of enlarged issued ordinary share capital subject to the Placing	12.3 per cent.
Gross proceeds of the Placing	£1 million
Market capitalisation at the Placing Price immediately following Admission	£8.14 million
Illustrative earnings per share*	15p
Illustrative price/earnings ratio at the Placing Price	4.16x

* The basis of calculation of the illustrative earnings per share is set out in Paragraph 3 of Part 3 of the Admission Document

DEFINITIONS

When used in this document, the following expressions have the following meanings:

“Acquisition”	the proposed acquisition of Dewynters Plc
“Act”	the Companies Act 1985 (as amended)
“Board” or “Directors”	the board of directors of First Artist
“Capita Registrars”	a trading name of Capita IRG Plc
“Court”	the High Court of Justice of England and Wales
“Capital Reduction”	the proposed reduction by the Company of its capital as described in this document
“Existing Ordinary Shares”	the ordinary shares of 0.25p each in the capital of the Company prior to the EGM
“Dawnay Day”	Dawnay, Day Corporate Finance Limited, financial adviser to First Artist
“DD Options”	Options to be issued to Dawnay Day subject to Admission, Completion and passing of Resolution 10 at the Extraordinary General Meeting whereby Dawnay Day has the right to subscribe for up to 50,966 New Ordinary Shares at 62.5p each
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened for 10 a.m. on 22 December by the notice set out at the end of this document
“First Artist” or “the Company”	First Artist Corporation Plc
“First Artist Group” or “Group”	First Artist together with its subsidiary undertakings
“First Artist Share Option Schemes”	the First Artist approved executive share option scheme and the First Artist unapproved executive share option scheme, both of which were established on 18 December 2001
“HMRC”	Her Majesty’s Revenue & Customs
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the ordinary shares of each in the capital of the Company following the Share Consolidation
“Placing”	the conditional placing of the Placing Shares at the Placing Price, pursuant to the Placing Agreement described in the Admission Document
“Placing Agreement”	the conditional agreement dated 29 November 2006 between (1) the Company (2) Dawnay Day (3) and the Directors relating to the Placing, further details of which are contained in the Admission Document
“Placing Price”	62.5 pence per New Ordinary Share
“Placing Shares”	1,600,000 New Ordinary Shares to be issued, which have been placed conditionally by Dawnay Day pursuant to the Placing Agreement
“Proposals”	the Acquisition, the Capital reduction, the Share Consolidation, the Placing and Savings Related Share Option Scheme
“Share Consolidation”	the proposed consolidation of the issued share capital of the Company whereby one New Ordinary Share is issued in substitution for every ten Existing Ordinary Shares
“Shares”	Ordinary shares in the capital of the Company
“Shareholders”	the holders of Shares
“Vendors”	the vendors of Dewynters Plc

First Artist Corporation Plc

(Incorporated and registered in England and Wales with registered number 2725009)

Directors:

J. Astaire OBE *Chairman*
J. Smith *Chief Executive Officer*
T. Chadwick *Deputy Chairman*
R. Hughes FCMA *Group Managing Director*
P. Smith *Chief Operating Officer*

Registered office:

First Artist House
87 Wembley Hill Road
Wembley
Middlesex
HA9 8BU

30 November 2006

To Shareholders and, for information only, to participants in the First Artist Share Option Schemes

Dear Shareholder,

Proposed Acquisition, Capital Reduction, Share Consolidation, Placing and Savings Related Share Option Scheme

Introduction

I am delighted to inform you of proposals, the combined effect of which your Board believes will transform the First Artist Group and enhance its prospects and stock market perception. These Proposals include the Acquisition of Dewynters, a Capital Reduction, a Share Consolidation and Placing of New Ordinary Shares for cash. The Proposals are subject to your approval and your Board recommends that you vote in favour of the resolutions to be proposed at the Extraordinary General Meeting.

Dewynters is larger than the First Artist Group in certain respects, resulting in the Acquisition being classified as a reverse takeover under the AIM Rules. This results in a requirement for an Admission Document, containing details of the Enlarged Group, to be published and for a new application to be made to London Stock Exchange plc for the admission of the Company's shares to trading on AIM. The timing of Completion and Admission is subject to the receipt of certain tax clearances which the vendors have applied for. This circular should be read in conjunction with the enclosed Admission Document.

Your Board has been advised in relation to the Proposals by Dawnay, Day Corporate Finance Limited, which will become the Company's Nominated Adviser as and when the Acquisition has been approved by shareholders and the Company's shares have been re-admitted to AIM. Arbuthnot will continue as your Company's broker.

The statutory accounts for the 10 months ending 31 August 2006 are enclosed with this document. A resolution will be proposed at the EGM to approve these accounts.

Background and strategy

Your board's strategy for the First Artist Group is to expand the range of complementary business services it offers, both organically and by acquisition.

Having acquired Team Sports Management, Optimal Wealth Management Limited (formerly ABG Financial Management Limited) and The Finishing Touch (Corporate Events) Limited during 2005, when it also launched First Artist Entertainment, the scale and profitability of its operations improved. The acquisitions continued in July 2006 with the purchase of First Artist Scandinavia A/S (formerly Proactive Scandinavia A/S) and NCI Management Limited, with Sponsorship Consulting Limited being acquired in August 2006. Further information about these businesses is set out in Part 4 of the enclosed Admission Document.

The acquisition of these compatible businesses increases the range of services the Group offers to its clients and gives rise to cross selling opportunities. An example of the latter is the ability to offer Dewynters event management and new show launch parties services for its theatre clients.

Current trading and prospects

Current trading across the group remains strong with opportunities for cross referral and selling having increased following the three acquisitions in the Summer of 2006.

In particular opportunities exist for growth in Optimal through its joint venture arrangement with financial audit group HW Fishers. Sport should also benefit from increased activity in the Italian football market following on from last years slow trading and the UK should benefit from increased funding into the football clubs as a result of the increased TV rights monies due to be received in August 2007.

The Acquisition of Dewynters

Dewynters is the UK entertainment and theatre industry's leading marketing services agency with subsidiary operations in the USA. The acquisition of Dewynters gives rise to a range of opportunities to offer the existing group's services to Dewynters' clients and vice versa.

Dewynters was incorporated in 1924. It was a limited company until 1998 when it re-registered as a public limited company (Plc). As a general agency, Dewynters was founded over a century ago. It was one of the first advertising agencies in London and had offices above the Adelphi Hotel on the Strand and handled such accounts as Schweppes and P&O Shipping Line.

The principal activity of Dewynters is now that of a creatively led advertising agency to the entertainment and theatre industry. The services provided by the group are media planning and buying, marketing, design, front of house display, tourism, sales promotion, new media, print buying, souvenir programmes, brochures and merchandise.

Dewynters's first major success was the global branding of the musical "Cats" which became one of the longest running shows in musical theatre history.

The Directors and owners of Dewynters are Messrs Robert De Wynter and Anthony Pye-Jeary. Mr De Wynter is not closely involved in the day to day running of the business. Mr Pye-Jeary has close contacts within the theatre and entertainment industry and plays a key role in establishing and developing customer relationships. He will be retained as Managing Director on acquisition.

The Company has agreed to acquire the whole of the issued share capital of Dewynters for up to £15.5 million (subject to adjustment by reference to its net asset value as at 31 October 2006). The initial consideration is £9 million in cash and 100,000 New Ordinary Shares. If the operating profit before impairment of goodwill exceeds certain thresholds in each of the three years ending on the respective anniversaries of the completion balance sheet date, the following deferred consideration will be payable:

	<i>Profit Threshold</i>	<i>Deferred Consideration</i>
Year 1	£1.35 million – £1.49 million £1.5 million or over	£1 for every £1 of profit £2 for every £1 of profit
Year 2	£1.45 million – £1.64 million £1.65 million or over	£1 for every £1 of profit £2 for every £1 of profit
Year 3	£1.55 million – £1.79 million £1.8 million or over	£1 for every £1 of profit £2 for every £1 of profit

In addition to the above, the A Shareholder (Mr Anthony Pye-Jeary), will receive 1 New Ordinary Share for every £10 (assuming the proposed consolidation of the Company's issued share capital is approved) of cash consideration he receives.

The annual deferred cash payments, in respect to any one year, are limited to £1.5 million with any excess cash consideration due being carried forward to the ensuing year and then continuing to roll over subject to the maximum annual payment of £1.5 million.

The Acquisition Agreement contract, which is conditional on the passing of the relevant resolutions at the Extraordinary General Meeting and the Admission of the consideration Shares to AIM contains warranties and indemnities in favour of the Company and non competition covenants by the vendors. The Acquisition is also conditional on the receipt of certain tax clearances which the vendors have applied for.

The Capital Reduction

If no action is taken, your Company would only be able to pay dividends or effect purchases of its own shares once the deficit on its profit and loss account had been eliminated by the future

generation of profits. Your Board therefore proposes a reduction of capital whereby the deficit on the Company's accumulated profit and loss account is eliminated by setting it off against the share premium account.

The Capital Reduction relates to the share premium and reserves of First Artist Corporation Plc as shown in the Company's accounts (not the consolidated Group accounts).

The Capital Reduction requires the approval of Shareholders at the Extraordinary General Meeting and is conditional upon the Court making an order confirming the reduction. Accordingly, as soon as practicable after the passing of the resolutions to be proposed at the Extraordinary General Meeting, the Company will apply to the Court for an order confirming the reduction. The Court will be concerned to protect the interests of creditors in relation to the Capital Reduction and the Company will give such undertakings to the Court as it may be advised are appropriate in that regard. Such undertakings may require all creditors of the Company, as at the date the Capital Reduction becomes effective, to have either given their consent to the Capital Reduction or to have been paid before any dividend is paid or shares repurchased. Those creditors which the Company does not expect to repay prior to the Capital Reduction taking effect have already given their consent to the Capital Reduction.

The Capital Reduction will become effective once the order of the Court confirming the reduction is registered with the Registrar of Companies. Although it is not possible to say precisely when the Capital Reduction will become effective, it is expected to be early 2007.

Consolidation of Share Capital

In the six months prior to the date of this circular, the price of the Existing Ordinary Shares has been in the range 5³/₈p to 9⁵/₈p and the bid and offer prices at close of business on 22 November 2006 were 5³/₄p and 6³/₄p respectively. With the share price at this level, a movement of 1/8p represents a change of up to 2 per cent. of its value, making it difficult for the market to adjust the price by small amounts. The low share price also makes it difficult for a narrow spread between the bid and offer prices to be quoted. **Your board therefore proposes to consolidate its share capital by issuing one New Ordinary Share to replace every ten Existing Ordinary Shares.** The consolidation will become effective following the passing of Resolution 7 at the Extraordinary General Meeting.

The nominal value of each Existing Ordinary Share is 0.25p and each New Share will have a nominal value of 2.5p. Fractions of New Ordinary Shares will not be allotted. Fractions of a New Ordinary Share will not be allotted and will be disregarded.

If you hold your Existing Ordinary Shares in electronic form, ie in CREST, your CREST account will be credited with one New Ordinary Share for every ten Existing Ordinary Shares held on 28 December 2006. If you hold your Existing Ordinary Shares in Certificated Form, your existing certificates will become invalid following the passing of Resolution 7 at the Extraordinary General Meeting. Certificates for New Ordinary Shares are expected to be despatched by 4 January 2007. During the interim period, transfers will be certified against the register.

The Placing

Your Board has announced details of the Placing to raise gross proceeds of £1 million, to contribute to the costs of the Acquisition, provide additional working capital for the Enlarged Group and strengthen its balance sheet.

The Placing Price of 62.5p per New Ordinary Share is equivalent to a price of 6.25p per Existing Ordinary Share, which represents a discount of 0.13 pence (approximately 2 per cent.) to the closing middle market price of 6.38p per Existing Ordinary Share on 28 November 2006 (the latest practicable date prior to the publication of this document).

The Placing Shares, which have been conditionally placed by Dawnay Day with institutional and other investors, will represent the equivalent of approximately 12.3 per cent. of the enlarged issued share capital of the Company following the Completion of the Acquisition and Placing.

The Placing is conditional, *inter alia*, upon the passing of Resolution number 5 in the EGM notice, on the Placing Agreement having become unconditional in all respects and not having been terminated in accordance with its terms and on Admission becoming effective by not later than 8.00 a.m. on 28 December 2006 (or such later time and/or day, not being later than 5.00 p.m. on 31 January, as the Company and Dawnay Day agree).

The New Ordinary Shares subject to the Placing will, when issued and fully paid, rank *pari passu* in all respects with the other New Ordinary Shares. Application will be made to the London Stock Exchange for the admission of the New Ordinary Shares to trading on AIM. It is expected that Admission will become effective and dealings will commence in the New Ordinary Shares on 28 December 2006.

The principal terms of the Placing Agreement, pursuant to which certain fees and commissions are payable to Dawnay Day, are summarised in paragraph 8.1.2 of Part 10 of the Admission Document.

Dawnay Day's fee basis includes the issue of the DD Options as described in paragraph 8.1.17 of Part 10 of the Admission Document.

Establishment of a Savings Related Share Option Scheme

Your board considers that, with the expansion of the business, it is now an appropriate time to introduce a HMRC-approved Savings Related Share Option Scheme. This is a tax-advantaged share option scheme which will enable employees to participate in the growth of the Company. Shareholder approval is required for the establishment of the scheme. The following is a summary of the principal terms of the First Artist Corporation Plc Savings Related Share Option Scheme 2006 (the "SAYE Scheme" or "the Scheme").

Operation

The operation of the Scheme will be supervised by the Board. It will be approved by HMRC in order to provide UK tax-advantaged options to UK employees.

Eligibility

All employees, including full-time executive directors of the Company and any designated participating subsidiary, who are resident and ordinarily resident in the UK for tax purposes, and who have completed such minimum period of service not exceeding five years as the directors may determine, are eligible to participate in the SAYE scheme. The Board may allow other employees to participate.

Employee contributions

An employee who wishes to participate in the SAYE Scheme must enter into a savings contract ("the SAYE Contract") to make monthly contributions not exceeding the statutory maximum (£250 per month) for a period of either three or five years. The Board may set a lower limit in relation to any particular grant. A tax-free bonus will be paid on completion of the relevant SAYE contract.

Exercise price

The price (the "Exercise Price") at which participants in the SAYE Scheme may acquire ordinary shares in the capital of the Company (the "Shares") upon the exercise of an option shall be not less than the greater of 80 per cent. of the average middle-market quotation on the three days preceding a date specified in an invitation to participate in the Scheme, or otherwise as agreed with HMRC and if the option relates only to new issue shares, the nominal value of a share.

The Exercise Price will be determined by reference to dealing days which fall within the period of six weeks following HMRC approval of the Scheme, within six weeks following the announcement by the Company of its results for any period or at any other time which the Board considers sufficiently exceptional to justify offering options under the Scheme.

Grant of options

Options can only be granted to employees who enter into HMRC approved SAYE contracts. Each option is granted over a number of Shares which, when multiplied by the Exercise Price, have an aggregate acquisition price which does not exceed the total monthly contributions plus the bonus

payable on the maturity of the SAYE contract. There is no payment for the grant of an option. Options must be granted within 30 days (or 42 days if applications are scaled back) of the first day by reference to which the Exercise Price is set.

An option may not be granted more than ten years after shareholder approval of the Scheme. Options are not transferable, except on death. Options are not pensionable.

Exercise of options

In normal circumstances an option may be exercised at any time within six months from the third, fifth or seventh anniversary of the commencement of the related the SAYE Contract, using the proceeds of the SAYE Contract and the applicable bonus.

Options may become capable of exercise earlier in the following circumstances:

- Following cessation of the Optionholder's employment by reason of death, injury, disability, redundancy, retirement or on reaching a specified age (or other age at which the employee is bound to retire under his terms of employment) or the business or company that the employee works for ceasing to be part of the Group;
- When an employee reaches a specified age;
- Where employment ceases more than three years from grant for any reason (for any reason other than dismissal for misconduct); and
- In the event of a takeover, amalgamation, reconstruction or winding-up of the Company, except in the case of an internal corporate reorganisation when the Board may decide to exchange existing options for equivalent new options over shares in a new holding company.

Except where stated above, options will lapse on cessation of employment or directorship within the Group.

Shares will be allotted or transferred to participants within 30 days of exercise.

Share Capital Limit

The Scheme may operate over new issue shares, treasury shares or shares purchased in the market.

In any ten calendar-year period, the total number of unissued Shares which may be placed under option under the SAYE Scheme, when aggregated with Shares already issued or to be issued pursuant to the SAYE Scheme and any other employee share scheme adopted by the Company within the preceding 10 years, shall not exceed 10 per cent. of the issued capital of the Company at the time of the proposed grant of option. Shares subject to options which have lapsed, or been released or cancelled, are excluded when calculating this limit.

Treasury shares will count as new issue shares for the purpose of these limits unless institutional guidelines provide otherwise.

Exchange of options

If there is a change of control of the Company following a general offer to acquire the whole of the issued share capital of the Company or all the shares in the Company, or following a compromise or arrangement, Optionholders may agree with the acquirer to exchange their options for options over shares in a company within the acquirer's group.

Variation of Capital

If there is a capitalisation issue, a rights issue, a consolidation, sub-division or reduction or any other variation in the Company's share capital, the Board may, subject to HMRC approval, make such adjustment as it considers appropriate to the number of Shares subject to options and the Exercise Price.

Rights Attaching to Shares

Any shares allotted when an option is exercised under the Scheme will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Amendment

The Board may, at any time, amend the rules of the SAYE Scheme in any respect. However, no amendment to the advantage of Optionholders may be made without the prior approval of the shareholders in general meeting in respect of the rules governing:

- eligibility;
- the overall limits on the number of Shares that can be issued or the number of treasury shares that can be transferred;
- limits on participation;
- the basis for determining an Option holder's entitlement to, and the terms of, the Shares to be acquired; and
- adjustment of options

The requirement to obtain the prior approval of shareholders will not, however, apply to any amendment necessary or desirable in order to obtain or maintain HMRC's approval of the SAYE Scheme, or any minor alteration made to benefit the administration of the Scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Optionholders or for any member of the Group.

The directors reserve the right, up to the forthcoming Extraordinary General Meeting, to make such amendments and additions to the SAYE Scheme as they consider appropriate, provided these do not conflict in any material respect with this summary of the Scheme.

Overseas Plans

The shareholder resolution to approve the Scheme will allow the Board, without further shareholder approval, to establish further plans for overseas territories, any such plan to be similar to the Scheme, but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the Scheme.

Duration and Termination

The directors may terminate the SAYE Scheme at any time and in such event, no further offers of participation will be made; however, the subsisting rights of Optionholders will not be affected. Subject to such termination, the Scheme will expire on the 10th anniversary of its approval by the Shareholders in general meeting.

First Artist Share Option Schemes

The Capital Reduction does not affect options granted under the First Artist Share Option Schemes but the numbers of shares subject to share options will be adjusted to reflect the Share Consolidation. At present options to acquire the equivalent of 835,148 New Ordinary Shares have been granted. This represents 7.37 per cent. of the present issued share capital and would amount to 6.4 per cent. of the issued share capital as enlarged by the issue of New Ordinary Shares pursuant to the Acquisition and the Placing.

Increase in Issued Share Capital and Powers of Allotment

Resolutions will be proposed at the Extraordinary General Meeting to increase the authorised share capital to £625,000 divided into 25,000,000 New Ordinary Shares of 2.5p each.

Immediately following Admission, assuming that the resolutions to increase and consolidate the share capital are passed at the Extraordinary General Meeting, will be as follows:

	<i>Authorised</i>		<i>Issued and fully paid</i>	
	<i>Nominal Value</i>	<i>Number of New Ordinary Shares</i>	<i>Nominal Value</i>	<i>Number of New Ordinary Shares</i>
	£		£	
At present	375,000	15,000,000	283,147	11,325,876
Proposed increase	250,000	10,000,000		
Consideration Shares			2,500	100,000
Placing Shares			40,000	1,600,000
Following Admission	<u>625,000</u>	<u>25,000,000</u>	<u>325,647</u>	<u>13,025,876</u>

The Placing Shares has been allotted subject to admission to trading on AIM which is expected to take place on 28 December 2006.

Resolutions will also be proposed to grant the Board general powers of allotment in respect of all the authorised but unissued shares and to waive pre-emption rights in respect of the issue for cash of up to 8,950,966 New Ordinary Shares of which 7,200,000 New Ordinary Shares representing approximately 55 per cent. of the enlarged issued share capital have not been allocated to any specific purpose. This is intended to enable the Board to raise funds if suitable opportunities arise.

Authority to Purchase and Cancel Shares

Your Board is seeking Shareholders' authority for the Company to purchase in the market and cancel up to 15 per cent. of the Company's New Ordinary Shares in issue following the implementation of the Proposals. Any such further purchases will be made out of future distributable profits generated subsequent to the Capital Reduction becoming effective.

The Board has no present intention to buy in and cancel any New Ordinary Shares and will only do so if it becomes possible on terms which the Board believes to be in the best interests of shareholders.

Any purchase of New Ordinary Shares in the market will be at the prevailing price at the relevant time or at a small premium. The maximum price will be 105 per cent. of the average of the middle market quotations for a New Share as derived from the AIM appendix to the Daily Official List of the London Stock Exchange for the five business days prior to the purchase.

The authority to purchase shares will expire 15 months from the date of the Extraordinary General Meeting (or, if earlier, the conclusion of the 2007 Annual General Meeting of the Company).

Extraordinary General Meeting

You will find set out at the end of this document, Notice of an Extraordinary General Meeting to be held at 10.00 a.m. on 22 December 2006 at 10 Grosvenor Gardens, London SW1W 0DH in order to consider and, if thought fit, pass ordinary and special resolutions as follows:

1. to approve the Audited Accounts of the Company for the period ended 31 August 2006;
2. to approve the Directors' Remuneration Report for the period ended 31 August 2006;
3. to approve the re-appointment of Baker Tilly as auditors of the Company;
4. to authorise the Directors to fix the auditors' remuneration;
5. to approve the acquisition of Dewynters, such approval being subject to drawdown being permitted under facilities agreements with Allied Irish Bank which are summarised in Part 10 paragraph 8.1.15 of the Admission Document;
6. to approve an increase in the authorised share capital from £375,000 to £625,000;
7. to approve the consolidation of the Existing Ordinary Shares by the issue of one New Ordinary Share of 2.5p each in substitution for every 10 Existing Ordinary Shares of 0.25p each;
8. to authorise the Directors to allot all the authorised but unissued shares in the Company;
9. to approve the rules of The First Artist Corporation Plc Savings Related Share Option Scheme 2006;
10. to authorise the Directors to disapply pre-emption rights in respect of the shares to be issued pursuant to the Placing, the Acquisition and generally in respect of rights issues;
11. to approve the Capital Reduction whereby the share premium account of the Company will, subject to the sanction of the Court, be reduced by £4,046,557 (from £8,849,063 to £4,802,506) and the profit and loss account of the Company will be credited with a like amount;
12. to authorise the Directors to buy back shares in the market;
13. to approve an amendment to the Articles of Association concerning the Company's borrowing powers.

Action to be taken

Whether or not you intend to attend the Extraordinary General Meeting in person, you are urged to complete, sign and return the enclosed form of proxy as soon as possible, but in any event so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 48 hours before the time of the meeting. The return of the form of proxy will not prevent you from attending the EGM and voting in person should you wish to do so.

Recommendation

The Directors, who have been so advised by Dawnay Day, consider the Proposals to be fair and reasonable and in the best interests of First Artist shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the resolutions to be proposed at the Extraordinary General Meeting, as they intend to do in respect of their own beneficial holdings of 20,729,399 Existing Ordinary Shares, representing approximately 18.4 per cent. of the total votes capable of being cast at the Extraordinary General Meeting.

In giving advice to the Company, Dawnay Day has had regard to the Directors' commercial assessment of the Proposals.

Yours faithfully,

Jarvis Astaire
Chairman

APPENDIX

Additional information

1. Responsibility

The Directors of First Artist, whose names are set out on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors of First Artist (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Miscellaneous

- 2.1 Dawnay Day, which is authorised and regulated by the Financial Services Authority, is acting for First Artist in relation to the Proposals described in this document and is not advising any other person in relation to them. Dawnay Day will not be responsible to any person other than First Artist for providing the protections afforded to its customers or advising any such person on the Proposals.
- 2.2 Dawnay Day has given and has not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they appear.

Dated: 30 November 2006

First Artist Corporation Plc

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of First Artist Corporation Plc will be held at 10.00 a.m. on 22 December 2006 at 10 Grosvenor Gardens, London SW1W 0DH for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1-9 will be proposed as ordinary resolutions and resolutions 10 to 13 will be proposed as special resolutions:

ORDINARY RESOLUTIONS

1. To consider, and if thought fit, approve and adopt the Audited Accounts of the Company for the period ended 31 August 2006 and the reports of the directors and auditors thereon.
2. To consider, and if thought fit, approve the Directors' Remuneration Report for the period ended 31 August 2006;
3. To re-appoint Baker Tilly as auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the members;
4. To authorise the Directors to fix the remuneration of the auditors;
5. THAT the acquisition by the Company of the whole of the issued share capital of Dewynters Plc, subject to drawdown being permitted pursuant to facilities agreements entered into between the Company and AIB Group (UK) p.l.c., pursuant to a conditional Acquisition Agreement dated 29 November 2006 (and the documents referred to therein) a copy of which has been produced to the meeting and initialled by the Chairman for the purposes of identification and material particulars of which are set out in the admission document dated 30 November 2006 ("Admission Document") be and is hereby approved and that the directors of the Company ("Directors") be and are hereby authorised to take all necessary steps to effect such acquisition with such minor modifications, variations or amendments as they consider to be in the best interests of the Company;
6. THAT, subject to the passing of Resolution 5 above, the authorised share capital of the Company be and is hereby increased from £375,000 to £625,000 by the creation of 100,000,000 additional new ordinary shares of 0.25 pence each;
7. THAT subject to the passing of Resolutions 5 and 6 above and conditional upon admission of the New Ordinary Shares (as defined below) to trading on the Alternative Investment Market of the London Stock Exchange becoming effective:
 - 7.1 the issued and unissued ordinary shares of 0.25 pence each in the capital of the Company be and are hereby consolidated and divided into ordinary shares of 2.5 pence each in the capital of the Company on the basis of one ordinary share of 2.5 pence each for every ten ordinary shares of 0.25 pence ("New Ordinary Shares"); and
 - 7.2 in respect of each holding of issued shares on the register of members of the Company at 8.00 a.m. on 27 December 2006 (the "Record Date") every 10 of the issued ordinary shares of 0.25 pence each in the capital of the Company be and are hereby consolidated into one ordinary share of 2.5 pence in the capital of the Company (pursuant to paragraph 3.1 of this Resolution) on terms that fractional entitlements to the New Ordinary Shares shall be aggregated and consolidated into New Ordinary Shares.
8. THAT subject to the passing of Resolutions 5, 6 and 7 above, the Directors be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 ("Act") to exercise the powers of the Company to allot all authorised but unissued relevant securities (as defined in section 80 of the Act). This power will expire at the earlier of the conclusion of the next annual general meeting of the Company of the date 15 months from the date this Resolution comes into effect, (unless previously revoked or varied by the Company in general meeting and provided that the Company may before such expiry make an offer or agreement which would or might require such shares to be allotted after such

expiry and the Directors may allot relevant securities pursuant to such an offer or agreement after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired) and so that all previous authorities given by the Company in general meeting pursuant to Section 80 of the Act are revoked (save to the extent relied upon prior to the passing of this Resolution).

9. THAT the rules of The First Artist Corporation Plc Savings Related Share Option Scheme 2006 (the "SAYE Scheme" or the "Scheme") as summarised in the letter to shareholders from the Chairman dated 30 November 2006 and now produced in draft to this meeting and for the purposes of identification initialled by the Chairman, be and are hereby approved and the Directors be and are hereby authorised to:
- 9.1 do all such acts and things as they may consider necessary or expedient to carry the SAYE Scheme into effect, including the making of any modifications as they may consider appropriate to obtain the approval of Her Majesty's Revenue and Customs to the Scheme and to adopt the Scheme as so modified;
- 9.2 to establish further schemes based on the SAYE Scheme but modified to take account of local tax, exchange control or securities laws in overseas territories, provided always that any shares made available under such further schemes are treated as counting against the limits on individual or overall participation in the Scheme.
- 9.3 to vote, and be counted in the quorum, on any matter connected with the SAYE Scheme, notwithstanding that they may be interested in the same, excepting only that no Director may be counted in a quorum or vote in respect of his own participation.

SPECIAL RESOLUTIONS

10. THAT (subject to the passing of Resolutions 5, 6, 7 and 8 above) the Directors be and are hereby empowered, to allot or make offers or agreements to allot equity securities (as defined in section 94(2) of the Act) up to a nominal amount of £221,274.15 for the purposes of section 95 of the Act for cash, pursuant to the authority granted by Resolutions 6, 7 and 8 above as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be in substitution for any existing powers conferred on the Directors pursuant to section 95 of the Act and shall be limited to the allotment of:
- 10.1 1,600,000 New Ordinary Shares in connection with the Placing (as defined in the Admission Document);
- 10.2 up to 50,966 New Ordinary Shares pursuant to the exercise of Options to be issued to Dawnay, Day Corporate Finance Limited;
- 10.3 equity securities in connection with a rights issue in favour of the holders of relevant shares and relevant employee shares, or in connection with any other form of issue of such securities in which such holders are offered the right to participate, in proportion (as nearly as may be) to their respective holdings but subject to such exclusion or other arrangements as the Directors consider necessary or expedient in connection with shares representing fractional entitlements or on account of either legal or practical problems arising in connection with the laws of any territory or of the requirements of any generally recognised regulatory body or stock exchange in any territory; and
- 10.4 up to 7,200,000 New Ordinary Shares for cash otherwise than pro rata to existing shareholders for any other purpose
- such power to expire at the earlier of the conclusion of the next annual general meeting of the Company and the date falling 15 months from the date this Resolution comes into effect (save that the Company may before such expiry, make an offer or agreement which would or might, require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of the offer or agreement as if the power conferred by this Resolution had not expired).
11. THAT the share premium account of the Company be and, the same is hereby reduced by £4,046,557 (from £8,849,063 to £4,802,506).

12. THAT pursuant to the Company's Articles of Association, the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 2.5 pence each in the Company ('New Ordinary Shares') provided that:
- 12.1 the maximum number of New Ordinary Shares hereby authorised to be purchased is 1,953,881;
 - 12.2 the minimum price which may be paid for each such New Ordinary Share is the prevailing price at the relevant time or at a small premium;
 - 12.3 the maximum price which may be paid for each such ordinary share is an amount equal to 105 per cent. of the average of the middle market quotations for New Ordinary Share in the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and
 - 12.4 this authority shall expire at the conclusion of the 2007 Annual General Meeting or the date falling 15 months from the date that this Resolution comes into effect whichever is the earlier (except in relation to a purchase of such shares, the contract for which was concluded before such time and which will or may be executed wholly or partly after such time)."
13. THAT the Articles of Association of the Company be and are hereby amended by the deletion of Article 111.3(a)(v)(A).

Dated: 30 November 2006

By order of the Board
Richard Hughes FCMA
Company Secretary

Registered Office:

First Artist House
87 Wembley Hill Road
Wembley HA9 8BU

Notes:

1. Please indicate on the form of proxy how you wish your vote to be cast by inserting an "X" in the appropriate box opposite each resolution.
2. A holder of Existing Ordinary Shares entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend and vote instead of the shareholder. A proxy need not be a shareholder of the Company. In the event that you wish to appoint a person other than the Chairman as your proxy, delete the reference to the Chairman and insert the name and address of the person you wish to appoint in the space provided.
3. The form of proxy relating to the Extraordinary General Meeting must be executed by the appointer or his duly constituted attorney or, if the appointer is a company, under its seal or under the hand of its duly authorised officer or attorney or other person authorised to sign.
4. In the case of joint holders of Existing Ordinary Shares, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names of the holders stand in the register of members.
5. Any alteration made in the form of proxy should be initialled.
6. To be effective the form of proxy and any authority under which it is executed (or a certified copy of such authority) must be deposited at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of the Extraordinary General Meeting. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the meeting.
7. If the form of proxy is returned duly signed but without an indication as to how the proxy must vote on a particular resolution, the proxy will vote or abstain at his discretion.
8. A copy of the draft rules of The First Artist Corporation Plc Savings Related Share Option Scheme 2006 will be available for inspection at the offices of Clintons Solicitors, 55 Drury Lane, London WC2B 5RZ and at the registered office of the Company between Mondays and Fridays (excluding public holidays) during normal business hours until the close of the Extraordinary General Meeting and at the place of the Extraordinary General Meeting for at least 15 minutes prior to and during the meeting.

