

Governor Phillip Tower
1 Farrer Place Sydney NSW 2000
GPO Box 9925 NSW 2001
Tel (02) 9210 6500
Fax (02) 9210 6611
www.corrs.com.au



Date 23 December 2008
Pages 17 (including this page)

To Funtastic Limited
Fax (03) 9535 5897
To Company Announcements Platform
ASX Limited
Fax 1300 135 638

Sydney
Melbourne
Brisbane
Perth

Dear Sir/Madam

Funtastic Limited - Notice of change of interests of substantial holder

We act for Russett Pty Limited (**Russett**).

Attached, in accordance with section 671B of the *Corporations Act 2001* (Cth), is a notice of change of interests of substantial holder for Russett in relation to shares in Funtastic Limited.

Yours faithfully
Corrs Chambers Westgarth

Com Chambers Westgarth

attachments

PLEASE NOTE: If this fax transmission is received by other than the named addressee, you are requested immediately to notify us and return the original message to us at the postal address shown. The client entitled to the benefit of the solicitor/client/legal professional privilege attaching to this document is entitled to recover all copies of the document and to prevent its dissemination or use in any form by application to the courts.

If this fax is illegible or incomplete please telephone (02) 9210 6500

For personal use only

Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To: Company Name/Scheme
ACN/ARSN

Funtastic Limited
063 886 199

1. Details of substantial holder (1)

Name Russett Pty Limited ("Russett") and each of the entities listed in Annexure A, Table 1 (collectively, the "Substantial Holder")

ACN/ARSN (if applicable) 131 157 018 (ACN of Russett)

There was a change in the interests of the substantial holder on 19/12/08
The previous notice was given to the company on 22/05/08
The previous notice was dated 22/05/08

2. Previous and present 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 when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary shares	31,045,961	18.8%	26,522,981 ¹	16%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme, are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
19/12/08	Substantial Holder	Cessation of association with former consortium members – refer Annexure A, Table 2 and section 5.	None	4,522,980 ordinary shares	4,522,980

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Refer Annexure A, Table 3.					

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Refer Annexure A, Table 4.	

6. Addresses

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

Name	Address
Substantial Holder	c/- Archer Capital, Suite 7, Pier 2/3, 13 Hickson Rd, Dawes Point NSW 2000
Refer Annexure A, Table 3 for other persons named in this form	

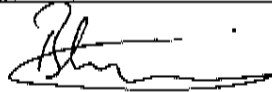
¹ This is a rounded figure – ie, it does not include fractions of interests in securities.

Signature

print name Ben Frewin

capacity Alternate Director

sign here



date / /

23/12/2008

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant 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 the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the 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 person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
- any relevant agreement or other circumstances because of which the change in relevant interest occurred. 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 details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the 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.
- (7) 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 on 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.
- (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) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

For personal use only

Annexure A

This is Annexure A of 2 pages referred to in Form 604 signed by me on 23 December 2008.

Signature: 

Name: Ben Frewin

Table 1

Company	ACN
Archer Capital 4A Pty Ltd (as trustee of Archer Capital Trust 4A)	123 463 749
Archer Capital 4B Pty Ltd *(as trustee of Archer Capital Trust 4B)	123 463 810
AC4 Belco BVBA	N/A
AC4 Luxco Sarl	N/A
Archer Capital Fund 4 LP, an exempted limited partnership (Archer Capital GP4 Limited is the general partner)	N/A

Table 2: Changes in relevant interest

Date of change	Person whose relevant interest changed	Nature of change	Consideration given in relation to change	Class and number of securities	Person's votes affected
19/12/08	Substantial Holder	Following the changes in association (refer Table 4), relevant interest is limited to 50% of N Pizmony's securities under Deed in respect of Securities (refer Exhibit 1).	None	50% of 47,523 ordinary shares	50% of 47,523
19/12/08	Substantial Holder	Following the changes in association (refer Table 4), relevant interest is limited to 50% of NSR Toys Pty Ltd's securities under Deed in respect of Securities (refer Exhibit 1).	None	50% of 5,587,019 ordinary shares	50% of 5,587,019
19/12/08	Substantial Holder	Following the changes in association (refer Table 4), relevant interest is limited to 50% of N Pizmony and ML Pizmony's securities under Deed in respect of Securities (refer Exhibit 1).	None	50% of 1,221,200 ordinary shares	50% of 1,221,200
19/12/08	Substantial Holder	Following the changes in association (refer Table 4), relevant interest is limited to 50% of Holdrey Pty Ltd at the Don Mathieson Family Trust's securities under Deed in respect of Securities (refer Exhibit 1).	None	50% of 1,370,219 ordinary shares	50% of 1,370,219
19/12/08	Substantial Holder	Following the changes in association (refer Table 4), relevant interest is limited to 50% of DDVM Superannuation Nominees Pty Ltd at DDVM Super Fund's securities under Deed in respect of Securities (refer Exhibit 1).	None	50% of 200,000 ordinary shares	50% of 200,000
19/12/08	Substantial Holder	Following the changes in association (refer Table 4), relevant interest is limited to 50% of Stewart John Alistair Downs & Lauren Michelle Mathieson Downs at S&L Downs Superannuation Fund's securities under Deed in respect of Securities (refer Exhibit 1).	None	50% of 71,345 ordinary shares	50% of 71,345
19/12/08	Substantial Holder	Following the changes in association (refer Table 4), relevant interest is limited to 50% of Lauren Michelle Mathieson Downs' securities under Deed in respect of Securities (refer Exhibit 1).	None	50% of 548,655 ordinary shares	50% of 548,655

Table 3: present relevant interests of Substantial Holder

Registered holder of securities and address	Person entitled to be registered as holder	Nature of relevant interest	Class and number of securities	Person's votes
Russell c/- Archer Capital, Suite 7, Pier 2/3, 13 Hickson Rd, Dawes Point NSW 2000	Russell	Relevant interest under section 608(1)(a) or 608(3) of the Corporations Act.	22,000,000 ordinary shares	22,000,000
N Pizmony 9 Hume Road, Caulfield North VIC 3161	Unknown	Relevant interest held under section 608(1)(c) of the Corporations Act in 50% of these securities as a result of Deed in respect of Securities (see Exhibit 1).	50% of 47,523 ordinary shares	50% of 47,523
NSR Toys Pty Ltd 313 Glenferrie Road Malvern VIC 3144	Unknown	Relevant interest held under section 608(1)(c) of the Corporations Act in 50% of these securities as a result of Deed in respect of Securities (see Exhibit 1).	50% of 5,587,019 ordinary shares	50% of 5,587,019
N Pizmony and M L Pizmony 7-9 Hume Road, Caulfield North VIC 3161/ 313 Glenferrie Road Malvern VIC 3144	Unknown	Relevant interest held under section 608(1)(c) of the Corporations Act in 50% of these securities as a result of Deed in respect of Securities (see Exhibit 1).	50% of 1,221,200 ordinary shares	50% of 1,221,200
Holdrey Pty Ltd ATF The Don Mathieson Family Trust William Buck Chartered Accountants Level 2 215 Spring Street Melbourne VIC 3000	Unknown	Relevant interest held under section 608(1)(c) of the Corporations Act in 50% of these securities as a result of Deed in respect of Securities (see Exhibit 1).	50% of 1,370,219 ordinary shares	50% of 1,370,219
DDVM Superannuation Nominees Pty Ltd ATF DDVM Super Fund c/- William Buck Pty Ltd, Level 2, 215 Spring Street, Melbourne	Unknown	Relevant interest held under section 608(1)(c) of the Corporations Act in 50% of these securities as a result of Deed in respect of Securities (see Exhibit 1).	50% of 200,000 ordinary shares	50% of 200,000
Stewart John Alistair Downs & Lauren Michelle Mathieson Downs ATF S&L Downs Superannuation Fund c/- 19 Rowland St, Kew VIC	Unknown	Relevant interest held under section 608(1)(c) of the Corporations Act in 50% of these securities as a result of Deed in respect of Securities (see Exhibit 1).	50% of 71,345 ordinary shares	50% of 71,345
Lauren Michelle Mathieson Downs 19 Rowland St, Kew	Unknown	Relevant interest held under section 608(1)(c) of the Corporations Act in 50% of these securities as a result of Deed in respect of Securities (see Exhibit 1).	50% of 548,655 ordinary shares	50% of 548,655

Table 4: Changes in association

Name and ACN/ARSN (if applicable)	Nature of association
Pizmony Investment Company Pty Ltd (ACN 131 178 651)	Substantial Holder is no longer associated with this person as a result of Pizmony Investment Company Pty Ltd withdrawing from a former consortium. See copy of withdrawal notice at Exhibit 2.
Nir Pizmony	As above
NSR Toys Pty Ltd (ACN 082 219 789)	As above
Nir Pizmony and Maria Pizmony	As above
Holdrey Pty Ltd atf the Don Mathieson Family Trust (ACN 006 501 524)	As above
DDVM Superannuation Nominees Pty Ltd atf DDVM Super Fund (ACN 075 404 018)	As above
Stewart John Alistair Downs & Lauren Michelle Mathieson Downs atf S&L Downs Superannuation Fund	As above
Lauren Michelle Downs	As above

Exhibit 1

This is Exhibit 1 of 9 pages referred to in Form 604 signed by me on 23 December 2008.

Signature: 

Name: Ben Frewin

For personal use only

For personal use only

Archer Capital 4A Pty Ltd

Archer Capital 4B Pty Ltd

AC4 Belco BVBA

Russett Pty Ltd

Pizmony Investment Company Pty Ltd

Deed in respect of Securities

Date 20 MAY 2008

Parties

Archer Capital 4A Pty Ltd (as trustee for Archer Capital Trust 4A) of Suite 7, Pier 2/3, 13 Hickson Road Dawes Point NSW 2000.

Archer Capital 4B Pty Ltd (as trustee for Archer Capital Trust 4B) of Suite 7, Pier 2/3, 13 Hickson Road Dawes Point NSW 2000.

AC4 Belco BVBA of Avenue Louise 331-333, 1050 Brussels, Belgium

Russett Pty Ltd ACN 131 157 018 of Suite 7, Pier 2/3, 13 Hickson Road Dawes Point NSW 2000

(collectively, **Archer**)

Pizmony Investment Company Pty Ltd ACN [insert] of 118 Balmain Street, Richmond, Victoria 3121 (**Pizmony**)

Background

- A Archer has or will acquire Securities, and Pizmony and its Associates already hold Securities.
 - B Archer and Pizmony (the **Consortium Members**) are proposing to make a joint bid for all of the issued shares in the Company (**Proposal**).
 - C The Consortium Members are entering into this document to record the terms and conditions on which they have agreed to deal in their respective Securities should the Proposal not proceed.
-

Agreed terms

1 Interpretation

1.1 Definitions

In this Deed:

Associates has the meaning given in section 12 of the Corporations Act, other than any associates who are not Related Bodies Corporate, and who become associates merely as a result of the arrangements relating to the Consortium or the Proposal.

For personal use only

Business Day means a day that is not a Saturday, Sunday or bank or public holiday in Sydney.

Company means Funtastic Limited ACN 063 886 199.

Consortium means a consortium formed or to be formed by Archer, Pizmony and Pizmony's equity partners for the purposes of acquiring all of the Securities in the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Encumbrance means any security interest, profit a prendre, easement, restrictive covenant, equity interest, garnishee order, writ of execution, right of set-off, lease, licence to use or occupy, assignment of income or monetary claim and any agreement to create any of them or allow them to exist.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Period means in respect of:

- (a) all of the Securities held by a Consortium Member or its Associates, until 31 October 2008; and
- (b) half of the Securities held by a Consortium Member or its Associates, until 28 February 2009.

Securities means until:

- (a) 31 October 2008, all of the securities held by a Consortium Member or its Associates; and
- (b) 28 February 2009, half of the securities held by a Consortium Member or its Associates,

in the Company during the Relevant Period.

Term Sheet means the indicative, non-binding term sheet governing the arrangements of the Consortium Members in respect of the joint bid dated on or about the date of this document.

Transfer means to transfer, sell, assign, convey, grant any option over, create any Encumbrance or otherwise dispose of any legal or beneficial interest in a Security.

1.2 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) "includes" means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;

For personal use only

- (f) a reference to:
- (i) time is to local time in Sydney;
 - (ii) "\$" or "dollars" is a reference to Australian currency;
 - (iii) this document includes all schedules and annexures to it; and
 - (iv) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document;
- (g) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and
- (h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

1.3 Headings

Headings do not affect the interpretation of this document.

2 Transfers and Tag along

2.1 Prohibition on Transfer

- (a) Subject to **clause 2.1(c)**, a Consortium Member must not, and a Consortium Member must ensure that its Associates do not, effect any Transfer of any Securities during the Relevant Period except with the prior written consent of the other Consortium Member or through the operation of **clause 2.2**.
- (b) Each Consortium Member must use its reasonable endeavours to procure that the Company places a holding-lock on the Securities of the Consortium Members and their respective Associates as soon as reasonably practicable after the date of this document to reflect the terms of this document.
- (c) Pizmony may Transfer:
 - (i) to persons Associated with the Mathieson family (except if they are also Associates of Pizmony), 2,000,000 Securities; and
 - (ii) to NSR Toys Pty Limited ACN 082 219 789 (as trustee for the Pizmony Family Trust) and Nir Pizmony and Maria Lutgarda Pizmony (as trustees for the Pizmony Family Superannuation Fund), in each case conditional on the transferees agreeing to be bound by this document.

2.2 Tag along option

- (a) If a Consortium Member (**Transferor**) wishes to effect a Transfer of all their Securities to a third party (**Third Party Purchaser**) during the Relevant Period, it must immediately notify the other Consortium Member in writing (**Transfer Notice**).

- (b) The other Consortium Member (**Other Parties**) will have the option (**Tag Along Option**) to require all of their Securities to be sold together with the Transferor's Securities to the Third Party Purchaser in accordance with this **clause 2.2**.
- (c) The Other Parties may exercise the Tag Along Option by giving written notice to that effect to the Transferor (**Tag Along Notice**) within 10 Business Days after the receipt of the Transfer Notice (**Exercise Period**). The Tag Along Notice must be in respect of all of the Securities held by the relevant Other Parties (**Other Parties' Securities**).
- (d) Once the Tag Along Notice is issued it is irrevocable but it will lapse if for any reason there is not a Transfer of the Transferor's Securities and the Other Parties' Securities within the later of 20 Business Days after the end of the Exercise Period and the date for completion as specified in the Transfer Notice; and for the avoidance of doubt, the prohibition on Transfer set out in **clause 2.1** remains on foot.
- (e) The prohibition on Transfer set out in **clause 2.1** will cease to apply to both Consortium Members if the Other Parties do not issue a Tag Along Notice, in accordance with **clause 2.2(c)**.
- (f) The Transfer of the Other Parties' Securities the subject of a Tag Along Notice must be on the same terms and conditions (including as to the price payable on a per Security basis and the date of the Transfer) applying to the Transfer of the Transferor's Securities to the Third Party Purchaser.

3 General

3.1 Notices

A notice, demand, certification, process or other communication relating to this document must be in writing in English and delivered to the relevant party's registered office.

3.2 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

3.3 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in New South Wales.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

3.4 Counterparts

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

3.5 Assignment

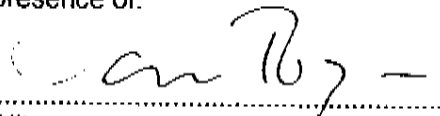
No party may assign or novate this document or any right, benefit or obligation under this document or otherwise permit a third party to be substituted for it under this document without the prior written consent of the other party (which consent may be withheld in the absolute discretion of that other party).

For personal use only

For personal use only

Executed as a deed.

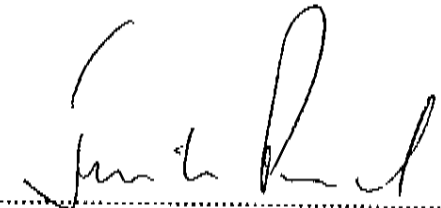
Executed by Archer Capital 4A Pty Ltd by its duly authorised officer in the presence of:



Witness

JAMES AZZA

Name of Witness (print)

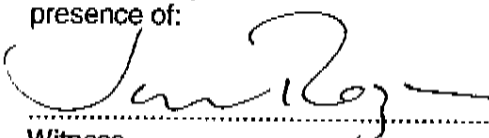


Officer

JUSTIN PUNCH

Name of Officer (print)

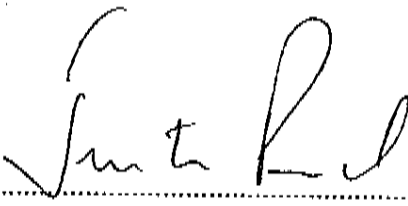
Executed by Archer Capital 4B Pty Ltd by its duly authorised officer in the presence of:



Witness

JAMES AZZA

Name of Witness (print)

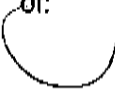


Officer

JUSTIN PUNCH

Name of Officer (print)

Executed by AC4 Belco BVBA by its duly appointed officer in the presence of:



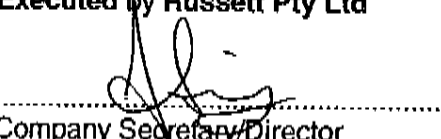
Witness

Name of Witness (print)

Officer

Name of Officer (print)

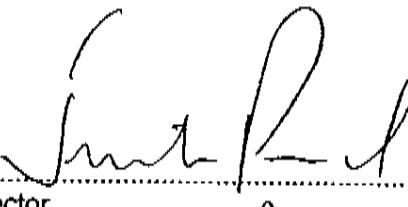
Executed by Russett Pty Ltd



Company Secretary/Director

Jeffrey Lim

Name of Company Secretary/Director (print)



Director

JUSTIN PUNCH

Name of Director (print)

For personal use only

Executed as a deed.

Executed by Archer Capital 4A Pty Ltd by its duly authorised officer in the presence of:)
)
)

.....
Witness

.....
Officer

.....
Name of Witness (print)

.....
Name of Officer (print)

Executed by Archer Capital 4B Pty Ltd by its duly authorised officer in the presence of:)
)
)

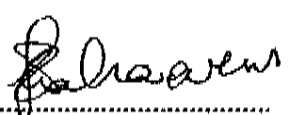
.....
Witness

.....
Officer

.....
Name of Witness (print)

.....
Name of Officer (print)

Executed by AC4 Belco BVBA by its duly appointed officer in the presence of:)
)
)



.....
Witness

.....
Officer

Ann LAVRYSEN
.....
Name of Witness (print)

Hilde WALRAEVENS, Manager
.....
Name of Officer (print)

Executed by Russett Pty Ltd)
)

.....
Company Secretary/Director

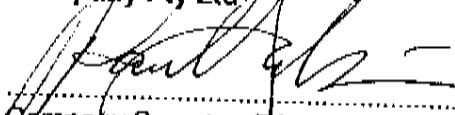
.....
Director

.....
Name of Company Secretary/Director (print)

.....
Name of Director (print)

For personal use only

Executed by Pizmony Investment
Company Pty Ltd

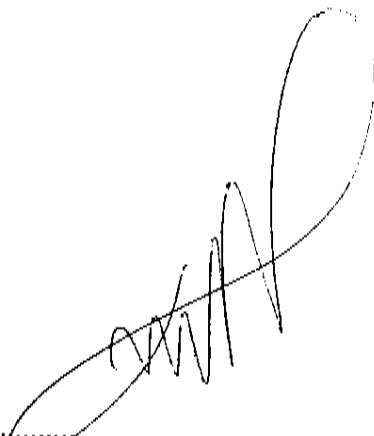


.....
Company Secretary/Director

PAUL SALTER.

.....
Name of Company Secretary/Director
(print)

)
)



.....
Director

Guyon Nin

.....
Name of Director (print)

Exhibit 2

This is Exhibit 2 of 2 pages referred to in Form 604 signed by me on 23 December 2008.

Signature:



Name: Ben Frewin

For personal use only

For personal use only

Pizmony Investment Company Pty Ltd
ACN 131 178 651
(Company)

19 December 2008

Justin Punch
Archer Capital 4A Pty Ltd
Archer Capital 4B Pty Ltd
AC4 Belco BVBA
(collectively, **Archer**)

By email jpunch@archercapital.com.au

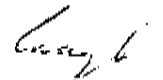
Dear Justin

Withdrawal from Consortium


We refer to your discussion with Paul Salter regarding the consortium established by Archer and the Company through Russett Pty Ltd ACN 131 157 018 (**Consortium**)

This is the Company's notice that it withdraws from the Consortium with immediate effect.

Executed by **Pizmony Investment Company Pty Ltd** ACN 131 178 651 in accordance with section 127 of the *Corporations Act 2001*:


Director/company secretary

KATE MATHESON
Name of director/company secretary
(BLOCK LETTERS)


Director
Pizmony **Nik**
Name of director
(BLOCK LETTERS)