



26 June 2009

ASX Release
Proposed Acquisition

The Directors of Mercury Brands Limited (the Company) are pleased to announce the Company has entered into an agreement to acquire the brand licenses and stock of Australian Horizons an apparel division of Funtastic Limited. The acquisition of these assets is conditional on the Company's ability to gain appropriate finance to complete the transaction. Mercury Brands has received strong interest to date from potential finance providers and the Directors are confident of securing appropriate finance to complete the transaction by the proposed completion date of August 3 2009.

The terms of the proposed transaction will remain confidential until such time as appropriate financing has been secured by the Company. The acquisition of assets from Funtastic will provide significant revenues and return Mercury Brands to strong profitability.

Please refer to Funtastic (ASX:FUN) ASX announcement on June 26 2009. Further information will be provided by Mercury Brands in due course.

Justyn Stedwell
Company Secretary
On behalf of the Board of Directors
Mercury Brands Limited