



funtastic
LIMITED

14 August 2009

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

**ASX Announcement - Completion of Acquisition of NSR and Issue of Shares
under the Rights Issue**

Attached is an announcement concerning the completion of the NSR acquisition
and Issue Shares under the Rights Issue.

Yours faithfully

D J Berry
Company Secretary

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14th August 2009

ASX ANNOUNCEMENT

Completion of Acquisition of NSR and Issue of Shares under the Rights Issue

Funtastic is pleased to announce that it has completed the acquisition of the Hong Kong toy company, NSR (HK) Limited (NSR), and the issue and allotment of shares under its fully-underwritten non-renounceable rights issue to raise approximately A\$22.3 million (before expenses) (Rights Issue).

The Underwriting Agreement entered into by Funtastic and Elsie May Holdings Pty Ltd ACN 136 934 337 as trustee for the Lauren Mathieson Family Trust (Underwriter) was conditional on completion of the acquisition of NSR. Following completion of the acquisition of NSR the Underwriter has now subscribed for all shares that were not taken up by shareholders under the Rights Issue, and Funtastic has received the proceeds of the Rights Issue and the underwriting arrangements.

Shares for which shareholders subscribed under the Rights Issue and those for which the Underwriter subscribed were issued and allotted yesterday and will trade on a normal settlement basis from today, 14 August 2009.

Funtastic will use the funds raised under the Rights Issue to reduce bank debt and for working capital.

Stewart Downs, Chief Executive Officer, said 'that he was very pleased that the capital raising, the acquisition of NSR, and the divestment of the Planet Fun (NZ), Footwear, Manchester, and Apparel businesses were now complete, all of which puts the company in a much stronger strategic and financial position for the future and now allows us to focus on our core business.'

For more information on Funtastic, visit the web site at www.funtastic.com.au and for comment contact Anna Kirby, Public Relations for Funtastic Limited Ph: 03 9486 9357