

February 26, 2010

MEDIA ANNOUNCEMENT

RESULTS FOR THE YEAR ENDED DECEMBER 31, 2009

Funtastic Limited today announced its financial results for the year ended December 31, 2009. The company's CEO, Stewart Downs, said that the results "are in line with the trading update provided in December 2009."

Mr Downs explained that the results were dominated by the impact of actions taken during the year to transform the business for a more sustainable future; these actions included steps taken to reset the balance sheet through:

- the injection of \$22.3m of cash through a fully underwritten Rights Issue;
- a reduction in debt of \$10.4m and the extension of bank facilities to June 2011;
- a 45% (\$25m) reduction in inventories; and
- the impairment of goodwill (\$17.5m).

These actions also included the divestment of noncore assets and restructuring costs which had the following impact on earnings:

EBITA	A\$m
Loss on divestment of noncore assets	12.0
Loss on trading from discontinued operations	6.0
Impairment charges	17.5
Restructuring costs	<u>2.7</u>
EBITA loss from discontinued operations and significant items	38.2

The company's Net Loss after Tax for the year was \$58.1m.

Mr Downs said that "despite the disappointing results, he and the board are satisfied that following the tough decisions and actions taken throughout the year, the business expects to return to profitability in 2010."

Please refer to the Appendix 4E for details.



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