



24 January 2012

ASX ANNOUNCEMENT

Pillow Pets™ Acquisition

Further to the announcement made to the market on 24 November 2011, Funtastic Limited advises that the transaction pursuant to which it acquired the worldwide intellectual property rights (excluding the US, Canada, China and Hong Kong) to the Pillow Pets™ and My Pillow Pets™ brands has completed. The commercial terms of the transaction are unchanged from the original announcement.

Following Funtastic's successful Australian launch, and the longevity of success experienced in North America, this completion now allows continued domestic and international growth and global brand success to become the focus.

The international expansion of the Pillow Pets™ brand is already on track with New Zealand launched successfully and European markets such as UK, France, Spain, Portugal, Italy, Germany, Nordic and Benelux all preparing for launch via a select international distributor network throughout 2012.

Funtastic's Chief Executive Officer, Stewart Downs said "the completion of the Pillow Pets™ acquisition is 100% aligned with Funtastic's strategic goals to own and develop our own IP. It allows us to utilise our Australian launch experience as a framework for global success. Over 500,000 units were sold to consumers in Australia from August to December 2011, with some store shelves left empty for Christmas, and the scale of this launch can now be replicated internationally".

"We are really encouraged given the Australian success and after feedback from Hong Kong Toy Fair earlier this month that our distributors are bolstering their launch plans to replicate our local success within their own territories. The product evolution and key partnerships that are in development all help to build a foundation for brand growth today and cement the long term potential".

For more information on Funtastic Ltd, visit the web site at www.funtastic.com.au and for comment contact Stewart Downs on 03 8531 0000.