



10 February 2012

ASX Announcement

Resolution of Legal Proceedings

Funtastic Limited is very pleased to announce the resolution of legal proceedings between it, Australia Horizons Trading Pty Limited (AHT) and Jeffrey Moss. These proceedings were commenced following the sale by Funtastic of its apparel business to AHT, a company of which Mr Moss was the sole director and shareholder. Mr Moss guaranteed certain payments to be made by AHT to Funtastic.

Funtastic sued AHT (and Mr Moss on the guarantee) for breach of contract in connection with the earn out on the sale of the apparel business. Mr Moss counterclaimed, alleging that he had been misled into signing the guarantee.

The proceedings have been resolved with a financial settlement in Funtastic's favour and orders made by the Supreme Court of Victoria that Mr Moss' counterclaim be dismissed and that the proceeding otherwise be dismissed with a right of reinstatement to enforce the terms of settlement.

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For more information on Funtastic visit the web site at www.funtastic.com.au and for comment contact Stewart Downs (CEO and Managing Director). Ph: 03 8531 0002.