



funtastic
ASX:FUN

29 June 2012

Funtastic Limited – Capital Raising

I attach an updated Appendix 3B outlining the number of shares issued under the company's placement and institutional entitlement offer completed last week as well as the number of shares to be issued under the company's retail entitlement offer.

James Cody
Company Secretary
Funtastic Limited

For personal use only

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Funtastic Limited ("Funtastic")

ACN

063 886 199

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares ("Ordinary Shares"). |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>Funtastic will issue 47,190,515 Ordinary Shares ("Placement Shares") to institutional and sophisticated investors under a placement ("Placement") announced to the ASX on 21 June 2012.</p> <p>Funtastic will issue:</p> <ul style="list-style-type: none"> o 91,926,249 Ordinary Shares under the institutional component of; and o approximately 30,726,022 Ordinary Shares under the retail component of, <p>(together, the "Rights Issue Shares") the non-renounceable pro-rata entitlement offer announced to ASX on 21 June 2012 ("Rights Issue").</p> <p>The exact number of Rights Issue Shares to be issued pursuant to the retail component of the Rights Issue is not known at the date</p> |

+ See chapter 19 for defined terms.

For personal use only

of this Appendix 3B as it will depend on reconciliation of shareholder entitlements and the effects of rounding, acceptances from shareholders and Funtastic's ability to place any shortfall in respect of the Rights Issue.

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

The terms of the Placement Shares and Rights Issue Shares are equivalent to existing Ordinary Shares.

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

Yes, the Placement Shares and Rights Issue Shares will rank equally with existing Ordinary Shares from the date of allotment.

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

5 Issue price or consideration

\$0.145 per Placement Share and Rights Issue Share.

6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)

The proceeds from the Placement and Rights Issue will be used to

- repayment \$15 million of debt on the balance sheet, significantly reducing gearing and increasing interest coverage; and
- provide working capital to invest in the Company's brand portfolio, drive organic growth both domestically and internationally and pay the costs of the Placement and Rights Issue.

+ See chapter 19 for defined terms.

- 7 Dates of entering +securities into uncertificated holdings or despatch of certificates
- | | |
|--|---|
| | For Placement Shares and Rights Issue Shares issued under the institutional component of the Rights Issue - Friday, 29 June 2012. |
| | For Rights Issue Shares issued under the retail component of the Rights Issue - Wednesday, 1 August 2012. |
- 8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)
- | Number | +Class |
|-------------|-----------------|
| 537,799,605 | Ordinary Shares |
- 9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)
- | Number | +Class |
|-----------|--------------------------|
| Nil | Performance Share Rights |
| 5,000,000 | Executive Share Options |
| 1,500,000 | Ordinary Options |
- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)
- | |
|---|
| In accordance with the Board's existing policy and on the same basis as other fully paid Ordinary Shares. |
|---|

Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required?
- | |
|--|
| Shareholder approval is not required for the Rights Issue. |
|--|
- 12 Is the issue renounceable or non-renounceable?
- | |
|-------------------|
| Non-renounceable. |
|-------------------|
- 13 Ratio in which the +securities will be offered
- | |
|---|
| The entitlement ratio under the Rights Issue for existing shareholders is 1 Rights Issue Share for each 3 existing Ordinary Shares held at the record date. |
|---|
- 14 +Class of +securities to which the offer relates
- | |
|------------------|
| Ordinary Shares. |
|------------------|
- 15 +Record date to determine entitlements
- | |
|--|
| 7:00 pm (Melbourne time) on Tuesday, 26 June 2012. |
|--|

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of shareholders' entitlements under the Rights Issue they will be rounded up to the next whole number of Rights Issue Shares.
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries other than Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	The retail component of the Rights Issue will close at 5:00 pm (Melbourne time) on Wednesday, 25 July 2012.
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A

+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	No prospectus will be issued for the Rights Issue. A Retail Entitlement Offer Booklet and Entitlement and Acceptance Form will be sent to eligible shareholders on or around Friday, 29 June 2012.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do *security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do *security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	*Despatch date	<p>Friday, 29 June 2012 for the institutional component of the Rights Issue.</p> <p>Wednesday, 1 August 2012 for the retail component of the Rights Issue.</p>

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders

36 If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional *securities

Entities that have ticked box 34(b)

38 Number of securities for which *quotation is sought

39 Class of *securities for which quotation is sought

+ See chapter 19 for defined terms.

For personal use only

40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

N/A

	Number	⁺ Class
42 Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 38)	N/A	N/A

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 29 June 2012
(Director/Company secretary)

Print name: Mr James Cody

====

+ See chapter 19 for defined terms.

For personal use only