



funtastic
LIMITED

27 September 2012

Fax To: Market Announcements Office
From: Funtastic Limited

Please release the following three pages to the market as soon as possible under the heading "Full Year Results 2012 – Correction"

Kind Regards

James Cody
CFO
Funtastic Limited

For personal use only



funtastic
LIMITED

27 September 2012

ASX Announcement - Correction

In the ASX Announcement released earlier today, there was a statement which said that the Company now has "the capacity to pay dividends to shareholders in 2013 equal to up to half of **retained earnings**". This statement is incorrect and should have read "the capacity to pay dividends to shareholders in 2013 equal to up to half of **net profit after tax**".

A corrected version of the announcement is attached.



27 September 2012

ASX Announcement

Funtastic Returns to Strong Profitability, Signals Growth Phase

Funtastic Limited today delivered on its promise to deliver a strong return to profitability and reaffirmed previous EBITDA earnings guidance for the full year FY13 in the range \$23 - \$25 million.

Funtastic intends to commence paying dividends in 2013.

The highlights of the company's results for the financial year ending on July 2012 included:

- Net profit after tax of \$10.4 million vs a loss of \$38.2 million
- EBITDA of \$20.2 million vs a loss of \$29.1 million
- Reduction in core debt of \$20 million
- Costs reduced by \$12.4 million (19%)
- Gross Profit Margins improved by 14%
- A return to dividends in 2013

Funtastic announced that Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) for the period 12 months to July 2012 was \$20.192 million compared with a loss of \$29.058 million in the corresponding period in FY11. Net Profit for the period hit \$10.368 million, thanks to lower costs and improved margins on a narrower and more successful product range.

The Company repaid debt of \$20m in the year, allowing Funtastic to have both strong working capital and the capacity to pay dividends to shareholders in 2013 equal to up to half of net profit after tax.

Funtastic's Chief Executive, Stewart Downs said: "The results for the full year show that we've not only turned around the fortunes of the company, but we've now ensured that Funtastic is primed for a strong growth period ahead."

"Now we've got the balance sheet under control with substantial debt reduction in FY12, we can reward our shareholders with a healthy fully franked dividend thanks to the accumulation of franking credits.

"The two major toy acquisitions we made in the financial year, the PILLOW PETS™ brand and the licenses to manufacture and distribute certain LEGO® products, have proven to be very commercially successful, but I'm delighted to say we have another six new major toy product lines ready to roll-out in the current financial year," he said.

"We also believe that Madman is poised to successfully benefit from investing in a new multi-channel digital strategy and has a very strong content pipeline for 2013."

"Overall our shift in the business model away from a promotionally driven business to a clearly sustainable model based on everyday core brands and acquisition of toy rights has proven to be successful. We've

narrowed our product range, increased our margins and we have also completely re-engineered the business to achieve a more appropriate cost base. That all adds up to stronger profits in the future".

12 months Ended July 2012 (\$m)	FY12	FY11
Revenue	170.70	182.92
EBITDA	20.20	(29.06)
Net Profit	10.44	(38.20)

- copy ends -

For media enquires please contact: Stephen Dabkowski (Blue Dot Media) on 0419 88 04 86.