

**AGILITY
CREATIVITY
INNOVATION**
2013 FULL YEAR RESULTS





FY 2013 HIGHLIGHTS

Key strategic achievements:

- Stable profitability with rationalised domestic business
- Normalised balance sheet
- Development of Chill Factor™ brand
- Success of Funtastic owned brands and intellectual property – up 36%
- International business drives growth

Key Operating Achievements:

- Acquisition of Chill Factor intellectual property
- Exciting development of Pillow Pets, Stationery and Floaties lines
- Building a stronger manufacturing capability in Hong Kong and China

Key Financial Achievements:

- NPAT¹ up 34% to \$14m
- EBITDA¹ up 19% to \$24m
- Finance costs fall by 21% to \$5.9m
- Underlying borrowings reduced by \$9.9m in the period
- Reinstatement of dividend payments

¹ Includes \$3.3m gain on early settlement of deferred acquisition consideration

KEY FINANCIALS

AUDm	FY13	FY12	% CHNG
REVENUE	166.5	170.7	▼ 2%
EBITDA ¹	24.0	20.2	▲ 19%
EBIT ¹	19.9	17.2	▲ 15%
NPAT ¹	14.0	10.4	▲ 34%
BASIC EPS (cents)	2.58	2.77	▼ 7%
DIVIDEND PER SHARE (cents)	0.10	0.00	n/a
ROE ²	16%	20%	▼ 20%
GEARING ³	47%	82%	▼ 42%
OPERATING LEVERAGE RATIO ⁴	2.0x	2.9x	▼ 30%
INTEREST COVER RATIO ⁵	3.4x	2.3x	▲ 46%

¹ Includes \$3.3m gain on early settlement of deferred acquisition consideration

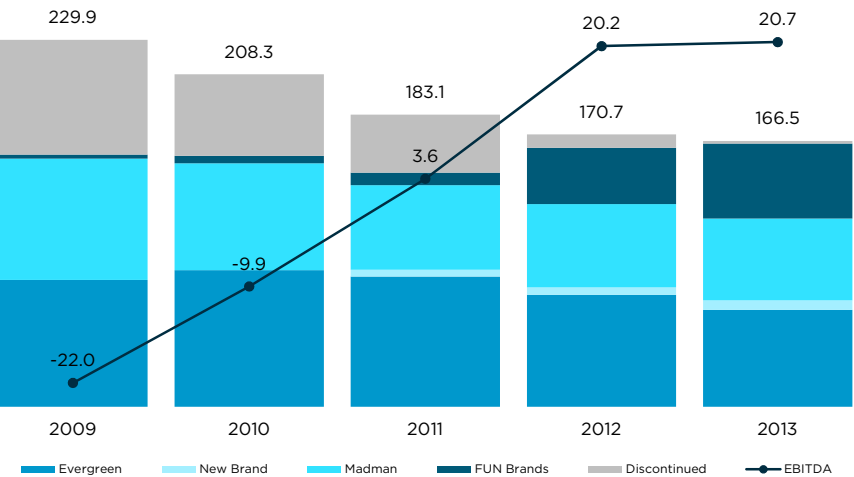
² NPAT/average shareholder equity

³ Net debt/shareholder equity

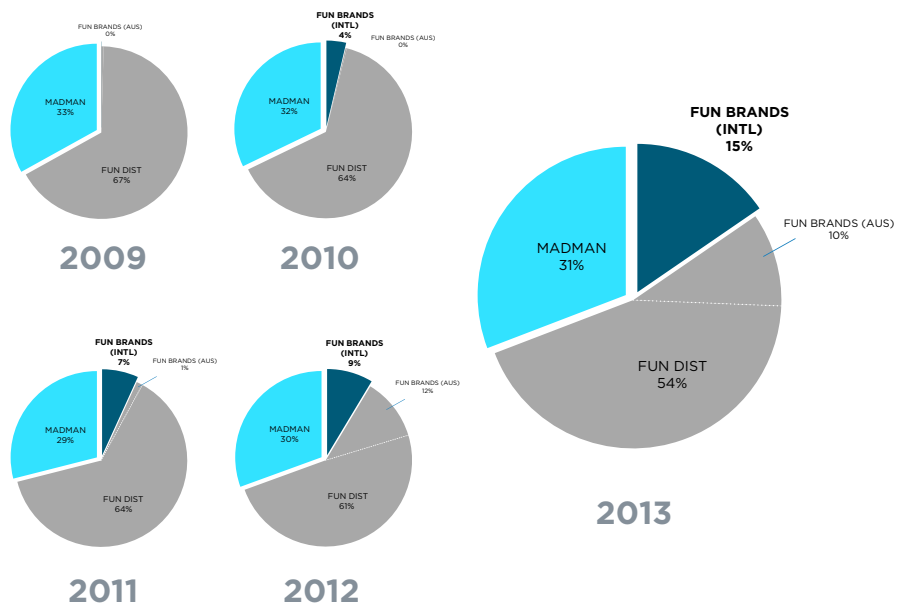
⁴ Net debt/EBITDA

⁵ EBIT/finance costs

GROWING PROPORTION OF RECURRING REVENUE (TOTAL BUSINESS)



TOTAL BUSINESS REVENUE BY DIVISION



BALANCE SHEET

AUDm	FY13	FY12
INVENTORY	24.0	16.1
RECEIVABLES	36.0	37.7
PAYABLES	(20.0)	(17.3)
WORKING CAPITAL	40.0	36.6
FIXED ASSETS	2.9	2.4
INTANGIBLES	99.9	89.0
OTHER (LIABILITIES)/ASSETS	8.7	2.3
NET ASSETS EMPLOYED	151.5	130.3
NET DEBT	48.6	58.5
SHAREHOLDER'S EQUITY	103.0	71.8
CAPITAL EMPLOYED	151.5	130.3

CASH FLOW

AUDm	FY13	FY12
CASH GENERATED FROM OPERATIONS	11.2	11.2
TAX PAID	(0.3)	(0.2)
INTEREST PAID	(5.3)	(7.2)
NET OPERATING CASH FLOW	5.6	3.8
PAYMENTS FOR PP&E	(2.1)	(1.2)
PAYMENT FOR BUSINESSES & OTHER	(7.9)	(5.3)
NET INVESTING CASH FLOW	(10.0)	(6.5)
ISSUE OF SHARES (net)	17.6	23.1
DIVIDENDS PAID	(2.7)	0.0
REDUCTION IN BORROWINGS	(8.3)	(20.1)
NET FINANCING CASH FLOW	6.6	3.0
NET CHANGE IN CASH HELD	2.2	0.3

Balance Sheet:

- Inventory build during FY13 due to weaker retailer demand in Q4
- Correction of inventory levels in FY14 a key priority
- Increase in intangibles reflects Chill Factor acquisition
- Increase in other assets driven by movement in FV of hedging arrangements and prepaid royalties
- Net new debt of \$2.7m to fund early exit of Lego earnout
- \$10m reduction in overall net debt

Cash Flow:

- Minimal tax payments due to utilisation of losses
- Falling interest costs in line with debt reduction
- Payment for businesses predominantly reflects early exit of Lego earnout
- Issue of shares due to capital raising (\$14.4m) and DRP (\$3.2m)
- Interim dividend of 0.5 cents per share subject to fully underwritten DRP
- Reduction in borrowings is net of new debt of \$5m to fund early exit of Lego earnout

FUNTASTIC BRANDS



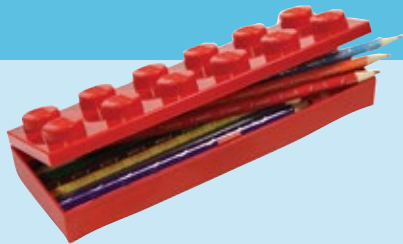
PILLOW PETS

- Pillow Pets is the #1 plush brand in Australia & UK (as tracked by NPD, August 2013)
- Funtastic has now sold in excess of 5.9 million Pillow Pets items (all SKUs)
- 43% of our sales are now into international markets, and growing
- Glow Friends is the latest Pillow Pets feature plush and will arrive in Australian retailers this November
- Glow Friends is one of the most anticipated lines for Christmas 2014
- In Australia over 360,000 Dream Lites have sold to date. In February 2014 Disney characters will be the first licensed Dream Lites to launch



STATIONERY

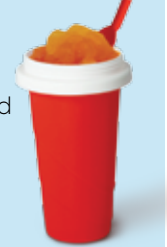
- LEGO® Stationery continues to remain a significant growth category, with strong everyday results generated across UK, USA, Asia and ANZ
- Strong results being generated in Stationery specialist channels, both in ANZ and in international territories, demonstrated by top-selling range in Officeworks for recent BTS program
- Key development areas aligned with LEGO IP launch properties in addition to condition innovation within the classic lines



CHILL FACTOR

OVERVIEW:

- Over 2.4 million units have sold since launch in May 2013
- CHILL FACTOR™ is now Funtastic's fastest growing brand



NOTABLE FACTS:

- #1 Best Selling Product in Homewares on amazon.co.uk
- #3 Best Selling Item By Value in the UK, jumping 4 spots from the previous month! [Source: NPD Data, July 2013, UK]
- #4 Best Selling Item Of All Items in Spain [Source: NPD Data, July 2013, Spain]
- 200,000 units sold in the Nordic region (100% sell thru)
- 500,000 units sold in Benelux
- In Australia, over 42,000 units sold within the first four weeks of release. Estimated forecasts for one retailer only exceeding 500,000 units

FLOATIES

- Complete new innovation line launched summer 12/13 in Australia
- Solid results and TV advertising effectiveness in key Australian retailer
- Test US launch with major sporting chain in progress



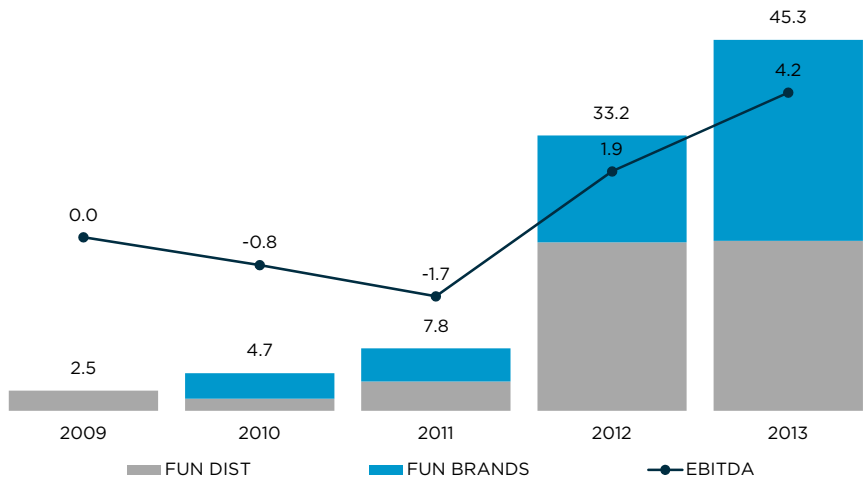
KEY FINANCIALS – FUNTASTIC BRANDS

AUDm	1H		
	1H13	1H12	%CHNG
REVENUE	11.6	4.0	190%
EBITDA	1.4	0.0	▲
EBITDA %	12.4%	1.0%	
GROUP OWN BRANDS REVENUE	22.6	13.0	74%
AUDm	2H		
	2H13	2H12	%CHNG
REVENUE	13.8	10.7	29%
EBITDA	2.7	1.9	47%
EBITDA %	19.7%	17.3%	
GROUP OWN BRANDS REVENUE	22.7	20.2	12%
AUDm	FY		
	FY13	FY12	%CHNG
REVENUE	25.4	14.7	73%
EBITDA	4.2	1.9	120%
EBITDA %	16.4%	12.8%	
GROUP OWN BRANDS REVENUE	45.3	33.2	36%

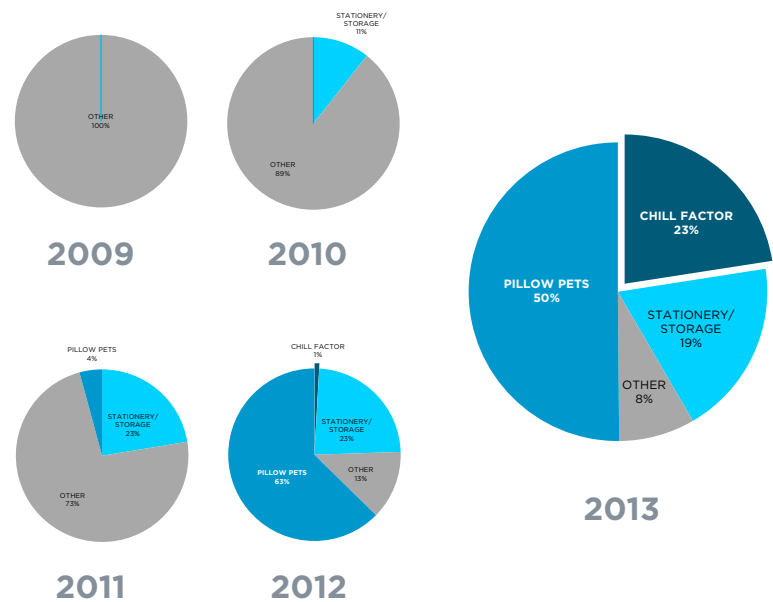
KEY COMMENTS

- Funtastic Brands has become the growth engine of the Funtastic Group with FY13 growth of 73%. When the sale of our own brands product in Fun Australia is included, the FY13 growth was 36%
- Improving scale unlocks the profit over time
- Pillow Pets delivered very strong global sales, slightly impacted by counterfeit and imitation products, and in particular within the Euro 5
- Stationery performance also very solid, limited slightly by time taken to gain traction in key US market
- Chill Factor's initial performance very encouraging with a considerable product pipeline

FUN BRANDS (AUS/INT) REVENUE VS EBITDA



FUN BRANDS (AUS/INT) REVENUE BY BRAND TREND



FUN AUSTRALIA



INNOVATION

BRAND



CHILL FACTOR

Launch of Slushy Maker in August 2013 with in excess of 42,000 units sold after four weeks to date and growing. Continued product innovation with the launch of the Ice Cream maker in December 2013.

POWER RANGERS

Sees it's 20th year with a Megaforce range that interacts with a smart device application and introduces a trading card concept not seen in this role play before.

FLUTTER BYE FAIRY

Launching this September, Flutterbye Fairy uses the same technology as the popular Air Hogs Vectron Wave to hover mid air. It has made the Top Toys lists for Christmas 2013 in both Walmart and Toys R Us in the US.

AIR HOGS

The #1 RC vehicle property launches Hover Assault Eject this October. Being the next iteration of the pre-Christmas sell out - Hover Assault, this item will be key this Christmas.



RAZOR

From the brand that redefined the outdoor category in Australia through the revolutionary Ripstik, Razor presents The Ultimate Drifting Machine, Crazy Cart. A viral sensation in the US with over 800,000 views of a demo video in 6 weeks on the Toys R US USA website, this product has already won the Toys R Us Australia outdoor product of the year before even seeing a sample.

LEAPFROG

With the world's first launch of the market leading reading and writing device in LeapReader occurring in Australia in June, followed by the introduction of revolutionary LeapPad Ultra learning tablet in October; Leapfrog is continuing to lead the market in educational learning. Social media community launched in June 2013 and continues to grow, with 8,500+ facebook fans. This, on top of

the 500,000 plus registered Learning Path users, sees Leapfrog as the educational Pre School brand of choice in Australia. This will be crowned via the LeapPad Ultra, the ultimate kids learning tablet to launch October 2013.

PILLOW PETS

The #1 plush brand in Australia and the #1 SKU in value in the Australian market (according to NPD) goes from strength to strength. Continual brand growth with Dream Lites development and the new Glow Friends launching in November 2013 will see this year as the biggest on record.

CPK

Celebrating it's 30th Anniversary this year, Over 1.25 million Cabbage Patch Kids have been sold worldwide to date. CPK promises to be a key item this Christmas, voted in Toy's R Us's top 5 toys for the past 20 years.

VALUE



Zombie Zity, Predasaurs, Filly & Kawaii Crush: Highly collectible lines that embody popular themes at affordable price points. Strong initial sell through, with range expansions and TV plans in the coming months, these lines are leading the way as Funtastic enter alternate channels of growth.

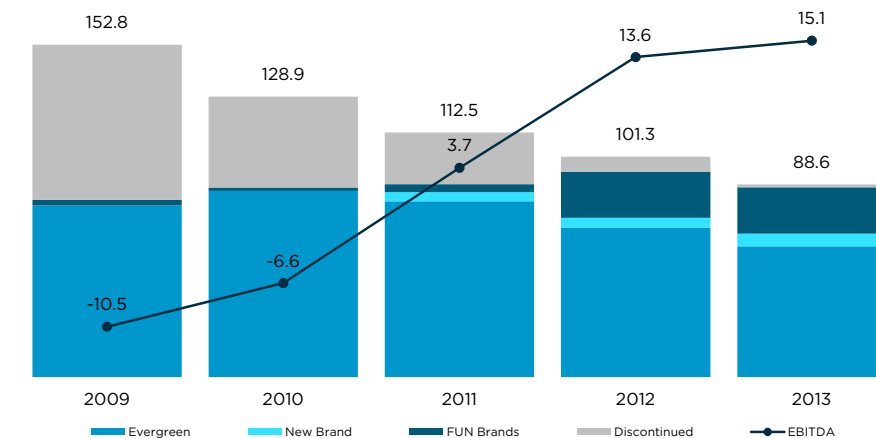
KEY FINANCIALS - FUN AUSTRALIA

AUDm	1H		
	1H13	1H12	%CHNG
REVENUE	47.9	56.1	(14.7%)
EBITDA	8.9	7.8	14.2%
EBITDA %	18.5%	13.8%	
AUDm	2H		
	2H13	2H12	%CHNG
REVENUE	40.7	45.2	(9.8%)
EBITDA	6.2	5.9	6.0%
EBITDA %	15.3%	13.0%	
AUDm	FY		
	FY13	FY12	%CHNG
REVENUE	88.6	101.3	(12.5%)
EBITDA	15.1	13.6	10.6%
EBITDA %	17.0%	13.4%	

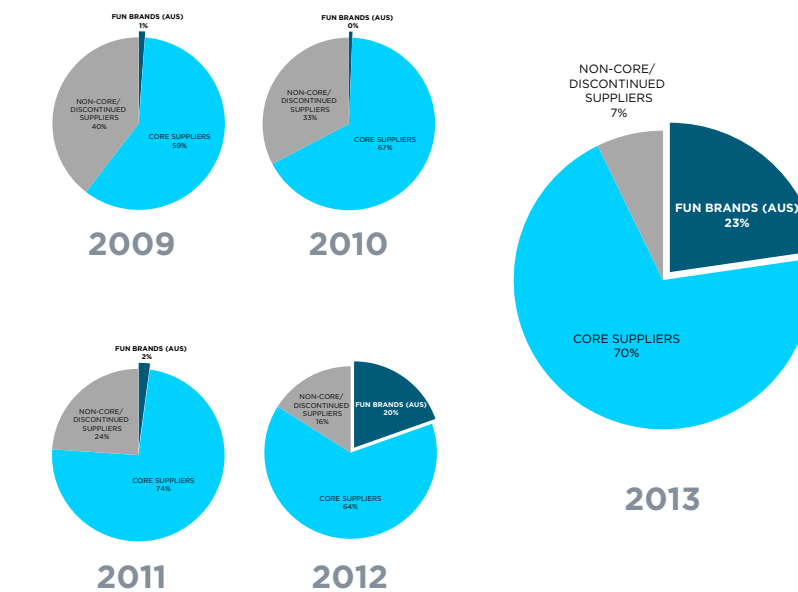
KEY COMMENTS

- Higher profits despite challenging overall retail environment
- Revenue reduction higher than expected driven by much lower replenishment in December/July particularly from mass merchants
- Rationalisation of brand portfolio drove improved margins, especially from owned brands
- Inventory higher due to the lower July replenishment

FUN AUSTRALIA REVENUE VS EBITDA



FUN AUSTRALIA REVENUE BY BRAND



MADMAN ENTERTAINMENT

Madman is Australia's leading independent entertainment sales, distribution and rights management company. Still led by founders and directors Tim Anderson and Paul Wiegard, Madman is wholly owned by Funtastic Ltd.

Madman is unique in the marketplace with an integrated business structure established on four key commercial pillars: Theatrical Distribution, Physical Media (DVD & Blu Ray), Digital and Ancillary sales. Madman has an integrated operational capacity across the product lifecycle.

With an expansive sales network throughout Australia and NZ, a specialist in-house creative team, marketing and publicity

capability, a licensing & acquisition team, supported by a leading production & technical division, Madman is well positioned to deliver to market the best in niche, collectable and special interest genres, as well as premium mass-market offerings.

Madman has an active content library of over 3000 titles spanning genres as diverse as anime (Japanese animation) independent and Australian film, documentary, kids and TV.

THEATRICAL

From script to premiere, Madman's speciality theatrical distribution team works closely with exhibitors, content producers & licensing partners to distribute quality film content into cinemas throughout Australia & New Zealand by developing creative marketing campaigns that engage Australian audiences and deliver box office success.

DIGITAL

Madman is renowned for its adaptability and the ability to grow new markets. Working closely with local & global partners including iTunes, Sony, Foxtel and YouTube, Madman content can be viewed on all key digital platforms as both a download to rent and download to own proposition. Madman is responsible for technical delivery, sales and marketing in this space and is also able to work with external producers and third parties to technically optimise content for viewing via digital platforms.

PHYSICAL MEDIA (DVD & BLU RAY)

Operating across four key categories; Anime (Japanese Animation) Kids, TV and Film, the Madman team is responsible for the end to end delivery of goods into market. This includes content acquisition, technical production, marketing and sales. A genuine focus on retaining quality and creativity in its product offering combined with a fan-first approach to product development ensures Madman retains its status as a leading supplier of physical media into the Australian marketplace.

ANCILLARY SALES

Free to air and subscription television, airlines, hotels – wherever consumers can view entertainment, you'll find Madman content. Our ancillary sales division maximises the potential of acquired content through deals with a diverse network of commercial ancillary partners.

KEY FINANCIALS – MADMAN ENTERTAINMENT

AUDm	1H		
	1H13	1H12	%CHNG
REVENUE	26.9	27.1	(0.6%)
EBITDA	5.0	6.0	(16.7%)
EBITDA %	18.6%	22.2%	

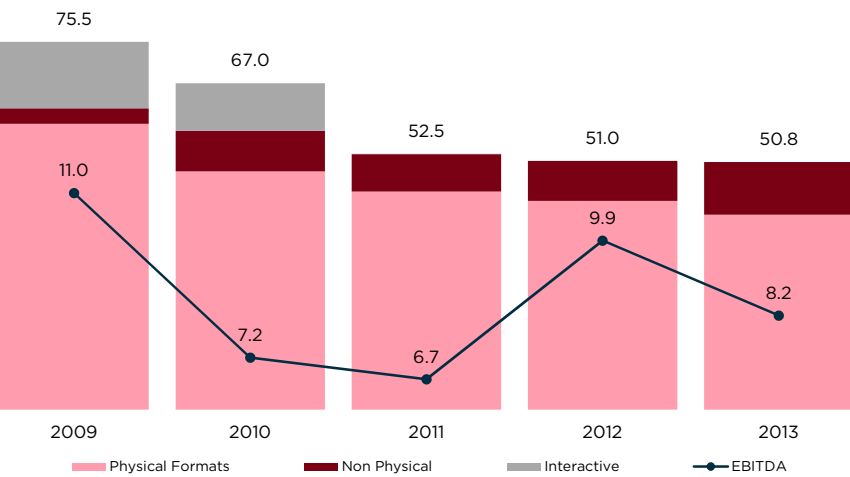
AUDm	2H		
	2H13	2H12	%CHNG
REVENUE	23.9	24.0	(0.3%)
EBITDA	3.2	3.9	(17.1%)
EBITDA %	13.4%	16.1%	

AUDm	FY		
	FY13	FY12	%CHNG
REVENUE	50.8	51.0	(0.5%)
EBITDA	8.2	9.9	(16.8%)
EBITDA %	16.2%	19.3%	

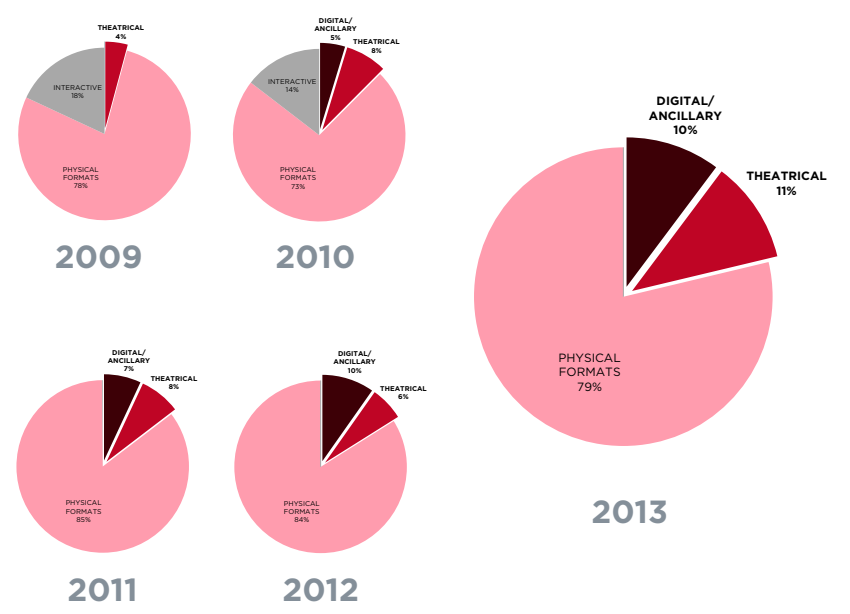
KEY COMMENTS

- Committed investment on digital evolution
- Stronger than forecast performance, slight margin degradation due to mix
- Increased marketing to drive revenue
- Increased share of activity drove increased logistics costs

MADMAN REVENUE BY DISTRIBUTION TYPE



MADMAN REVENUE BY FORMAT



FILMS



HOW I LIVE NOW

- By Academy Award® winning director Kevin Macdonald, starring Academy Award® nominee Saoirse Ronan
- Based on the award-winning young adult novel by Meg Rosoff



SPIVET

- From the celebrated director of Amelie, starring Helena Bonham Carter
- Based on the best-selling novel "The Selected Works of T.S. Spivet" by Reif Larsen



THE HOMESMAN

- An Academy Award® winning cast: Meryl Streep, Tommy Lee Jones and Hilary Swank
- Directed by Tommy Lee Jones



LIFE OF CRIME

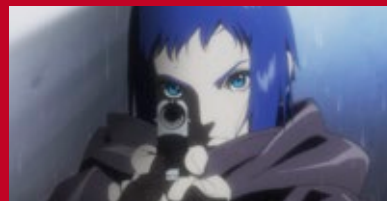
- A critically acclaimed crime comedy starring Jennifer Aniston, Tim Robbins, Isla Fischer and John Hawkes
- Written by Elmore Leonard, the iconic author of Get Shorty, Jackie Brown and Be Cool

ANIME



THE WIND RISES

- The final feature film from Academy Award® winning director, Hayao Miyazaki
- The Studio Ghibli films are among Madman's best-performing brands



GHOST IN THE SHELL: ARISE

- An all-new prequel series to the seminal feature film, Ghost in the Shell
- The Ghost in the Shell features were a key inspiration for The Matrix Trilogy



DRAGON BALL Z: BATTLE OF GODS

- The first Dragon Ball Z theatrical feature in 17 years, grossing US \$30m in Japan
- Over 1,000,000 units of Dragon Ball home-video sold in Australia / New Zealand



NARUTO: THE LOST TOWER

- The latest feature film addition to Madman's best-selling ongoing anime series
- The Naruto franchise has ranked among Madman's top-selling products since 2006



TV



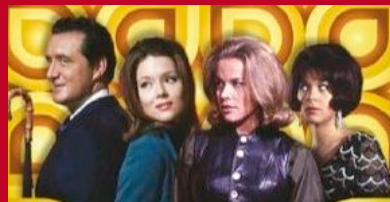
THE FALL

- British crime-drama, starring Emmy and Golden Globe award-winner Gillian Anderson
- As BBC Two's most successful drama since 2008, The Fall is a programming priority on SBS One in late 2013



RESTLESS

- A spy-thriller set in WWII and the 1970s, starring Michael Gambon, Charlotte Rampling, Rufus Sewell and Hayley Atwell
- Written by Booker Prize winning author, William Boyd, coming to SBS early 2014



THE AVENGERS

- The classic spy-fi British TV series returns to DVD in 2014
- A must-own series for fans of cult-television, Madman's release will contain all-new extras



RIVER COTTAGE AUSTRALIA

- Self-sufficiency guru and top chef Hugh Fearnley-Whittingstall brings his River Cottage brand to Madman
- River Cottage Australia is Foxtel's highest rating locally-produced program of the year

KIDS



ADVENTURE TIME

- The kooky Cartoon Network smash hit, adored by fans young and old
- Season 1 DVD is the highest selling children's series in the last 12 months



BEN 10: OMNIVERSE

- Among the strongest selling kids home-video brands with over \$11.4 million dollars at retail LTD
- Madman and Funtastic have worked together to make Ben 10 the most well-regarded boys' action brand of the last 10 years



MY LITTLE PONY: FRIENDSHIP IS MAGIC

- Celebrating 30 years in 2013
- With 98% brand awareness, Friendship Is Magic has reinvigorated an already popular legacy brand



TRANSFORMERS: PRIME

- Based on the best-selling 30 year toy franchise, Transformers 4 is in cinemas in 2014
- A Top 3 best-selling boys' action title on home video over the last 12 months

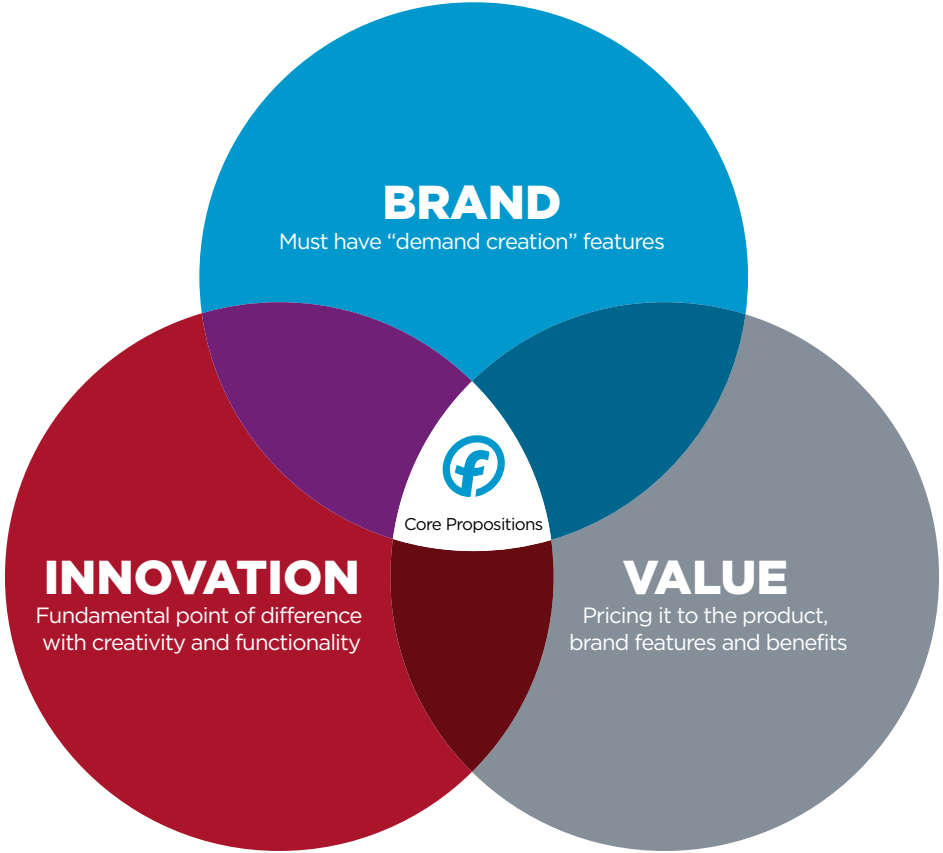
- Over the last financial year, Madman's market share was an average 6.1%
- This places Madman between Disney (8.1%) and Beyond (3.5%)
- Madman over performed in comparison to the average market trend*
- Madman maintains an 88.6% share in Japanese animation (anime)
- Madman's share of the total children's market grew 24% in relation to a 3% kids market decline
- In the last 12 months, the #1 total children category DVD was Adventure Time Season 1

*GFK (July 2013 - so MAT corresponds to Funtastic FY)

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STRATEGIC PRIORITIES AND OUTLOOK FOR FY14

- Deliver earnings per share growth of greater than 10%
- Continue growth of Funtastic owned brands and IP
- Invest in manufactured operations in Hong Kong and China
- Grow alternate channels in Australia
- Continue digital investment and building of platforms in Madman



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