

2014 HALF YEAR RESULTS



AGILITY CREATIVITY INNOVATION

AGENDA

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KEY FINANCIALS

	HY14	HY13	Change
Continuing Operations			
Revenue	61.3	60.1	2.0%
Operating Expenses	18.9	16.8	12.1%
Discontinued Operations			
Revenue	23.3	26.9	-13.2%
Operating Expenses	9.5	10.4	-8.6%

FY14	HY14	HY13
EBITDA ^{1&2}	3.3	11.5
UNDERLYING NPAT ^{&2}	-1.7	6.1
REPORTED NPAT ¹	-25.9	6.1
EPS (Cents) ³	-3.87	1.72
EBITDA/Sales	3.9%	13.2%
Interest Cover	1.6x	3.3x
Net Debt / Equity	62.2%	71.0%

¹ HY13 excludes impact of \$3.2m gain on early settlement of deferred acquisition consideration

² HY14 excludes impact of loss on remeasurement of assets and liabilities in relation to the Madman sale of \$24.2m

³ Calculated on continuing and discontinued operations

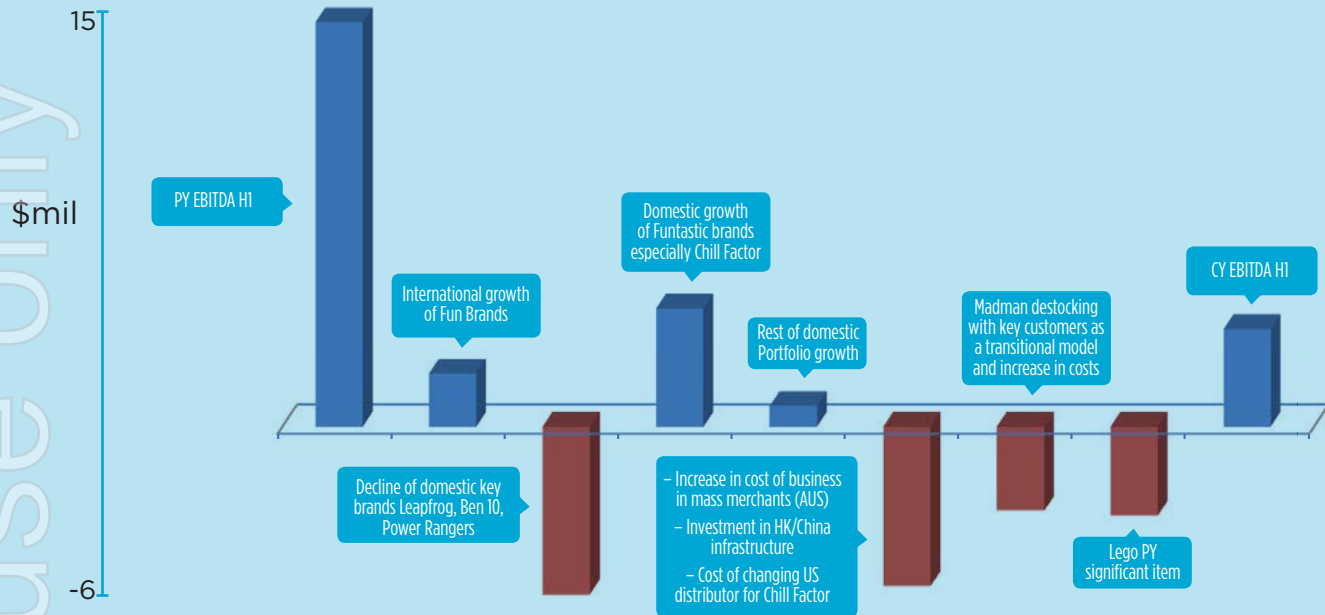
BALANCE SHEET

	JAN 14	JULY 13	Change
Cash Assets	2.6	4.3	-1.7
Receivables	18.8	25.7	-6.9
Inventories	19.9	17.2	2.7
Other Assets	4.9	7.9	-3.0
Assets reclassified as Held for Sale	36.3	65.1	-28.8
Total Current Assets	82.5	120.2	-37.7
Property, Plant and Equipment	1.7	2.1	-0.4
Intangibles	68.5	70.3	-1.8
Other/Financial Assets	0.3	0.6	-0.30
Deferred Tax Assets	13.1	12.9	0.20
Total Current Assets	83.6	85.9	-2.30
Total Assets	166.1	206.1	-40.0
Short Term Debt	50.9	43.2	7.7
Payables	14.2	14.2	-
Current Tax Liabilities	-	-	-
Provisions	1.5	2.5	-1.0
Other Liabilities	4.5	14.8	-10.3
Liabilities Directly Associated with Assets Classified as Held for Sale	15.2	16.3	-1.1
Total Current Liabilities	86.3	91.0	-4.7
Long Term Debt	-	9.7	-9.7
Deferred Tax Liability	1.1	1.1	-
Other	0.9	1.4	-0.5
Total Non Current Liabilities	2.0	12.2	-10.2
Total Liabilities	88.3	103.2	-14.9
Net Assets	77.8	102.9	-25.1
Contributed Equity	208.4	204.5	3.9
Retained Profits	(131.7)	(102.5)	0.2
Other Reserves	1.1	0.90	1.6
Total Equity	77.8	102.9	-25.1

CASH FLOW

Half Year	HY 14	HY 13
Cash Generated from Continuing Operations	6.5	9.9
Cash Generated from Discontinued Operations	1.1	(0.1)
Income Taxes (Paid)/Received	-	(0.1)
Interest & Other Costs of Finance Paid	(2.0)	(3.0)
Net Operating Cash Flow	5.6	6.7
Sale/Purchase of PP&E - Continuing Operations	(0.6)	(0.8)
Sale/Purchase of PP&E - Discontinued Operations	-	-
Interest and other investment income	0.3	-
Payment for Business / Investments	(0.5)	(5.6)
Proceeds from Sale of Business	-	-
Payment for Other Intangible Assets - Continuing Operations	(0.8)	(0.2)
Payment for Other Intangible Assets - Discontinued Operations	(0.7)	-
Other	-	-
Net Investing Cash Flow	(2.2)	(6.6)
Dividends Paid	(3.3)	-
Proceeds from Borrowings	2.7	-
Movement in Borrowings	(4.7)	0.7
Net Financing Cash Flow	(5.3)	0.7
Net Change in Cash Held	(1.9)	0.8

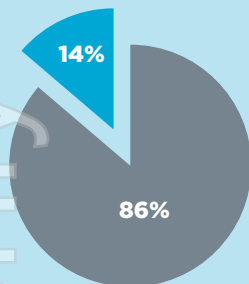
1ST HALF PERFORMANCE BRIDGE



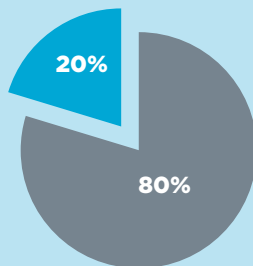
STRATEGY REPORT CARD

REVENUE MIX

2013 H1

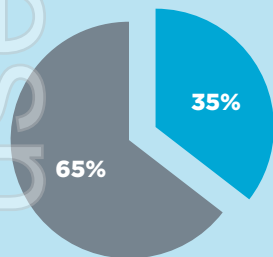


2014 H1

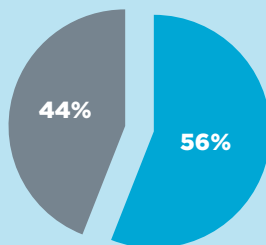


■ International
■ Australia

2013 H1



2014 H1

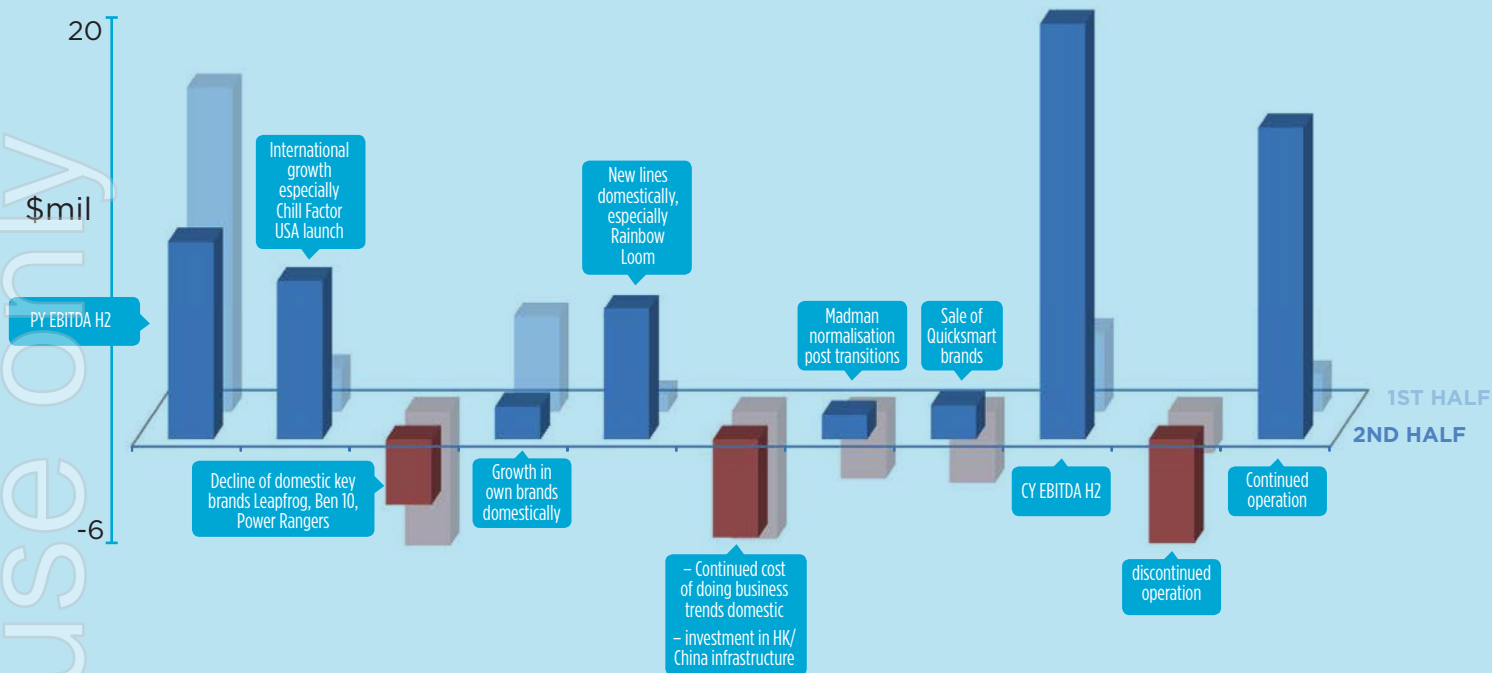


■ Own Brands
■ Agency

FUNTASTIC'S STRATEGIC IMPERATIVES

- Owning and developing its own brands and IP
- Growing international sales

2ND HALF PRIORITIES



- 2014 FY EBITDA guidance of \$19 – 23m (continued operations \$13m to \$16m EBITDA)
- 2H sales growth circa 30-40% driven by Chill Factor US and domestic new lines
- Continued focus on cost and business process optimisation to single entity

MADMAN DIVESTITURE

- **Process proceeding well**
- **Due diligence completed**
- **Key commercial terms agreed**
- **Working through documentation and transitional plans post completion**
- **Proceeds to be applied to debt reduction**

THE CHILL FACTOR PHENOMENON



freeze



squeeze



enjoy



- Global Distribution in 35 countries so far
- US launch March 2014

MORE THAN
5.5mil
UNITS SOLD
WORLDWIDE



SLUSHY CUPS COLOUR BLAST (NEXT VERSION)



ICE CREAM MAKER

MAKES
JELLY IN
MINUTES



JELLY MAKER

MAKES
FROZEN
YOGHURT IN
MINUTES

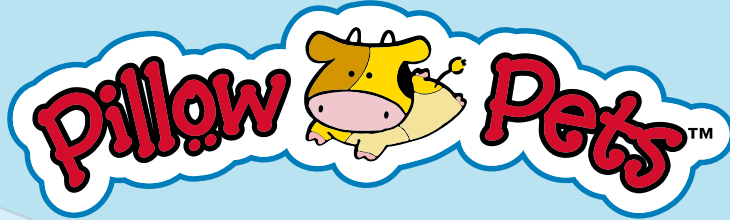


YOGHURT MAKER



ICE TWIST

THE PILLOW PETS FAMILY



- Since launch, over 6.7 million Pillow Pets units have been sold worldwide, with over 1 million units sold in the UK and with over 4.3 million units sold in AUS/NZ alone!
- Pillow Pets is, and remains, the #1 Plush brand in the Australian Market.* and grew 24.9% growth in value vs. last year (source – NPD)



KEY CHAIN



PEE WEES
(original plus licensed)



CORE
(original plus licensed)



JUMBO'S
(original plus licensed)



BLANKIES



DREAM LITES
(original plus licensed)



MINI DREAM LITES



GLOW FRIENDS

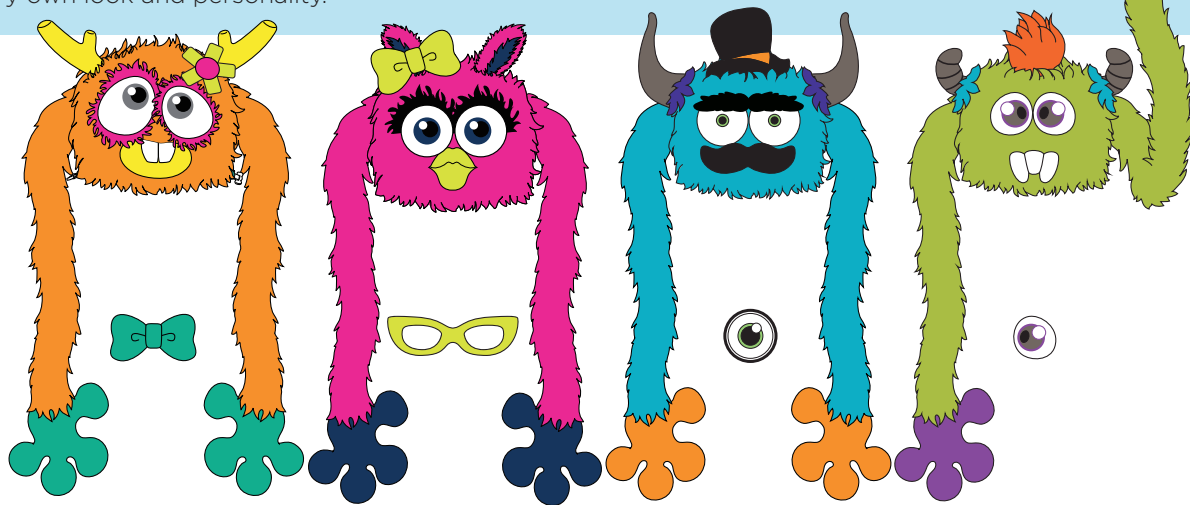
INTRODUCING KLIPPETS (A FUNTASTIC BRAND)



Imagine, create and get in to character with your Klippetts New Friends Pack, the latest wearable, scareable monster puppet plush.

Wearing the customizable plush hat and using the hidden finger holes, tell your Klippetts New Friends monster story.

7 interchangeable accessories allow your Klippetts New Friend to have it's very own look and personality.



2ND HALF 2014 KEY DRIVERS



- Won four TOTY2014 Awards including; Toy of the Year, Activity Toy of the Year, Girls Toy of the Year and Specialty Toy of the Year.
- Will launch in Australia in April of this year with a fully integrated, 360 degree marketing campaign.
- Initial launch will revolve around the Loom kit and bands, with a full range of products being released from August onwards.



2ND HALF 2014 KEY DRIVERS

RAZOR CRAZY CART

- 2014 "Outdoor Toy of the Year" Award – NY Toy Fair
- A social media phenomenon with the latest "Ken Box" You Tube episode receiving over 1 million views.
- A soft launch in Australia leading into Christmas saw a sell out of this product across retail.
- Will be supported by a major TV initiative across June.



ZOOMER

- 2014 "Most Innovative Toy of the Year" Award – NY Toy Fair
- Over 400,000 units sold in the US Christmas 2013.
- A soft launch in Toys R Us Australia leading into Christmas 2013 saw huge PR pick up and sell out in under a month.
- Full TV campaign leading into July catalogues.



AIR HOGS SKY WINDER

- Air Hogs continues to go from strength to strength growing 67% in 2013 and tracking 71% up in 2014 year to date (source – NPD)
- Sky Winder is the new innovative TV Driver for launching June 2014
- Unique never seen before RC concept- cuts through the air like a torpedo!



2ND HALF 2014 KEY DRIVERS

FLUTTERBYE

***Surprise Butterfly Diary/
Dance & Fly Fairy/
Flutterbye Tinkerbell***

- Toy & Hobby Retailer Girls Toy of the Year 2014
- Original Flutterbye Tink sold over 40,000 pieces in the lead into Christmas in Australia 2013.
- Lower priced range has begun well in Australia with TV support leading into Easter.
- Licensed Disney fairies Tinkerbell iteration to star over June/July period in tandem with the release of the latest Disney Fairies Movie.



CABBAGE PATCH KIDS ***Glow Slumber Party***

- Cabbage Patch Kids had a stellar year in 2013, with its 30th anniversary party resulting in sales growth of 31.4% (source – NPDP)
- Momentum set to continue with the introduction of the Glow Slumber Party range.
- Full marketing campaign backed by a Disney Channel “girls night in” consumer promotion should see this be the must have doll this easter.



XENO

- Hugely innovative item coming out of Italian Toy Manufacturer Giochi Preziosi
- Australia will be the first market to launch worldwide in June
- Great Australian retail support with Big W, TRU and ARL supporting over the July catalogue period



SEW COOL

- Complete sell out in TRU US and Canada on launch
- 400K units forecast for 2014 for the US
- Great support from Australian retail with Big W, Target, TRU, Myer, ARL all launching from May onwards to tie into marketing campaign



BIG PLAYS FOR CHRISTMAS



Leapfrog has its biggest and most innovative product release schedule in history with 4 major product launches on the lead into Christmas which will all be supported by comprehensive marketing campaigns. Leapfrog now Has over 500,000 Australians signed up to the Learning path and over 16,000 Australian followers on Facebook.

MY PAL SCOUT & VIOLET

Refresh of Leapfrogs no. 1 toy item in tandem with the first ever time we will take this product to TV will see this become a must have Christmas item



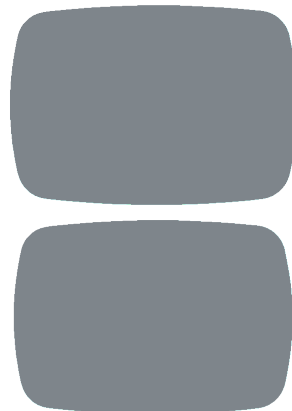
COMING SOON

Launching September, a revolutionary new kids device combining two of the worlds hottest trends in smart watches and fit bracelets.



TABLETS

Leapfrog is the leader in educational kids tablets and has three new cutting edge products that will ensure it continues to lead this space.



COMING SOON

A breakthrough new educational platform supported by the worlds best licenses.



BIG PLAYS FOR CHRISTMAS

AIR HOGS *Rollercopter*

- The latest feature driven helicopter from Airhogs should see Airhogs growth continue to soar.
- With the Helicopter flying inside a round cage, this allows it to roll along the floor, up the wall, along the ceiling or flies as a normal heli.
- Easy to control but difficult to master, this will be a hit with boys aged 5 -12.



DINO-ZOOMER *for Boys!*

- Based on the success of Zoomer comes the new release Dino, he's everything that kids believe a dino should be.
- Zoomer Dino is the most interactive, robotic dinosaur on the market.
- Aimed at 5 to 8 year old kids, he chomps, he is speedy & agile, he is snappy & aggressive, he roars & attacks and, if you gain his trust, he'll show you his softer side. He may even bust a dance move.



PAW PATROL

- The top rating show on Nick Jr this has all the makings of a perennial pre school property.
- This brand was the number 1 failed search on Toys R Us.com in the US on the lead in to Christmas.
- Will launch in September in Australia with Nickelodeon and free to air support.
- US ratings phenomenal
- "Paw Patrol" is averaging 844,000 viewers in the ages 2 to 5 group this quarter, according to Nielsen data supplied by Nickelodeon.

Source Bloomberg Businessweek,
Dec 18 2013



POWER RANGERS SUPER MEGAFORCE

- Perennial brand keeps getting better.
- launched in the US in Feb '14 and currently tracking 10% up week on week vs Megaforce.
- Slated for Channel 9 release in July.



BIG PLAYS FOR CHRISTMAS

PILLOW PETS

- 3 massive TV lead launches leading into Christmas
- **Mini Dreamlite:**
Huge numbers in the US in 2013, this item is being forecast to achieve over 300,000 units in Australia
- **Disney Glowfriends:**
Hot off the back of 2013's Glow Friends success come the Disney character version.
- **Colour Me Pillow Pet:**
One of the most successful toy play patterns of all times comes to pillow pets. Kids will now be able to water colour their favourite pillow pet.



STRAWBERRY SHORTCAKE

- heritage brand backed but TV programming and broad licensed consumer product range.
- TV support on the ten network.
- Strong retailer feedback



FLUTTERBYE

Light Up Fairy

- Taking the successful Flutterbye fairy to new heights!
- She now has LED light up skirt that when it spins looks like a rainbow.
- Huge response already from retail and backed by a major promotional campaign



CABBAGE PATCH KIDS

Twinkle Toes

- Sketchers licensed product. Making CPK cool!
- Twinkle toes light up shoes are a number 1 seller, and now you can match yours with your favorite cabbage patch kid.



SUMMARY & OUTLOOK

- **Disappointing 1st half performance**
- **On track to record significant improvement in 2nd half performance driven by Chill Factor US and new domestic lines of business**
- **Full year 2014 EBITDA guidance of \$19-\$23m maintained (continued operations \$13-\$16m EBITDA)**
- **Madman sale process progressing well with proceeds to be applied to debt reduction**
- **Funtastic own brands strategy delivering, and a domestic push to grow product pipeline**
- **Expect resumption of dividends at full year result**

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