



1 April 2016

Funtastic Announces Institutional Placement and Share Purchase Plan to raise approximately A\$3 million

Funtastic Limited (ASX: FUN) (**Company**) is pleased to announce the launch of a non-underwritten institutional share placement to raise up to A\$2 million (**Placement**). The Placement will be followed by an offer to the Company's eligible Australian and New Zealand shareholders, who will have the opportunity to participate in a non-underwritten Share Purchase Plan (**SPP**) to raise approximately A\$1 million.

Net proceeds from the Placement and SPP will be used to provide additional funding to continue the development and global distribution of the Company's own brands.

The Company's shares have been placed in a trading halt with trading expected to resume at 10:00am on 5 April 2016.

Placement

The placement will be conducted at A\$0.02 per share, which represents a 10.7% discount to the volume-weighted trading price of the Company's shares during the 5 trading days on which share trades were recorded immediately prior to *1 April 2016*.

The new shares to be issued under the Placement (**Placement Shares**) will be fully paid ordinary shares. These shares will rank equally in all respects with existing fully paid ordinary shares on issue in the Company and they are expected to be issued on or around 15 April 2016. The Company expects up to 100,000,000 fully paid ordinary shares will be issued under the Placement. The issue of shares under the Placement will be limited to institutions and other sophisticated and professional investors.

Subject to shareholder approval, two of the Company's directors, namely Mr Nir Pizmony and Mr Grant Mackenzie (or their respective nominees) intend to participate in the Placement. The Company will convene a general meeting to seek shareholder approval for the participation of these directors in the Placement. It is anticipated that the general meeting will be held on or around 17 May 2016. Placement Shares will only be issued to these directors following shareholder approval being obtained at the general meeting.

The Company will not seek prior shareholder approval for the issue of shares under the Placement, but it intends to seek subsequent approval for the issue of these shares under ASX Listing Rule 7.4 at the general meeting referred to above.

SPP

Under the SPP, holders of existing shares in the Company as recorded on the share register as at 7.00pm (Melbourne time) on the record date of 31 March 2016 and who are eligible shareholders in Australia or New Zealand will be invited to subscribe for up to A\$15,000 of new fully paid ordinary shares in the Company per eligible shareholder.

Participation in the SPP will be optional and no brokerage costs, commissions or other transaction costs will be payable by eligible shareholders.

The offer price for each new share under the SPP will be the same as the issue price under the Placement (A\$0.02). The new shares to be issued under the SPP will rank equally in all respects with existing fully paid ordinary shares on issue in the Company and they are expected to be issued on or around 29 April 2016. The Company expects up to 50,000,000 fully paid ordinary shares will be issued under the SPP.

The SPP offer opens at 10.00am (AEDT) on 8 April 2016 and is expected to close at 5.00pm (AEDT) on 29 April 2016.

The Company will not seek shareholder approval for the issue of shares under the SPP.

Full details of the SPP, including the SPP application form (**Application Form**) will be available in the SPP Offer Booklet, which will be mailed to eligible shareholders on or around 8 April 2016. Eligible shareholders who wish to participate in the SPP will need to ensure their completed Application Form and payment is received by 5.00pm (AEDT) on 29 April 2016.

-ENDS-

For more information, please contact:

Grant Mackenzie
Company Secretary
Telephone: +61 3 8531 0000

For personal use only