



Friday, 1 September 2017

UPDATE

1. CAPITAL RAISING OFFER BOOKLET

Funtastic Limited (ASX:FUN) (**FUN**) has today despatched the Offer Booklet and the accompanying personalised Entitlement and Acceptance Forms to eligible shareholders.

The Offer Booklet and a blank version of the accompanying Entitlement and Acceptance Form are attached. The Offer Booklet will also be available on the ASX website www.asx.com.au and FUN's website at <https://www.funtastic.com.au>.

The Offer Booklet contains information in relation to FUN's pro rata 11 for 5 renounceable entitlement offer.

The Entitlement Offer will close at 5.00pm (Melbourne time) on Tuesday, 12 September 2017.

Only eligible shareholders may participate in the Entitlement Offer. The eligibility criteria for the Entitlement Offer will be set out in the Offer Booklet and a separate announcement to both eligible and ineligible shareholders.

For further information on the Entitlement Offer you should call the Funtastic Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (from outside Australia) between 8:30am and 5:30pm (Melbourne time) Monday to Friday during the Entitlement Offer Period, or consult your stockbroker, lawyer, accountant, financial adviser or other independent professional adviser.

2. MARKET UPDATE

Since FUN's last market update on 23rd August 2017, whilst not considered material, a claim in respect to 'make good' costs in respect to a previous warehouse in Victoria has been made against the company's bank guarantee. This claim has had the impact of increasing the company's debt by \$1m and a corresponding reduction in the bank guarantee facility. The company has previously provided \$630K against this claim. FUN views the additional amount claimed of \$370K as unreasonable and is taking legal steps in relation to this matter.

Yours sincerely

Grant Mackenzie
Company Secretary
Funtastic Limited



Important Information

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States, or in any other jurisdiction in which such an offer would be illegal. No action has been or will be taken to register, qualify or otherwise permit an offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, neither the entitlements to subscribe for new Funtastic Shares (**Entitlements**) nor the new shares to be issued in Funtastic (**New Shares**) have been, or will be, registered under the U.S. Securities Act of 1933 (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered, sold or resold to, persons in the United States or to persons who are acting for the account or benefit of a person in the United States, unless such Entitlements or New Shares have been registered under the Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

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