



13 June 2008

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, Stock Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

**ASX Announcement – Update- Continuing Discussions with Archer Capital Consortium**

Attached is an announcement updating the market on the continuing discussions with the Archer Capital Consortium.

Yours faithfully

D J Berry  
Company Secretary

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13<sup>th</sup> June 2008

## **ASX ANNOUNCEMENT**

### **MARKET UPDATE REGARDING DISCUSSIONS WITH ARCHER CAPITAL CONSORTIUM**

Funtastic announced to the market on 21<sup>st</sup> May that it had received a non binding indicative proposal from a consortium led by Archer Capital Pty Ltd to acquire 100% of the ordinary shares on issue in Funtastic by way of a scheme of arrangement.

Funtastic has granted the consortium a period of exclusivity to facilitate the parties' continuing discussions in respect of the proposal. Under the proposal, the consortium is seeking to acquire all of the ordinary shares on issue in Funtastic at 80 cents per share by way of scheme of arrangement. The consortium is currently in the process of conducting due diligence investigations as part of those ongoing discussions.

Shareholders should note that, although discussions with the consortium are continuing, there can be no assurance that the discussions will result in an agreed outcome or in a formal proposal being submitted to Funtastic's shareholders.

Funtastic will continue to keep shareholders informed of further material developments as they arise in line with all legal requirements.

For more information on Funtastic, visit the web site at [www.funtastic.com.au](http://www.funtastic.com.au) and for comment contact Tony Oates, Managing Director, Funtastic Limited Ph: 03 9535 5888 or Anna Kirby, Public Relations for Funtastic Limited Ph: 03 9486 9357.