



9th July 2009

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

Dear Sir,

ASX Announcement – Sale of Manchester Business

Attached is an Announcement concerning the sale of Funtastic's Manchester Business.

Yours faithfully

D J Berry
Company Secretary

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9 July, 2009

ASX ANNOUNCEMENT

SALE OF MANCHESTER BUSINESS

Funtastic Limited announced today the sale of its Manchester business unit to Network Clothing Company Pty Ltd. The estimated sale price is the value of net assets of approximately \$1.4 million and \$1 million goodwill consideration subject to certain conditions being completed by 31 December 2009.

According to Funtastic Chairman, Graeme Yeomans, reducing the level of debt has and will continue to be a key focus of Funtastic's management.

"As highlighted in our previous sale announcements, the Board has been completing a strategic review of the Toy business as well as the other key business units within the Group," Mr Yeomans said. "As part of this review, the Manchester business was assessed as not fitting with the long term strategic direction of Funtastic."

"The sale of our Publishing business in early 2008 was the start of our divestment of non-core assets and has been followed by the recent sales of Planet Fun and the Footwear and Apparel business units."

"The sale of the Manchester business unit is one of the final stages of the Board's strategic review of non-core assets."

KPMG Corporate Finance acted as financial advisor to Funtastic Limited on the Manchester business transaction.

Network Clothing Company is a leading manufacturer and importer of quality garments for all ages and markets. Founded in 1988 by Mark Eddy and Frank Grabowski, the company is currently solely operated by the Eddy family.

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For more information on Funtastic visit the web site at www.funtastic.com.au and for comment contact Anna Kirby, Public Relations for Funtastic on 03 9486 9357.