

[For immediate release]



PLAYMATES TOYS ANNOUNCED 2014 INTERIM RESULTS

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Highlights

For the six months ended 30 June	2014 HK\$'000	2013 HK\$'000
Revenue	835,235	596,185
Gross profit	517,501	373,438
Operating profit	266,882	200,036
Profit before income tax	263,914	195,647
Income tax (expense)/credit	(88,410)	15,364
Profit attributable to equity holders of the Company	175,504	211,011
	HK cents	HK cents
Earnings per share		
- Basic	14.93	18.24
- Diluted	14.59	18.02
Interim dividend per share	5.00	nil

- **Turnover growth due to initial shipment of *Teenage Mutant Ninja Turtles* ("TMNT") movie toys, expanded product line and distribution territories**
- **TMNT toys continued to perform well at retail driven by sustained popularity of the TV show**
- **Nickelodeon confirmed plans for Season 4 of the TMNT TV show, expected to debut Fall 2015**
- **TMNT movie released in early August and ranked number one in gross box office receipts in its opening weekend in the US; Paramount announced sequel for 2016**
- **Sales of TMNT products expected to continue to be strong in second half of 2014**

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(August 29, 2014 – Hong Kong) – **Playmates Toys Limited** (“Playmates Toys” or “the Company”, HKEx Stock Code: 869) announced today its interim results for the six months ended 30 June 2014. Group worldwide turnover during the first half of 2014 were HK\$835 million (2013 same period: HK\$596 million), an increase of 40.1% compared to the same period last year. Group operating profit for the period was HK\$267 million (2013 same period: HK\$200 million). Net profit attributable to shareholders during the first half of 2014 was HK\$176 million (2013 same period: HK\$211 million) and basic earnings per share was HK Cents 14.93 (2013 same period: HK Cents 18.24). The Board declared an interim dividend of HK\$0.05 per share (2013 interim dividend: nil).

According to the Company, gross profit ratio on toy sales was 62.0% (2013 same period: 62.6%). The decrease in gross profit ratio was attributable to additional tooling expenses related to new product segments. Recurring operating expenses increased by 44.5% compared to the prior year period, reflecting higher marketing and promotional expenses, and increased overhead expenses. Net profit reflected an adjusted normalized effective tax rate of 31.4% during the first half of 2014.

Group Chairman Mr. Thomas Chan commented: “The increase in turnover during the first half of 2014 was driven mainly by the initial shipments of products related to the **TMNT** movie, as well as expanded **TMNT** product line and distribution territories.

“**TMNT** TV show continues to achieve top ratings with the core boys’ audience in the US and Nickelodeon has recently confirmed plans for Season 4, expected to debut in Fall 2015. Driven by the sustained popularity of the TV show, **TMNT** toys continued to perform well during the period at retail as the number one action figure brand in the US and rank among the top three brands in many major markets. The **TMNT** movie was released in early August. It ranked number one in gross box office receipts in its opening weekend in the US and prompted Paramount to announce plans for a sequel for 2016.

“For the Fall selling season, in addition to core product line extensions, we are introducing a new **TMNT** product segment developed specifically for younger kids. The planned 2015 product line, which includes more new segments, including one with the Mutations theme, has received enthusiastic response from the trade.”

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“In addition to investing in line extensions and new product segments for our current brands, we are actively pursuing selective new opportunities that are good fits for our core competence.”

Mr. Chan concluded, “While uncertainties and risks remain in our operating environment, we are confident that sales of **TMNT** products, driven by sustained popularity of the Nickelodeon TV show, the release of the summer blockbuster movie from Paramount Pictures, and introduction of innovative new products, will continue to be strong in the second half of 2014.”

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