

[For immediate release]



PLAYMATES TOYS ANNOUNCED 2014 ANNUAL RESULTS

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Highlights

	For the year ended 31 December		
	2014 HK\$'000	2013 HK\$'000	% change
Revenue	2,160,206	1,658,527	+30.2%
Gross profit	1,336,344	1,041,734	+28.3%
Operating profit	648,238	546,542	+18.6%
Profit attributable to shareholders	490,672	533,374	-8.0%
	<i>HK cents</i>	<i>HK cents</i>	
Basic earnings per share	41.44	45.73	
Full year cash dividends per share	15.00	15.00	

- *Teenage Mutant Ninja Turtles* ("TMNT") reached new height and continued to maintain top position in US action figure toy category, driven by the Nickelodeon TV series and the Paramount movie.
- New *Half-Shell Heroes* products were very well received by consumers and set to become a significant extension of the brand.
- European markets performed below expectation due to geopolitical developments and economic conditions although *TMNT* remained one of the top action figure brands in all major European markets.
- In 2015 management expect US economic outlook to remain positive but European business conditions will continue to be weak.

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(March 20, 2015 – Hong Kong) – **Playmates Toys Limited** (“Playmates Toys” or “the Group”, HKEx Stock Code: 869) announced today its results for the year ended 31 December 2014. The Group worldwide turnover for the year ended 31 December 2014 was HK\$2,160 million (2013: HK\$1,659 million), an increase of 30.2% compared to the prior year. The group reported an operating profit for 2014 of HK\$648 million, an increase of 18.6% compared to prior year (2013: HK\$547 million). Net profit attributable to shareholders was HK\$491 million (2013: HK\$533 million), reflecting the impact of a normalized tax rate in 2014 (22.8%) as tax credits due to accumulated losses in prior years were substantially utilized during 2013. Basic earnings per share was HK Cents 41.44 (2013: HK Cents 45.73). The Board declared a second interim dividend of HK Cents 5 per share and a special interim dividend of HK Cents 5 per share, making full year cash dividends of HK Cents 15 per share for the year (2013: HK Cents 15 per share).

Gross profit ratio on toy sales was 61.9% (2013: 62.8%). The slight decrease in gross profit ratio was primarily attributable to additional development and tooling expenses related to new product introductions. Recurring operating expenses were 31.9% of sales (2013: 29.9%), reflecting incremental marketing and promotional expenses to launch new product segments.

Group chairman Mr. Thomas Chan commented: “We have another successful year in executing our planned programs and achieving the intended results in 2014. **Teenage Mutant Ninja Turtles** (“**TMNT**”) reached new height and continued to maintain its top position in US action figure toy category, driven by the Nickelodeon TV series and the Paramount movie. The new **Half-Shell Heroes** product segment launched in the second half of 2014 was very well received by consumers and set to become a significant extension of the brand going forward. **TMNT** remained one of the top action figure brands in all major European markets.”

Mr. Chan continued, “As with any entertainment driven business, we expect a new set of challenges and opportunities in 2015. There will be strong competitive pressure with several major action adventure movies driving competitive brands during the year, whereas the next **TMNT** movie is planned for summer 2016. On the macro level, we expect the US economic outlook to remain positive but continued weakness of the European currencies will impact the European markets and may exacerbate the ongoing adverse business conditions in Europe.”

**For enquiries, please contact:
iPR Ogilvy Ltd.**

Karen Tse / Molisa Lau

Tel: (852) 2136 6950 / 2136 6953

Fax: (852) 3170 6606

Email: karen.tse@iprogilvy.com / molisa.lau@iprogilvy.com