

[For immediate release]



PLAYMATES TOYS ANNOUNCED 2015 ANNUAL RESULTS

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Highlights

	For the year ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Revenue	1,551,464	2,160,206
Gross profit	956,002	1,336,344
Operating profit	396,054	648,238
Profit attributable to shareholders	276,245	490,672
	HK cents	HK cents
Basic earnings per share	22.84	41.44
Full year cash dividends per share	10.00	15.00

- Playmates Toys' 2015 turnover decreased driven by stronger competitors, weaker sales outside US market, and compared against last year's sales related to *Teenage Mutant Ninja Turtles* ("TMNT") movie.
- In 2016, *TMNT* business should benefit from continued *TMNT* TV entertainment from Nickelodeon as well as the *TMNT* movie sequel from Paramount.
- Playmates Toys new toy brands coming in 2017: *Ben 10* , from Cartoon Network; *Voltron: Legendary Defender*, from Dream Works Animations, and *Mysticons*, from Nelvana Studio in partnership with Nickelodeon and The Topps Company.

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(March 24, 2016 – Hong Kong) – **Playmates Toys Limited** (“Playmates Toys” or “the Group”, HKEx Stock Code: 869) announced today its results for the year ended 31 December 2015. The Group worldwide turnover for the year ended 31 December 2015 was HK\$1,551 million (2014: HK\$2,160 million), a decrease of 28% compared to the prior year. The Group reported an operating profit for 2015 of HK\$396 million, a decrease of 38.9% compared to prior year (2014: HK\$648 million). Net profit attributable to shareholders was HK\$276 million (2014: HK\$491 million). Basic earnings per share was HK Cents 22.84 (2014: HK Cents 41.44). The Board declared a second interim dividend of HK Cents 5 per share, making full year cash dividends of HK Cents 10 per share for the year (2014: HK Cents 15 per share).

Gross profit ratio on toy sales was 61.6% (2014: 61.9%). The slight decrease in gross profit ratio was attributable to higher level of development and tooling expenses related to new product introductions, partially offset by a higher percentage of overall sales generated in the US market. Recurring operating expenses decreased by 19% from the prior year period, reflecting lower selling, royalty and overhead expenses, but increased promotional expenses.

Driven by the popular TV show, as well as new product introductions, Playmates’ **TMNT** toys continued to perform well at retail. According to NPD and trade reports, **TMNT** continued to rank among the top selling boy’s action toy brands in the US and key international markets during 2015. Retail sell-through ratio of our Turtles toys in the US at the end of the year was close to 90%.

Group Chairman Mr. Thomas Chan commented: “As expected and foretold, our lower level of performance in 2015 compared to the prior year reflected a year without the benefit of a movie driver; formidable competition from other action adventure franchises, and weakened international markets due to the relative strength of the US currency.

“In 2016, we expect strong competitions, uncertainties in the global economy and challenging conditions in our International markets to persist. On the other hand, the performance of our **TMNT** business should benefit from continued **TMNT** TV entertainment from Nickelodeon as well as the **TMNT** movie sequel from Paramount.”

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Mr. Chan continued: “We are very excited to sign on as the global master toy partner for several new properties over the past twelve months, including **Ben 10**, **Voltron** and **Mysticons**, all backed by significant entertainment contents from major animation studios. Development works for these new brands are well under way in preparation for toys to be launched in 2017 and beyond.”

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