

[For immediate release]



## PLAYMATES ANNOUNCED 2009 ANNUAL RESULTS

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### Highlights

	For the year ended 31 December		
	2009 HK\$'000	2008 HK\$'000	% change
Turnover	740,635	813,207	-9%
- from property investments & associated businesses	98,602	98,143	0%
- from investment business	5,593	11,468	-51%
- from toy business	636,440	703,596	-10%
Gross profit	381,200	362,497	+5%
Revaluation surplus/(deficit) on investment properties	230,488	(117,687)	+296%
Operating profit/(loss)	301,261	(503,508)	+160%
Profit/(loss) attributable to shareholders	239,408	(454,773)	+153%
	HK\$	HK\$	
Basic earnings/(loss) per share	1.09	(2.04)	
Full year cash dividend per share	0.10*	0.12	

*\*In addition to the full year interim cash dividend of HK\$0.10 per share, a dividend in specie in the proportion of one share of Playmates Toys Limited for every two shares of the Company held by the shareholders was declared by the Board*

- **Property investments and associated businesses segment remained stable despite the economic uncertainty**
- **Playmates Toys recorded higher gross profit percentage on toy sales attributable to a mix of higher margin product and a decrease in closeout sales; efforts to control and reduce operating costs resulted in 20.3% decrease in recurring operating costs**
- **Playmates Toys continues to pursue a focused strategy to selectively invest in new licenses and brands in categories of its core competence**

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(March 26, 2010 – Hong Kong) – **Playmates Holdings Limited** (“Playmates” or “the Group”, HKEx Stock Code: 635) announced today its results for the year ended 31 December 2009. Group turnover for the year ended 31 December 2009 was HK\$741 million (2008: HK\$813 million). Operating profit was about HK\$301 million (2008: operating loss of approx. HK\$504 million). Net profit attributable to shareholders was HK\$239 million (2008: net loss HK\$455 million). Basic earnings per share amounted to HK\$1.09 (2008: basic loss per share HK\$2.04). In addition to the first interim dividend of HK\$0.05 per share, a second interim dividend of HK\$0.05 per share and a special dividend in specie in the proportion of 1 share of Playmates Toys Limited for every 2 shares of Playmates held by the shareholders was declared by the Board (2008: interim dividends in total of HK\$0.12).

The property investments and associated businesses remained stable as compared to that of last year despite the economic uncertainty following the unprecedented global financial crisis. Turnover increased by approx. 3% to HK\$109 million (2008: about HK\$106 million). Operating profit before property revaluation increased by approximately 17% to about HK\$67 million (2008: about HK\$57 million). After accounting for the effect of the property revaluation surplus, the property investments and associated businesses segment reported an operating profit of approximately HK\$298 million for the year under review (2008: operating loss of about HK\$60 million after revaluation deficit).

Group chairman, Mr. Thomas Chan said, “In 2010, barring any significant risk of economic uncertainty, we expect steady growth in this segment in the medium to long term when consumer sentiment and the retail market improves and further stabilises. We will continue to pursue our strategy of seeking growth in terms of capital appreciation and recurring income.”

Playmates Toys turnover for the year ended 31 December 2009 was HK\$636 million (2008: HK\$704 million). Operating loss was HK\$35 million (2008: HK\$139 million).

Gross profit ratio on toy sales was 45.9% (2008: 38.3%). The increase in gross profit ratio in 2009 compared to 2008 was attributable to a mix of higher margin product and a decrease in closeout sales, which were partially offset by an increase in development expenses and tooling costs as a percentage of turnover.

Recurring operating expenses were managed to a level below last year with lower advertising and promotional spending and a reduction in general and administrative expenses.

Playmates Toys turnover decreased due primarily to disappointing performance of both the **Star Trek** and **Terminator: Salvation** movie brands, decreased sales of **Teenage Mutant Ninja Turtle** products and the discontinuation of the **Disney Princess** license; partially offset by the introduction of the **iCarly** brand which performed well.

New brands in 2010 include: **Michael Jackson**, King of Pop, "The most popular artist in the history of show business"; **Hero: 108**, a Cartoon Network and Moonscoop Entertainment property with an MMOG and animated TV series; "**Shrek Forever After**", the fourth Shrek movie scheduled for May 2010 worldwide premier. Playmates Toys will also launch in limited distribution two new girl's product lines: **Rainbow Brite**, a line of dolls and horses based on a heritage girls brand from Hallmark, and **My Pixies** line of toddler dolls and role play toys.

Mr. Chan continued, "We anticipate the challenging operating environment for the toy industry will continue in 2010. Playmates Toys will continue its cost control and reduction efforts as it continues to pursue a focused strategy to selectively invest in new licenses and brands in categories of its core competence.

"During 2009, Playmates Toys has laid the foundations for a number of major initiatives that are expected to bear fruits in the coming years. We have renewed our long term master toy license for the **Teenage Mutant Ninja Turtles**. In partnership with the Viacom group, the new owner of the franchise, Playmates Toys has commenced the preparation for a major re-launch of the Turtles planned for 2012, supported by an all new TV series on Nickelodeon, as well as a new movie to be distributed by Paramount. We are also investing into the development of proprietary brands to be launched in late 2010 or 2011. One such proprietary brand of products under development is to be distributed through non-traditional channel to the consumers."

Treasury investment reported a net gain from investments compared with a loss in 2008.

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