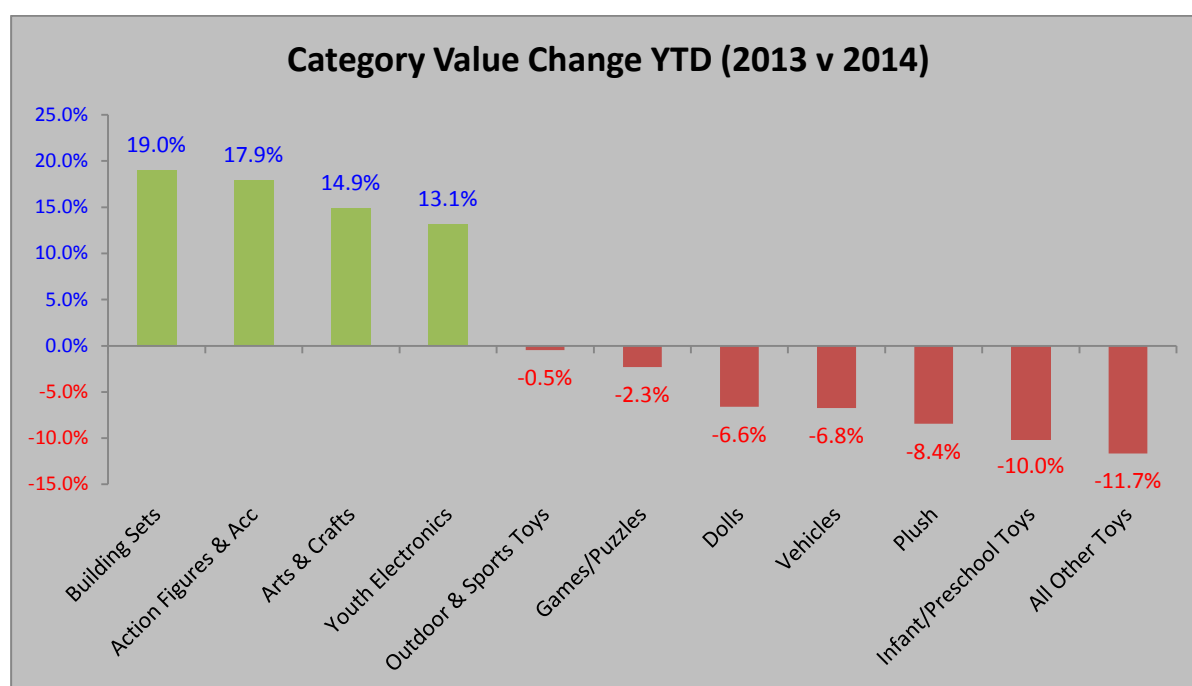


Toy Catalogue even though positive, has proved that 2014 hasn't been the year many were expecting.

The Toy Catalogue 2014 has finished and there are plenty of variables to analyse: the first one is that after seven months we are seeing the same level of sales we did in 2013; the second one is that there are less than 5 months to close this year, that means retailers along side with distributors and manufacturers will focus their strategies to end up with positive figures after Christmas; and last, what is causing the deceleration.

It took the industry 7 months to catch up with the sales from 2013. Even though July was a good month and most of the figures were positive, it didn't clear all the doubts about this year's slower performance. It's true that results need to be read with magnifying glass as some Categories are outperforming others, so in spite of having a general improve over July, some Categories such as 'Dolls', 'Plush' or 'Infant/Preschool Toys' are struggling to convert the red figures into green



One element is undeniable: Movies are a huge stimulus to some of the growing Categories. The last delivery of the Transformers sequel; the upcoming remake of the 1990's Teenage Mutant Ninja Turtles or the successful animated movie How To Train Your Dragon are just examples of how the industry is making the most of these partnerships. Some other films that complete this high gross generating licensing are Spiderman, Avengers, Despicable Me and Star Wars (Planning their 7th movie to be released 2015).

The questions some of us ask of the 2014 are: Are licensed toys based on films leading the course in sales? What is happening to innovation in the industry? Will non licensed toys find a way to come back?

Top 10 performance Properties by value change in July 2014:

Rank	Property	
		% \$ Chg
1	Fisher Price	7.2%
2	Star Wars	50.1%
3	City	29.6%
4	Peppa Pig	341.3%
5	Transformers	298.2%
6	Disney Princess	8.6%
7	Teenage Mutant Ninja Turtles	4.0%
8	Barbie	-29.1%
9	Friends	35.5%
10	Razor	77.0%

From the amazing virtual success to the retailers' shelves



Speaking about licensing but not from the film industry this time, Minecraft is climbing up the toy ladder really fast.

In line with our arguments about what is generating sales and if there is a shift from manufacturers to make the most from already established and well positioned TV icons or movie characters, now the turn goes to this blocky pixelated video game that has proved to be a complete phenomenon.

The production of Minecraft- toys is already in place and many of them have been hitting the shops for kids/parents to enjoy outside the virtual universe. Toys related to this Property had an amazing boost representing sales of more than \$3 million YTD and reaching already 0.6% of the market share. The effect is though a bit delayed, given that the video game was launched in July 2011 but it became a massive success last year.

While parents, teachers and researchers debate the healthiness of hours and hours dedicated to the game, the toy industry is delighted to see the rise of a new character in this vast universe. This will be a Property to watch for Christmas time.

For more information about the Australia Toy Insight report, please contact Miguel Velasquez at miguel.velasquez@npd.com

About The NPD Group, Inc.

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