

ATA Report

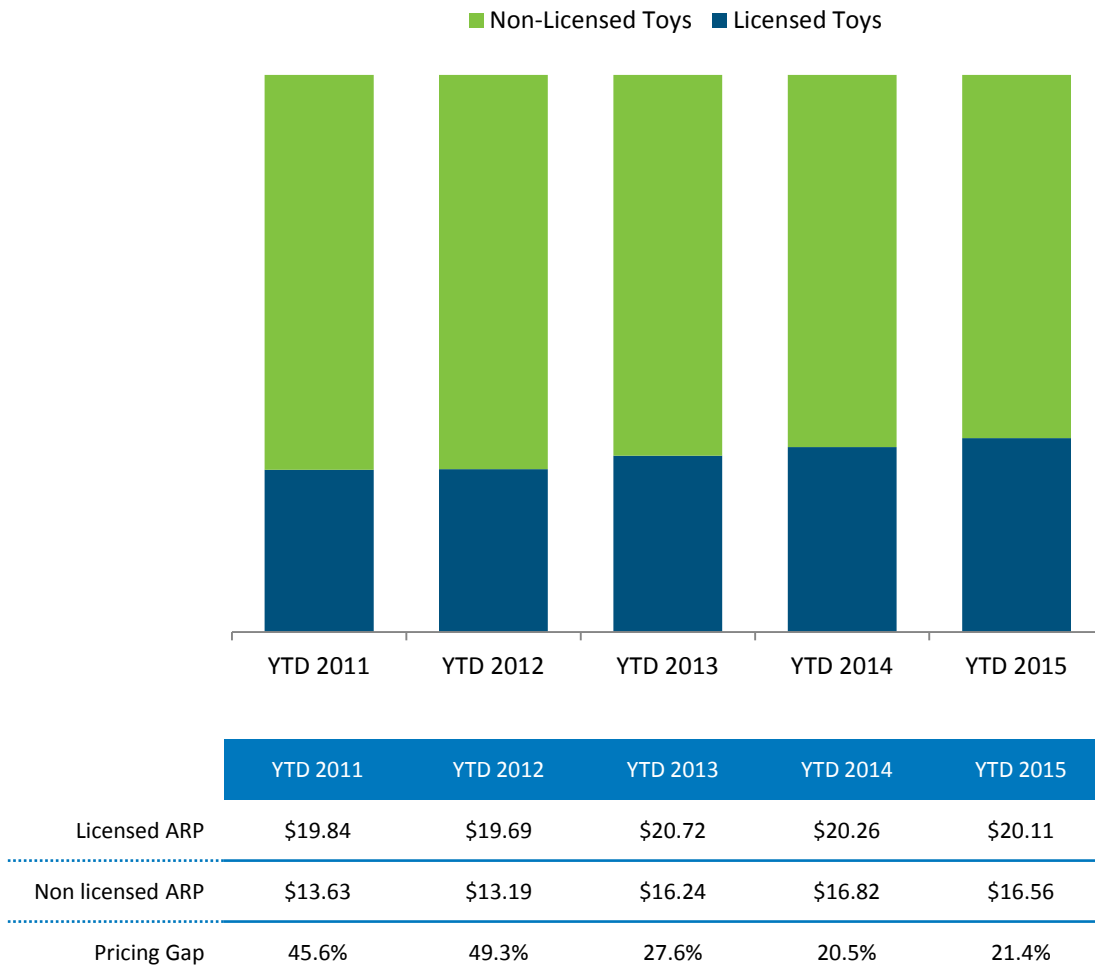
September 2015

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Licensed toys share

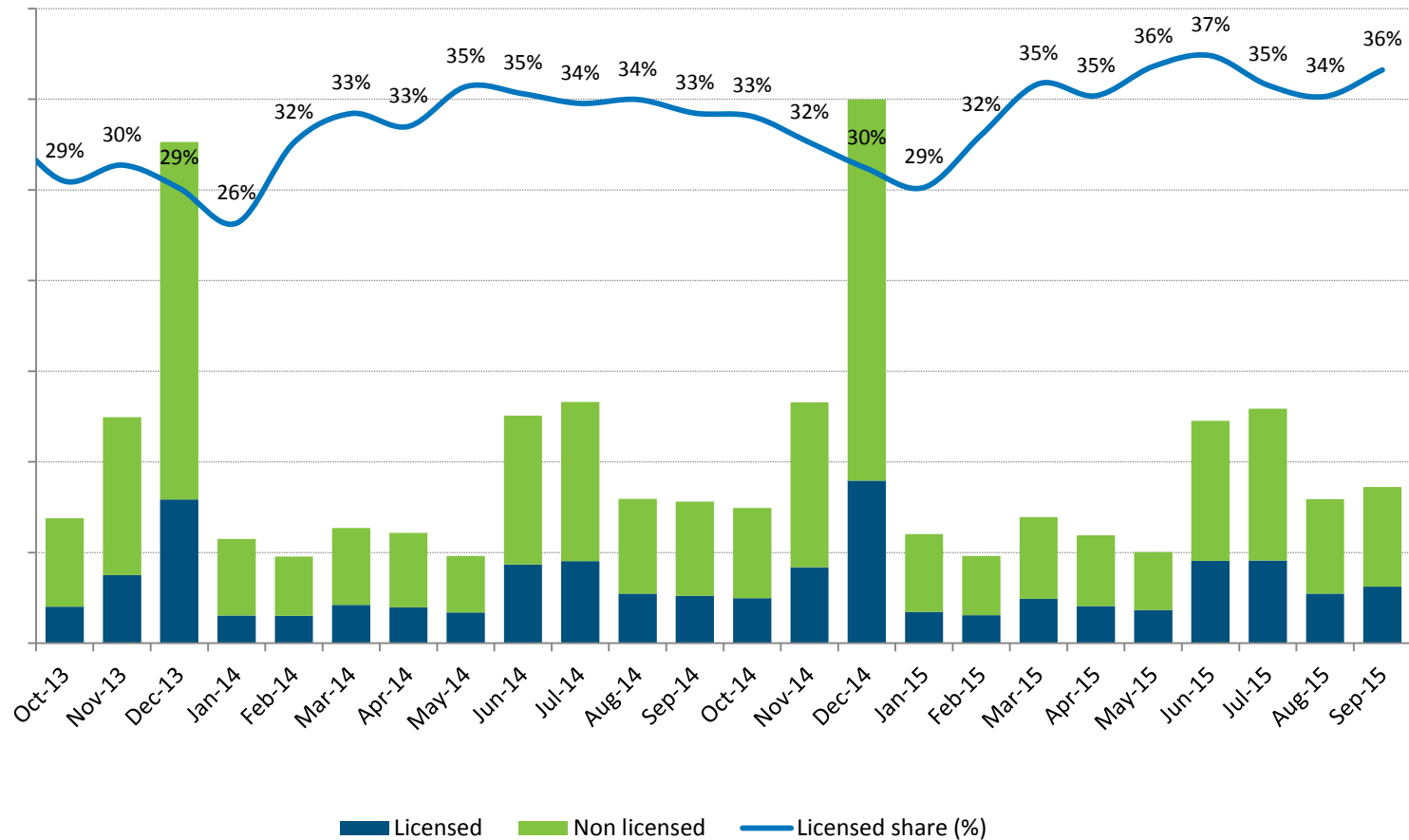
While the licensed toy share is growing, the pricing gap between licensed and non licensed toys is closing



- Licensed toys have grown from **29.1%** of the market in 2011 to **34.8%** of the market in 2015.
- Pricing gap during Toy Cat period is closing –Licensed to Non licensed toys gap was **45.6%** in 2011, and is now just **21.4%** in 2015.
- ARP has fallen for Licensed toys in YTD 2015, mainly driven by an expansion in low priced licensed collectibles, such as Disney Frozen and Despicable Me – Minions mini figures, along with small collectible Thomas & Friends vehicles

Evolution of License by Month

Licensed toys continue to represent a greater proportion of the total toys market, taking 36% share in September 2015



Licensed Toys: Main Players ranked by Value

Mattel is the leading distributor of Toys, followed by Lego & Hasbro

1.



Mattel is the top licensed toy distributor YTD 2015, down -3.2% compared with last year. **Thomas & Friends** is Mattel's top performing license, followed by **Monster Jam & Disney Frozen** (\$1m). On the downside, **Disney Planes** and **Dora the Explorer** lost value.

2.



Lego has grown significantly this year in the Licensed Toy segment, up 44.9% in the YTD compared with 2014. This growth can be attributed to its strong success with the **Minecraft** license as well as **Avengers**. Furthermore, **Star Wars** continues to be Lego's number 1 license YTD.

3.



Hasbro is the 3rd largest distributor of licensed toys, and has had a very successful year in the licensed toys segment YTD compared to 2014, with a 47.4% growth. **Avengers** is Hasbro's largest and best performing license in the YTD 2015 followed by **Jurassic World**.

4.



Big Balloon has slipped from 3rd largest licensed toy distributor in 2014 to 4th, which is mainly attributed to the poor performance of **Peppa Pig** YTD. However, this has been largely offset by the **Despicable Me - Minions** license, which has added significant value to this distributor.

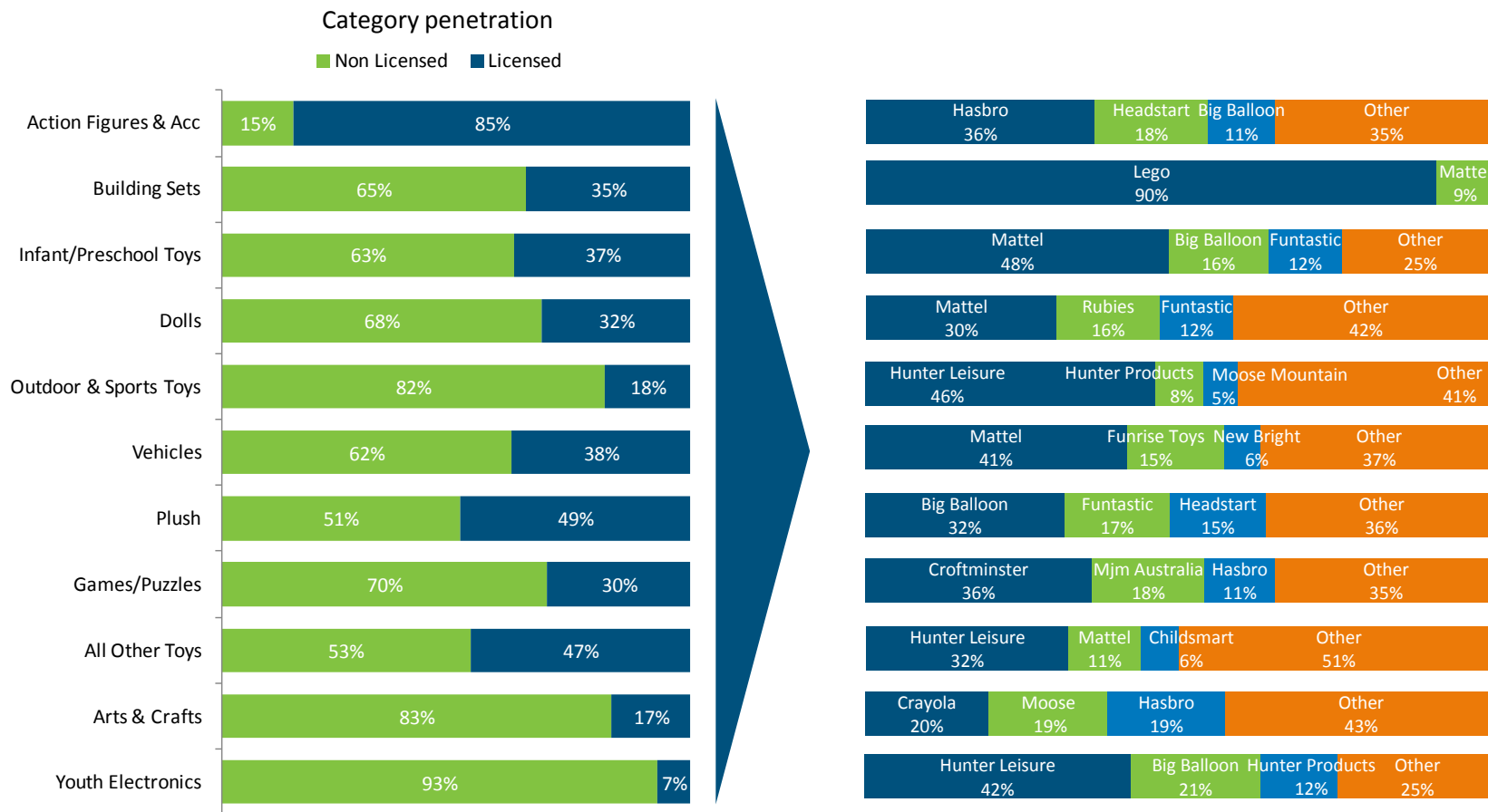
5.



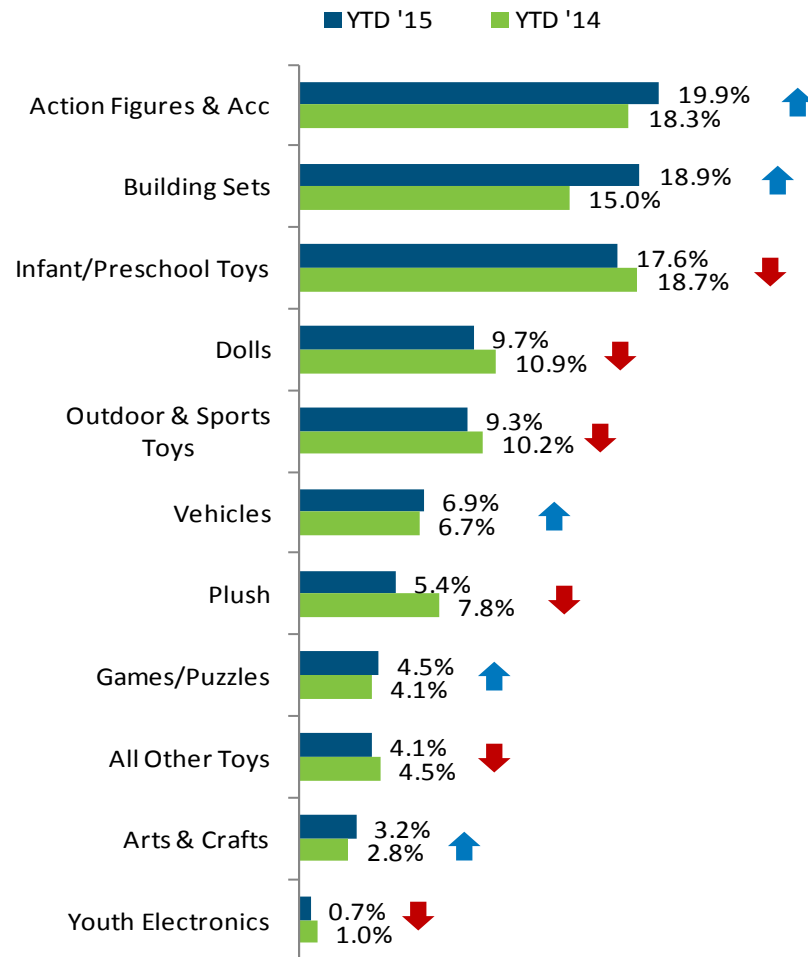
Hunter Leisure has now crept into the top 5 position above Headstart. This is driven by Hunter's strong performance with the **Disney Frozen** and **Avengers** licenses.

Toy Category Penetration

Action Figures & Acc has the highest penetration of licensed toys, driven by the category's strong link to entertainment



Toy Category Share by Value – Licensed Toys

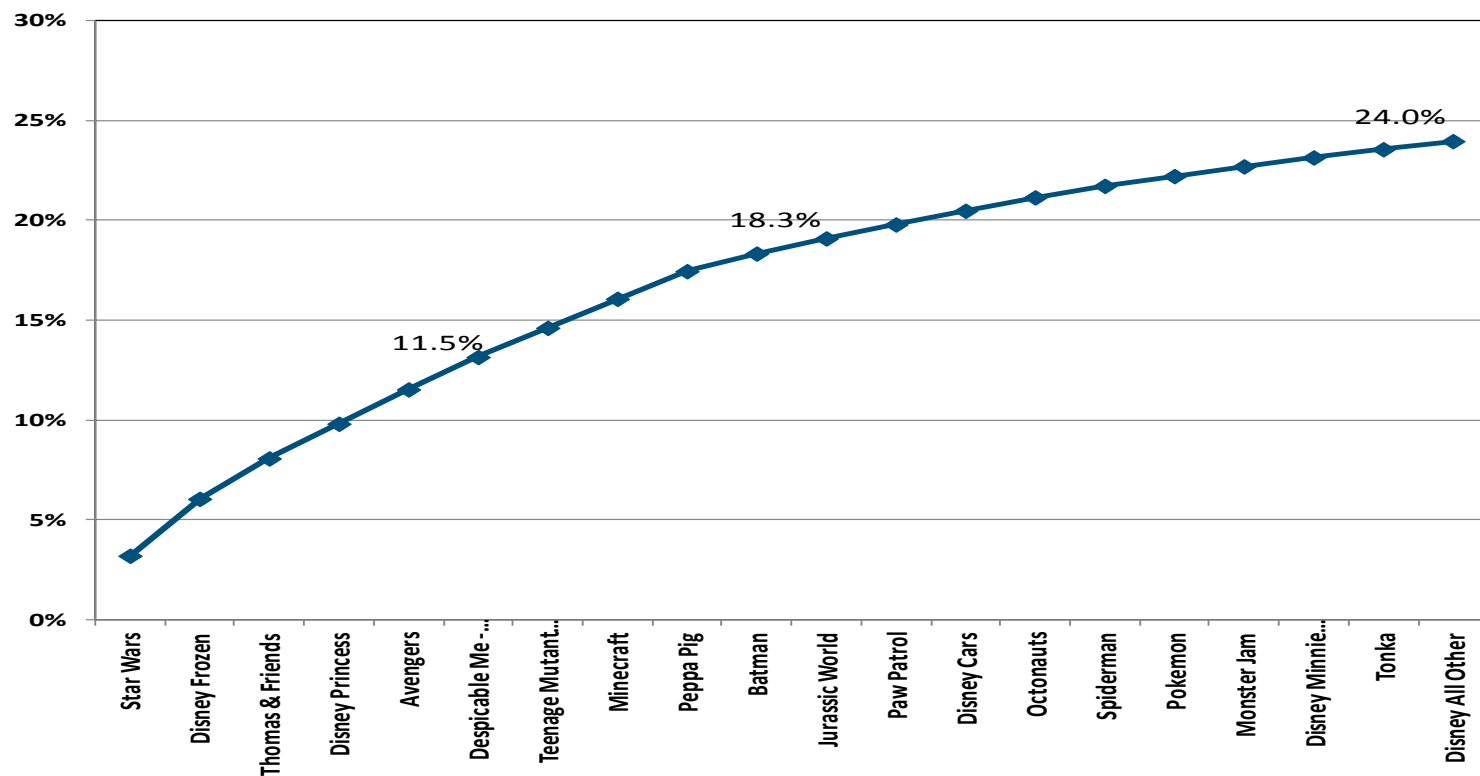


Strong growth in licensing from:

- Building Sets
- Games/Puzzles
- Arts & Crafts categories
- Action Figures

Top Licenses

Licensed Properties Cumulative Share (Total Toys)



- Top 5 licensed properties represent 11.5% of the total toys.
- Top 10 licenses contributed with more than 18% of total toys sales.
- Top 20 licensed toys represent more than 24% of the sales in the toys industry.

Top Licensors Trends

1.



Walt Disney has declined in the YTD compared with 2014, with most of its licenses in decline including **Disney Princess, Cars, Minnie Mouse & Planes**. However, Disney Frozen has offset most of this decline, adding significant value in YTD 2015.



2.



With the impending Star Wars E7 to be released at the end of the year, the **Star Wars** license has performed strongly. September was especially a big month for this license



3.



Marvel is currently the 3rd largest licensor, enjoying strong growth from the **Avengers** license. 'Age Of Ultron' gave a huge boost to this license.



4.



Universal has experienced an extremely high level of growth coming from its **Despicable Me – Minions** and **Jurassic World** licenses, which together added +\$13.2m in the YTD



5.



Thomas & Friends has driven strong growth for HIT entertainment YTD 2015. (24.8% growth)



6.



Nickelodeon's **TMNT** license is beginning to lose steam, losing -\$3.4m in the YTD. Overall, Nickelodeon as a licensor has lost -\$4.8m this year, with **Dora the Explorer** also contributing to this decline. However, on the positive side, **Ben & Holly** has added +\$1m.



7.



Microsoft is one of the star performers in 2015, adding almost 80% growth in sales compared with 2014. Driving this growth is **Minecraft**, which as alone added +\$5.8m in the YTD.



Thank you

Contact OZToys

Lee Schofield

Account Manager

T: (02) 8257 6424

M: +61 (0) 499 000 233

E: lee.schofield@npd.com

Miguel Velasquez

Account Manager

T: (02) 8257 6424

M: +61 (0) 418 500 547

E: miguel.velasquez@npd.com

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