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**RC2 Acquiring The First Years and Playing Mantis;
The First Years Solidifies RC2's Presence in the Infant Market;
Playing Mantis Adds Depth to RC2's Collectibles Segment**

Oak Brook, IL – June 7, 2004 – RC2 Corporation (NASDAQ: RCRC), a leading producer and marketer of innovative adult collectibles and children's and infant's toys, today announced it has signed definitive purchase agreements to acquire two independent companies -- The First Years Inc. (NASDAQ: KIDD) and privately-held Playing Mantis, Inc.

The First Years, based in Avon, Massachusetts, is a leading international developer and marketer of care and play products for infants and toddlers sold under The First Years® brand name and under various licenses, including Winnie the Pooh. The company's products are sold at toy, mass merchandising, drug and grocery chains, and at specialty retailers. Net sales for the twelve months ended March 31, 2004 were \$138.9 million with estimated operating income excluding depreciation and duplicative public company expenses of \$19.3 million (see attached schedule). The transaction is a cash merger and is subject to regulatory approvals, approval by the shareholders of The First Years and other customary closing conditions. The acquisition is expected to close in RC2's 2004 third quarter. The merger agreement calls for RC2 to purchase all of The First Years' outstanding shares at a purchase price of \$18.60 per diluted share, which net of cash acquired, equates to a cash consideration of approximately \$136.8 million. This amount excludes certain costs, including transaction fees and expenses. Ronald Sidman, The First Years' Chairman and CEO, and his family have entered into voting agreements which support this proposed transaction.

Playing Mantis, based in Mishawaka, Indiana, designs and markets collectible vehicle replicas under the Johnny Lightning® and Polar Lights® brands and collectible figures under the Memory Lane™ brand. Playing Mantis' products are primarily sold at mass merchandising, hobby, craft, drug and grocery chains. In 2003, Playing Mantis' net sales

were \$28.5 million and estimated operating income excluding depreciation, inventory rationalization costs, certain private company expenses and duplicative professional fees was \$2.7 million (see attached schedule). The transaction is an asset purchase with an effective date of June 1, 2004, which was signed after the market close on Friday and is expected to be funded today. The purchase agreement calls for closing consideration of \$17.0 million of cash and \$2.5 million in shares of RC2's common stock. Additional cash consideration of up to \$4.0 million may be earned based on achieving net sales and margin targets for 2004 and net sales targets for 2005. Tom Lowe, founder, President and sole shareholder of Playing Mantis, will remain as an executive officer with RC2 and will receive all of the stock consideration.

The Company is financing the Playing Mantis transaction under its existing credit facility. The First Years transaction and future working capital needs are expected to be provided for with a new committed senior credit facility for up to \$270 million to be fully underwritten by Harris Nesbitt who is the lead bank in the Company's existing senior credit facility. The Company is also considering equity financing alternatives. Assuming these acquisitions are funded with only bank debt, the Company expects that its debt to EBITDA (earnings before interest, taxes, depreciation and amortization) ratio will be less than 2.5 times.

The Company expects to achieve annual combined integration cost savings ranging from \$10.0 million to \$15.0 million over the first 24 months. These transactions are expected to be accretive to full year results, net of the dilution from potential equity financing alternatives, with the initial estimated EPS increases ranging from \$0.08 - \$0.10 in 2004 and \$0.20 - \$0.25 in 2005. Due to the seasonal nature of sales, the timing of closing these transactions and the timing of achieving cost savings, there could be some EPS dilution in individual quarters.

Curt Stoelting, CEO of RC2, said, "We are delighted to have reached separate agreements with both The First Years and Playing Mantis. Both of these opportunities are consistent with our strategy of acting on significant consumer trends, building consumer loyalty and generating repeat purchases while achieving a leadership position in each of our target markets."

"Adding these two well-respected companies allows RC2 to further its strategy of marketing its brands through multiple sales channels and increases our retail presence, especially in chain stores. Although the majority of both of these companies' customers are already served by RC2, there is very little product overlap with our current products. By increasing our size, scale and market penetration, we expect that our soon to be combined company will better utilize and strengthen our licensing, marketing and sourcing capabilities including our consumer research, product design, sales management, customer service and supply chain."

"The First Years' well established branded product lines and relationships with key retailers when combined with our existing Lamaze and Learning Curve lines provide a powerful brand and distribution platform and give RC2 the opportunity to become a

category leader in both the infant care and play segments of the market. We believe that the infant market, which is less seasonal than the traditional toy market, provides a meaningful growth opportunity for RC2 domestically as well as internationally.”

“Playing Mantis’ Johnny Lightning and other collectible brands are very complementary to RC2’s existing collectible vehicle and figure product lines and should allow us to further leverage and cross-utilize our combined licensing portfolio, tooling library, product sourcing capabilities and multiple channels of distribution. Tom Lowe and his team at Playing Mantis have developed a strong reputation with collectors and with retailers as subject matter experts who consistently deliver high-quality, authentic products.”

“We are extremely pleased that key management and personnel from both The First Years and Playing Mantis will be joining our team, bringing tremendous industry experience and an entrepreneurial spirit consistent with RC2’s culture.”

Robert W. Baird & Co. served as financial advisor to RC2 in connection with both acquisitions.

Conference Call and Web cast Information

The Company will hold a conference call with a web cast at 11:00 a.m. EDT on Monday, June 7. The dial-in number is 877-407-8031 for domestic participants or for international participants, 201-689-8031. If you are unable to participate in Monday’s conference call, playback of the call will be available beginning at 2:00 p.m. EDT, Monday, June 7 through Friday, June 11 at 12:00 a.m. EDT. To hear the playback of the call, dial 877-660-6853 (domestic) or 201-612-7415 (international) and enter account code 1628 for conference ID 107746. This call will also be available live and in replay to all analysts/investors through a web cast service. To listen to the live call, go to www.vcall.com at least fifteen minutes early to register, download and install any necessary audio software. For those who cannot listen to the live broadcast, replays will be available shortly after the call on VCALL.

Company Description

RC2 (www.rc2corp.com) is a leading designer, producer and marketer of high-quality, innovative collectibles and toys targeted at adult collectors and children, as measured by sales and brand recognition. The Company’s diverse product offerings include: automotive, high performance and racing vehicle replicas; agricultural, construction and outdoor sports vehicle replicas; traditional children’s toys; sports trading cards, apparel and souvenirs; and collectible figures. These products are sold under the Company’s market-focused brand names, including Racing Champions®, Ertl®, Ertl Collectibles®, Learning Curve®, American Muscle™, AMT®, W. Britain®, Press Pass®, Eden®, Feltkids®, JoyRide® and JoyRide Studios®. The Company supports its brands and enhances the authenticity of its products by linking them with highly recognized licensed properties from John Deere, Harley-Davidson, HIT Entertainment, Lamaze, Case New Holland, Polaris, Honda, Caterpillar, Ford, GM, DaimlerChrysler, NASCAR, NHRA, Texaco, Universal Studios, Warner Brothers, DIC Entertainment, Discovery Channel and

Microsoft, among others. The Company's products are marketed through multiple channels of distribution, including chain retailers, specialty and hobby wholesalers and retailers, OEM dealers, corporate accounts for promotional purposes and direct to consumers. The Company sells through more than 25,000 retail outlets located in North America, Europe, Australia and Asia Pacific.

Forward Looking Statements

Certain statements contained in this release are considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking words or phrases such as "anticipate," "believe," "can," "could," "expect," "intend," "may," "plans," "potential," "estimate," "predict," "continue," "future," "should," "will," "would" or the negative of these terms or other words of similar meaning. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. The Company's actual results and future developments could differ materially from the results or developments expressed in, or implied by, these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to, the following: the acquisition of The First Years is subject to a number of conditions, including the receipt of necessary regulatory approvals, shareholder approval and customary closing conditions, and no assurance can be given that the acquisition will be consummated; the Company may not be able to manufacture, source and ship new and continuing products on a timely basis; the Company is dependent upon timely shipping of product and unloading of product through West Coast ports as well as timely rail/truck delivery to the Company's warehouse and/or customers' warehouses; increases in the cost of raw materials used to manufacture the Company's products and increases in freight costs could increase the Company's cost of sales and reduce the Company's gross margins; currency exchange rate fluctuations could increase the Company's expenses; customers and consumers may not accept those products at prices sufficient for the Company to profitably recover development, manufacturing, marketing, royalty and other costs; the inventory policies of retailers, together with increased reliance by retailers on quick response inventory management techniques, may increase the risk of underproduction of popular items, overproduction of less popular items and failure to achieve tight shipping schedules; competition in the markets for the Company's products may increase significantly; the Company is dependent upon continuing licensing arrangements with vehicle manufacturers, agricultural equipment manufacturers, major race sanctioning bodies, race team owners, drivers, sponsors, agents and other licensors; the Company may experience unanticipated negative results of litigation; the Company relies upon a limited number of independently owned factories located in China to manufacture a significant portion of its vehicle replicas and certain other products; the Company is dependent upon the continuing willingness of leading retailers to purchase and provide shelf space for the Company's products; and general economic conditions in the Company's markets. Such uncertainties and other operational matters are discussed further in the Company's quarterly and annual filings with the Securities and Exchange Commission. The Company undertakes no obligation to make any revisions to the forward-looking statements contained in this

release or to update them to reflect events or circumstances occurring after the date of this release.

- Table to Follow -

The First Years Inc.
Selected Income Statement Data
(in thousands)

	For the twelve months ended March 31, 2004 <u>(Unaudited)</u>
Net sales (1)	<u>\$ 138,861</u>
Operating income (1)	15,236
Depreciation (1)	2,866
Duplicative public company expenses (2)	<u>1,192</u>
Operating income excluding depreciation and duplicative public company expenses	<u><u>\$ 19,294</u></u>

(1) Amounts taken from annual and quarterly SEC filings of The First Years Inc.

(2) Amounts estimated by RC2 based on information provided by The First Years Inc. as part of RC2's due diligence procedures. Amounts include such items as professional fees for legal, audit and tax services; director's and officer's insurance; transaction fees; and other corporate expenses.

Playing Mantis, Inc.
Selected Income Statement Data
(in thousands)

	For the twelve months ended December 31, 2003 <u>(Unaudited)</u>
Net sales (1)	<u>\$ 28,477</u>
Operating income (1)	538
Depreciation (1)	1,391
Inventory rationalization costs (2)	652
Private company expenses and duplicative professional fees (2)	<u>139</u>
Operating income excluding depreciation, private company expenses and duplicative professional fees	<u><u>\$ 2,720</u></u>

(1) Amounts taken from annual audited financial statements of Playing Mantis, Inc.

(2) Amounts estimated by RC2 based on information provided by Playing Mantis, Inc. as part of RC2's due diligence procedures.