

CORPORATE HEADQUARTERS

RC2[®] Corporation
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NASDAQ: RCRC



OVERVIEW

RC2[®] Corporation (www.rc2corp.com) is a leading designer, producer and marketer of innovative, high-quality toys, collectibles, and juvenile products that strives to build consumer loyalty by fulfilling the passions of all ages. The branded toys, collectibles and juvenile products are fun to own and use, and encourage repeat purchases.

RC2's infant and preschool products are marketed under its Learning Curve[®] family of brands which includes The First Years[®] by Learning Curve, and Lamaze[®] brands as well as popular and classic licensed properties such as *Thomas & Friends[™]*, *Bob the Builder[™]*, *Winnie the Pooh*, John Deere[®] and Sesame Street.

RC2 markets its collectible and hobby products under a portfolio of brands including Johnny Lightning[®]. RC2 reaches its target consumers through multiple channels of distribution supporting more than 25,000 retail outlets throughout North America, Europe, Australia, and Asia Pacific.

In 1997, RC2 Corporation (formerly Racing Champions) became a publicly traded company on the NASDAQ Stock Market: **RCRC**. RC2, a pioneer in the collectible racing replica business, increased its product breadth and distribution channels by acquiring The Ertl Company, another leading collectibles and toy company in 1999. In 2003, RC2 enhanced its product breadth in children's and infant toys through the acquisition of Learning Curve International, thereby establishing RC2 as a strong player in the multi-billion dollar toy market. Most recently with the acquisition of The First Years and Playing Mantis in 2004, RC2 is now poised to become a category leader in the infant, toy and collectible categories.

PRODUCT APPROACH

RC2's mission is to offer consumers a lifecycle of consistently high-quality products, beginning with early development from birth, growing into engaging play, and continuing beyond childhood to support their imaginations and passions throughout the years.

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With that common objective throughout its brands, RC2 establishes a consumer loyalty that encourages repeat purchases with all its parenting, play and collectible products.

For infant care products under its Learning Curve brands, RC2 actively seeks insights from new or expectant families. Learning Curve's teams evaluate the products that offer the greatest care and support for a baby's changing world. Then, they identify new concepts to further help parents and caregivers in keeping babies safe and comfortable, while adding a splash of fun with friendly colors and characters to many of its products.

Within the play category, Learning Curve evaluates traditional and trending play patterns, integrates popular and enduring licensed characters, and conducts sampling and market research to determine if the end products suit its audience's expectations for fun and imaginative play.

Once beyond childhood, RC2's collectibles brands under Johnny Lightning & ERTL / John Deere evolve further with more direct inquiries and responses from active hobbyists, collectors and other popular enthusiasts. Working with these groups, RC2 collectibles teams gain exceptional perspectives that identify the right concepts for the right audiences as well as authentic and historic information on a range of licensed properties and characters. Remaining true to its founding principles of innovation, the company believes this unique approach is a trademark of its current and future success for all of its categories.

KEY LICENSING PARTNERS

- John Deere®
- HIT Entertainment (*Thomas & Friends™* and *Bob the Builder™*)
- Daimler Chrysler®
- Disney®
- Ford Motor Company®
- General Motors®
- Lucasfilm
- Marvel®
- Case / New Holland®
- Sesame Street®
- Lamaze International®
- Nickelodeon
- Warner Bros. Studios®
- And more...

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HISTORY

Founded in 1989 by Robert Dods, Boyd Meyer and Peter Chung, **Racing Champions** flourished as a top producer and marketer of racing die-cast replicas sold at more than 20,000 North American retail outlets. By leveraging its leadership position and its relationship with NASCAR[®], the company became a premier marketer of NASCAR products.

The Ertl Company was founded by Fred Ertl, Sr. more than 50 years ago in Dubuque, Iowa. The business grew quickly and, in 1959, the Ertl Company moved to Dyersville, Iowa. Over the next 40 years, the company expanded to become a multi-faceted marketer of farm toys, model kits and die-cast collectibles.

Learning Curve International was founded in 1993 by John W. Lee and Dick Rothkopf with the licensed *Thomas & Friends*[™] Wooden Railway System. In its first decade, the company grew to lead the specialty toy industry with a variety of high-quality, award-winning brands of developmental toys and books designed to inspire creative, imaginative play for children ages birth to eight.

Founded in 1952 by the Sidman family, **The First Years** has grown to become a leading international developer and marketer of care and play products for infants and toddlers. These items are marketed under The First Years by Learning Curve brand name and also under a variety of strong, kid-focused licenses, including *Winnie the Pooh*, *Sesame Street* and *Finding Nemo*, and Disney.

Chronology

In **April 1999**, Racing Champions acquired The Ertl Company. Together, the two industry leaders entered the new millennium by manufacturing a broad collection of high-quality collectibles and toys.

In **March 2003**, Racing Champions Ertl acquired Chicago-based Learning Curve International, Inc., further diversifying its product portfolio and distribution.

In **April 2003** of that same year, the organization was renamed RC2 Corporation. The new name more accurately reflects the evolution of the Company's business and provides ample opportunity for further growth and expansion.

In **June 2004** and **September 2004** (respectively), RC2 Corporation acquired Playing Mantis and The First Years, significantly strengthening the Company's powerful brand and distribution platform. Both acquisitions provide increased opportunity to capitalize on year round sales in categories that are less seasonal than traditional toy. This affords meaningful growth opportunities domestically and internationally.

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OFFICE LOCATIONS

NORTH AMERICA

Oak Brook, Illinois (Headquarters)
Dyersville, Iowa
Stoughton, Massachusetts

INTERNATIONAL

Kowloon Bay, Hong Kong
Dongguan, China
Exeter, United Kingdom
Cologne, Germany
Victoria, Australia

MANAGEMENT TEAM

Curtis W. Stoelting *Chief Executive Officer*
Peter J. Henseler *President*
Helena Lo *Managing Director of RC2 Hong Kong Ltd.*
Peter A. Nicholson *Chief Financial Officer*
Greg J. Kilrea *Chief Operations Officer*
John W. Donaldson *Executive Vice President – People and Planning*