

Spin Master and Cepia, LLC Sign Global Distribution Partnership

ZhuZhu Pets Creator to Relaunch Brand & New Products Exclusively with Spin Master

TORONTO, Sept. 13, 2016 /CNW/ - Spin Master Corp., ("Spin Master") (TSX: TOY) – a leading global children's entertainment company – today announced that it has acquired the exclusive global manufacturing and distribution rights for certain Cepia LLC ("Cepia") product lines, including the relaunch of the global phenomenon, ZhuZhu Pets. The agreement also provides Spin Master an opportunity to negotiate for the distribution rights to additional new products from Cepia's Blue Whale Development, adding to Spin Master's innovation pipeline.

The depth of Spin Master's global distribution capabilities, paired with its strong retail relationships, will help Cepia brands to grow and expand internationally, while adding to Spin Master's roster of global properties, which include Meccano, Zoomer and PAW Patrol. Spin Master will showcase the 2017 line from Cepia, including ZhuZhu Pets, Charm U and Chuckle Ball, a preschool best-seller, at the upcoming Los Angeles Toy Fair.

"Cepia inspired the hearts and imaginations of children all over the world with ZhuZhu Pets, the overnight toy sensation," said Anton Rabie, Co-CEO and Co-Founder, Spin Master Ltd. "James Russell Hornsby is a creative visionary who shares our entrepreneurial spirit and commitment to making toys kids love. Bringing both companies together in this strategic partnership creates synergies and opportunities that will benefit our organizations, retail partners and of course, the families around the world who find joy in our toys."

Founded in 2002 by entrepreneur and toy industry veteran James Russell Hornsby, Cepia LLC is based in St. Louis, Missouri, and has offices in China. It introduced global sensation ZhuZhu Pets in 2009, selling more than 70 million units in only 18 months, winning three Toy Industry Association of America Toy of the Year Awards (including Overall Toy of the Year) and generating over US\$2 billion in global retail sales.

Awareness of ZhuZhu Pets remains high and is expected to grow with the upcoming debut of Polly and The ZhuZhu Pets, an animated series produced by Corus Entertainment and recently acquired by Disney Channels Worldwide. The series is set to premiere on Disney Channel in the U.S. on September 12. The U.S. premiere will be followed by debuts in Canada, Germany, Switzerland, Austria, Russia, Australia, New Zealand, Belgium, the Netherlands, and Luxembourg, as well as Central and Eastern Europe. ZhuZhu Pets toys have been updated for a new audience, featuring increased playability and appealing styling based on the animated characters from the new series.

"This partnership will allow Cepia brands to leverage the strength and power of Spin Master's global distribution network," said James Russell Hornsby, CEO, Cepia LLC. "As a lifelong product developer and innovator, I share Spin Master's vision and I'm confident that together we can build a strong foundation to further expand Cepia brands."

"Today's announcement demonstrates Spin Master's commitment to achieving growth through strategic partnerships, leveraging our global capabilities and increasing sales in international developed and emerging markets," said Ben Gadbois, President and COO, Spin Master Ltd. "Cepia LLC's proven track record of disruptive innovation, creating entertainment partnerships and building evergreen brands compliments Spin Master's leadership position in driving toy category growth."

Today's announcement follows the licensing agreement reached with Vuly Trampolines earlier this year, as well as five acquisitions since Spin Master's Initial Public Offering in July 2015: Swimways Corp., Cardinal Industries Inc, Editrice Giochi SRL, Etch a Sketch and Doodle Sketch from The Ohio Art Co. and global mobile digital app companies Toca Boca and Sago Mini.

About Spin Master

Spin Master is a leading global children's entertainment company that creates, designs, manufactures and markets a diversified portfolio of innovative toys, games, products and entertainment properties. Spin Master is best known for award-winning brands including Zoomer™ Dino, Bakugan Battle Brawlers™, Air Hogs®, and 2016 Toys of The Year, Bunchems and Meccanoid G15. Since 2005, Spin Master has received 64 TIA Toy of The Year (TOTY) nominations with 17 wins across a variety of product categories. Spin Master has been recognized with 12 TOTY nominations for Innovative Toy of the Year, more than any of its competitors. Spin Master is among a limited number of companies that not only develop and produce global entertainment properties, characters and content, but also monetize that content through the creation, sale and licensing of products. To date, Spin Master has produced six television series, including 2007 hit series Bakugan Battle Brawlers and its current hit PAW Patrol, which is broadcast in over 160 countries and territories globally. Spin Master employs over 1,000 people globally with offices in Canada, United States, Mexico, France, Italy, United Kingdom, Slovakia, Czech Republic, Germany, Sweden, the Netherlands, China, Hong Kong, Japan, and Australia.

About Cepia LLC

Founded in 2002 by James Russell Hornsby, Cepia LLC is a privately held company headquartered in St. Louis, MO.

Combining kid-friendly technology and innovative creative, the boutique company's fundamental philosophy is to transform

simplistic ideas into magical experiences for kids. Cepia LLC launched the toy phenomenon, ZhuZhu Pets®, which won "Toy of the Year" awards 9 times in seven different countries, was selected by TIME magazine as one of the Top 100 Toys of the Century, sold more than 70 million hamsters in over 65 countries, and caused E-bay to create a heat map to track the craze. ZhuZhu Pets appeal to a broad target range of kids and touches on all popular play patterns including nurture, collectability, building, interacting – Just Like a Real Pet, Without the Mess! The original 4 hamsters, The Fab Four as they are affectionately known, Mr. Squiggles, Chunk, NumNums and Pipsqueak, and all of their hamster friends, are ready to embark on a new adventure with a next generation of Zhu fans. For more information, please visit www.zhuzhupets.com.

Forward-Looking Statements

Certain statements, other than statements of historical fact, contained in this press release constitute "forward-looking information" within the meaning of certain securities laws, including the Securities Act (Ontario), and are based on expectations, estimates and projections as of the date on which the statements are made in this press release. The words "plans", "expects", "projected", "estimated", "forecasts", "anticipates", "indicative", "intend", "guidance", "outlook", "potential", "prospects", "seek", "strategy", "targets" or "believes", or variations of such words and phrases or statements that certain future conditions, actions, events or results "will", "may", "could", "would", "should", "might" or "can", or negative versions thereof, "be taken", "occur", "continue" or "be achieved", and other similar expressions, identify statements containing forward-looking information.

Statements of forward-looking information in this press release include, without limitation, statements with respect to: the launching of new products, brands and entertainment properties; the Company's outlook for 2016; the Company's owned intellectual property and license agreements; the Company's expectations concerning growth of Cardinal in Europe and other international markets; the Company's expectations concerning growth from Editrice Giochi, Etch A Sketch, Toca Boca and Sago Mini or Swimways; the Company's operating momentum, financial position, cash flows and financial performance; the Company's future growth, drivers for such growth, and the successful execution of its strategies for growth; the seasonality of Gross Product Sales and forecasted organic Gross Product Sales and Adjusted EBITDA Margins.

Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date on which the statements are made in this press release, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect. In addition to any factors and assumptions set forth above in this press release, the material factors and assumptions used to develop the forward-looking information include, but are not limited to: the expanded use of advanced technology, robotics and innovation the Company applies to its products will have a level of success consistent with its past experiences; the Company will continue to successfully secure broader licenses from third parties for major entertainment properties consistent with past practices; the expansion of sales and marketing offices in new markets will increase the sales of products in that territory; the Company will be able to successfully identify and integrate strategic acquisition opportunities; the Company will be able to maintain its distribution capabilities; the Company will be able to leverage its global platform to grow Cardinal's sales; the Company will be able to recognize and capitalize on opportunities earlier than its competitors; the Company will be able to continue to build and maintain strong, collaborative relationships; the Company will maintain its status as a preferred collaborator; the culture and business structure of the Company will support its growth; the current business strategies of the Company will continue to be desirable on an international platform; the Company will be able to expand its portfolio of owned branded intellectual property and successfully license it to third parties; use of advanced technology and robotics in the Company's products will expand; access of entertainment content on mobile platforms will expand; fragmentation of the market will continue to create acquisition opportunities; the Company will be able to maintain its relationships with its employees, suppliers and retailers; the Company will continue to attract qualified personnel to support its development requirements; and the Company founders will continue to be involved in the Company and that the risk factors noted below, collectively, do not have a material impact on the Company.

By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of the Company, could cause actual results to differ materially from the forward-looking information in this press release. Such risks and uncertainties include, without limitation, the factors discussed under "Risk Factors" in the Company's Management Discussion and Analysis for the period ended June 30, 2016 and the Company's Annual Information Form dated March 30, 2016. These risk factors are not intended to represent a complete list of the factors that could affect the Company and investors are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

SOURCE Spin Master Corp.

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