

Zapf Creation adjusts guidance for 2008 due to weak Christmas business

Rödental, December 2, 2008 – Zapf Creation AG, Europe's leading manufacturer of play and functional dolls, today announced that its sales in the recently started Christmas business have been significantly lower than expected. This development is due to considerable consumer restraint in the European core markets in the wake of the general economic downturn, particularly in Germany and the United Kingdom. Another reason is the increasingly difficult situation of the retail trade, which also includes the bankruptcy of one important trading partner. These factors have a clearly negative impact on the Christmas business, which is of great importance to the toy industry.

Against this backdrop, the Management Board no longer expects to meet the sales and earnings targets of the Zapf Creation Group for the 2008 financial year as a whole.

Instead, based on the information available today, the Management Board anticipates a slight decline in consolidated sales compared to the previous year and negative consolidated after-tax earnings in the lower single-digit million euro range.

For further information:

Frank Elsner
Frank Elsner Kommunikation für Unternehmen GmbH
Tel.: +49 (0) 54 04 – 91 92 0
Fax: + 49 (0) 54 04 91 92 29