



Company Backgrounder

WowWee, an Optimal Group company (NASDAQ: OPMR), is a leading designer, developer, marketer and distributor of innovative hi-tech consumer robotic and entertainment products. The WowWee group of companies maintains operations in Hong Kong; La Jolla, Carlsbad, California; Montreal, Quebec; and New York.

Evolution

The introduction of WowWee's Robosapien™ robot in 2004 revolutionized the way we interact with entertainment robotic companions. One of the most popular entertainment robots in the world, with global sales of more than 5 million units, the Robosapien robot was the first commercially-available biomorphic robot – a fusion of technology and personality. The Robosapien humanoid product line evolved to include the Robosapien V2 robot, launched in 2005, which added functionality, including speech capability; and the RS Media™ robot, launched in 2006 and featuring a complete multimedia experience, allowing users to create and edit functions. The next generation, the RS Tri-Bot™ robot, a three-wheeled personality-packed companion equipped with different play modes for hours of entertainment, launched in summer 2008.

With a focus on the development of breakthrough consumer robotic and electronic products, WowWee continues to forge new categories in personal robotics and entertainment with award-winning products that are imaginative and inventive. Consumers can see items from five distinct product lines in 2008 -- WowWee Robotics™, WowWee FlyTech™, WowWee Alive™, WowWee Technologies™ – that include innovations that walk, talk, crawl, fly, purr and enable remote telepresence and communications, and from WowWee's recently established Think Wow Toys division that produces and markets plush toys, novelty items, action figures and promotional toys, including third-party licensed characters and properties.

Recognition

In 2007, WowWee's FlyTech Dragonfly, the world's first radio-controlled flying insect to use flapping wings, was named one of TIME Magazine's "Best Inventions of the Year."

FlyTech Bladestar™, new in 2008 and the first flying toy with sensor-based navigation, was named one of only 20 products awarded with an "Editor's Choice Award 2008" by *Popular Mechanics* magazine as a technologically advanced innovation. Subsequently, the WowWee Alive Cubs, life-like, plush, animatronic baby animals, and the RS Tri-bot robot have received numerous accolades, including the iParenting Media 2008 Outstanding Products Award, The National Parenting Center's 2008 Seal of Approval, and the Creative Child Magazine's 2008 Toy of the Year Award. Award-winning legacy products include: Roboraptor™, Roboreptile™, Robopanda™, and Roboquad™.

Strategic Alliances

The company is also enhancing the visibility of its portfolio of entertainment robots to consumers through a multi-discipline marketing strategy. In 2007, products from the WowWee Robotics product line were featured in McDonald's Happy Meal boys brand in most McDonald's territories worldwide. Since 2005, WowWee's Robosapien V2 has made appearances in museums across the United States in a traveling exhibit called "Star Wars: Where Science Meets Imagination." The exhibit, which combines costumes and props from the films

with real-world technologies, will complete a four-year tour at the end of this year. In addition, a selection of WowWee robots were featured in the *National Design Triennial*, an ongoing exhibition series that originated with the Smithsonian's Cooper-Hewitt, National Design Museum and that traveled to prominent museums around the United States over the course of two years. In October, the Great Lakes Science Center in Cleveland, Ohio will feature a selection of WowWee robots in their exhibit "Robots + Us," which will remain open to the public through April 2009.

In October 2007, WowWee formed a strategic alliance with Evolution Robotics to launch a new category of breakthrough entertainment and functional robots, and robotic toys. In Fall 2008, WowWee Technologies is introducing the Rovio™ mobile webcam, a Wi-Fi enabled home and office explorer that can be controlled remotely from anywhere in the world using a web-enabled device including a PC, Mac, cell phone or smart phone, PDA or even a video game console. Rovio's TrueTrack™ Navigation System, a smart navigation and positioning system that works like a micro-GPS system, delivers robotic tracking capabilities that have never before been available to the robotic toy mass market.

Entertainment

In 2008, WowWee concluded an agreement giving the producing team of Avi Arad (Arad Productions) and Steven Paul (Crystal Sky Pictures) the right to produce a feature-length motion picture inspired by WowWee's Robosapien robot. The movie, titled "Robosapien: Rebooted," is set to combine a compelling live action story with the most advanced computer-generated imagery (CGI). Under the agreement, WowWee will have the exclusive worldwide right to market toy merchandise associated with the film and its characters, and would receive a share of the income from all other merchandising associated with the film.

Through a partnership with Disney Consumer Products, WowWee has brought to life the beloved childhood fairy-friend, Tinker Bell, with the award-winning FlyTech technology. Tinker Bell is part of Disney Consumer Products' successful Disney Fairies franchise, which generated \$800 Million in global retail sales in 2007, and includes a series of animated films planned for release on Disney DVD beginning with *Tinker Bell*, in the fall of 2008.

WowWee has also been granted worldwide rights to market the FOX Sports Robot, which appears during NFL on FOX game broadcasts. Through a licensing agreement with Twentieth Century Fox Licensing and Merchandising, a division of 20th Century Fox Television, WowWee will develop and market robotic figures and electronic accessories based upon the FOX Sports Robot, the recognized and celebrated icon of America's favorite spectator sport. WowWee's FOX Sports Robot merchandise will launch in 2009.

Growth

WowWee recently established the Think Wow Toys division of WowWee USA, Inc., based on the acquisition of the assets and business of Think Tank Toys Inc., providing WowWee with entry into lower-priced merchandise, thereby decreasing reliance on seasonal sales, and with access to additional channels of distribution. Think Wow Toys develops, manufactures and markets plush toys, novelty items, action figures and promotional toys, including third-party licensed characters and properties such as Disney's Hannah Montana, High School Musical, and Camp Rock, Chorion's Mister Men Limited, Wildflower Group's MAD LIBS, and MEG's In My Pocket line.

Optimal Group Inc. recently announced the acquisition of Sablon Distribution S.A., a prominent toy distributor in the Benelux countries, Austria, Germany and Switzerland, based in Wauthier-Braine, Belgium. The acquisition strengthens and broadens the direct distribution structure of the Corporation's WowWee business division and positions WowWee closer to retailers and end users in Sablon's markets. The former owners and senior management team of Sablon will remain with the company and they will continue to operate in the same capacities.

For more info, visit www.WowWee.com.

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