



## **4KIDS ENTERTAINMENT FORMS NEW TRADING CARD AND ONLINE GAME COMPANIES**

*Multi-Platform Property "Chaotic" to be Launched by the Companies' in Spring 2007*

**NEW YORK, N.Y. (December 11, 2006) — 4Kids Entertainment, Inc.** (NYSE: KDE), announced today the formation of two subsidiaries, TC Digital Games, LLC, a trading card company, and TC Websites, LLC, an online multi-platform game company. 4Kids, a global provider of children's entertainment and merchandise licensing, will be majority owner of TC Digital, LLC and a fifty percent owner of TC Websites, LLC. This marks the first time that 4Kids Entertainment is going to be directly producing trading cards to be sold at retail.

"The formation of TC Digital Games and TC Websites represent a significant enhancement of our business strategy," said Alfred R. Kahn, Chairman and CEO of 4Kids Entertainment. "The extraordinary success of *Pokémon* and *Yu-Gi-Oh!* has given 4Kids tremendous insight into the trading card industry and the profit potential of a successful trading card game. With the upcoming launch of *Chaotic*, which integrates traditional trading card game play with unique online game elements, the timing is right for 4Kids to establish and invest in these new ventures. By owning and operating our own trading card and online game operations, 4Kids will now have greater control of the creative, marketing and distribution elements for *Chaotic* and an opportunity to capture substantially greater revenues and margins than we have recognized from trading card sales in the past," Kahn said.

*Chaotic*, which is owned by 4Kids Entertainment and Chaotic USA Entertainment, is an innovative and highly-anticipated trading card game that features a unique alphanumeric code that can be uploaded for virtual play on the free *Chaotic* website ([www.Chaoticgame.com](http://www.Chaoticgame.com)). Once online, kids enter the world of *Chaotic*, a place where their cards can be stored, traded or played against anyone signed onto *Chaotic's* virtual world.

Based in San Diego, TC Digital Games and TC Websites base their technology on a series of patents covering the uploading of coded trading cards to a website where online gameplay and community activities occur. The *Chaotic* website was developed by Chaotic USA Entertainment Group, whose principal is Bryan C. Gannon, a trading card and electronics industry veteran, who will serve as President and CEO of the new companies based in San Diego.

Bryan Gannon played an important role in the success of the *Yu-Gi-Oh!* trading card game when he served as Corporate Vice President, Business Development of *Yu-Gi-Oh!* card distributor, The Upper Deck Company. Mr. Gannon is currently building a team that will include other trading card and internet industry executives.

“My industry experience tells me that the time is right to launch these ventures. Collecting trading cards is as popular as ever and adding an on line game play component that uses special codes to upload cards for free on a kid-friendly, companion website is both cutting edge and exciting. “*Chaotic* is already being talked about as the property that will marry traditional trading card play with the digital play experience. I’m excited about the potential success of these ventures,” he said.

It is anticipated that the *Chaotic* trading card game will launch in Spring 2007. The *Chaotic* trading card game is based on the *Chaotic* animated TV show, which premieres on 4Kids TV on FOX on January 6.

#### **About 4Kids Entertainment**

Headquartered in New York City with an international office in London, 4Kids Entertainment, Inc. (NYSE: KDE), is a global provider of children’s entertainment and merchandise licensing. 4Kids, through its wholly owned subsidiaries, provides domestic and international merchandise licensing; product development; television, film, music and home video production and distribution; media planning and buying; and Web site development. For further information, please visit the Company’s Web sites at [www.4KidsEntertainment.com](http://www.4KidsEntertainment.com) and [www.4Kids.TV](http://www.4Kids.TV).

#### **About The Chaotic USA Entertainment Group, Inc.**

Privately owned and based in San Diego, California; The Chaotic USA Entertainment Group has developed a multi platform Trading Card Game. A Proprietary technology allows a Chaotic gamer to experience various interconnected games and immersive adventures by using unique codes distributed across the platforms. At the core of the experience is the Chaotic Online Experience ([www.ChaoticGame.com](http://www.ChaoticGame.com)) where Chaotic Gamers can upload their cards, trade, communicate and play the game with people around the globe and across platforms and participate in community based system in the world of Chaotic.

*The information contained in this press release, other than historical information, consists of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may involve risks and uncertainties that could cause actual results to differ materially from those described in such statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Important factors beyond the Company's control, including general economic conditions, consumer spending levels, competition from toy companies, motion picture studios and other licensing companies, the uncertainty of public response to the*

*Company's properties and other factors could cause actual results to differ materially from the Company's expectations.*

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