

Press Release

580 California Street
Suite 2000
San Francisco, CA 94104
Tel: 415.358.3500
Fax: 415.358.3555

Iconix buys Peanuts in \$175 mil deal

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Dilbert, Fancy Nancy included in expansion into media

NEW YORK — Licensing firm Iconix Brand Group, best known for such fashion brands as Joe Boxer, Candie's and Rocawear, is expanding into the media and entertainment space in a \$175 million deal for the Peanuts, Dilbert and other characters.

The company said Tuesday that it has signed a definitive agreement with United Features Syndicate and The E.W. Scripps Co. to acquire the brands in partnership with the heirs of Peanuts creator Charles Schulz. Iconix will pay for and own 80%, with the Schulz family acquiring the remaining 20%.

As part of the transaction, Iconix will also acquire the licensing and character representation business of United Media Licensing, a division of UFS. In addition to Charlie Brown, Snoopy and the rest of the Peanuts gang, which is celebrating its 60th anniversary, it represents such characters as Dilbert and Fancy Nancy.

Iconix expects Peanuts to generate approximately \$75 million in annual royalty revenue and add approximately 12 cents-15 cents per share in annual profit. Two-thirds of Peanuts revenue comes from outside of the U.S.

The Peanuts and related character portfolio has more than 1,200 licensing agreements with the likes of Universal Studios, Warner Bros., Cedar Fair, Hallmark, MetLife, H&M, Benetton, Old Navy, CVS and Walgreens. The brand is licensed in over 40 countries and generates annual retail sales of more than \$2 billion, according to Iconix.

License! Global magazine group publisher Steven Ekstract said the core Peanuts brand's 2009 retail sales were around \$1.2 billion, with Dilbert and Fancy Nancy combined bringing in about \$700 million.

Said Neil Cole, chairman and CEO of Iconix: "Owning the Peanuts business moves Iconix well beyond fashion into a true global brand management entity with a wide variety of agreements that range from theme parks to media to financial institutions...After closing this transaction, Iconix will be diversified with fashion only representing approximately two-thirds of our revenue.

He predicted that the Peanuts' global reach could open up new doors for existing brands and future acquisitions.

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Iconix has generally ranked second in License! Global magazine's annual ranking of top licensing firms. For 2009, its \$9 billion in retail sales once again put it behind Disney Consumer Products with \$27.3 billion.

"Iconix is genius at understanding the power of brand appeal at retail," said Ekstract. "Until now, they have mostly focused on fashion and home brands, but they have their fingers on the pulse of what mass retailers are looking for. It really is about lifestyle - whether these brands originate in fashion, character, entertainment, celebrity or sports - they all translate to lifestyle products for the consumer."

Craig Schulz, son of Charles Schulz, said: "Peanuts now has the best of both worlds, family ownership and the vision and resources of Iconix to perpetuate what my father created throughout the next century with all the goodwill his lovable characters bring."