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Pursuant to the requirements of Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RADICA GAMES LIMITED

Date: February 15, 2006

/s/ Craig D. Storey

Craig D. Storey
Chief Accounting Officer

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RADICA GAMES LIMITED
ANNOUNCES QUARTERLY CASH DIVIDEND

FOR IMMEDIATE RELEASE
JANUARY 6, 2006

CONTACT: PATRICK S. FEELY
CHIEF EXECUTIVE OFFICER

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DAVID C.W. HOWELL
CHIEF FINANCIAL OFFICER
(HONG KONG)
(852) 2688 4201

(HONG KONG) Radica Games Limited (NASDAQ: RADA) announced today that its Board of Directors has declared a quarterly dividend of \$0.05 per share. This represents a \$0.005 per share or 11.1% increase from the prior quarter's dividend.

The dividend will be payable on January 31, 2006, to shareholders of record as of January 16, 2006.

ABOUT RADICA GAMES LIMITED

Radica Games Limited (Radica) is a Bermuda company headquartered in Hong Kong (NASDAQ: RADA). Radica is a leading developer, manufacturer and distributor of a diverse line of electronic entertainment products including electronic games, youth electronics, video game accessories and high-tech toys. Radica has subsidiaries in the U.S.A., Canada and the U.K., and a factory in Dongguan, Southern China. More information about Radica can be found on the Internet at www.radicagames.com.

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RADICA GAMES LIMITED REPORTS 2005 FOURTH QUARTER AND FULL YEAR RESULTS

FOR IMMEDIATE RELEASE
FEBRUARY 13, 2006

CONTACT: PATRICK S. FEELY
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HIGHLIGHTS:

- o Record full-year sales of \$162.8 million, up 31.9% over the prior year.
- o Full-year diluted EPS was \$0.54 per share compared to \$0.18 per share in 2004.
- o Full-year diluted EPS, before goodwill impairment charges incurred in 2005 and 2004, increased by 133% over the prior year to \$0.84 per share.
- o Q4 2005 sales grew from Q4 2004 by 5.1% led by growth in its electronic games product lines partially offset by declines in video game accessories (VGA) and manufacturing services.
- o Q4 diluted EPS was \$0.18 per share, an increase of 80% over Q4 of 2004 of \$0.10 per share before the goodwill impairment charge.

(HONG KONG) Radica Games Limited (NASDAQ: RADA) announced today its results for the fourth quarter and the financial year ended December 31, 2005. The Company reported a net profit for the quarter of \$3.5 million or \$0.18 per diluted share compared to a net loss of \$(1.6) million or \$(0.09) per diluted share in Q4 2004 which included a goodwill impairment charge of \$3.5 million or \$(0.19) per share. Earnings per share increased by 80% when compared to Q4 2004 results of \$1.9 million, or \$0.10 per share, excluding the 2004 goodwill impairment charge.

Net profit for the year was \$10.5 million or \$0.54 per diluted share compared to \$3.5 million or \$0.18 per diluted share for 2004. For comparative purposes it is useful to take into account that the Company incurred goodwill impairment charges in Q2 of 2005 of \$6.0 million and in Q4 of 2004 of \$3.5 million both related to its VGA business, which is now fully written off the balance sheet. Excluding these charges in both years for comparative purposes, net profits would have been \$16.5 million, or \$0.84 per share, compared to \$7.0 million or \$0.36 per share. This represents an increase of 133% in earnings per diluted share.

Sales for Q4 2005 increased by 5.1% to \$45.7 million from \$43.5 million for the same period in 2004. Sales increases in the quarter compared to Q4 2004 were primarily due to increases in Electronic Games, including the Company's popular 20Q game, but were offset by lower VGA sales resulting from the current video game platform transition, as well as a decrease in Manufacturing Services sales,

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consistent with the Company's strategic direction to emphasize its own branded products. Additionally, in 2005 the Company experienced acceleration in the timing of shipments to certain customers who ordered a larger percentage of shipments directly from our China warehouse in Q3 rather than waiting until Q4 to order from our domestic U.S. and U.K. warehouses. Sales for the year increased by 31.9% to \$162.8 million from \$123.4 million in 2004 due to growth in the core Electronic Games and Youth Electronics branded product lines. Increases in the year were also partially offset by declines in the VGA business and a decline in Manufacturing Services. Compared to sales in 2004, North American sales for the year grew by 34.1%, with European sales increasing by 37.7% and other international sales increasing by 37.6%.

Pat Feely, Radica's Chief Executive Officer, said, "We were very pleased with our performance this year. First of all, we set an all time record for sales at Radica. Additionally, and most importantly, we delivered on the bottom line with an operating margin, excluding the goodwill impairment charge, of 10% in a very difficult cost environment. We also substantially resolved the manufacturing issues that plagued us in 2004 and delivered consistently on-time to our customers in spite of a 32% increase in sales. On top of that, we improved our balance sheet with lower inventory than 2004 in spite of our large sales increase. These accomplishments also contributed to a 33% increase in cash and securities as well as an 11% increase in our dividend announced recently. Finally, our product lines sold through well at retail and this has positioned us for continued growth in 2006."

The following table shows the detailed revenue comparisons for the quarter:

Product Lines	Three months ended December 31,		Twelve months ended December	
	2005	2004	2005	2004
(US Dollars in thousands)				
Electronic Games	\$ 35,808	\$ 28,849	\$ 125,965	\$ 8
Youth Electronics	5,459	5,765	17,868	1
Other Toys	947	1,268	2,839	
Video Game Accessories	2,504	5,653	7,266	1
Manufacturing Services	1,019	1,968	8,841	
TOTAL	\$ 45,737	\$ 43,503	\$ 162,779	\$ 12

Gross profit margin for the quarter increased from 35.1% to 41.5%, an increase of 640 basis points over the same period last year. Gross profit margin for the year increased from 33.9% to 37.4%, an increase of 350 basis points. The increases in gross margins during the year and quarter related primarily to improved sales mix of higher margin products (in particular a reduced percentage of lower margin VGA and Arcade Legends product lines as well as less Manufacturing Services) together with lower air freight and outsourced manufacturing costs.

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Operating expenses for the quarter decreased to \$17.2 million from \$18.0 million for the same period last year. Increases in variable selling expenses, advertising costs, incentive compensation, R&D expenses and certain administrative costs, including legal and executive redundancy costs, during the quarter were less than the \$3.5 million goodwill impairment charged to operating expenses during the same quarter last year. For the full year, operating expenses increased to \$50.9 million from \$39.5 million in 2004. The increase was due to the additional goodwill impairment charges in 2005,

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together with an increase in variable expenses, including selling expenses and incentive compensation, resulting from the increase in sales and profits, and increases in R&D expenses as well as certain administrative costs including legal and executive redundancy costs.

At December 31, 2005 the Company had \$53.3 million in cash and investment securities, and net assets of \$98.4 million as compared to \$40.1 million and \$91.1 million, respectively, at December 31, 2004. There was no debt at December 31, 2005 and December 31, 2004. Inventories at December 31, 2005 decreased to \$21.4 million from \$26.8 million at December 31, 2004, resulting from improved inventory planning and sales of closeout items. Receivables increased to \$18.7 million from \$18.4 million at December 31, 2004 reflecting increased sales for the period.

On January 6, 2006, the Company declared a first quarter dividend for fiscal 2006 of \$0.05 per share, which was paid on January 31, 2006 and represented an 11.1% increase over the prior dividend rate.

The foregoing discussion contains forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from projected results. Forward-looking statements include statements about efforts to attract or prospects for additional or increased business, new product introductions and other statements of a non-historical nature. Actual results may differ from projected results due to various Risk Factors, including Risks of Manufacturing in China, Dependence on Product Appeal and New Product Introductions, and Dependence on Major Customers, as set forth in the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2004, as filed with the Securities and Exchange Commission. See "Item 3. Key Information -- Risk Factors" in such report on Form 20-F.

Radica Games Limited (Radica) is a Bermuda company headquartered in Hong Kong (NASDAQ: RADA). Radica is a leading developer, manufacturer and distributor of a diverse line of electronic entertainment products including electronic games, youth electronics, video game accessories and high-tech toys. Radica has subsidiaries in the U.S.A., Canada, the U.K. and Macau, and a factory in Dongguan, Southern China. More information about Radica can be found on the Internet at www.radicagames.com.

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RADICA GAMES LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS

(US dollars in thousands, except per share data)	Three months ended December 31,		Twelve
	2005	2004	20
	(unaudited)	(unaudited)	(unau
Revenues:			
Net sales	\$ 45,737	\$ 43,503	\$ 1
Cost of goods sold (exclusive of items shown separately below)	(26,760)	(28,241)	(1
Gross profit	18,977	15,262	
Operating expenses:			
Selling, general and administrative expenses	(15,096)	(12,605)	(
Research and development	(1,545)	(1,440)	
Depreciation and amortization	(563)	(393)	
Impairment of goodwill	-	(3,536)	
Total operating expenses	(17,204)	(17,974)	(
Operating income (loss)	1,773	(2,712)	
Net interest and other income	342	383	
Foreign currency gain, net	362	371	
Profit (loss) before income taxes	2,477	(1,958)	
Credit (provision) for income tax	1,010	365	
Net profit (loss)	\$ 3,487	\$ (1,593)	\$
Net earnings (loss) per share:			
Basic	\$ 0.18	\$ (0.09)	
Diluted	\$ 0.18	\$ (0.09)	
Weighted average number of common and common equivalent shares:			
Basic	19,068,151	18,733,412	18,9
Diluted	19,710,935	18,733,412	19,6
Cash dividends declared per share (4.5 cents declared and paid for each quarter ended March 31, June 30, Sept 30, and December 31, 2005; 4 cents per quarter	\$ 0.045	\$ 0.040	\$

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RADICA GAMES LIMITED
CONSOLIDATED BALANCE SHEETS

(US dollars in thousands, except per share data)

December 31,

2005

(unaudited)

ASSETS

Current assets:

Cash and cash equivalents	\$ 37,358
Investment securities	15,928
Accounts receivable, net of allowances for doubtful accounts of \$165 (\$148 as at December 31, 2004)	18,703
Inventories	21,420
Prepaid expenses and other current assets	4,196
Income taxes receivable	479
Deferred income taxes	3,237

Total current assets 101,321

Property, plant and equipment, net 14,542

Goodwill -

Other assets 833

Deferred income taxes, noncurrent 572

Total assets \$ 117,268

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 8,636
Accrued payroll and employee benefits	3,833
Accrued expenses	5,987
Income taxes payable	417

Total current liabilities 18,873

Total liabilities 18,873

Shareholders' equity:

Common stock	
par value \$0.01 each, 100,000,000 shares authorized, 19,080,004 shares outstanding (18,738,112 as at December 31, 2004)	191
Additional paid-in capital	6,122
Retained earnings	93,025
Deferred compensation	(203)
Accumulated other comprehensive (loss) income	(740)

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Total shareholders' equity	----- 98,395
Total liabilities and shareholders' equity	----- \$ 117,268 =====

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