

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
October 19, 2006 (October 19, 2006)

JAKKS PACIFIC, INC.
(Exact Name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-28104
(Commission File Number)

95-4527222
(I.R.S. Employer
Identification No.)

22619 Pacific Coast Highway
Malibu, California
(Address of principal
executive offices)

90265
(Zip Code)

Registrant's telephone number, including area code: (310) 456-7799

Check the appropriate box below if the Form 8-K filing is intended to
simultaneously satisfy the filing obligation of the registrant under any of the
following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act
(17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act
(17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the
Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the
Exchange Act (17 CFR 240.13e-4(c))

JAKKS PACIFIC, INC.
INDEX TO FORM 8-K
FILED WITH THE SECURITIES AND EXCHANGE COMMISSION
October 19, 2006

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Item 2.02. Results of Operations and Financial Condition.

On October 19, 2006, we issued a press release announcing our results of operations for the quarter ended September 30, 2006. A copy of such release is annexed hereto as an exhibit.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

Exhibit Number	Description
99.1*	October 19, 2006 Press Release

- - - - -
* Filed herewith

SIGNATURES

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

Dated: October 19, 2006

JAKKS PACIFIC, INC.

By:/s/Jack Friedman

Jack Friedman

Chairman and Chief Executive Officer

Exhibit Index

Exhibit Number	Description
- - - - -	- - - - -
99.1*	October 19, 2006 Press Release

- - - - -
* Filed herewith

JAKKS Pacific(R) Reports 2006 Third Quarter Results

--- Achieves Record Third Quarter Sales and Reiterates Guidance
for 2006 ---

MALIBU, Calif.--(BUSINESS WIRE)--Oct. 19, 2006--JAKKS Pacific, Inc. (NASDAQ: JAKK), a leading multi-brand company that designs and markets a broad range of toys, writing instruments and other consumer products, today announced results for the third quarter and nine months ended September 30, 2006.

Third quarter 2006 net sales were \$295.8 million, compared to \$233.5 million recorded in the comparable period last year. Net income for the third quarter was \$40.5 million, or \$1.26 per diluted share, compared to \$32.8 million, or \$1.05 per diluted share, reported in the third quarter of 2005. Included in the results were non-cash charges for stock-based compensation of \$1.1 million and acquisition-related amortization of \$3.3 million in the third quarter of 2006, compared to a credit of \$0.6 million and charge of \$1.8 million, respectively, in the third quarter of 2005. Pro forma net income excluding these non-cash charges was \$43.6 million, or \$1.35 per diluted share, in 2006 and \$33.5 million, or \$1.07 per diluted share, in 2005.

Net sales for the nine months ended September 30, 2006 were \$527.1 million, compared to \$495.3 million during the same period in 2005. Net income for the first nine months of 2006 was \$49.2 million, or \$1.57 per diluted share, compared to the first nine months 2005 earnings of \$54.5 million, or \$1.77 per diluted share. Included in the results were non-cash charges for stock-based compensation of \$4.8 million and acquisition-related amortization of \$10.4 million in the first nine months of 2006, compared to a credit of \$0.8 million and charge of \$5.3 million, respectively, in the first nine months of 2005. Pro forma net income excluding these non-cash charges was \$59.8 million, or \$1.90 per diluted share, in 2006 and \$57.7 million, or \$1.87 per diluted share, in 2006.

"The holiday season is officially underway," said Jack Friedman, Chairman and Chief Executive Officer, JAKKS Pacific. "With strong initial orders for the holidays, we achieved record third quarter sales and have positive momentum heading into the fourth quarter. Many of our core traditional toys continue to be solid contributors, including our Doodle Bear(R) line, WWE(R) action figures, Cabbage Patch Kids(R) and TV Games lines. In addition, we benefited from the significant contribution from our Creative Designs International(TM) division, which is new for us in 2006."

Stephen Berman, President and Chief Operating Officer, stated, "We remain focused on traditional play patterns and basic fun in the toy area, adding innovation and appropriate licenses, and continuously enhancing our diverse portfolio of products. Our Fly Wheels XPV(TM) (Xtreme Performance Vehicle(TM)), which soars up over 20 stories high, Ariel(TM) Magical Beauty Salon and Speed Stacks(R) StackPack(R) products appeal to even the most sophisticated of today's kids, who, we believe, love vehicles, pretend play and active sports that stimulate their minds and increase their activity levels.

"We are well into the final development stages of our 2007 product lines, which will feature many well-known and established licensed brands, such as Doodle Bear(R), WWE, Cabbage Patch Kids, Dora the Explorer, Deal or No Deal, Barney(R) and Jelly Belly.

"We continue to strive to grow both organically and through acquisitions, while simultaneously maximize synergies in meaningful ways throughout our organization. We leverage our strong licensing relationships and channel product categories to our various teams based on expertise, which enables JAKKS to develop multi-category merchandised lines across brands. This has been a key benefit of our acquired portfolio of brands over the past 11 years and several of our 2007 introductions, such as Pokemon(R), Bratz(R) and multiple Disney(R) initiatives, will involve numerous JAKKS divisions, including CDI, Play Along, JPI Pets, Flying Colors, JAKKS Electronics and Go Fly A Kite, working together.

"We are showcasing our 2007 product line-up this week at the Fall International Toy Show in New York, and we are confident in our

established product formula and that our new offerings will be well-received by both retailers and today's kids."

At September 30, 2006, JAKKS Pacific had approximately \$133.0 million in cash and cash equivalents and \$284.0 million in working capital.

The Company is reiterating its 2006 guidance of net sales of approximately \$775 million and fully diluted earnings per share of approximately \$2.32, which represents an increase in net sales of approximately 17.2% and an increase in diluted earnings per share of approximately 12.7% for the current fiscal year versus 2005.

Conference Call

JAKKS Pacific is hosting a teleconference today at 6:00 a.m. PDT (9:00 a.m. EDT) on October 19th, via the Internet at www.jakkspacific.com, www.CompanyBoardroom.com or www.StreetEvents.com. These websites will host an archive of the teleconference for 30 days.

You can also listen to the call live via the Internet at www.jakkspacific.com, www.CompanyBoardroom.com or www.StreetEvents.com, where the call will be archived for 30 days. A telephone playback will be available from 7:00 a.m. Pacific on October 19th through 12:00 a.m. Pacific on November 2nd. The playback can be accessed by calling 888-266-2081 or 703-925-2533 for international callers, passcode "984333".

About JAKKS Pacific, Inc.

JAKKS Pacific, Inc. is a multi-brand company that designs and markets a broad range of toys and consumer products. The product categories include: Action Figures, Art Activity Kits, Stationery, Writing Instruments, Performance Kites, Water Toys, Sports Activity Toys, Vehicles, Infant/Pre-School, Plush, Construction Toys, Electronics, Dolls, Dress-Up, Role Play, and Pet Toys and Accessories. The products are sold under various brand names, including JAKKS Pacific(R), Play Along(R), Flying Colors(R), Creative Designs International(TM), Road Champs(R), Child Guidance(R), Pentech(R), Trendmasters(R), Toymax(R), Funnoodle(R), Go Fly a Kite(R), Color Workshop(R), JPI(TM) and Plug It In & Play TV Games(TM). JAKKS and THQ Inc. participate in a joint venture that has worldwide rights to publish and market World Wrestling Entertainment video games. For further information, visit www.jakkspacific.com.

This press release may contain forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that are based on current expectations, estimates and projections about JAKKS Pacific's business based partly on assumptions made by its management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such statements due to numerous factors, including, but not limited to, those described above, changes in demand for JAKKS' products, product mix, the timing of customer orders and deliveries, the impact of competitive products and pricing, and difficulties with integrating acquired businesses. The forward-looking statements contained herein speak only as of the date on which they are made, and JAKKS undertakes no obligation to update any of them to reflect events or circumstances after the date of this release.

JAKKS Pacific, Inc. and Subsidiaries Condensed Consolidated Balance Sheets

	September 30, 2006	December 31, 2005
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	(In thousands)	

ASSETS

Current assets:

Cash and cash equivalents	\$132,966	\$240,238
Accounts receivable, net	182,818	87,199
Inventory, net	86,676	66,729
Deferred income taxes	12,315	13,618
Prepaid expenses and other current assets	32,515	17,533

Total current assets	447,290	425,317
Property and equipment	46,869	38,089
Less accumulated depreciation and amortization	31,136	25,394
Property and equipment, net	15,733	12,695
Goodwill, net	315,315	269,298
Trademarks & other assets, net	74,255	36,280
Investment in video game joint venture	1,936	10,365
Total assets	\$854,529	\$753,955

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued expenses	\$134,058	\$94,948
Reserve for sales returns and allowances	24,838	25,123
Income taxes payable	4,441	3,792
Total current liabilities	163,337	123,863
Long term debt	98,000	98,000
Deferred rent liability	889	995
Deferred income taxes	7,358	6,446
Total liabilities	269,584	229,304
Stockholders' equity:		
Common stock, \$.001 par value	28	27
Additional paid-in capital	298,190	287,356
Retained earnings	289,247	240,057
Accumulated other comprehensive income (loss)	(2,520)	(2,789)
Total liabilities and stockholders' equity	\$854,529	\$753,955

JAKKS Pacific, Inc. and Subsidiaries Third Quarter Earnings Announcement, 2006 Condensed Statements of Income (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
(In thousands, except per share data)				
Net sales	\$295,789	\$233,500	\$527,074	\$495,266
Less cost of sales				
Cost of goods	155,467	115,823	269,546	246,175
Royalty expense	25,793	23,105	46,877	50,234
Amortization of tools and molds	1,647	1,120	4,326	3,120
Cost of sales	182,907	140,048	320,749	299,529
Gross profit	112,882	93,452	206,325	195,737
Direct selling expenses	21,908	20,082	48,132	52,951
Selling, general and administrative expenses	28,496	23,595	75,796	59,779
Depreciation and amortization	4,275	2,557	12,987	7,499
Income from operations	58,203	47,218	69,410	75,508
Other income (expense):				
Profit (loss) from video game joint venture	(245)	238	732	1,541

Interest income	1,030	1,387	3,530	3,419
Interest expense	(1,133)	(1,136)	(3,399)	(3,402)
Other expense	-	(1,401)	-	(1,401)
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Income before provision for income taxes	57,855	46,306	70,273	75,665
Provision for income taxes	17,357	13,553	21,083	21,186
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Net income	\$40,498	\$32,753	\$49,190	\$54,479
	=====	=====	=====	=====
Earnings per share - diluted	\$1.26	\$1.05	\$1.57	\$1.77
Shares used in earnings per share - diluted	32,736	32,088	32,731	32,182

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