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The following is intended to update our risk factors as disclosed in our 2004 Annual Report on Form 20-F and as previously updated in our Form 6-K reports furnished to the Securities and Exchange Commission.

As previously reported, in June 2005 AtGames Holdings Ltd. filed a complaint against Radica Games Limited and our subsidiary Radica (Macao Commercial Offshore) Limited in the California Superior Court, County of Los Angeles, alleging intentional interference with contract and unfair competition. Thereafter, the Radica parties removed the case to the Federal District Court, Central District of California. In October 2005, the Federal District Court remanded the case back to the California Superior Court. The Radica parties consider this suit to be without merit and intend to defend against it vigorously.

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: November 8, 2005

/s/ Craig D. Storey

Craig D. Storey
Chief Accounting Officer

RADICA GAMES LIMITED REPORTS THIRD QUARTER RESULTS

FOR IMMEDIATE RELEASE
NOVEMBER 7, 2005

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HIGHLIGHTS:

- o Record quarterly sales of \$63.4 million compared to \$49.0 million for Q3 2004; growth of 30%.
- o Q3 diluted EPS grew by 65% to \$0.51 per share compared to \$0.31 per share for Q3 2004.

(HONG KONG) Radica Games Limited (NASDAQ: RADA) announced today its results for the third quarter ended September 30, 2005. The Company reported a net profit for the quarter of \$10.0 million or \$0.51 per diluted share compared to \$6.0 million or \$0.31 per diluted share in the third quarter of 2004. Net profit for the nine-month period ended September 30, 2005 was \$7.0 million or \$0.36 per diluted share compared to \$5.0 million or \$0.26 per diluted share for the same

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period in 2004, an increase of 38%. Excluding the non-cash charge of \$6.0 million for the impairment of the remaining goodwill associated with its video game accessories ("VGA") product line in Q2 2005, net profits would have been \$13.0 million or \$0.66 per share, an increase of 154%.

Sales for the third quarter of 2005 increased by 30% to \$63.4 million from \$49.0 million for the same period in 2004 due mainly to continued strength in the Electronic Games category led by growth from both the 20Q product line and traditional handheld electronic games. The Girl Tech product line also showed double digit growth during the quarter. Compared to sales for the same period in 2004, sales grew by 30% with North American sales increasing by 29%, European sales increasing by 35% and other international sales increasing by 47%. Sales for the year-to-date increased 46% to \$117.0 million as compared to \$79.9 million for the same period in 2004 for the same reasons.

Pat Feely, Radica's Chief Executive Officer, said "This was a strong quarter for Radica particularly when taken in the context of weak industry conditions. Additionally, it was the highest level of sales in any quarter ever at Radica, and our earnings were strong as well with an operating margin over 18%. It demonstrates that our strategy of focusing on electronic entertainment for casual gamers is the right strategy for today's tech-savvy consumers."

"We now enter into the most critical time of year immediately prior to the holiday season. As in every year the fourth quarter is largely in the hands of the consumer and how our retail customers respond to consumer demand. In past years this quarter has been hard to predict and the current retail environment has continued to be soft as well, so we urge caution in estimates for the end of the year. Even so, we believe we have the right kinds of products for the current marketplace and look forward to the upcoming season." said Feely

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

Product Lines	Three months ended September 30,		Nine months ended September	
-----	2005	2004	2005	2004
(US Dollars in thousands)				
Electronic Games	\$ 49,831	\$ 34,220	\$ 89,919	\$ 51,111
Youth Electronics	6,859	6,447	12,409	11,111
Other Electronic Toys	1,632	1,657	2,130	2,111
Video Game Accessories	1,321	3,179	4,762	7,111
Manufacturing Services	3,794	3,469	7,822	7,111
TOTAL	\$ 63,437	\$ 48,972	\$ 117,042	\$ 79,911
	=====	=====	=====	=====

Gross profit for the quarter increased by 55% to \$23.7 million, and gross margins increased by 610 basis points from 31.2% to 37.3%. Gross profit for the nine-month period ended September 30, 2005 increased by 58% to \$41.9 million and gross margins for the same period increased by 260 basis points to 35.8%. The increases in gross margins during both periods related primarily to a sales mix shift to higher margin products. As a result, lower margin product lines such as Manufacturing Service and Play TV Legends games accounted for a smaller portion of sales. The increase in our gross margin percentage was also impacted by lower

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air freight charges and outsourcing costs than for the comparable period last year when the Company experienced a late surge in demand which forced it to incur higher costs.

Operating expenses increased to \$12.0 million for the quarter from \$8.6 million in Q3 2004. The increase was due to sales related and other variable costs, together with increases in research and development costs and depreciation. For the nine months ended September 30, 2005, operating expenses increased by \$12.2 million from the comparative period in 2004 due to the previously mentioned impairment charge of \$6.0 million in Q2 as well as variable costs.

At September 30, 2005 the Company had \$35.7 million of cash and investment securities, and net assets of \$96.1 million as compared to \$40.1 million and \$91.1 million, respectively, at December 31, 2004 and \$36.0 million and \$92.2 million respectively as of September 30, 2004. There was no debt at September 30, 2005, December 31, 2004 and September 30, 2004. Inventories increased to \$31.4 million from \$26.8 million at December 31, 2004 and from \$28.9 million at September 30, 2004, reflecting the growing demand for our product lines, as well as normal seasonality. Receivables increased to \$35.6 million from \$18.4 million at December 31, 2004 and from \$26.0 million at September 30, 2004 reflecting the increased sales and normal seasonality.

On October 6, 2005, the Company declared a fourth quarter dividend of \$0.045 per share, which was paid on October 28, 2005.

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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(US dollars in thousands, except per share data)	Three months ended September 30,		Nine months ended September 30, 2005
	2005	2004	
	(unaudited)	(unaudited)	
Revenues:			
Net sales	\$ 63,437	\$ 48,972	\$
Cost of goods sold (exclusive of items shown separately below)	(39,750)	(33,703)	
Gross profit	23,687	15,269	
Operating expenses:			
Selling, general and administrative expenses	(10,192)	(7,271)	
Research and development	(1,274)	(926)	
Depreciation and amortization	(559)	(450)	
Impairment of goodwill	--	--	
Total operating expenses	(12,025)	(8,647)	
Operating income	11,662	6,622	
Net interest and other income	288	718	
Foreign currency (loss) gain, net	(216)	2	
Profit before income taxes	11,734	7,342	
Provision for income tax	(1,747)	(1,352)	
Net profit	\$ 9,987	\$ 5,990	\$
Net profit per share:			
Basic	\$ 0.52	\$ 0.32	\$
Diluted	\$ 0.51	\$ 0.31	\$
Weighted average number of common and common equivalent shares:			
Basic	19,036,387	18,687,802	1
Diluted	19,699,815	19,519,694	1
Cash dividends declared per share (4.5 cents declared and paid for each quarter ended March 31, June 30, and September 30, 2005; 4 cents per quarter in 2004)	\$ 0.045	\$ 0.040	\$

RADICA GAMES LIMITED
CONSOLIDATED BALANCE SHEETS

(US dollars in thousands, except share data) September 30, December

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	----- 2005 ----- (unaudited)	----- 2004 -----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 25,858	\$ 27,614
Investment securities	9,874	12,456
Accounts receivable, net of allowances for doubtful accounts of \$162 (\$148 as at December 31, 2004 and \$165 as at September 30, 2004)	35,602	18,359
Inventories	31,385	26,818
Prepaid expenses and other current assets	3,634	3,374
Income taxes receivable	23	168
Deferred income taxes	1,837	1,850
	-----	-----
Total current assets	108,213	90,639
Property, plant and equipment, net	14,831	11,480
Goodwill	--	6,015
Other assets	838	854
Deferred income taxes, noncurrent	1,058	953
	-----	-----
Total assets	\$ 124,940	\$ 109,941
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 16,742	\$ 11,840
Accrued payroll and employee benefits	3,102	1,486
Accrued expenses	7,283	5,251
Income taxes payable	1,740	287
	-----	-----
Total current liabilities	28,867	18,864
	-----	-----
Total liabilities	28,867	18,864
	-----	-----
Shareholders' equity:		
Common stock		
par value \$0.01 each, 100,000,000 shares authorized, 19,060,857 shares outstanding (18,738,112 as at December 31, 2004 and 18,722,864 as at September 30, 2004	191	187
Additional paid-in capital	6,027	4,610
Retained earnings	90,396	85,909
Deferred compensation	(357)	--
Accumulated other comprehensive (loss) income	(184)	371
	-----	-----
Total shareholders' equity	96,073	91,077
	-----	-----
Total liabilities and shareholders' equity	\$ 124,940	\$ 109,941
	=====	=====