

— PARTICIPANTS

Corporate Participants

Drew Vollero – Senior Vice President-Corporate Strategy, Development & Investor Relations
Bryan G. Stockton – Chief Executive Officer
Kevin M. Farr – Chief Financial Officer

Other Participants

Gregory R. Badishkanian – Analyst, Citigroup Global Markets (United States)
Sean P. McGowan – Analyst, Needham & Co. LLC
Felicia Hendrix – Analyst, Barclays Capital, Inc.
James Hardiman – Analyst, Longbow Research LLC
Robert W. Carroll – Analyst, UBS Securities LLC
Jim Chartier – Analyst, Monness, Crespi, Hardt & Co., Inc.
Drew E. Crum – Analyst, Stifel, Nicolaus & Co., Inc.
Linda Bolton-Weiser – Analyst, Caris & Co., Inc.
Michael Kelter – Analyst, Goldman Sachs & Co.

— MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and welcome to the Mattel's First Quarter 2012 Earnings Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions will be given at that time. [Operator Instructions] As a reminder, today's conference call is being recorded.

I'd now like to turn the conference over to your host, Mr. Drew Vollero, Senior Vice President of Corporate Strategy and Investor Relations. Please go ahead, sir.

Drew Vollero, Senior Vice President-Corporate Strategy, Development & Investor Relations

Thanks, operator. As you know, this morning we reported Mattel's first quarter financial results. We provided you with a slide presentation to help guide our discussion today. The slide presentation and the information required by Regulation G regarding non-GAAP financial measures is available on the Investors and Media section of our corporate website, corporate.mattel.com.

In a few minutes, Bryan Stockton, Mattel's CEO and Kevin Farr, Mattel's CFO, will provide comments on the results and then the call will be opened for your questions.

Certain statements made during the call may include forward-looking statements related to the future performance of our overall business. These statements are based on currently available information and they are subject to a number of significant risks and uncertainties, which could cause our actual results to differ materially from those projected in the forward-looking statements.

We describe some of these uncertainties in the Risk Factors section of our 2011 annual report on Form 10-K, and our 2012 quarterly reports on Form 10-Q, as well as in other filings we make with the SEC from time to time. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so.

Now, I'd like to turn the call over to Bryan.

Bryan G. Stockton, Chief Executive Officer

Thank you Drew and good morning everyone.

Last week marked my 100th day as Mattel's Chief Executive Officer. During those first 100 days, I shared with you Mattel's plan to achieve consistent, long-term growth and continued strong financial performance. We are aligning behind four key initiatives: plan for growth; structure for growth; nurture our talent; and accelerate an already innovative culture. I am pleased to say that after the first 100 days, we've made some great progress toward achieving these goals.

Let me touch on some of these areas, starting with Plan for Growth. As we have told you before, Mattel will focus on four key growth strategies - growing core brands; building new franchises; optimizing our entertainment partnerships; and expanding our International footprint.

The big news with core brands is the addition of our newest core brand, Thomas & Friends - I will discuss our plans for Thomas in a few minutes. We are also continuing to extend our core brands. We recently announced two multi-year global licensing partnerships for Barbie and Hot Wheels-themed products - a license with Mega Brands to develop construction toys and a license with Crayola to develop Barbie- and Hot Wheels-themed arts & crafts products, including an App that turns the iPad into an interactive coloring book.

In our entertainment business, we are very excited to have recently extended the Disney Princess license for North America and Latin America and have expanded the scope to include emerging markets, such as much of Eastern Europe, Turkey, Greece, as well as the Middle East and Africa. Disney Princess has been a strong performer for Mattel and is a solid fit within our girls' portfolio. And earlier this year, we announced the renewal of a multi-year, global licensing partnership with Nickelodeon to develop toys based on Nickelodeon's preschool programs.

We are also growing internationally. We are driving our International growth by making disciplined, strategic investments in infrastructure and brand building. As you will recall, we made a long-term, strategic investment in Brazil, and it paid off in a big way - Brazil is now our second largest country in sales after the U.S. We have made great progress in both India and China. And earlier this year, in line with our emerging market strategy, we transitioned from a distributor model to a wholly-owned Mattel subsidiary with the opening of our office in Russia. We will apply levels of investment and discipline into Russia consistent with the opportunity, and we believe we are well-positioned for growth in this important BRIC country.

To support our Plan for Growth, we also are Structuring for Growth. The newly-created North America Division and Global Brand Teams have been up and running since January 1st. Our North America Division now has a team of people fully dedicated to running the commercial part of our business - this brings decision making much closer to consumers and customers in this important geography. Our Global Brand Teams are now sharply focused on global brand building and product design to better meet the unique needs of consumers and customers by geographic region. Forming Global Brand Teams and applying the International "subsidiary-like" approach to North America, enables us to focus resources to grow the business more rapidly.

But even with the best plan and structure, it all comes down to people. Nurturing Our Talent is a key focus at Mattel. Earlier this year, I appointed Jean-Christophe Pean to lead our newly-formed North America Division. Jean-Christophe has been with Mattel since 1998 and has successfully served in a variety of key leadership roles, including Senior Vice President and General Manager - Asia Pacific and Vice President and General Manager of the UK. I am confident that Jean-Christophe will leverage his extensive global sales and marketing experience to lead and grow this important aspect of Mattel's business.

Last week, Ellen Brothers announced her plan to retire from American Girl at the end of the year. We thank Ellen for the outstanding job she has done over the past 12 years, leading the American Girl team to achieving the half-billion-dollar sales mark, and congratulate Ellen on her planned retirement. Jean McKenzie, Senior Vice President of Marketing at Mattel, has been named as Ellen's successor. Jean has a proven track record in brand building in the areas of literacy, learning and girls' toys. While Jean has worked for companies such as Disney and Gateway Learning Corp. (the owner of the award-winning Hooked on Phonics brand), she also knows a lot about Mattel. In fact, early in her career, Jean was the General Manager of the Barbie brand. During the next five months, Ellen and Jean will begin making the leadership transition - Jean will assume the leadership role at American Girl on September 1st and Ellen will remain on as an advisor until the end of 2012.

We've made some really good strategic progress in the first 100 days. Now let's switch our focus to the quarter.

While Kevin will provide a more detailed financial review, from my perspective, the quarter played out pretty much as we had anticipated. We carried over momentum in our portfolio of brands and countries into the first quarter. Through February 2012, we gained overall NPD toy category share across the U.S. and in Europe, with Barbie and Hot Wheels gaining share in both regions. Monster High is doing extremely well globally and is now the No. 2 fashion doll year-to-date February in the U.S. and in Europe, according to NPD. And we're sold out in many markets. This quarter also marked American Girl's 7th consecutive quarter of growth.

We continue to see strong growth internationally. For the quarter, we saw growth across all regions. Our Latin American business is doing particularly well as it has for the last few years, and our European business continues to perform well despite the stiff economic challenges there, gaining NPD share through February.

Complementing our growth focus is an emphasis on costs and gross margins. For the quarter, gross margins were consistent with our long-term goal of about 50%. And, we remain on track to deliver our Operational Excellence 2.0 savings target of \$175 million.

That said, we know we have work to do in North America and with Fisher-Price.

In North America, our shipping volume declined versus last year, primarily driven by two key factors: first, a decline in CARS shipping volume and second, cautious retailer ordering patterns. Let me touch on each:

More than half of the U.S. shipping decline is attributable to the timing of last year's CARS 2 movie launch. As we discussed, CARS 2 was - and will be - a first-half headwind for us as retailers were gearing up for the movie launch last year in the first and second quarters. That said, CARS continues to be a great success as an evergreen property, selling well over the counter, and it gaining NPD share in the first two months of 2012 both in the U.S. and Europe.

Retailers were particularly cautious in their first quarter ordering patterns in the U.S. For the quarter, shipping lagged our POS as retailers reduced inventories. In fact, inventory at our top 4 U.S. customers fell mid-to-high single digit levels. Brands like Barbie experienced some of the most significant gaps between shipments and consumer takeaway. Despite that, we continue to have the toy brands that consumers choose more often. Barbie, Hot Wheels, Monster High and CARS all gained NPD share in the U.S. through February 2012.

Fisher-Price remains a work in progress as we continue to execute our strategy to transition and globalize the brand. Overall, Fisher-Price shipping was flat for the quarter, which includes the

benefit of licensed revenue from HIT Entertainment. International results at Fisher-Price were up 8 percent for the quarter, and we continue to see a big opportunity for the brand outside the U.S.

We continue to make good progress combining the HIT business with Mattel. The core leadership team at HIT is now in place and working under the direction of David Allmark, Executive Vice President of Fisher-Price, who is focused on driving the business forward.

Growing Thomas continues to be a top priority, and we are excited about the opportunity to bring together all the Thomas toy platforms, including die-cast, plastic and wood. We are making good progress to successfully transition the wood business from the current licensee to Mattel in 2013. Smart investments are already being made to roll out an enhanced product portfolio with new play patterns and characters; improve content to drive better brand engagement; and align with our key broadcast partners around the globe for better placement. We believe that better broadcast placement for Thomas in Latin America, and other regions, presents a great opportunity to drive brand awareness and sales.

While Thomas was the centerpiece of the acquisition, we are encouraged by the opportunity to create value from other brands in the HIT portfolio. Mike the Knight, for example, was launched on Nickelodeon in the U.S. in February 2012 and is already one of the top 25 shows for 2 to 5 year old kids across all channels in the U.S. Mike is broadcast internationally on top channels like Cbeebies in the UK, TF1 in France and Super RTL in Germany and has been receiving excellent ratings. Much more to follow on HIT, but we continue to be excited about the opportunity to build the business on a global basis.

As you know, we consider the first quarter to be “spring training” for the toy industry. We believe we have struck a good balance between “strategic and tactical execution” in the quarter, making progress on both fronts. We continue to have momentum in many key areas, and we are focused on improving our performance in a couple of areas like North America and Fisher-Price. We are well positioned with the best global brands, growing share, and strong margins and cash flow to deliver another solid year of financial performance.

And now, I'd like to turn the call over to Mattel's CFO, Kevin Farr, for the financial review of the quarter. Kevin.

Kevin M. Farr, Chief Financial Officer

Thank you, Bryan, and good morning everyone.

As Bryan pointed out, our strategic goal is to grow consistently over time and to continue to deliver strong financial performance along the way. To do this well, Mattel will utilize its best-in-class portfolio of brands, countries, and customers.

In the first quarter, the portfolio helped to balance results, as worldwide revenues were down 2% despite the North American region falling 9%, with solid growth internationally helping to offset a very cautious domestic retail environment. From a brands perspective, core brands like Barbie and Hot Wheels were down mid-single digits, but were partially offset by the strength of American Girl and Monster High. Mattel's portfolio should continue to generate significant cash flow, and we need to invest these funds into the right places.

We are poised to do that in 2012, as we started off in the first quarter by closing our acquisition of HIT Entertainment on February 1. We are currently developing expansion plans for both Thomas and selected HIT brands, and we will share the highlights with you as the year progresses. Strategically, we are encouraged with the global opportunities to leverage the Thomas brand and other HIT brands in the years to come.

Additionally, we are investing in proven business models that have generated value enhancing growth for Mattel.

Recently, we announced we will open three new American Girl stores in St. Louis, Houston, and Miami in 2012. To date, American Girl retail stores have proven to be a profitable way to expand our brand.

And as Bryan mentioned, in the first quarter we expanded our international footprint by opening our new Russian office. Similar strategies in Latin America and Asia have been smart investments. But the key to realizing the potential of a strong portfolio or sound investment ideas is execution. And Mattel has executed well over the last few years, and continued to do so in first quarter.

In the market place, we continue to execute well, and we are winning with consumers. Through February, we continue to gain NPD share both in the U.S. and Europe. We are also gaining share in our key brands like Barbie, Hot Wheels, and Monster High to name a few.

And our execution in the middle of the P&L remains sound, as we continue to deliver results consistent with our stated margin objectives, despite the challenging cost environment and economic uncertainties. Gross margins for the quarter were 51%, 130 basis points higher than last year. We also continued to tightly manage costs and delivered incremental gross savings of \$36 million under our Operational Excellence 2.0 cost savings initiatives. Since 2009, our cumulative gross savings are now over \$350 million.

The balance sheet remains strong, as we tightly managed accounts receivable, which was down by \$15 million, and inventories, which was \$3 million lower.

That said, as is always the case at this time of year, there is more work to do in certain areas of our portfolio.

In North America, the newly created North America Division will be keenly focused on marketing and retail execution. For the quarter, Bryan shared that shipping lagged POS as retailers reduced their inventories. By the end of the quarter, inventories at our top 4 customers were lower by mid-to high single digits. Looking forward, we expect our North America Division to build an even tighter connection with our key customers with grow our business in 2012 and beyond.

So now let's go into the detail around some of our results for the first quarter.

Starting on page 4 of our slide deck, you can see that our worldwide gross sales are down 2% as growth in our International region of 7% was offset by a 9% decline in our North American region.

As Bryan said, about half of the decline in North America is attributable to the timing of last year's Cars 2 movie launch and the balance related to U.S. retailers tightly managing their inventories.

Turning to page 5 of the slide presentation, you can see the brand perspective on sales.

Worldwide sales for Mattel Girls & Boys brands were down 4% for the quarter. Barbie sales were down 6%, up against a tough international comparison of +23% and a challenging retailer market in the US, but consumer takeaway remained positive. Hot Wheels was also down by 5%, facing the same international and domestic challenges as Barbie. Monster High continues to drive our Other Girls' business, while Disney Princess remains a strong evergreen property but is lower in 2012 due to the 2011 success of the global theatrical release, "Tangled". Also worth noting is our Games and Radica business performed well in the quarter.

Worldwide sales for Fisher-Price brands were flat for the quarter, helped by the inclusion of licensing revenues from the HIT Entertainment acquisition. Good performance in Disney properties were offset by declines in other brands.

American Girl continued to deliver strong results with sales in the first quarter up 4%. Our Girl of the Year "McKenna" is performing extremely well as is the "My American Girl" line. We continue to see good momentum in our retail operations.

On Page 6, we highlight the performance of our North American region, which includes American Girl and our North America Division which consists of operations for the US and Canada. Overall, sales for the region were down 9% due to lower shipments of CARS and as retailers focused on adjusting their inventories in the quarter. As we said earlier, CARS was a headwind for the quarter, and we expect that will continue for the first half of this year. As we previously indicated, we continue to expect CARS seasonality and our total company seasonality to return to more historical levels in 2012.

Our international business, as seen on page 7, continues to improve with growth across all regions for the quarter. Despite some foreign exchange headwinds, we continue to see considerable strength in Latin America, particularly with Brazil and Mexico, and continue to be encouraged with performance in Europe in light of the economic climate. Asia-Pacific continues to deliver strong double-digit growth, although off a much smaller base.

Now let's review the P&L, starting on page 8 of the slide presentation. For the quarter, gross margin was up to 51.0%, an improvement of 130 basis points from last year. The favorability was primarily due to pricing, foreign exchange and O.E. 2.0 savings, which were partially by offset higher product costs. As expected, the HIT acquisition also had a positive impact on margins in the quarter.

As seen on page 9 of the slide presentation, for the quarter, Selling, General and Administrative expenses increased approximately \$12 million to \$347 million. Acquisition and integration costs for HIT Entertainment were approximately \$16 million. As a percentage of net sales, SG&A expense was 37.4%, up 230 basis points compared to prior year's rate of 35.1%. Excluding the impact of HIT acquisition and integration costs, SG&A expense was lower in absolute dollars by about \$4 million, or 35.6% of net sales. As expected, savings in litigation expenses and the absence of a 2011 settlement charge were key drivers. We continue to provide an updated historical trend summary of our incremental MGA and recall-related legal and settlement costs in the appendix.

Page 10 of the presentation summarizes the performance of our two-year Global Cost Leadership initiative and continuing efforts on our ongoing Operational Excellence 2.0 program. For the quarter, we delivered incremental Operational Excellence 2.0 gross savings of \$36 million and we are on track to deliver the \$175 million in cumulative savings by the end of 2012.

Turning to page 11, operating income in the first quarter was \$28.7 million or 3.1% of net sales, down 80 basis points compared with last year's first quarter. The decrease in operating income was driven by lower sales and the acquisition and integration costs associated with HIT Entertainment, which were offset by higher gross margins and lower legal spending.

Turning to page 12, earnings per share for the quarter was \$0.02, which includes a \$0.04 charge in the quarter for HIT acquisition and integration expenses. Slightly lower sales, HIT acquisition and integration costs and ongoing HIT SG&A were partially offset by higher gross margins, and reduced legal spending. In addition, higher interest expense and a slightly higher tax rate also impacted earnings per share for the quarter.

As you know, the acquisition of HIT Entertainment closed on Feb 1. Today, we wanted to give you some additional information that will help you to better understand HIT's top line and bottom line impacts to our business in 2012.

We previously told you that on a historical basis, HIT Entertainment generated about \$180 million in annual revenues with about a 40% EBITDA margin. For 2012, we anticipate revenues should be lower due to two major factors:

- First, the Fisher-Price royalty payment on plastic and die-cast products will no longer be recorded as revenue but as reduction to royalty expense; and
- Second, 2012 will only include 11 months of operations.

We expect both of these adjustments to lower revenues by \$30-35 million for the year.

And, we continue to expect that the acquisition should not have a material impact on our business in 2012 but should be accretive to our business going forward. We expect operating profits for the business this year to be offset by acquisition and integration costs and intangible amortization, as well as interest expense.

Page 13 outlines both the estimated integration and amortization expenses. We highlight both the actual costs incurred in the quarter and estimated annual costs Mattel expects to incur in 2012 as a result of the acquisition. Neither of these charges was incurred by the business in 2011. For the quarter, acquisition and integration expenses were \$16 million, and we expect these expenses to total between \$25-30 million for the year. These expenses will include acquisition fees, consulting fees and severance and IT infrastructure costs. In addition, we also incurred about \$1 million in expenses related to the amortization of intangibles. For the year, we would expect these expenses to be about \$5-\$6 million.

We discuss cash flow on page 14. Cash flow from Operations for the quarter was \$172 million compared to cash flow used for Operations of \$42 million in the first quarter of last year. The improvement is primarily due to changes in working capital and reduced tax payments. Capital expenditures for the quarter were \$38 million, down \$7 million from last year, primarily due to the timing of expenditures for tooling. In addition, we repurchased approximately 700,000 shares of our stock in the first quarter.

So to recap cash flow for the first quarter, we increased capital deployment for the acquisition of HIT Entertainment and our higher quarterly dividend payment which were partially offset by the improvement in operational cash flow, lower capital spending, and fewer share repurchases. As a result, our cash on hand at the end of the quarter was \$785 million, down \$264 million from prior year's first quarter. Looking forward, we continue to have a strong balance sheet and a business that generates consistent cash flow, which we will continue to deploy to enhance shareholder value.

Today we announced our second quarter dividend of \$0.31 per share, reflecting the annualized dividend of \$1.24 per share, which represents a 35% increase to 2011's total dividends.

We remain committed to our Capital Deployment Strategy:

- To maintain \$800 million to \$ 1billion in year-end cash
- To maintain a year end debt-to-capital ratio of about 35%
- To return excess fund through dividends and share repurchases

In 2012, we expect to end the year with cash and debt levels consistent with our framework and there will be three key drivers for cash deployment in 2012:

- The acquisition of HIT Entertainment for \$680 million,
- An increased dividend payout to an annualized dividend of \$1.24, which will return approximately \$430 million back to shareholders, and

- Capital expenditures of about \$215 million to \$225 million reflecting increased investment in company growth initiatives

The balance of excess cash will be deployed over time opportunistically for share repurchases and targeted acquisitions. Taking all that into account, for 2012, we expect this strategy to result in a reduction in the number of shares repurchased this year as compared to the prior year.

So in summary, the quarter played out much as we anticipated. We continue to have momentum in many of the same key areas that drove our strong financial performance in 2011 and remain committed to executing our plans on key brands like Fisher-Price and with key retailers here in North America. We believe our fundamentals are strong, and the investments made this quarter will allow us to continue to create consistent value for our shareholders.

That concludes my review of the financial results. Now, we'd like to open the call to questions. Operator?

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Our first question comes from Greg Badishkanian of Citigroup. Please go ahead.

<Q – Gregory Badishkanian – Citigroup Global Markets (United States)>: Great, thanks. Hey, guys. So, just wondering, in terms of retail shipments and sell through, can you talk just a little bit about how your retail compares to the overall industry? Are you a little bit leaner or are you about the same?

<A – Bryan Stockton – Mattel, Inc.>: Hey, good morning, Greg. It's Bryan. How are you today?

<Q – Gregory Badishkanian – Citigroup Global Markets (United States)>: Good. Thanks.

<A – Bryan Stockton – Mattel, Inc.>: Yeah. I would start off by saying we believe we're carrying over the momentum that we created last year into the first quarter. Our shares grew both in the U.S. and in Europe, as measured by NPD. We grew about 200 basis points in the U.S. and a little over 100 in Europe. So, we've got good consumer momentum and that's the first place we always start when we think about where we are with inventories.

As we described to many of you back in February, we said that the inventories for the industry appeared to be better than they were the prior year, but still a little bit high and that we believed we were in pretty good shape on inventories. Our unit inventories were just slightly below the prior year and the feedback from our customers was that, other than the usual spots here and there, that we were in pretty good shape.

So I can't comment on the competition, but we continue to believe that we're pretty well placed in inventory. We're going to continue to work with our customers both here in the U.S and in international to balance out that whole balancing act between making sure we've got the right inventories level to meet our POS needs.

<Q – Gregory Badishkanian – Citigroup Global Markets (United States)>: Good. And if let's say shipments matched POS, if they were kind of in line with each other instead of the inventory reduction at retail, would you have had positive shipment growth this quarter? Or how would you have categorized that?

<A – Bryan Stockton – Mattel, Inc.>: Well, I would say based on where we are, we're sure we grew share in a toy category that was declining a little bit in both Europe and U.S., so it's hard to tell exactly what it would have been. But we think from a share standpoint, we've got the momentum despite a soft category, so it's hard to tell.

<Q – Gregory Badishkanian – Citigroup Global Markets (United States)>: Okay. Good. Thank you very much.

<A – Bryan Stockton – Mattel, Inc.>: Thanks, Greg.

Operator: Our next question comes from Sean McGowan of Needham & Co. Please go ahead.

<Q – Sean McGowan – Needham & Co. LLC>: Hi. Good morning, guys. Two questions, one on CARS 2. I seem to recall in the transcript this morning, you actually verified it, that last year in the first quarter, I remember Bob saying that the CARS 2 impact in the quarter wasn't really that significant, that some retailers were buying it, but it was really going to be more of a second quarter event. So the question is could you reconcile that? And does this mean that CARS in the quarter fell below the sort of "normalized" non-movie year level, it's a product that sells well even when it's not in the theaters, so is that the case?

And then second, if you could be more specific on the previous question, exactly what was the point of sale performance year-over-year for those accounts where you have that data?

<A – Bryan Stockton – Mattel, Inc.>: Yeah. Hi, Sean. It's Bryan.

<Q – Sean McGowan – Needham & Co. LLC>: Okay.

<A – Bryan Stockton – Mattel, Inc.>: I'll start first with CARS and ask Kevin to fill in a couple of the comments as well. One of the challenges we always have with the first quarter is there's a lot numbers and although CARS may not have seemed that large in the first quarter relative to what we shipped overall last year, it did have an impact on our quarter year-on-year performance this year. So in the grand scheme of things at CARS, was it a huge deal? No. As you looked at quarter-to-quarter comparisons, it did have an impact primarily on the U.S. Do you want to add anything there, Kevin?

<Q – Sean McGowan – Needham & Co. LLC>: But is it – do you think it was just falling down...

<A – Kevin Farr – Mattel, Inc.>: No. I'd say that we did ship – go ahead, Sean.

<Q – Sean McGowan – Needham & Co. LLC>: So do you think it was just falling down back to the level that it would do in a non-movie year or did it go down even more?

<A – Bryan Stockton – Mattel, Inc.>: Well yeah, it's hard to tell right now, Sean, because it's so early. We're just now beginning to comp the numbers coming up here in the second quarter. What I'd tell you is that CARS grew share gain in both the Europe and the U.S. and so we're seeing solid momentum continuing on CARS. So we'll have to get through the second and third quarters, but right now, we're feeling positive about CARS.

<A – Kevin Farr – Mattel, Inc.>: Yeah, I think with regard to CARS shipping level in 2012, it's similar to what we shipped in 2010. So it is at the pre-movie level. Again, with CARS, we did do some shipping in the first quarter last year, relative to the growth last year. It wasn't substantial, but as we said before, our first-half shipments of CARS last year were 50% of the volume that we usually do. And as we look at 2012, it's going to be even more normalized, where the first half will be about a third, consistent with Mattel's general shipping patterns.

<Q – Sean McGowan – Needham & Co. LLC>: Right. Okay, thank you.

<A – Kevin Farr – Mattel, Inc.>: And then with regarding your question on POS in the quarter. It was flattish for the quarter in 2012.

<Q – Sean McGowan – Needham & Co. LLC>: Okay. Thank you.

Operator: Our next question comes from Felicia Hendrix of Barclays. Please go ahead.

<Q – Felicia Hendrix – Barclays Capital, Inc.>: Hi. Good morning. I wonder if we could just step back and look at things a little bit bigger picture, because you said in the release, and, Bryan, also in your prepared remarks, that the first quarter played out as expected. Obviously, there was, however, a big delta between your expectations and what the Street was looking for. So maybe just to help us all get onto the same page, I'm wondering if you could perhaps discuss with us what the biggest surprises you saw in the quarter from a revenue perspective were, if any. And then you did say that half of the decline was due to CARS 2, half was the decline – and then is it fair to assume that the other half of the North American decline was fully driven by the U.S. retailers being more conservative or is there anything else?

<A – Bryan Stockton – Mattel, Inc.>: Sure, Felicia, yeah. Good morning, it's Bryan. Yeah, let me start with in terms of our expectations for the quarter. We don't give guidance, but I think what we've tried to communicate is that we had brand momentum that we had built up, particularly in the fashion doll area, Barbie, Monster High, Disney Princess, for example. CARS 2 was doing well. And we talked about beginning to see some encouraging signs on Fisher-Price. From a brand standpoint, we still saw that in the first quarter. So that certainly wasn't a surprise.

International growth was very consistent with what we've seen. Latin America did well. Asia did well. We were very pleased, frankly, with Europe, given the challenges there both from a retail standpoint and an economic standpoint. We did talk about the challenges in the U.S. We talked about the headwinds with CARS. I would say, based on where we started the quarter, retail inventory reductions might have been a little more drastic than you might have thought, but I don't believe there were any big revenue surprises other than probably that.

<Q – Felicia Hendrix – Barclays Capital, Inc.>: Before we get some other follow-ups, just with that, so is that changing how you might be thinking about the rest of the year, maybe assuming that the retailers will continue to be conservative?

<A – Bryan Stockton – Mattel, Inc.>: Not really. We've said for the last couple of years, given the economic challenges here in the U.S. and particular in Western Europe as well, the retailers have been cautious. We expect them to remain cautious, particularly as it relates to inventory. Our job here is to create demand with our core brands and by extending our brands on Barbie into some new categories. So we're going to focus on our job, which is trying to create demand for our brands and work with our customers to make sure we strike that challenging balance between making sure we're shipping enough to supply the inventory levels that they need at the right times to support POS.

<A – Kevin Farr – Mattel, Inc.>: And I'd just add to that. I think the POS with regard to Barbie, with regard to Monster High, with regard to CARS, have momentum and retailers are going to tightly manage inventory in 2012 just like they did in 2011, but they're going to buy the products that consumers are buying. And what the good news is that we've got the same brands that were creating the momentum in 2011 and delivered value for Mattel, continue to have momentum in the first quarter of 2012.

<A – Bryan Stockton – Mattel, Inc.>: Yeah. I would also add as a final note, and we'd encourage you to speak with retailers directly, but from where we're watching, it seems like retailers this year are being a little more aggressive in reducing the inventory carryover from year-on-year than they were a year ago. So we would view that as a positive thing because that'll clear the shelves up for more spring goods.

<Q – Felicia Hendrix – Barclays Capital, Inc.>: Okay. Okay, so you did highlight that Barbie point of sales was good, so as we interpret the numbers that came out, North America, down 9%, is that just all attributable to the tighter inventories?

<A – Bryan Stockton – Mattel, Inc.>: Well, it was...

<Q – Felicia Hendrix – Barclays Capital, Inc.>: I mean the tighter – with...

<A – Bryan Stockton – Mattel, Inc.>: About half of it is CARS 2.

<Q – Felicia Hendrix – Barclays Capital, Inc.>: No, I'm talking about Barbie.

<A – Bryan Stockton – Mattel, Inc.>: And about half of it would be retailer inventory reductions, which would go pretty much across the board on most brands including Barbie.

<Q – Felicia Hendrix – Barclays Capital, Inc.>: Okay. But I'm looking at a Barbie North American decline of 9%. That was what my question was relating to. That wouldn't have CARS 2 impact.

<A – Kevin Farr – Mattel, Inc.>: Correct. Again, I think what's occurring is that there's been – the POS is positive, so...shipping is negative 9%, as you said, that inventories have gone down high single digits as a result of that.

<Q – Felicia Hendrix – Barclays Capital, Inc.>: Okay. Just one last final, just on Easter, was there any impact to your results that we could think about?

<A – Bryan Stockton – Mattel, Inc.>: It's a little early to tell. We haven't seen the NPD data obviously yet. Easter was earlier than last year, but it was still in April and it would be very interesting to see what consumer shopping patterns were this year. As you'll recall for Christmas last year, the shopping came very, very late. So it'll be interesting to see what the NPD data tells us.

<Q – Felicia Hendrix – Barclays Capital, Inc.>: Okay, great. We'll look forward to that and really appreciate your time. Thank you.

<A – Bryan Stockton – Mattel, Inc.>: Thank you.

Operator: Our next question comes from James Hardiman of Longbow Research. Please go ahead.

<Q – James Hardiman – Longbow Research LLC>: Hi. Good morning. Thanks for taking my call. Just to briefly close the loop here on the North American decline. Is it safe to say, as I think about the second quarter, is that CARS 2 was a much bigger part of the sell-in during last year's second quarter and so it's going to have an even larger impact in a negative direction during this year second quarter compared to first Q?

And then conversely, it is also safe to assume that ship-in is going to more approximate sell-through in the second quarter, that ultimately, those inventory reductions are a thing of the past?

<A – Kevin Farr – Mattel, Inc.>: Yes. I think that's right and I think when we looked at CARS last year, the big shipping quarter was the second quarter for CARS relative to the second quarter of 2010. And as we've said before, when we looked at our shipping volume for CARS last year, it was about 50-50 first half, second half, where normally, it followed Mattel's shipping patterns, which is about one-third sales in the first half, two-thirds in the second half. So that's correct. And I think your comment with regard to – look, it's hard to tell with regard to retailers. Are they going to continue to manage down inventories? But at some point in time when we've got product selling and you got momentum with regard to consumer takeaways, retailers are going to have to buy and, at some point, they're going to buy what's selling and it should come in sync with shipments should equal sell-through.

<Q – James Hardiman – Longbow Research LLC>: Very helpful. And then just briefly on the O.E. 2.0 savings, how should we think about the cadence as we work our way through the year? It looks like basically two-thirds of the legal expenses, you've already seen those savings. Those are sort of the easy ones to model. How should I think about the cadence over the rest of the year? What are the major line items of things you're going to be getting savings from? And what are the time frames around those events?

<A – Kevin Farr – Mattel, Inc.>: Yeah. Yeah, I think you've got it right on legal. With respect to legal fees to date, we've realized \$65 million of our cumulative savings goal of \$75 million. And again, we were still at trial in the second quarter of last year, so should expect that some in the second quarter and the balance in the rest of the year. With regard to the structural initiatives, the

remaining savings should occur over a quarterly basis pretty much similar to what we experienced in the first quarter.

<Q – James Hardiman – Longbow Research LLC>: Great. And then just one last housekeeping question here. On the HIT acquisition, I mean you've basically given us, I think, most of the parts. We are to assume that the operating profit contribution is offset by all of the integration expenses and the interest expenses. You've given a sort of the integration expenses, that \$30 million to \$36 million. What's the delta – the incremental interest expense that you're expecting to pay as a result of HIT this year?

<A – Kevin Farr – Mattel, Inc.>: Yeah, let me just go through it, so we make sure that we've got all the pieces. So as we said, we don't expect to have a material impact in our results in 2012. Which should be accretive start in 2013. In 2012, we expect that operating profits from the HIT business be offset by acquisition and integration costs of \$25 million to \$30 million, purchase accounting adjustments including the amortization of intangibles about \$5-\$6 million and financing costs of about \$25 million. And we expect to be increasingly accretive in 2013 and beyond due to the elimination of acquisition costs and substantially lower integration costs, the addition of the Thomas wood business in 2013, cost synergies and the retention of the Thomas die-cast and plastic business from 2015 onward.

<Q – James Hardiman – Longbow Research LLC>: Perfect. Thanks, guys.

<A – Kevin Farr – Mattel, Inc.>: Yeah.

Operator: Our next question comes from Robert Carroll with UBS. Please go ahead.

<Q – Robert Carroll – UBS Securities LLC>: Yeah. So just following up, a little more granular on HIT during the quarter, would you be able to break out what the gross margin would have been excluding HIT?

<A – Kevin Farr – Mattel, Inc.>: Well, I'm not going to give you that level of detail, but when you look at what drove the improvement in first-quarter gross margin of 130 basis points, it really was primarily due to the price increases, foreign exchange and cost savings from O.E. 2.0 program, partially offset by higher product costs and freight and distribution expenses. As we said, HIT also had a positive impact on gross margins for the quarter and note that the positive impact of HIT will be smaller as the year progresses due to the relative size of HIT's business to Mattel's overall business. So most of the improvements or the majority of improvement came from price increases and O.E. 2.0 savings and ForEx to offset input costs.

<Q – Robert Carroll – UBS Securities LLC>: Okay. So if you look at Slide 8, as those are tiered, that's in terms of relative contribution?

<A – Kevin Farr – Mattel, Inc.>: No.

<Q – Robert Carroll – UBS Securities LLC>: Okay. All right. And then, I guess has the change in – or I guess the delta in POS versus shipments, I mean has that caused you guys to change any sort of internal production schedules for the remainder of the year or I mean is it just a function of you guys kind of building out the inventory and more to support where you think the demand is still going to throughout the year?

<A – Bryan Stockton – Mattel, Inc.>: Yeah. Hi, Rob. It's Bryan. No, it really hasn't. As you I'm sure noted, that our inventories, our own inventories were down for the quarter. And we worked very hard in the fourth quarter of last year and the first quarter of this year to try to balance out the entire supply chain, starting with our own inventory and working with our customers to see what was needed at the store level. So it hasn't impacted anything that we're doing. We're continuing to

try to support the momentum that we have, particularly in fashion dolls. We have, I think, a lot of strong plans for Barbie and Monster High this year. So we're going to be really focusing in on trying to make sure we have the right levels of inventory in the right areas, so that we can have strong execution in that all-important holiday season.

<A – Kevin Farr – Mattel, Inc.>: Yeah. And I'd just add to that. I think as we entered 2012, the same as we've thought about in 2009, 2010 and 2011, our expectations are that retailers will continue to tightly manage the inventories. That occurred in the first quarter. It was a little bit more challenging than expected with regard to that. But I think with respect to the full year, again, our expectation is they're going to manage inventories and they want to grow their business and we want to grow our business and they're going to buy what's going to sell through. And we're producing to reflect that.

<Q – Robert Carroll – UBS Securities LLC>: Thanks, guys.

Operator: Our next question comes from Jim Chartier of Monness, Crespi, Hardt. Please go ahead.

<Q – Jim Chartier – Monness, Crespi, Hardt & Co., Inc.>: Good morning. Two questions. The first, could you talk about the POS for Fisher-Price during the quarter? And then second, you mentioned great progress in China and India. Can you give us a sense of how big those markets are and what great progress entails in terms of what you're doing specifically in those markets?

<A – Bryan Stockton – Mattel, Inc.>: Yeah. Hi, Jim. Good morning. Let me first start with Fisher-Price. We've always said that Fisher-Price is a work-in-progress and that last year, 2011, was a transition year. We said that this year would continue to be a transition year for Fisher-Price and the reason for that is we spent a lot of time last year working on retail execution and trying to find the right positioning for the brand and that's how we came up with the new campaign, the Joy of Learning, which we launched on television back in October.

So we've carried that over into this year. Our focus this year on Fisher-Price is to do many of the same things, which is, number one, focus on retail execution. We think the North America Division will really have a stronger focus than we had last year on that. And then secondly, we're trying to deepen the relationship we have with these new moms by taking that campaign and extending it digitally with a global Fisher-Price website that'll be coming out in the next few months and working on delivering the message at store level as well.

So when you look at Fisher-Price POS globally, it continues to grow and be strong in international, particularly in markets like Latin America and Asia. Here in the U.S., frankly, it was a little softer than we would have liked to have seen, but we think of this as a brand that responds differently than a typical kid's brand. This is more of a mom's brand. And it doesn't respond to a one-plighted advertising—and all of a sudden, that the trend is fixed. This is a work-in-progress. We've got a lot of work ahead of us, but we remain encouraged by what we're seeing.

As it relates to what we're doing in terms of China and India—one of the things that we always talked about in international is gaining scale—and in China, we've had scale for some time. At the beginning of last year, we were completing the transition of going from our managed distributor model to a wholly-owned subsidiary model in China, which enabled us to hire more people to call on customers locally, enable us to have a much tighter bond with the consumer in China and work even more closely with key customers like Wal-Mart and Carrefour, for example, in China.

So we have scale. Our business has continued to grow there. It's been a pretty steady growth for us. We like that. We always talk about building the business in China on a brick-by-brick basis. We think a steady approach will work well over time. That's the same approach that we took in Brazil that seems to have worked out quite well for us.

India is also an interesting market for us. In terms of development, it's a few years behind China, but we believe we now have scale in India as we're able to promote our products almost all year long. The Barbie brand has been very successful there. I think we shared one of the things that we've done there, which is partnering up with a very famous Bollywood actress, Katrina Kaif, there. We produced a doll in her likeness. She did a commercial for us. So that's what we're doing in India to keep scale and to grow the business and to really try and align our brands with local culture. So, we're pleased with our progress in both countries.

<Q – Jim Chartier – Monness, Crespi, Hardt & Co., Inc.>: All right. Thank you.

Operator: Our next question comes from Drew Crum of Stifel, Nicolaus. Please go ahead.

<Q – Drew Crum – Stifel, Nicolaus & Co., Inc.>: Thanks. Good morning, everyone. So, Bryan, I have a couple of questions on the fashion dolls business. I wonder if you could first comment on any thoughts you have in some of the changes in the competitive dynamics in that category and how that may or may not have impacted your business during the period?

Also, could you discuss the contrasts in performance for Other Girls when you look at North America versus international?

And then finally, in your preamble, you talked about Disney Princess adding a couple of new markets there. When does that happen and just remind us again what initiatives Disney Princess has in 2012?

<A – Bryan Stockton – Mattel, Inc.>: Good. Okay. That's a great question that will probably take us a half an hour to answer. There's a lot of good stuff. Now let me start first with fashion dolls. The fashion doll category has been a very positive category for the toy industry in general. It's been growing and we believe the fashion doll category has been growing because of a lot of great initiatives in there. We think we have a number of those great initiatives, beginning with Barbie and Barbie had a very successful last year, as you know from our results. We're expecting a lot of positive things to happen with Barbie this year. I think we showed you the fashion photo doll, which we expect is going to be very big as I hope you will all be registered for the Barbie PARTY and both for Barbie for President, she's announced her candidacy there. But she's also- we have two great movies this year for her, DVDs, Barbie in A Mermaid Tale 2 is doing very well, better than last year's DVD and sales. And this year, we have our first musical in seven years called The Princess & The Popstar. So when we think about Barbie, I think there's a lot of good programming out there to continue that momentum.

Monster High continues to do extremely well in every country in which we compete. I think we told you about the insight that we had there about girls being anxious about some of their "flaws" to use their term and we've tapped into that and continued to. That brand was all about being relevant and having storytelling and having characters girls can relate to. So, as we think Monster High this year, we're going to have actually about four hours of television programming on, which is I think about three times more than we had last year. And obviously, we'll continue with the whole webisodes, which is what we launched the spring with.

And our Disney Princess, this is an interesting year for us because we are comping Tangled of last year, which as you'll recall launched in the U.S. in November. The DVD dropped in the first half and the movie was actually launched internationally in the dish in 2011. So we're copying that.

We're very pleased with Brave. Brave is going to be, we think, a very interesting movie. We've got, we think, a strong but focused line on Brave. We're having the Cinderella 50th anniversary, dish and DVD coming out. We're supporting that. So we're excited about all of that activity.

As you know, the fashion doll business attracts a lot of competition and we're used to that. We've had that for a number of years. So we're always focusing on what our brands need to do to stay in the forefront of girls' minds. There are a couple of new initiatives that are out there. I would say it's too early to determine any kind of impact on our business, but we feel very confident in our programming for this year and are anxious to execute what we've got.

As it relates to Disney, it's really a market-by-market kind of situation as this contract now unfolds. I think the most important thing about expanding the relationship is we've always had the mantra to partner with the best and to be the best partner. And every time we get the ability to extend our partnership with brands in the new countries, we think is a reflection of the commitment we've made to Disney and our other partners to try to help build their brands globally. So we're very excited about that.

<A – Kevin Farr – Mattel, Inc.>: Yeah. And just to add, the Monster High, I think we've stated before, the brand is bigger outside the U.S. than inside the U.S. But we are seeing good momentum around the world, including the U.S.

<Q – Drew Crum – Stifel, Nicolaus & Co., Inc.>: Got it. Okay. Thanks, guys. And one last one from me, just a quick one. \$400 million of debt, that's listed as current on the balance sheet. Can you remind us, Kevin, when the timing of that payment or payments flows and are there plans to repay or re-fi that debt?

<A – Kevin Farr – Mattel, Inc.>: Well, I think with regard to – if you look at our current balance sheet, with regard to having a strong balance sheet of \$800 million to \$1 billion and a debt to total capital of 35% that is our target, we're currently at 37%. So our balance sheet's in good shape. About \$400 million is due in 2013 and our expectation would be to continue to refinance that as our debt to total capital right now is around where we'd expect it to be next year after refinancing it.

<Q – Drew Crum – Stifel, Nicolaus & Co., Inc.>: Okay. Thanks, guys.

<A – Kevin Farr – Mattel, Inc.>: You're welcome.

Operator: Our next question comes from Linda Bolton-Weiser of Caris. Please go ahead.

<Q – Linda Bolton-Weiser – Caris & Co., Inc.>: Hi. Just a couple of longer-term, kind of, strategic questions. The addition of HIT Entertainment has added to your gross margin. So the idea that you want to maintain a growth margin of at least 50% over time, I mean do you think you should adjust that a little bit, because you're really getting kind of a boost just from including HIT?

And then secondly, with regard to American Girl and just the transitions there, do you have any thoughts about long-term, how many retail stores you're going to have in the U.S. for that? I mean are you thinking, 20, 30, 50, 100, like just in a very long-term sense?

And then finally, are you still on track for plans to launch a new brand platform in 2013? Thanks.

<A – Bryan Stockton – Mattel, Inc.>: Hey, good morning, Linda. Let me start first with the gross margins and I'm sure my partner, Kevin, will chime in on this one as well. We always talked about trying to achieve our long-term goal of about 50%. We're still comfortable with that. We're in an environment of costs, whether it's commodity cost, labor cost, transportation costs. They're still pretty volatile and so we're going to stick with our long-term target of 50%. Obviously, we're going to work very hard to deliver play value against that. But we're very comfortable with that.

Regarding American Girl, we're excited about the continued prospects for American Girl. We're not going to announce how many stores we're going to have long term. I would tell you that we have taken a very measured and disciplined approach on expanding the American Girl retail storefront.

The reason why is we recognized that we have a very precious jewel here and we need to be very mindful of making sure that we don't over-store the environment with American Girl. So we look at that on a continuing basis and we're looking forward to the three stores opening this year, but we'll continue to be very mindful and disciplined in terms of how we think about that.

And in terms of a longer-term launch, in terms of another franchise, we're continuing to work on that. We're not quite ready to announce what it is and when it's going to be, but we're using Monster High as inspiration here internally to think about how we apply that recipe of inside storytelling and product line to other parts of our business and we'll look forward to sharing that when we're ready. Kevin, any more comments on the margin?

<A – Kevin Farr – Mattel, Inc.: No. I think, Linda, we do target gross margins of at least 50% for the full year of 2012 and we did benefit from the inclusion of HIT in our gross margins in the first quarter of 2012. But as I said, that positive impact will be smaller as the year progresses due to the relevant side of the HIT's business to Mattel's overall business.

If we look forward, we do have opportunities to grow the HIT business and our overall licensing business for Mattel brands including Barbie, Hot Wheels and Fisher-Price, which should have a positive impact in gross margins looking forward. We'll also have a great opportunity to grow our Fisher-Price toy business on a global basis, since it's underdeveloped outside the U.S. and the Fisher-Price brand has good margins for its category, but they're lower than our average of around 50%. So, as we look forward, our focus is to continue to target and deliver gross margins about 50%. There'll be things that will help us. There'll be things that work against us as we grow, but overall, we're comfortable with the 50% target, which we've delivered for last three consecutive years.

<A – Drew Vollero – Mattel, Inc.: Operator, we have time for one more question.

Operator: Our final question comes from the line of Michael Kelter of Goldman Sachs. Please go ahead.

<Q – Michael Kelter – Goldman Sachs & Co.: I wanted to ask about the industry at large. You guys are clearly gaining share and most of your brands are doing pretty well, but it's within the context of what appears to be somewhat of a shrinking pie. And I wanted to understand yes, the macro is choppy, but most of the discretionary categories seem to be doing relatively well, yet toys are down low to mid singles. And when you take out, for example, LEGO, I mean the toy industry is running down 5% to 10% right now in the U.S. Is there something maybe more secular to it or, if not, why do you think it's down so much and what's going to turn it around? Thanks.

<A – Bryan Stockton – Mattel, Inc.: Yeah. Hi, Michael. Good morning. It's a great question and we've talked about this because, obviously, we like a robust toy category. It helps all of us in the industry. At this point, we don't see anything from a macro basis that would lead us to believe that there's some secular change in the toy industry. It's been growing, particularly outside the U.S. despite a lot of the economic challenges. Inside the U.S., it's always been a little bit slower growing than it has been even relative to places like Western Europe. But we haven't seen anything in terms of consumer spending or retailer commitment that would lead us to believe that there's some major change.

Having said that, if we look at our own information and think about what happened in the industry in 2011, as we carried over quite a bit of product, and we, I mean the industry, as we look at our business, there's less activity on what we would call closeouts this year than last year. I don't know if Mattel was representative of the industry, but our inventory situation, we believe is not quite in the same place as others. We believe it's more favorable. But we suspect that there's probably less promotional activity in the area of closeouts this year than last year. And that would potentially impact the industry.

Certainly, I mentioned earlier in the call the timing of Easter. Even though Easter was earlier this year than last year, we really need to take a look at NPD data and understand the timing of consumer spending for Easter. Again, recall this year for the holidays, the spending for toys came later than many of us thought and again, we need to see what NPD tells us. But again, top line is we don't see anything from a macro standpoint that would lead us to believe there's an issue with the toy industry in the U.S.

<Q – Michael Kelter – Goldman Sachs & Co.>: And in Europe, where you guys held up really well, is there a possibility that that was just a follow-through from a really strong Christmas and now looking forward, Europe's going to be as choppy as maybe the headlines suggest it should be? Or do you think you guys will be able to grow through the kind of choppiness over there? Thanks.

<A – Bryan Stockton – Mattel, Inc.>: Well, thanks, Michael. We work very hard in every country around the world to try to grow our businesses. Europe has been probably one of the more challenging areas not just from a consumer standpoint, but from the level of caution that retailers take for the business and again, that's why we focus so much of our time and energy on building brands. If we can build the brands, as we've proven, people will want to buy Barbies even under difficult economic conditions. People will want to buy Fisher-Price because it represents quality and a good value and what moms are looking for in place for their babies and infants. So we do our job as we've got to create the value to weather those stormy times.

<Q – Michael Kelter – Goldman Sachs & Co.>: Right. Thank you very much, guys.

<A – Bryan Stockton – Mattel, Inc.>: Thanks, Michael.

Drew Vollero, Senior Vice President-Corporate Strategy, Development & Investor Relations

Thank you. There will be a replay of the call available beginning at 11:30 AM Eastern Time today. The number to call for the replay is area code 404-537-3406, and the pass code is 62075882. Thank you for participating in today's call.

Operator: Ladies and gentlemen, this does conclude today's conference. You may all disconnect and have a wonderful day.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC, FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2012. CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.