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FORM 8-K
(Current report filing)

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UNITED STATES
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):
January 31, 2012

MATTEL, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation)**	**001-05647** **(Commission File No.)**	**95-1567322** **(I.R.S. Employer Identification No.)**

333 Continental Boulevard, El Segundo, California **(Address of principal executive offices)**	**90245-5012** **(Zip Code)**

Registrant's telephone number, including area code
(310) 252-2000

N/A
(Former name or former address, if changed since last report)

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:

☐ 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))

Section 2 - Financial Information

Item 2.02 Results of Operations and Financial Condition.

On January 31, 2012, Mattel, Inc. ("Mattel" or "the Company") issued a press release regarding its fourth quarter and full-year 2011 financial results, a copy of which is furnished as Exhibit 99.1 hereto. This exhibit is incorporated herein by reference.

In its fourth quarter and full-year 2011 press release, Mattel includes a non-GAAP financial measure, gross sales, which it uses to analyze its operations and to monitor, assess and identify meaningful trends in its operating and financial performance. Net sales, as reported in the consolidated statements of operations, include the impact of sales adjustments, such as trade discounts and other allowances. Gross sales represent sales to customers, excluding the impact of sales adjustments. Consistent with its segment reporting, Mattel presents changes in gross sales as a metric for comparing its aggregate, business unit, brand and geographic results to highlight significant trends in Mattel's business. Changes in gross sales are discussed because, while Mattel records the detail of such sales adjustments in its financial accounting systems at the time of sale, such sales adjustments are generally not associated with individual products, making net sales less meaningful. A reconciliation of gross sales to the most directly comparable GAAP financial measure, net sales, is provided in Exhibit II to the press release furnished as Exhibit 99.1 to this Form 8-K.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Section 8 – Other Events

Item 8.01 Other Events.

In the same press release described in Item 2.02 above, Mattel also announced that the Company's Board of Directors has declared a quarterly dividend of $0.31 per share on the Company's common stock, to be paid on March 9, 2012 to stockholders of record on February 23, 2012.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired: None

(b) Pro forma financial information: None

(c) Shell company transactions: None

(d) Exhibits: Press release dated January 31, 2012, issued by Mattel, Inc.

Exhibit No.	Exhibit Description
99.1**	Press release dated January 31, 2012.

** Furnished herewith.

SIGNATURE

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.

MATTEL, INC.
Registrant

By: /s/ Robert Normile

Robert Normile
Executive Vice President,
Chief Legal Officer and Secretary

Dated: January 31, 2012

Exhibit 99.1

For Immediate Release

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MATTEL REPORTS 2011 FINANCIAL RESULTS AND DECLARES QUARTERLY DIVIDEND

Fourth Quarter Highlights

- **Worldwide net sales up 1% from the prior year;**
- **Domestic gross sales down 2% and international gross sales up 5%;**
- **Worldwide gross sales for core brands: Barbie ® up 6%; Hot Wheels ® up 11%; Core Fisher-Price ® down 3% and American Girl ® up 4%;**
- **Gross margin increased 230 basis points of net sales; SG&A decreased 110 basis points of net sales;**
- **Operating income was $497.5 million compared to operating income of $428.6 million in the fourth quarter of 2010; and**
- **Earnings per share of $1.07 vs. prior year of $0.89.**

Full-Year Highlights

- **Worldwide net sales up 7% from the prior year;**
- **Domestic gross sales up 3% and international gross sales up 12%;**
- **Worldwide gross sales for core brands: Barbie ® up 12%; Hot Wheels ® up 6%; Core Fisher-Price ® up 2%; and American Girl ® up 5%;**
- **Gross margin decreased 30 basis points of net sales; SG&A decreased 160 basis points of net sales;**
- **Operating income was $1.04 billion compared to operating income of $901.9 million for the full-year 2010; and**
- **Earnings per share of $2.18 vs. prior year of $1.86 (includes tax benefit of $0.05 per share).**

Capital Deployment

- **Board declared 2012 first quarter cash dividend of $0.31 per share, reflecting an annualized dividend of $1.24 per share, which represents a 35% increase to last year's total dividends; and**
- **For the 2011 fourth quarter, the company repurchased 4.0 million shares of its common stock at a cost of approximately $112 million and for the year, the company repurchased 20.4 million shares of its common stock at a cost of approximately $536 million.**

EL SEGUNDO, Calif., January 31, 2012 – Mattel, Inc. (NASDAQ:MAT) today reported 2011 fourth quarter and full-year financial results. For the fourth quarter, the company reported net income of $370.6 million, or $1.07 per share, compared to last year's fourth quarter net income of $325.2 million, or $0.89 per share. For the year, the company reported net income of $768.5 million, or $2.18 per share, compared to last year's net income of $684.9 million, or $1.86 per share.

(more)

"Mattel delivered another strong year, our third consecutive year of solid performance, which I am especially pleased about given the soft global economic backdrop and the highly promotional environment, particularly in the U.S.," said Bryan G. Stockton, Mattel Chief Executive Officer. "Despite these challenges, for the year we delivered strong revenue growth and record operating income. Our portfolio of brands performed around the globe; our point-of-sale grew nicely; and we gained category share according to NPD's most recent data. In fact, four of the top five properties for the 2011 holiday season were Mattel properties [1] ."

Financial Overview

For the fourth quarter, net sales were $2.15 billion, a 1% increase from $2.12 billion last year, and included an unfavorable impact from changes in currency exchange rates of 1 percentage point. On a regional basis, fourth quarter gross sales were down 2% in the U.S. and were up 5% in international markets, which included an unfavorable impact from changes in currency exchange rates of 3 percentage points. Operating income for the quarter was $497.5 million, or 23.1% of net sales, compared to the prior year of 20.2% of net sales.

For the year, net sales were $6.27 billion, a 7% increase from $5.86 billion last year, and included a favorable impact from changes in currency exchange rates of 1 percentage point. On a regional basis, full-year gross sales were up 3% in the U.S. and were up 12% in international markets, which included a favorable impact from changes in currency exchange rates of 3 percentage points. Operating income for the year was $1.04 billion, or 16.6% of net sales, compared to the prior year of 15.4% of net sales.

The company's debt-to-total-capital ratio of 37.4% is in line with the company's capital and investment framework, and its year-end cash balance was $1.37 billion.

Net cash flows from operating activities were approximately $665 million, an increase of $137 million compared with approximately $528 million in 2010. The increase is primarily driven by improved earnings and the decision not to factor domestic receivables in 2010, partially offset by higher working capital usage. Cash flows used for financing and other activities were approximately $402 million, an increase of $185 million, compared with approximately $217 million in 2010, primarily due to higher debt maturities and share repurchases in 2011, partially offset by higher net proceeds from the issuance of debt.

(more)

[1] NPD Data, US Toy Industry, Q4 2011

Capital Deployment

The company announced today that its Board of Directors declared a first quarter cash dividend of $0.31 per share on the company's common stock. The dividend will be payable on March 9, 2012, to stockholders of record on Feb. 23, 2012. The dividend is the first of four quarterly dividends the company expects to make this year, reflecting an annualized dividend of $1.24 per share, which represents an increase of $0.32, or 35% versus last year's total dividends of $0.92 per share. For the fourth quarter 2011, the company repurchased 4.0 million shares of its common stock at a cost of approximately $112 million and for the year, the company repurchased 20.4 million shares of its common stock at a cost of approximately $536 million.

Mattel Girls & Boys Brands

Fourth quarter worldwide gross sales for the Mattel Girls & Boys Brands business unit were $1.36 billion, up 7% versus a year ago. Worldwide gross sales for the Barbie ® brand were up 6% and worldwide gross sales for Other Girls Brands were up 19%. Worldwide gross sales for the Wheels business, which includes the Hot Wheels ®, Matchbox ® and Tyco R/C ® brands, were up 5%. Worldwide gross sales for the Entertainment business, which includes Radica ® and Games, were up 3% for the quarter.

For the year, worldwide gross sales for the Mattel Girls & Boys Brands business unit were $4.15 billion, or up 13%. Worldwide gross sales for the Barbie ® brand were up 12%. Worldwide gross sales for Other Girls Brands were up 27% for the year. Worldwide gross sales for the Wheels business, which includes the Hot Wheels ®, Matchbox ® and Tyco R/C ® brands, were up 2%. Worldwide gross sales for the Entertainment business, including Radica ® and Games, were up 16%.

Fisher-Price Brands

Fourth quarter worldwide gross sales for the Fisher-Price Brands business unit, which includes the Fisher-Price ® Core, Fisher-Price ® Friends and Power Wheels ® brands, were $700.4 million, down 10%. For the year, worldwide gross sales for the Fisher-Price Brands business unit were $2.16 billion, down 3%.

American Girl Brands

Fourth quarter gross sales for the American Girl Brands business unit, which offers American Girl ® branded products direct to consumers, were $283.9 million, up 4%. For the year, gross sales for the American Girl Brands business unit were $510.9 million, up 5%.

(more)

Acquisition of HIT Entertainment

Mattel's acquisition of HIT Entertainment is expected to close tomorrow. Mattel will announce the closing in a separate press release shortly after it occurs.

Live Webcast

Mattel will webcast its 2011 fourth quarter and full-year financial results conference call at 8:30 a.m. Eastern time today. The conference call will be webcast on the "Investors & Media" section of the company's corporate Web site: http://corporate.mattel.com/. To listen to the live call, log on to the Web site at least 15 minutes early to register, download and install any necessary audio software. An archive of the webcast will be available on the company's Web site for 90 days and may be accessed beginning two hours after the completion of the live call. A telephonic replay of the call will be available beginning at 11:30 a.m. Eastern time the morning of the call until Friday, Feb. 3 at midnight Eastern time and may be accessed by dialing + 1 (404) 537-3406. The passcode is 40640038.

Presentation slides relating to the conference call, information required by Securities and Exchange Commission Regulation G regarding non-GAAP financial measures, as well as other financial and statistical information, will be available at the time of the webcast on the "Investors & Media" section of http://corporate.mattel.com/, under the sub-headings "Financial Information" – "Earnings Releases."

About Mattel

Mattel, Inc. (NASDAQ: MAT - News) (www.mattel.com) is the worldwide leader in the design, manufacture and marketing of toys and family products. The Mattel family is comprised of such best-selling brands as Barbie ®, the most popular fashion doll ever introduced, Hot Wheels ®, Matchbox ®, American Girl ®, Radica ® and Tyco R/C ®, as well as Fisher-Price ® brands, including Little People ®, Power Wheels ® and a wide array of entertainment-inspired toy lines. In 2012, Mattel was named as one of FORTUNE Magazine's "100 Best Companies to Work For" for the fifth year in a row. Mattel also is ranked among Corporate Responsibility Magazine's "100 Best Corporate Citizens" and the "World's Most Ethical Companies." With worldwide headquarters in El Segundo, Calif., Mattel employs approximately 28,000 people in 43 countries and territories and sells products in more than 150 nations. At Mattel, we are "Creating the Future of Play." Follow Mattel on Facebook: www.facebook.com/mattel

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Note: This press release contains forward-looking statements on a variety of matters, including without limitation, the company's expected quarterly cash dividend payments in 2012 and the timeframe in which the transaction with HIT Entertainment will be completed. These forward-looking statements are based on currently available operating, financial, economic and other information and are subject to a number of significant risks and uncertainties. A variety of factors, many of which are beyond our control, could cause actual future results to differ materially from those projected in the

forward looking statements. Some of these factors are described in the Company's periodic filings with the Securities and Exchange Commission, including the "Risk Factors" section of Mattel's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and Mattel's Quarterly Reports on Form 10-Q for fiscal year 2011, as well as in Mattel's other public statements. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so.

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MATTEL, INC. AND SUBSIDIARIES **EXHIBIT I**

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	For the Three Months Ended December 31,					For the Year Ended December 31,				
	2011		2010			2011		2010		
(In millions, except per share and percentage information)	$ Amt	% Net Sales	$ Amt	% Net Sales	Yr / Yr % Change	$ Amt	% Net Sales	$ Amt	% Net Sales	Yr / Yr % Change
Net Sales	$2,153.8		$2,124.6		1%	$6,266.0		$5,856.2		7%
Cost of sales	993.4	46.1%	1,028.6	48.4%	-3%	3,120.2	49.8%	2,901.2	49.5%	8%
Gross Profit	1,160.4	53.9%	1,096.0	51.6%	6%	3,145.8	50.2%	2,955.0	50.5%	6%
Advertising and promotion expenses	261.4	12.1%	249.6	11.7%	5%	699.2	11.2%	647.3	11.1%	8%
Other selling and administrative expenses	401.5	18.6%	417.8	19.7%	-4%	1,405.5	22.4%	1,405.8	24.0%	0%
Operating Income	497.5	23.1%	428.6	20.2%	16%	1,041.1	16.6%	901.9	15.4%	15%
Interest expense	23.5	1.1%	23.9	1.1%	-2%	75.3	1.2%	64.8	1.1%	16%
Interest (income)	(1.4)	-0.1%	(1.4)	-0.1%	4%	(8.1)	-0.1%	(8.4)	-0.1%	-4%
Other non-operating expense (income), net	6.5		1.3			3.2		(1.3)		
Income Before Income Taxes	468.9	21.8%	404.8	19.1%	16%	970.7	15.5%	846.8	14.5%	15%
Provision for income taxes	98.3		79.6			202.2		161.9		
Net Income	$ 370.6	17.2%	$ 325.2	15.3%	14%	$ 768.5	12.3%	$ 684.9	11.7%	12%
EPS - Basic	$ 1.08		$ 0.90			$ 2.20		$ 1.88		
Average Number of Common Shares	339.4		355.7			344.7		360.6		
EPS - Diluted	$ 1.07		$ 0.89			$ 2.18		$ 1.86		
Average Number of Common and Potential Common Shares	343.5		360.6			348.4		364.6		

MATTEL, INC. AND SUBSIDIARIES **EXHIBIT II**

WORLDWIDE GROSS SALES INFORMATION (Unaudited)

(In millions, except percentage information)	Three Months Ended December 31, 2011		Three Months Ended December 31, 2010		Year Ended December 31, 2011		Year Ended December 31, 2010	
Worldwide Gross Sales:								
Mattel Girls & Boys Brands	$1,357.0		$1,265.2		$4,152.0		$3,660.5	
% Change		7%		9%		13%		11%
Pos./(Neg.) Impact of Currency (in % pts)		-2		-4		1		-3
Fisher-Price Brands	700.4		775.8		2,159.2		2,220.5	
% Change		-10%		6%		-3%		2%
Pos./(Neg.) Impact of Currency (in % pts)		-1		-2		0		-2
American Girl Brands	283.9		273.2		510.9		486.6	
% Change		4%		8%		5%		5%
Other	11.3		13.2		19.0		19.0	
Gross Sales	$2,352.6		$2,327.4		$6,841.1		$6,386.6	
% Change		1%		8%		7%		8%
Pos./(Neg.) Impact of Currency (in % pts)		-1		-3		1		-2
Reconciliation of Non-GAAP to GAAP Financial Measure:								
Gross Sales	$2,352.6		$2,327.4		$6,841.1		$6,386.6	
Sales Adjustments	(198.8)		(202.8)		(575.1)		(530.4)	
Net Sales	$2,153.8		$2,124.6		$6,266.0		$5,856.2	
% Change		1%		9%		7%		8%
Pos./(Neg.) Impact of Currency (in % pts)		-1		-2		1		-2

MATTEL, INC. AND SUBSIDIARIES **EXHIBIT III**

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)	At December 31, 2011	At December 31, 2010
	(Unaudited)	
Assets		
Cash and equivalents	$1,369.1	$1,281.1
Accounts receivable, net	1,246.7	1,146.1
Inventories	487.0	463.8
Prepaid expenses and other current assets	340.9	335.6
Total current assets	3,443.7	3,226.6
Property, plant and equipment, net	523.9	484.7
Other noncurrent assets	1,704.0	1,706.4
Total Assets	$5,671.6	$5,417.7
Liabilities and Stockholders' Equity		
Short-term borrowings	$ 8.0	$ —
Current portion of long-term debt	50.0	250.0
Accounts payable and accrued liabilities	953.8	1,048.5
Income taxes payable	27.1	51.8
Total current liabilities	1,038.9	1,350.3
Long-term debt	1,500.0	950.0
Other noncurrent liabilities	522.1	488.8
Stockholders' equity	2,610.6	2,628.6
Total Liabilities and Stockholders' Equity	$5,671.6	$5,417.7

SUPPLEMENTAL BALANCE SHEET AND CASH FLOW DATA (Unaudited)

(In millions, except days and percentage information)	At December 31, 2011	At December 31, 2010
Key Balance Sheet Data:		
Accounts Receivable, Net		
Days of Sales Outstanding (DSO)	52	48
Total Debt Outstanding	$1,558.0	$1,200.0
Total Debt-to-Total-Capital Ratio	37.4%	31.3%

(In millions)	Year Ended December 31, 2011 (a)	Year Ended December 31, 2010
Condensed Cash Flow Data:		
Cash Flows From Operating Activities	$ 665	$ 528
Cash Flows (Used For) Investing Activities	(175)	(147)
Cash Flows (Used For) Financing Activities and Other	(402)	(217)
Increase in Cash and Equivalents	$ 88	$ 164

(a) Amounts shown are preliminary estimates. Actual amounts will be reported in Mattel's Annual Report on Form 10-K for the year ended December 31, 2011.