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For Immediate Release

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## MATTEL REPORTS 2008 FINANCIAL RESULTS

### Fourth Quarter Highlights

- **Worldwide net sales down 11 percent from the prior year;**
- **Domestic gross sales down 6 percent and international gross sales down 20 percent;**
- **Worldwide gross sales for core brands: Barbie® down 21 percent; Hot Wheels® down 22 percent; Core Fisher-Price® down 9 percent and American Girl® brands up 5 percent;**
- **Gross margin down 200 basis points of net sales; SG&A increased 140 basis points of net sales;**
- **Operating income was \$232.4 million compared to operating income of \$362.1 million in the fourth quarter of 2007; and**
- **Earnings per share of \$0.49 vs. prior year of \$0.89 (includes tax benefit of \$0.13 per share).**

### Full-Year Highlights

- **Worldwide net sales down 1 percent from the prior year;**
- **Domestic gross sales down 2 percent and international gross sales down 1 percent;**
- **Worldwide gross sales for core brands: Barbie® down 9 percent; Hot Wheels® down 6 percent; Core Fisher-Price® up 1 percent and American Girl® brands up 7 percent;**
- **Gross margin down 110 basis points of net sales; SG&A increased 170 basis points of net sales;**
- **Operating income was \$541.8 million compared to operating income of \$730.1 million for the full-year 2007; and**
- **Earnings per share of \$1.05 vs. prior year of \$1.54 (includes tax benefit of \$0.11 per share).**

EL SEGUNDO, Calif., February 2, 2009 – Mattel, Inc. (NYSE:MAT) today reported 2008 fourth quarter and full-year financial results. For the quarter, the company reported net income of \$176.4 million, or \$0.49 per share, compared to last year's fourth quarter net income of \$328.5 million, or \$0.89 per share. For the year, the company reported net income of \$379.6 million, or \$1.05 per share, compared to last year's net income of \$600.0 million, or \$1.54 per share.

"Our business wasn't immune from the deteriorating economic environment of 2008," said Robert A. Eckert, chairman and chief executive officer of Mattel, "In response, our focus for 2009 is on cost and spending reductions, and maintaining a strong balance sheet."

### Financial Overview

For the quarter, net sales were \$1.94 billion, an 11 percent decrease from \$2.19 billion last year, and included an unfavorable impact from changes in currency exchange rates of 5 percentage points. On a regional basis, fourth quarter gross sales were down 6 percent in the U.S. and were down 20 percent

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in international markets, which included a negative impact from changes in currency exchange rates of 11 percentage points. Operating income for the quarter was down 36 percent to \$232.4 million.

For the year, net sales were \$5.92 billion, a 1 percent decline from \$5.97 billion last year, and included no impact from changes in currency exchange rates. On a regional basis, full-year gross sales were down 2 percent in the U.S. and were down 1 percent in international markets, which included a benefit from changes in currency exchange rates of 1 percentage point. Operating income for the year was \$541.8 million, down 26 percent compared to the prior year.

The company's debt-to-total capital ratio of 29.8 percent is in line with the company's capital and investment framework, and its year-end cash balance was \$617.7 million. During 2008, the company repurchased 4.9 million shares of its common stock at a cost of approximately \$91 million.

### **Mattel Girls & Boys Brands**

Fourth quarter worldwide gross sales for the Mattel Girls & Boys Brands business unit were \$1.12 billion, down 17 percent versus a year ago. Worldwide gross sales for the Barbie® brand were down 21 percent and worldwide gross sales for Other Girls Brands were down 8 percent. Worldwide gross sales for the Wheels category, which includes the Hot Wheels®, Matchbox® and Tyco® R/C brands, were down 19 percent. Worldwide gross sales for the Entertainment business, which includes Radica® and Games and Puzzles, were down 17 percent for the quarter.

For the year, worldwide gross sales for the Mattel Girls & Boys Brands business unit were \$3.64 billion, or down 2 percent. Worldwide gross sales for the Barbie® brand were down 9 percent. Worldwide gross sales for Other Girls Brands were up 11 percent for the year. Worldwide gross sales for the Wheels category were up 4 percent. Worldwide gross sales for the Entertainment business, including Radica® and Games and Puzzles, were down 4 percent.

### **Fisher-Price® Brands**

Fourth quarter worldwide gross sales for the Fisher-Price® Brands business unit, which includes the Fisher-Price®, Little People®, and Power Wheels® brands, were \$754.2 million, down 10 percent. For the year, worldwide gross sales for the Fisher-Price® Brands business unit were \$2.36 billion, down 3 percent.

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### **American Girl® Brands**

Fourth quarter gross sales for the American Girl® Brands business unit, which offers American Girl® branded products direct to consumers, were \$254.0 million, up 5 percent. For the year, gross sales for the American Girl® Brands business unit were \$463.1 million, up 7 percent.

### **Live Webcast**

Mattel will webcast its 2008 fourth quarter and year-end earnings conference call at 8:30 a.m. Eastern time (5:30 a.m. Pacific time) today. The conference call will be webcast on the "Investors & Media" section of the company's corporate Web site, [www.mattel.com](http://www.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 midnight Eastern time on Feb. 6th and may be accessed by dialing + (719) 457-0820. The passcode is 3790024.

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 [www.mattel.com](http://www.mattel.com), under the sub-headings "Financial Information" – "Earnings Releases."

### **About Mattel**

Mattel, Inc., (NYSE: MAT, [www.mattel.com](http://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. Mattel is recognized as one of 2008 and 2009's "100 Best Companies to Work For" by FORTUNE Magazine. With worldwide headquarters in El Segundo, Calif., Mattel employs approximately 30,000 people in 43 countries and territories and sells products in more than 150 nations. Mattel's vision is to be the world's premier toy brands -- today and tomorrow.

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Note: This release contains a forward-looking statement relating to Mattel's 2009 focus. This forward-looking statement is based on currently available operating, financial, economic and competitive information and is subject to a number of significant risks and uncertainties. A variety of factors, many of which are beyond our control, affect the operations, performance, business strategy and results of Mattel and could cause actual future results to differ materially from those projected in the forward looking statement. 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, 2007 and Mattel's Quarterly Reports on Form 10-Q for fiscal year 2008, as well as in Mattel's other public statements. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so.