



MATTEL, INC.
333 CONTINENTAL BOULEVARD EL SEGUNDO, CALIFORNIA 90245
PH: (310) 252-2000 FAX: (310) 252-2180

For Immediate Release

Contacts: News Media
Lisa Marie Bongiovanni
310-252-3524
LisaMarie.Bongiovanni@mattel.com

Securities Analysts
Dianne Douglas
310-252-2703
Dianne.Douglas@mattel.com

MATTEL REPORTS THIRD QUARTER 2009 FINANCIAL RESULTS

Third Quarter Highlights

- **Worldwide net sales decreased 8 percent;**
- **Domestic gross sales decreased 2 percent and international gross sales decreased 14 percent;**
- **Worldwide gross sales for core brands: Barbie® down 8 percent; Hot Wheels® up 9 percent; Core Fisher-Price® down 4 percent and American Girl® brands up 4 percent;**
- **Gross margin increased 510 basis points of net sales; SG&A increased by 300 basis points of net sales;**
- **Operating income was \$336.5 million compared to operating income of \$315.3 million in the third quarter of 2008; and**
- **Earnings per share of \$0.63 vs. prior year of \$0.65.**

EL SEGUNDO, Calif., Oct. 16, 2009 – Mattel, Inc. (NASDAQ: MAT) today reported 2009 third quarter financial results. For the quarter, the company reported net income of \$229.8 million, or \$0.63 per share, compared to last year’s third quarter net income of \$238.1 million, or \$0.65 per share.

“As expected, revenues continue to be challenging this year due to the overall economic environment, retailers tightly managing inventory, foreign exchange rates and the lack of entertainment-inspired toy lines,” said Robert A. Eckert, chairman and chief executive officer of Mattel, Inc. “That said, we are continuing to make strong progress on reducing costs, rebuilding margins and generating strong cash flow.”

Financial Overview

For the quarter, net sales were \$1.79 billion, down 8 percent compared to \$1.95 billion last year, including unfavorable changes in currency exchange rates of 3 percentage points. On a regional basis, third quarter gross sales decreased 2 percent in the U.S. and decreased 14 percent in international markets, including unfavorable changes in currency exchange rates of 5 percentage points. Operating income for the quarter was \$336.5 million, compared to prior year’s operating income for the quarter of \$315.3 million.

(more)

The company's debt-to-total-capital ratio was 27.6 percent. Consistent with the seasonality of the business, during the first nine months, the company's cash and equivalents declined by approximately \$294 million. This compares to a decline of \$454 million in the first nine months of 2008.

Sales by Business Unit

Mattel Girls and Boys Brands

For the third quarter, worldwide gross sales for the Mattel Girls & Boys Brands business unit were \$1.08 billion, down 10 percent versus a year ago. Worldwide gross sales for the Barbie® brand declined 8 percent compared to last year, with essentially flat domestic sales offset by international declines. Worldwide gross sales for Other Girls Brands were down 19 percent, driven primarily by declines in the High School Musical™ and Polly Pocket® toy lines, partially offset by higher sales of Little Mommy® and Disney Princesses in the U.S. Worldwide gross sales for the Wheels category, which includes the Hot Wheels®, Matchbox® and Tyco R/C® brands, were down 3 percent.

Worldwide gross sales for the Entertainment business, which includes Radica® and Games and Puzzles, declined 15 percent for the quarter, mostly attributable to lower sales of Radica® and toys geared to last year's summer entertainment properties, partially offset by worldwide sales of toys supporting Disney/Pixar's Toy Story and Toy Story 2, along with stronger U.S. sales of Disney/Pixar CARS™ related product.

Fisher-Price Brands

Third 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 \$784.8 million, or down 6 percent versus the prior year, primarily due to declines in Fisher-Price® Core and Fisher-Price® Friends domestically.

American Girl Brands

Third quarter gross sales for the American Girl Brands business unit, which offers American Girl® branded products directly to consumers, were \$82.4 million, up 4 percent versus last year, reflecting the benefit of the opening of two new boutique stores in Boston and Minneapolis in November 2008.

(more)

Live Webcast

Mattel will webcast its 2009 third quarter 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. 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 October 20th and may be accessed by dialing + 1 (719) 457-0820. The passcode is 5422939.

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, under the sub-headings "Financial Information" – "Earnings Releases."

About Mattel

Mattel, Inc. (NASDAQ: MAT, 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 2009, Mattel is recognized among the "100 Best Corporate Citizens," as one of the "World's Most Ethical Companies" and as one of FORTUNE Magazine's "100 Best Companies to Work For." With worldwide headquarters in El Segundo, Calif., Mattel employs approximately 29,000 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.

###