Mattel, Inc.
Earnings Conference Call
Fourth Quarter 2017
(Unaudited Results)

FEBRUARY 1, 2018

MARGARET GEORGIADIS – CHIEF EXECUTIVE OFFICER
JOE EUTENEUER – CHIEF FINANCIAL OFFICER

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FORWARD-LOOKING STATEMENTS: This presentation contains a number of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as “anticipates,” “expects,” “intends,” “plans,” “confident that” and “believes,” among others, generally identify forward-looking statements. 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. Specific factors that might cause such a difference include, but are not limited to: (i) Mattel’s ability to design, develop, produce, manufacture, source and ship products on a timely and cost-effective basis, as well as interest in and purchase of those products by retail customers and consumers in quantities and at prices that will be sufficient to profitably recover Mattel’s costs; (ii) downturns in economic conditions affecting Mattel’s markets which can negatively impact retail customers and consumers, and which can result in lower employment levels, lower consumer disposable income and spending, including lower spending on purchases of Mattel’s products; (iii) other factors which can lower discretionary consumer spending, such as higher costs for fuel and food, drops in the value of homes or other consumer assets, and high levels of consumer debt; (iv) potential difficulties or delays Mattel may experience in implementing cost savings and efficiency enhancing initiatives; (v) other economic and public health conditions or regulatory changes in the markets in which Mattel and its customers and suppliers operate, which could create delays or increase Mattel’s costs, such as higher commodity prices, labor costs or transportation costs, or outbreaks of disease; (vi) currency fluctuations, including movements in foreign exchange rates, which can lower Mattel’s net revenues and earnings, and significantly impact Mattel’s costs; (vii) the concentration of Mattel’s customers, potentially increasing the negative impact to Mattel of difficulties experienced by any of Mattel’s customers, including the bankruptcy of Toys “R” Us, Inc., or changes in their purchasing or selling patterns; (viii) the future willingness of licensors of entertainment properties for which Mattel currently has licenses or would seek to have licenses in the future to license those products to Mattel; (ix) the inventory policies of Mattel’s retail customers, including retailers’ potential decisions to lower their inventories, even if it results in lost sales, as well as the concentration of Mattel’s revenues in the second half of the year, which coupled with reliance by retailers on quick response inventory management techniques increases the risk of underproduction of popular items, overproduction of less popular items and failure to achieve compressed shipping schedules; (x) the increased costs of developing more sophisticated digital and smart technology products, and the corresponding supply chain and design challenges associated with such products; (xi) work disruptions, which may impact Mattel’s ability to manufacture or deliver product in a timely and cost-effective manner; (xii) the bankruptcy of Toys “R” Us, Inc. or other of Mattel’s significant retailers, or the general lack of success of one of Mattel’s significant retailers which could negatively impact Mattel’s revenues or bad debt exposure; (xiii) the impact of competition on revenues, margins and other aspects of Mattel’s business, including the ability to offer products which consumers choose to buy instead of competitor’s products, the ability to secure, maintain and renew popular licenses and the ability to attract and retain talented employees; (xiv) the risk of product recalls or product liability suits and costs associated with product safety regulations; (xv) changes in laws or regulations in the United States and/or in other major markets in which Mattel operates, including, without limitation, with respect to taxes, tariffs or product safety, which may increase Mattel’s product costs and other costs of doing business, and reduce Mattel’s earnings, (xvi) failure to realize the planned benefits from any investments or acquisitions made by Mattel, (xvii) the impact of other market conditions, third party actions or approvals and competition which could reduce demand for Mattel’s products or delay or increase the cost of implementation of Mattel’s programs or alter Mattel’s actions and reduce actual results; (xviii) changes in financing markets or the inability of Mattel to obtain financing on attractive terms (xix) the impact of litigation or arbitration decisions or settlement actions; and (xx) other risks and uncertainties as may be described in Mattel’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, 2016, and Mattel’s Quarterly Reports on Form 10-Q for fiscal year 2017, as well as in Mattel’s other public statements. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so.

REGULATION G: To supplement the financial results presented in accordance with generally accepted accounting principles in the United States (“GAAP”), Mattel presents certain non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. The non-GAAP financial measures used herein include: gross sales, adjusted net sales, adjusted gross profit, adjusted gross margin, adjusted other selling and administrative expenses, adjusted operating income (loss), adjusted earnings (loss) per share, earnings before interest expense, taxes, depreciation and amortization (“EBITDA”), adjusted EBITDA, and constant currency. Mattel uses these metrics to analyze its continuing operations and to monitor, assess and identify meaningful trends in its operating and financial performance, and each is discussed in detail on the following page. These measures are not, and should not be viewed as, substitutes for GAAP financial measures. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the attached Appendix and in our earnings release, which is available in the “Investors” section of our corporate website, http://corporate.mattel.com/, under the subheading “Financial Information – Earnings Releases.”

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Glossary of Non-GAAP Financial Measures

Gross sales
Gross sales represent sales to customers, excluding the impact of sales adjustments. Net sales, as reported, include the impact of sales adjustments, such as trade discounts and other allowances. Mattel presents changes in gross sales as a metric for comparing its aggregate, brand and geographic results to highlight significant trends in Mattel's business. Changes in gross sales are discussed because, while Mattel records the details of such sales adjustments in its financial accounting systems at the time of sale, such sales adjustments are generally not associated with brands and individual products, making net sales less meaningful. Since sales adjustments are determined by customer rather than at the brand level, Mattel believes that the disclosure of gross sales by brand is useful supplemental information for investors to be able to assess the performance of its underlying brands (e.g., Barbie) and also enhances their ability to compare sales trends over time.

Adjusted net sales
Adjusted net sales represents Mattel's reported net sales, adjusted to exclude the net sales reversal related to Toys "R" Us filing for bankruptcy. Adjusted net sales is presented to provide additional perspective on underlying trends in Mattel's core net sales, which Mattel believes is useful supplemental information for investors to be able to gauge and compare Mattel's current business performance from one period to another.

Adjusted gross profit and adjusted gross margin
Adjusted gross profit and adjusted gross margin represent reported gross profit and reported gross margin, respectively, adjusted to exclude the net sales reversal related to Toys "R" Us filing for bankruptcy and asset impairments. Adjusted gross margin represents Mattel's adjusted gross margin, as a percentage of adjusted net sales. Adjusted gross profit and adjusted gross margin are presented to provide additional perspective on underlying trends in Mattel's core gross profit and gross margin, which Mattel believes is useful supplemental information for investors to be able to gauge and compare Mattel's current business performance from one period to another.

Adjusted other selling and administrative expenses
Adjusted other selling and administrative expenses represents Mattel's reported other selling and administrative expenses, adjusted to exclude the impact of expenses associated with the acquisition and integration of an acquired business, restructuring and restructuring-related expenses, non-recurring executive compensation and asset impairments, which are not part of Mattel's core business. Adjusted other selling and administrative expenses is presented to provide additional perspective on underlying trends in Mattel's core other selling and administrative expenses, which Mattel believes is useful supplemental information for investors to be able to gauge and compare Mattel's current business performance from one period to another.

Adjusted operating income (loss)
Adjusted operating income (loss) represents Mattel's reported operating loss, adjusted to exclude the impact of expenses associated with the acquisition and integration of an acquired business, restructuring and restructuring-related expenses, non-recurring executive compensation, asset impairments, and the net sales reversal related to Toys "R" Us filing for bankruptcy, which are not part of Mattel's core business. Adjusted operating income (loss) is presented to provide additional perspective on underlying trends in Mattel's core operating results, which Mattel believes is useful supplemental information for investors to be able to gauge and compare Mattel's current business performance from one period to another.

Adjusted earnings (loss) per share
Adjusted earnings (loss) per share represents Mattel's reported diluted earnings (loss) per common share, adjusted to exclude the impact of expenses associated with the acquisition and integration of an acquired business, restructuring and restructuring-related expenses, sale of non-core assets, non-recurring executive compensation, asset impairments, the net sales reversal related to Toys "R" Us filing for bankruptcy, Venezuela matters, which are not part of Mattel's core business. The aggregate tax effect of the adjustments is calculated by tax effecting the adjustments by the current effective tax rate, and dividing by the reported weighted average number of common and potential common shares. Adjusted earnings (loss) per share also excludes the impact of the valuation allowance established for the portion of U.S. deferred tax assets Mattel believes will likely not be realized and a one-time benefit realized due to U.S. tax reform. Adjusted earnings (loss) per share is presented to provide additional perspective on underlying trends in Mattel's core business. Mattel believes it is useful supplemental information for investors to gauge and compare Mattel's current earnings results from one period to another. Adjusted earnings (loss) per share is a performance measure and should not be used as a measure of liquidity.

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Glossary of Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA

EBITDA represents Mattel's net income (loss), adjusted to exclude the impact of interest expense, taxes, depreciation and amortization. Adjusted EBITDA represents EBITDA adjusted to exclude the impact of expenses associated with the acquisition and integration of an acquired business, restructuring and restructuring-related expenses, sale of non-core assets, share-based compensation, asset impairments, the net sales reversal related to Toys "R" Us filing for bankruptcy, and Venezuela matters, which are not part of Mattel's core business. Mattel believes EBITDA and Adjusted EBITDA are useful supplemental information for investors to gauge and compare Mattel's business performance to other companies in our industry with similar capital structures. The presentation of Adjusted EBITDA differs from how we will calculate EBITDA for purposes of covenant compliance under the indenture governing our 6.75% senior notes due 2025 and the syndicated facility agreement governing our senior secured revolving credit facilities. Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as measures of discretionary cash available to us to invest in the growth of our business. As a result, we rely primarily on our GAAP results and use EBITDA and Adjusted EBITDA only supplementally.

Constant currency

Percentage changes in results expressed in constant currency are presented excluding the impact from changes in currency exchange rates. To present this information, Mattel calculates constant currency information by translating current period and prior period results for entities reporting in currencies other than the US dollar using consistent exchange rates. The consistent exchange rates are determined by Mattel at the beginning of each year and are applied consistently during the year. They are generally different from the actual exchange rates in effect during the current or prior period due to volatility in actual foreign exchange rates. Mattel considers whether any changes to the constant currency rates are appropriate at the beginning of each year. The exchange rates used for these constant currency calculations are generally based on prior year actual exchange rates. The difference between the current period and prior period results using the consistent exchange rates reflects the changes in the underlying performance results, excluding the impact from changes in currency exchange rates. Mattel analyzes constant currency results to provide additional perspective on changes in underlying trends in Mattel's operating performance. Mattel believes that the disclosure of the percentage change in constant currency is useful supplemental information for investors to be able to gauge Mattel's current business performance and the longer term strength of its overall business since foreign currency changes could potentially mask underlying sales trends. The disclosure of the percentage change in constant currency enhances investor's ability to compare financial results from one period to another.

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Q4 2017 FINANCIAL PERFORMANCE

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Q4 2017 Key Takeaways

- **Q4 gross sales down primarily due to weak North American performance as a result of tighter retailer inventory management, certain underperforming brands, and Toys "R" Us bankruptcy filing**
  - Full year worldwide gross sales down 9% as reported and down 10% in constant currency, versus the prior year
  - Q4 gross sales down 8% as reported, and down 10% in constant currency, versus the prior year
  - Full year International Region gross sales up slightly, with growth of 2% as reported and flat in constant currency
  - Q4 International Region gross sales broadly increased, with growth of 4% as reported and a decline of 1% in constant currency
  - Full year North American Region gross sales down 17% as reported and in constant currency
  - Q4 North American Region gross sales down 16% as reported and in constant currency

- **P&L reflects significant gross margin compression**
  - Full year reported gross margin of 37.3%, down 950 basis points, and adjusted gross margin* of 38.3%, down 850 basis points year-over-year. Decline driven mainly by inventory management efforts, unfavorable product mix, and increases in freight & distribution
  - Q4 as reported SG&A expense up $106 million and adjusted SG&A* expense up $45 million versus prior year, driven primarily by an unfavorable year over year comparison due to prior year reversal of incentive compensation in the fourth quarter, as well as increased amortization, and unfavorable foreign exchange
  - Q4 net inventories decreased by $13 million primarily due to write-down of excess inventory
  - Q4 reported loss per share of $0.82 and adjusted loss per share* of $0.72

See Non-GAAP reconciliation in Appendix and Glossary of Non-GAAP Financial Measures

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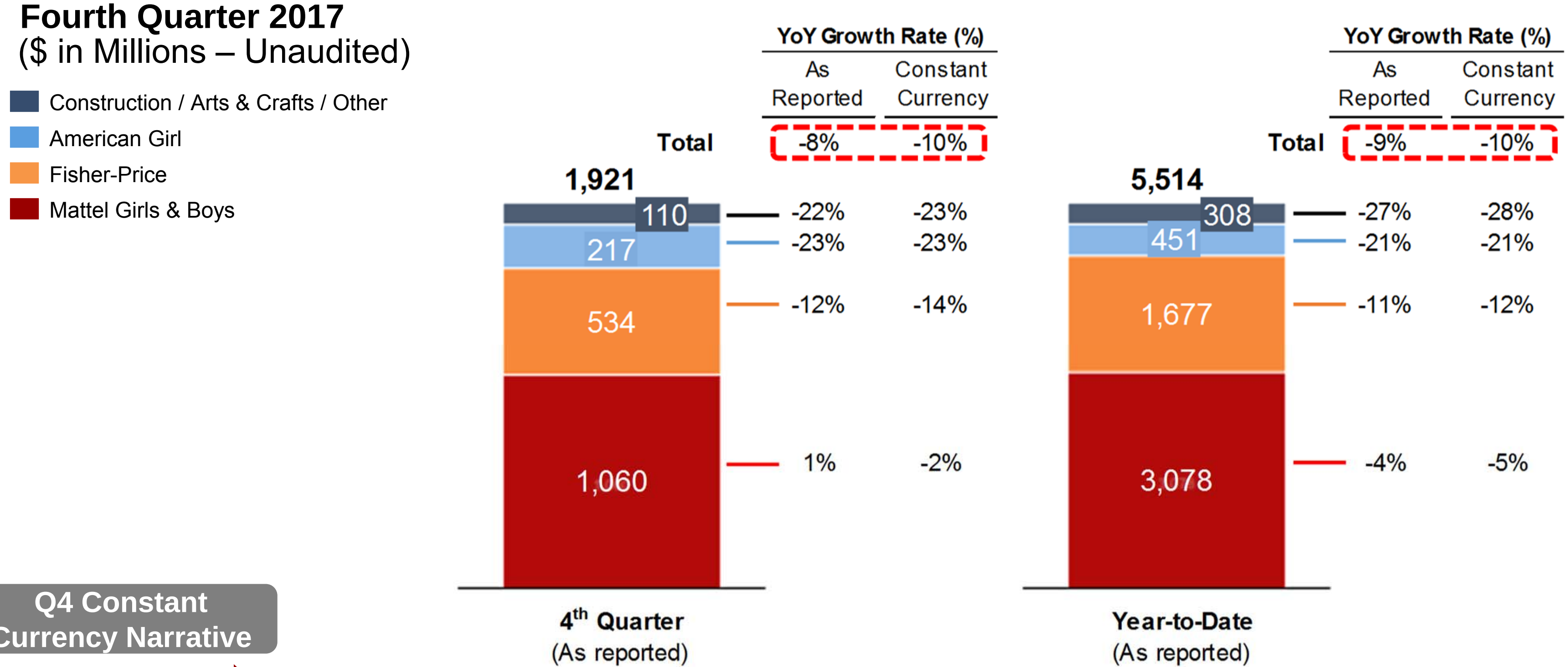
Worldwide Gross Sales by Brand*

Fourth Quarter 2017
($ in Millions – Unaudited)



Q4 Constant Currency Narrative

Mattel Brands
- Growth in Barbie, Cars 3 and Enchantimals were partially offset by declines in Monster High, DC Super Hero Girls and Hot Wheels

Fisher-Price
- Declines driven by infant and preschool products and Thomas & Friends

American Girl
- Declines driven by lower sales across channels

Const./A&C/Other
- Declines in Construction due to MEGA BLOKS licensed properties and preschool products

**See Non-GAAP reconciliation in Appendix and Glossary of Non-GAAP Financial Measures*
Note: Amounts may not foot due to rounding

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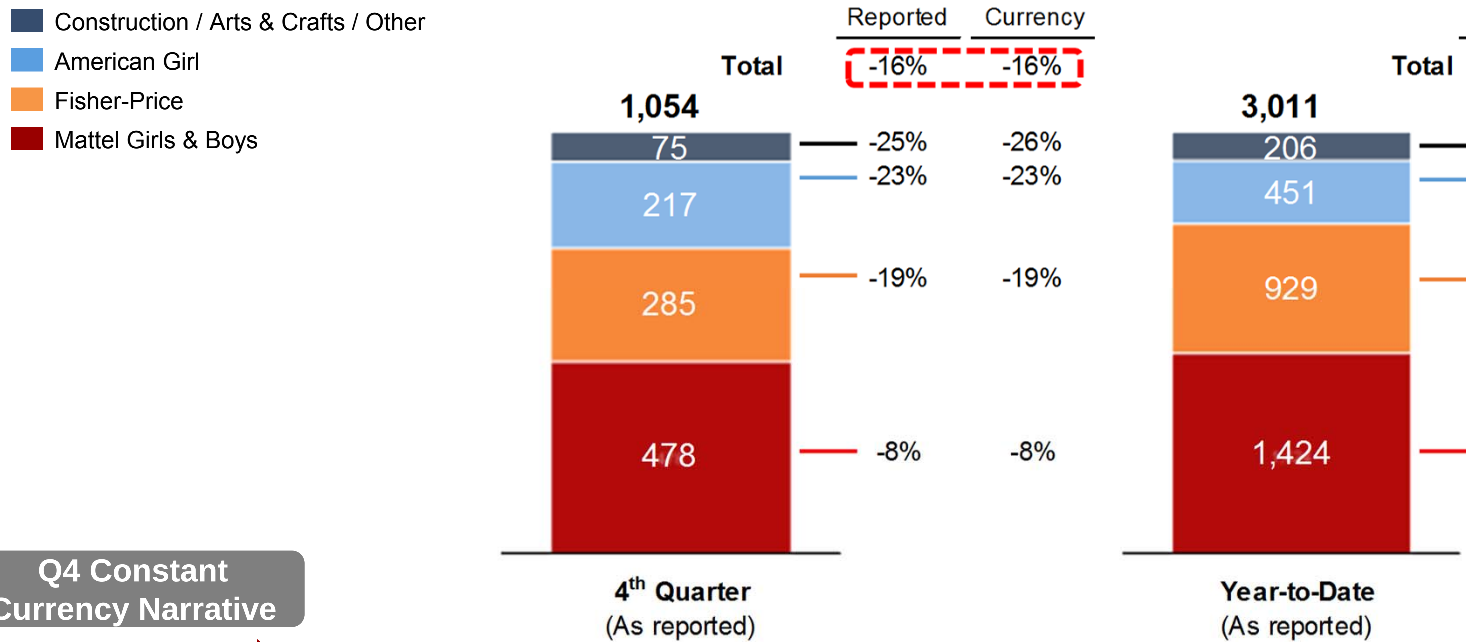
North American Region Gross Sales by Brand*

Fourth Quarter 2017
($ in Millions – Unaudited)



	YoY Growth Rate (%) 4th Quarter: As Reported	YoY Growth Rate (%) 4th Quarter: Constant Currency	YoY Growth Rate (%) Year-to-Date: As Reported	YoY Growth Rate (%) Year-to-Date: Constant Currency
Total	-16%	-16%	-17%	-17%
Construction / Arts & Crafts / Other	-25%	-26%	-30%	-30%
American Girl	-23%	-23%	-21%	-21%
Fisher-Price	-19%	-19%	-16%	-17%
Mattel Girls & Boys	-8%	-8%	-14%	-14%

Q4 Constant Currency Narrative

Mattel Brands
- Declines in Monster High, DC Super Hero Girls and Hot Wheels were partially offset by growth in Cars 3 and Enchantimals

Fisher-Price
- Declines driven by infant and FP licensed products

American Girl
- Declines driven by lower sales across channels

Const./A&C/Other
- Declines in Construction due to MEGA BLOKS licensed properties and preschool products

**See Non-GAAP reconciliation in Appendix and Glossary of Non-GAAP Financial Measures*
Note: Amounts may not foot due to rounding. North American Region includes U.S., Canada and American Girl (see Appendix)

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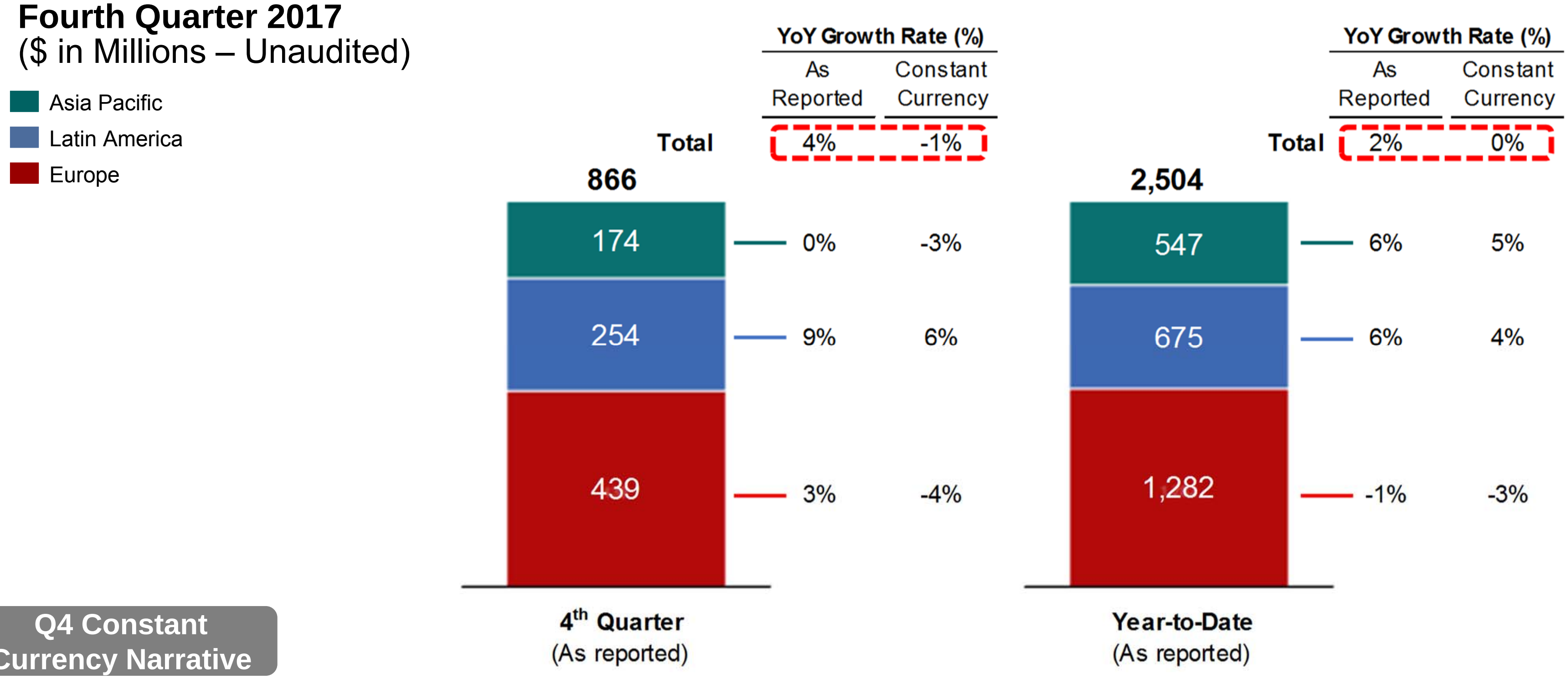
International Gross Sales by Region*

Fourth Quarter 2017
($ in Millions – Unaudited)



Q4 Constant Currency Narrative

Europe
- Declines in the United Kingdom and Russia were partially offset by growth in Germany and emerging Europe

Latin America
- Growth was led by Mexico

Asia Pacific
- Declines in Korea and Japan were partially offset by growth in Southeast Asia and Australia

*See Non-GAAP reconciliation in Appendix and Glossary of Non-GAAP Financial Measures
Note: Amounts may not foot due to rounding. International Region includes International Division (see Appendix)

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Adjusted Gross Margin*

Fourth Quarter 2017
(As a Percentage of Net Sales – Unaudited)

	Quarter	Year-to-Date
Prior Year Adjusted:	**47.0%**	**46.8%**
Change Primarily Driven By:		
Inventory Management Efforts	↓	↓
Product Mix	↓	↓
Freight & Distribution	↓	↓
Sales Adjustments	↓	↓
Royalty Expense	↓	↓
Product Costs	↓	↓
Licensing	↓	↓
Pricing	↑	↑
Currency	↔	↓
Current Year Adjusted:	**32.0%**	**38.3%**
Change:	**(15.0)%**	**(8.5)%**
Memo: Gross Margin (as reported)	***30.7%***	***37.3%***

Q4 2017 Drivers

- Lower adjusted gross margin primarily due to inventory management efforts, unfavorable product mix, and higher freight & distribution

2017 Adjustments ($ in Millions)

	Q4	YTD
2017 as reported	**$ 495**	**$1,821**
○ Toys "R" Us Net Sales Reversal**	-	43
○ Asset Impairments***	21	21
2017 adjusted	**$ 516**	**$1,884**

↑ *Improvement in GM*
↓ *Detriment to GM*
↔ *Neutral to GM*

**See Non-GAAP reconciliation in Appendix and Glossary of Non-GAAP Financial Measures*
***As a result of Toys "R" Us filing for bankruptcy, Mattel reversed Net Sales for the estimated uncollectible portion of its outstanding receivables. As such, Gross Profit, As Reported includes the Cost of Sales for the inventory sold to Toys "R" Us but excludes the corresponding Net Sales.*
****For the three and twelve months ended December 31, 2017, Asset Impairments include tooling write-offs of $20.6 million which were recorded in Cost of Sales.*
Note: Amounts may not foot due to rounding.

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Adjusted SG&A*

Fourth Quarter 2017
($ in Millions and as a Percentage of Net Sales – Unaudited)

	Quarter		Year-to-Date	
	In Millions	**% of Sales**	**In Millions**	**% of Sales**
Prior Year Adjusted:	**$341.9**	**18.6%**	**$1,358.7**	**24.9%**
Change Primarily Driven By:				
Incentive and Equity Compensation		↑		↑
Other		↑		↑
American Girl and China Investments		↑		↑
Employee-Related Costs		↑		↑
Cost Savings		↔		↓
Currency		↑		↑
Current Year Adjusted:	**$387.0**	**24.0%**	**$1,409.3**	**28.6%**
Change:	**$45.1**	**5.4%**	**$50.6**	**3.7%**
Memo: SG&A (as reported)	***$454.4***	***28.2%***	***$1,521.4***	***31.2%***

Q4 2017 Drivers

- Adjusted SG&A up vs. prior year (up $106 million as reported)
- Primarily driven by an unfavorable year over year comparison due to the prior year reversal of incentive compensation, increased amortization and unfavorable foreign exchange

2017 Adjustments ($ in Millions)

	Q4	YTD
2017 as reported	**$ 454**	**$1,521**
○ Non-Recurring Exec. Comp.	(3)	(11)
○ Severance/Restructuring	(44)	(65)
○ Asset Impairment	(21)	(36)
2017 adjusted	**$ 387**	**$1,409**

↓ *Improvement in SG&A*
↑ *Detriment to SG&A*
↔ *Neutral to SG&A*

**See Non-GAAP reconciliation in Appendix and Glossary of Non-GAAP Financial Measures*
Note: Amounts may not foot due to rounding

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Adjusted Operating Income (Loss)*

Fourth Quarter 2017
($ in Millions and as a Percentage of Net Sales – Unaudited)

	Quarter		Year-to-Date	
	In Millions	**% of Sales**	**In Millions**	**% of Sales**
Prior Year Adjusted:	**$269.2**	**14.7%**	**$560.8**	**10.3%**
Change Primarily Driven By:				
Adjusted Gross Margin		↓		↓
Volume		↓		↓
Advertising		↓		↓
Adjusted SG&A		↓		↓
Currency		↓		↓
Current Year Adjusted:	**$(164.8)**	**(10.2)%**	**$(167.1)**	**(3.4)%**
Change:	**$(434.0)**	**(24.9)%**	**$(727.9)**	**(13.7)%**
Memo: Operating Income (as reported)	***$(252.8)***	***(15.7)%***	***$(342.8)***	***(7.0)%***

Q4 2017 Drivers

- Lower adjusted gross margin primarily due to inventory management efforts, unfavorable product mix, and higher freight & distribution
- Adjusted SG&A up, primarily driven by an unfavorable year over year comparison due to the prior year reversal of incentive compensation
- Advertising expense up in absolute dollars and as a percentage of sales

2017 Adjustments ($ in Millions)

	Q4	YTD
2017 as reported	**$ (253)**	**$ (343)**
○ Toys "R" Us Net Sales Reversal**	-	43
○ Asset Impairments***	41	56
○ Non-Recurring Exec. Comp.	3	11
○ Severance/Restructuring	44	65
2017 adjusted	**$ (165)**	**$ (167)**

↑ *Improvement in Op Inc %*
↓ *Detriment to Op Inc %*
↔ *Neutral to Op Inc %*

** See Non-GAAP reconciliation in Appendix and Glossary of Non-GAAP Financial Measures*
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****For the three and twelve months ended December 31, 2017, Asset Impairments include tooling write-offs of $20.6 million which were recorded in Cost of Sales.*
Note: Amounts may not foot due to rounding

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Adjusted Earnings (Loss) Per Share*

Fourth Quarter 2017
($ Per Share – Unaudited)

	Quarter	Year-to-Date
Prior Year Adjusted:	**$0.52**	**$1.06**
Change Primarily Driven By:		
Tax Expense	↓	↓
Adjusted Gross Margin	↓	↓
Volume	↓	↓
Advertising	↓	↓
Adjusted SG&A	↓	↓
Currency	↓	↓
Current Year Adjusted:	**$(0.72)**	**$(1.08)**
Change:	**$(1.24)**	**$(2.14)**
Memo: EPS (as reported)	***$(0.82)***	***$(3.07)***

Q4 Net Sales down 14% in constant currency

Q4 Adj. Gross Margin impacted by inventory management efforts and unfavorable product mix

Q4 Adj. SG&A primarily driven by the prior year reversal of incentive compensation

2017 Adjustments ($ Per Share)

	Q4	YTD
2017 as reported	**$(0.82)**	**$ (3.07)**
○ Toys "R" Us Net Sales Reversal**	-	0.13
○ Asset Impairments***	0.12	0.16
○ Non-Recurring Exec. Comp.	0.01	0.03
○ Severance/Restructuring	0.13	0.19
○ Venezuela Matters	0.17	0.17
○ Tax Effect of Adjustments****	(0.02)	(0.03)
○ Valuation Allowance and U.S. Tax Reform	(0.30)	1.33
2017 adjusted	**$(0.72)**	**$ (1.08)**

↑ *Improvement in EPS*
↓ *Detriment to EPS*
↔ *Neutral to EPS*

** See Non-GAAP reconciliation in Appendix and Glossary of Non-GAAP Financial Measures*
*** As a result of Toys "R" Us filing for bankruptcy, Mattel reversed Net Sales for the estimated uncollectible portion of its outstanding receivables. As such, Gross Profit, As Reported include the Cost of Sales for the inventory sold to Toys "R" Us but excludes the corresponding Net Sales.*
****For the three and twelve months ended December 31, 2017, Asset Impairments include tooling write-offs of $20.6 million which were recorded in Cost of Sales.*
*****The aggregate tax effect of the adjustments is calculated by tax effecting the adjustments by the current effective tax rate, and dividing by the reported weighted average number of common and potential common shares*
Note: Amounts may not foot due to rounding.

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Cash Flow

Twelve Months ending 2017
($ in Millions – Unaudited)

	2017	2016
Net (Loss) Income	$ (1,054)	$ 318
Depreciation	241	236
Amortization	34	27
Asset Impairments	56	-
Loss on Discontinuation of Venezuelan Operations	59	-
Inventory Obsolescence	128	31
Valuation Allowance and U.S. Tax Reform	457	-
Change in Working Capital & Other	52	(17)
Net Cash (Used for) From Operations	**(28)**	**595**
Capital Spending	(297)	(262)
Acquisitions	-	(33)
Other Investing	61	(18)
Net Cash (Used for) Investing	**(236)**	**(312)**
Net Proceeds (Payments) from Short-term Borrowings	(192)	175
Net Proceeds from Long-term Borrowings	989	50
Dividends	(312)	(519)
Financing Activities and Other	(12)	(12)
Net Cash From (Used for) Financing Activities & Other	**473**	**(306)**
Change in Cash	***210***	***(23)***
Cash at Beginning of Period	**870**	**893**
Cash at End of Period	**$ 1,079**	**$ 870**

Cash Flow from Ops	Decreased primarily due to the net loss for the year, excluding the impact of the valuation allowance on deferred tax assets, benefit from US tax reform, and other non-cash charges
Investing Activities	Decreased primarily due to higher proceeds from foreign currency forward exchange contracts and 2016 payments related to the acquisitions of Fuhu and Sproutling, partially offset by higher capital spending
Financing Activities & Other	Increased primarily due to proceeds from the $1.0 billion issuance of senior notes in December 2017, offset by higher net repayments of short-term borrowings
Dividend	Dividend suspended in Q4 2017 to facilitate investments

Note: Amounts shown are preliminary estimates and may not foot due to rounding. Actual amounts will be reported in Mattel's Annual Report on Form 10-K for the year ended December 31, 2017.

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APPENDIX

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Reporting Guide

Name	Description
North American Region	Includes U.S., Canada and American Girl
International Region	Includes International Division
North America Division	Consists of U.S. and Canada, excludes American Girl
International Division	Excludes U.S. and Canada
American Girl Brands	Includes American Girl, excludes Corolle / Thomas DTC

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Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)[1]

(In millions, except per share and percentage information)	Three Months 2017 $ Amt	Three Months 2017 % Net Sales	Three Months 2016 $ Amt	Three Months 2016 % Net Sales	Three Months Yr / Yr % Change as Reported	Three Months Yr / Yr % Change in Constant Currency	Year 2017 $ Amt	Year 2017 % Net Sales	Year 2016 $ Amt	Year 2016 % Net Sales	Year Yr / Yr % Change as Reported	Year Yr / Yr % Change in Constant Currency
Net Sales	$ 1,610.9		$ 1,834.4		-12%	-14%	$ 4,882.0		$ 5,456.7		-11%	-11%
Cost of sales	1,115.7	69.3%	973.0	53.0%	15%		3,061.1	62.7%	2,902.3	53.2%	5%	
Gross Profit	495.1	30.7%	861.4	47.0%	-43%	-44%	1,820.8	37.3%	2,554.4	46.8%	-29%	-29%
Advertising and promotion expenses	293.5	18.2%	250.3	13.6%	17%		642.3	13.2%	634.9	11.6%	1%	
Other selling and administrative expenses	454.4	28.2%	348.5	19.0%	30%		1,521.4	31.2%	1,400.3	25.7%	9%	
Operating (Loss) Income	(252.8)	-15.7%	262.6	14.3%	-196%	-195%	(342.8)	-7.0%	519.2	9.5%	-166%	-165%
Interest expense	36.7	2.3%	25.0	1.4%	47%		105.2	2.2%	95.1	1.7%	11%	
Interest (income)	(1.4)	-0.1%	(1.6)	-0.1%	-10%		(7.8)	-0.2%	(9.1)	-0.2%	-15%	
Other non-operating expense, net	58.8		0.3				64.7		23.5			
(Loss) Income Before Income Taxes	(346.8)	-21.5%	238.9	13.0%	-245%	-243%	(505.0)	-10.3%	409.7	7.5%	-223%	-220%
(Benefit) Provision for income taxes	(65.6)		65.1				548.8		91.7			
Net (Loss) Income	$ (281.3)	-17.5%	$ 173.8	9.5%	-262%		$ (1,053.8)	-21.6%	$ 318.0	5.8%	-431%	
Net (Loss) Income Per Common Share - Basic	$ (0.82)		$ 0.51				$ (3.07)		$ 0.93			
Weighted average number of common shares	344.3		342.7				343.6		341.5			
Net (Loss) Income Per Common Share - Diluted	$ (0.82)		$ 0.50				$ (3.07)		$ 0.92			
Weighted average number of common and potential common shares	344.3		345.0				343.6		344.2			

[1] Amounts may not foot due to rounding.

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Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

WORLDWIDE GROSS SALES INFORMATION (Unaudited)[1]

RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(In millions, except percentage information)	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2017	2016	% Change as Reported	% Change in Constant Currency	2017	2016	% Change as Reported	% Change in Constant Currency
Worldwide Gross Sales:								
Net Sales	$ 1,610.9	$ 1,834.4	-12 %	-14 %	$ 4,882.0	$ 5,456.7	-11 %	-11 %
Sales Adjustments[2]	309.9	249.1			632.2	617.0		
Gross Sales	$ 1,920.8	$ 2,083.5	-8 %	-10 %	$ 5,514.1	$ 6,073.7	-9 %	-10 %
Worldwide Gross Sales by Brand:								
Mattel Girls & Boys Brands	$ 1,059.7	$ 1,051.4	1 %	-2 %	$ 3,077.7	$ 3,194.1	-4 %	-5 %
Fisher-Price Brands	533.8	607.7	-12	-14	1,677.2	1,888.1	-11	-12
American Girl Brands	217.3	283.9	-23	-23	451.5	570.8	-21	-21
Construction and Arts & Crafts Brands	93.5	124.8	-25	-26	269.5	377.6	-29	-29
Other	16.6	15.7			38.2	43.1		
Gross Sales	$ 1,920.8	$ 2,083.5	-8 %	-10 %	$ 5,514.1	$ 6,073.7	-9 %	-10 %
Worldwide Gross Sales - Mattel Girls & Boys Brands:								
Barbie	$ 349.7	$ 320.5	9 %	6 %	$ 954.9	$ 971.8	-2 %	-3 %
Other Girls	102.9	157.2	-35	-36	297.7	461.7	-36	-37
Wheels	283.7	306.1	-7	-10	847.0	885.1	-4	-5
Entertainment	323.3	267.6	21	18	978.1	875.5	12	11
Gross Sales	$ 1,059.7	$ 1,051.4	1 %	-2 %	$ 3,077.7	$ 3,194.1	-4 %	-5 %
Worldwide Gross Sales by Region:								
North American[3]	$ 1,054.3	$ 1,250.0	-16 %	-16 %	$ 3,010.6	$ 3,626.1	-17 %	-17 %
International	866.5	833.5	4	-1	2,503.5	2,447.6	2	0
Gross Sales	$ 1,920.8	$ 2,083.5	-8 %	-10 %	$ 5,514.1	$ 6,073.7	-9 %	-10 %

[1] Amounts may not foot due to rounding.
[2] Sales adjustments are not allocated to individual products. As such, net sales are only presented on a consolidated basis and not on a brand level.
[3] Consists of U.S., Canada and American Girl.

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Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

GROSS SALES BY REGION (Unaudited)[1]

RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(In millions, except percentage information)	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2017	2016	% Change as Reported	% Change in Constant Currency	2017	2016	% Change as Reported	% Change in Constant Currency
North American Region Gross Sales:[2]								
Net Sales	$ 965.5	$ 1,160.6	-17 %	-17 %	$ 2,821.1	$ 3,401.9	-17 %	-17 %
Sales Adjustments[3]	88.9	89.4			189.5	224.2		
Gross Sales	$ 1,054.3	$ 1,250.0	-16 %	-16 %	$ 3,010.6	$ 3,626.1	-17 %	-17 %
North American Region Gross Sales by Brand:								
Mattel Girls & Boys Brands	$ 477.7	$ 518.1	-8 %	-8 %	$ 1,424.0	$ 1,651.5	-14 %	-14 %
Fisher-Price Brands	284.7	350.4	-19	-19	928.8	1,111.9	-16	-17
American Girl Brands	217.2	282.4	-23	-23	451.4	568.3	-21	-21
Construction and Arts & Crafts Brands	58.2	83.4	-30	-31	168.3	253.6	-34	-34
Other	16.6	15.7			38.1	40.8		
Gross Sales	$ 1,054.3	$ 1,250.0	-16 %	-16 %	$ 3,010.6	$ 3,626.1	-17 %	-17 %

[1] Amounts may not foot due to rounding.
[2] Consists of U.S., Canada and American Girl.
[3] Sales adjustments are not allocated to individual products. As such, net sales are only presented on a consolidated basis and not on a brand level.

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Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

GROSS SALES BY REGION (Unaudited)[1]

RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(In millions, except percentage information)	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2017	2016	% Change as Reported	% Change in Constant Currency	2017	2016	% Change as Reported	% Change in Constant Currency
Total International Region Gross Sales:								
Net Sales	$ 645.4	$ 673.8	-4 %	-9 %	$ 2,060.8	$ 2,054.8	0 %	-1 %
Sales Adjustments[2]	221.1	159.7			442.7	392.8		
Gross Sales	$ 866.5	$ 833.5	4 %	-1 %	$ 2,503.5	$ 2,447.6	2 %	0 %
International Region Gross Sales								
Europe								
Net Sales	$ 322.2	$ 332.0	-3 %	-9 %	$ 1,039.7	$ 1,062.9	-2 %	-4 %
Sales Adjustments[2]	116.4	94.4			242.0	230.4		
Gross Sales	$ 438.5	$ 426.4	3 %	-4 %	$ 1,281.7	$ 1,293.3	-1 %	-3 %
Latin America								
Net Sales	$ 196.6	$ 198.2	-1 %	-3 %	$ 568.1	$ 551.6	3 %	1 %
Sales Adjustments[2]	57.8	35.0			107.2	84.9		
Gross Sales	$ 254.5	$ 233.2	9 %	6 %	$ 675.3	$ 636.5	6 %	4 %
Asia Pacific								
Net Sales	$ 126.6	$ 143.6	-12 %	-14 %	$ 453.1	$ 440.3	3 %	3 %
Sales Adjustments[2]	46.9	30.3			93.5	77.5		
Gross Sales	$ 173.5	$ 173.9	0 %	-3 %	$ 546.6	$ 517.8	6 %	5 %
International Region Gross Sales by Brand:								
Mattel Girls & Boys Brands	$ 582.0	$ 533.3	9 %	4 %	$ 1,653.7	$ 1,542.6	7 %	5 %
Fisher-Price Brands	249.1	257.3	-3	-8	748.4	776.2	-4	-5
American Girl Brands	0.1	1.5	-91	-91	0.1	2.5	-100	-100
Construction and Arts & Crafts Brands	35.3	41.4	-15	-18	101.3	124.0	-18	-20
Other	-	-			-	2.3		
Gross Sales	$ 866.5	$ 833.5	4 %	-1 %	$ 2,503.5	$ 2,447.6	2 %	0 %

[1] Amounts may not foot due to rounding.
[2] Sales adjustments are not allocated to individual products. As such, net sales are only presented on a consolidated basis and not on a brand level.

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Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)[1]

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(In millions, except per share information)	2015 1 Qtr	2015 2 Qtr	2015 3 Qtr	2015 4 Qtr	2016 1 Qtr	2016 2 Qtr	2016 3 Qtr	2016 4 Qtr	2017 1 Qtr	2017 2 Qtr	2017 3 Qtr	2017 4 Qtr
Net Sales												
Net Sales, As Reported	$ 922.7	$ 988.2	$ 1,792.0	$ 1,999.7	$ 869.4	$ 957.3	$ 1,795.6	$ 1,834.4	$ 735.6	$ 974.5	$ 1,561.0	$ 1,610.9
Adjustments:												
Toys "R" Us Net Sales Reversal[2]	-	-	-	-	-	-	-	-	-	-	43.0	-
Net Sales, As Adjusted	$ 922.7	$ 988.2	$ 1,792.0	$ 1,999.7	$ 869.4	$ 957.3	$ 1,795.6	$ 1,834.4	$ 735.6	$ 974.5	$ 1,604.0	$ 1,610.9
Gross Profit												
Gross Profit, As Reported	$ 450.4	$ 472.9	$ 879.6	$ 1,003.5	$ 388.7	$ 433.6	$ 870.8	$ 861.4	$ 278.8	$ 399.7	$ 647.2	$ 495.1
Gross Margin	*48.8%*	*47.9%*	*49.1%*	*50.2%*	*44.7%*	*45.3%*	*48.5%*	*47.0%*	*37.9%*	*41.0%*	*41.5%*	*30.7%*
Adjustments:												
Toys "R" Us Net Sales Reversal[2]	-	-	-	-	-	-	-	-	-	-	43.0	-
Asset Impairments[3]	-	-	-	-	-	-	-	-	-	-	-	20.6
Gross Profit, As Adjusted	$ 450.4	$ 472.9	$ 879.6	$ 1,003.5	$ 388.7	$ 433.6	$ 870.8	$ 861.4	$ 278.8	$ 399.7	$ 690.2	$ 515.7
Adjusted Gross Margin	*48.8%*	*47.9%*	*49.1%*	*50.2%*	*44.7%*	*45.3%*	*48.5%*	*47.0%*	*37.9%*	*41.0%*	*43.0%*	*32.0%*
Other Selling and Administrative Expenses												
Other Selling and Administrative Expenses, As Reported	$ 402.5	$ 367.6	$ 365.6	$ 412.0	$ 350.9	$ 350.5	$ 350.5	$ 348.5	$ 332.2	$ 352.9	$ 381.8	$ 454.4
% of Net Sales	*43.6%*	*37.2%*	*20.4%*	*20.6%*	*40.4%*	*36.6%*	*19.5%*	*19.0%*	*45.2%*	*36.2%*	*24.5%*	*28.2%*
Adjustments:												
Non-recurring Executive Compensation	-	-	-	-	-	-	-	-	(1.9)	(2.8)	(3.5)	(3.1)
Integration & Acquisition Costs[4]	(7.7)	(2.6)	(3.3)	(1.3)	(0.7)	(0.5)	(0.3)	(0.3)	-	-	-	-
Severance and Restructuring Expenses	(28.0)	(15.6)	(13.3)	(10.9)	(9.8)	(17.4)	(6.4)	(6.3)	(3.0)	(5.8)	(12.6)	(43.6)
Asset Impairments	-	-	-	-	-	-	-	-	-	-	(14.9)	(20.8)
Other Selling and Administrative Expenses, As Adjusted	$ 366.8	$ 349.4	$ 349.0	$ 399.8	$ 340.4	$ 332.6	$ 343.8	$ 341.9	$ 327.3	$ 344.3	$ 350.8	$ 387.0
% of Net Sales	*39.8%*	*35.4%*	*19.5%*	*20.0%*	*39.2%*	*34.7%*	*19.1%*	*18.6%*	*44.5%*	*35.3%*	*21.9%*	*24.0%*

[1] Amounts may not foot due to rounding.
[2] As a result of Toys "R" Us filing for bankruptcy, Mattel reversed Net Sales for the estimated uncollectible portion of its outstanding receivables. As such, Gross Profit, As Reported includes the Cost of Sales for the inventory sold to Toys "R" Us but excludes the corresponding Net Sales.
[3] For the three and twelve months ended December 31, 2017, Asset Impairments include tooling write-offs of $20.6 million which were recorded in Cost of Sales.
[4] Includes Integration & Acquisition Costs for Fuhu and Sproutling in 2016.

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Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)[1]

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(In millions, except per share information)	2015				2016				2017			
	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr
Operating (Loss) Income												
Operating (Loss) Income, As Reported	$ (54.5)	$ 0.6	$ 300.8	$ 294.1	$ (49.1)	$ (11.7)	$ 317.4	$ 262.6	$ (127.0)	$ (48.7)	$ 85.7	$ (252.8)
Adjustments:												
Toys "R" Us Net Sales Reversal[2]	-	-	-	-	-	-	-	-	-	-	43.0	-
Asset Impairments[3]	-	-	-	-	-	-	-	-	-	-	14.9	41.4
Non-recurring Executive Compensation	-	-	-	-	-	-	-	-	1.9	2.8	3.5	3.1
Integration & Acquisition Costs[4]	7.7	2.6	3.3	1.3	0.7	0.5	0.3	0.3	-	-	-	-
Severance and Restructuring Expenses	28.0	15.6	13.3	10.9	9.8	17.4	6.4	6.3	3.0	5.8	12.6	43.6
Operating (Loss) Income, As Adjusted	$ (18.8)	$ 18.8	$ 317.4	$ 306.3	$ (38.6)	$ 6.2	$ 324.1	$ 269.2	$ (122.1)	$ (40.1)	$ 159.7	$ (164.8)
Earnings Per Share												
Net (Loss) Income Per Common Share, As Reported	$ (0.17)	$ (0.03)	$ 0.66	$ 0.63	$ (0.21)	$ (0.06)	$ 0.68	$ 0.50	$ (0.33)	$ (0.16)	$ (1.75)	$ (0.82)
Adjustments:												
Toys "R" Us Net Sales Reversal[2]	-	-	-	-	-	-	-	-	-	-	0.13	-
Asset Impairments[3]	-	-	-	-	-	-	-	-	-	-	0.04	0.12
Non-recurring Executive Compensation	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Integration & Acquisition Costs[4]	0.02	0.01	0.01	-	-	-	-	-	-	-	-	-
Severance and Restructuring Expenses	0.08	0.04	0.04	0.03	0.03	0.05	0.02	0.02	0.01	0.02	0.04	0.13
Sale of Assets	-	-	-	-	(0.01)	-	-	-	-	-	-	-
Venezuela Matters[5]	-	-	-	-	0.07	-	-	-	-	-	-	0.17
Tax Effect of Adjustments[6]	(0.02)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	-	-	(0.01)	(0.01)	(0.01)	(0.02)
Valuation Allowance and U.S. Tax Reform[7]	-	-	-	-	-	-	-	-	-	-	1.63	(0.30)
Net (Loss) Income Per Common Share, As Adjusted	$ (0.09)	$ 0.01	$ 0.70	$ 0.65	$ (0.14)	$ (0.02)	$ 0.70	$ 0.52	$ (0.32)	$ (0.14)	$ 0.09	$ (0.72)

[1] Amounts may not foot due to rounding.

[2] As a result of Toys "R" Us filing for bankruptcy, Mattel reversed Net Sales for the estimated uncollectible portion of its outstanding receivables. As such, Gross Profit, As Reported includes the Cost of Sales for the inventory sold to Toys "R" Us but excludes the corresponding Net Sales.

[3] For the three and twelve months ended December 31, 2017, Asset Impairments include tooling write-offs of $20.6 million which were recorded in Cost of Sales.

[4] Includes Integration & Acquisition Costs for Fuhu and Sproutling in 2016.

[5] For the three and twelve months ended December 31, 2017, the amount includes a $59.0 million loss from the discontinuation of Venezuelan operations. For the 12 months ended December 31, 2016, the amount includes the Venezuela currency devaluation loss of $26.3 million.

[6] The aggregate tax effect of the adjustments is calculated by tax effecting the adjustments by the current effective tax rate, and dividing by the reported weighted average number of common and potential common shares. For the three and twelve months ended December 31, 2017, U.S. adjustments were not tax effected because of the valuation allowance on U.S. deferred tax assets.

[7] For the three months ended December 31, 2017, the amount includes a benefit of approximately $105 million related to the estimated impact of U.S. Tax Reform. For the twelve months ended December 31, 2017, the amount includes a net expense of approximately $457 million related to the valuation allowance on deferred tax assets and an estimate of the impact of U.S. Tax Reform.

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Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)[1]
RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(In millions, except per share and percentage information)	For the Three Months Ended December 31, 2017	For the Three Months Ended December 31, 2016	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
Net Sales				
Net Sales, As Reported	$ 1,610.9	$ 1,834.4	$ 4,882.0	$ 5,456.7
Adjustments:				
Toys "R" Us Net Sales Reversal[2]	-	-	43.0	-
Net Sales, As Adjusted	$ 1,610.9	$ 1,834.4	$ 4,925.0	$ 5,456.7
Gross Profit				
Gross Profit, As Reported	$ 495.1	$ 861.4	$ 1,820.8	$ 2,554.4
Gross Margin	*30.7%*	*47.0%*	*37.3%*	*46.8%*
Adjustments:				
Toys "R" Us Net Sales Reversal[2]	-	-	43.0	-
Asset Impairments[3]	20.6	-	20.6	-
Gross Profit, As Adjusted	$ 515.7	$ 861.4	$ 1,884.4	$ 2,554.4
Adjusted Gross Margin	*32.0%*	*47.0%*	*38.3%*	*46.8%*
Other Selling and Administrative Expenses				
Other Selling and Administrative Expenses, As Reported	$ 454.4	$ 348.5	$ 1,521.4	$ 1,400.3
% of Net Sales	*28.2%*	*19.0%*	*31.2%*	*25.7%*
Adjustments:				
Non-recurring Executive Compensation	(3.1)	-	(11.3)	-
Integration & Acquisition Costs[4]	-	(0.3)	-	(1.7)
Severance and Restructuring Expenses	(43.6)	(6.3)	(65.1)	(39.9)
Asset Impairments	(20.8)	-	(35.7)	-
Other Selling and Administrative Expenses, As Adjusted	$ 387.0	$ 341.9	$ 1,409.3	$ 1,358.7
% of Net Sales	*24.0%*	*18.6%*	*28.6%*	*24.9%*
Operating (Loss) Income				
Operating (Loss) Income, As Reported	$ (252.8)	$ 262.6	$ (342.8)	$ 519.2
Adjustments:				
Toys "R" Us Net Sales Reversal[2]	-	-	43.0	-
Asset Impairments[3]	41.4	-	56.3	-
Non-recurring Executive Compensation	3.1	-	11.3	-
Integration & Acquisition Costs[4]	-	0.3	-	1.7
Severance and Restructuring Expenses	43.6	6.3	65.1	39.9
Operating (Loss) Income, As Adjusted	$ (164.8)	$ 269.2	$ (167.1)	$ 560.8

[1] Amounts may not foot due to rounding.
[2] As a result of Toys "R" Us filing for bankruptcy, Mattel reversed Net Sales for the estimated uncollectible portion of its outstanding receivables. As such, Gross Profit, As Reported includes the Cost of Sales for the inventory sold to Toys "R" Us but excludes the corresponding Net Sales.
[3] For the three and twelve months ended December 31, 2017, Asset Impairments include tooling write-offs of $20.6 million which were recorded in Cost of Sales.
[4] Includes Integration & Acquisition Costs for Fuhu and Sproutling in 2016.

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Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)[1]
RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(In millions, except per share and percentage information)	For the Three Months Ended December 31, 2017	For the Three Months Ended December 31, 2016	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
Earnings Per Share				
Net (Loss) Income Per Common Share, As Reported	$ (0.82)	$ 0.50	$ (3.07)	$ 0.92
Adjustments:				
Toys "R" Us Net Sales Reversal[2]	-	-	0.13	-
Asset Impairments[3]	0.12	-	0.16	-
Non-recurring Executive Compensation	0.01	-	0.03	-
Severance and Restructuring Expenses	0.13	0.02	0.19	0.12
Sale of Assets	-	-	-	(0.01)
Venezuela Matters[5]	0.17	-	0.17	0.08
Tax Effect of Adjustments[6]	(0.02)	-	(0.03)	(0.05)
Valuation Allowance and U.S. Tax Reform[7]	(0.30)	-	1.33	-
Net (Loss) Income Per Common Share, As Adjusted	$ (0.72)	$ 0.52	$ (1.08)	$ 1.06
Adjusted EBITDA				
Net (Loss) Income, As Reported	$ (281.3)	$ 173.8	$ (1,053.8)	$ 318.0
Adjustments:				
Interest expense	36.7	25.0	105.2	95.1
(Benefit) Provision for Income Taxes	(65.6)	65.1	548.8	91.7
Depreciation	61.0	57.9	240.8	235.8
Amortization	17.7	7.0	33.9	26.5
EBITDA	(231.5)	328.8	(125.0)	767.2
Adjustments:				
Toys "R" Us Net Sales Reversal[2]	-	-	43.0	-
Asset Impairments[3]	41.4	-	56.3	-
Shared-based compensation	19.5	15.2	67.1	54.0
Integration & Acquisition Costs[4]	-	0.3	-	1.7
Severance and Restructuring Expenses	43.6	6.3	65.1	39.9
Sale of Assets	-	-	-	(4.4)
Venezuela Matters[5]	59.0	-	59.0	26.3
Adjusted EBITDA	$ (68.0)	$ 350.5	$ 165.5	$ 884.6

[1] Amounts may not foot due to rounding.

[2] As a result of Toys "R" Us filing for bankruptcy, Mattel reversed Net Sales for the estimated uncollectible portion of its outstanding receivables. As such, Gross Profit, As Reported includes the Cost of Sales for the inventory sold to Toys "R" Us but excludes the corresponding Net Sales.

[3] For the three and twelve months ended December 31, 2017, Asset Impairments include tooling write-offs of $20.6 million which were recorded in Cost of Sales.

[4] Includes Integration & Acquisition Costs for Fuhu and Sproutling in 2016.

[5] For the three and twelve months ended December 31, 2017, the amount includes a $59.0 million loss from the discontinuation of Venezuelan operations. For the 12 months ended December 31, 2016, the amount includes the Venezuela currency devaluation loss of $26.3 million.

[6] The aggregate tax effect of the adjustments is calculated by tax effecting the adjustments by the current effective tax rate, and dividing by the reported weighted average number of common and potential common shares. For the three and twelve months ended December 31, 2017, U.S. adjustments were not tax effected because of the valuation allowance on U.S. deferred tax assets.

[7] For the three months ended December 31, 2017, the amount includes a benefit of approximately $105 million related to the estimated impact of U.S. Tax Reform. For the twelve months ended December 31, 2017, the amount includes a net expense of approximately $457 million related to the valuation allowance on deferred tax assets and an estimate of the impact of U.S. Tax Reform.

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