

Mattel, Inc.

Earnings Conference Call

Fourth Quarter 2015

(Unaudited Results)



FEBRUARY 1, 2016

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FORWARD-LOOKING STATEMENTS: This presentation includes forward-looking statements relating to the future performance of our overall business, brands and product lines. These statements are based on currently available operating, financial, economic and other 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 2014 annual report on Form 10-K, in our 2015 quarterly reports on Form 10-Q and other filings we make with the SEC from time to time, as well as in 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 presented in this slide presentation include gross sales, adjusted gross margin, adjusted other selling and administrative expenses, adjusted operating income, adjusted earnings (loss) per share 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.”



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 individual products, making net sales less meaningful.

Adjusted gross margin and adjusted gross profit

Adjusted gross margin represents Mattel's reported gross profit, adjusted to exclude the impact of inventory fair value markup above cost associated with the acquisition of a business, as a percentage of net sales. Adjusted gross margin is presented to provide additional perspective on underlying trends in Mattel's core gross margin.

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 and restructuring and restructuring-related expenses. Adjusted other selling and administrative expenses is presented to provide additional perspective on underlying trends in Mattel's core other selling and administrative expenses.

Adjusted operating income

Adjusted operating income represents Mattel's reported operating income, adjusted to exclude the impact of inventory fair value markup above cost associated with the acquisition of a business, expenses associated with the acquisition and integration of an acquired business and the impact of restructuring and restructuring-related expenses. Adjusted operating income is presented to provide additional perspective on underlying trends in Mattel's core operating results.

Adjusted earnings per share

Adjusted earnings per share represents Mattel's reported diluted earnings per common share, adjusted to exclude the impact of inventory fair value markup above cost associated with the acquisition of a business, expenses associated with the acquisition and integration of an acquired business, the impact of restructuring and restructuring-related expenses and discrete tax items. Each adjustment is tax effected, if necessary, and divided by the reported weighted average number of common and potential common shares to determine the per-share impact of the adjustment. Adjusted earnings per share is presented to provide additional perspective on underlying trends in Mattel's core earnings.

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, current period and prior period results for entities reporting in currencies other than US dollar are translated using consistent exchange rates, rather than using the actual exchange rate in effect during the respective periods. 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.



Q4 2015 FINANCIAL PERFORMANCE



Q4 2015 Key Takeaways

✓ **Q4 results reflect significant and continuing progress on all six strategic priorities, with positive POS and shipping alignment**

✓ **Achieved full year financial outlook despite tougher foreign exchange headwinds**

✓ **Stabilized FY sales in constant currency, with core brand momentum going into 2016**

- Full year global POS positive (+3%) and aligned with worldwide gross sales (+1% in constant currency, -6% as reported)
- Q4 global POS positive (+3%) and aligned with worldwide gross sales (+3% in constant currency, -4% as reported)
 - Barbie and Fisher-Price results reflect solid improvement in Q4
 - Hot Wheels and Thomas continuing to deliver strong growth

✓ **Exited with clean retail inventories (U.S. down ~10% and international markets flat)**

- International inventories increased in growing markets like China and Russia, offset by declines in most mature markets

✓ **P&L results reflect ongoing financial discipline as well as top-line momentum and operating leverage in Q4 versus prior year**

- Sales adjustments down (Q4 and FY) due to less in-season discounting to manage inventory sell-through
- Gross margin of about 50% (Q4 and FY). Q4 gross margin of 50.2% included ~200 bps unfavorable foreign currency impact. FY gross margin of 49.2% included ~100 bps unfavorable foreign currency impact.
- Advertising as a percentage of net sales down in Q4 due to better focus and execution
- SG&A down in absolute dollars (Q4 and FY), on both a reported and adjusted basis, primarily due to cost savings
- Operating margin up significantly in Q4 versus prior year and down slightly for the full year (adjusted and reported)
- **Q4 adjusted earnings per share of \$0.67 (including a negative FX impact of \$0.18 and discrete tax items of \$0.04) and FY adjusted net earnings per share of \$1.31 (including a negative FX impact of \$0.41 and discrete tax items of \$0.05).** Q4 and FY reported earnings per share of \$0.63 and \$1.08, respectively.

✓ **Exceeded first year cost savings program target with \$153 million of gross savings; expect to deliver at the high end of \$250-300 million in gross savings by the end of 2016**

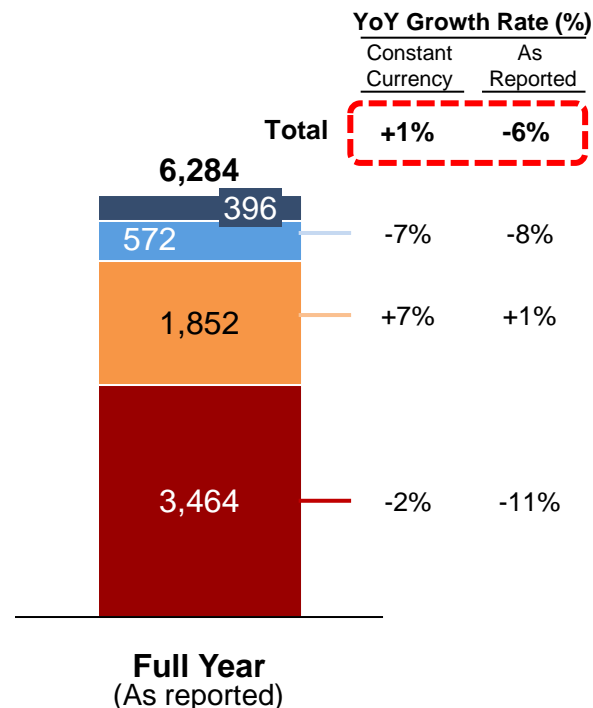
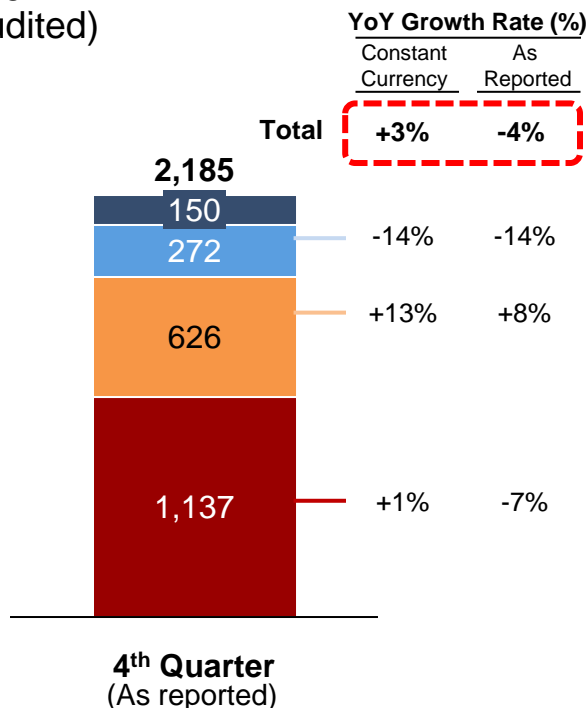
✓ **Maintained dividend (Q1 '16 declared at \$0.38/shr) and ended with \$893 million of cash** ⁵



Worldwide Gross Sales by Brand*

Fourth Quarter 2015 (\$ in Millions – Unaudited)

- Construction / Arts & Crafts / Other
- American Girl
- Fisher Price
- Mattel Girls & Boys



Q4 Constant Currency Narrative

Mattel Brands

Fisher-Price

American Girl

Const./A&C/Other

- Solid growth in most core brands (Hot Wheels and Barbie) and Entertainment (Minecraft, Warner Brothers DC Comics and WWE licenses), largely offset by declines in Disney Princess/Frozen and Monster High
- Strength in core businesses including “Baby Co.” (Infant, Baby Gear, and Newborn) and Preschool (Thomas & Friends and Imaginext), partially offset by licensed entertainment in Fisher-Price Friends
- Strong performance of the re-launched “BeForever” historical line, including its new character introduction, more than offset by the other sub-brands
- Construction business up 19% and in-line with expectations, including strong performance in international markets; Arts & Crafts business down due to de-emphasis of non-strategic, lower margin product lines

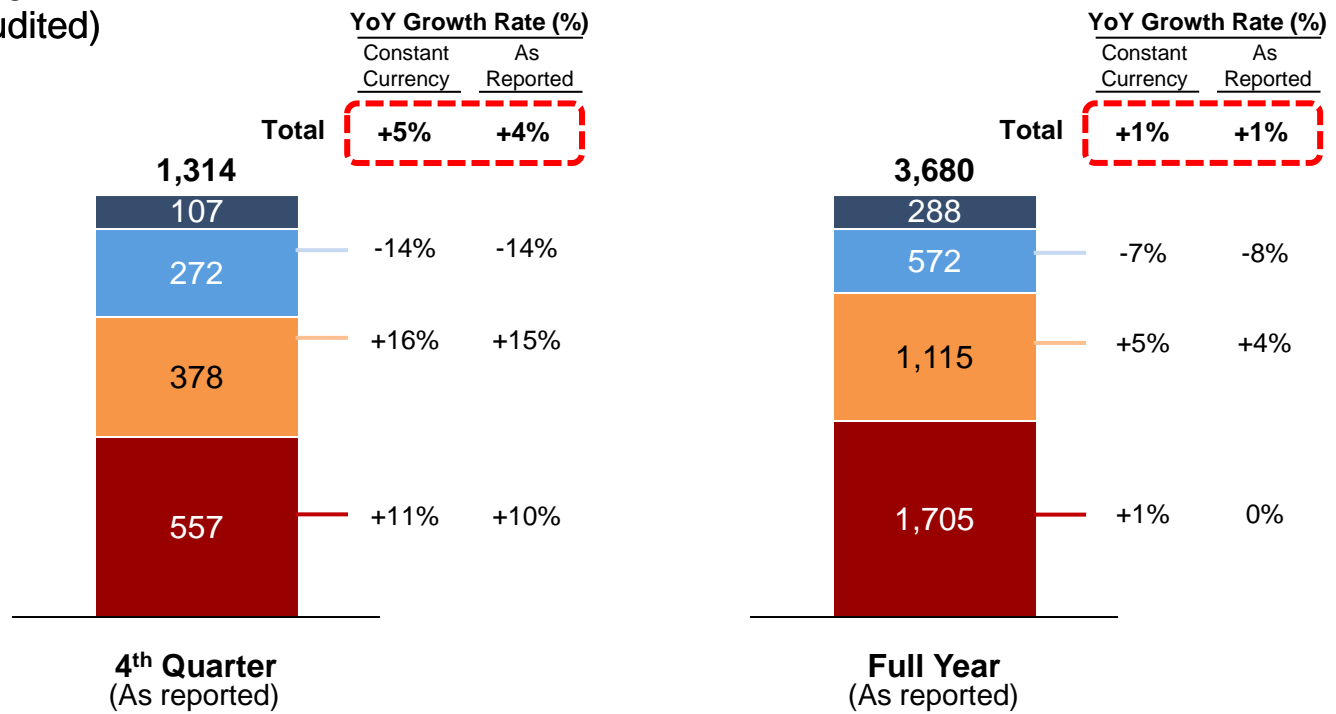
*See non-GAAP reconciliation in Appendix



North American Region Gross Sales by Brand*

Fourth Quarter 2015 (\$ in Millions – Unaudited)

- Construction / Arts & Crafts / Other
- American Girl
- Fisher Price
- Mattel Girls & Boys



Q4 Constant Currency Narrative

Mattel Brands

- Solid growth in most core brands (Hot Wheels and Barbie) and Entertainment (Minecraft, Warner Brothers DC Comics and WWE licenses), partially offset by declines in Disney Princess/Frozen and Monster High

Fisher-Price

- Strength in core businesses including “Baby Co.” (Infant, Newborn, and Baby Gear), and Preschool (Thomas & Friends and Imaginext) partially offset by licensed entertainment in Fisher-Price Friends

American Girl

- Strong performance of the re-launched “BeForever” historical line, including its new character introduction, more than offset by the other sub-brands

Const./A&C/Other

- Construction business up 2% driven by strength in First Builders and new Girls lines, largely offset by softness in Collector lines; Arts & Crafts business down due to de-emphasis of non-strategic, lower margin product lines

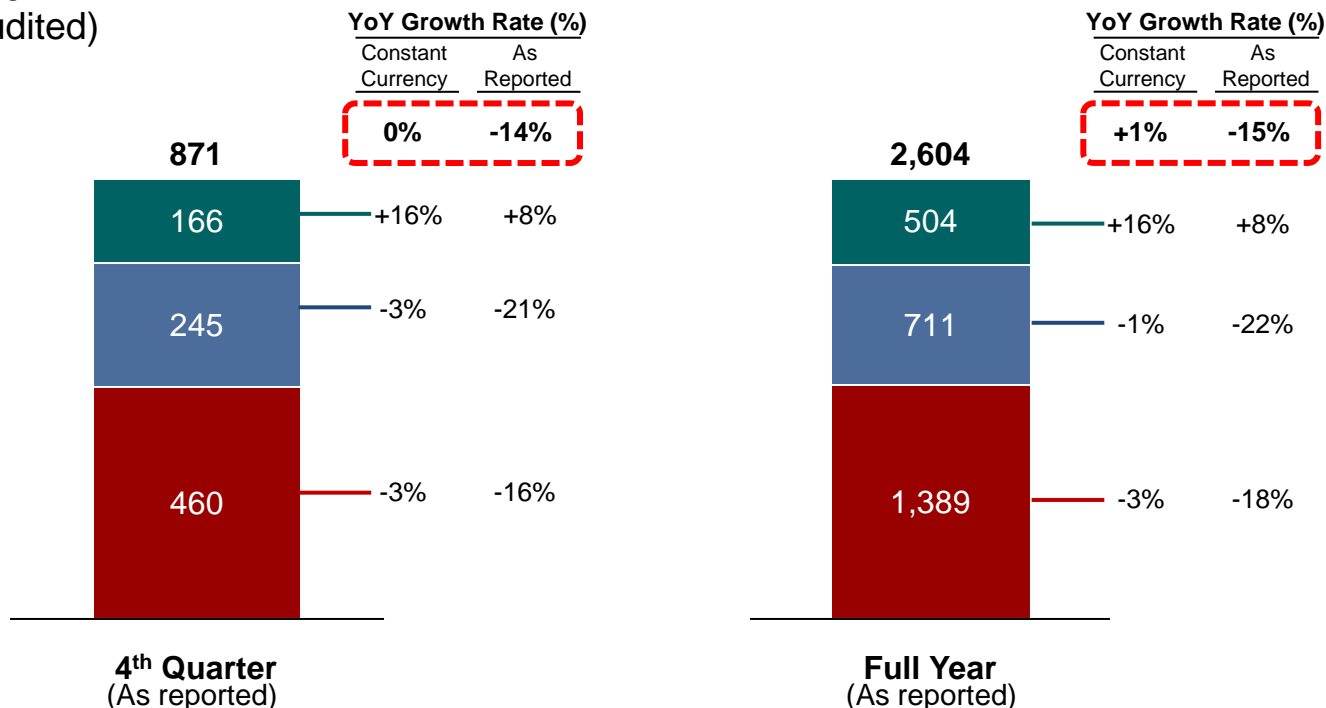
*See non-GAAP reconciliation in Appendix.
Note: North American Region includes U.S., Canada, and American Girl (see Appendix)



International Gross Sales by Region*

Fourth Quarter 2015 (\$ in Millions – Unaudited)

- Asia Pacific
- Latin America
- Europe



Q4 Constant Currency Narrative

Europe

- Softness in Western European markets, partially offset by strong growth in Russia and other Emerging Europe

Latin America

- Slowdown in Brazil due to economic weakness, pricing challenges and competition, partially offset by solid growth in Mexico and other smaller markets

Asia Pacific

- Driven by continued strong growth in China and solid growth in Australia

*See non-GAAP reconciliation in Appendix

Note: International Region includes International Division (see Appendix)



Adjusted Gross Margin*

Fourth Quarter 2015

(As a Percentage of Net Sales – Unaudited)

Prior Year Adjusted:

Change Primarily Driven By:

Pricing

Funding our Future

Currency (incl. hedging)

Input Costs

Other Product-Related

Royalties

Current Year Adjusted:

Change:

Quarter

Full Year

50.4%

50.1%



50.2 %

49.2%

(20)bps

(90)bps

Q4 2015 Drivers

- Unfavorable currency impact of ~200 bps (FY impact of ~100 bps)
- Price increases and cost savings more than offset changes in product-related costs, mix and higher royalties

Full Year 2016 Outlook

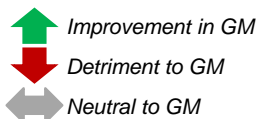
Headwinds

- Labor inflation
- Unfavorable foreign exchange
- Changes in mix (growth in Boys & Infant Preschool vs. Dolls)

Tailwinds

- Funding Our Future cost savings
- Incremental cost savings program
- Favorable commodity trends
- Lower royalty expense

Targeting about 50% (as reported)



* See non-GAAP reconciliation in Appendix



Adjusted SG&A*

Fourth Quarter 2015

(\$ in Millions and as a Percentage of Net Sales – Unaudited)

| | Quarter | | Full Year | |
|-----------------------------|----------------|--------------|------------------|--------------|
| | In Millions | % of Sales | In Millions | % of Sales |
| Prior Year Adjusted: | \$416.9 | 20.9% | \$1,517.5 | 25.2% |

Change Primarily Driven By:

Funding Our Future (ex. Severance)



Currency



MEGA (ex. Acquisition/Integration)



Employee-Related Costs



Strategic Growth Investments



Other



Current Year Adjusted:

| | | | |
|----------------|--------------|------------------|--------------|
| \$395.6 | 19.8% | \$1,448.2 | 25.4% |
|----------------|--------------|------------------|--------------|

Change:

| | | | |
|-----------------|-----------------|-----------------|----------------|
| (\$21.3) | (110)bps | (\$69.3) | +20 bps |
|-----------------|-----------------|-----------------|----------------|

Memo: SG&A (as reported)

| | | | |
|----------------|--------------|------------------|--------------|
| \$412.0 | 20.6% | \$1,547.6 | 27.1% |
|----------------|--------------|------------------|--------------|

Improvement in SG&A

Detriment to SG&A

Neutral to SG&A

*See non-GAAP reconciliation in Appendix

**Consists of acquisition and integration costs, including amortization of acquired intangible assets

Q4 2015 Drivers

- Adjusted SG&A down versus prior year
- Aggressively reduced overhead costs
- Funded strategic growth investments through cost savings programs
- Increased incentive due to strong year-end performance

Full Year 2016 Outlook

- Targeting **adjusted SG&A** to be down \$55 to 65 million
- Targeting **reported SG&A** to be down even more (due to lower acquisition, integration, severance & restructuring)

2015 Adjustments (\$ in Millions)

| | Q4 | FY |
|-----------------------------|--------------|----------------|
| 2015 as reported | \$412 | \$1,548 |
| ○ Acquisition/integration** | (\$6) | (\$32) |
| ○ Severance | (\$11) | (\$68) |
| 2015 adjusted | \$396 | \$1,448 |



Cost Savings Programs / Funding Our Future (FOF) Update

(\$ in Millions – Unaudited)

Funding Our Future (Actual & Planned Gross Cost Savings)

Delivered \$591M of Gross Savings 2009-2014

Gross Cost Savings

- Gross Margin
- Advertising
- SG&A and Other

Also pursuing incremental savings beyond FOF \$250-300M target

Funding Our Future (target)

\$250 - \$300 2015-2016

OE 3.0

\$179 2013-2014

OE 2.0

\$187 2011-2012

GCL

\$225 2009-2010

Q4 2015

\$60

\$30

\$3

\$27

Investments/ Severance = (\$11)

Full Year 2015

\$153

\$70

\$10

\$73

Investments/ Severance = (\$61)

Full Year 2016 Outlook

\$125-\$135



Adjusted Operating Income*

Fourth Quarter 2015

(\$ in Millions and as Percentage of Net Sales – Unaudited)

| | Quarter | | Full Year | |
|---|----------------|-----------------|------------------|-----------------|
| | In Millions | % of Sales | In Millions | % of Sales |
| Prior Year Adjusted: | \$265.1 | 13.3% | \$765.3 | 12.7% |
| Change Primarily Driven By: | | | | |
| Sales Volume | | | | |
| Gross Margin | | | | |
| Advertising & Promotion | | | | |
| Adjusted SG&A | | | | |
| Current Year Adjusted: | \$310.5 | 15.5% | \$640.3 | 11.2% |
| Change: | +\$45.4 | +220 bps | (\$125.0) | (150)bps |
| Memo: Operating Income (as reported) | \$294.1 | 14.7% | \$540.9 | 9.5% |

Improvement in Op Inc %

Detriment to Op Inc %

Neutral to Op Inc %

* See non-GAAP reconciliation in Appendix

**Consists of acquisition and integration costs, including amortization of acquired intangible assets and inventory fair value markup above cost

Q4 2015 Drivers

- Flat sales and slightly lower gross margin (due to negative impact of FX)
- Better leverage on advertising due to:
 - Increased spending to support key core brands throughout the year driving stronger Q4 shipping;
 - Coupled with improved in-store and online promotional execution
- Adjusted SG&A down in absolute dollars and as a percentage of sales versus prior year (driven by cost savings initiatives)

2015 Adjustments (\$ in Millions)

| | Q4 | FY |
|-----------------------------|--------------|--------------|
| 2015 as reported | \$294 | \$541 |
| ○ Acquisition/integration** | \$6 | \$32 |
| ○ Severance | \$11 | \$68 |
| 2015 Adjusted | \$311 | \$641 |



Adjusted EPS*

Fourth Quarter 2015
(\$ Per Share – Unaudited)

Negative FX impact of \$0.18 in Q4 and \$0.41 for the year

Prior Year Adjusted (including discrete tax items):

Change Primarily Driven By:

Operating Income

Non-Operating Income / Expense

Taxes

Share Count

Current Year Adjusted (incl. discrete tax items):

Change:

Memo: EPS (as reported)

Quarter **Full Year**

\$0.49

\$1.71



\$0.67

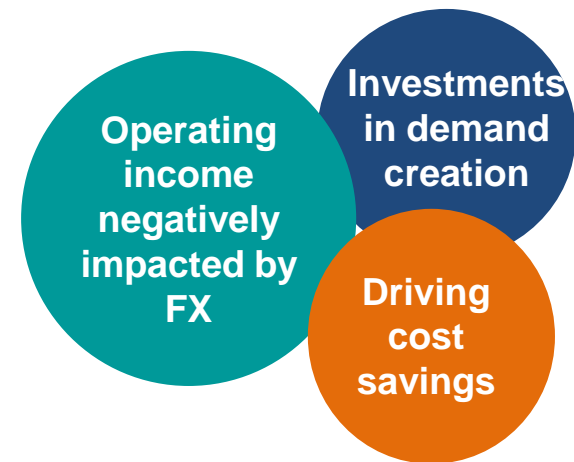
\$1.31

+\$0.11

(\$0.32)

\$0.63

\$1.08



2015 Adjustments (\$ Per Share)

| | Q4 | FY |
|--|---------------|---------------|
| 2015 as reported | \$0.63 | \$1.08 |
| ○ Acquisition/integration** | \$0.01 | \$0.07 |
| ○ Severance | \$0.03 | \$0.16 |
| 2015 Adjusted (incl. tax items) | \$0.67 | \$1.31 |
| ○ Discrete tax items | (\$0.04) | (\$0.05) |
| 2015 Adjusted | \$0.63 | \$1.26 |

- Improvement in EPS
- Detriment to EPS
- Neutral to EPS

*See non-GAAP reconciliation in Appendix

**Consists of acquisition and integration costs, including amortization of acquired intangible assets and inventory fair value markup above cost



Cash Flow

Twelve months ending 2015

(\$ in Millions – Unaudited)

| | 2014 | 2015 |
|---|----------------|----------------|
| Net Income /(Loss) | \$499 | \$369 |
| Depreciation | \$208 | \$233 |
| Amortization | \$41 | \$32 |
| Change in Working Capital & Other | \$141 | \$101 |
| Net Cash From Operations | \$889 | \$735 |
| Capital Spending | (\$260) | (\$254) |
| Acquisitions | (\$423) | - |
| Other Investing | (\$26) | (\$29) |
| Net Cash (Used for) Investing | (\$709) | (\$283) |
| Net Proceeds from Short-term Borrowings | - | \$17 |
| Payments of Long-term Borrowing | (\$45) | - |
| Net Proceeds from Long-term Borrowing | \$495 | - |
| Share Repurchases | (\$177) | - |
| Dividends | (\$515) | (\$515) |
| Financing Activities and Other | (\$6) | (\$33) |
| Net Cash (Used for) Financing Activities & Other | (\$248) | (\$531) |
| Change in Cash | (\$68) | (\$79) |
| Cash at Beginning of Period | \$1,039 | \$972 |
| Cash at End of Period | \$972 | \$893 |

Cash Flow from Ops

Decrease primarily due to lower net income and lower cash from working capital

Investing Activities

No acquisitions in 2015 (acquired MEGA Brands for \$423M, net of cash, in 2014)

Financing Activities

No long-term debt activity

Dividend/ Share Repurchase

- Paid quarterly dividend of \$0.38 (flat y/y)
- No share repurchases in 2015

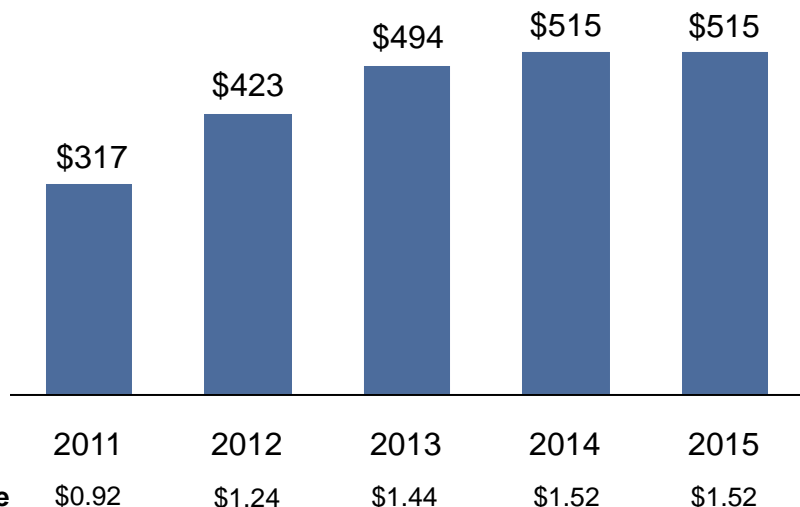
Note: Amounts shown are preliminary estimates. Actual amounts will be reported in Mattel's Annual Report on Form 10-K for the year ended December 31, 2015.



Capital Deployment

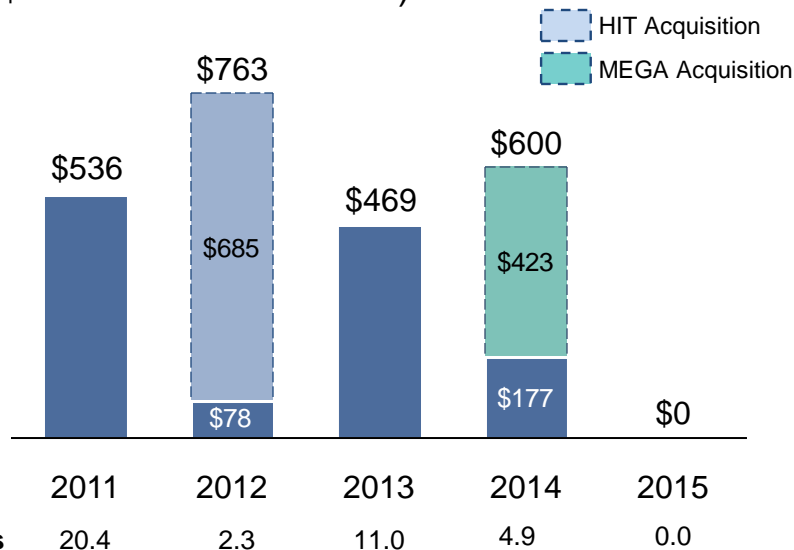
Dividends

(\$ in Millions - Unaudited)



Share Repurchases and Acquisitions*

(\$ in Millions - Unaudited)



\$/share \$0.92 \$1.24 \$1.44 \$1.52 \$1.52 **# Shares, mils** 20.4 2.3 11.0 4.9 0.0

- Dividends remain a key component of our Capital and Investment Framework and key driver of Mattel's Total Shareholder Return (TSR)
- Declared \$0.38 2016 first quarter dividend, which is flat with the prior year
- For U.S. Federal Income tax purposes, approximately 95% of the 2015 dividend is a non-dividend distribution**

- Share repurchase remains an important piece of Mattel's Capital and Investment Framework
- Share repurchases were down in 2012 and 2014 as we deployed capital to acquire HIT Entertainment (\$685 million) and MEGA Brands (\$423 million), respectively
- Mattel has repurchased over 38 million shares, at a total cost of approx. \$2.4 billion, since 2011

* Shares repurchased in FY on accrual basis

** Further tax information available in the Investors section at Mattel.com



2016 Financial Outlook

Long-term Objectives

2016 Financial Outlook

Sales Growth

Low-to-Mid Single Digits

“Believe we can fill a significant portion of Disney Princess revenue gap and offset continued softness in Monster High”

- ✓ Goal is to hold topline relatively flat in constant currency
- ✓ Expect a more challenging first half

Gross Margin

About 50%

About 50%

Advertising

11%-13%

Move somewhat closer to mid-point of long-term objective

SG&A

22%-23%

Adjusted SG&A down \$55-65 million

Operating Margin

15%-20%

Estimated Currency impact:

- 2-4% negative impact on net revenues
- \$0.30 to \$0.40 negative impact on EPS



APPENDIX

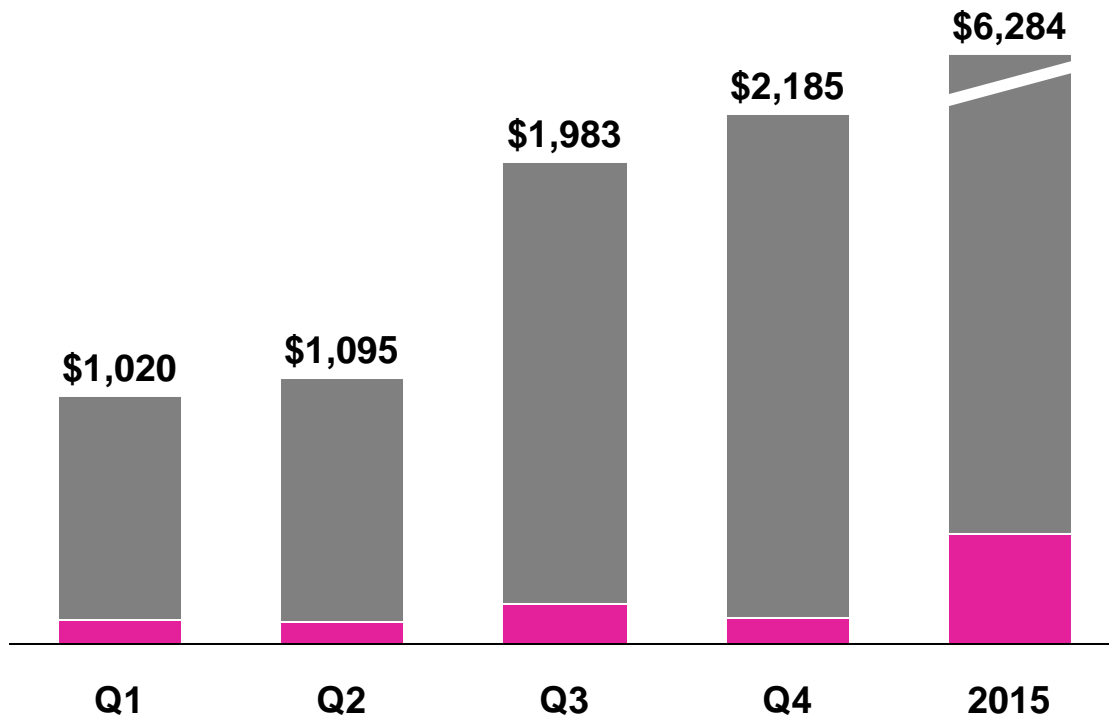


Disney Princess Impact

Total Gross Sales – 2015

\$ in Millions – Unaudited
(As reported)

■ Disney Princess Gross Sales



2016 Revenue Drivers

- ✓ Core Brand momentum
- ✓ Entertainment licenses (e.g., WB, MEGA TMNT)
- ✓ MEGA expansion
- ✓ Emerging markets
- ✓ New content initiatives

2016 Outlook

- Expect a more challenging first half, primarily due to Disney Princess comps
- Expect improvement in second half as incremental revenue initiatives begin to accelerate

% of Total Company Sales

10%

8%

8%

5%

7%



Reporting Guide

Name

Description

North American Region

Includes U.S., Canada and American Girl

International Region

Includes International Division

North America Division

Consists of the U.S. and Canada, excludes American Girl

International Division

Excludes U.S. and Canada

American Girl Brands

Includes American Girl, excludes Corolle / Thomas DTC

Core Europe

Includes France, Belgium, Netherlands, Spain, Portugal, Italy, Germany, Austria, Switzerland, Nordics/Scandinavia, UK



Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

| (In millions, except per share and percentage information) | For the Three Months Ended December 31, | | | | | | For the Twelve Months Ended December 31, | | | | | |
|---|---|-------------|------------|-------------|---------------------------------------|--|--|-------------|------------|-------------|---------------------------------------|--|
| | 2015 | | 2014 | | Yr / Yr % Change as Reported | Yr / Yr % Change in Constant Currency | 2015 | | 2014 | | Yr / Yr % Change as Reported | Yr / Yr % Change in Constant Currency |
| | \$ Amt | % Net Sales | \$ Amt | % Net Sales | | | \$ Amt | % Net Sales | \$ Amt | % Net Sales | | |
| Net Sales | \$ 1,999.7 | | \$ 1,994.0 | | 0% | 7% | \$ 5,702.6 | | \$ 6,023.8 | | -5% | 2% |
| Cost of sales | 996.2 | 49.8% | 988.2 | 49.6% | 1% | | 2,896.2 | 50.8% | 3,022.8 | 50.2% | -4% | |
| Gross Profit | 1,003.5 | 50.2% | 1,005.8 | 50.4% | 0% | 11% | 2,806.4 | 49.2% | 3,001.0 | 49.8% | -6% | 3% |
| Advertising and promotion expenses | 297.4 | 14.9% | 323.8 | 16.2% | -8% | | 717.9 | 12.6% | 733.2 | 12.2% | -2% | |
| Other selling and administrative expenses | 412.0 | 20.6% | 445.0 | 22.3% | -7% | | 1,547.6 | 27.1% | 1,614.1 | 26.8% | -4% | |
| Operating Income | 294.1 | 14.7% | 237.0 | 11.9% | 24% | 59% | 540.9 | 9.5% | 653.7 | 10.9% | -17% | 9% |
| Interest expense | 22.8 | 1.1% | 22.1 | 1.1% | 3% | | 85.3 | 1.5% | 79.3 | 1.3% | 8% | |
| Interest (income) | (1.5) | -0.1% | (2.1) | -0.1% | -31% | | (7.2) | -0.1% | (7.4) | -0.1% | -2% | |
| Other non-operating expense (income), net | 2.0 | | 0.5 | | | | (1.1) | | (5.1) | | | |
| Income Before Income Taxes | 270.8 | 13.5% | 216.5 | 10.9% | 25% | 64% | 463.9 | 8.1% | 586.9 | 9.7% | -21% | 10% |
| Provision for income taxes | 55.6 | | 66.6 | | | | 94.5 | | 88.0 | | | |
| Net Income | \$ 215.2 | 10.8% | \$ 149.9 | 7.5% | 44% | | \$ 369.4 | 6.5% | \$ 498.9 | 8.3% | -26% | |
| Net Income Per Common Share - Basic | \$ 0.63 | | \$ 0.44 | | | | \$ 1.08 | | \$ 1.46 | | | |
| Weighted average number of common shares | 339.8 | | 338.4 | | | | 339.2 | | 339.0 | | | |
| Net Income Per Common Share - Diluted | \$ 0.63 | | \$ 0.44 | | | | \$ 1.08 | | \$ 1.45 | | | |
| Weighted average number of common and potential common shares | 340.4 | | 339.5 | | | | 339.7 | | 340.8 | | | |



Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

WORLDWIDE GROSS SALES INFORMATION (Unaudited)

RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

| (In millions, except percentage information) | For the Three Months Ended December 31, | | | | For the Twelve Months Ended December 31, | | | |
|--|---|-------------------|-------------------------|-------------------------------------|--|-------------------|-------------------------|-------------------------------------|
| | 2015 | 2014 | % Change as Reported | % Change in Constant Currency | 2015 | 2014 | % Change as Reported | % Change in Constant Currency |
| Worldwide Gross Sales by Brand: | | | | | | | | |
| Mattel Girls & Boys Brands | \$ 1,136.6 | \$ 1,228.1 | -7 % | 1 % | \$ 3,464.2 | \$ 3,897.2 | -11 % | -2 % |
| Fisher-Price Brands | 626.2 | 578.9 | 8 | 13 | 1,852.2 | 1,842.6 | 1 | 7 |
| American Girl Brands | 271.8 | 316.5 | -14 | -14 | 572.0 | 618.7 | -8 | -7 |
| Construction and Arts & Crafts Brands ¹ | 130.2 | 130.0 | | | 351.7 | 315.0 | | |
| Other | 20.1 | 19.9 | | | 43.5 | 44.9 | | |
| Gross Sales | <u>\$ 2,184.9</u> | <u>\$ 2,273.4</u> | -4 % | 3 % | <u>\$ 6,283.6</u> | <u>\$ 6,718.4</u> | -6 % | 1 % |
| Worldwide Gross Sales - Mattel Girls & Boys Brands: | | | | | | | | |
| Barbie | \$ 327.6 | \$ 325.9 | 1 % | 8 % | \$ 905.9 | \$ 1,009.5 | -10 % | -1 % |
| Other Girls | 268.6 | 418.2 | -36 | -28 | 954.4 | 1,293.5 | -26 | -17 |
| Wheels | 271.8 | 232.2 | 17 | 26 | 831.3 | 755.0 | 10 | 21 |
| Entertainment | 268.6 | 251.8 | 7 | 16 | 772.6 | 839.2 | -8 | 1 |
| Gross Sales | <u>\$ 1,136.6</u> | <u>\$ 1,228.1</u> | -7 % | 1 % | <u>\$ 3,464.2</u> | <u>\$ 3,897.2</u> | -11 % | -2 % |
| Worldwide Gross Sales by Region: | | | | | | | | |
| North American ² | \$ 1,313.5 | \$ 1,260.3 | 4 % | 5 % | \$ 3,680.1 | \$ 3,656.9 | 1 % | 1 % |
| International | 871.4 | 1,013.1 | -14 | 0 | 2,603.5 | 3,061.5 | -15 | 1 |
| Gross Sales | <u>\$ 2,184.9</u> | <u>\$ 2,273.4</u> | -4 % | 3 % | <u>\$ 6,283.6</u> | <u>\$ 6,718.4</u> | -6 % | 1 % |
| Reconciliation of Non-GAAP to GAAP Financial Measure: | | | | | | | | |
| Gross Sales | \$ 2,184.9 | \$ 2,273.4 | | | \$ 6,283.6 | \$ 6,718.4 | | |
| Sales Adjustments | (185.2) | (279.4) | | | (581.0) | (694.6) | | |
| Net Sales | <u>\$ 1,999.7</u> | <u>\$ 1,994.0</u> | 0 % | 7 % | <u>\$ 5,702.6</u> | <u>\$ 6,023.8</u> | -5 % | 2 % |

1 Sales of Construction and Arts & Crafts products include the MEGA BLOKS and RoseArt brands. Mattel acquired MEGA Brands Inc. on April 30, 2014.



Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

NORTH AMERICAN REGION GROSS SALES INFORMATION (Unaudited)

| (In millions, except percentage information) | For the Three Months Ended December 31, | | | | For the Twelve Months Ended December 31, | | | |
|--|---|-------------------|----------------------|-------------------------------|--|-------------------|----------------------|-------------------------------|
| | 2015 | 2014 | % Change as Reported | % Change in Constant Currency | 2015 | 2014 | % Change as Reported | % Change in Constant Currency |
| North American Region Gross Sales by Brand: | | | | | | | | |
| Mattel Girls & Boys Brands | \$ 557.3 | \$ 504.9 | 10 % | 11 % | \$ 1,705.1 | \$ 1,703.6 | 0 % | 1 % |
| Fisher-Price Brands | 377.7 | 328.4 | 15 | 16 | 1,114.9 | 1,070.5 | 4 | 5 |
| American Girl Brands | 271.8 | 316.5 | -14 | -14 | 572.0 | 618.7 | -8 | -7 |
| Construction and Arts & Crafts Brands | 86.7 | 91.0 | | | 245.4 | 220.5 | | |
| Other | 20.0 | 19.5 | | | 42.7 | 43.6 | | |
| Gross Sales | <u>\$ 1,313.5</u> | <u>\$ 1,260.3</u> | 4 % | 5 % | <u>\$ 3,680.1</u> | <u>\$ 3,656.9</u> | 1 % | 1 % |
| North American Region Gross Sales by Brand | | | | | | | | |
| Gross Sales | \$ 1,313.5 | \$ 1,260.3 | | | \$ 3,680.1 | \$ 3,656.9 | | |
| Sales Adjustments | <u>(59.1)</u> | <u>(93.1)</u> | | | <u>(219.0)</u> | <u>(234.3)</u> | | |
| Net Sales | <u>\$ 1,254.4</u> | <u>\$ 1,167.2</u> | 7 % | 9 % | <u>\$ 3,461.1</u> | <u>\$ 3,422.6</u> | 1 % | 2 % |



Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

INTERNATIONAL GROSS SALES BY REGION INFORMATION (Unaudited)

| (In millions, except percentage information) | For the Three Months Ended December 31, | | | | For the Twelve Months Ended December 31, | | | |
|--|---|-------------------|-------------------------|-------------------------------------|--|-------------------|-------------------------|-------------------------------------|
| | 2015 | 2014 | % Change as Reported | % Change in Constant Currency | 2015 | 2014 | % Change as Reported | % Change in Constant Currency |
| International Region Gross Sales: | | | | | | | | |
| Europe | \$ 460.4 | \$ 548.5 | -16 % | -3 % | \$ 1,388.8 | \$ 1,687.1 | -18 % | -3 % |
| Latin America | 244.6 | 309.9 | -21 | -3 | 711.0 | 909.4 | -22 | -1 |
| Asia Pacific | 166.4 | 154.7 | 8 | 16 | 503.7 | 465.0 | 8 | 16 |
| Gross Sales | <u>\$ 871.4</u> | <u>\$ 1,013.1</u> | -14 % | 0 % | <u>\$ 2,603.5</u> | <u>\$ 3,061.5</u> | -15 % | 1 % |
| International Region Gross Sales | | | | | | | | |
| Gross Sales | \$ 871.4 | \$ 1,013.1 | | | \$ 2,603.5 | \$ 3,061.5 | | |
| Sales Adjustments | <u>(126.1)</u> | <u>(186.3)</u> | | | <u>(362.0)</u> | <u>(460.3)</u> | | |
| Net Sales | <u>\$ 745.3</u> | <u>\$ 826.8</u> | -10 % | 5 % | <u>\$ 2,241.5</u> | <u>\$ 2,601.2</u> | -14 % | 2 % |



Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

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

| <u>(In millions, except per share and percentage information)</u> | <u>For the Three Months Ended December 31,</u> | | <u>For the Year Ended December 31,</u> | |
|---|--|-------------------|--|-------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Gross Profit | | | | |
| Gross Profit, As Reported | \$ 1,003.5 | \$ 1,005.8 | \$ 2,806.4 | \$ 3,001.0 |
| <i>Gross Margin</i> | 50.2% | 50.4% | 49.2% | 49.8% |
| <i>Adjustments:</i> | | | | |
| MEGA Brands Inventory Fair Value Markup Above Cost | - | - | - | 15.0 |
| Gross Profit, As Adjusted | \$ <u>1,003.5</u> | \$ <u>1,005.8</u> | \$ <u>2,806.4</u> | \$ <u>3,016.0</u> |
| <i>Adjusted Gross Margin</i> | 50.2% | 50.4% | 49.2% | 50.1% |
| Other Selling and Administrative Expenses | | | | |
| Other Selling and Administrative Expenses, As Reported | \$ 412.0 | \$ 445.0 | \$ 1,547.6 | \$ 1,614.1 |
| <i>% of Net Sales</i> | 20.6% | 22.3% | 27.1% | 26.8% |
| <i>Adjustments:</i> | | | | |
| MEGA Brands Integration & Acquisition Costs | (1.3) | (12.4) | (14.9) | (28.3) |
| MEGA Brands Intangible Asset Amortization Expense | (4.2) | (10.8) | (16.7) | (25.4) |
| Severance Expense | (10.9) | (4.9) | (67.8) | (42.9) |
| Other Selling and Administrative Expenses, As Adjusted | \$ <u>395.6</u> | \$ <u>416.9</u> | \$ <u>1,448.2</u> | \$ <u>1,517.5</u> |
| <i>% of Net Sales</i> | 19.8% | 20.9% | 25.4% | 25.2% |



Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

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

| (In millions, except per share and percentage information) | For the Three Months Ended December 31, | | For the Year Ended December 31, | |
|--|---|----------|---------------------------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| Operating Income | | | | |
| Operating Income, As Reported | \$ 294.1 | \$ 237.0 | \$ 540.9 | \$ 653.7 |
| <i>Adjustments:</i> | | | | |
| MEGA Brands Inventory Fair Value Markup Above Cost | - | - | - | 15.0 |
| MEGA Brands Integration & Acquisition Costs | 1.3 | 12.4 | 14.9 | 28.3 |
| MEGA Brands Intangible Asset Amortization Expense | 4.2 | 10.8 | 16.7 | 25.4 |
| Severance Expense | 10.9 | 4.9 | 67.8 | 42.9 |
| Operating Income, As Adjusted | \$ 310.5 | \$ 265.1 | \$ 640.3 | \$ 765.3 |
| Earnings Per Share | | | | |
| Net Income Per Common Share, As Reported | \$ 0.63 | \$ 0.44 | \$ 1.08 | \$ 1.45 |
| <i>Adjustments:</i> | | | | |
| MEGA Brands Inventory Fair Value Markup Above Cost | - | - | - | 0.04 |
| MEGA Brands Integration & Acquisition Costs | - | 0.02 | 0.03 | 0.06 |
| MEGA Brands Intangible Asset Amortization Expense | 0.01 | 0.02 | 0.04 | 0.06 |
| Severance Expense | 0.03 | 0.01 | 0.16 | 0.10 |
| Net Income Per Common Share, As Adjusted, Including Discrete Tax Items | \$ 0.67 | \$ 0.49 | \$ 1.31 | \$ 1.71 |
| Discrete Tax Items | (0.04) | 0.03 | (0.05) | (0.13) |
| Net Income Per Common Share, As Adjusted | \$ 0.63 | \$ 0.52 | \$ 1.26 | \$ 1.58 |



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