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PRESENTATION

[Shown on screen at live event and on live webcast]

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Information required by Securities and Exchange Commission Regulation G regarding non-GAAP financial measures included in this presentation will be available at the time of this presentation on the "Investors" section of http://corporate.mattel.com/, under the sub-heading "Financial Information – Earnings Release" in the Exhibits to Mattel, Inc.'s press release dated February 1, 2016.

Chris Sinclair ***- Mattel, Inc. - Chairman, CEO***

Good afternoon, everyone. I'd like to thank you for taking the time to be with us today.

Now during the presentations, Richard, Kevin, and I plan on providing some insight on our progress to date, a much clearer look at 2016, and a roadmap of how we intend to grow this business in the future. And after our presentation, as Dave just mentioned, you will be able to see some of our new products up close as some of our marketing leadership walks you through the gallery. And I know you will feel and sense a feeling of enthusiasm and new drive about our business.

Now due to some time constraints, we will not have a Q&A today; however, we will be hosting and webcasting a special live Q&A session with our sell-side analysts on Tuesday, February 16, at 8:30 AM Eastern time. I believe most of you already have the dial-in information, but if not, please feel free to access it on our investor relations website, which will give you all the details.

Okay, so let's begin. It was about one year ago today that I introduced myself to all of you with a mandate to change how we execute the business and set the foundation for growth going forward. And at that time, I said that our challenges have largely been around culture, people, and execution, and all are fixable.

Well, I am pleased to say that Mattel has made a lot of progress since that time. I continue to believe that Mattel's core strengths remain its brands, its global presence, and its financial discipline. But I also continue to believe that Mattel's greatest asset is its people, who have taken on the challenge to turn this business around with incredible determination and enthusiasm.

Now collectively, we held ourselves accountable for driving innovation, executing faster and more efficiently, and delivering for our customers. So in 2015, we did what we set out to do. We stabilized the business. And in so doing, we set the foundation, which will allow us to focus on even greater execution in 2016 and on growth in 2017 and beyond.

Let me touch on why I believe this to be true. As I said a couple of weeks ago on our earnings call, we believe that our fourth-quarter and full-year 2015 results demonstrated some very significant improvements. During the year, we implemented a number of very aggressive changes that focused on culture, on new talent, and accountability. We also prioritized our spending to leverage Mattel's core strengths, its brands and its commercial prowess. And we defined a set of strategic priorities to help guide our efforts.

A year later, we believe we've set a much stronger foundation. We now see a clear path to longer-term growth, profitability, and shareholder value.

So let me just briefly revisit our progress. Let's begin with our culture and our people. I have said from the outset that getting our culture back to one that embraces brand building, creativity, and innovation, and getting an aligned and capable and accountable organization that is driving against this is the overarching priority in our turnaround. And this has been a critical area of our focus.

In the past 12 months, we replaced or reassigned over 50% of our leadership team. In the process, we created the Chief Operating Officer position to ensure proper alignment for our brand and sales organizations. We also reorganized Company resources to focus on core brand building, renewed licensed entertainment partnerships, and reestablishing toy leadership. And we brought in outside expertise and leadership in critical areas, like brand management, content creation and distribution, e-commerce, finance, and human resources, all to add to our capabilities.

We also empowered new management to implement change, making sure that our incentives were aligned to improve and restore topline momentum, while maintaining financial discipline.

Finally, we reengineered many of our performance management systems to help instill our values and a culture of personal accountability.

We took on a tremendous amount of change, but I'm proud of how our team has come together. And with all of this as an umbrella, we organized our efforts to drive hard against six core strategic priorities, six core priorities against which we have also made a lot of progress.

In particular, we saw some real strength with our core brands, with terrific momentum on Hot Wheels and Thomas and a very positive turnaround in some of our challenged brands, like Fisher-Price and Barbie. At the same time, we made good strides across our brands, focusing on our messaging, getting price value more in balance, and improving the quality of our content and media distribution.

We also had some big wins in our toy box in 2015, where it is fair to say we have reinvigorated our relationships with core licensors and the inventor community at large. Disney is clearly back on sound footing, as evidenced with the recent renewals of Toy Story and Cars. And we are developing some great relationships elsewhere, with partnerships building with Warner Bros., Nickelodeon, WWE, Microsoft, and Universal.

Now the commercial organization also performed superbly and it drove many improvements in customer support, extra merchandising, and more effective pricing. And this performance was extremely broad based.

Equally gratifying to this strong execution was the fact that we also made some very good strides with our customers, strides in building true partnerships and beginning to map out ways to experiment, to test and learn together. Whether it was Wal-Mart, TRU, Target, Argos, or Amazon, the progress was universal and all good.

Equally good was the progress we made with our global supply chain. Now this group has aggressively gone after improving quality, improving customer service and on-time delivery, and continuing to carefully manage our safety. But they also attacked costs and they did so on many fronts, from purchasing to contract manufacturing to automation to just pure productivity improvement, and this helped us to stabilize our gross margins as we became a lot more competitive on price.

Staying with cost improvement, overall I think we made some excellent progress across our organization as a whole. The results have been very much on target -- actually, at the high end of our targets. And they have helped us to get to a more manageable cost structure and to be able to afford more to drive our marketing and sales initiatives.

Now, importantly, we have also made good progress on beginning to attack our costs more systemically. We are now using process simplification and benchmarking to more effectively drive our initiatives. We are also beginning to shift to a more continuous cost-improvement mentality.

And last, but not least, we also made excellent progress on our final priority, and that's to drive our business in key emerging markets. Now this past year, the key areas of focus were China and Russia and the story in both has been quite stellar. Despite some challenging economic and political disruptions, both markets grew substantially. Importantly, we now have teams and plans in place to drive both of those markets to a much loftier status.

So on balance, a very good year of progress and achievement and a much stronger foundation for us to build on. And building on this progress and momentum, I do feel there are a number of reasons for us to be optimistic going forward. At the highest level, we're in an industry that is growing and growing in today's digital age, where many skeptics believe that traditional toy play would become obsolete.

Furthermore, the toy industry is growing in both mature and emerging markets and we have seen growth across a number of different toy segments over these past few years. And as we look ahead, we would expect this growth to continue, with a growing global population, a growing upper and middle class, and significant per-capita spending opportunities around the world.

Now against this backdrop, clearly at Mattel we have some near-term challenges that we still need to traverse -- Disney Princess, Monster High, and foreign exchange will all pressure our topline this year, but we do feel that with our many strengths and executing well on our core strategies will get us through this near-term transition with a relatively stable topline and position us very well to lead growth in the future.

We are continuing to strengthen our core brands with new and innovative products, with better marketing campaigns and promotional programs, and with sharper pricing. Adding to this, many of our brands will be backed by improved content and media distribution through our collaborations and partnerships with the likes of YouTube and Amazon Studios, Alibaba, Tencent, and Universal.

We are also building out our toy box and we're doing so with some very strong licensed properties, through Disney Pixar with Cars and Toy Story, through Warner Bros. and their DC Comic universe, and through a growing pipeline with Nickelodeon, DreamWorks, Microsoft, and Sony. We should also see continued growth with MEGA Brands globally, and we will look to expand licensing opportunities on the construction aisle, much as we have done this year with Teenage Mutant Ninja Turtles.

And we have recently executed a number of important content activation deals with the likes of DHX and 9 Story, and these are designed to help us leverage some of our underleveraged brands, like Bob the Builder, Little People, Polly Pocket, Barney, and Angelina.

Now in addition, all of our brands will benefit as we begin to build significant capability in technology, particularly with recent acquisitions like Sproutling and Fuhu, enterprises that can spark a real jumpstart for our child development initiatives and particularly in high potential markets like China.

Now our commercial organization is also transforming itself and it is raising the bar on execution. Unmatched excellence is the mantra. We have been focused on improving availability across channels, on increasing space, increasing secondaries at impulse locations, and on overall merchandising impact and in-store engagement. We are also investing in building our data management capabilities and on testing more initiatives with our key customers.

We now have key programs in place with virtually all of the majors, and this focus extends into e-commerce where we are developing strong partnerships with Amazon, Alibaba, Tmall, and JD.com, and we are doing this with many of our other omnichannel partners as well. Improved partnering and execution was instrumental to our stronger finish last year and this is a critical element in our go-forward plan.

Also critical is our plan to drive in emerging markets. Now here, in addition to our normal distribution and marketing scale-up activities, we will also be building out some very important partnerships, particularly in China where, as I just indicated, we are leveraging our technology platforms to scale up with some of the Internet giants, and this is around the whole notion of child development and learning. We're also extending our efforts into additional markets, like India, southeast Asia, and the Middle East.

But the push for the topline in 2016 is only part of our story because we also realize the vital importance of financial discipline and cost improvement, both to support our marketing and sales agenda, but also to generate positive shareholder returns. And so this year, we will continue to execute cost reductions aggressively and across a number of fronts. In our global supply chain, we are looking to take out real costs after inflation through co-manufacturing consolidation, continued productivity initiatives, better purchasing leverage, and additional overhead reductions.

We're also attacking materials and packaging costs and we have task forces underway now across most of our major brands and segments.

Additionally, we are consolidating and outsourcing some critical back-office functions in finance and human resources. We are streamlining some redundant functions in marketing and content and digital and we're taking a sharp pencil against all of our outside services.

Now the goal this year is to deliver stable gross margins and to achieve real reductions in SG&A, all the while offsetting some rate and incentive increases in compensation.

So yes, we made good progress and stabilized the business in 2015. In 2016, we have one more year of challenge, but it is a year where continued strong execution can deliver topline stability and financial progress. We're going to also set the table for renewed real growth in 2017 and beyond, and that is our clear intent.

On that note, I am going to turn things over to Kevin to give you a little more insight into how all of this is reflected in our P&L going forward. Then after that, Richard is going to provide some more detail on some of our specific marketing and commercial initiatives. Kevin?

Kevin Farr *- Mattel, Inc. - CFO*

Thank you, Chris, and thank all of you for joining us today.

As Chris said, 2015 was all about stabilizing the business, and I was encouraged to see that our tactical execution delivered meaningful improvements in consumer takeaway and importantly in revenues and our bottom line in the fourth quarter.

Today, I will highlight the key performance metrics from last year, elaborate on how we will execute across the P&L in 2016, and how we will grow in 2017 and beyond.

So briefly on 2015 results, as we said progress in 2015 would be defined by improvements in consumer takeaway and revenues in constant currency and we are very encouraged with the momentum exiting the year. Most of our core brands are on much healthier footing as a result of our turnaround efforts.

Global POS for Hot Wheels and Thomas accelerated this year [**Correction:** Mr. Farr was referring to last year or 2015], while Barbie and Fisher-Price POS turned positive. Notably, POS momentum was positive in mature markets, like the US and core Europe, as well as most other international markets for all of these brands.

While we still have work to do, particularly with Monster High and some new challenges with American Girl, the trends in the fourth quarter were even stronger, particularly in the US. As a result, we did see POS and shipping start to align in the fourth quarter, particularly for core brands like Barbie and Fisher-Price. And given the lag between POS and shipping during the early stages of the turnaround, we continue to see the opportunity for these to align better in 2016 and beyond.

In 2016, we will focus on maintaining current levels of shelf-space productivity, while looking to recapture some of the lost space in the fall.

Improved POS throughout the year and improved shipping in the fourth quarter has led to better on-shelf inventory as we enter 2016. Looking specifically at US retail inventory, we ended much cleaner than in the past few years and, importantly, this is true for all core brands.

We evaluate ending inventory as a percentage of full-year POS as a key metric here. And while the data is harder to collect in some of our international markets, inventory is also the cleanest it has been in the last three holiday seasons.

In 2016, the improved retail inventory situation should position us to deliver shipping that is much more closely aligned with POS, which gives us greater confidence that we can address the revenue challenges.

Importantly, this improved POS, shipping, and ending inventory was achieved without compromising commitment to sound financial discipline. As a result, we achieved our full-year 2015 financial outlook, which included a stabilization of net revenues in constant currency, gross margins of about 50%, a decline in adjusted SG&A in absolute dollars, and year-end cash of $800 million to $1 billion.

We note that our performance in the middle of the P&L was in large part due to the fact that we overdelivered on our original cost-saving targets by about $30 million in 2015, realizing $153 million in total gross savings.

In addition, we continued to reward our shareholders by deploying capital in a disciplined manner and continuing to pay the dividend at current levels.

Turning to 2016, as Chris noted, we face a number of known headwinds. In a moment, Richard will provide more color on the topline drivers that will help to offset these headwinds. I will focus my remarks in the middle of the P&L, which again will be a critical component of success in 2016 and, like 2015, an area which is largely under our control.

As you know, we have done a great job of taking costs out over the years to address structural headwinds, like inflation in variable labor costs and raw materials in cost of goods sold, the need for investments in strategic growth initiatives, and ongoing employee-related inflation in SG&A.

Unfortunately, recent topline momentum has resulted in a deleveraging of our cost structure and inflation has more than offset cost savings.

But let me be clear, we continue to believe there is a significant opportunity in our cost structure as we look to achieve our long-term objective of about 50% gross margins and a 22% to 23% SG&A ratio.

As I mentioned earlier, we overdelivered on our funding our future cost savings objectives in the first year of the program and we remain committed to delivering at the high end of the gross saving range of $250 million to $300 million [**Clarification**: Two-year gross savings target range].

Beyond the current program, we have also identified incremental cost-savings opportunities in both gross margin and SG&A that we are actively pursuing. Roughly half of the 2015 savings was achieved in gross margin and we expect approximately 60% of the 2016 savings will help maintain gross margins, with the remainder largely in SG&A.

Offering more detail on gross margins, as we have shared in the past, we view our global supply chain as a competitive advantage in terms of cost and quantity -- quality, particularly in areas like die cast cars and fashion dolls, given our tremendous scale and expertise. For context, labor and raw materials represent about 20% and 40% of cost of goods sold, respectively, with resins and packaging accounting for the largest portions of material spend.

Like all toy manufacturers, we have been experiencing significant inflationary pressures, primarily variable labor, where wages in key Asian markets have grown annually at mid-teen rates. And input costs are more cyclical, but have been inflationary over time.

In response to these challenges, historically -- we've historically focused on packaging and procurement savings that partially offset inflation, while relying on pricing as a lever to maintain gross margins.

In 2015, we began investing in manufacturing automation to reduce variable-labor costs. This has already lowered our overall cost of production without sacrificing product innovation, quality, or safety. Specifically, we have reduced manufacturing headcount by more than 3,000 people, while improving manufacturing productivity by 8%, resulting in savings of almost $70 million.

Our expectations in 2016 is that automation and improved productivity will reduce headcount by another 4,000 people, and we are continuing to look beyond our owned-and-operated plants to partner with key vendors in a more strategic way through co-manufacturing operations. This will allow us to leverage the investments and scale of third-party vendors.

So to summarize, the overall impact to gross margin as we look ahead to 2016, like 2015 we'll continue to target a gross margin of about 50%. We expect that investments in automation and other cost-savings initiatives will further reduce our manufacturing cost structure such that we can offset inflation. This represents an important cultural shift and one that will help us be an even stronger partner for our retailers going forward.

Tactically, it will help us mitigate the impact of lost Disney Princess business in 2016, and strategically, it will allow us more flexibility to continue to improve our price value relationships.

As it relates to SG&A, we still believe our long-term objective of 22% to 23% of net sales is appropriate, which we will achieve through both topline leverage and cost-savings opportunities. As we think about cost-savings opportunities, it is important to keep in mind that 50% of our total reported SG&A expense is labor-related spending on compensation and benefits, which naturally grows with merit inflation over time. An additional 15% of SG&A spending is on outside services, which is largely discretionary.

In addition to labor inflation, our adjusted SG&A ratio is elevated today because we have been making strategic investments in the business that will lead to future growth and profitability, like the acquisitions of HIT and MEGA, the American Girl retail stores and direct-to-consumer technology, as well as investments in emerging markets.

We have taken a significant amount of costs out over the years to help offset these growth investments, but we challenged ourselves to go even deeper with a goal of offsetting inflation. To improve labor productivity, we are focused on opportunities to streamline duplicative functions, particularly in the back office, like finance and HR.

And as it relates to spending on outside services, we are reinforcing a zero-based budget mentality where spend must be justified each year and we're seeing tangible results in our 2016 budgeting process. This approach to continuous cost improvement is being replicated across all spend types, with a goal of rightsizing our cost structure for the current revenue base. Also, this process will maintain a more disciplined level of spend even as we return to growth. Much like our efforts in the supply chain to offset inflation, this represents a significant cultural shift in mindset across the entire organization.

In 2016, our outlook for adjusted SG&A is to be down by $55 million to $65 million. Funding our future cost-savings initiatives, plus incremental savings opportunities, would be partially offset by investments to grow the business, modest inflation in employee cost, and increased incentive expense if as a pay-for-performance company we achieve our targeted financial goals.

In terms of how this translates in the full P&L and cash flow outlook in 2016, we provided details of the key drivers during our earnings call. In short, the goal is to hold things relatively flat on the topline in constant currency. Our net revenue outlook also includes an expectation that sales adjustments will be higher year over year as we continue to invest in the turnaround.

Beyond the topline, we have an opportunity to manage the middle of the P&L where we will look to deliver gross margins consistent with our long-term objective of about 50%.

With respect to advertising, we will begin to move closer to the midpoint of the long-term range, but will maintain the flexibility to invest in demand creation if needed to drive POS. And finally, we will continue to be disciplined in SG&A.

Despite one of the most challenging years for the Company in recent memory, we continued to generate strong cash flow in 2015 and expect to deliver better performance in 2016. Specifically, we will continue to see opportunities to improve cash from working capital. Our days sales outstanding had been in a fairly tight range historically, but was up slightly last year as sales moved to later in the fourth quarter. We expect to collect the cash from these sales in the first quarter of 2016, which will benefit cash from operations.

We are continuing our efforts around extending key vendor terms to match industry norms, as well as emphasizing greater discipline over payables management by tightly managing disbursements to be consistent with those terms.

Finally, we have seen a trend of higher inventory over the past few years and we think there is a big opportunity to improve this through better inventory management. Specifically, our inventory levels should be lower going forward as we implement better business intelligence systems, planning capabilities, and reduce our supply lead times.

Capital spending is expected to be $270 million to $280 million, driven by investments in ongoing tooling, our supply chain to support expansion of die cast capacity, automation, and other cost-savings initiatives.

And as you heard on our earnings call, we fully expect to generate the cash flow in 2016 and beyond to invest in our business and fund the dividend at current levels, while targeting year-end cash of $800 million to $1 billion.

Now that you have some additional context for the 2016 financial outlook, I would like to pivot to what I think is the most -- more interesting discussion, which is the roadmap to returning to our long-term objective of operating margins of 15% to 20% of net sales. As a reminder, this is based on low to mid single-digit revenue growth, gross margins of about 50%, advertising of about 11% to 13%, and SG&A of 22% to 23% of net sales.

As we work to achieve our 2016 objectives of holding the topline relatively flat in constant currency, we also have a clear line of sight into some meaningful revenue drivers in 2017 and beyond. First, we will build upon core brand momentum and the stabilization of Monster High, and you'll see further evidence of our efforts to reignite our entertainment licensing business through marquee studio partnerships, as well as new content partnerships in 2017.

We are already beginning to see this play out this year, but it is likely to be offset by the loss of Disney Princess. As a result, we expect to see revenue benefits and leverage across the P&L in a much more meaningful way in 2017.

Keep in mind that licensing is the longest lead-time part of the toy industry, but we've been working hard to build a much stronger pipeline in 2017 and beyond, which Richard will speak to you in a few minutes.

As you can see, we have the strongest and most diversified combination of growth drivers that we've had in a while, included rejuvenated core brands and improved topline visibility due to key license partnerships.

In summary, we see a clear path to approaching our long-term operating margins of 15% to 20% as early as 2017 through a combination of revenue growth, driven by fairly broad-based strength across our core brands and across geographies, as well as improved visibility in our entertainment pipeline, a return to more normal levels of P&L investments on sales adjustments and advertising as our core brands regain their relevance with consumers, and a culture of continuous improvement that allows us to drop more savings to the bottom line, including lower severance and restructuring expenses.

You saw a glimpse of the strong operating margin leverage that we generated in the fourth quarter of 2015 and we're working hard to position ourselves to restore real growth and improved profitability in 2017.

With that, I would like to hand things over to Richard. Richard?

Richard Dickson *- Mattel, Inc. - President, COO*

All right. Thank you, Kevin. Thank you, Chris. Good afternoon.

So as you have just heard, we are encouraged by our recent performance. We have both a clear understanding of and plans to address the challenges of 2016 and our execution will be critical to paving the way for accelerated growth in 2017 and beyond.

But today, I want to get right to what's important to you specifically, how we intend to fill the 2016 revenue gap and why we are optimistic about growth in 2017 and beyond. So what's interesting here is that our 2016 plans mirror our strategic roadmap for long-term growth, building core brand momentum while adding topline growth through innovation, licensing, and strategic partnerships.

So let's start with core brand momentum. Now, let me begin with Barbie because the progress that we have made this past year is the standard for the work underway on all our core brands today and demonstrates how we are successfully approaching the business differently.

Two years ago, Barbie had big challenges. Most of them were self-imposed. Last year, we focused on strengthening the brand positioning, which in turn created a more compelling reason to buy into the brand, which we brought to life through stronger marketing and promotion, better aligned retail execution. We made great progress with the brand in 2015, particularly in North America, and exited the year with global POS and shipping momentum.

To kids and their parents, the Barbie brand now feels new and exciting. From new messaging, new innovative product, new line architecture with more diversity in careers, new marketing, new content, new social media, and better retail execution, we have improved virtually every way the brand engages with our consumer. And all of these facets are contributing to renewed retailer support and confidence.

Now, the best example of this newness that you are likely most familiar with is the highly successful You Can Be Anything campaign. It embodies both Barbie's new relevance and success moving forward and this past holiday season. Here's a reminder.

(video playing)

This new direction has shifted consumer perceptions in a rapid and meaningful way, all without reinventing the brand. It elevates every aspect of the brand, every SKU, by demonstrating Barbie's greater value to parents and girls. And this award-winning campaign has returned Barbie to the cultural conversation, which drives relevance and sales. We will be building on this campaign further throughout the entire year.

Now on the product side, we have shown our ability to generate a lot of attention for our brand. Just two weeks ago, Barbie was on the cover of TIME Magazine. Now this underscores the brand's return to relevance and it is further evidence that we are on the right track.

But it also demonstrates how product innovation can actually create content, valuable content and headlines, that money just can't buy. Building on our successful launch of a more diverse Fashionista line in 2015, the subject of the TIME cover story is the new range of Barbie body shapes, which make the brand even more reflective of the world kids see and experience today.

Barbie's revolutionary diversity includes four body types, seven skin tones, 22 eye colors, and 24 hairstyles. The relevance of the diversity is popular with parents and all the new choices for play are exciting for kids, and I invite you all to take a look at them upstairs in the gallery.

And we intend for the entire Barbie brand to be a canvas for innovation and are committed to bringing breakthrough product each year at Toy Fair. This year, it is a new Dreamhouse like no other, the world's first smart Dreamhouse. It is a doll house that makes the features of today's full-sized smart homes fun, intelligent, and safe for kids.

The new Dreamhouse app gives kids the ability to customize and adjust the home's features, sounds, and lights. It is also the pioneer in a new world of connected play, and parents always know and control when the house is connected.

And our efforts and the lessons learned with Barbie will be applied to Monster High in 2016. Monster High has already demonstrated its staying power by remaining relevant and on shelf for six years now. And while admittedly it was not managed effectively the past few years, it still remains a top five global doll property.

Early on, we focused on broadening the character assortment, rather than deepening the play pattern, assuming that collectability was infinite. Today, we now have a clear perspective on the brand and a plan to sustain it going forward. In 2016, we are repositioning the brand and its resonant theme of individuality to a whole new generation of girls ages six to 10. An origin story reboot, as well as new product and storytelling, will be focused on the most popular core characters, introducing surprising new features and form factors across the brand. We have eliminated 58 supporting characters to concentrate on the most successful 12.

We're also leveraging the brand's strong affinities with content and culture with a more exciting animation style and relationships with celebrities and relevant causes, such as Lady Gaga's Born This Way Foundation. You will see promising examples of the new Monster High storyline and products upstairs, but here's a preview of the brand's really exciting new look and content. Let's take a look.

(video playing)

Okay, moving on to American Girl. While American Girl did not perform as expected this past holiday season, there were notable positives, including our successful strategy to re-energize the brand's foundation, the BeForever line. Unfortunately, the relaunch of American Girl Truly Me line and last year's Girl of the Year doll underperformed and failed to drive expected traffic.

That said, we are confident that we understand the issues. We will be addressing price value, improving distribution, and expanding consumer engagement as part of a larger strategy to return the brand to growth. As the very first toy brand to partner with Amazon Studios, we will be making much greater use of content to drive American Girl demand. This brand-new multiyear plan includes live-action specials beginning this year, as well as options for several seasons of episodic content. While this new content will reinforce fan loyalty, the greater opportunity is for the brand to reach an entirely new audience of girls beyond today's doll and retail experience.

We're also expanding the American Girl product offering with an all-new line of differently scaled and priced dolls for younger girls. They're called Wellie Wishers. These are the first differentiated dolls from American Girl in more than 10 years and target an underdeveloped opportunity for the brand. Wellie Wishers evolves the powerful American Girl formula of character-based stories that encourage imaginative play, reinforced by content and experiential retail.

The full line will be offered in American Girl channels and very likely go beyond that. I will have much more to share in future updates, but here is a quick preview of Wellie Wishers.

(video playing)

A lot of jingles going on. All right, so next let's take a look at our 2016 plans for Fisher-Price. Last year, we focused Fisher-Price on reclaiming its equity as the trusted early childhood development company. Learning and development benefits are particularly important to millennial parents around the world as they look for innovative products designed to inspire more purposeful play.

This focus back to our roots is perfectly aligned with what moms are looking for and the performance last quarter shows that our strategy is already paying off. Fisher-Price now has a successful consumer engagement platform in the Best Possible Start campaign, which we will continue to evolve this year.

This spring, the brand's worldwide marketing program features A Film by You, the inspiring emotional journey that parents take with their kids from infancy through age five. And for holiday 2016, we will continue to expand on this theme and further elevate the Fisher-Price commitment to give kids everywhere the best possible start in life.

Fisher-Price product has aggressively embraced technology to provide new solutions for parents and ever more engaging toys for infants and children. And the new Fisher-Price Think & Learn Code-a-Pillar may be the best example of this yet. The revolutionary Code-a-Pillar lets preschoolers design, build, and direct the toy in a variety of combinations, each with different outcomes. The movement and play experience change with each child-directed design, teaching critical thinking, problem solving, planning, and sequencing. This is elementary coding at its most fun and a great way for parents to infuse STEM learning early on.

There is a great deal of product news from Fisher-Price and you're going to see many more of these new items upstairs, ranging from new licenses to preschool innovations to Imaginext.

And while new innovation is an important part of why Fisher-Price is gaining momentum, our insights also point out that moms want product that is aesthetically appealing. Form and function are equally important in today's marketplace. And to that end, we will be announcing a very exciting collaboration in just a few weeks with a prominent lifestyle designer.

Now let's take a look at opportunities for Thomas. This is a brand that we were able to grow 21% in its 70th year, reinforcing our belief that Thomas is more relevant than ever and that there is considerable potential yet to be developed. A key growth area is in developing markets, and in China alone we saw revenue increase significantly last year.

This year, we will continue to accelerate our plans for Thomas in China, including a much coveted and very rare full theatrical release of the latest Thomas DVD, Sodor's Legend of the Lost Treasure. With a red carpet premiere and an opening in 5,000 cinemas, it is expected to be a major entertainment event.

Thomas is a brand that has always been based in and driven by content, and this year's DVD, The Great Race, will introduce a really important new and incredibly relevant dimension to the brand, racing and competition. You'll see lots of exciting new product from Thomas upstairs, including one of our most innovative track sets, and you will be introduced to 12 new international characters from the DVD, which are vital as we launch Thomas into even more international markets.

For most of its history, Thomas was a familiar brand, but only in select markets. Today with Thomas shown in over 40 languages and distributed in more than 100 countries, Thomas is everywhere.

Now let's shift from train tracks to cars and tracks. 2015 was Hot Wheels' best global sales year ever, led by our very strong performance in the US and rapid development of the brand in emerging markets, like China. We will build on this momentum in 2016.

Hot Wheels has long been associated with content, but content has never before been leveraged strategically to drive growth. That changes this year. Led by insights, we have developed more than 200 pieces of original Hot Wheels content specifically to energize the brand's base, engage new consumers, and stimulate sales. A key element of our strategy is to inspire an even greater world of user-generated content, multiplying relevance and engagement. Let's take a look.

(video playing)

I saw a lot of guys smiling on that one. So across the brand, we are going to be building on the success in 2016. The core die cast business is strong and we're expanding it. The brand is a proven vehicle for licensing and we are expanding that, too. And the Hot Wheels garage, a proven premium-priced success, will be an even bigger item for this year.

We are also focused on growing the track set component of the brand. We have radically enhanced the track offering to increase durability and play value, and we have even added compatibility with MEGA construction blocks to allow kids to build, experiment, and create epic Hot Wheel track layouts. You will experience all of this upstairs where you'll see a lot more Hot Wheels.

As you can see, we have many reasons to be confident in the performance of our core brands this year. Hot Wheels and Thomas come in with incredible momentum, and Barbie and Fisher-Price turned the corner this past holiday. There are major initiatives underway to restore growth to American Girl and we have a clear plan to stabilize Monster High.

But core brand momentum will only take us so far as we address our challenges in 2016. As a result, we will also be executing on plans through licensing and new initiatives that bring in incremental revenue this year. Let's look at some of those highlights.

Our long-term partnership with Warner Bros. will play a significant role for us in 2016 as it kicks off the highly anticipated series blockbuster DC superhero movies, beginning with the latest series of Batman v Superman: Dawn of Justice.

An equally exciting launch is that with Warner Bros. DC superhero girls, which we will be supporting with an extensive product line. We are very proud of this collaboration, which brings our unmatched doll expertise together with the very on-trend girl empowerment movement. We feel this is a great opportunity to expand our already powerful girls' portfolio in the years to come.

I have talked in previous updates about our partnership with Autodesk, and today I'm happy to tell you about the remarkable product offering that this collaboration has created. The brand is called Thingmaker and it includes a app and a 3D printer that allows families and kids to imagine and, most importantly, to produce their own creations. We believe this is a game changer that will empower creativity like never before and a trend that we are delighted to be leading and encouraging.

MEGA is already a proven platform for extending Mattel brands into construction, and we are now taking the next major step, developing it as a construction partner for major licenses, beginning this year with Teenage Mutant Ninja Turtles, a proven toy property and movie franchise. The new Michael Bay directed blockbuster will be out this summer.

You will see these lines upstairs, and I hope you will also pay particular attention to the innovation supporting all of our toy box brands that we simply do not have time to cover here today. But they are all part of our strategy to fill the 2016 gap.

As you all know, we have quite a challenge in 2016, but we believe we have the core brand momentum and the new avenues for incremental growth to meet it. And all of what I just covered will be executed through our improved and better aligned commercial organization that will continue to build off its success this past holiday. All of these initiatives will benefit from our continued investment in emerging markets, where Chris mentioned we are already demonstrating great potential.

So, now I want to close my presentation today with a look forward on 2017 and beyond, briefly touching on the reasons why we're optimistic about the Company's return to growth, and sustainable growth at that.

First, we will continue to build on the significant momentum of our core brands. All of the lessons learned and the best practices that we have already shown are and will continue to be applied to our entire portfolio.

Second, we will continue to grow content-based revenue through a pipeline of leading partnerships. In 2017, we will be executing the recently awarded Disney Pixar Cars 3 license, followed up in 2018 with Toy Story 4, and we are a key partner with Warner Bros. in the ongoing expansion of their DC Comic universe, Justice League movie in 2017 and 2019, Aquaman, Shazam, Green Lantern, Wonder Woman, and other major films over the next several years. We will also be rolling out our own brand content through our partnerships with DHX, 9 Story, Amazon Studios, YouTube Kids, Netflix, and others.

Third, we will continue the expansion of our successful emerging-markets strategy with more investment in China and Russia, as well as new strategic investments in India, southeast Asia, and the Middle East.

And fourth, we will grow through new innovation and technology that will be leveraged across the entire Mattel portfolio. An example of this in action is the recent acquisitions of Sproutling and Fuhu, which provide new technology platforms and incredible talent. These acquisitions will give us a jumpstart on our strategy to build out digital platforms, increase our engagement, and develop a new generation of digital toys.

And lastly, we believe Mattel, simply stated, has the best, deepest, and most balanced portfolio of brands in the business, brands and products that are uniquely connected to childhood, from prenatal to preteen. And we envision creating a stronger and seamless relationship with kids and families during their journey.

I hope that you come away from today sharing our conviction that a new Mattel is emerging, a creations company built on the equities and inspirations of where we have been, but much more innovative, more accountable, and faster moving. We are proud of the progress so far, and our determination as we move forward will continue to be relentless. It is yet another reason why we see so much future and upside at Mattel and we are doing everything that we can to get there as quickly as possible.

Thank you, and now I would like to turn it back over to Mr. Chris Sinclair.

Chris Sinclair - ***Mattel, Inc. - Chairman, CEO***

Thank you very much, Richard. So we have covered quite a bit here, yet I feel we have just barely scratched the surface.

I want to take a moment and thank the employees and shareholders of Mattel for their continued support. This past year has been marked by many, many challenges, but I truly believe that the actions we have taken have put us on much sounder footing and that the progress that we have made is very real.

And we still have much work to do. As I said earlier, 2016 will be about execution and 2017 and beyond will be about growth. And if you sense a bit of confidence, then you are reading it right. We're in a vibrant and evolving global market. We are positioned very well with great brands and assets. We have a strong leadership team and our employees are culturally aligned and energized to win.

Our retail and license partnerships are much improved with some big movies that are starting to kick in next year. We remain financially disciplined and we have the ability to invest in our future and also to reward our shareholders. And finally, we have a strategic game plan that is beginning to get some very, very good traction.

So I want to thank you for your time today. I look forward to sharing more on our progress in the months ahead.

And now for those of you still in the room, I want to leave you with a short video about the wonder of childhood and how it inspires the employees of Mattel to become the leading creations company.

(video playing)