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FORWARD-LOOKING STATEMENTS

Mattel is including this Cautionary Statement pursuant to the Private Securities Litigation Reform Act of 1995 (the "Act"). Certain statements made during today's presentation may include forward-looking statements within the meaning of the Act relating to the future performance (including, without limitation, future revenues, strategies, prospects, goals, and all other statements that do not relate strictly to historical or current facts) of Mattel and its subisidiaries' overall businesses, 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. A forward looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. A variety of factors (e.g., consumer preferences, product mix, global economic conditions) many of which are beyond our control, could cause actual future results to differ materially from those projected in the forward-looking statements. Some of these factors are described in the "Risk Factors" section of Mattel's 2014 Annual Report on Form 10-K, in other filings Mattel makes with the SEC from time to time, as well as in Mattel's other public statements. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so.

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.

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2016 NEW YORK TOYFAIR

Kevin Farr

Chief Financial Officer

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2015 **STABILIZED**

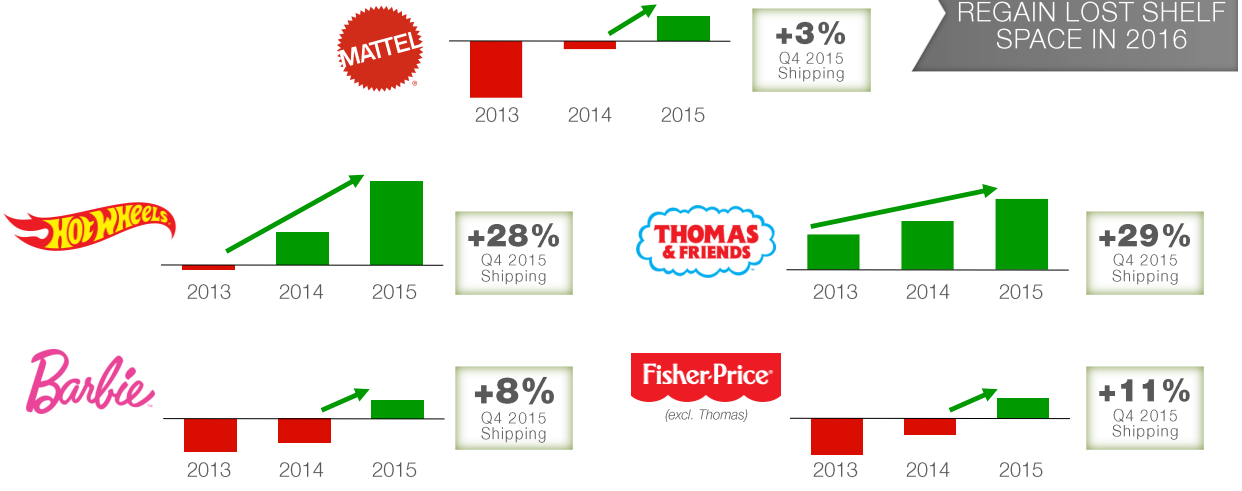
2016 **EXECUTION**

2017 & BEYOND **GROWTH**

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IMPROVED POS TRENDS FOR CORE BRANDS

Global POS*



* Full Year Global POS; Global sipping in constant currency.
Source: Mattel Internal Analysis

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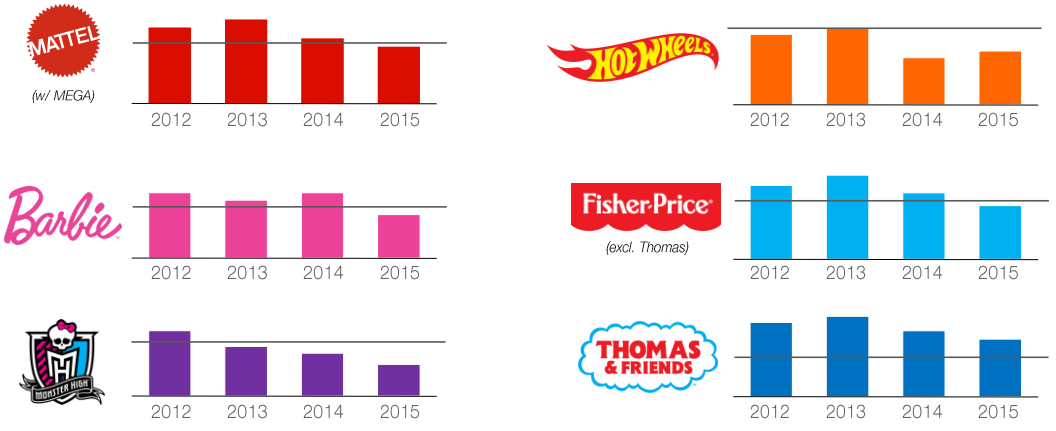
HEALTHIER RETAIL INVENTORIES
U.S. Top 6

BEST POSITION IN 3 YEARS!

OPPORTUNITY TO DELIVER SHIPPING IN-LINE WITH POS

U.S. Retail Inventory - as % FY POS*

— Target Ending Inventory Levels (~20-25% of FY POS)



*Total Mattel includes MEGA Brands. U.S. Top 6 Retailers.
Source: Mattel Internal Analysis
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ACHIEVED 2015 FINANCIAL OUTLOOK

2015 OUTLOOK		2015 RESULTS	
SALES GROWTH	STABILIZE NET SALES	✓ +2% IN CONSTANT CURRENCY	
GROSS MARGIN	ABOUT 50%	✓ 49.2%	DELIVERED $153M IN GROSS COST SAVINGS
SG&A (ADJUSTED)	DOWN $80-95 MILLION	✓ DOWN $69 MILLION (DUE TO ADD'L INCENTIVE)	
CASH	$800 MILLION TO $1 BILLION	✓ $893 MILLION	MAINTAINED DIVIDEND

Source: Mattel Financials
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2016 REVENUE HEADWINDS AND TAILWINDS

HEADWINDS	
Disney Princess	• Gross sales of $450 million in 2015
Monster High	• Continued declines in POS and shipping
Foreign Exchange	• 2-4% negative impact on net revenues

TAILWINDS	
Core Brand Momentum	Hot Wheels, Thomas & Friends, Barbie, Fisher-Price, American Girl, Monster High
Entertainment Licenses	DC Super Hero Girls, Teenage Mutant Ninja Turtles
Toy Box	Toy Box
Emerging Market Expansion	

Source: Mattel Internal Financials

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We continue to believe there is **significant opportunity** in our cost structure.

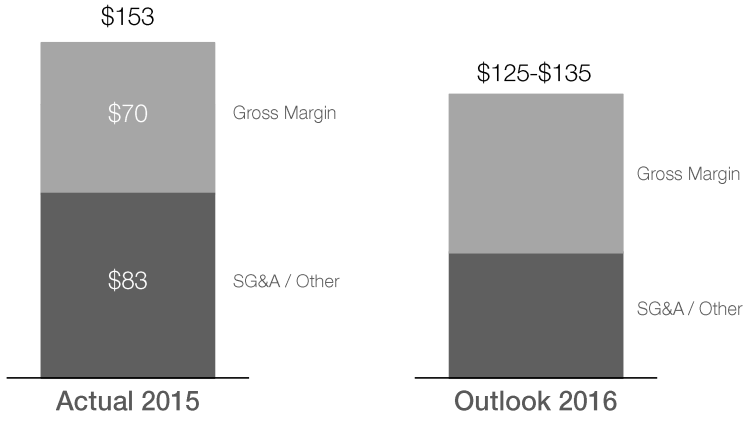
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CONTINUOUS COST IMPROVEMENT

$ in Millions – Unaudited

FUNDING OUR FUTURE

PURSUING ADDITIONAL SAVINGS BEYOND $250-300M TARGET

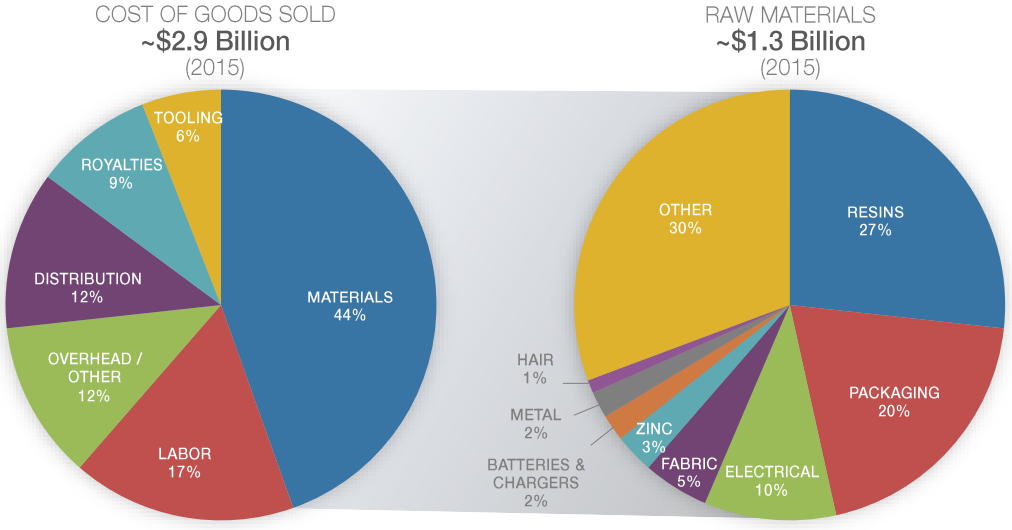


Source: Mattel Financials

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2015 CONTINUOUS COST IMPROVEMENT
Gross Margin

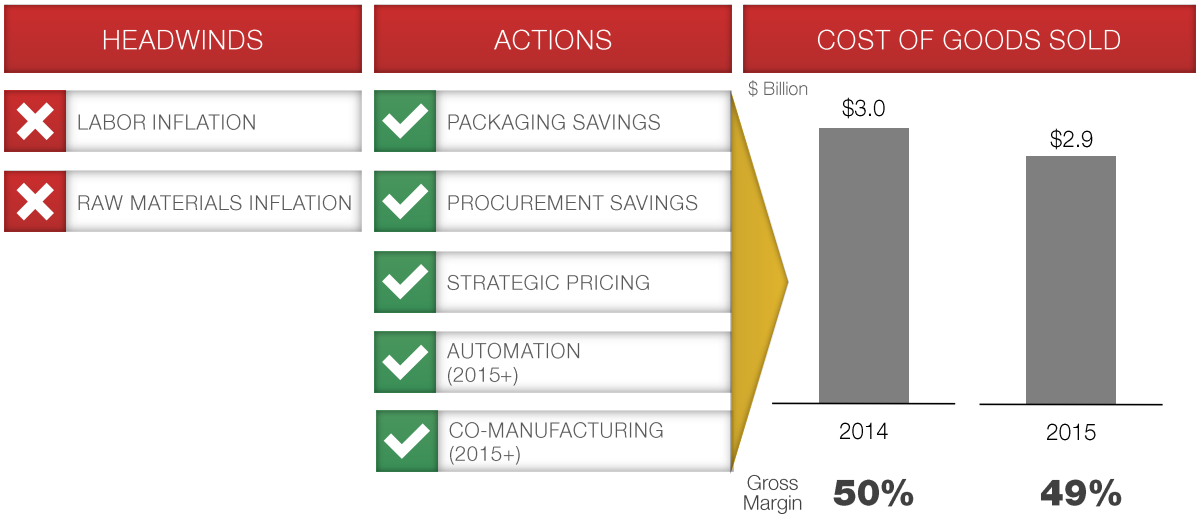


Source: Mattel Internal Financials

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2015 CONTINUOUS COST IMPROVEMENT
Gross Margin



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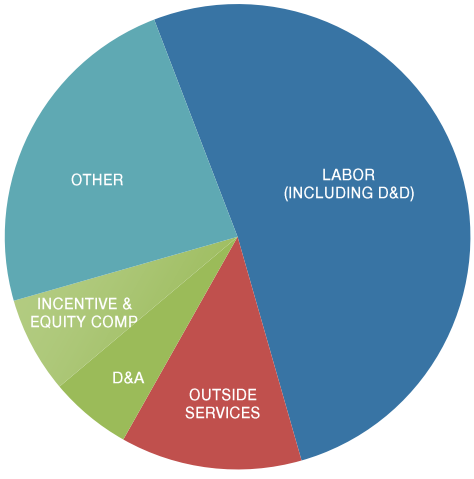
2016 GROSS MARGIN OUTLOOK

HEADWINDS	TAILWINDS	2016 GROSS MARGIN
✗ LABOR INFLATION	✓ COST SAVINGS	TARGETING GROSS MARGIN OF ABOUT 50%
✗ RAW MATERIALS INFLATION	✓ FAVORABLE COMMODITY TRENDS	
✗ UNFAVORABLE FX	✓ LOWER ROYALTY EXPENSE	
✗ CHANGES IN MIX		

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2015 CONTINUOUS COST IMPROVEMENT
SG&A

REPORTED SG&A
~$1.5 Billion
(2015)

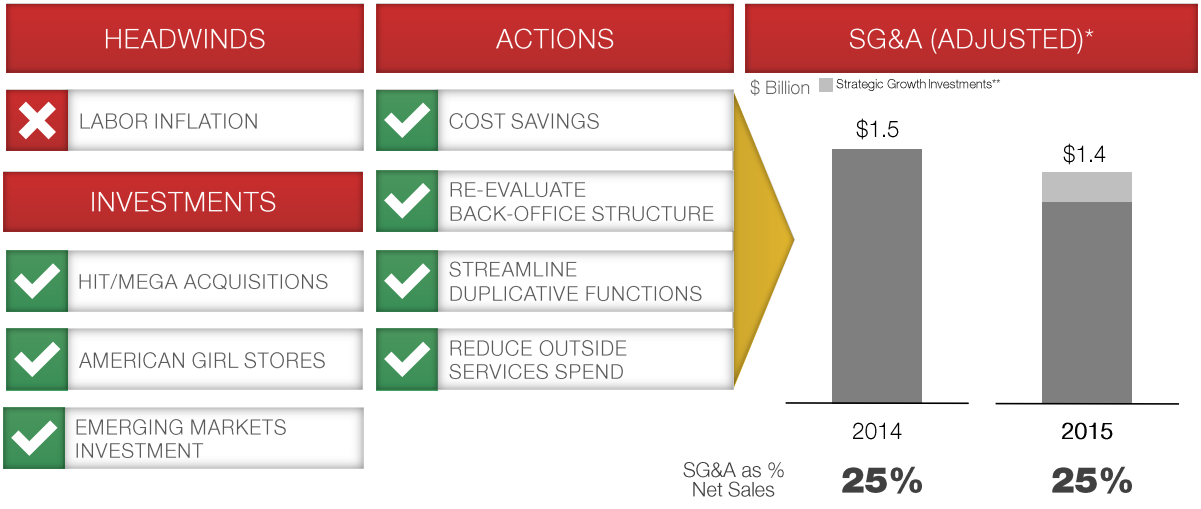


Source: Mattel Internal Financials

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2015 CONTINUOUS COST IMPROVEMENT
SG&A



*Excludes corporate severance, MEGA acquisition, integration and amortization expense
**Includes investments like American Girl retail expansion, Emerging Markets investments, and IT system investments
Source: Mattel Internal Financials

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2016 ADJUSTED SG&A OUTLOOK



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2016 FINANCIAL OUTLOOK AND KEY DRIVERS

2016 OUTLOOK		KEY DRIVERS
SALES GROWTH	RELATIVELY FLAT IN CONSTANT CURRENCY	• Difficult Disney Princess comp in first half • Core brand momentum and incremental revenue initiatives
GROSS MARGIN	ABOUT 50%	• Headwinds: input cost inflation & unfavorable foreign exchange • Tailwinds: cost savings programs & lower royalty expense
ADVERTISING	CLOSER TO MID POINT OF 11-13% RANGE	• Spend to support core brands and drive POS, shipping
SG&A (ADJUSTED)	DOWN ~$55-$65 MILLION	• Cost savings programs partially offset by merit, incentive

CURRENCY IMPACT
2-4% negative impact on revenues
$0.30 to $0.40 impact on EPS

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2016 CASH FLOW OUTLOOK

- ✓ CONTINUED STRONG CASH FLOW GENERATION
- ✓ GREATER OVERALL DISCIPLINE ON ACCOUNTS PAYABLE
- ✓ OPPORTUNITY TO FURTHER REDUCE OWNED INVENTORY LEVELS
- ✓ CAPEX OF $270-280 MILLION
- ✓ COMMITTED TO THE DIVIDEND AT CURRENT LEVELS
- ✓ TARGETING $800 MILLION TO $1 BILLION OF CASH AT YEAR-END

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LONG-TERM FINANCIAL OBJECTIVES

SALES GROWTH	LOW-TO-MID SINGLE DIGITS
GROSS MARGIN	ABOUT 50%
ADVERTISING	11%-13%
SG&A (REPORTED)	22%-23%
OPERATING MARGIN	15%-20%

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2017 VISIBILITY

CORE BRAND MOMENTUM

Barbie

Hot Wheels

Monster High

Fisher-Price

Thomas & Friends

American Girl

RE-IGNITING OUR ENTERTAINMENT PIPELINE

WB | DC Comics

Disney

amazonstudios

9story Entertainment

dhx media

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2017 VISIBILITY

2017	2018 (AND BEYOND)
	

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> We have the **strongest** and most **diversified** combination of **growth drivers** that we have had in a while.

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2017 VISIBILITY

- ACCELERATING REVENUE **GROWTH**
- **NORMAL LEVELS** OF P&L INVESTMENT
- **CONTINUOUS** COST IMPROVEMENT

PATH TO APPROACHING 15-20% OPERATING MARGIN TARGET AS EARLY AS 2017

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