Leading the Future of Play

investor day

June 2017

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Forward-Looking Statements/Regulation G

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 subsidiaries' 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 political and 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 2016 Annual Report on Form 10-K, in our 2017 quarterly reports on Form 10-Q, and 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.

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 measure used herein includes gross sales. Mattel uses this metric to analyze its continuing operations and to monitor, assess and identify meaningful trends in its operating and financial performance. This measure is not, and should not be viewed a, substitute for GAAP financial measures. Information required by Regulation G regarding non-GAAP financial measures, including reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures, are included in Mattel's April 20, 2017 earnings release (as exhibits) and earnings slide presentation (as an appendix), which will be available at the time of this presentation in the "Investors" section of our corporate website, http://corporate.mattel.com/, under the subheading "Financial Information – Earnings Releases."

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Learning and Development Through Play

Michael Shore, PhD
VP and Head of Purposeful Play and Innovation Insights

Jody LeVos, PhD
Head of Child Development and Learning

Michael Shore, PhD



VP and Head of Purposeful Play and Innovation Insights

Experience/ Role

- Establish Mattel's global research infrastructure
- Responsible for insights that guide Mattel's innovation/ business strategies and new product development
- Play, leisure time and lifestyle expert

Advisory Board Member

- USC University of Southern California — Masters Program in Applied Psychology
- Born This Way Foundation — Empowering Youth · Inspiring Bravery
- Mattel Children's Foundation

In the Press

- Harvard Business Review — *What Tech Companies Can Learn from Toy Makers*
- Fast Company — *Moms Care About Emotional Intelligence*
- the guardian — *People Who Decide How You Live*

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Jody Sherman LeVos, PhD



Head of Child Development and Learning

Experience/ Role

- Learning design and innovation for children's play (toys, books, feature films, digital/interactive games, eBooks)
- Curriculum development, activity guides and parent/educator resources
- Research, play data and personalized learning
- Leapfrog learning expert: evolution of proprietary curriculum and educational integrity of products

In the Press & Publications

abc NEWS
Kids Fitness Trackers, Do They Need One?

POPULAR SCIENCE
How Toys Are Preparing Kids For A Future With Robotic Friends

FORTUNE
LeapFrog's new game console is like the Wii, but for younger kids

Hallmark CHANNEL
Advocating for a Healthy Tech Diet

Journal of Educational Psychology®
Journal of Cognition and Development
Educational Research

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our vision

Be the leader in learning and development through play

our promise

We create the experiences that capture kids' hearts, open their minds and unlock their potential through play

MATTEL

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Summary: Delivering on Our Vision

- Proprietary Insights Practices and Learning Framework
- Product Development and Innovation
- Positioning and Messaging
- Emerging Markets
- Direct Relationship with Parents



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Insights and Learning Framework: Best-in-Class Consumer Centric Approach



UX Satisfaction
Equity
ROI Analytics



Foresights
Co-Creation
Curriculum
Opportunity

Advertising
Forecasting
Shopper

UX
Communication
Strategies



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Insights and Learning Framework: Network of Proprietary Play & Learning Centers



Los Angeles, CA



East Aurora, NY



Shenzhen, China

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Insights and Learning Framework: Network of Proprietary Play & Learning Centers

4 PhD's leading teams of **Master's level experts**

~20,000+ families a year

research in **25+ countries**

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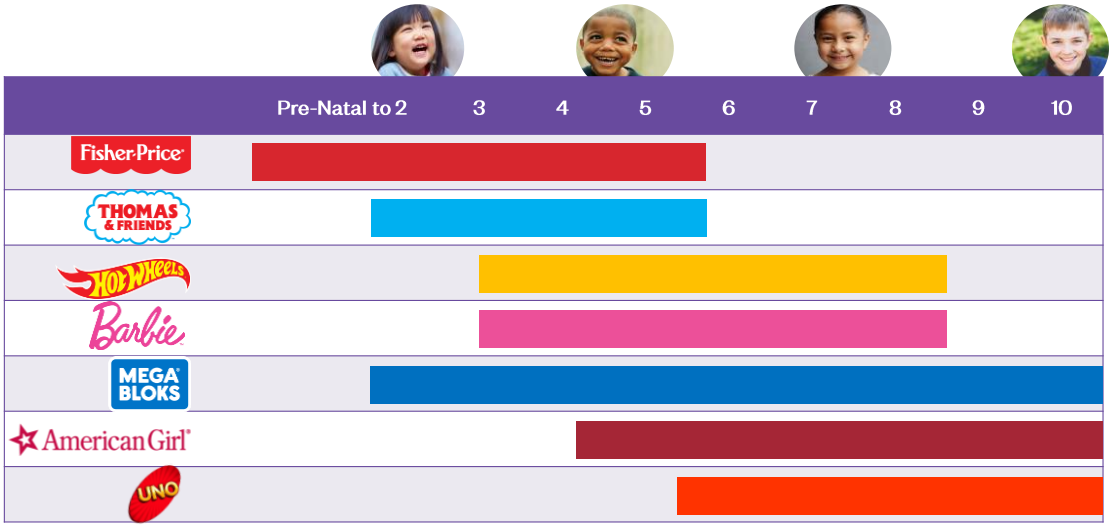
Insights and Learning Framework: A Portfolio of Products for Every Age and Stage



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Insights and Learning Framework: Children's Needs Have Changed



Source: The Future of Jobs - World Economic Forum; New Vision for Education: Fostering Social and Emotional Learning Through Technology, World Economic Forum, 2016; The 10 Skills You Need to Thrive in the Fourth Industrial Revolution, World Economic Forum, 2016

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Insights and Learning Framework: Children's Needs Have Changed

Top Skills for **2020**

21st Century Learning

1. Complex Problem Solving
2. **Critical Thinking**
3. **Creativity**
4. **Communication**
5. **Collaboration**
6. Emotional Intelligence
7. Judgment/Decision Making
8. Service Orientation
9. Negotiation
10. Cognitive Flexibility



Source: The Future of Jobs - World Economic Forum; New Vision for Education: Fostering Social and Emotional Learning Through Technology, World Economic Forum, 2016; The 10 Skills You Need to Thrive in the Fourth Industrial Revolution, World Economic Forum, 2016

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Insights and Learning Framework: Children's Capabilities



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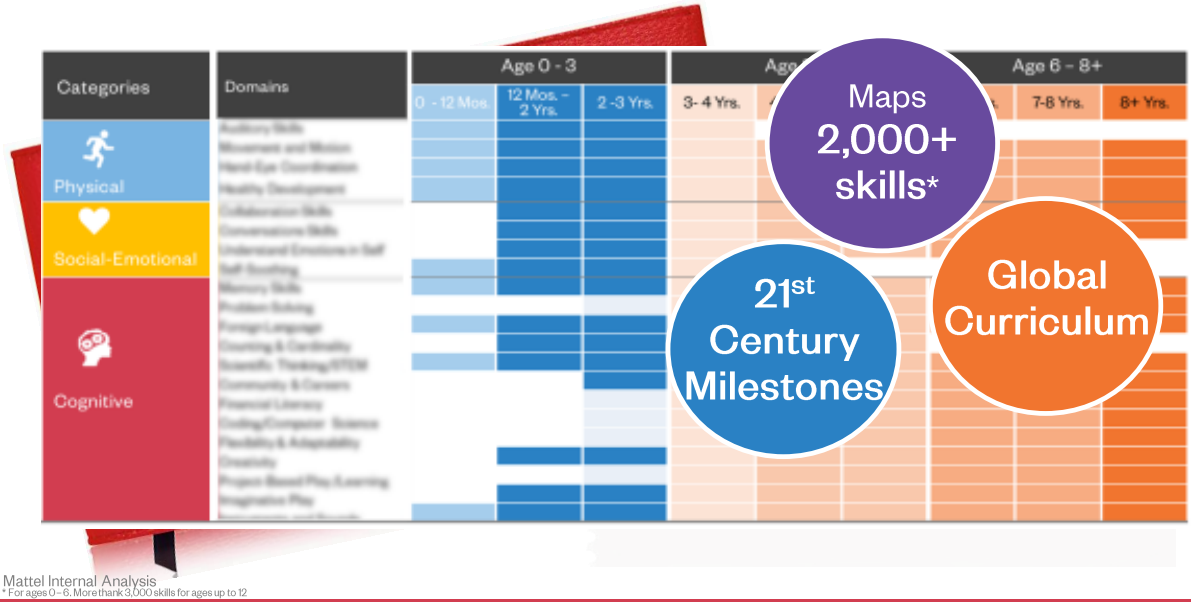
Insights and Learning Framework: From "What Kids Do" To "What Kids Learn"



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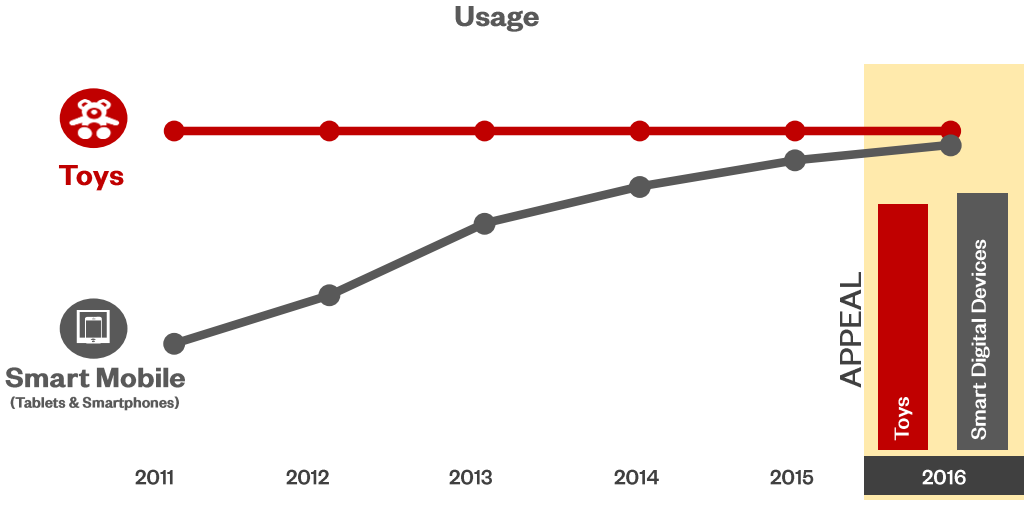
Product Development and Innovation: Smart Devices



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Among total kids 3-12, 2011-2016.3-12 (varies by year, n=1000)

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Product Development and Innovation: Digital and Content



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*TV/Movie/Video/Other

Weekend Day Minutes: Digital vs. Toy. Among total screens with weekend leisure time. Kids 2-10

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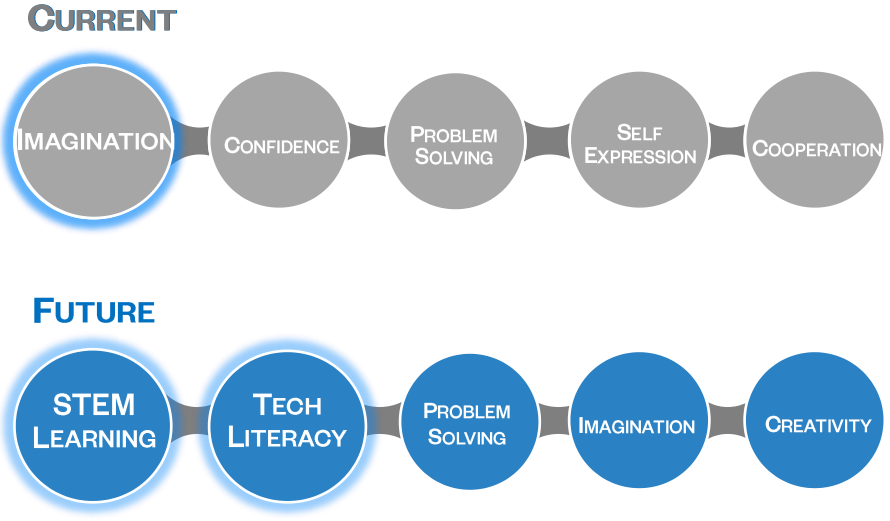
Product Development and Innovation: Current and Future Play Benefits



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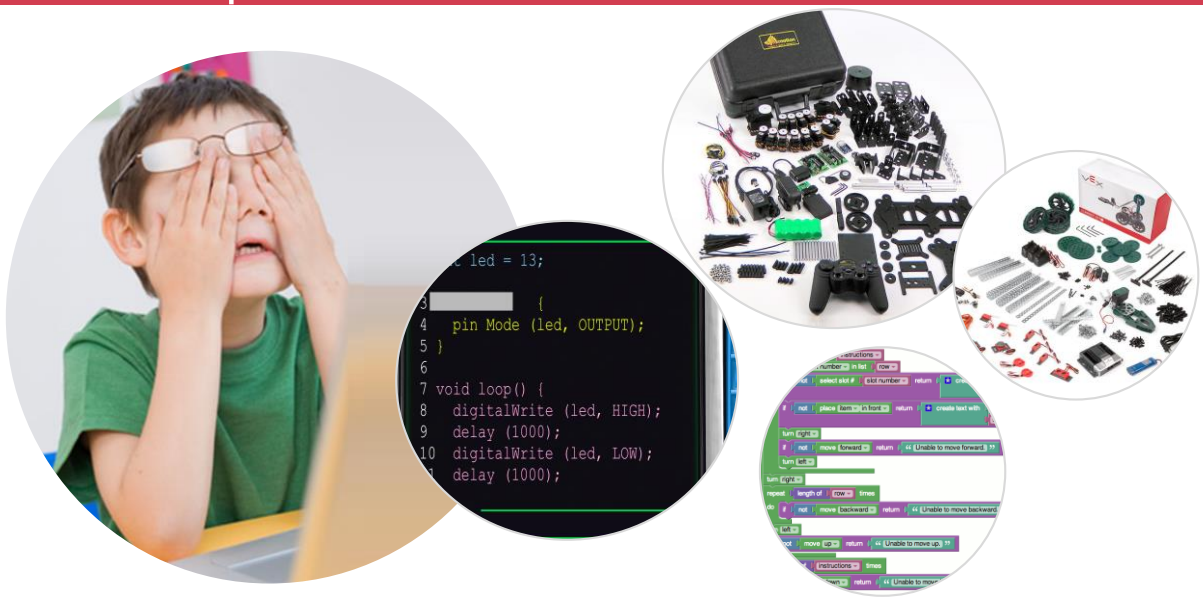
Product Development and Innovation



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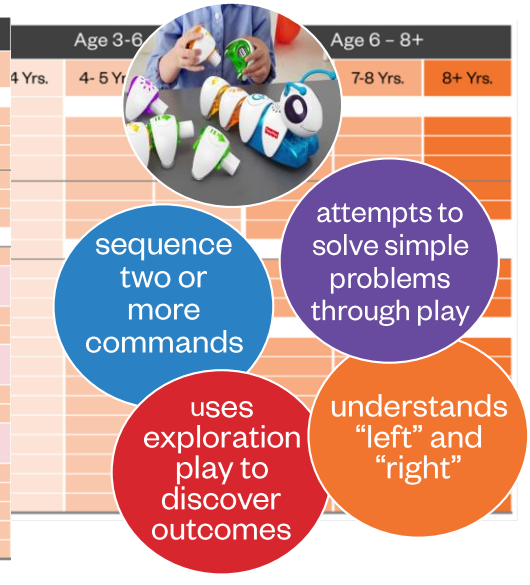
Product Development and Innovation: Developmental Outcomes Code-a-pillar Example

Categories	Domains	Age 3-6		
		3- 4 Yrs.	4- 5 Yrs.	5- 6 Yrs.
Physical				
Social-Emotional				
Cognitive	Problem Solving	Fisher-Price		
	Scientific Thinking/STEM	Fisher-Price		
	Coding/Computer Science	Fisher-Price		



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Product Development and Innovation: Code-a-pillar



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Positioning and Messaging: Messaging Innovation



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Positioning and Messaging: Messaging Innovation



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- Direct Relationship with Parents
- Partnerships for Future Growth



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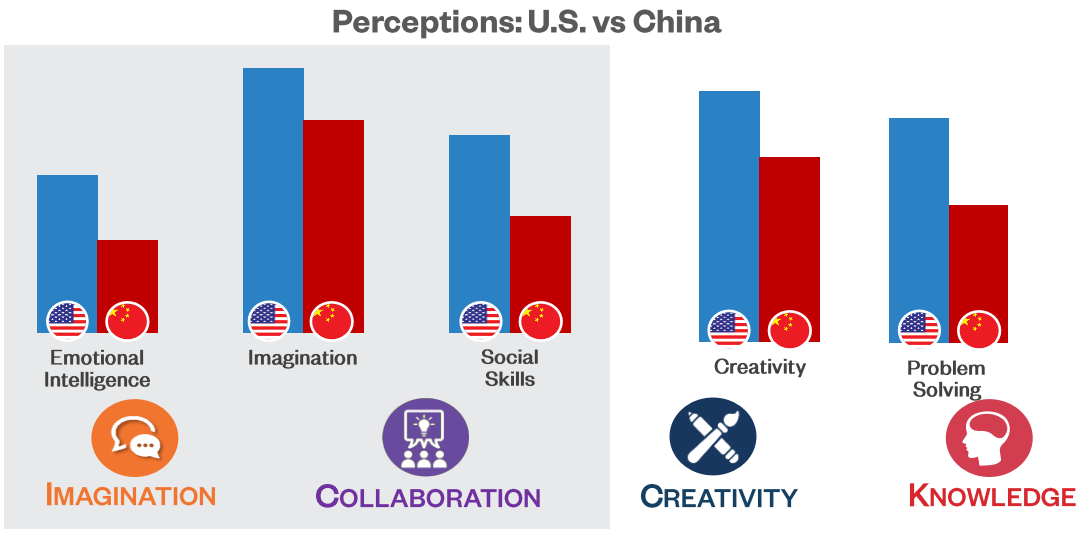
Emerging Markets: Consumers in Emerging Markets Underestimate the Value of Play



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Emerging Markets: Product Messaging Success



Emphasizes Core Benefits

- Music Skills
- Role Play
- Creativity

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Direct Relationship with Parents: Empower Parents- Connect Families

provide solutions for development



share purposeful play tips



track progress



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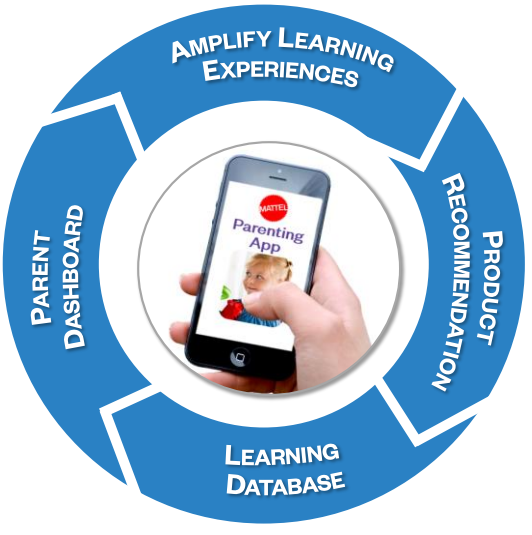
Direct Relationship with Parents: Transform



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Summary

Proprietary **insights and learning tools** will amplify Mattel's portfolio to ensure our competitiveness in the future

- Drive more **relevant and meaningful innovation**
- Enhance both **global and localized communication**
- Provide **products and services to parents** around the world

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