



October 26, 2017

Mattel Reports Third Quarter 2017 Financial Results

EL SEGUNDO, Calif., Oct. 26, 2017 /PRNewswire/ --

Third Quarter Highlights¹

- Worldwide net sales down 13% as reported, and down 14% in constant currency; worldwide gross sales down 13% as reported, and down 15% in constant currency.
- Sales performance negatively impacted by Toys "R" Us filing for bankruptcy, tighter retailer inventory management and challenges with certain underperforming brands.
- Company announced a significantly expanded initiative to structurally simplify business and right-size cost structure in alignment with strategy; Company plans to eliminate at least \$650 million in net costs over the next two years.
- Suspended quarterly dividend beginning in the fourth quarter of 2017 in order to increase financial flexibility, strengthen balance sheet and facilitate strategic investments.
- Reported loss per share was \$1.75, which was negatively impacted by a non-cash charge related to a valuation allowance on U.S. deferred tax assets of \$561.9 million, and adjusted earnings per share was \$0.09.

Mattel, Inc. (NASDAQ: MAT) today reported third quarter 2017 financial results.

"Our Q3 performance was clearly disappointing, led by compression in North America driven by Toys "R" Us filing for bankruptcy, tighter retailer inventory management and challenges with certain underperforming brands," said Margo Georgiadis, CEO of Mattel. "Despite these challenges, we are making strong progress against our transformation plan, which we believe will deliver step change revenue growth and profitability. To accelerate progress toward these goals, with our new leadership team in place, we are taking bold steps to simplify our business and right size our cost structure in alignment with our strategy. This will enable us to move faster to realize our most attractive opportunities as well as to unlock significant resources to invest in our transformation. We are optimistic about the future of Mattel and our ability to reposition the company to drive enhanced returns for shareholders."

For the third quarter of 2017, net sales were down 13% as reported, and down 14% in constant currency, versus the prior year's third quarter. Gross sales were down 13% as reported, and down 15% in constant currency. Reported operating income was \$85.7 million, and adjusted operating income was \$159.7 million. Reported loss per share was \$1.75, which was negatively impacted by a non-cash charge related to a valuation allowance on U.S. deferred tax assets of \$561.9 million, and adjusted earnings per share was \$0.09.

POS Summary²

Year-to-date consumer takeaway for Barbie[®] was up double digits; Hot Wheels[®] and Fisher-Price[®] were up mid-single digits; and Thomas & Friends[™] was down high-single digits. For the quarter, Barbie was up double digits; Hot Wheels and Fisher-Price were up low-single digits; and Thomas & Friends was down double digits.

Financial Overview

For the third quarter, net sales in the North American Region decreased by 22% as reported and in constant currency, versus the prior year's third quarter; gross sales in the North American Region also decreased by 22% as reported and in constant currency, primarily driven by lower sales as a result of Toys "R" Us filing for bankruptcy and tighter retailer inventory management. In the International Region, net sales increased by 1% as reported, and decreased by 1% in constant currency; gross sales in the International Region were flat as reported, and decreased by 2% in constant currency. Gross margin for the quarter decreased 700 basis points, driven mainly by unfavorable product mix, higher freight and logistics expenses, an unfavorable impact from Toys "R" Us filing for bankruptcy, and lower licensing income. Reported other selling and administrative expenses increased by \$31.3 million, and adjusted other selling and administrative expenses for the quarter increased \$7.0 million, reflecting higher employee-related costs and costs associated with the new American Girl[®] flagship store in New York City. Reported operating income for the quarter was \$85.7 million, compared to the prior year's third quarter reported operating income of \$317.4 million. Adjusted operating income for the quarter was \$159.7 million, compared to the prior year's third quarter adjusted operating income of \$324.1 million.

For the nine months ended September 30, 2017, net cash flows used for operating activities were approximately \$740 million, an increase of approximately \$409 million versus the same period in the prior year, primarily driven by a higher net loss, excluding the impact of the valuation allowance on deferred tax assets, and higher working capital usage. Cash flows used for investing activities were approximately \$175 million, a decrease of approximately \$30 million versus the same period in the prior year, primarily driven by an increase in proceeds from foreign currency forward exchange contracts and payments related to Fuhu and Sproutling in 2016, partially offset by higher capital spending. Cash flows provided by financing activities and other were approximately \$227 million, compared to cash flows used for financing activities and other of approximately \$60 million in the same period in the prior year, primarily driven by higher net short-term borrowings, partially offset by proceeds from long-term borrowings in 2016.

As of September 30, 2017, the Company's debt-to-total capital ratio was 66.6%.

Dividend

The Board of Directors determined to suspend the Company's quarterly dividend beginning in the fourth quarter of 2017 in order to increase financial flexibility, strengthen the balance sheet and facilitate strategic investments. The suspension of the quarterly dividend, which was previously \$0.15 per share, is expected to result in additional liquidity of approximately \$50 million per quarter.

Sales by Brand

Mattel Girls and Boys Brands

For the third quarter, worldwide gross sales for Mattel Girls & Boys Brands were \$967.0 million, down 9% as reported, and down 10% in constant currency, versus the prior year's third quarter. Worldwide gross sales for the Barbie brand were down 6% as reported, and down 7% in constant currency, versus the prior year's third quarter, primarily driven by a shift in DVD entertainment strategy. Worldwide gross sales for Other Girls brands were down 40% as reported, and down 42% in constant currency, versus the prior year's third quarter, primarily driven by declines in Monster High[®] and DC Super Hero Girls[™]. Worldwide gross sales for the Wheels category were down 4% as reported, and down 6% in constant currency, versus the prior year's third quarter, primarily driven by declines in Tyco[™] RC vehicles. Worldwide gross sales for the Entertainment business were up 1% as reported, and down 1% in constant currency, versus the prior year's third quarter, primarily driven by increases in CARS[®] sales, offset by declines in Minecraft[®] and WWE[®] Wrestling.

Fisher-Price Brands

For the third quarter, worldwide gross sales for Fisher-Price Brands, which includes the Fisher-Price Core, Fisher-Price Friends and Power Wheels[®] brands, were \$561.6 million, down 15% as reported, and down 16% in constant currency, versus the prior year's third quarter, primarily driven by declines in Thomas & Friends and infant products.

American Girl Brands

For the third quarter, worldwide gross sales for American Girl Brands, which offers American Girl-branded products directly to consumers, were \$88.0 million, down 30% as reported and in constant currency, versus the prior year's third quarter, primarily driven by lower licensing income and initial sales in the prior year through external distribution channels.

Construction and Arts & Crafts Brands

For the third quarter, worldwide gross sales for Construction and Arts & Crafts Brands, which includes the MEGA BLOKS[®] and RoseArt[®] brands, were \$84.6 million, down 29% as reported, and down 30% in constant currency, versus the prior year's third quarter, primarily driven by declines in MEGA BLOKS licensed and Preschool products.

Conference Call and Live Webcast

At 5:00 p.m. (Eastern Time) today, Mattel will host a conference call with investors and financial analysts to discuss its 2017 third quarter financial results. The conference call will be webcast on Mattel's Investor Relations website, <http://investor.shareholder.com/mattel>. To listen to the live call, log on to the website at least 10 minutes early to

register, download and install any necessary audio software. An archive of the webcast will be available on the Company's website for 90 days and may be accessed beginning approximately two hours after the completion of the live call. A telephonic replay of the call will be available beginning at 8:00 p.m. Eastern time the evening of the call until Saturday, November 2, 2017, and may be accessed by dialing +1-404-537-3406. The passcode is 84841057.

Forward-Looking Statements

This press release contains a number of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as "anticipates," "expects," "intends," "plans," "confident that" and "believes," among others, generally identify forward-looking statements. These forward-looking statements are based on currently available operating, financial, economic and other information, and are subject to a number of significant risks and uncertainties. A variety of factors, many of which are beyond our control, could cause actual future results to differ materially from those projected in the forward-looking statements. Specific factors that might cause such a difference include, but are not limited to: (i) Mattel's ability to design, develop, produce, manufacture, source and ship products on a timely and cost-effective basis, as well as interest in and purchase of those products by retail customers and consumers in quantities and at prices that will be sufficient to profitably recover Mattel's costs; (ii) downturns in economic conditions affecting Mattel's markets which can negatively impact retail customers and consumers, and which can result in lower employment levels, lower consumer disposable income and spending, including lower spending on purchases of Mattel's products; (iii) other factors which can lower discretionary consumer spending, such as higher costs for fuel and food, drops in the value of homes or other consumer assets, and high levels of consumer debt; (iv) potential difficulties or delays Mattel may experience in implementing cost savings and efficiency enhancing initiatives; (v) other economic and public health conditions or regulatory changes in the markets in which Mattel and its customers and suppliers operate, which could create delays or increase Mattel's costs, such as higher commodity prices, labor costs or transportation costs, or outbreaks of disease; (vi) currency fluctuations, including movements in foreign exchange rates, which can lower Mattel's net revenues and earnings, and significantly impact Mattel's costs; (vii) the concentration of the Mattel's customers, potentially increasing the negative impact to Mattel of difficulties experienced by any of Mattel's customers, including the bankruptcy of Toys "R" Us, Inc., or changes in their purchasing or selling patterns; (viii) the future willingness of licensors of entertainment properties for which Mattel currently has licenses or would seek to have licenses in the future to license those products to Mattel; (ix) the inventory policies of Mattel's retail customers, including retailers' potential decisions to lower their inventories, even if it results in lost sales, as well as the concentration of Mattel's revenues in the second half of the year, which coupled with reliance by retailers on quick response inventory management techniques increases the risk of underproduction of popular items, overproduction of less popular items and failure to achieve compressed shipping schedules; (x) the increased costs of developing more sophisticated digital and smart technology products, and the corresponding supply chain and design challenges associated with such products; (xi) work disruptions, which may impact Mattel's ability to manufacture or deliver product in a timely and cost-effective manner; (xii) the bankruptcy of Toys "R" Us, Inc. or other of Mattel's significant retailers, or the general lack of success of one of Mattel's significant retailers which could negatively impact Mattel's revenues or bad debt exposure; (xiii) the impact of competition on revenues, margins and other aspects of Mattel's business, including the ability to offer products which consumers choose to buy instead of competitive products, the ability to secure, maintain and renew popular licenses and the ability to attract and retain talented employees; (xiv) the risk of product recalls or product liability suits and costs associated with product safety regulations; (xv) changes in laws or regulations in the United States and/or in other major markets in which Mattel operates, including, without limitation, with respect to taxes, tariffs or product safety, which may increase Mattel's product costs and other costs of doing business, and reduce Mattel's earnings; (xvi) failure to realize the planned benefits from any investments or acquisitions made by Mattel; (xvii) the impact of other market conditions, third party actions or approvals and competition which could reduce demand for Mattel's products or delay or increase the cost of implementation of Mattel's programs or alter Mattel's actions and reduce actual results; (xviii) changes in financing markets or the inability of Mattel to obtain financing on attractive terms (xix) the impact of litigation or arbitration decisions or settlement actions; and (xx) other risks and uncertainties as may be described in Mattel's periodic filings with the Securities and Exchange Commission, including the "Risk Factors" section of Mattel's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and Mattel's Quarterly Reports on Form 10-Q for fiscal year 2017, as well as in Mattel's other public statements. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so.

Non-GAAP Financial Measures

To supplement our 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 that Mattel uses in this earnings release include gross sales, adjusted net sales, adjusted gross profit, adjusted gross margin, adjusted other selling and administrative expenses, adjusted operating income (loss), adjusted earnings (loss) per share 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 below. Mattel believes that the disclosure of non-GAAP financial measures provides useful supplemental information to investors to be able to better evaluate ongoing business performance and certain components of the Company's results. 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 are attached to this earnings release as exhibits and to our earnings slide presentation as an appendix.

This earnings release and our earnings slide presentation are available on Mattel's Investor Relations website, <http://investor.shareholder.com/mattel>, under the subheading "Financial Information - Earnings Releases."

Gross sales

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

Adjusted net sales

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

Adjusted gross profit and adjusted gross margin

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

Adjusted other selling and administrative expenses

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

Adjusted operating income (loss)

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

Adjusted earnings (loss) per share

Adjusted earnings (loss) per share represents Mattel's reported diluted earnings (loss) per common share, adjusted to exclude the impact of expenses associated with the acquisition and integration of an acquired business, restructuring and restructuring-related expenses, sale of non-core assets, non-recurring executive compensation, asset impairments, the net sales reversal related to Toys "R" Us filing for bankruptcy and currency devaluations, which are not part of Mattel's core business. The aggregate tax effect of the adjustments is calculated by tax effecting the adjustments by the current effective tax rate, and dividing by the reported weighted average number of common and potential common shares. Adjusted

earnings (loss) per share also excludes the impact of the valuation allowance established for the portion of deferred tax assets Mattel believes will likely not be realized. Adjusted earnings (loss) per share is presented to provide additional perspective on underlying trends in Mattel's core business. Mattel believes it is useful supplemental information for investors to gauge and compare Mattel's current earnings results from one period to another. Adjusted earnings (loss) per share is a performance measure and should not be used as a measure of liquidity.

Constant currency

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

About Mattel

Mattel is a global learning, development and play company that inspires the next generation of kids to shape a brighter tomorrow. Through our portfolio of iconic consumer brands, including American Girl®, Barbie®, Fisher-Price®, Hot Wheels® and Thomas & Friends™, we create systems of play, content and experiences that help kids unlock their full potential. Mattel also creates inspiring and innovative products in collaboration with leading entertainment and technology companies as well as other partners. With a global workforce of approximately 32,000 people, Mattel operates in 40 countries and territories and sells products in more than 150 nations. Visit us online at www.mattel.com.

Contacts:
News Media **Securities Analysts**
 Alex Clark Whitney Steininger
 310-252-6397 310-252-2703
alex.clark@mattel.com whitney.steininger@mattel.com

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¹ Please refer to Non-GAAP Financial Measures for a glossary of non-GAAP financial measures used herein, including gross sales, adjusted net sales, adjusted gross profit, adjusted gross margin, adjusted other selling and administrative expenses, adjusted operating income (loss), adjusted earnings (loss) per share and constant currency.

² Mattel internal analysis, at wholesale; excludes American Girl.

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT I

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(In millions, except per share and percentage information)	For the Three Months Ended September 30,					For the Nine Months Ended September 30,						
	2017		2016		Yr / Yr % Change as Reported	Yr / Yr % Change in Constant Currency	2017		2016		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	\$ 1,561.0		\$ 1,795.6		-13%	-14%	\$ 3,271.1		\$ 3,622.3		-10%	-10%
Cost of sales	913.8	58.5%	924.8	51.5%	-1%		1,945.4	59.5%	1,929.3	53.3%	1%	
Gross Profit	647.2	41.5%	870.8	48.5%	-26%	-26%	1,325.7	40.5%	1,693.0	46.7%	-22%	-21%
Advertising and promotion expenses	179.7	11.5%	202.9	11.3%	-11%		348.8	10.7%	384.6	10.6%	-9%	
Other selling and administrative expenses	381.8	24.5%	350.5	19.5%	9%		1,066.9	32.6%	1,051.8	29.0%	1%	
Operating Income (Loss)	85.7	5.5%	317.4	17.7%	-73%	-74%	(90.0)	-2.8%	256.6	7.1%	-135%	-132%
Interest expense	24.7	1.6%	25.0	1.4%	-1%		68.6	2.1%	70.1	1.9%	-2%	
Interest (income)	(1.5)	-0.1%	(2.5)	-0.1%	-36%		(6.3)	-0.2%	(7.6)	-0.2%	-16%	
Other non-operating expense, net	1.3		0.9				5.9		23.3			
Income (Loss) Before Income Taxes	61.2	3.9%	294.0	16.4%	-79%	-80%	(158.2)	-4.8%	170.8	4.7%	-193%	-186%
Provision for income taxes	664.5		57.7				614.4		26.6			
Net (Loss) Income	\$ (603.3)	-38.6%	\$ 236.3	13.2%	-355%		\$ (772.6)	-23.6%	\$ 144.2	4.0%	-636%	
Net (Loss) Income Per Common Share - Basic	\$ (1.75)		\$ 0.69				\$ (2.25)		\$ 0.42			
Weighted average number of common shares	343.9		342.0				343.3		341.1			
Net (Loss) Income Per Common Share - Diluted	\$ (1.75)		\$ 0.68				\$ (2.25)		\$ 0.42			
Weighted average number of common and potential common shares	343.9		344.2				343.3		343.3			

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT II

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)	September 30,		December 31,
	2017	2016	2016
	(Unaudited)		
Assets			
Cash and equivalents	\$ 181.3	\$ 297.1	\$ 869.5
Accounts receivable, net	1,506.1	1,528.8	1,115.2
Inventories	990.0	910.5	613.8
Prepaid expenses and other current assets	352.8	342.4	341.5
Total current assets	3,030.2	3,078.8	2,940.0
Property, plant, and equipment, net	821.2	747.5	774.0
Other noncurrent assets	2,348.3	2,822.6	2,779.8
Total Assets	\$ 6,199.7	\$ 6,648.9	\$ 6,493.8
Liabilities and Stockholders' Equity			
Short-term borrowings	\$ 732.6	\$ -	\$ 192.2
Current portion of long-term debt	250.0	300.0	-
Accounts payable and accrued liabilities	1,282.3	1,323.9	1,293.7
Income taxes payable	32.4	21.7	19.7
Total current liabilities	2,297.3	1,645.6	1,505.6
Long-term debt	1,886.4	2,133.5	2,134.3
Other noncurrent liabilities	576.3	454.4	446.1
Stockholders' equity	1,439.7	2,415.4	2,407.8
Total Liabilities and Stockholders' Equity	\$ 6,199.7	\$ 6,648.9	\$ 6,493.8

SUPPLEMENTAL BALANCE SHEET AND CASH FLOW DATA (Unaudited)

(In millions, except days and percentage information)	September 30,		
	2017	2016	
Key Balance Sheet Data:			
Accounts receivable, net days of sales outstanding (DSO)	87	77	
Total debt outstanding	\$ 2,869.0	\$ 2,433.5	
Total debt-to-total capital ratio	66.6%	50.2%	
Nine Months Ended September 30,			
(In millions)	2017 (a)		2016
Condensed Cash Flow Data:			
Cash flows (used for) operating activities	\$ (740)	\$ (331)	
Cash flows (used for) investing activities	(175)	(205)	
Cash flows provided by (used for) financing activities and other	227	(60)	
Decrease in cash and equivalents	\$ (688)	\$ (596)	

(a) Amounts shown are preliminary estimates. Actual amounts will be reported in Mattel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017.

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

WORLDWIDE GROSS SALES INFORMATION (Unaudited)
RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(In millions, except percentage information)	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2017	2016	% Change as Reported	% Change in Constant Currency	2017	2016	% Change as Reported	% Change in Constant Currency
Reconciliation of Non-GAAP to GAAP Financial Measure:								
Net Sales	\$ 1,561.0	\$ 1,795.6	-13 %	-14 %	\$ 3,271.1	\$ 3,622.3	-10 %	-10 %
Sales Adjustments ¹	149.2	179.8			322.2	367.9		
Gross Sales	\$ 1,710.2	\$ 1,975.4	-13 %	-15 %	\$ 3,593.3	\$ 3,990.2	-10 %	-10 %
Worldwide Gross Sales by Brand:								
Mattel Girls & Boys Brands	\$ 967.0	\$ 1,061.1	-9 %	-10 %	\$ 2,018.0	\$ 2,142.7	-6 %	-6 %
Fisher-Price Brands	561.6	661.5	-15	-16	1,143.5	1,280.4	-11	-11
American Girl Brands	88.0	125.5	-30	-30	234.2	286.9	-18	-18
Construction and Arts & Crafts Brands	84.6	118.6	-29	-30	176.1	252.8	-30	-31
Other	9.0	8.7			21.5	27.4		
Gross Sales	\$ 1,710.2	\$ 1,975.4	-13 %	-15 %	\$ 3,593.3	\$ 3,990.2	-10 %	-10 %
Worldwide Gross Sales - Mattel Girls & Boys Brands:								
Barbie	\$ 329.6	\$ 349.7	-6 %	-7 %	\$ 605.2	\$ 651.3	-7 %	-7 %
Other Girls	96.3	161.6	-40	-42	194.7	304.5	-36	-37
Wheels	270.3	281.9	-4	-6	563.3	579.0	-3	-3
Entertainment	270.8	267.9	1	-1	654.8	607.9	8	7
Gross Sales	\$ 967.0	\$ 1,061.1	-9 %	-10 %	\$ 2,018.0	\$ 2,142.7	-6 %	-6 %

¹ Sales adjustments are not allocated to individual products. As such, net sales are only presented on a consolidated basis and not on a brand level.

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT IV

GROSS SALES BY REGION (Unaudited)
RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(In millions, except percentage information)	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2017	2016	% Change as Reported	% Change in Constant Currency	2017	2016	% Change as Reported	% Change in Constant Currency
Total International Region								
Net Sales	\$ 675.2	\$ 665.9	1 %	-1 %	\$ 1,415.4	\$ 1,381.0	2 %	2 %
Sales Adjustments	101.8	108.4			221.6	233.2		
Gross Sales	\$ 777.0	\$ 774.3	0 %	-2 %	\$ 1,637.0	\$ 1,614.2	1 %	1 %
International Region Gross Sales								
Europe								
Net Sales	\$ 355.0	\$ 354.6	0 %	-3 %	\$ 717.4	\$ 730.9	-2 %	-2 %
Sales Adjustments	59.4	64.2			125.7	136.1		
Gross Sales	\$ 414.4	\$ 418.8	-1 %	-5 %	\$ 843.1	\$ 867.0	-3 %	-3 %
Latin America								
Net Sales	\$ 193.9	\$ 186.3	4 %	1 %	\$ 371.5	\$ 353.4	5 %	3 %
Sales Adjustments	22.8	25.5			49.3	49.9		
Gross Sales	\$ 216.7	\$ 211.8	2 %	-1 %	\$ 420.8	\$ 403.3	4 %	2 %
Asia Pacific								
Net Sales	\$ 126.3	\$ 125.0	1 %	1 %	\$ 326.5	\$ 296.7	10 %	11 %
Sales Adjustments	19.6	18.7			46.6	47.2		
Gross Sales	\$ 145.9	\$ 143.7	2 %	1 %	\$ 373.1	\$ 343.9	8 %	9 %
International Region Gross Sales by Brand:								
Mattel Girls & Boys Brands	\$ 507.4	\$ 484.0	5 %	2 %	\$ 1,071.7	1,009.3	6 %	5 %
Fisher-Price Brands	239.7	253.5	-5	-8	499.4	518.8	-4	-3
Construction and Arts & Crafts Brands	29.9	35.7	-16	-19	65.9	82.7	-20	-21
Other	-	1.1			-	3.4		
Gross Sales	\$ 777.0	\$ 774.3	0 %	-2 %	\$ 1,637.0	\$ 1,614.2	1 %	1 %

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT V

GROSS SALES INFORMATION (Unaudited)

(In millions, except percentage information)	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2017	2016	% Change as Reported	% Change in Constant Currency	2017	2016	% Change as Reported	% Change in Constant Currency
North American Region Gross Sales¹								
Net Sales	\$ 885.8	\$ 1,129.7	-22 %	-22 %	\$ 1,855.7	\$ 2,241.3	-17 %	-17 %
Sales Adjustments ²	47.4	71.4			100.6	134.7		
Gross Sales	\$ 933.2	\$ 1,201.1	-22 %	-22 %	\$ 1,956.3	\$ 2,376.0	-18 %	-18 %
North American Region Gross Sales by Brand:								
Mattel Girls & Boys Brands	\$ 459.6	\$ 577.1	-20 %	-20 %	\$ 946.3	\$ 1,133.4	-17 %	-17 %
Fisher-Price Brands	321.9	408.0	-21	-21	644.1	761.5	-15	-15
American Girl Brands	88.0	124.5	-29	-29	234.2	285.9	-18	-18
Construction and Arts & Crafts Brands	54.7	82.9	-34	-34	110.2	170.1	-35	-36
Other	9.0	8.6			21.5	25.1		
Gross Sales	\$ 933.2	\$ 1,201.1	-22 %	-22 %	\$ 1,956.3	\$ 2,376.0	-18 %	-18 %

¹ Consists of U.S., Canada, and American Girl.

² Sales adjustments are not allocated to individual products. As such, net sales are only presented on a consolidated basis and not on a brand level.

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT VI

**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 September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Sales				
Net Sales, As Reported	\$ 1,561.0	\$ 1,795.6	\$ 3,271.1	\$ 3,622.3
Adjustments:				
Toys "R" Us Net Sales Reversal ¹	43.0	-	43.0	-
Net Sales, As Adjusted	\$ 1,604.0	\$ 1,795.6	\$ 3,314.1	\$ 3,622.3
Gross Profit				
Gross Profit, As Reported	\$ 647.2	\$ 870.8	\$ 1,325.7	\$ 1,693.0
Gross Margin	41.5%	48.5%	40.5%	46.7%
Adjustments:				
Toys "R" Us Net Sales Reversal ¹	43.0	-	43.0	-
Gross Profit, As Adjusted	\$ 690.2	\$ 870.8	\$ 1,368.7	\$ 1,693.0
Adjusted Gross Margin	43.0%	48.5%	41.3%	46.7%
Other Selling and Administrative Expenses				
Other Selling and Administrative Expenses, As Reported	\$ 381.8	\$ 350.5	\$ 1,066.9	\$ 1,051.8
% of Net Sales	24.5%	19.5%	32.6%	29.0%
Adjustments:				
Non-recurring Executive Compensation	(3.5)	-	(8.3)	-
Integration & Acquisition Costs ²	-	(0.3)	-	(1.4)
Severance and Restructuring Expenses	(12.6)	(6.4)	(21.5)	(33.6)
Asset Impairments	(14.9)	-	(14.9)	-
Other Selling and Administrative Expenses, As Adjusted	\$ 350.8	\$ 343.8	\$ 1,022.2	\$ 1,016.8
% of Net Sales	21.9%	19.1%	30.8%	28.1%
Operating Income (Loss)				
Operating Income (Loss), As Reported	\$ 85.7	\$ 317.4	\$ (90.0)	\$ 256.6
Adjustments:				
Toys "R" Us Net Sales Reversal ¹	43.0	-	43.0	-
Non-recurring Executive Compensation	3.5	-	8.3	-
Integration & Acquisition Costs ²	-	0.3	-	1.4
Severance and Restructuring Expenses	12.6	6.4	21.5	33.6
Asset Impairments	14.9	-	14.9	-
Operating Income (Loss), As Adjusted	\$ 159.7	\$ 324.1	\$ (2.3)	\$ 291.6
Earnings Per Share				
Net (Loss) Income Per Common Share, As Reported	\$ (1.75)	\$ 0.68	\$ (2.25)	\$ 0.42
Adjustments:				
Toys "R" Us Net Sales Reversal ¹	0.13	-	0.13	-
Non-recurring Executive Compensation	0.01	-	0.03	-
Severance and Restructuring Expenses	0.04	0.02	0.06	0.10
Sale of Assets	-	-	-	(0.01)
Venezuela Currency Devaluation Loss	-	-	-	0.08
Asset Impairments	0.04	-	0.04	-
Tax Effect of Adjustments ³	(0.01)	-	(0.01)	(0.04)
Valuation Allowance on Deferred Tax Assets	1.63	-	1.63	-
Net Income (Loss) Per Common Share, As Adjusted	\$ 0.09	\$ 0.70	\$ (0.37)	\$ 0.55

¹ As a result of Toys "R" Us filing for bankruptcy, Mattel reversed Net Sales for the estimated uncollectible portion of its outstanding receivables. As such, Gross Profit, As Reported includes the Cost of Sales for the inventory sold to Toys "R" Us but excludes the corresponding Net Sales.

² Includes Integration & Acquisition Costs for Fuhu and Sproutling in 2016.

³ The aggregate tax effect of the adjustments is calculated by tax effecting the adjustments by the current effective tax rate, and dividing by the reported weighted average number of common and potential common shares. For the three and nine months ended September 30, 2017, U.S. adjustments were not tax effected because of the valuation allowance on U.S. deferred tax assets.



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