MATTEL INC /DE/
Form DEF 14A
March 30, 2009
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Mattel, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

NOTICE OF ANNUAL MEETING

and

PROXY STATEMENT

Annual Meeting of Stockholders

The Sheraton Gateway Hotel Los Angeles Airport

6101 West Century Boulevard

Los Angeles, California 90045

May 13, 2009

Table of Contents

MATTEL, INC.

333 Continental Boulevard

El Segundo, California 90245-5012

NOTICE OF THE 2009 ANNUAL MEETING OF STOCKHOLDERS

The 2009 Annual Meeting of Stockholders of Mattel, Inc. will be held on Wednesday, May 13, 2009 at 9:00 a.m. (Los Angeles time), at the Sheraton Gateway Hotel Los Angeles Airport, 6101 West Century Boulevard, Los Angeles, CA 90045. We will consider and act on the following items of business at the Annual Meeting:

1. Election of the twelve directors named in the Proxy Statement.

2. Ratification of the selection of PricewaterhouseCoopers LLP as Mattel s independent registered public accounting firm for the year ending December 31, 2009.

3. A stockholder proposal regarding certain reports by the Board of Directors.

4. A stockholder proposal regarding special shareowner meetings.

5. Such other business as may properly come before the Annual Meeting.

The Proxy Statement accompanying this notice describes each of the items of business in more detail. The Board of Directors recommends a vote FOR each of the twelve nominees for director named in the Proxy Statement, a vote FOR the proposal described above in item 2 and a vote AGAINST the proposals described above in items 3 and 4.

We are pleased to take advantage of new Securities and Exchange Commission rules that allow companies to furnish their proxy materials over the Internet. As a result, we are mailing to most of our stockholders a Notice of Internet Availability of Proxy Materials (the Notice) instead of a paper copy of our proxy materials, including this Notice of Annual Meeting, the Proxy Statement, our 2008 Annual Report, a form proxy card or voting instruction form and the Admission Policy. The Notice contains instructions on how to access those documents over the Internet. The Notice also contains instructions on how to request a paper copy of our proxy materials. All stockholders who do not receive a Notice will receive a paper copy of the proxy materials by mail. We believe that this new process will allow us to provide our stockholders with the information they need in a timelier manner, while reducing the environmental impact and lowering the costs of printing and distributing our proxy materials.

If you were a holder of record of Mattel common stock at the close of business on March 20, 2009, you are entitled to notice of and to vote at the Annual Meeting. A list of record holders of Mattel common stock entitled to vote at the Annual Meeting will be available for examination by any stockholder, for any purpose germane to the Annual Meeting, at Mattel s offices at 333 Continental Boulevard, El Segundo, CA 90245-5012 during normal business hours for ten days prior to the Annual Meeting and at the Annual Meeting.

Table of Contents

The Sheraton Gateway Hotel Los Angeles Airport is accessible to those who require special assistance. If you require special assistance, please call the hotel at 310-642-1111.

By Order of the Board of Directors

Robert Normile

Secretary

El Segundo, California

March 30, 2009

All stockholders are cordially invited to attend the Annual Meeting in person. If you plan to attend the Annual Meeting in person, please so indicate when you submit your proxy by mail, telephone or via the Internet and bring with you the items that are required pursuant to Mattel s Admission Policy for the 2009 Annual Meeting. A description of the Admission Policy can be found in the Proxy Statement under the heading General Information Admission Policy for Annual Meeting.

Whether or not you expect to attend the Annual Meeting, please submit a proxy to vote as soon as possible in order that your stock will be represented at the Annual Meeting. You may vote in person or by proxy at the Annual Meeting or you may submit a proxy by mail, by telephone or via the Internet. You may obtain directions to the Sheraton Gateway Hotel Los Angeles Airport by calling the hotel at (310) 642-1111 or going to its Internet site at http://www.sheratonlosangeles.com. If you wish to vote by telephone or via the Internet, please follow the instructions in the Notice of Internet Availability of Proxy Materials or on the proxy card or voting instruction form with regard to telephone or Internet voting. If you received a paper copy of the proxy materials and wish to vote by mail, please complete, date, sign and return the proxy card in the postage-prepaid envelope as soon as possible. If you only received the Notice of Internet Availability of Proxy Materials, you may request a paper proxy card by following the instructions in the notice.

Table of Contents

MATTEL, INC.

333 Continental Boulevard

El Segundo, California 90245-5012

PROXY STATEMENT

2009 ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 13, 2009

TABLE OF CONTENTS

Table of Contents

GENERAL INFORMATION

Mattel s 2009 Annual Meeting of Stockholders will be held on May 13, 2009, at 9:00 a.m. (Los Angeles time), at the Sheraton Gateway Hotel Los Angeles Airport, 6101 West Century Boulevard, Los Angeles, California 90045.

The Board of Directors of Mattel (Board) is soliciting proxies to be used at the Annual Meeting. As permitted by the Securities and Exchange Commission (SEC), Mattel is providing most stockholders with access to our proxy materials over the Internet rather than in paper form. Accordingly, on or about March 30, 2009, we will mail to most stockholders only a Notice of Internet Availability of Proxy Materials containing instructions on how to access the proxy materials over the Internet and mail printed copies of the proxy materials to the rest of our stockholders. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the notice instructs you on how to access and review all of the important information contained in the Proxy Statement and the 2008 Annual Report. The notice also instructs you on how you may submit your proxy via the Internet, by telephone or in writing. If you received a notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials contained on the notice.

To assist us in saving money and to serve you more efficiently, we encourage you to have all your accounts registered in the same name and address by contacting Mattel s transfer agent, Computershare Trust Company, N.A., at 1-888-909-9922.

This Notice of Annual Meeting, the Proxy Statement and our 2008 Annual Report will also be available at our investor relations website at http://www.mattel.com (click on the Investors and Media tab followed by the Financial Info/Annual Report/Proxy tab) on or about March 30, 2009.

Who Is Entitled to Vote

The Board has fixed March 20, 2009 as the record date for the Annual Meeting. If you were a stockholder at the close of business on the record date, then you are entitled to receive notice of and to vote at the Annual Meeting.

As of the close of business on the record date, there were 358,492,363 outstanding shares of Mattel common stock held by approximately 37,428 holders of record. At the Annual Meeting, each share of common stock will be entitled to one vote.

How to Vote if You Are the Record Holder of Your Stock

If you are the record holder of your stock, you may vote by submitting your proxy by telephone or Internet or through the mail.

Internet and telephone voting

To vote by Internet, follow the instructions on the Notice of Internet Availability of Proxy Materials or go to the Web address stated on your proxy card.

To vote by telephone, follow the instructions on the Notice of Internet Availability of Proxy Materials or call the toll-free number on your proxy card.

Table of Contents

Voting by mail

As an alternative to voting by telephone or via the Internet, you may vote by mail.

If you received only the Notice of Internet Availability of Proxy Materials, you may follow the procedures outlined in such notice to request a paper proxy card to submit your vote by mail.

If you received a paper copy of the proxy materials and wish to vote by mail, simply mark your proxy card, date and sign it and return it in the postage-prepaid envelope. If you do not have the prepaid envelope, please mail your completed proxy card to the following address: Mattel, Inc., c/o Broadridge, 51 Mercedes Way, Edgewood, New York 11717.

How to Vote if a Bank, Broker or Other Nominee Is the Record Holder of Your Stock

If a bank, broker or other nominee was the record holder of your stock on the record date, you will be able to vote by following the instructions on the voting instruction form that you receive from your bank, broker or other nominee.

Quorum; How Votes Are Counted

In order for there to be a vote on any matter at the Annual Meeting, there must be a quorum. In order to have a quorum, the holders of a majority of the voting power of the shares of the stock entitled to vote at the Annual Meeting must be present in person or by properly executed proxy. In determining whether we have a quorum at the Annual Meeting, we will count shares that are voted as well as abstentions and broker non-votes. Broker non-votes are explained below in the section titled Broker Voting and Broker Non-Votes. However, on each proposal, shares that abstain from voting on a proposal and broker non-votes will not be counted as votes cast either for or against that proposal, and thus will not have any effect as to whether the proposal is approved.

How the Election of Directors Works; Majority Voting Standard

At our 2007 Annual Meeting, our stockholders approved an amendment to our Certificate of Incorporation to eliminate cumulative voting in the election of directors. In connection with this amendment, the Board amended our Bylaws to adopt a majority voting standard for the election of directors. Under this standard, in any uncontested election (i.e., an election where the number of nominees does not exceed the number of directors to be elected), each director will be elected by the vote of a majority of the votes cast, meaning that the number of votes cast for a director s election must exceed 50% of the total votes cast with respect to that director s election. In any contested election (i.e., an election where the number of nominees exceeds the number of directors to be elected), directors will be elected by the vote of a plurality of the votes cast, meaning that the nominees receiving the greatest number of votes for their election, up to the maximum number of directors to be elected at the meeting, will be elected. In the case of both contested and uncontested elections, abstentions and withheld votes will have no effect on a director s election.

Under our majority voting bylaw, any nominee who fails to receive a majority of the votes cast for his or her election in an uncontested election will not be elected. Under Delaware law, however, each director holds office until his or her successor is duly elected and qualified. For this reason, any nominee currently serving on the Board who fails to receive a majority of the votes cast for his or her election in an uncontested election will not automatically cease to be a director, but will instead

Table of Contents

continue to serve on the Board as a holdover director until his or her successor is elected and qualified or until his or her earlier resignation or removal. To address this situation, our Bylaws provide that if any incumbent nominee is not elected at an annual meeting and no successor has been elected at the meeting, that director must tender his or her resignation to the Board promptly following the certification of the election results. The Governance and Social Responsibility Committee will make a recommendation to the Board as to whether or not to accept the tendered resignation. Taking into account the committee s recommendation, the Board will decide whether to accept the resignation and will publicly announce its decision within 90 days from the date the election results are certified. Any director who tenders his or her resignation will not participate in the recommendation of the committee or the decision of the Board with respect to his or her resignation.

The committee, in making its recommendation, and the Board, in making its decision, may consider any factors or information that they consider appropriate and relevant. If the Board declines to accept a director s resignation, that director will continue to serve on the Board until his or her successor is elected and qualified, or until the director s earlier resignation or removal.

How Your Proxy Will Be Voted

If you submit your proxy without instructions as to how it is to be voted, the proxy holders identified on the proxy will vote your shares as follows:

- for the election as directors of the nominees named in this Proxy Statement;
- for proposal 2; and
- against proposals 3 and 4.

If you indicate voting instructions when you submit your proxy, the proxy holders will follow your instructions in casting votes.

The Board does not know of any matters that will come before the Annual Meeting other than those described in the Notice of Annual Meeting. If any other matters are properly presented for consideration at the Annual Meeting, then the proxy holders will have discretion to vote on such matters as they see fit. This includes, among other things, considering any motion to adjourn the Annual Meeting to another time and/or place, including for the purpose of soliciting additional proxies for or against a given proposal.

How to Change Your Vote or Revoke Your Proxy

You may revoke your proxy at any time before it is voted. You may revoke your proxy by:

- delivering to the Secretary of Mattel, at or before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than your proxy;

signing a later-dated proxy relating to the same shares and delivering it to the Secretary of Mattel at or before the taking of the vote at the Annual Meeting;

if you voted by telephone or via the Internet, calling the telephone voting number again or visiting the Internet voting site and changing your vote, up to 10:00 p.m. (Los Angeles time) on May 12, 2009 (the business day before the Annual Meeting) or for holders of Mattel common stock in the Mattel, Inc. Personal Investment Plan, up to 10:00 p.m. (Los Angeles time) on May 8, 2009 (three business days before the Annual Meeting); or

attending the Annual Meeting and voting in person.

Table of Contents

If you are mailing a written notice of revocation or a later proxy, send it to: Secretary, Mail Stop M1-1516, Mattel, Inc., 333 Continental Boulevard, El Segundo, CA 90245-5012. You may also hand deliver a written notice of revocation or a later proxy to the Secretary of Mattel at the Annual Meeting, at or before the taking of the vote.

If you hold your shares through a broker and have instructed the broker as to how to vote your shares, you must follow directions received from the broker in order to change your vote or to vote at the Annual Meeting.

Broker Voting and Broker Non-Votes

Mattel s common stock is listed on the New York Stock Exchange (NYSE) under the symbol MAT. The NYSE has rules that govern brokers who have record ownership of listed company stock held in brokerage accounts for their clients who beneficially own the shares. Under these rules, brokers who do not receive voting instructions from their clients have the discretion to vote uninstructed shares on certain matters (discretionary matters) but do not have discretion to vote uninstructed shares as to certain other matters (non-discretionary matters). Mattel expects that the NYSE will evaluate the proposals to be voted on at the Annual Meeting to determine whether each proposal is a discretionary or non-discretionary matter. A broker may submit a proxy on behalf of a beneficial owner from whom the broker has not received instructions that casts a vote with regard to discretionary matters but expressly states that the broker is not voting as to non-discretionary matters. The broker s inability to vote with respect to the non-discretionary matters is referred to as a broker non-vote. Broker non-votes will be counted for the purpose of determining the presence of a quorum, but will not be counted in determining the number of votes cast as to non-discretionary matters. Thus, on each proposal regarding a non-discretionary matter, broker non-votes will not count as votes cast for or against the proposal and accordingly will not have any effect as to whether the proposal is approved.

Admission Policy for Annual Meeting

Mattel restricts admission to the Annual Meeting to stockholders of Mattel, family members accompanying stockholders of Mattel, persons holding executed proxies from stockholders who held Mattel stock as of the close of business on March 20, 2009, and invited guests of Mattel.

If you are a stockholder of Mattel, you must bring certain documents with you in order to be admitted to the Annual Meeting and in order to bring family members with you. The purpose of this requirement is to help us verify that you are actually a stockholder of Mattel. Please read the following rules carefully, because they specify the documents that you must bring with you to the Annual Meeting in order to be admitted. The items that you must bring with you differ depending upon whether or not you were a record holder of Mattel stock as of the close of business on March 20, 2009. A record holder of stock is someone whose shares of stock are registered in his or her name in the records of Mattel s transfer agent. Many stockholders are not record holders because their shares of stock are registered in the name of their broker, bank or other nominee, and the broker, bank or other nominee is the record holder instead; this is sometimes referred to as holding shares in street name. If you are unsure as to whether you were a record holder of Mattel common stock as of the close of business on March 20, 2009, please call Mattel s transfer agent, Computershare Trust Company, N.A., at 1-888-909-9922.

Table of Contents

If you were a record holder of Mattel common stock as of the close of business on March 20, 2009, then you must bring:

- valid personal photo identification (such as a driver s license or passport).

At the Annual Meeting, we will check your name for verification purposes against our list of record holders as of the close of business on March 20, 2009.

If a broker, bank or other nominee was the record holder of your shares of Mattel common stock as of the close of business on March 20, 2009, then you must bring:

- valid personal photo identification (such as a driver s license or passport); and
- proof that you owned shares of Mattel common stock as of the close of business on March 20, 2009.

Examples of proof of ownership include the following: (1) an original or a copy of the voting instruction form from your bank or broker with your name on it, (2) a letter from your bank or broker stating that you owned Mattel common stock as of the close of business on March 20, 2009, or (3) a brokerage account statement indicating that you owned Mattel common stock as of the close of business on March 20, 2009.

If you acquired your shares of Mattel common stock at any time after the close of business on March 20, 2009, you do not have the right to vote at the Annual Meeting, but you may attend it if you bring:

- valid personal photo identification (such as a driver s license or passport); and
- proof that you own shares of Mattel common stock.

Examples of proof of ownership include the following:

- if a broker, bank or other nominee is the record holder of your shares of Mattel common stock: (1) a letter from your bank or broker stating that you acquired Mattel common stock after March 20, 2009, or (2) a brokerage account statement as of a date after March 20, 2009 indicating that you own Mattel common stock; or
- if you are the record holder of your shares of Mattel common stock, a copy of your stock certificate or a confirmation acceptable to Mattel that you bought the stock after March 20, 2009.

If you are a proxy holder for a stockholder of Mattel who owned shares of Mattel common stock as of the close of business on March 20, 2009, then you must bring:

the executed proxy naming you as the proxy holder, signed by a stockholder of Mattel who owned shares of Mattel common stock as of the close of business on March 20, 2009;

valid personal photo identification (such as a driver s license or passport); and

if the stockholder whose proxy you hold was not a record holder of Mattel common stock as of the close of business on March 20, 2009, proof of the stockholder s ownership of shares of Mattel common stock as of the close of business on March 20, 2009, in the form of (1) an original or a copy of the voting instruction form from the stockholder s bank or broker with the stockholder s name on it, or (2) a letter or statement from a bank, broker or other

Table of Contents

nominee indicating that the stockholder owned Mattel common stock as of the close of business on March 20, 2009.

You may not use cameras, recording equipment or other electronic devices during the Annual Meeting. Shares may be voted in person at the Annual Meeting only by (a) the record holder as of the close of business on March 20, 2009 or (b) a person holding a valid proxy executed by such record holder.

Householding

The SEC rules permit us to deliver a single set of Mattel s proxy materials to one address shared by two or more of our stockholders. This delivery method is referred to as householding and can result in significant cost savings. To take advantage of this opportunity, we have delivered only one set of proxy materials to multiple stockholders who share an address, unless we received contrary instructions from the impacted stockholders prior to the mailing date. Each record stockholder that receives paper copies of the proxy materials will receive a separate proxy card or voting instruction form. Also, householding will not in any way affect dividend check mailings.

We agree to deliver promptly, upon written or oral request, a separate copy of Mattel s proxy materials, as requested, to any stockholder at the shared address to which a single copy of those documents was delivered, at no cost to you. If you prefer to receive separate copies of the proxy materials, contact Broadridge Financial Solutions, Inc. at 1-800-542-1061 or in writing at Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

If you are currently a stockholder sharing an address with another stockholder and wish to receive only one copy of future proxy materials for your household, please contact Broadridge at the above phone number or address.

Table of Contents

PRINCIPAL STOCKHOLDERS

As of March 20, 2009, the only persons known by Mattel to own beneficially, or to be deemed to own beneficially, 5% or more of Mattel s common stock were:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent Owned
Franklin Mutual Advisors, LLC 101 John F. Kennedy Parkway Short Hills, New Jersey 07078	21,510,972(1)	6.0%(1)
Capital Research Global Investors 333 South Hope Street Los Angeles, California 90071	19,225,500(2)	5.4%(2)

(1) As reported in a Schedule 13G/A dated as of January 12, 2009 and filed with the SEC on January 15, 2009 by Franklin Mutual Advisors, LLC (Franklin Mutual Advisors). The Schedule 13G/A states that Franklin Mutual Advisors may be deemed to beneficially own an aggregate of 6.0% of Mattel s common stock, and that they have sole voting power and dispositive power as to all of such shares.

(2) As reported in a Schedule 13G dated as of February 9, 2009 and filed with the SEC on February 17, 2009 by Capital Research Global Investors. The Schedule 13G states that Capital Research Global Investors, a division of Capital Research and Management Company (CRMC), is deemed to be the beneficial owner of 19,225,500 shares of Mattel s common stock as a result of CRMC acting as investment advisors to various investment companies registered under Section 8 of the Investment Company Act of 1940.

Table of Contents

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth information regarding the beneficial ownership of Mattel common stock as of March 20, 2009, by (1) each director and nominee for director, (2) the Chief Executive Officer, the Chief Financial Officer and each of the three other most highly compensated executive officers of Mattel as of December 31, 2008 and (3) all current directors and executive officers of Mattel as a group.

Name of Beneficial Owner	Position with Mattel	Amount and Nature of Beneficial Ownership(1)
Thomas A. Debrowski	Executive Vice President, Worldwide Operations	434,986(2)
Michael J. Dolan	Director	72,573(2)
Robert A. Eckert	Chairman of the Board and Chief Executive Officer	3,804,375(2)(3)
Kevin M. Farr	Chief Financial Officer	744,179(2)(4)
Dr. Frances D. Fergusson	Director	12,955(2)
Neil B. Friedman	President, Mattel Brands	1,282,006(2)(4)
Tully M. Friedman	Director	187,716(2)(5)
Dominic Ng	Director	24,455(2)(6)
Vasant M. Prabhu	Director	11,547(2)
Dr. Andrea L. Rich	Director	82,573(2)
Ronald L. Sargent	Director	65,724(2)
Dean A. Scarborough	Director	8,985(2)
Christopher A. Sinclair	Director	82,437(2)
Bryan G. Stockton	President, International	584,396(2)(4)(7)
G. Craig Sullivan	Director	102,173(2)(8)
Kathy Brittain White	Director	78,473(2)
All current Directors and Executive Officers, as a group (22 persons)		9,265,784(9)

(1) Mr. Eckert owns or controls, or may be deemed to beneficially own or control, approximately 1.1% of Mattel s common stock. No other director or executive officer named above owns or controls, or may be deemed to beneficially own or control, 1.0% or more of any class of capital stock of Mattel. Except as otherwise noted, the directors and executive officers named above have sole voting power and investment power with respect to all shares of common stock shown as beneficially owned by them, subject to community property laws where applicable.

(2) Includes shares of common stock that the following directors and executive officers have the right to acquire by exercise of options within 60 days following March 20, 2009: Mr. Debrowski, 430,375; Mr. Dolan, 43,455; Mr. Eckert, 3,772,250; Mr. Farr, 716,718; Dr. Fergusson, 11,955; Mr. Neil Friedman, 1,236,125; Mr. Tully Friedman, 82,455; Mr. Ng, 17,955; Mr. Prabhu, 8,985; Dr. Rich, 67,455; Mr. Sargent, 43,455; Mr. Scarborough, 8,985; Mr. Sinclair, 72,455;

Table of Contents

Mr. Stockton, 570,375; Mr. Sullivan, 72,455; and Ms. White, 67,455. Also includes shares of stock that the following directors will obtain from vesting of restricted stock units within 60 days following March 20, 2009: Mr. Dolan, 2,000; Dr. Fergusson, 1,000; Mr. Tully Friedman, 2,000; Mr. Ng, 2,000; Dr. Rich, 2,000; Mr. Sargent, 2,000; Mr. Sinclair, 2,000; Mr. Sullivan, 2,000; and Ms. White, 2,000.

(3) 5,000 of these shares are held in the Eckert Family Trust dated January 31, 2002, Robert A. Eckert and Kathleen M. Eckert, trustees. In addition to the amount shown above in the table, Mr. Eckert holds 685,468 vested deferred restricted stock units.

(4) Includes shares of common stock that the following executive officers hold through the Mattel stock fund of the Mattel, Inc. Personal Investment Plan, a 401(k) tax-qualified savings plan, as of March 20, 2009: Mr. Farr, 12,386; Mr. Neil Friedman, 3,702; and Mr. Stockton, 6,931.

(5) 103,261 of these shares are held in the Tully M. Friedman Revocable Trust UAD 1/3/80.

(6) 4,500 of these shares are held in the Dominic Ng and Ellen Wong Family Trust dated October 21, 1998.

(7) 3,212 of these shares are held by Mr. Stockton as trustee of the Bryan G. Stockton Living Trust.

(8) 10,000 of these shares are held by Mr. Sullivan as trustee or successor trustee of the G. Craig Sullivan Living Trust dated September 3, 1991. 10,000 of these shares are held by Mr. Sullivan as trustee of the Craig and Maureen Sullivan Living Trust, amended and restated May 26, 2007. 4,600 of these shares are held by Mr. Sullivan s spouse as trustee of the Maureen O Brien Sullivan Living Trust dated May 14, 1993.

(9) The amount stated represents approximately 2.6% of the outstanding shares of common stock. The amount stated also includes an aggregate of 8,851,465 shares of common stock that may be acquired upon the exercise of options within 60 days following March 20, 2009, which represents approximately 2.5% of the outstanding shares of common stock; and an aggregate of 17,000 restricted stock units that will vest and be settled in common stock within 60 days following March 20, 2009, which represents less than .01% of the outstanding shares of common stock.

Table of Contents

PROPOSALS

We have included four proposals in this Proxy Statement. The first two proposals are proposals supported by the Board. The Board considered the proposals on January 30, 2009 and March 26, 2009, and the Board s recommendation on each proposal appears after the proposal.

PROPOSAL 1

ELECTION OF DIRECTORS

The Board currently consists of twelve members.

The Board has nominated twelve nominees for election at the Annual Meeting, to serve until the next annual meeting of stockholders and until their respective successors have been duly elected and qualified, or until their earlier resignation or removal. All of the nominees are currently directors.

If you submit your proxy, unless you give instructions to the contrary, the proxy holders will cast your votes for the election of the nominees listed below. If, before the Annual Meeting, any nominee becomes unavailable to serve, the Board may identify a substitute for such nominee and treat votes for the unavailable nominee as votes for the substitute. We presently believe that each of the nominees named below will be available to serve.

As discussed above in General Information How the Election of Directors Works; Majority Voting Standard, the twelve candidates who receive a vote of a majority of the votes cast for his or her election will be elected, and each incumbent nominee who does not receive a majority of the votes cast for his or her election will continue to serve on the Board as a holdover director until that director s successor is elected and qualified or until the director s removal or resignation.

Mr. Eckert s employment agreement with Mattel provides that Mr. Eckert shall have the position and title of Chairman of the Board, and Mattel s Bylaws provide that the Chairman of the Board shall be a director of Mattel. Otherwise, no nominee has any arrangement or understanding with Mattel or, to Mattel s knowledge, any other person or persons, pursuant to which any nominee was or is to be selected as a director or nominee. None of the nominees has any family relationship to any other nominee or to any executive officer of Mattel.

Information Concerning Nominees to the Board

The nominees for election as directors are listed below. All of the nominees are currently directors. Each nominee has furnished the information as to his or her beneficial ownership of common stock as of March 20, 2009 and the nominee s principal occupation(s). Each nominee has consented to being named in this Proxy Statement as a nominee for election as director and has agreed to serve as a director if elected.

11

Table of Contents

Name	Principal Occupation or Position	Age	Director Since
Michael J. Dolan	Chairman, America s Choice, Inc.	62	2004
Robert A. Eckert	Chairman of the Board and Chief Executive Officer of Mattel, Inc. (also a director of McDonald s Corporation)	54	2000
Dr. Frances D. Fergusson	President Emeritus, Vassar College (also a director of Wyeth Pharmaceuticals)	64	2006
Tully M. Friedman	Chairman and Chief Executive Officer, Friedman Fleischer & Lowe, LLC, a private investment firm (also a director of The Clorox Company)	67	1984
Dominic Ng	Chairman, Chief Executive Officer and President, East West Bancorp, Inc. and East West Bank (also a director of the Federal Reserve Bank of San Francisco, Los Angeles Branch)	50	2006
Vasant M. Prabhu	Executive Vice President and Chief Financial Officer, Starwood Hotels and Resorts Worldwide, Inc.	49	2007
Dr. Andrea L. Rich	Former President, Chief Executive Officer and Director, Los Angeles County Museum of Art (also a founding director of the Private Bank of California and a director of Douglas Emmett Real Estate Investment Trust)	65	1998
Ronald L. Sargent	Chairman and Chief Executive Officer, Staples, Inc. (also a director of Staples, Inc. and The Kroger Co.)	53	2004
Dean A. Scarborough	President and Chief Executive Officer, Avery Dennison Corporation (also a director of Avery Dennison Corporation)	53	2007
Christopher A. Sinclair	Former Chairman, Scandent Holdings, Mauritius	58	1996
G. Craig Sullivan	Former Chairman and Chief Executive Officer, The Clorox Company (also a director of Kimberly-Clark Corporation and The Goodyear Tire & Rubber Company)	68	2001
Kathy Brittain White	Founder, Horizon Institute of Technology; Founder, Rural Sourcing, Inc. (also a director of Novell, Inc.)	59	2001

Except as described below, each of the directors has served in the principal occupation or position indicated in the above table for at least the past five years.

Mr. Dolan has served as Chairman of America s Choice, Inc. since October 2004. He served as Executive Vice President and Chief Financial Officer of Viacom Inc. from May 2004 to December 2006. He also served as Senior Advisor to Kohlberg Kravis Roberts & Co. from October 2004 to May 2005. Prior to that, he served in the following positions with Young & Rubicam, Inc.: Chairman and Chief Executive Officer (2001 to 2003), Vice Chairman and Chief Operating Officer (2000 to 2001) and Vice Chairman and Chief Financial Officer (1996 to 2000).

Mr. Eckert has been Chairman of the Board and Chief Executive Officer since May 2000. He was formerly President and Chief Executive Officer of Kraft Foods, Inc., the largest packaged food company in North America, from October 1997 until May 2000. From 1995 to 1997, Mr. Eckert was

Group Vice President of Kraft Foods, Inc. From 1993 to 1995, Mr. Eckert was President of the Oscar Mayer foods division of Kraft Foods, Inc. Mr. Eckert worked for Kraft Foods, Inc. for 23 years prior to joining Mattel.

Dr. Fergusson served as President of Vassar College from 1986 to June 2006. Prior to that, she served as Provost and Vice President for Academic Affairs at Bucknell University from 1982 to 1986. Prior to that, she held the following positions with the University of Massachusetts at Boston: Assistant Chancellor (1980 to 1982) and Associate Professor of Art (1975 to 1982).

Mr. Tully Friedman has served as Chairman and Chief Executive Officer of Friedman Fleischer & Lowe, LLC since April 1997. Prior to that, he was a founding partner of Hellman & Friedman, a private investment firm, for more than five years.

Mr. Ng has served as Chairman, Chief Executive Officer and President of East West Bancorp, Inc. and East West Bank since 1992. Prior to that, Mr. Ng was President of Seyen Investment, Inc. from 1990 to 1992, and prior to that Mr. Ng served for over a decade as a Certified Public Accountant with Deloitte & Touche LLP.

Mr. Prabhu has served as Executive Vice President and Chief Financial Officer of Starwood Hotels and Resorts Worldwide, Inc. (Starwood) since January 2004. Prior to joining Starwood, Mr. Prabhu served as Executive Vice President and Chief Financial Officer of Safeway, Inc. from September 2000 through December 2003.

Dr. Rich served as President and Chief Executive Officer and Director of the Los Angeles County Museum of Art (LACMA) from 1999 to 2005, and as President and Chief Executive Officer of LACMA from 1995 to 1999. Prior to that, she served as Executive Vice-Chancellor and Chief Operating Officer of the University of California, Los Angeles, from 1991 to 1995.

Mr. Sargent has served as Chairman of Staples, Inc. since March 2005 and as Chief Executive Officer of Staples, Inc. since 2002. He additionally served as President of Staples, Inc. from 1998 to 2005.

Mr. Scarborough has served as President and Chief Executive Officer of Avery Dennison Corporation since May 2005. From 2000 to May 2005, he was President and Chief Operating Officer of Avery Dennison Corporation.

Mr. Sinclair served as Chairman of Scandent Holdings, a Mauritius-based information technology investment company, from May 2002 through December of 2008 and served as Executive Chairman of Cambridge Solutions Corporation Ltd. from November 2005 to January 2009. He also served as a Managing Director of Manticore Partners, LLC, a venture capital advisory firm, from 2001 to 2004. Prior to that, he served as an Operating Partner of Pegasus Capital Advisors, LP, a private equity firm, from 2000 to 2002. Prior to that, he served as Chairman and Chief Executive Officer of Caribiner International, Inc. from 1999 to 2000. Prior to that, he served as President and Chief Executive Officer of Quality Food, Inc., Chairman and Chief Executive Officer of Pepsi-Cola Company and President and Chief Executive Officer of PepsiCo Foods & Beverages International and Pepsi-Cola International for more than five years.

Mr. Sullivan served as Chairman and Chief Executive Officer of The Clorox Company from 1992 to 2003 and retired in 2003 after 32 years with The Clorox Company.

Table of Contents

Ms. White founded the Horizon Institute of Technology in 2002. She also founded Rural Sourcing, Inc., an information technology services provider in 2003. Ms. White served as Executive Vice President, e-business and Chief Information Officer of Cardinal Health, Inc. from 1999 until February 2003. From 1996 to 1999, Ms. White was Senior Vice President and Chief Information Officer for Allegiance Corporation, which merged with Cardinal Health, Inc. in 1999.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR EACH OF THE NOMINEES FOR ELECTION AS DIRECTORS NAMED HEREIN.

Table of Contents

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board Meetings

During 2008, the Board held six meetings. No director attended less than 75% of the aggregate of all Board meetings and all meetings held by any committee of the Board on which he or she served.

Mr. Eckert serves as Chairman of the Board and Chief Executive Officer of Mattel. For a description of Mr. Eckert s compensation, see Compensation Discussion and Analysis, beginning at page 28. The remuneration of the other directors, who are all non-employee directors, is explained in Director Compensation, beginning at page 79.

Non-Employee Director Stock Ownership

The Board has adopted policies regarding non-employee director stock ownership and retention of shares purchased upon exercise of stock options or received upon vesting of restricted stock units. These policies state that, within five years after joining the Board, non-employee members of the Board should attain a target minimum level of stock ownership of three times the annual cash retainer paid to each member (the annual cash retainer is currently $100,000). For this purpose, stock holdings are valued at the greater of actual cost or market value. Directors who have deferred any of their cash compensation into investments in Mattel stock equivalent accounts in the Mattel, Inc. Deferred Compensation Plan for Non-Employee Directors receive credit for such amounts. As a result of an increase in the annual retainer in 2008, from $65,000 to $100,000, the Board members have up to an additional two years to meet their target minimum stock ownership levels.

In addition, during their service on the Board, non-employee members of the Board are generally required to hold the Mattel stock options (or if they exercise Mattel stock options, to hold the stock acquired by exercise of those options) and the stock received upon vesting of restricted stock units, except for (1) sales in connection with stock option exercises or restricted stock unit vesting that occur within one year of the date on which the member will be retiring from the Board, or (2) sales to cover the estimated taxes payable as a result of the stock option exercise or restricted stock unit vesting, transaction costs and the exercise price in the case of a stock option.

Board Committees

Audit Committee

Mattel s Audit Committee is chaired by Mr. Dolan and includes Mr. Ng, Mr. Prabhu, Mr. Sinclair and Ms. White as members. All of the members of the committee are independent directors. During 2008, the Audit Committee held twelve meetings.

The purpose of the Audit Committee is to provide assistance to the Board in fulfilling the Board s oversight responsibilities regarding:

the quality and integrity of Mattel s financial reports;

the independence, qualifications and performance of Mattel s independent registered public accounting firm;

the performance of Mattel s internal audit function; and

Mattel s compliance with legal and regulatory requirements.

Table of Contents

The Audit Committee has the sole authority to appoint or replace the independent registered public accounting firm. The committee is directly responsible for the compensation and oversight of the work of the independent registered public accounting firm for the purpose of preparing or issuing an audit report or related work. The independent registered public accounting firm reports directly to the committee.

The Audit Committee meets periodically, in separate executive sessions, with management, the senior internal auditing officer and the independent registered public accounting firm. The committee may request any officer or employee of Mattel or Mattel s outside counsel or independent registered public accounting firm to attend a meeting of the committee or to meet with any members of, or consultants to, the committee. The committee has the authority to retain independent legal, accounting or other advisors, to the extent it deems necessary or appropriate.

Additional duties and responsibilities of the Audit Committee are outlined in the committee s charter, and include the following:

to pre-approve audit services, internal-control-related services and permitted non-audit services to be performed for Mattel by its independent registered public accounting firm;

to meet with the independent registered public accounting firm and management in connection with each annual audit to discuss the scope of the audit and the procedures to be followed;

to review and discuss Mattel s quarterly and annual financial statements with management, the independent registered public accounting firm and the internal audit group;

to discuss with management and the independent registered public accounting firm Mattel s practices with respect to risk assessment, risk management and critical accounting policies; and

to discuss periodically with the independent registered public accounting firm and the senior internal auditing officer the adequacy and effectiveness of Mattel s accounting and financial controls, and consider any recommendations for improvement of such internal control procedures.

Governance and Social Responsibility Committee

Mattel has a Governance and Social Responsibility Committee chaired by Mr. Sinclair that includes Dr. Fergusson, Dr. Rich, Mr. Sargent, and Mr. Scarborough as members. All of the members of the committee are independent directors. During 2008, the Governance and Social Responsibility Committee held five meetings.

The primary purposes of the Governance and Social Responsibility Committee are:

to assist the Board by identifying individuals qualified to become Board members, consistent with the criteria approved by the Board, and to select, or to recommend that the Board select, the director nominees for the next annual meeting of stockholders;

to develop and recommend to the Board the Corporate Governance Guidelines applicable to Mattel;

to lead the evaluation of the Board s performance;

to recommend to the Board nominees for each committee;

- to assist the Board with oversight and review of social responsibility matters such as sustainability, corporate citizenship, community involvement, global manufacturing principles, public policy matters and environmental, health and safety issues; and

- to provide oversight with regard to philanthropic activities.

The committee also works closely with the Chief Executive Officer and other members of Mattel s management to assure that the company is governed effectively and smoothly, and has additional authority and responsibilities as specified in its charter.

Compensation Committee

Mattel has a Compensation Committee chaired by Mr. Sullivan that includes Mr. Tully Friedman, Mr. Ng, Dr. Rich and Ms. White as members. All of the members of the committee are independent directors. We intend that the members also qualify as outside directors within the meaning of Section 162(m) of the Internal Revenue Code and are non-employee directors within the meaning of the SEC s Rule 16b-3. During 2008, the Compensation Committee held six meetings.

The purpose of the Compensation Committee is to develop, evaluate and, in certain instances, approve or determine the compensation plans, polices and programs of Mattel. The committee has the authority to undertake and may exercise all of the powers of the Board with respect to the specific responsibilities listed in the committee s charter, including:

- approving all forms of compensation to be provided to executives in the Executive Leadership Band and above in Mattel s compensation structure;

- reviewing and evaluating the Chief Executive Officer s performance; and

- administering Mattel s short- and long-term incentive programs and equity compensation plans.

In performing its duties, the Compensation Committee reports and, as appropriate, makes recommendations to the Board regarding executive compensation policies and programs. The Compensation Committee also informs the non-management directors of the Board of its decisions regarding compensation for the Chief Executive Officer and other senior executives and, at times, refers its decisions to the Board for ratification.

The Compensation Committee has access to, and in its discretion may meet with, any officer or other employee of Mattel or its subsidiaries. The committee meets at least once each calendar year without the Chief Executive Officer present, and often has executive sessions where no Mattel officer or employee is present. The committee may use the services of Mattel s regular corporate legal counsel with respect to legal matters or, in its discretion, retain other legal counsel if it determines that such counsel is necessary or appropriate under the circumstances.

The Compensation Committee may, in its discretion, use a compensation consultant or other professional or expert to provide data and advice to the Compensation Committee regarding the compensation of executives of Mattel and to assist the Compensation Committee in performing its other responsibilities. The retention and, where appropriate, termination of any such compensation consultant are at the Compensation Committee s sole discretion, and such decisions are made without the participation of any officer or other member of Mattel management. The Compensation

17

Table of Contents

Committee, in its sole discretion, approves the fees to the compensation consultant and any other terms related to the consultant s engagement. The terms of the Compensation Committee s charter require its compensation consultant to be independent, meaning it will be free from any relationship with Mattel or its officers or other members of management that the Compensation Committee determines, in its sole discretion, would interfere in the exercise of the independent judgment of the compensation consultant. In determining the independence of the compensation consultant, the terms of the Compensation Committee s charter require it to consider the nature and extent of any services provided by the consultant to Mattel or to any executive or management of Mattel, other than at the committee s discretion.

The Compensation Committee retained the firm Frederic W. Cook & Co., Inc. (Cook & Co.) as its independent compensation consultant in August 2007 to provide the Compensation Committee with advice and guidance on Mattel s executive compensation program design and the evaluation of our executive compensation. Cook & Co. has not performed and does not currently provide any services to management or Mattel. Cook & Co. attends Compensation Committee meetings and meets with the Compensation Committee without management. They provide the Compensation Committee with third-party data and analysis and advice and expertise on competitive practices and trends, executive compensation plan design and proposed executive and director compensation. Cook & Co. reports directly to the Compensation Committee and, as directed by the Compensation Committee, works with management and the Chairman of the Compensation Committee. In 2008, Cook & Co. assisted the Compensation Committee on the following matters:

- analyzing the competitive position of our executive compensation program as a whole;
- analyzing executive base salaries;
- reviewing the annual cash incentive program, including the achievement of performance goals for the performance at year-end on December 31, 2007 and the establishment of a new program and associated performance goals and award levels for 2008;
- reviewing the long-term incentive program, including conversion from a cash-based to an equity-based program and review of the achievement of performance goals for the long-term incentive program cycle ending December 31, 2007;
- reviewing the methodology for determining, and the applicable terms and conditions of, grants of equity compensation;
- evaluating the specific elements of compensation of our Chief Executive Officer;
- evaluating the compensation of non-employee members of the Board;
- reviewing our 2008 Proxy Statement;
- reviewing our executive employment agreements; and
- reviewing amendments to our plans and agreements to comply with Section 409A of the Internal Revenue Code.

The Compensation Committee retains its authority over, and is solely responsible for, all compensation decisions.

Table of Contents

Other Board Committees

Mattel has an Executive Committee (formerly known as the Executive/Finance Committee) chaired by Mr. Tully Friedman that includes Messrs. Dolan, Sinclair and Sullivan as members. During 2008, the Executive Committee held no meetings. The Executive Committee may exercise all the powers of the Board, subject to limitations of applicable law, between meetings of the Board.

Mattel has a Finance Committee (formerly known as the Capital Allocation Committee) chaired by Mr. Tully Friedman that includes Dr. Fergusson, Mr. Sargent and Mr. Sullivan as members. During 2008, the Finance Committee held five meetings. The committee s primary functions are to advise and make recommendations to the Board with regard to Mattel s use of available capital, including but not limited to dividends to stockholders, mergers and acquisitions and stock repurchase programs.

Mattel has an Equity Grant Allocation Committee with Mr. Eckert as the sole member. The Equity Grant Allocation Committee s primary function is to exercise the limited authority delegated to the committee by the Board and the Compensation Committee with regard to making annual and off-cycle equity compensation grants to employees below the Executive Leadership Band pursuant to our 2005 Equity Compensation Plan.

Director Independence

The NYSE requires each NYSE-listed company to have a board of directors with at least a majority of independent directors. Generally, under the NYSE rules a director qualifies as independent if the listed company s board of directors affirmatively determines that he or she has no material relationship with the company, either directly or as a partner, stockholder or officer of an organization that has a relationship with the company. The NYSE rules specify five categories of relationships between a director and a listed company that would make a director ineligible to be independent. Mattel s Board has adopted Corporate Governance Guidelines that include provisions regarding director independence. The Corporate Governance Guidelines are available on Mattel s corporate Web site at http://www.mattel.com/about_us/Corp_Governance/guide.asp. These provisions incorporate the NYSE s five categories of relationships between a director and a listed company that would make a director ineligible to be independent.

In accordance with NYSE rules and Mattel s Corporate Governance Guidelines, the Board has affirmatively determined that each of the following directors has no material relationship with Mattel (either directly or as a partner, stockholder or officer of an organization that has a relationship with Mattel) and is independent within the meaning of both Mattel s and the NYSE s director independence standards, as currently in effect:

Michael J. Dolan

Dr. Frances D. Fergusson

Tully M. Friedman

Dominic Ng

Vasant M. Prabhu

Dr. Andrea L. Rich

Ronald L. Sargent

Dean A. Scarborough

Christopher A. Sinclair

G. Craig Sullivan

Kathy Brittain White

Table of Contents

The persons listed above include (a) all of the current directors of Mattel, except the Chairman and Chief Executive Officer, and (b) all directors who are standing for election at the 2009 Annual Meeting of Stockholders, except the Chairman and Chief Executive Officer.

Furthermore, the Board has determined that each of the members of the Audit Committee, the Compensation Committee and the Governance and Social Responsibility Committee has no material relationship with Mattel (either directly or as a partner, stockholder or officer of an organization that has a relationship with Mattel) and is independent within the meaning of the director independence standards in the Corporate Governance Guidelines and the NYSE director independence standards (and in the case of the Audit Committee, SEC rules) applicable to members of such committees.

In making these determinations, the Board considered, among other things, the relationships described in the following paragraph. The Board has determined that none of these relationships is material and that none of these relationships impairs the independence of any non-employee director.

The Board considered that Mr. Eckert in his personal capacity invests in private equity funds sponsored by Friedman Fleischer & Lowe, LLC (FFL), an investment firm in which Mr. Tully Friedman is a principal. The Board concluded that these investments, which do not involve the payment of any material compensation to any director or to FFL and are not material in amount to FFL, do not adversely affect the independence of Mr. Friedman as a director of Mattel or as a member of the Compensation Committee. In addition, the Board considered that one or more directors who are not also officers of Mattel may from time to time invest in funds sponsored by FFL, but that no such investment would impact the independence of Mr. Friedman or any such investing director, because of the absence of any relationship between such investment and any member of management of Mattel.

Presiding Independent Director at Executive Sessions of the Board

The independent directors of Mattel have selected Mr. Tully Friedman as the independent director to preside at executive sessions of the independent members of the Board, during which no members of management are present. The duties of the presiding independent director include all of the following:

- presides at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the independent directors;
- serves as liaison between the Chairman of the Board and the independent directors;
- approves information sent to the Board;
- approves meeting agendas for the Board;
- approves schedules of meetings to assure that there is sufficient time for discussion of all agenda items;

- has the authority to call meetings of the independent directors; and

- if requested by major stockholders, ensures that he is available for consultation and direct communication.

The independent directors meet in executive session at least once every quarter.

Table of Contents

Communications with the Board

The independent directors of Mattel have unanimously approved a process by which stockholders of Mattel and other interested persons may send communications to any of the following: (a) the Board, (b) any committee of the Board, (c) the presiding independent director or (d) the independent directors. Such communications should be submitted in writing by mailing them to the relevant addressee at the following address:

[Addressee]

Mattel, Inc. Secretary, Mail Stop M1-1516

333 Continental Blvd.

El Segundo, CA 90245-5012

Any such communications will be relayed to the Board members that appear as addressees, except that the following categories of communications will not be so relayed (but will be available to Board members upon request):

- communications concerning company products and services;
- solicitations;
- matters that are entirely personal grievances; and
- communications about litigation matters.

Policy Regarding Attendance of Directors at the Annual Meeting of Stockholders

Each member of Mattel s Board is expected, but not required, to attend Mattel s annual meeting of stockholders. There were twelve directors at the time of the 2008 Annual Meeting of Stockholders, and all of the directors then in office attended the meeting.

Director Nominations Process

Mattel s Corporate Governance Guidelines set forth the process of selecting candidates for director positions and the role of the Governance and Social Responsibility Committee in identifying director qualifications and potential candidates.

The Guidelines provide that the full Board is responsible for selecting candidates for Board membership, and Board members are encouraged to suggest candidates for consideration. The Board delegates the screening process involved to the Governance and Social Responsibility Committee with input from the Board Chair.

Under the Guidelines, the Governance and Social Responsibility Committee is responsible for reviewing with the Board annually the skills and characteristics required of Board members, given the current make-up of the Board and the perceived needs of the Board at that time. This review includes an assessment of the talents, skills, areas of expertise, experience, diversity and independence of the Board and its members. Any changes that may have occurred in any director s responsibilities, as well as such other factors as may be determined by the committee to be appropriate for review, are also considered.

The Governance and Social Responsibility Committee Charter also sets forth the process for identifying candidates, pursuant to which the committee actively seeks individuals qualified to become

Board members for recommendation to the Board. The committee, with input from the Board Chair, screens candidates to fill vacancies on the Board; solicits recommendations from Board members as to such candidates; and considers recommendations for Board membership submitted by stockholders as described further below. Candidates whom the committee expresses interest in pursuing meet personally with at least two members of the Governance and Social Responsibility Committee before they are selected. The committee recommends to the Board director nominees for each annual meeting of stockholders.

The Governance and Social Responsibility Committee has also adopted a Director Nominations Policy. The purposes of the Director Nominations Policy are:

- to describe the methodology for selecting the candidates who are included in the Board s recommended slate of director nominees; and
- to provide a flexible set of guidelines for the effective functioning of Mattel s director nominations process.

The Governance and Social Responsibility Committee intends to review the Director Nominations Policy at least annually, and anticipates that modifications may be necessary from time to time as Mattel s needs and circumstances evolve, and as applicable legal or listing standards change. The Governance and Social Responsibility Committee may amend the Director Nominations Policy at any time, in which case the most current version will be available in the Governance section of Mattel s corporate Web site.

The Governance and Social Responsibility Committee will consider nominees recommended by Mattel s stockholders for election to the Board if such nominations are made in accordance with our Bylaws and Director Nominations Policy. Mattel s Bylaws and the Director Nominations Policy are available on Mattel s corporate Web site at http://www.mattel.com/about_us/Corp_Governance/ relatedlinks.asp#.

Corporate Governance Documentation; How to Obtain Copies

Mattel is committed to having solid standards of corporate governance. Current copies of the following materials related to Mattel s corporate governance standards and practices are available publicly on Mattel s corporate Web site at http://www.mattel.com/about_us/Corp_Governance/default.asp:

- Board of Directors Amended and Restated Guidelines on Corporate Governance;
- Information on Board and Committee membership and biographies of Board members;
- Audit Committee Charter;
- Compensation Committee Charter;

Governance and Social Responsibility Committee Charter;

Code of Conduct;

Restated Certificate of Incorporation;

Amended and Restated Bylaws;

Director Nominations Policy;

Audit Committee Complaint Procedure;

Policy on Adoption of a Shareholder Rights Plan; and

Golden Parachute Policy.

A copy of any or all of these documents may also be obtained, free of charge, by mailing a request in writing to: Secretary, Mail Stop M1-1516, Mattel, Inc., 333 Continental Boulevard, El Segundo, CA 90245-5012.

Compensation Committee Interlocks and Insider Participation

During 2008, Mr. Sullivan, Mr. Tully Friedman, Mr. Ng, Dr. Rich, and Ms. White served on the Mattel Compensation Committee. During 2008, there were no interlocks with other companies within the meaning of the SEC s proxy rules. None of the members of the Compensation Committee is or has been an officer or employee of Mattel or any of its subsidiaries.

Table of Contents

REPORT OF THE AUDIT COMMITTEE

To the fullest extent permitted under applicable laws and regulations, the following Report of the Audit Committee shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission (SEC) or subject to Regulations 14A or 14C of the Securities Exchange Act of 1934, as amended (Exchange Act), or the liabilities of Section 18 of the Exchange Act. To the fullest extent permitted under applicable laws and regulations, the Report of the Audit Committee shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent Mattel specifically incorporates it by reference.

The Audit Committee operates pursuant to a written charter adopted by the Board. The amended and restated charter of the Audit Committee may be found on Mattel s corporate Web site at http://www.mattel.com/about_us/Corp_Governance/bios.asp. A copy may also be obtained free of charge by mailing a request in writing to: Secretary, Mail Stop M1-1516, Mattel, Inc., 333 Continental Blvd., El Segundo, CA 90245-5012.

The Board has determined that each of the members of the Audit Committee meets the SEC and New York Stock Exchange (NYSE) independence requirements for members of audit committees.

The Board has further determined that each member of the Audit Committee is financially literate, as such term is used in the listing standards of the NYSE, and that Michael J. Dolan, the Chair of the Audit Committee, Dominic Ng, Vasant M. Prabhu and Christopher A. Sinclair are all audit committee financial experts, as such term is defined in Item 407(d)(5) under Regulation S-K of the Exchange Act, and have accounting or related financial management expertise, as such term is used in the listing standards of the NYSE.

The Audit Committee s responsibility is to assist the Board in its oversight of:

(a) the quality and integrity of Mattel s financial reports;

(b) the independence, qualifications and performance of PricewaterhouseCoopers LLP (PwC), Mattel s independent registered public accounting firm;

(c) the performance of Mattel s internal audit function; and

(d) the compliance by Mattel with legal and regulatory requirements.

Management of Mattel is responsible for Mattel s consolidated financial statements as well as Mattel s financial reporting process, disclosure controls and procedures, and internal control over financial reporting.

PwC is responsible for performing an integrated audit of Mattel s annual consolidated financial statements and of its internal control over financial reporting.

In this context, the Audit Committee has reviewed and discussed with management, the senior internal auditing officer of Mattel and PwC, the audited financial statements of Mattel as of and for the year ended December 31, 2008 and Management s Report on Internal Control Over Financial Reporting. Management has confirmed to the Audit Committee that, as required by Section 404 of the Sarbanes-Oxley Act, management has evaluated the effectiveness of Mattel s internal control over

Table of Contents

financial reporting using the framework in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission and concluded that it was effective at December 31, 2008.

PwC has expressed its opinion that:

(1) Mattel s consolidated financial statements present fairly, in all material respects, its financial position as of December 31, 2008 and 2007, and its results of operations and cash flows for each of the three years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America; and

(2) Mattel has maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control Integrated Framework* issued by COSO.

In addition, Mattel s Chief Executive Officer and Chief Financial Officer reviewed with the Audit Committee, prior to filing with the SEC, the certifications that were filed pursuant to the requirements of the Sarbanes-Oxley Act and the disclosure controls and procedures management has adopted to support the certifications. The Audit Committee periodically meets in separate executive sessions with management, the senior internal auditing officer and PwC. Each of PwC, the senior internal auditing officer, the Chief Financial Officer and the General Counsel has unrestricted access to the Audit Committee.

The Audit Committee has discussed with PwC the matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees* and Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*. In addition, the Audit Committee has received the written disclosures and the letter from PwC required by the PCAOB regarding the firm s independence from Mattel and has also discussed with PwC the firm s independence from Mattel.

The Audit Committee has also considered whether PwC s provision of non-audit services to Mattel is compatible with maintaining the firm s independence from Mattel.

The members of the Audit Committee are not engaged in the accounting or auditing profession and, consequently, are not experts in matters involving accounting or auditing including the subject of auditor independence. As such, it is not the duty of the Audit Committee to plan or conduct audits or to determine that Mattel s consolidated financial statements fairly present Mattel s financial position, results of operations and cash flows and are in conformity with accounting principles generally accepted in the United States of America and applicable laws and regulations. Each member of the Audit Committee is entitled to rely on:

(i) the integrity of those persons within Mattel and of the professionals and experts (such as PwC) from which the Audit Committee receives information;

(ii) the accuracy of the financial and other information provided to the Audit Committee by such persons, professionals or experts absent actual knowledge to the contrary; and

(iii)

representations made by management or PwC as to any information technology services of the type described in Rule 2-01(c)(4)(ii) of Regulation S-X and other non-audit services provided by PwC to Mattel.

Table of Contents

Based on the reports and discussions described above, the Audit Committee recommended to the Board that the audited financial statements be included in Mattel s Annual Report on Form 10-K for the year ended December 31, 2008, for filing with the SEC.

AUDIT COMMITTEE

Michael J. Dolan (Chair)

Dominic Ng

Vasant M. Prabhu

Christopher A. Sinclair

Kathy Brittain White

March 25, 2009

26

Table of Contents

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee reviewed and discussed Mattel s Compensation Discussion and Analysis with Mattel s management and with the Compensation Committee s independent compensation consultant. Based on this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into Mattel s Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

COMPENSATION COMMITTEE

G. Craig Sullivan (Chair)

Tully M. Friedman

Dominic Ng

Dr. Andrea L. Rich

Kathy Brittain White

March 25, 2009

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis explains our executive compensation philosophy, each element of our executive compensation program and the decisions made in 2008 for our named executive officers.

Key Terms

In the discussion that follows, we use the terms below in discussing our compensation plans and programs.

2005 Equity Plan. Mattel, Inc. 2005 Equity Compensation Plan, our current equity plan under which we grant stock options and RSUs.

DCPEP. Mattel, Inc. Deferred Compensation and PIP Excess Plan, our non-qualified deferred compensation plan for executives.

Director DCP. Mattel, Inc. Deferred Compensation Plan for Non-Employee Directors, our non-qualified deferred compensation plan for non-employee directors.

LTIP. Long-Term Incentive Program, our three-year incentive program, which currently has a 2008-2010 performance cycle.

MC. Management Committee, comprised of the NEOs and four other senior executive officers who report to the CEO.

MIP. Mattel Incentive Plan, our annual cash incentive plan.

NEOs. Named Executive Officers, our executive officers named in the Summary Compensation Table. For 2008, our NEOs and their titles were as follows:

Robert A. Eckert, Chairman of the Board and Chief Executive Officer (CEO)

Kevin M. Farr, Chief Financial Officer (CFO)

Neil B. Friedman, President, Mattel Brands

Bryan G. Stockton, President, International

Thomas A. Debrowski, Executive Vice President, Worldwide Operations

NOPAT less a capital charge. Net Operating Profit After Taxes less a capital charge, also referred to as the company financial goal.

PIP. Mattel, Inc. Personal Investment Plan, our tax-qualified, 401(k) savings plan.

SERP. 2005 Supplemental Executive Retirement Plan, our supplemental, non-qualified pension plan for certain executives.

RSUs. Restricted Stock Units. An RSU provides the right to receive a share of Mattel common stock (or, at the company s discretion, the cash equivalent) upon settlement of the award. RSUs may vest over a specified period of time (time-vested RSUs) or based upon the achievement of specified performance criteria (performance-based RSUs), and may be settled upon vesting or at a later date.

Table of Contents

Executive Summary

Our executive compensation and benefits program is designed and administered under the direction and control of the Compensation Committee of our Board. The Compensation Committee reviews and approves Mattel s overall executive compensation strategy and policies and sets the compensation of our executive officers.

The extraordinary and deteriorating economic environment of 2008 presented challenges for many companies, including Mattel. Because Mattel has a pay-for-performance philosophy and maintains compensation programs that link the majority of the target compensation of our most senior executives to our overall performance, the total cash compensation paid to our most senior executives for 2008 reflects a notable decrease from 2007 levels. As discussed in greater detail below, our most senior executives did not receive any bonus payout under the MIP for the 2008 calendar year, the 2008 calendar year performance threshold level for the performance-based RSUs granted under the LTIP s 2008-2010 performance cycle was not achieved, and no increases were made to our NEOs base salaries for 2008 and 2009.

The Compensation Committee s decisions with respect to 2008 are discussed in more detail under the heading Elements of Executive Officer Compensation and Benefits. In addition, the compensation and benefits provided to our NEOs for the last three fiscal years are set forth in detail in the Summary Compensation Table and other tables that follow this Compensation Discussion and Analysis, and in the footnotes and narrative material that accompany those tables.

Executive Compensation Philosophy

Executive Compensation Objectives: As for most companies, our executive compensation program is designed to enable Mattel to:

- recruit, retain and develop superior management talent;
- provide competitive pay opportunities;
- value pay-for-performance and subject a significant amount of pay to Mattel s performance;
- foster a long-term focus to increase stockholder value; and
- promote a team orientation.

Guiding Principles: Three basic principles guide the Compensation Committee in establishing our executive compensation program and evaluating its effectiveness:

Mattel must offer competitive salaries and other benefits to be able to attract, retain and motivate highly qualified and experienced executives;

executives cash compensation in excess of base salaries should be tied to a combination of company, business unit and/or individual performance; and

the financial interests of Mattel s executives should be aligned with the financial interests of stockholders, primarily through equity programs, short- and long-term incentive programs and company stock ownership.

29

Table of Contents

Overall Compensation Approach

We compare our total compensation levels to those of other large global consumer companies, with the general intent to fall at or above the median, while offering competitive pay opportunities. However, we do not target a specific percentile for our overall executive compensation packages, and our executives actual compensation is determined by company, business unit and individual performance, reflecting our pay-for-performance philosophy.

The Use of Market Comparison Data: Our comparator group for purposes of evaluating Mattel s executive compensation practices is made up of companies that are category leaders in the consumer products, apparel and fashion, food, retail and recreation industries. Although Mattel considers itself a branded consumer products company with franchise brands, it recognizes the value and importance of other category leaders to capture a diverse representation of the various markets and areas in which we compete for executive talent. These companies are similar to Mattel in their orientation, business model, size (as measured by revenues and market capitalization, approximately one-third to three times that of Mattel s) and global scale and reach. Compensation paid by this comparator group is representative of the compensation Mattel believes is required to attract, retain and motivate its executive talent. The Compensation Committee, in conjunction with Cook & Co., reviews the makeup of this group annually and makes adjustments to the composition of the group as it deems appropriate. The majority of the companies in our comparator group have remained the same over the years and the group, therefore, provides a fairly consistent measure for comparing compensation. In 2008, the comparator group comprised the following 19 companies:

Mattel s Comparator Group for Executive Compensation

Avery Dennison Corporation	Gap, Inc.	Liz Claiborne, Inc.
Avon Products, Inc.	General Mills, Inc.	Newell Rubbermaid, Inc.
Campbell Soup Company	The Hershey Company	NIKE, Inc.
The Clorox Company	H.J. Heinz Company	V.F. Corporation
Coach, Inc.	Hasbro, Inc.	Wm. Wrigley Jr.
Estee Lauder Companies, Inc.	Kellogg Company	
Fortune Brands, Inc.	Limited Brands, Inc.	

We evaluate the overall competitiveness and appropriateness of executive compensation annually by looking at the executive s total compensation package. Our aim is to establish total direct compensation (base salary, annual cash incentive and long-term incentives) at or above the median of our comparator group.

The Use of Tally Sheets: To assist with the evaluation of total compensation packages, each year the Compensation Committee reviews detailed tally sheets which provide a snapshot of the total compensation paid to each MC member. Although tally sheets do not drive individual executive compensation decisions, the tally sheets are used so that the Compensation Committee can be aware of total compensation levels of MC members. Total compensation includes the executive s base salary, annual MIP award, LTIP awards, equity-based compensation, perquisites, retirement benefits and other compensation. The tally sheets also show holdings of Mattel common stock and estimated dividend

Table of Contents

equivalents, and accumulated value and unrealized gains under prior equity-based compensation awards. In conjunction with the review of tally sheets, the Compensation Committee reviews potential severance benefits that would be payable to the MC members. The Compensation Committee s review of tally sheets may lead to changes in Mattel s compensation levels, benefit programs and perquisites. For 2008, there were no changes made to MC compensation levels based on the Compensation Committee s review of tally sheets.

The Role of the Independent Compensation Consultant: As described in more detail in Board Committees Compensation Committee beginning on page 17, Cook & Co. assists the Compensation Committee with the evaluation and design of Mattel s compensation program.

Recoupment of Compensation: The SERP provides that Mattel can take back benefits from an executive who goes to work for one of our competitors or otherwise engages in behavior that is damaging to Mattel. The purpose of this provision is not to prevent executives from leaving Mattel to join a competitor, nor to punish executives who choose to do so. Instead, the purpose is to impose appropriate limitations on the compensation executives receive and retain if they choose to join a competitor, and to align the executives compensation with the value they deliver to Mattel.

Importance of Stock Ownership Guidelines: The Compensation Committee believes that when our executives hold significant equity interests in Mattel, their interests are more closely aligned with those of our stockholders. Moreover, a meaningful direct ownership stake by our leaders demonstrates to our investors a strong commitment to Mattel s success. We therefore have had stock ownership guidelines for our NEOs and other MC members for more than a decade.

The current targeted stock ownership requirements for our NEOs were established in 2006 as a multiple of base salary converted using an average stock price over the three years prior to 2006 of $17.76. The target levels for each NEO are set forth below. MC members have until the later of December 31, 2011 or five years from the date they become MC members to meet the guidelines. For each NEO, the deadline to meet the guidelines is December 31, 2011.

NEO Minimum Stock Ownership Levels

Name	Targeted Stock Ownership (# of Shares)
Robert A. Eckert Chairman of the Board and Chief Executive Officer	350,000
Kevin M. Farr Chief Financial Officer	80,000
Neil B. Friedman President, Mattel Brands	170,000
Bryan G. Stockton President, International	80,000
Thomas A. Debrowski Executive Vice President, Worldwide Operations	80,000

31

Table of Contents

The following shares count toward the targeted stock ownership requirements:

- shares that are directly owned by the executive;
- shares that are beneficially owned by the executive, such as shares held in street name through a broker or shares held in a trust;
- RSUs granted to the executive that have vested and will be settled in shares of stock;
- amounts invested in Mattel stock under the PIP; and
- amounts credited to the executive s account that are deemed to be invested in Mattel stock under the DCPEP.

The Compensation Committee monitors progress towards meeting the guidelines, and may take each executive s progress into account in determining future equity grants. By the end of 2008, Mr. Eckert had fully met his stock ownership guideline requirement and all of our other NEOs were on track to reach their stock ownership guideline requirements within the applicable timeframe.

Tax and Accounting Considerations: When it reviews compensation matters, the Compensation Committee considers the anticipated tax and accounting treatment of various payments and benefits to Mattel and, when relevant, to its executives. Section 162(m) of the Internal Revenue Code generally disallows a tax deduction for compensation in excess of $1 million paid to the CEO and the three other most highly compensated NEOs employed at the end of the year (other than the CFO). Certain compensation is specifically exempt from the deduction limit to the extent that it does not exceed $1 million during any fiscal year or is performance-based as defined in Section 162(m). Although Mattel has plans that permit the award of deductible compensation under Section 162(m) of the Internal Revenue Code, the Compensation Committee does not necessarily limit executive compensation to the amount deductible under that provision. Rather, it considers the available alternatives and acts to preserve the deductibility of compensation to the extent reasonably practicable and consistent with its other compensation objectives. As a result, most of Mattel s compensation programs are designed to qualify for deductibility under Section 162(m), including our MIP and LTIP awards.

Although stock option awards are intended to comply with the exception for performance-based compensation under Section 162(m), RSUs and dividend equivalent payments will not comply if no performance conditions are attached to them. Because RSUs are considered to be primarily an incentive for executives to remain with Mattel, the Compensation Committee has historically chosen to make their vesting subject only to continued employment. In doing so, the Compensation Committee recognized that this could result in the loss of some of the income tax deductions that we would otherwise be entitled to take, but determined that this tax consideration was less important than structuring the awards in a way that serves their intended executive retention purpose. In 2008, as part of our LTIP described below, the Compensation Committee granted performance-based RSUs, which are intended to satisfy the Section 162(m) performance-based compensation requirements.

Mattel accounts for stock-based compensation in accordance with Statement of Financial Accounting Standards No. 123R (SFAS 123R), which requires Mattel to recognize a compensation expense relating to share-based payments (including stock options and other forms of equity compensation). SFAS 123R is taken into account by the Compensation Committee in determining to take a portfolio approach to equity grants, awarding both stock options and RSUs.

Table of Contents

The Executive Compensation Process

While the Compensation Committee has overall responsibility for establishing the elements, level and administration of our executive compensation programs, our CEO and members of Mattel s Human Resources Department routinely participate in this process, as does Cook & Co. When appropriate, however, the Compensation Committee excuses management and at times Cook & Co. from certain portions of its meetings. In performing its duties, the Compensation Committee reports and, as appropriate, makes recommendations to the Board regarding executive compensation policies and programs. The Compensation Committee informs the non-management directors of the Board of its decisions regarding compensation for the CEO and other MC members. The specific results of the Compensation Committee s decisions affecting 2008 compensation are described in detail below under the heading, Elements of Executive Officer Compensation and Benefits. The Compensation Committee s decision-making process generally occurs along an annual cycle, as follows:

Annual Cycle of Mattel s Compensation Committee

Determination of Base Salaries: In January, the Compensation Committee considers merit increases to MC members base salaries. The CEO typically provides the Compensation Committee with his recommendation regarding merit increases for each executive officer other than himself, while the CEO s base salary is determined in an executive session.

Certification of Performance Results: Also in January, the Compensation Committee reviews and certifies the prior year s results with regard to the annual performance goals under the MIP and, if applicable, the results for any performance cycle under the LTIP that was also completed in the prior year. Representatives from the Human Resources Department typically present detailed information about proposed payouts based on the results of Mattel s prior year s financial performance or the completed performance cycle, as applicable, which information is reviewed by Cook & Co.

Determination of MIP and LTIP Awards: In March, the Compensation Committee reviews, discusses and approves the proposed design and awards under the MIP for the current year and, if applicable, under the LTIP if the current year is the commencement of a new LTIP cycle. Mattel s Human Resources Department assists in this review by presenting the proposed objectives, performance levels, performance measures, strategic initiatives, award levels, participation and costs under each arrangement.

Competitive Review of Compensation: In May, the Compensation Committee evaluates a competitive review of Mattel s executive compensation programs, based on a report presented by Cook & Co. Cook & Co. annually analyzes and reports to the Compensation Committee on the competitive position of the target and actual compensation of each of the MC members. In 2008, this report included a review of each executive s total cash compensation and overall total compensation, showing the current competitive positioning. For our CEO, our CFO and our President, Mattel Brands, each compensation element was analyzed and compared to the compensation of their counterparts at the companies that make up our current comparator group, which we use to analyze the competitiveness of our compensation program. Later in the year, typically in August or September, the Compensation Committee reviews Mattel s overall executive compensation program, and the total compensation of MC members. As part of this review process, Mattel s Human Resources Department prepares and reviews separately with the Compensation Committee and Cook & Co. comprehensive tally sheets illustrating the total compensation for the most recent two years for each MC member. The Compensation Committee reviews the tally sheets with Cook & Co. and the Board.

Table of Contents

Approval of Equity Grants: Also in May, the Compensation Committee reviews, discusses and approves the annual equity grants to be made to executives. Mattel s Human Resources Department reviews with the Compensation Committee the equity compensation program s objectives, background, grant approach, grant process, award levels, proposed total pool of shares and value to be granted. Specific recommendations regarding the aggregate equity pool to be allocated to employees, the size and value of awards to be granted to employees at different levels, and the recommended grants to be made to the MC members are presented to the Compensation Committee and reviewed by Cook & Co. The approved equity grants are made by the Compensation Committee on a date in August (usually the first trading day in August), with stock options having an exercise price equal to the closing price of our common stock on such date.

Like other public companies, we seek to implement equity compensation grant procedures that comply with evolving best practices, taking into account accounting, tax and regulatory requirements, and have adopted the following procedures:

- the Compensation Committee approves all grants to the MC members and all executives who are designated as being in the Executive Leadership Band (all the executive officers and other senior officers directly below the MC level) in Mattel s compensation structure; and

- subject to certain limitations, with regard to grants to employees below the Executive Leadership Band, the Board has delegated the authority to approve annual and off-cycle equity compensation grants, such as grants to employees who are newly hired or newly promoted, to an Equity Grant Allocation Committee. Mr. Eckert is the sole member of the committee.

Elements of Executive Officer Compensation and Benefits

The components of our executive compensation programs are:

- base salary;

- annual cash incentive program (MIP);

- long-term incentives (LTIP and annual equity compensation);

- benefits and perquisites; and

- severance and change-of-control provisions.

While the Compensation Committee reviews each of these compensation elements and total compensation, the Compensation Committee s decisions in 2008 regarding a particular element were made independent of its decisions with regard to the other elements. No specific formula is used to determine the allocation between performance-based and fixed compensation. However, Mattel s emphasis on pay-for-performance resulted in target performance-based compensation representing a majority of the total target compensation of the NEOs in fiscal year 2008.

34

Table of Contents

Targeted 2008 Executive Compensation

Base Salary: Base salaries provide stable compensation to executives, allow us to attract competent executive talent, maintain a stable management team and, through periodic merit increases, provide a basis upon which executives may be rewarded for individual performance. Each of our NEOs has an employment agreement or letter which sets his minimum base salary.

Increases to base salaries are driven primarily by individual performance and market competitive factors, as well as the corporate merit budget. The annual evaluation of individual performance is based on:

- sustained levels of individual contribution to the company;
- efforts in promoting company values;
- demonstration of overall management and leadership skills;
- achievement of financial results; and
- accomplishment of key objectives.

After taking into consideration the factors above, the CEO evaluates whether any adjustments to the other NEOs base salaries are warranted and makes recommendations to the Compensation Committee. The Compensation Committee determines and approves the base salary amounts after consulting with Cook & Co. For 2008 and 2009, none of the NEOs received an increase in base salary.

Our CEO s base salary (and any adjustment to his salary) is generally determined by the Compensation Committee after consulting with Cook & Co. Although the Compensation Committee has periodically recommended increases to our CEO s base salary, Mr. Eckert has declined such increases, and his base salary remains at the level established when he was hired in 2000.

Annual Cash Incentive Program: As a key component of our pay-for-performance philosophy, under the MIP we provide our NEOs with the opportunity to earn annual cash incentive compensation based on achievement of our short-term business and individual or shared corporate strategic objectives. This program emphasizes variable at-risk compensation that is contingent on meeting specific company financial and corporate strategic initiative goals, and:

- puts a significant portion of executives annual cash compensation at risk based on Mattel s financial performance and, where applicable, that of the executives business groups;

Table of Contents

encourages participants in all areas of the company to work together to achieve common goals; and

provides a competitive level of targeted annual pay to attract and retain key talent.

The MIP performance measures and goals for NEOs in 2008 were based on objective formulae or standards set by the Compensation Committee, in order to satisfy the performance-based compensation requirements under Section 162(m) of the Internal Revenue Code.

Each year, management recommends specific company financial goals that are subject to the Compensation Committee s review and approval. Threshold, target and maximum levels are set. No bonuses are paid to any MC member unless the minimum company financial goal approved by the Compensation Committee is achieved. The payout levels for 2008 were set as follows:

Performance Level	Payout as a % of Target*	Maximum Payout Range for NEOs as a % of Base Salary
Below Threshold	0%	0%
Threshold	50%	30% 50%
Target	100%	60% 100%
Maximum	150% (200% for CEO)	90% 200%

* For performance between threshold and target levels or target and maximum levels, payout is determined linearly based on an interpolation of the applicable payout range.

The goals for our NEOs were based on the following performance measures:

Mattel s NOPAT less a capital charge;

financial performance of the executive s business unit, where appropriate, to encourage a focus on business results that the executive can directly affect; and

achievement of objectively measurable corporate strategic initiatives.

For MC members, there is no payout under the MIP if the threshold level of NOPAT less a capital charge is not achieved. NOPAT less a capital charge takes into account both income statement and balance sheet performance. The capital charge represents the amount required to:

pay interest after taxes on all long-term and short-term debt; and

provide stockholders with an acceptable risk-adjusted return on their investment.

Table of Contents

The performance measures based on objectively measurable corporate strategic initiatives used for 2008 represent Mattel s strategic direction and key business objectives for the year as they relate to achievement of sales growth by brand or segment and overhead and spending initiatives. They are the same for all MC members, thus serving to promote our team approach to performance. The annual cash incentive opportunities in 2008 were allocated as follows:

Name	Performance Measures
Robert A. Eckert Chairman of the Board and Chief Executive Officer	75% company financial goal 25% corporate strategic initiatives
Kevin M. Farr Chief Financial Officer	75% company financial goal 25% corporate strategic initiatives
Neil B. Friedman President, Mattel Brands	25% company financial goal 25% Mattel Girls and Boys Brands* 25% Fisher-Price Brands* 25% corporate strategic initiatives
Bryan G. Stockton President, International	25% company financial goal 30% International Division** 10% Mattel Girls and Boys Brands* 10% Fisher-Price Brands* 25% corporate strategic initiatives
Thomas A. Debrowski Executive Vice President, Worldwide Operations	75% company financial goal 25% corporate strategic initiatives

*   The goals relating to financial performance of the Mattel Girls and Boys Brands business unit and Fisher-Price Brands business unit were each based on the respective business unit s U.S. operating profit less an inventory charge, plus its international operating profit at planned overhead less an inventory charge.

**   The goal relating to the International Division was based on the International Division s operating profit less a working capital charge.

The specific numbers used with regard to these goals (other than NOPAT less a capital charge) involve confidential trade secrets or confidential commercial or financial information, the disclosure of which would result in competitive harm to Mattel. For the objectively measurable corporate strategic initiatives, the Compensation Committee established precise measures and determined the relative weight to be given to each measure, as well as the requirements as to how many of the measures needed to be achieved in order to reach threshold, target and maximum goals.

Table of Contents

At the time that they are set, the goals that the Compensation Committee establish are substantially uncertain to be achieved. The threshold-level goals can be characterized as stretch but attainable, meaning that based on historical performance, although attainment of this performance level is uncertain, it can reasonably be anticipated that threshold performance may be achieved, while the target and maximum goals represent increasingly challenging and aggressive levels of performance. The following table describes the history of performance level achievement for annual bonus payouts for the last three years.

Year	Performance Level Achieved
2006	*Maximum*
2007	*Slightly Above Target*
2008	*Below Threshold*

For 2008, the threshold-level company financial goal, NOPAT less a capital charge, of $195.5 million was not met. For 2008, the actual level of NOPAT less a capital charge was $38 million. As a result, members of the MC did not receive any bonus payout under the MIP.

At its March 2009 meeting, the Compensation Committee established the performance measures, goals and potential award levels for MIP participants for the 2009 calendar year, which were different than those established in previous years. Previously, the company financial goal had been measured solely based on NOPAT less a capital charge. In order to further align the incentives for Mattel s executives with stockholder interests and to focus on those elements that drive total shareholder return, the committee adopted the following three performance measures for the 2009 calendar year: operating profit (plus or minus non-operating income/expense), free cash flow and gross margin percent. The goals for the MC members focus solely on these financial measures with at least 50% weighting on company measures.

Long-Term Incentives: We provide our NEOs and certain other senior executives with the opportunity to earn long-term pay-for-performance incentive compensation, as an incentive to achieve our long-range financial objectives and a reward for success in doing so. We believe that it is crucial to Mattel s success that executives maintain a long-term focus. This component of our overall compensation program complements the MIP by rewarding growth in stockholder value that is sustained over several years and encouraging participants to focus on longer-term achievement. Our long-term incentives have been designed using a portfolio approach encompassing a mix of equity vehicles one third annualized performance-based RSUs established under the three-year LTIP, one third annual grants of stock options and one third annual grants of time-vested RSUs.

LTIP: In 2008, to further align executives and stockholders interests and to put LTIP awards at risk for stock price performance, awards under our LTIP were granted in the form of performance-based RSUs and, if earned, will be paid in shares of Mattel common stock.

We currently use successive three-year performance cycles with no overlap, which we find to be consistent with our business planning approach. Payout of the performance-based RSUs, if any, is made shortly after the conclusion of the three-year performance cycle. As a result, year-to-year comparisons of total incentive plan compensation may be distorted by the fact that the LTIP payments are made only once every three years. The current performance cycle began on January 1, 2008 and ends on December 31, 2010.

Table of Contents

For the 2008-2010 performance cycle, the structure of the program satisfies the performance-based compensation requirements under Section 162(m) of the Internal Revenue Code. The performance goals are based primarily on the company financial measure of NOPAT less a capital charge (the performance-related component), with the payout of awards adjusted based on our total shareholder return during the performance cycle relative to the performance of the S&P 500 from January 1, 2008 through December 31, 2010 (the market-related component), to provide a link between incentive pay and market performance. Achievement of total shareholder return above or below the return of the S&P 500 will result in increases or decreases of earned awards, respectively. These total shareholder return targets and point modifiers were all established at the commencement of the 2008-2010 performance cycle. The company financial measure of NOPAT less a capital charge will be measured against annual goals for each year in the performance cycle and averaged for the three-year cycle.

Participants have the opportunity to earn payouts based on achievement of threshold, target and maximum goals. The performance goals are adopted at a point in time when it is substantially uncertain that any of the goals will ultimately be achieved. The 2008 calendar year LTIP performance goals were the same as the MIP s 2008 calendar year performance goals. Given business results for 2008, the threshold-level goals for the first year of the 2008-2010 performance cycle were not achieved. For our NEOs, the following table shows the minimum and maximum number of shares they could have earned at the start of the 2008-2010 performance cycle, as well as the maximum number of shares they can earn hereafter:

Approved LTIP 2008-2010 Performance Cycle Payout Range for 2008 and 2009

Name	Minimum Number of Shares	Maximum Share Opportunity as of January 1, 2008	Remaining Maximum Share Opportunity as of January 1, 2009
Robert A. Eckert Chairman of the Board and Chief Executive Officer	0	617,284	462,963
Kevin M. Farr Chief Financial Officer	0	134,680	101,010
Neil B. Friedman President, Mattel Brands	0	280,584	210,438
Bryan G. Stockton President, International	0	134,680	101,010
Thomas A. Debrowski Executive Vice President, Worldwide Operations	0	134,680	101,010

At its March 2009 meeting, the Compensation Committee established the 2009 performance goals for the threshold, target and maximum levels. The performance measures remain consistent for the cycle.

Table of Contents

***Equity Compensation*:** The Compensation Committee currently uses a portfolio approach to make grants to executives under Mattel s equity compensation plans, granting both stock options and time-vested RSUs that vest over three years. For the August 1, 2008 grant, a specific dollar value for each executive was established based on the total compensation review in May 2008, as described above, which was prior to the sharp decline in the market and stock values that began in August 2008. The value was then converted to a number of shares based on a grant price Black-Scholes value for stock options and the grant price for RSUs. For our NEOs in 2008, half of this total dollar value was granted as stock options and half as time-vested RSUs.

In furtherance of Mattel s executive compensation philosophy, the Compensation Committee has taken this portfolio approach to equity awards. Each type of award serves a different purpose. Stock options aim to align the executives interest with that of stockholder interests by providing the opportunity for executives to realize value only when our stock price increases. Furthermore, if the stock price does increase, the three-year vesting period helps to retain executives. However, if our stock price does not rise, then the stock options provide no value to executives. By contrast, while the value executives realize in connection with an award of RSUs does depend on our stock price, time-vested RSUs have some value regardless of whether our stock price increases or decreases (unlike performance-based RSUs granted under the LTIP that do not vest unless the performance threshold is achieved). As a result, they help to secure and retain executives and instill an ownership mentality over the three-year vesting schedule, regardless of whether our stock price increases or decreases. Moreover, the holders of time-vested RSUs receive annual cash dividend equivalent payments, treating the holders like stockholders and helping to retain them. Thus, while both types of awards link our executives pay to stockholder value, stock options (and performance-based RSUs granted under the LTIP) are a particularly effective way to put significant value at risk in relation to increases in stockholder value, while time-vested RSUs are particularly effective as a retention and stock ownership tool.

The specific grants made to our NEOs in 2008 and their vesting schedules are set forth in the Grants of Plan-Based Awards table and the footnotes and narrative disclosure accompanying that table.

Benefits and Perquisites: Our NEOs participate in the same broadly based benefit plans as our other U.S. employees. In addition, we provide certain executive benefits to promote tax efficiency and to replace benefit opportunities that are not available to executives because of regulatory limits. These include:

- The DCPEP, which is a nonqualified deferred compensation plan that is intended to provide a mechanism to defer compensation in excess of the amounts that are legally permitted to be deferred under the PIP. Together, the PIP and the DCPEP allow participants to set aside amounts as tax-deferred savings for their retirements. See the Nonqualified Deferred Compensation table and the accompanying footnotes and narrative disclosure for details on the DCPEP.

- The SERP, which is intended to provide a competitive retirement benefit, additional security to covered employees, and, we believe, aids in retention and builds long-term commitment to the company. See the Pension Benefits table and the accompanying footnotes and narrative disclosure for details on the SERP.

Table of Contents

Limited perquisites that we offer to attract and retain top executive talent. Some of the perquisites, like the personal use of corporate aircraft for our CEO and home security services, provide a benefit to Mattel as well as the executive. The perquisites provided to our NEOs are set forth in the Summary Compensation Table and the footnotes and narrative disclosure accompanying that table.

Under his employment agreement, our CEO is permitted to make personal use of company aircraft for up to 60 hours per year while he serves as CEO, and we make him whole on the income taxes on the imputed income he receives as a result of this benefit. In deciding to provide this benefit, in 2000 the Compensation Committee reviewed a detailed financial analysis of the out-of-pocket costs and tax consequences to Mattel of providing this benefit, and was advised by its compensation consultant at the time of its decision regarding the cost and prevalence of this type of perquisite for chief executive officers. The Compensation Committee then concluded that providing this benefit as part of Mr. Eckert s compensation would minimize the disruptions and burdens of his personal travel and provide him with additional flexibility and time to attend to company business notwithstanding his personal travel schedule, and thereby benefiting Mattel and its stockholders.

Severance and Change-of-Control Provisions: The severance and change-of-control provisions of our NEOs employment agreements and letters are described in detail in the section entitled Potential Payments upon Termination or Change of Control.

Each agreement or letter establishes the minimum terms and conditions of the executive s duties, compensation and benefits, and provides that severance benefits appropriate to the executive s positions will be paid if his employment is terminated by Mattel without cause, or (in the case of each employment agreement) by the executive in response to a breach of the agreement by Mattel. To be entitled to severance benefits, the executive must execute a general release of Mattel and comply with post-employment covenants to protect our confidential information and not to solicit our employees. The employment agreements evergreen terms rolling three- or two-year terms establish the understanding between Mattel and the executives that their employment will continue for the long term. Similarly, the employment offer letter with Mr. Stockton (our President, International) is in effect for an indefinite term. In November 2008, the Compensation Committee approved technical amendments to the employment agreements and Mr. Stockton s employment offer letter, effective as of December 31, 2008, to comply with Section 409A of the Internal Revenue Code, a tax law enacted in 2004 that governs nonqualified deferred compensation.

Mattel has adopted a Golden Parachute Policy. This policy generally limits cash severance benefits to senior executives to 299% of base salary and annual bonus, unless the arrangement is submitted to a stockholder vote. This policy does not apply to the employment agreements with our NEOs, because they were entered into before the policy was adopted.

The other change-of-control benefits that are available to our NEOs are provided by the terms of our various plans, and are available to all plan participants, regardless of whether they have employment agreements. The MIP provides that upon a change of control, the current-year MIP bonuses are paid out immediately at the target level, provided that there is no duplication of payments by severance payments under the employment agreements.

Table of Contents

Our equity grants also generally contain change-of-control provisions, under which all outstanding unvested stock options and time-vested RSUs will vest upon a change of control. Awards under the LTIP that were granted in the form of performance-based RSUs, however, only vest upon a change of control if the awards are not assumed, honored or substituted for by an acquirer. In addition, option holders are guaranteed a minimum period of two years to exercise their options if their employment is terminated without cause during the first 18 months after the change of control. As noted above, a principal purpose of providing executives with equity-based compensation is to align their interests with those of stockholders. Vesting of equity awards upon a change of control, and ensuring that option holders who lose their employment after the change have an adequate opportunity to realize value by exercising them, helps ensure that our executives and employees can realize the same benefits from a change-of-control as stockholders.

Table of Contents

SUMMARY COMPENSATION TABLE

The following table sets forth information concerning total compensation earned or paid to our NEOs for service in 2008, 2007 and 2006.

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Stock Awards(1) ($) (e)	Option Awards(2) ($) (f)	Non-Equity Incentive Plan Compensation(3) ($) (g)		Change in Pension Value and Nonqualified Deferred Compensation Earnings(4) ($) (h)	All Other Compensation(6) ($) (i)	Total ($) (j)
Robert A. Eckert	2008	1,250,000	1,974,488	1,799,829	*Annual*	0	1,282,746	691,988	6,999,051
Chairman of the	2007	1,250,000	925,500	1,105,702	*Annual*	1,407,500	541,823	430,802	11,350,527
Board and Chief					*Long-Term*	5,689,200			
Executive Officer					*Total*	7,096,700			
	2006	1,250,000	249,167	1,614,214	*Annual*	2,500,000	0	381,178	5,994,559
Kevin M. Farr	2008	725,000	413,493	221,993	*Annual*	0	204,534	148,162	1,713,182
Chief Financial Officer	2007	725,000	188,375	125,013	*Annual*	424,560	71,813	111,858	3,068,919
					Long-Term	1,422,300			
					Total	1,846,860			
	2006	721,154	49,833	39,149	*Annual*	652,500	125,095	100,167	1,687,898
Neil B. Friedman	2008	1,000,000	1,061,266	758,230	*Annual*	0	78,335	342,515	3,240,346
President, Mattel Brands	2007	1,000,000	589,000	559,938	*Annual*	549,600	1,442,952(5)	1,209,756	7,721,746
					Long-Term	2,370,500			
					Total	2,920,100			
	2006	1,000,000	250,833	563,750	*Annual*	1,200,000	724,449	187,414	3,926,446
Bryan G. Stockton	2008	750,000	364,113	503,257	*Annual*	0	649,837	180,214	2,447,421
President, International	2007	701,923	157,335	177,038	*Annual*	279,900	250,919	140,922	3,130,337
					Long-Term	1,422,300			
					Total	1,702,200			
	2006	675,000	63,968	62,639	*Annual*	607,500	229,032	97,844	1,735,983
Thomas A. Debrowski	2008	710,000	357,170	310,704	*Annual*	0	559,759	140,787	2,078,420
Executive Vice President,	2007	710,000	157,335	186,646	*Annual*	300,000	526,509	112,855	3,415,645
Worldwide Operations					*Long-Term*	1,422,300			
					Total	1,722,300			
	2006	706,154	42,358	187,917	*Annual*	639,000	358,049	123,035	2,056,513

Footnotes to Summary Compensation Table:

(1) Column (e), Stock Awards, shows our 2008, 2007 and 2006 financial reporting expenses for stock awards to our NEOs, consisting of time-vested RSUs and performance-based RSUs, disregarding any possible forfeitures as a result of failure to satisfy service conditions. For background, see the discussion of expense calculation in Notes 1, 8 and 10 to Mattel s Consolidated Financial Statements for 2008, Notes 1 and 8 to Mattel s Consolidated Financial Statements for 2007 and Notes 1 and 8 for 2006. These expenses include amounts attributable to all awards that were unvested for any portion of 2008, 2007 and 2006, regardless of when granted. Accordingly, the 2008 row in Column (e) includes the expenses for awards made in 2008, 2007 and 2006 as well as the expense for awards granted to

Mr. Friedman in 2005, the 2007 row in Column (e) includes the expenses for awards made in 2007 and 2006 as well as the expense for awards granted to Mr. Friedman in 2005, and the 2006 row in Column (e) includes the expenses for awards made in 2006 as

Table of Contents

well as the expense for awards granted to Mr. Friedman and Mr. Stockton in 2005. For financial reporting, $0 was charged to expense relating to the performance-related component of the performance-based RSUs as the threshold-level goals for the first year of the LTIP 2008-2010 performance cycle were not achieved, and for each NEO, the following amounts were charged to expense for the market-related component of the performance-based RSUs, which is included in the 2008 row in Column (e): Mr. Eckert, $335,859; Mr. Farr, $73,278; Mr. Friedman, $152,663; Mr. Stockton, $73,278; and Mr. Debrowski, $73,278.

(2) Column (f), Option Awards, shows our 2008, 2007 and 2006 financial reporting expenses for stock options awarded to our NEOs, disregarding any possible forfeitures as a result of failure to satisfy service conditions. For background, see the discussion of expense calculation in Notes 1 and 10 to Mattel s Consolidated Financial Statements for 2008, Notes 1 and 8 to Mattel s Consolidated Financial Statements for 2007 and Notes 1 and 8 to Mattel s Consolidated Financial Statements for 2006. These expenses include amounts attributable to all options that were unvested for any portion of 2008, 2007 and 2006, regardless of when granted. Accordingly, the 2008 row in Column (f) includes expenses for options granted in 2008, 2007 and 2006 (other than for Mr. Friedman and Mr. Debrowski) as well as options granted to Mr. Eckert in 2005, the 2007 row in Column (f) includes expenses for options granted in 2007 and 2006 as well as options granted to Mr. Eckert in 2005 and 2004, and the 2006 row in Column (f) includes expenses for options granted in 2006 as well as options granted to Mr. Eckert in 2005, 2004 and 2003. All options granted to our other NEOs in those years that were still unvested in December 2005 were vested on an accelerated basis. See the narrative disclosure to the Outstanding Equity Awards at 2008 Year-End table below for more information about this accelerated vesting. The values for options are estimates using the same method as for our financial reporting, using the Black-Scholes pricing model. Under this model, the following assumptions apply to the options granted to our NEOs in 2008: 4.8 year expected life; 3.2% risk-free rate; 25.6% volatility factor; and 3.7% dividend yield, resulting in a $3.65 fair value per granted option. The following assumptions apply to the options granted to our NEOs in 2007: 4.7 year expected life; 4.6% risk-free rate; 22.6% volatility factor; and 2.8% dividend yield, resulting in a $4.77 fair value per granted option. The following assumptions apply to the options granted to our NEOs in 2006: 5.1 year expected life; 4.9% risk-free rate; 28.0% volatility factor; and 2.8% dividend yield, resulting in a $4.51 fair value per granted option.

(3) Column (g), Non-Equity Incentive Plan Compensation, shows the cash compensation paid to our NEOs under the MIP and the predecessor Long-Term Incentive Plan for 2008, 2007 and 2006. The long-term component in 2007 reflects the three-year performance period under the predecessor Long-Term Incentive Plan beginning on January 1, 2005 and ending on December 31, 2007.

(4) Column (h), Change in Pension Value and Nonqualified Deferred Compensation Earnings, shows the increase in the pension benefits that the NEOs have earned during 2008, 2007 and 2006, including those accrued under the SERP. This is determined by subtracting (1) the present value of each executive s accrued benefits as of December 31, 2007 for 2008, as of December 31, 2006 for 2007, and as of December 31, 2005 for 2006 from (2) the present value of their accrued benefits as of December 31, 2008 for 2008, as of December 31, 2007 for 2007 and as of December 31, 2006 for 2006. The amounts described in clause (2) are shown in the Pension Benefits table below, and are computed in the manner explained in the narrative disclosure to the Pension Benefits table. The amounts described in clause (1) are also computed in this manner, but are based upon the executives service, compensation and age as of December 31, 2007 for 2008,

Table of Contents

as of December 31, 2006 for 2007 and as of December 31, 2005 for 2006. No amount is included in Column (h) with respect to nonqualified deferred compensation earnings, because there were no above-market earnings on nonqualified deferred compensation.

(5) For Mr. Friedman, the 2007 change in pension value is attributable to the following occurring in 2007: (1) he became eligible to receive benefits under the SERP, (2) he reached age 60 so there was no reduction in benefit, and (3) his final average compensation increased. Mr. Friedman s SERP benefits are described in more detail in the Pension Benefits table below and the footnotes and narrative disclosure accompanying that table.

(6) Column (i), All Other Compensation, includes the following perquisites and other items of compensation provided to our NEOs in 2008:

	Robert A. Eckert, Chairman of the Board and Chief Executive Officer ($)	Kevin M. Farr, Chief Financial Officer ($)	Neil B. Friedman, President, Mattel Brands ($)	Bryan G. Stockton, President, International ($)	Thomas A. Debrowski, Executive Vice President, Worldwide Operations ($)
Variable costs to Mattel of personal use of company aircraft (other than tax gross-up)(1)	285,438	0	0	0	0
Reimbursement of country club initiation fee	150,000	0	0	0	0
Relocation taxable (other than tax gross-up)	0	0	60,000	0	0
Company car program	49,906	36,403	24,000	24,000	15,520
Other perquisites(2)	17,321	22,507	16,366	19,677	7,920
TOTAL PERQUISITES	502,665	58,910	100,366	43,677	23,440
Contributions by Mattel to PIP	19,462	25,300	27,600	25,300	27,600
Contributions by Mattel to DCPEP	116,346	52,144	92,308	59,135	55,708
Life insurance premiums	9,295	3,864	15,444	7,439	7,069
Personal use of company aircraft tax gross-up(1)	35,489	0	0	0	0
Relocation related tax gross-up	0	0	41,329	0	0
Other tax gross-ups(3)	8,731	7,944	65,468	44,663	26,970
TOTAL ALL OTHER COMPENSATION	691,988	148,162	342,515	180,214	140,787

(1) These benefits are provided to Mr. Eckert pursuant to the terms of his employment agreement, as described below.

(2) The Other Perquisites row includes the following perquisites that are provided to all of our NEOs: financial counseling and tax return preparation; physical examination; spouse s physical examination; company-provided home security system; premiums on excess liability insurance provided by Mattel; and personal use of country club membership.

Table of Contents

(3) The Other Tax Gross-Ups row includes tax gross-ups related to financial counseling ($8,731 for Mr. Eckert, $7,944 for Mr. Farr, $7,468 for Mr. Friedman, and $7,722 for Mr. Stockton); and tax gross-ups related to Medicare taxes on the value of vested benefits under the SERP for Mr. Friedman ($58,000), Mr. Stockton ($36,941) and Mr. Debrowski ($26,970).

The dollar amounts for each perquisite and each other item of compensation shown in Column (i), All Other Compensation, and in this footnote (6), represent Mattel s incremental cost of providing the perquisite to the NEO in question, in each case without taking into account the value of any income tax deduction for which Mattel is eligible.

For purposes of calculating the incremental costs to Mattel of Mr. Eckert s personal use of company aircraft, Mattel includes the hourly occupied charge, the cost of fuel, any applicable ground costs, any applicable catering costs, domestic passenger fees, and federal excise tax charges relating to his personal use of company aircraft. The related tax gross-up represents the amount paid by the company to make Mr. Eckert whole for the taxes he pays on imputed income for his personal use of company aircraft. Incremental costs to Mattel for other items were determined as the actual amounts credited to, paid to or on behalf of the executive (automobile allowance, financial counseling and tax return preparation, physical examination, tax gross-ups, Mattel s contributions to the PIP and DCPEP, and life and liability insurance coverage) or the portion of costs allocated to the executive s personal use of a perquisite (personal use of a company automobile, and personal use of a country club membership).

Narrative Disclosure to Summary Compensation Table:

Employment Agreements

Some of the compensation reflected in this table is provided pursuant to employment agreements that we have entered into with Messrs. Eckert, Farr, Friedman and Debrowski and an employment offer letter that we have entered into with Mr. Stockton, in each case at the time the executive was hired or promoted, and which have since been supplemented and amended. These contractual arrangements establish the minimum terms and conditions of the executives employment, which are summarized below. In addition, the following special provisions are contained in these individual agreements and letter agreements, as supplemented and amended:

- <u>treatment of equity awards in connection with termination of employment</u>: see the Grants of Plan-Based Awards table, the Outstanding Equity Awards at 2008 Year-End table, and the footnotes and narrative disclosure accompanying those tables;

- <u>supplemental pension benefits</u>: see the Pension Benefits table and the footnotes and narrative disclosure accompanying that table; and

- <u>severance pay and other benefits provided in connection with termination of employment and/or change of control</u>: see the section below entitled Potential Payments upon Termination or Change of Control.&#148