

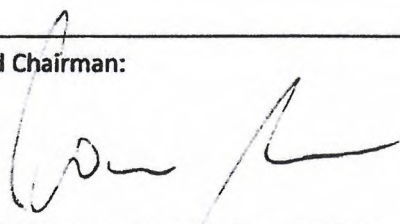
Mattel Northern Europe A/S,
c/o Langebrogade 5, 1411 København k

Annual
Report

2015

Adopted at the annual general meeting dated: 30th May 2016

Signed Chairman:



CVR 16278831

Contents

Statement by the Board of Directors and the Executive Board	2
Independent Auditors Report	3 -4
Company details	5
Accounting Policies	6 -7
Financial statements for the period 1 January – 31 December	8-10
Notes to the accounts	11-12

Statement by the Board of Directors and the Executive Board

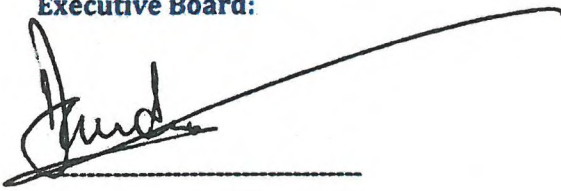
The Board of Directors and the Executive Board have reviewed and approved the annual report of Mattel Northern Europe A/S for the financial year 1 January to 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations and its financial position.

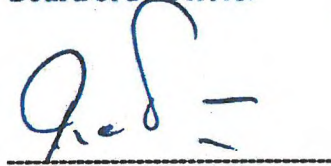
We recommend that the annual report be approved at the annual general meeting.

Executive Board:

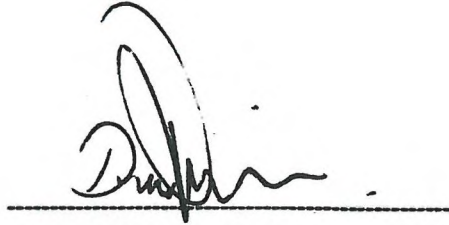


David Allmark

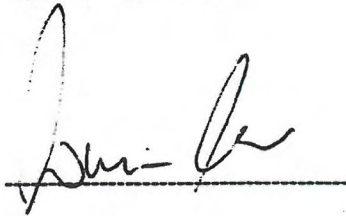
Board of Directors:



René van den Polder



Dean William Ikin



Dominic Julian Geddes
Chairman

30/5/2016

Independent Auditor's Report

To the Shareholders of Mattel Northern Europe A/S

We have audited the Financial Statements of Mattel Northern Europe A/S for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Report on Other Legal and Regulatory Requirements

Emphasis-of-matter concerning non-compliance with Danish bookkeeping act

Contrary to statutory requirements, the Company keeps accounting records on file abroad, and consequently Management may incur liability.

Copenhagen, 30th May 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33771231



Ole Tjørnelund Thomsen

State Authorised Public Accountant



James Liang

State Authorised Public Accountant

Company details:

Mattel Northern Europe A/S

Registered address: c/o Langebrogade 5, 1411 København K

Website: www.mattel.dk
E-mail: rene.vandepolder@mattel.com
CVR No. 16278831
Established: 1. July 1992
Financial Year: 1 January – 31 December 2015

Business activities and mission

Mattel Northern Europe in Denmark supports the sale of Mattel branded toys in the Scandinavian countries as part of an exclusive distribution agreement with Top Toy group.

Board of Directors

Dominic Julian Geddes, Chairman

René van den Polder

Dean William Ikin

Executive Board

David Allmark

Parent

Mattel Europe Holdings BV. Gondel 1, 1186 MJ Amstelveen, Holland.

The accounts are included in the consolidated accounts of Mattel Inc. 333 Continental Boulevard, El Segundo, California, USA which is the global ultimate parent.

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44, 2900 Hellerup

Accounting Policies

The Annual report of Mattel Northern Europe A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises. The company has taken advantage of the option to publish the accounts in the English language only.

Mattel Northern Europe in Denmark supports the sale of Mattel branded toys in the Scandinavian countries as part of an exclusive distribution agreement with Top Toy group.

The accounting policies are consistent with those of last year.

Foreign currency transactions

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the date of transactions.

Gains and losses arising due to differences between the transaction date rate and the rate at the date of payment are recognized in the financial income and expenses in the income statement.

Monetary items denominated in foreign currencies are translated into Danish Kroner at the exchange rates at the balance sheet date. Realized and unrealized exchange gains and losses are recognized in the income statement as financial income/expenses.

Income Statement

Gross Profit

All expenses incurred in connection with provision of the services under the service agreement with Mattel Europa B.V are recharged to the latter. The Gross profit is the income resulting from the total charge back to Mattel Europa B.V including mark up, less admin expenses, but before personnel and depreciation costs as shown.

Depreciation and write-downs

Fixed assets are depreciated using the straight-line method based on the cost and with reference to the useful life and residual value of the assets:

	Useful life	Residual value
Computer equipment, office furniture and other fixtures and fittings	3-10 years	0
Leasehold improvements	5 years (length of lease)	0

Net financials

Financial income and expenses are recognized in the income statement at the amounts that relate to the reporting period. The net financials include interest income and expenses, realized and unrealized foreign exchange gains and allowances and surcharges under the advance payment of tax scheme etc.

TAX

Tax for the year includes current tax on the years expected taxable income and the years deferred tax adjustments resulting from the different depreciation treatment. Current and deferred taxes related to items recognized directly in equity are, where applicable, taken directly to equity.

Balance Sheet

Property, plant and equipment

PP&E comprise equipment, IT and Leasehold improvements. PP&E are measured at cost less accumulated depreciation and amortization.

Receivables

Receivables, where shown, are only related to Intercompany or receivables from Government bodies (Tax, etc). Correspondingly they are measured at nominal value with no allowance for bad debts.

Prepayments

Prepayments recognized under "Assets" comprise prepaid expenses related to subsequent reporting years.

Income taxes

Current tax charges are recognized in the balance sheet as the estimated tax charge for the current reporting year, less tax paid in advance. Any liability or prepayment for previous years taxes are also included in the balance sheet.

Provisions for deferred tax are calculated based on all temporary differences between carrying amount and tax values. Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings, or a set off against deferred tax liabilities.

Liabilities

Liabilities are measured at amortized cost which substantially corresponds to nominal value.

Income statement	note	Year ending 31 December	
		2015 DKK	2014 DKK 000
Gross Profit		3,718,113	8,541
<i>Personnel costs</i>	2	-3,356,029	-7,712
<i>Depreciation on property, plant and equipment</i>		-31,414	-140
Profit before financials		<u>330,670</u>	<u>689</u>
Financial Income	3	71,150	1
Financial expenses	4	-282,428	-32
Profit before Tax		<u>119,392</u>	<u>658</u>
Tax on profit for the year	5	-53,362	-163
Net profit for the year		<u><u>66,030</u></u>	<u><u>495</u></u>
Proposed profit appropriation			
proposed dividend		<u>0</u>	<u>0</u>
retained earnings		<u><u>66,030</u></u>	<u><u>495</u></u>

Balance	note	Year ending 31 December	
		2015	2014
Assets		DKK	DKK 000
Non current assets			
Property, plant & Equipment			
Leasehold improvements		1,407	104
Fixtures and fittings, tools and equipment		0	208
		1,407	312
Financial assets			
Investments			
Long term deposits		32,000	166
		32,000	166
Total non-current assets		33,407	578
Current assets			
Receivables			
Receivables from Group companies		16,522,924	1,592
Taxes receivable		48,000	0
Other receivables		59,434	674
Deferred tax asset		71,681	49
Prepayments		18,476	80
		16,720,515	2,396
Bank and cash		1,430,468	16,051
Total current assets		18,150,983	18,447
Total assets		18,184,390	18,925

Balance Sheet	note	Year ending 31 December	
		2015	2014
Equity and liabilities		DKK	DKK 000
Equity			
Share capital		501,000	501
Retained earnings		15,715,830	15,650
Total Equity	6	<u>16,216,830</u>	<u>16,151</u>
Liabilities			
Current liabilities			
Trade payables		287,009	404
Payables to group enterprises		620,582	582
Corporation taxes		0	11
other payables		1,059,969	1,777
Short term liabilities		<u>1,967,560</u>	<u>2,774</u>
Total equity and liabilities		<u>18,184,390</u>	<u>18,925</u>
Business Restructuring	1		
Other financial obligations	7		

Notes

1 Business Restructuring

Due to a redefinition of the companies activities it has been decided to move certain activities to other group activities primarily in the UK. Following that there has been a reduction in the staff numbers based in Denmark.

	2015 DKK	2014 DKK 000
2 Personnel costs		
Wages and salaries	2,990,964	6,983
Pensions	297,426	594
Other social security costs	<u>67,639</u>	<u>135</u>
	<u>3,356,029</u>	<u>7,712</u>
average number of employees	2	9
3 Financial income		
Other interest receivable, FX gains and similar income	<u>71,150</u>	<u>811</u>
	<u>71,150</u>	<u>811</u>
4 Financial expenses		
Bank charges, FX loss and similar expenses	<u>282,428</u>	<u>32</u>
	282,428	32

5 Tax on profit/loss for the year

	2015	2014
Current Tax	0	0
Adjustment of deferred tax	-22,308	-28,172
Adjustment of tax for previous year	<u>-31,054</u>	<u>-135,118</u>
	<u>-53,362</u>	<u>-163,290</u>

6 Statement of changes in equity

		Share Capital	Retained Earnings	Total
Equity at 1 Jan	2015	501,000	15,649,800	16,151,800
Retained Earnings	2015	<u> </u>	<u>66,030</u>	<u>66,030</u>
Equity at 31 Dec	2015	<u>501,000</u>	<u>15,715,830</u>	<u>16,216,830</u>

Analysis of the company's share capital		DKK 501,000	2015 DKK	2014 DKK000
1 Share	500000		500,000	500
1 Share	1000		<u>1,000</u>	<u>1</u>
			<u>501,000</u>	<u>501</u>

Ownership

The following shareholders are recorded in the company register of shareholders as holding 100% of the votes and the share capital

Mattel Europa Holdings B.V. Amstelveen, The Netherlands

7 Other financial obligations	2015 DKK000	2014 DKK000
Payment under rent and operating leases	90	675