

MATTEL INC /DE/
Form 424B2
May 02, 2014
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Registration No. 333-194430

CALCULATION OF FEE TABLE

Title of each class of securities to be registered	Amount to be registered	Maximum offering price per unit	Maximum aggregate offering price	Amount of registration fee(1)
2.350% Notes due 2019	\$500,000,000	99.925%	\$499,625,000	\$64,351.70

(1) Calculated pursuant to Rule 457(o) and (r) under the Securities Act of 1933.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated March 7, 2014)

\$500,000,000

2.350% Notes due 2019

We are offering \$500,000,000 of our 2.350% Notes due 2019 (the "Notes"). We will pay interest on the Notes on May 6 and November 6 of each year, beginning November 6, 2014. The Notes will mature on May 6, 2019. The Notes are redeemable, in whole or in part, at the redemption price specified under "Supplemental Description of the Notes - Optional Redemption." If a Change of Control Triggering Event as described herein occurs, unless we have exercised our option to redeem the Notes, we will be required to offer to repurchase the Notes at the price described under "Supplemental Description of the Notes - Offer to Repurchase." The Notes will be issued only in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The Notes will be our senior unsecured obligations and will rank equally in the right of payment with our existing and future senior unsecured indebtedness.

The Notes are a new issue of securities with no established trading market. The Notes will not be listed on any securities exchange or on any automated dealer quotation system.

Investing in the Notes involves risk. See **Risk Factors** beginning on page S-8 of this prospectus supplement.

	Per Note	Total
Public offering price(1)	99.925%	\$ 499,625,000
Underwriting discount	0.600%	\$ 3,000,000
Proceeds (before expenses) to us(1)	99.325%	\$ 496,625,000

(1) Plus accrued interest, if any, from May 6, 2014, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Notes or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Notes to purchasers through the book-entry delivery system of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, *société anonyme*, and Euroclear Bank, S.A./N.V., as operator of the Euroclear System, on or about May 6, 2014, against payment in immediately available funds.

Joint Book-Running Managers

BofA Merrill Lynch

Citigroup

Morgan Stanley

Wells Fargo Securities

Joint Lead Managers

Mitsubishi UFJ Securities

Mizuho Securities

RBC Capital Markets
Co-Managers

SOCIETE GENERALE

HSBC
US Bancorp

KeyBanc Capital Markets

RBS
Scotiabank

The date of this prospectus supplement is May 1, 2014.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus we have authorized. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. This prospectus supplement and the accompanying prospectus may only be used where it is legal to sell these securities. You should assume that the information in this prospectus supplement, the accompanying prospectus and any information we have incorporated herein and therein by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

Unless the context requires otherwise or unless otherwise indicated, references to **Mattel** and to **we**, **us**, or **our** refer collectively to **Mattel, Inc.** and/or one or more of its family of companies.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. This prospectus supplement also adds to, updates, and changes information contained in the accompanying prospectus. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. The accompanying prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) using a shelf registration statement. Under the shelf registration process, from time to time, we may offer and sell debt securities, warrants or other rights, stock purchase contracts, units, common stock, preferred stock, preference stock or depositary shares, or any combination thereof, in one or more offerings.

It is important that you read and consider all of the information contained in this prospectus supplement, the accompanying prospectus and any free writing prospectus we have authorized in making your investment decision. You should also read and consider the information in the documents to which we have referred you in Incorporation by Reference on page S-v of this prospectus supplement and Where You Can Find More Information on page 2 of the accompanying prospectus.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and any free writing prospectus we have authorized, including information incorporated by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). We are including this Cautionary Statement to make applicable, and take advantage of, the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for any such forward-looking statements. Forward-looking statements provide current expectations or forecasts of future events and include, among others:

statements with respect to our beliefs, plans, objectives, goals, guidelines, expectations, anticipations, and future financial condition, results of operations and performance; and

statements preceded by, followed by or that include the words may, will, could, should, would, believe, anticipate, estimate, intend, plan, aims, projects, continue, likely or similar expressions.

Except for historical matters, the matters discussed, or incorporated by reference, in this prospectus supplement, the accompanying prospectus and any free writing prospectus we have authorized, may be forward-looking statements. These forward-looking statements are not guarantees of future performance, nor should they be relied upon as representing management's views as of any subsequent date. Forward-looking statements involve significant risks and uncertainties and actual results may differ materially from those presented, either expressed or implied, in this prospectus supplement, the accompanying prospectus and any free writing prospectus we have authorized, including the information incorporated by reference. You should carefully consider those risks and uncertainties in reading this prospectus supplement, the accompanying prospectus and any free writing prospectus we have authorized. Factors that might cause such differences include, but are not limited to:

sales and inventory levels;

brand and customer management programs;

increased competition;

initiatives to promote revenue growth;

globalization initiatives;

special charges and other non-recurring charges;

initiatives aimed at anticipated cost savings;

initiatives to invigorate the Mattel brands, enhance innovation, improve the execution of the core business, leverage scale, extend brands, catch new trends, create new brands and enter new categories, develop people, improve productivity, simplify processes, maintain customer service levels and improve the supply chain;

operating efficiencies;

capital and investment framework (including statements about free cash flow, seasonal working capital, debt-to-total capital ratios, capital expenditures, strategic acquisitions, dividends and share repurchases);

cost pressures and increases;

advertising and promotion spending;

profitability;

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price increases and retail store openings; and

our ability to complete planned acquisitions and integrate businesses that we acquire.

We specifically disclaim any obligation to update any factors or to publicly announce the result of revisions to any of the forward-looking statements included in this prospectus supplement, the accompanying prospectus and any free writing prospectus we have authorized, including the information incorporated by reference, to reflect future events or developments.

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INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus supplement and the accompanying prospectus. This means that we can disclose important information to you by referring you to another document that Mattel has filed separately with the SEC that contains such information. The information incorporated by reference is considered to be an important part of this prospectus supplement and the accompanying prospectus. Information that Mattel files with the SEC after the date of this prospectus supplement will automatically modify and supersede the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus to the extent that the subsequently filed information modifies or supersedes the existing information. We incorporate by reference:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2013;

our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014;

Current Reports on Form 8-K filed on January 31, 2014, February 28, 2014, April 17, 2014 and April 30, 2014 (except in each case, any information that has been deemed to be furnished and not filed, and any exhibits related thereto); and

any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act until we sell all of the securities offered by this prospectus supplement (other than any information furnished and not filed by us under any item of any Current Report on Form 8-K, including the related exhibits, unless we incorporate it by reference into a filing under the Securities Act).

You may request a copy of any of these filings at no cost by writing to or telephoning us at the following address and telephone number:

Mattel, Inc.

Attention: Secretary

333 Continental Boulevard

El Segundo, CA 90245-5012

(310) 252-2000

In addition, these filings are available on our website at <http://www.mattel.com>. The information on our website does not form a part of this prospectus supplement or the accompanying prospectus.

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SUMMARY

The information below is a summary of the more detailed information included elsewhere in or incorporated by reference in this prospectus supplement. You should read carefully the following summary in conjunction with the more detailed information contained in this prospectus supplement, including the Risk Factors section beginning on page S-8, the accompanying prospectus, any free writing prospectus we have authorized and the information incorporated by reference into this prospectus supplement. This summary is not complete and does not contain all of the information you should consider before purchasing the Notes. You should carefully read the Risk Factors section beginning on page S-8 of this prospectus supplement to determine whether an investment in the Notes is appropriate for you.

Mattel, Inc.

General

Mattel designs, manufactures, and markets a broad variety of toy products worldwide which are sold to its customers and directly to consumers. Mattel's vision is creating the future of play. Mattel's objectives are to grow its share in the marketplace, continue to improve its operating margins, and create long-term stockholder value. To achieve these objectives, management has established the following strategies:

The first strategy is to deliver consistent growth by investing in its core brands, optimizing entertainment partnerships, building new franchises, and working to expand and leverage its international footprint.

The second strategy is to optimize operating margins through sustaining gross margins within the low-to-mid 50% range in the near-term and above 50% in the long-term, and delivering on cost savings initiatives.

The third strategy is to generate significant cash flow and continue its disciplined, opportunistic, and value-enhancing deployment.

Mattel believes its products are among the most widely recognized toy products in the world. Mattel's portfolio of brands and products are grouped in the following categories:

Mattel Girls & Boys Brands including Barbie® fashion dolls and accessories, Monster High®, Disney Classics®, Ever After High®, Little Mommy®, and Polly Pocket®; Hot Wheels® and Matchbox® vehicles and play sets, CARS®, Disney Planes®, Radica®, Toy Story®, Max Steel®, WWE® Wrestling, Batman®, and games and puzzles.

Fisher-Price Brands including Fisher-Price®, Little People®, BabyGear®, Laugh & Learn®, Imaginext®, Thomas & Friends®, Dora the Explorer®, Mickey Mouse® Clubhouse, Disney Jake and the Never Land Pirates®, and Power Wheels®.

American Girl Brands including My American Girl®, the historical collection, and Bitty Baby®. American Girl Brands products are sold directly to consumers via its catalog, website, and proprietary retail stores. Its children's publications are also sold to certain retailers.

Mattel's operating segments are separately managed business units, consisting of: (i) North America, which consists of the U.S. and Canada, (ii) International, and (iii) American Girl.

Manufacturing and Materials

Mattel manufactures toy products for all segments in both company-owned facilities and through third-party manufacturers. Products are also purchased from unrelated entities that design, develop, and manufacture those

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products. To provide greater flexibility in the manufacture and delivery of its products, and as part of a continuing effort to reduce manufacturing costs, Mattel has concentrated production of most of its core products in company-owned facilities and generally uses third-party manufacturers for the production of non-core products.

Product Design and Development

Through its product design and development group, Mattel regularly refreshes, redesigns, and extends existing toy product lines and develops innovative new toy product lines for all segments. Mattel believes its success is dependent on its ability to continue these activities effectively. Product design and development activities are principally conducted by a group of professional designers and engineers employed by Mattel. During 2013, 2012, and 2011, Mattel incurred expenses of \$201.9 million, \$195.1 million, and \$179.0 million, respectively, in connection with the design and development of products, exclusive of royalty payments.

Additionally, independent toy designers and developers bring concepts and products to Mattel and are generally paid a royalty on the net selling price of products licensed to Mattel. These independent toy designers may also create different products for other toy companies.

Advertising and Marketing

Mattel supports its product lines with extensive advertising and consumer promotions. Advertising takes place at varying levels throughout the year and peaks during the traditional holiday season. Advertising includes television and radio commercials, magazine, newspaper, and internet advertisements, and social media. Promotions include in-store displays, sweepstakes, merchandising materials, and major events focusing on products and tie-ins with various consumer products companies.

Sales

Mattel's products are sold throughout the world. Products within the North America segment are sold directly to retailers, including discount and free-standing toy stores, chain stores, department stores, other retail outlets, and, to a limited extent, wholesalers. Mattel also operates several small retail outlets, generally near or at its corporate headquarters and distribution centers as a service to its employees and as an outlet for its products. Products within the International segment are sold directly to retailers and wholesalers in most European, Latin American, and Asian countries, and in Australia and New Zealand, and through agents and distributors in those countries where Mattel has no direct presence. Mattel also has retail outlets in Latin America and Europe that serve as outlets for its products. American Girl products are sold directly to consumers, and its children's publications are also sold to certain retailers. Mattel has sixteen American Girl retail stores: American Girl Place in Chicago, Illinois; Los Angeles, California; and New York, New York; and American Girl stores in Alpharetta, Georgia; Bloomington, Minnesota; Chesterfield, Missouri; Columbus, Ohio; Dallas, Texas; Houston, Texas; Lone Tree, Colorado; Lynnwood, Washington; McLean, Virginia; Miami, Florida; Natick, Massachusetts; Overland Park, Kansas; and Palo Alto, California, each of which features children's products from the American Girl segment. American Girl also has a retail outlet in Oshkosh, Wisconsin that serves as an outlet for its products. Mattel also plans to open retail stores in Orlando, Florida and Charlotte, North Carolina in 2014 and Nashville, Tennessee in 2015. Additionally, Mattel sells certain of its products online through its website.

During 2013, Mattel's three largest customers (Wal-Mart at \$1.2 billion, Toys 'R Us at \$0.7 billion, and Target at \$0.5 billion) accounted for approximately 36% of worldwide consolidated net sales.

Licenses and Distribution Agreements

Mattel has license agreements with third parties that permit Mattel to utilize the trademark, characters, or inventions of the licensor in products that Mattel sells. A number of these licenses relate to product lines that are significant to Mattel's business and operations.

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Mattel has entered into agreements to license entertainment properties from, among others, Disney Enterprises, Inc. (including ©Disney characters such as Mickey Mouse, Disney Princess, Jake and the Never Land Pirates, Planes, CARS and Toy Story from Pixar, Winnie the Pooh®, and certain Disney films and television properties), Viacom International, Inc. relating to its Nickelodeon® properties (including Dora the Explorer and Bubble Guppies®), Warner Bros. Consumer Products (including Batman, Superman®, Justice League®, and Green Lantern®), and WWE® Wrestling.

Mattel also licenses a number of its trademarks and other property rights to others for use in connection with the sale of their products. Mattel distributes some third-party finished products that are independently designed and manufactured.

Trademarks, Copyrights and Patents

Most of Mattel's products are sold under trademarks, trade names, and copyrights, and a number of these products incorporate patented devices or designs. Trademarks, copyrights, and patents are significant assets of Mattel in that they provide product recognition and acceptance worldwide.

Mattel customarily seeks trademark, copyright, and patent protection covering its products, and it owns or has applications pending for U.S. and foreign trademarks, copyrights, and patents covering many of its products. A number of these trademarks, copyrights, and patents relate to product lines that are significant to Mattel's business and operations. Mattel believes its rights to these properties are adequately protected, but there can be no assurance that its rights can be successfully asserted in the future or will not be invalidated, circumvented, or challenged.

Employees

The total number of persons employed by Mattel and its subsidiaries at any one time varies because of the seasonal nature of its manufacturing operations. At December 31, 2013, Mattel's total number of employees was approximately 29,000.

Mattel was incorporated in California in 1948 and reincorporated in Delaware in 1968. Our executive offices are located at 333 Continental Boulevard, El Segundo, CA 90245-5012. Our telephone number at those offices is (310) 252-2000.

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THE OFFERING

The summary below describes the principal terms of the Notes. Some of the terms and conditions described below are subject to important limitations and exceptions. See Supplemental Description of the Notes for a more detailed description of the terms and conditions of the Notes.

Issuer	Mattel, Inc.
Securities Offered	\$500,000,000 aggregate principal amount of Notes.
Maturity	The Notes will mature on May 6, 2019.
Interest	Interest on the Notes is payable semi-annually on May 6 and November 6 of each year, beginning November 6, 2014, at the rate of 2.350% per year.
Optional Redemption	<p>Mattel may redeem all or part of the Notes at any time or from time to time, at its option, at a redemption price equal to the greater of (1) 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest to, but excluding, the redemption date and (2) a make-whole amount based on the yield of a comparable U.S. Treasury security plus 12.5 basis points.</p> <p>See Supplemental Description of the Notes Optional Redemption.</p>
Repurchase at the Option of Holders Upon a Change of Control Triggering Event	If a Change of Control Triggering Event (as defined in this prospectus supplement) occurs with respect to Mattel, unless we have exercised our right to redeem the Notes, Mattel will be required to offer to repurchase all of the Notes at a price equal to 101% of the principal amount thereof together with accrued and unpaid interest, as described more fully under Supplemental Description of the Notes Offer to Repurchase, in this prospectus supplement.
Covenants	The indenture governing the Notes contains certain covenants. See Description of Debt Securities We May Offer Other Covenants in the accompanying prospectus.
Ranking	<p>The Notes will be senior unsecured obligations of Mattel, ranking equally in right of payment with other senior unsecured indebtedness of Mattel from time to time outstanding.</p> <p>The indenture pursuant to which the Notes are issued does not limit the amount of debt that Mattel or any of its subsidiaries may incur.</p>
Use of Proceeds	The net proceeds, after deducting the underwriting discount and our estimated expenses, to Mattel from the sale of the Notes offered hereby will be approximately \$495.5 million,

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which will be used for general corporate purposes. See Use of Proceeds in this prospectus supplement.

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Further Issuances	We will have the right to issue additional Notes in the future. Any additional Notes will have the same terms (other than the original issuance date, the public offering price and, under certain circumstances, the initial interest payment date) as the Notes offered by this prospectus supplement, but may be offered at a different offering price than the Notes offered by this prospectus supplement. If issued, any additional Notes will become part of the same series as the Notes offered by this prospectus supplement.
Form and Denomination	We will issue the Notes in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company (DTC). Beneficial interests in the Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, société anonyme, and Euroclear Bank, S.A./N.V., as operator of the Euroclear System, will hold interests on behalf of their participants through their respective U.S. depositories, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement and in the accompanying prospectus, owners of beneficial interests in the Notes will not be entitled to have Notes registered in their names, will not receive or be entitled to receive Notes in definitive form and will not be considered holders of Notes under the indenture. The Notes will be issued only in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.
Trustee, Registrar and Paying Agent	Union Bank, N.A.
Governing Law	The Notes and the indenture under which they will be issued will be governed by the laws of the State of New York. For additional information regarding the Notes, see Supplemental Description of the Notes.

You should carefully consider the information set forth under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2013 and in this prospectus supplement beginning at page S-8 before deciding to invest in the Notes.

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The summary consolidated financial data presented below as of and for the fiscal years ended December 31, 2013, 2012, 2011, 2010 and 2009, and as of and for the three months ended March 31, 2014 and 2013 are derived from our audited and interim unaudited financial statements. The results for the three-month interim periods ended March 31, 2014 and 2013 contain, in management's opinion, all necessary adjustments for a fair presentation of Mattel's financial position and result of operations. The results of operations for the three months ended March 31, 2014 are not necessarily indicative of the results to be expected for the year ending December 31, 2014. You should read this information in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes incorporated herein by reference from our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2014 incorporated herein by reference.

	For the Three Months Ended March 31,		For the Year Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
(Dollars in thousands)							
Operating Results:							
Net sales	\$ 946,177	\$ 995,606	\$ 6,484,892	\$ 6,420,881	\$ 6,266,037	\$ 5,856,195	\$ 5,430,846
Gross profit	481,531	540,051	3,478,883	3,409,197	3,145,826	2,954,973	2,714,697
% of net sales	50.9%	54.2%	53.6%	53.1%	50.2%	50.5%	50.0%
Operating income(a)	6,218	65,831	1,168,103	1,021,015	1,041,101	901,902	731,168
% of net sales	0.7%	6.6%	18.0%	15.9%	16.6%	15.4%	13.5%
Income before income taxes	(9,421)	44,165	1,099,128	945,045	970,673	846,825	660,047
Provision for income taxes(b)	1,797	5,654	195,184	168,581	202,165	161,962	131,343
Net income(a)	(11,218)	38,511	903,944	776,464	768,508	684,863	528,704

	At	At December 31,				
	March 31, 2014	2013	2012	2011	2010	2009
(Dollars in thousands)						
Financial Position:						
Total assets	\$ 5,871,969	\$ 6,439,626	\$ 6,526,785	\$ 5,671,638	\$ 5,417,733	\$ 4,780,555
Noncurrent liabilities	2,099,490	2,140,627	1,743,729			