



BATTLE IN THE VALLEY OF THE DOLLS

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Bratz-ish invasion

Lippy dolls kick Barbie out of dream house

By HILARY KRAMER

Cat fights have erupted in doll houses across America, as a hip doll named Bratz has slapped Barbie across the face, crippling the former powerhouse brand.

Global sales of the iconic Barbie have dropped by an astonishing 13 percent this year, and for the first time in her 45-year history, the bubbly blonde has been dethroned as the world's most popular doll.

The new queen is Bratz, which is the invention of California toy company MGA Entertainment. Sales of the collagen-lipped, attitude-heavy Bratz are expected to top \$2 billion in 2004 while Barbie's sales will fall short of last year's \$1.7 billion.

Mattel has been scrambling to cope with the Bratz offensive, staging publicity stunts, such as the Barbie and Ken breakup.

The toy giant even did the unthinkable, creating a competitor to their regal Barbie line: The Flavas dolls were an even more obvious, but similarly unsuccessful imitation of the Bratz hip-hop style.

Wall Street, however, is not convinced.

Banc of America Securities downgraded Mattel earlier this month to "sell" from "neutral," cutting earnings estimates, lowering the target stock price and noting that "the Barbie business is not going anywhere" and as sales of the doll line go,

"so goes Mattel's stock."

With their come-hither eyes and tight clothes, Bratz dolls look ready for a night of clubbing instead of a nice dinner out with Ken.

They target "tweeners" whose princess idols are less Sleeping Beauty than J.Lo.

"Seven- to 14-year olds think that Barbie is much too babyish," said Isaac Larian, MGA Entertainment's founder and CEO.

"Barbie is unrealistic and creates this aura of perfection and impossible expectations. Bratz are real and stylish."

The popularity of Bratz may say as much about the differences between Mattel and MGA, as it does about the distinctions between the two dolls. In just three years, Bratz has entered into 250 licenses worldwide, including the lucrative apparel and video licensing arenas.

Estimates peg privately held MGA Entertainment's revenues at more than \$500 million in 2003, versus Mattel's more than \$5 billion in revenues.

MGA's Larian, a civil engineer from Iran, started the business by selling giftware from the back of his car in 1979.

Even now, he continues to bring that street-savvy to the Bratz line, changing the line in three- to four-month cycles. MGA is run more like a fashion business than the toy business.

"In the fashion biz, Versace, for example, must come up with new lines



BRUNETTES HAVE MORE FUN: Barbie lost her Corvette, her boyfriend — and now her title as most-popular doll — to Bratz like these. AP

or the business is cooked," noted Larian. "Our business is no different and we understand fashion — innovation

every season is an imperative."

MGA is trying to follow Mattel's lead by pushing Bratz into multimedia. On

Aug. 3, MGA will release the first animated DVD of Bratz, followed by a major motion picture scheduled for 2006.