

For Immediate Release

MGA Responds to Jury Verdict in First Phase of Trial Involving Bratz™

Riverside, CA – July 17, 2008 – For the past six weeks, MGA has battled a toy goliath in Mattel in a trial regarding when the Bratz™ idea and drawings were created by Carter Bryant, a former Mattel employee. As Tom Nolan, MGA's lawyer told the jury during his closing argument, "Mattel wants to take ideas and drawings that they did not conceive of, that they did not draw and that they did not make."

Today the jury returned a verdict in what is only Phase 1(A) of the trial. There are significant issues that remain to be tried in Phase 1(B) of the trial, including whether Mattel owns any copyrights in Bryant's drawings. If so, the jury will decide whether MGA's Bratz™ dolls are infringed by any Mattel copyrights, and what the damages are (if any).

"Most importantly, the verdict issued today does NOT entitle Mattel to any rights whatsoever of Bratz," said Nolan, lead trial lawyer for MGA. *"The verdict merely determined that certain drawings by Carter Bryant were created while he worked at Mattel."*

As the scope of Phase 1(A) was narrowly limited, MGA will now be given an opportunity in Phase 1(B) to present to the same jury all of its defenses to Mattel's allegations. The issue in Phase 1(B) is to determine whether MGA's Bratz™ dolls infringe any copyrights Mattel may own of Carter Bryant's drawings.

"We at MGA remain confident that we will ultimately be successful at the conclusion of the 1(B) trial and/or before the Ninth Circuit Court of Appeal. This is because it is undisputed that MGA – not Carter Bryant – independently created the Bratz dolls," said Isaac Larian, CEO of MGA Entertainment. *"Carter Bryant did not have anything to do with the many Bratz-related products we created, such as Bratz Babyz, Lil' Bratz and Bratz Kidz to name a few,"* Larian added.

MGA points out that Mattel is only suing MGA regarding the "first generation" of Bratz™ dolls that were issued in 2001. *"Under no circumstance will Mattel be able to assert ownership of the Bratz franchise – which will always belong to MGA,"* Larian said. *"Our customers, retailers, vendors, and suppliers can take comfort in knowing that there will be no disruption in MGA's manufacturing and sales of Bratz dolls or any other products,"* Larian said.

MGA contends that Mattel is trying to hijack what the family-owned company created from scratch over the past seven years of hard work. They believe that Mattel waited from 2001, when the Bratz™ line of dolls was introduced into the marketplace, until July 2007 to come after them in court – years after it admitted in internal marketing documents that it was "out thought and out executed" by MGA. MGA further contends that Mattel has used litigation as a "business strategy" against MGA. MGA believes Mattel, having failed to compete in the

marketplace, has resorted to litigation as a business strategy – with the intention to “litigate MGA to death” as one former Mattel executive testified.

Nolan further stated: *“Please wait for ‘part 1b of this Phase of the trial to be completed in a few weeks-- we are confident that the jury or court will vindicate MGA and Isaac Larian of all of Mattel’s claims, when they hear the ‘rest of the story’,”* .

MGA has received a great amount of support throughout the duration of this trial. *“I am thankful to all of MGA’s employees, vendors, and customers for their incredible daily support while we fight Mattel for what’s rightfully ours,”* said Larian.

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