



Hasbro Fourth Quarter &
Full Year 2012 Financial Results
February 7, 2013

Safe Harbor

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Full Year 2012 Snapshot

Company Accomplished Many Stated Objectives for 2012;
Improved Underlying Profitability & Initiated Cost Savings Plan

- **FY 2012 Net revenues down 2%, excluding negative \$98.5M FX impact**
 - Reported Q4 revenue of \$1.28M, down 3% year-over-year
- **FY 2012 Adjusted EPS of \$2.81, excluding \$0.26 in 2012 restructuring charges**
 - Q4 EPS of \$1.20, excluding \$0.21 restructuring charges
- **FY 2012 operating profit margin increased to 14.7% (absent charges)**
 - U.S. & Canada returned to historical operating profit margin; Operating profit margin increased to 15.1%
- **\$535M Operating Cash Flow & Board raises quarterly dividend**
 - Board of Directors increases quarterly dividend 11% to \$0.40 per share
- **Cost savings initiative launched**
 - Targeting \$100 million in annual cost savings by 2015
 - Streamlining organization to focus on fewer, more significant global initiatives
 - SKU reduction program; process improvements; facility consolidation



2012 Objectives

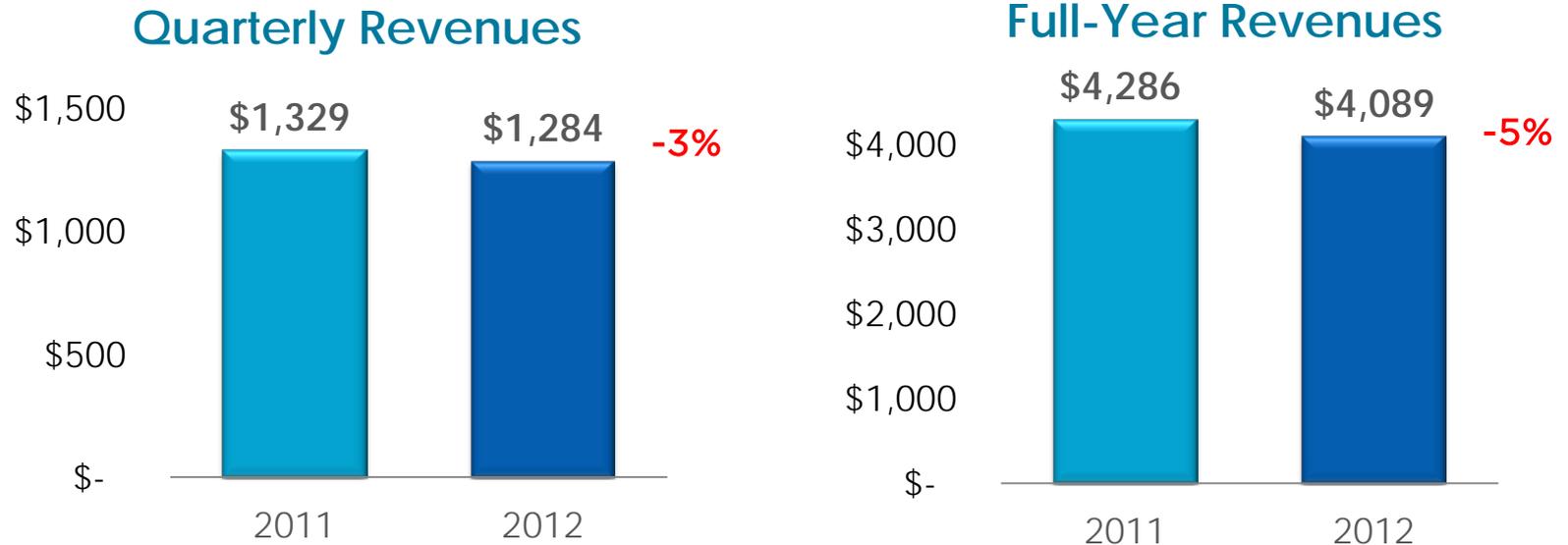
- Grow revenues for the full year, absent the impact of foreign exchange 
- Grow earnings per share for the full year, absent the impact of foreign exchange¹ 
- Return the US & Canada segment to historical operating profit margins 
- Execute globally by leveraging our investments in new and emerging markets 
- Stabilize our Games business and position it for growth in 2013 and beyond 
- Grow our Girls business 

**In addition,
Grow Entertainment & Licensing in a non-movie year**



Fourth Quarter & Full-Year 2012 Net Revenues

(\$ Millions, Unaudited)



FY 2012 revenues down 2% absent \$98.5M negative impact of foreign exchange

FY 2012 emerging markets growth of 16%



Fourth Quarter 2012 Segment Net Revenues

(\$ Millions, Unaudited)



U.S. & Canada
Aligning shipments with consumer demand;
Retail inventories down

International
Latin America & Asia Pacific flat;
Europe down

Entertainment & Licensing
Strong global television programming sales in all formats; Lower movie revenues yoy



Full-Year 2012 Segment Net Revenues

(\$ Millions, Unaudited)



U.S. & Canada

Difficult comparisons versus 2011; Rapidly changing, more challenging retail environment

International

Revenues up 1% excluding foreign exchange; Latin America up 8% as reported

Entertainment & Licensing

Strong global television programming sales in all formats; Lower movie revenues yoy



Fourth Quarter and Full Year 2012 Net Revenues By Segment

(\$ Millions, Unaudited)	Q4 2012	Q4 2011	% Change	FY 2012	FY 2011	% Change
U.S. & Canada Segment	\$606	\$593	+2%	\$2,116	\$2,254	-6%
Europe	403	464	-13%	1,154	1,254	-8%
Latin America	126	125	---	363	335	+8%
Asia Pacific	79	81	-1%	265	273	-3%
International Segment	608	670	-9%	1,782	1,862	-4%
Entertainment & Licensing Segment	66	64	+3%	182	162	12%
Global Operations Segment	4	2	+42%	9	8	14%
Total Net Revenues	\$1,284	\$1,329	-3%	\$4,089	\$4,286	-5%

FY 2012 Excluding Foreign Exchange
 International Segment revenues up 1%:
 Latin America up 14%, Europe & Asia Pacific down
 Robust growth in Emerging Markets



Fourth Quarter & Full-Year 2012 Net Revenues By Product Category

(\$ Millions, Unaudited)	Q4 2012	Q4 2011	% Change	FY 2012	FY 2011	% Change
Boys	\$414	\$ 536	-23%	\$1,577	\$1,822	-13%
Games	429	373	+15%	1,192	1,170	+2%
Girls	293	250	+17%	792	741	+7%
Preschool	148	170	-13%	528	553	-5%
Total	\$ 1,284	\$ 1,329	-3%	\$4,089	\$4,286	-5%



Fourth Quarter & Full-Year 2012 Major Expense Items (Absent Charges)

(\$ Millions, Unaudited)	Q4 2012	% of Revenue	% Change	FY 2012	% of Revenue	% Change
Cost of Sales	\$516.4	40.2%	-13%	\$1,669.2	40.8%	-9%
Royalties	\$89.5	7.0%	-14%	\$302.1	7.4%	-11%
Product Development	\$49.2	3.8%	+3%	\$190.2	4.6%	--
Advertising	\$142.9	11.1%	+6%	\$422.2	10.3%	+2%
Amortization of Intangibles	\$15.8	1.2%	+11%	\$50.6	1.3%	+8%
Program Production Cost Amortization	\$15.9	1.3%	-11%	\$41.8	1.0%	+17%
Selling, Distribution & Administration	\$217.6	17.0%	+8%	\$813.9	19.9%	--



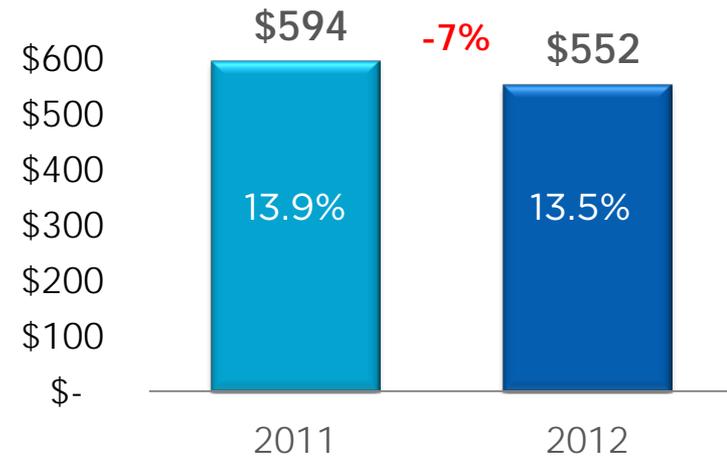
Fourth Quarter & Full Year 2012 Operating Profit

(\$ Millions, Unaudited)

Quarterly Operating Profit As Reported



Annual Operating Profit As Reported



Positive impact
on OP



Negative
impact on OP



Fourth Quarter 2012 Segment Operating Profit

(\$ Millions, Unaudited)



U.S. & Canada
Higher revenues;
Favorable product mix;
Improved inventory
management

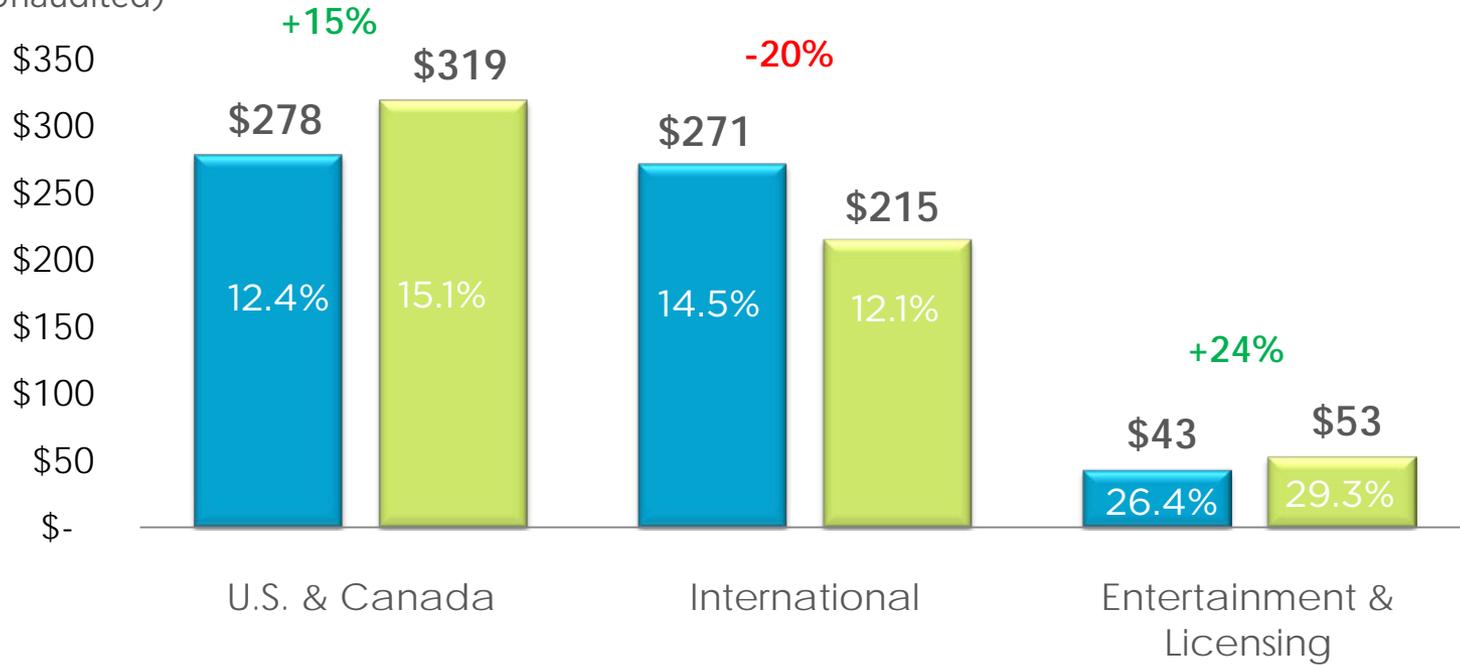
International
Revenue declines
reflect challenging
Western European
markets

Entertainment & Licensing
Reflects higher revenues
and improved expense
leverage



Full Year 2012 Segment Operating Profit

(\$ Millions, Unaudited)



■ 2011 ■ 2012

U.S. & Canada

Favorable product mix;
Improved inventory
management

International

Reflects geographic mix
of revenue; Strong
growth in emerging
markets that carry lower
profit margins currently

Entertainment & Licensing

Reflects higher revenues
from global television
distribution



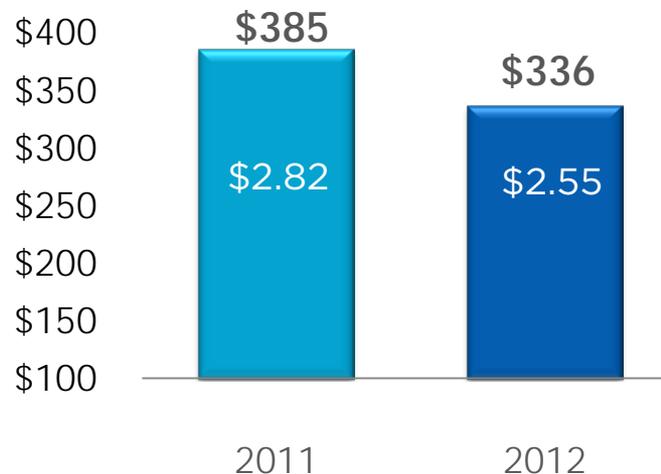
Fourth Quarter and Full Year 2012 Net Earnings & EPS

(\$ Millions, except per share, Unaudited)

Quarterly Net Earnings



Annual Net Earnings



FY 2012 EPS of \$2.81 vs. \$2.74 in FY 2011, excluding restructuring charges and tax benefit*

2012 underlying tax rate of 27.0% vs. 26.2% in 2011

FY 2012 average diluted shares 131.9M

* Excluding restructuring charges, net of tax of \$0.26 in 2012 and \$0.07 in 2011, as well as a tax benefit of \$0.15 in 2011

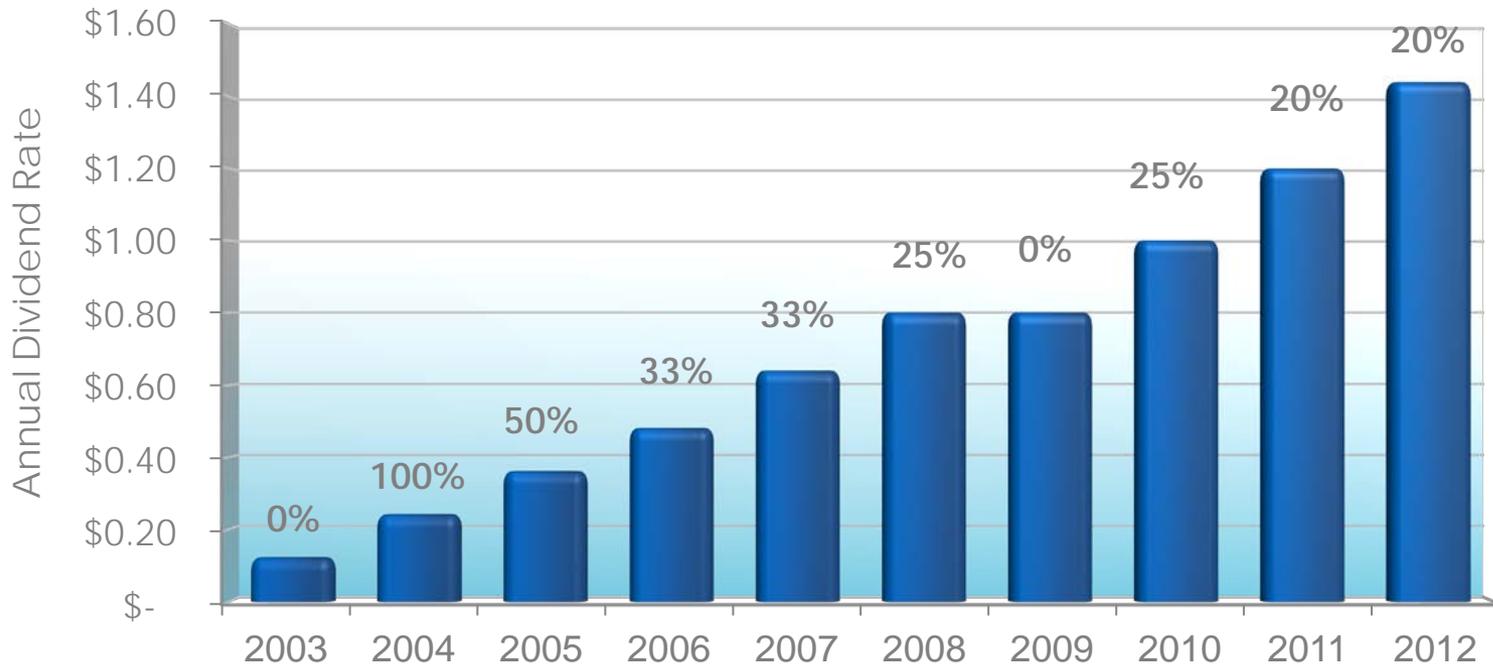


Full Year 2012 Key Cash Flow & Balance Sheet Data

(\$ Millions, Unaudited)	2012	Notes
Cash	\$850	Strong cash position
Depreciation	\$100	In line with expectations
Amortization	\$51	In line with expectations
Television Program Spending	\$59	In line with expectations
Capex	\$112	Slightly below expected spend
Dividends	\$225	Announced 11% quarterly increase on 2/7/13
Stock Repurchase	\$98	2.7M shares at \$37.11 for FY 2012
Operating Cash Flow	\$535	Exceeded target of \$500M OCF per year target
Accounts Receivable	\$1,030	DSOs at 72 days
Inventory	\$316	Good inventory position - Down from \$334 in 2011



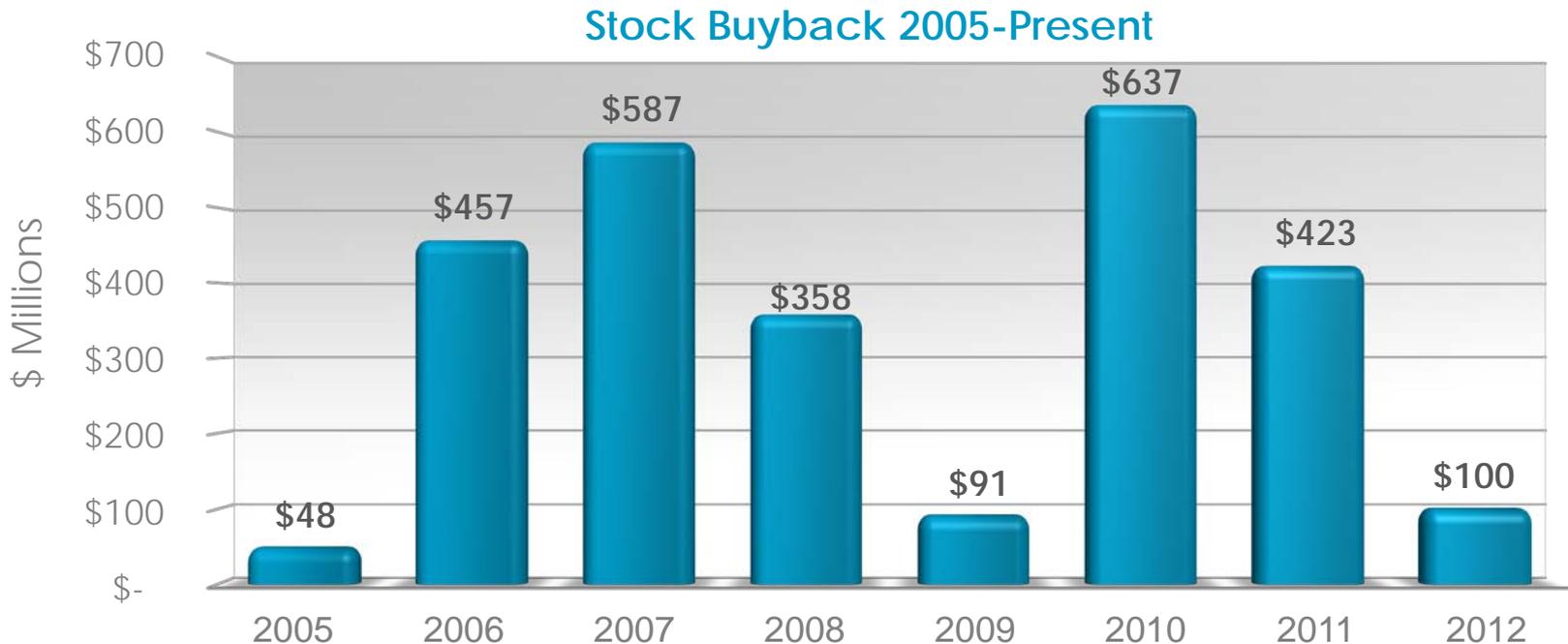
Dividends Declared



- Accelerated payment of regular quarterly dividend, normally paid in mid-February to end of December 2012
- Announced 11% increase in quarterly dividend to \$0.40/share on February 7, 2013
- Next dividend payable May 15, 2013 to shareholders of record at the close of business May 1, 2013



Stock Buyback



- Delivering on stated commitment of returning cash to shareholders
- In fourth quarter 2012, repurchased ~2.3M shares at a total cost of ~\$85 million and an average price of \$37.37
- \$127.3 million remains available at year end 2012



Entertainment Update: Television

- Shows airing in all major markets and countries
- Distribution on all formats, including digital and home entertainment
- Driving global brand awareness and revenues
- *Littlest Pet Shop* was top rated premiere of any Hub original series in network history.

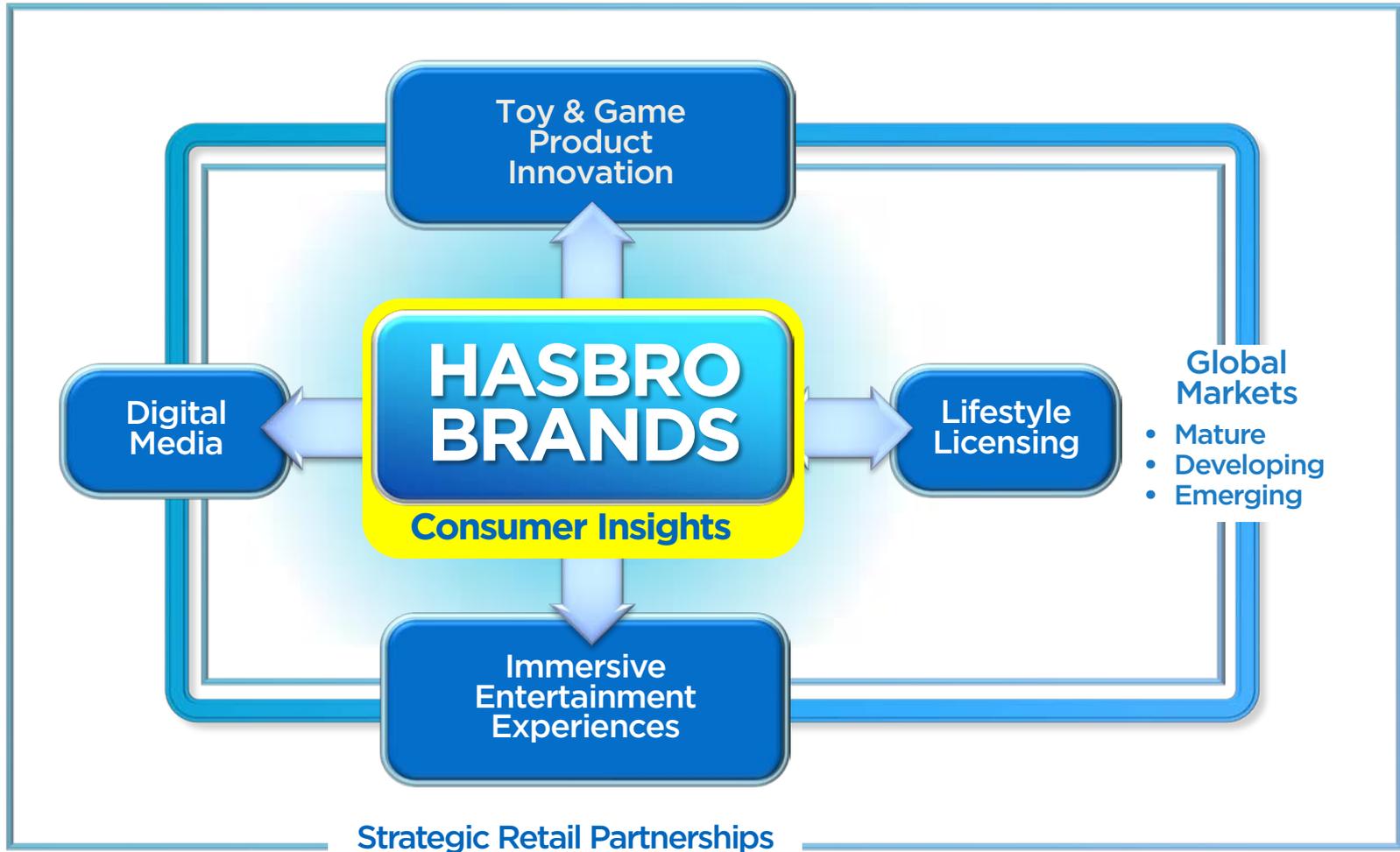


¹ in terms of distribution gains

- Q4 2012 was THE HUB'S strongest quarter in its history
- The fastest growing network among all cable networks in 2012¹
- Distributed in 72M+ households



Hasbro's Branded Play Blueprint





Appendix

Full Year 2012 & 2011 Income Statements

<i>(\$ Millions, Unaudited)</i>	Dec. 30, 2012	% Net Revenues	Dec. 25, 2011	% Net Revenues
Net Revenues	\$4,089	100.0%	\$4,286	100.0%
Cost of Sales	1,672	40.9%	1,836	42.8%
Royalties	302	7.4%	339	7.9%
Product Development	201	4.9%	198	4.6%
Advertising	422	10.3%	414	9.7%
Amortization of Intangibles	51	1.3%	47	1.1%
Program Production Cost Amortization	42	1.0%	36	0.8%
Selling, Distribution & Administration	847	20.7%	822	19.2%
Operating Profit	\$552	13.5%	\$594	13.9%
Interest Expense	91	2.2%	89	2.1%
Other (Income) Expense, Net	7	0.2%	19	0.4%
Earnings Before Income Taxes	\$454	11.1%	\$486	11.4%
Income Taxes	118	2.9%	101	2.4%
Net Earnings	\$336	8.2%	\$385	9.0%
Diluted EPS	\$2.55		\$2.82	



December 2012 & 2011 Balance Sheets

<i>(\$ Millions, Unaudited)</i>	Dec. 30, 2012	Dec. 25, 2011
Cash	\$850	\$642
Accounts Receivable	1,030	1,035
Inventory	316	334
Other Current Assets	312	243
Total Current Assets	\$2,508	\$2,254
Property, Plant & Equipment, Net	230	218
Other Assets	1,587	1,659
Total Assets	\$4,325	\$4,131
Short-term Borrowings	224	180
Payables & Accrued Liabilities	736	762
Total Current Liabilities	\$960	\$942
Long-term Debt	1,397	1,401
Other Liabilities	461	370
Total Liabilities	\$2,818	\$2,713
Total Shareholders' Equity	1,507	1,418
Total Liabilities & Shareholders' Equity	\$4,325	\$4,131



Full Year 2012 & 2011 Condensed Cash Flow

<i>(\$ Millions, Unaudited)</i>	Dec. 30, 2012	Dec. 25, 2011
Operating Cash Flows	\$535	\$396
Investing Cash Flows:		
Capex	(112)	(99)
Investments and acquisition	0	(11)
Other	6	3
Total Investing	\$(106)	\$(107)
Financing Cash Flows:		
Short-term Borrowings	43	167
Stock Repurchases	(98)	(423)
Dividends	(225)	(154)
Stock Options	69	39
Other	(9)	(5)
Total Financing	\$(220)	\$(376)
FX Impact on Cash	(1)	1
Beginning Cash	642	728
Ending Cash	\$850	\$ 642



Restructuring Charges

(\$ Millions, Unaudited)	Q4 2012	Q4 2011	FY 2012	FY 2011
Cost of Sales	--	--	\$2.8	--
Product Development	\$8.4	--	\$10.9	\$6.8
Selling, Distribution & Administration	\$27.6	--	\$33.5	\$7.6
Total Restructuring Charges	\$36.0	--	\$47.2	\$14.4

