

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 20, 2014**

Hasbro, Inc.

(Exact name of registrant as specified in its charter)

Rhode Island

(State or other jurisdiction
of incorporation)

1-6682

(Commission File Number)

05-0155090

(IRS Employer
Identification No.)

1027 Newport Ave., Pawtucket, Rhode Island

(Address of principal executive offices)

02861

(Zip Code)

Registrant's telephone number, including area code: **(401) 431-8697**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02**Results of Operations and Financial Condition.**

On October 20, 2014, Hasbro, Inc. ("Hasbro" or "we") announced our financial results for the fiscal quarter ended September 28, 2014, and certain other financial information. The press release, attached as Exhibit 99.1, includes a financial measure, Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA"), that is considered a non-GAAP financial measure as defined under Securities and Exchange Commission ("SEC") rules. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. Management believes that EBITDA is one of the appropriate measures for evaluating our operating performance, because it reflects the resources available for strategic opportunities including, among others, to invest in the business, strengthen the balance sheet and make strategic acquisitions. However, this measure should be considered in addition to, and not as a substitute for, or superior to, net earnings or other measures of financial performance prepared in accordance with GAAP as more fully discussed in our financial statements and filings with the SEC. The EBITDA measures included in the press release have been reconciled to the most directly comparable GAAP measures as is required under SEC rules regarding the use of non-GAAP financial measures.

The press release also includes the Company's (i) 2013 costs and expenses, operating profit, net earnings and diluted earnings per share, all excluding the impact of restructuring and related pension charges and charges related to an adverse arbitration award, (ii) 2013 net earnings and diluted earnings per share excluding a benefit from a tax exam settlement and (iii) 2014 costs and expenses, operating profit, net earnings and diluted earnings per share excluding the impact of restructuring the Company's investment in Hub Network. Management believes that presenting this data excluding these charges and tax adjustments assists investors' understanding of the performance of the Company's underlying business.

As used herein, "GAAP" refers to accounting principles generally accepted in the United States of America.

The information furnished in Item 2.02, including the Exhibit attached hereto, shall not be deemed "filed" for any purpose, and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, regardless of any general incorporation language in any such filing.

Item 9.01**Financial Statements and Exhibits.**

(d) Exhibits

99.1 Hasbro, Inc. Press Release, dated October 20, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HASBRO, INC.

By: /s/ Deborah Thomas
Name: Deborah Thomas
Title: Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

Date: October 20, 2014

EXHIBIT INDEX

| Exhibit No. | Description |
|--------------------|---|
| 99.1 | Hasbro, Inc. Press Release, dated October 20, 2014. |

Hasbro Reports Revenue and Operating Profit Growth for the Third Quarter 2014

- **Third quarter 2014 revenues increased 7% to \$1.47 billion; Revenue grew in all major operating segments - the U.S. and Canada, International and Entertainment and Licensing segments; Emerging Markets revenues increased 29%;**
- **Franchise Brand revenues grew 36%; All seven Franchise Brands increased revenues in the third quarter; Boys, Girls and Games category revenues increased;**
- **Adjusted operating profit increased 9%; Adjusted net earnings increased 9% to \$187.8 million or \$1.46 per diluted share; As reported, operating profit increased 44% and net earnings increased 43% to \$180.5 million or \$1.40 per diluted share;**
- **Repurchased 2.4 million shares of common stock at a total cost of \$124.5 million and an average price of \$52.56 per share.**

Pawtucket, R.I., October 20, 2014 -- **Hasbro, Inc.** (NASDAQ: HAS) today reported financial results for the third quarter 2014. Net revenues for the third quarter 2014 increased 7% to \$1.47 billion compared to \$1.37 billion in 2013. Foreign exchange had an unfavorable \$10.8 million impact on third quarter revenues.

As reported net earnings for the third quarter 2014 were \$180.5 million, or \$1.40 per diluted share, compared to \$126.6 million, or \$0.96 per diluted share, in 2013. Adjusted net earnings for the third quarter 2014 were \$187.8 million, or \$1.46 per diluted share, excluding a pre-tax charge of \$11.6 million, or \$0.06 per diluted share, related to the restructuring of the Company's investment in the Hub Network joint venture.

In 2013, as reported net earnings for the third quarter included a pre-tax \$75.5 million, or \$0.50 per diluted share, charge related to an adverse arbitration award; pre-tax \$4.1 million, or \$0.03 per diluted share, of restructuring and partial pension settlement charges; and a \$23.6 million, or \$0.18 per diluted share, favorable tax adjustment. Excluding these items, adjusted net earnings for the third quarter 2013 were \$172.5 million, or \$1.31 per diluted share.

"Our third quarter results continued to reflect the momentum we are building in our franchise brands and key partner brands, the positive results of our investments globally and the benefits of leading with compelling content and storytelling," said Brian Goldner, Hasbro's President and Chief Executive Officer. "In the third quarter, we grew revenues across all operating segments, delivered improved profitability and took strategic steps to grow our brand portfolio and content delivery over the longer term, including forming a new strategic merchandising relationship with Disney Consumer Products for the globally popular Disney Princess and Frozen properties."

"Our third quarter results are indicative of Hasbro's strong financial and competitive position," said Deborah Thomas, Hasbro's Chief Financial Officer. "In this environment of growth and financial strength, we remain focused on improving profitability, returning cash to our shareholders and investing back into our business, through investments in innovation, systems and portfolio expansion across our blueprint."

Third Quarter 2014 Major Segment Performance

| | Net Revenues (\$ Millions) | | | Operating Profit (\$ Millions) | | |
|------------------------------------|----------------------------|----------|----------|--------------------------------|----------|----------|
| | Q3 2014 | Q3 2013 | % Change | Q3 2014 | Q3 2013 | % Change |
| U.S. and Canada | \$ 764.3 | \$ 735.6 | +4% | \$ 169.9 | \$ 147.0 | +16% |
| International | \$ 649.3 | \$ 582.7 | +11% | \$ 116.5 | \$ 105.7 | +10% |
| Entertainment and Licensing | \$ 53.4 | \$ 48.6 | +10% | \$ 0.5 | \$ 7.6 | -94% |

Note: Third Quarter 2014 charges related to the restructuring of the Company's investment in the Hub Network joint venture and third quarter 2013 restructuring and related pension settlement charges and arbitration award charges are in Corporate and Eliminations. See attached table: Restructuring of Equity Method Investment and Restructuring, Pension Settlement and Arbitration Award Charges.

U.S. and Canada segment net revenues increased 4% to \$764.3 million compared to \$735.6 million in 2013. The segment's results reflect growth in the Boys and the Games categories, partially offset by a decline in the Girls and Preschool categories. The U.S. and Canada segment reported operating profit growth of 16% to \$169.9 million versus \$147.0 million in 2013.

International segment net revenues increased 11% to \$649.3 million compared to \$582.7 million in 2013. Revenues grew 13% excluding a negative \$9.7 million impact from foreign exchange. Revenues in the International segment reflect 7% growth in Europe, 24% growth in Latin America and 11% growth in the Asia Pacific region, as well as growth in the Boys, Girls and Preschool categories, partially offset by a decline in the Games category. In total, Emerging Markets revenues increased 29%. The International segment reported operating profit of \$116.5 million, up 10% versus \$105.7 million in 2013.

Entertainment and Licensing segment net revenues increased 10% to \$53.4 million compared to \$48.6 million in 2013. The segment benefited from growth in lifestyle licensing. The Entertainment and Licensing segment reported operating profit of \$0.5 million compared to \$7.6 million in 2013, primarily due to the impact of the acceleration of certain programming amortization costs.

Third Quarter and Nine Month 2014 Product Category Performance

| | Net Revenues (\$ Millions) | | | | | |
|-------------|----------------------------|----------|----------|---------------------|---------------------|----------|
| | Q3 2014 | Q3 2013 | % Change | Nine Months 2014 | Nine Months 2013 | % Change |
| Boys | \$ 478.5 | \$ 392.0 | +22% | \$ 1,062.1 | \$ 888.5 | +20% |

| | | | | | | |
|------------------|----------|----------|-----|----------|----------|-----|
| Games | \$ 395.2 | \$ 387.4 | +2% | \$ 841.4 | \$ 873.8 | -4% |
| Girls | \$ 407.7 | \$ 388.7 | +5% | \$ 710.2 | \$ 652.9 | +9% |
| Preschool | \$ 188.5 | \$ 202.2 | -7% | \$ 364.8 | \$ 385.2 | -5% |

Boys category revenues increased 22% to \$478.5 million in the third quarter 2014, behind growth in NERF, TRANSFORMERS, MARVEL and STAR WARS products.

Games category revenues increased 2% in the third quarter to \$395.2 million. Franchise Brands MAGIC: THE GATHERING and MONOPOLY grew in the third quarter, as did SIMON SWIPE and OPERATION. These gains were partially offset by declines in several brands, including Telepods featuring the ANGRY BIRDS™ STAR WARS® II game, JENGA, BOP-IT and DUELMASTERS.

The Girls category grew 5% in the third quarter 2014 to \$407.7 million. Growth in MY LITTLE PONY, MY LITTLE PONY EQUESTRIA GIRLS, NERF REBELLE, FURREAL FRIENDS, LITTLEST PET SHOP and the introduction of PLAY-DOH DOHVINCI helped fuel continued growth in the category. Declines in FURBY partially offset these revenue gains.

Preschool category revenues decreased 7% to \$188.5 million in the third quarter 2014. PLAY-DOH and TRANSFORMERS RESCUE BOTS revenues continued to grow but were more than offset by declines in other Preschool initiatives, including core PLAYSKOOL and SESAME STREET products.

Dividend and Share Repurchase

The Company paid \$54.7 million in cash dividends to shareholders during the third quarter 2014 and \$162.8 million in the first nine months of 2014. The next quarterly cash dividend payment of \$0.43 per common share is payable on November 17, 2014 to shareholders of record at the close of business on November 3, 2014.

During the third quarter, Hasbro repurchased a total of 2.4 million shares of common stock at a total cost of \$124.5 million and an average price of \$52.56 per share. Through the first nine months of 2014, the Company repurchased 6.4 million shares of common stock at a total cost of \$341.3 million and an average price of \$53.57 per share. At quarter-end, \$183.6 million remained available in the current share repurchase authorization.

Hub Network Joint Venture

On September 25, Hasbro and Discovery Communications announced Hub Network would become Discovery Family Channel effective October 13, 2014. The network will broaden its programming focus to serve families in primetime and continue to showcase Hasbro Studios award-winning children's content in daytime.

As a result of restructuring the Company's investment in the Hub Network joint venture, the Company recorded a pre-tax charge of \$11.6 million, or \$0.06 per diluted share, in the third quarter 2014. This net charge is primarily related to the costs associated with recording the fair value of a put/call option exercisable at the end of 2021 that the Company and Discovery entered into related to this transaction.

Conference Call Webcast

Hasbro will webcast its third quarter 2014 earnings conference call at 8:30 a.m. Eastern Time today. To listen to the live webcast and access the accompanying presentation slides, please go to <http://investor.hasbro.com>. The replay of the call will be available on Hasbro's web site approximately 2 hours following completion of the call.

About Hasbro, Inc.

Hasbro, Inc. (NASDAQ: HAS) is a branded play company dedicated to fulfilling the fundamental need for play for children and families through the creative expression of the Company's world class brand portfolio, including TRANSFORMERS, MONOPOLY, PLAY-DOH, MY LITTLE PONY, MAGIC: THE GATHERING, NERF and LITTLEST PET SHOP. From toys and games, to television programming, motion pictures, digital gaming and a comprehensive licensing program, Hasbro strives to delight its global customers with innovative play and entertainment experiences, in a variety of forms and formats, anytime and anywhere. The Company's Hasbro Studios is responsible for entertainment brand-driven storytelling around Hasbro brands across television, film, commercial productions and short-form. Through the Company's deep commitment to corporate social responsibility, including philanthropy, Hasbro is helping to build a safe and sustainable world for future generations and to positively impact the lives of millions of children and families every year. It has been recognized for its efforts by being named one of the "World's Most Ethical Companies" and is ranked as one of Corporate Responsibility Magazine's "100 Best Corporate Citizens." Learn more at www.hasbro.com.

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Certain statements in this release contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include expectations concerning the Company's potential performance in the future, including with respect to anticipated future benefits from investments in the Company's business and strategic efforts to grow the Company's brand portfolio and content delivery over the longer-term, and the Company's ability to achieve its other financial and business goals and may be identified by the use of forward-looking words or phrases. The Company's actual actions or results may differ materially from those expected or anticipated in the forward-looking statements due to both known and unknown risks and uncertainties. Specific factors that might cause such a difference include, but are not limited to: (i) the Company's ability to design, develop, produce, manufacture, source and ship products on a timely and cost-effective basis, as well as interest in and purchase of those products by retail customers and consumers in quantities and at prices that will be sufficient to profitably recover the Company's costs; (ii) downturns in economic conditions affecting the Company's markets which can negatively impact the Company's retail customers and consumers, and which can result in lower employment levels, lower consumer disposable income and spending, including lower spending on purchases of the Company's products; (iii) other factors which can lower discretionary consumer spending, such as higher costs for fuel and food, drops in the value of homes or other consumer assets, and high levels of consumer debt; (iv) potential difficulties or delays the Company may experience in implementing cost savings and efficiency enhancing initiatives; (v) other economic and public health conditions or regulatory changes in the markets in which the Company and its customers and suppliers operate which could create delays or increase the Company's costs, such as higher commodity prices, labor costs or transportation costs, or outbreaks of disease; (vi) currency fluctuations, including movements in foreign exchange rates, which can lower the Company's net revenues and earnings, and significantly impact the Company's costs;

(vii) the concentration of the Company's customers, potentially increasing the negative impact to the Company of difficulties experienced by any of the Company's customers or changes in their purchasing or selling patterns; (viii) consumer interest in and acceptance of the Discovery Family Channel, and programming created by Hasbro Studios, and other factors impacting the financial performance of the network and Hasbro Studios; (ix) the inventory policies of the Company's retail customers, including retailers' potential decisions to lower their inventories, even if it results in lost sales, as well as the concentration of the Company's revenues in the second half and fourth quarter of the year, which coupled with reliance by retailers on quick response inventory management techniques increases the risk of underproduction of popular items, overproduction of less popular items and failure to achieve compressed shipping schedules; (x) delays, increased costs or difficulties associated with any of our or our partners' planned digital applications or media initiatives; (xi) work disruptions, which may impact the Company's ability to manufacture or deliver product in a timely and cost-effective manner; (xii) the bankruptcy or other lack of success of one of the Company's significant retailers which could negatively impact the Company's revenues or bad debt exposure; (xiii) the impact of competition on revenues, margins and other aspects of the Company's business, including the ability to offer Company products which consumers choose to buy instead of competitive products, the ability to secure, maintain and renew popular licenses and the ability to attract and retain talented employees; (xiv) concentration of manufacturing for many of the Company's products in the People's Republic of China and the associated impact to the Company of social, economic or public health conditions and other factors affecting China, the movement of products into and out of China, the cost of producing products in China and exporting them to other countries; (xv) the risk of product recalls or product liability suits and costs associated with product safety regulations; (xvi) the impact of other market conditions, third party actions or approvals and competition which could reduce demand for the Company's products or delay or increase the cost of implementation of the Company's programs or alter the Company's actions and reduce actual results; (xvii) the impact of litigation or arbitration decisions or settlement actions; and (xviii) other risks and uncertainties as may be detailed from time to time in the Company's public announcements and Securities and Exchange Commission ("SEC") filings. The Company undertakes no obligation to make any revisions to the forward-looking statements contained in this release or to update them to reflect events or circumstances occurring after the date of this release.

This press release includes a non-GAAP financial measure as defined under SEC rules, specifically EBITDA. EBITDA represents net earnings attributable to Hasbro, Inc. excluding net loss attributable to noncontrolling interests, interest expense, income taxes, depreciation and amortization. As required by SEC rules, we have provided reconciliation on the attached schedule of this measure to the most directly comparable GAAP measure. Management believes that EBITDA is one of the appropriate measures for evaluating the operating performance of the Company because it reflects the resources available for strategic opportunities including, among others, to invest in the business, strengthen the balance sheet, and make strategic acquisitions. However, this measure should be considered in addition to, not as a substitute for, or superior to, net earnings or other measures of financial performance prepared in accordance with GAAP as more fully discussed in the Company's financial statements and filings with the SEC. As used herein, "GAAP" refers to accounting principles generally accepted in the United States of America.

The press release also includes the Company's costs and expenses, operating profit, net earnings and diluted earnings per share excluding the impact of the restructuring of the Company's investment in the HUB Network joint venture in 2014 and the impact of an adverse arbitration award, restructuring and related pension charges, and certain favorable tax adjustments in 2013. Management believes that presenting this data excluding these charges and tax adjustments assists investors in understanding the performance of the Company's underlying business and the results of operations.

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(Tables Attached)

HASBRO, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)

| | Sept. 28, 2014 | Sept. 29, 2013 |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 452,184 | \$ 588,668 |
| Accounts Receivable, Net | 1,314,022 | 1,215,289 |
| Inventories | 499,150 | 447,113 |
| Other Current Assets | 380,833 | 346,215 |
| Total Current Assets | <u>2,646,189</u> | <u>2,597,285</u> |
| Property, Plant and Equipment, Net | 228,019 | 231,199 |
| Other Assets | 1,634,594 | 1,761,661 |
| Total Assets | <u>\$ 4,508,802</u> | <u>\$ 4,590,145</u> |
| LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY | | |
| Short-term Borrowings | \$ 78,023 | \$ 212,926 |
| Current Portion of Long-term Debt | - | 430,424 |
| Payables and Accrued Liabilities | 936,005 | 1,005,529 |
| Total Current Liabilities | <u>1,014,028</u> | <u>1,648,879</u> |
| Long-term Debt | 1,559,895 | 959,895 |
| Other Liabilities | 392,366 | 410,672 |
| Total Liabilities | <u>2,966,289</u> | <u>3,019,446</u> |
| Redeemable Noncontrolling Interests | 43,949 | 47,269 |
| Total Shareholders' Equity | <u>1,498,564</u> | <u>1,523,430</u> |
| Total Liabilities, Redeemable Noncontrolling Interests and Shareholders' Equity | <u>\$ 4,508,802</u> | <u>\$ 4,590,145</u> |

HASBRO, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| (Thousands of Dollars and Shares Except Per Share Data) | Quarter Ended | | | | Nine Months Ended | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Sept. 28, 2014 | % Net Revenues | Sept. 29, 2013 | % Net Revenues | Sept. 28, 2014 | % Net Revenues | Sept. 29, 2013 | % Net Revenues |
| Net Revenues | \$ 1,469,899 | 100.0% | \$ 1,370,348 | 100.0% | \$ 2,978,614 | 100.0% | \$ 2,800,384 | 100.0% |
| Costs and Expenses: | | | | | | | | |
| Cost of Sales | 602,766 | 41.0% | 568,582 | 41.5% | 1,181,647 | 39.7% | 1,136,724 | 40.6% |
| Royalties | 94,352 | 6.4% | 143,947 | 10.5% | 214,466 | 7.2% | 243,568 | 8.8% |
| Product Development | 58,220 | 4.0% | 59,366 | 4.3% | 157,184 | 5.3% | 154,455 | 5.5% |
| Advertising | 147,492 | 10.0% | 136,487 | 10.0% | 296,444 | 10.0% | 277,278 | 9.9% |
| Amortization of Intangibles | 12,809 | 0.9% | 14,224 | 1.0% | 38,103 | 1.3% | 37,677 | 1.3% |
| Program Production Cost | | | | | | | | |
| Amortization | 24,374 | 1.7% | 17,991 | 1.3% | 35,742 | 1.2% | 34,023 | 1.2% |
| Selling, Distribution and Administration | 244,072 | 16.6% | 231,045 | 16.9% | 643,202 | 21.6% | 633,238 | 22.6% |
| Operating Profit | <u>285,814</u> | <u>19.4%</u> | <u>198,706</u> | <u>14.5%</u> | <u>411,826</u> | <u>13.8%</u> | <u>283,421</u> | <u>10.1%</u> |
| Interest Expense | 24,710 | 1.7% | 41,194 | 3.0% | 69,940 | 2.3% | 86,398 | 3.0% |
| Other (Income) Expense, Net | 17,050 | 1.2% | 1,599 | 0.1% | 7,320 | 0.2% | 6,527 | 0.3% |
| Earnings before Income Taxes | 244,054 | 16.6% | 155,913 | 11.4% | 334,566 | 11.2% | 190,496 | 6.8% |
| Income Taxes | 63,899 | 4.3% | 30,070 | 2.2% | 90,077 | 3.0% | 34,844 | 1.2% |
| Net Earnings | <u>180,155</u> | <u>12.3%</u> | <u>125,843</u> | <u>9.2%</u> | <u>244,489</u> | <u>8.2%</u> | <u>155,652</u> | <u>5.6%</u> |
| Net Loss Attributable to Noncontrolling Interests | <u>(302)</u> | <u>0.0%</u> | <u>(731)</u> | <u>0.0%</u> | <u>(1,530)</u> | <u>-0.1%</u> | <u>(731)</u> | <u>0.0%</u> |
| Net Earnings Attributable to Hasbro, Inc. | <u>\$ 180,457</u> | <u>12.3%</u> | <u>\$ 126,574</u> | <u>9.2%</u> | <u>\$ 246,019</u> | <u>8.3%</u> | <u>\$ 156,383</u> | <u>5.6%</u> |
| Per Common Share | | | | | | | | |
| Net Earnings Attributable to Hasbro, Inc. | | | | | | | | |
| Basic | <u>\$ 1.42</u> | | <u>\$ 0.97</u> | | <u>\$ 1.90</u> | | <u>\$ 1.20</u> | |
| Diluted | <u>\$ 1.40</u> | | <u>\$ 0.96</u> | | <u>\$ 1.88</u> | | <u>\$ 1.19</u> | |
| Cash Dividends Declared | <u>\$ 0.43</u> | | <u>\$ 0.40</u> | | <u>\$ 1.29</u> | | <u>\$ 1.20</u> | |
| Weighted Average Number of Shares | | | | | | | | |
| Basic | <u>127,293</u> | | <u>130,253</u> | | <u>129,302</u> | | <u>129,972</u> | |
| Diluted | <u>128,703</u> | | <u>131,845</u> | | <u>130,789</u> | | <u>131,573</u> | |

HASBRO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Thousands of Dollars)

| | Nine Months Ended | |
|--|--------------------------|-----------------------|
| | <u>Sept. 28, 2014</u> | <u>Sept. 29, 2013</u> |
| Cash Flows from Operating Activities: | | |
| Net Earnings | \$ 244,489 | \$ 155,652 |
| Non-cash Adjustments | 144,320 | 168,429 |
| Changes in Operating Assets and Liabilities | <u>(361,983)</u> | <u>(276,764)</u> |
| Net Cash Provided by Operating Activities | <u>26,826</u> | <u>47,317</u> |
| Cash Flows from Investing Activities: | | |
| Additions to Property, Plant and Equipment | (78,255) | (78,246) |
| Investments and Acquisitions, Net of Cash Acquired | 64,400 | (109,955) |
| Other | 4,009 | 3,121 |
| Net Cash Utilized by Investing Activities | <u>(9,846)</u> | <u>(185,080)</u> |
| Cash Flows from Financing Activities: | | |
| Proceeds from Borrowings with Maturity Greater Than 3 Months | 559,986 | - |
| Repayments of Borrowings with Maturity Greater Than 3 Months | (425,000) | - |
| Net Proceeds from (Repayments of) Short-term Borrowings | 71,172 | (11,235) |
| Purchases of Common Stock | (338,184) | (86,972) |
| Stock-based Compensation Transactions | 51,954 | 87,172 |
| Dividends Paid | (162,789) | (104,164) |
| Net Cash Utilized by Financing Activities | <u>(242,861)</u> | <u>(115,199)</u> |
| Effect of Exchange Rate Changes on Cash | (4,384) | (8,071) |
| Cash and Cash Equivalents at Beginning of Year | <u>682,449</u> | <u>849,701</u> |
| Cash and Cash Equivalents at End of Period | <u>\$ 452,184</u> | <u>\$ 588,668</u> |

HASBRO, INC.
SUPPLEMENTAL FINANCIAL DATA
(Unaudited)

(Thousands of Dollars)

| | Quarter Ended | | | % Change | Nine Months Ended | | |
|--|----------------|----------------|------|--------------|-------------------|----------------|-------------|
| | Sept. 28, 2014 | Sept. 29, 2013 | | | Sept. 28, 2014 | Sept. 29, 2013 | % Change |
| Major Segment Results | | | | | | | |
| U.S. and Canada Segment: | | | | | | | |
| External Net Revenues | \$ 764,268 | \$ 735,619 | 4% | \$ 1,484,968 | \$ 1,466,921 | 1% | |
| Operating Profit | 169,850 | 146,991 | 16% | 252,541 | 243,738 | 4% | |
| Operating Margin | 22.2% | 20.0% | | 17.0% | 16.6% | | |
| International Segment: | | | | | | | |
| External Net Revenues | 649,284 | 582,676 | 11% | 1,351,608 | 1,212,665 | 11% | |
| Operating Profit | 116,451 | 105,663 | 10% | 148,097 | 115,951 | 28% | |
| Operating Margin | 17.9% | 18.1% | | 11.0% | 9.6% | | |
| Entertainment and Licensing Segment: | | | | | | | |
| External Net Revenues | 53,378 | 48,637 | 10% | 135,915 | 114,747 | 18% | |
| Operating Profit | 493 | 7,625 | -94% | 21,120 | 16,622 | 27% | |
| Operating Margin | 0.9% | 15.7% | | 15.5% | 14.5% | | |
| International Segment Net Revenues by Major Geographic Region | | | | | | | |
| Europe | \$ 403,602 | \$ 376,648 | 7% | \$ 827,412 | \$ 755,097 | 10% | |
| Latin America | 163,163 | 131,914 | 24% | 313,466 | 260,443 | 20% | |
| Asia Pacific | 82,519 | 74,114 | 11% | 210,730 | 197,125 | 7% | |
| Total | \$ 649,284 | \$ 582,676 | | \$ 1,351,608 | \$ 1,212,665 | | |
| Net Revenues by Product Category | | | | | | | |
| Boys | \$ 478,509 | \$ 392,014 | 22% | \$ 1,062,082 | \$ 888,494 | 20% | |
| Games | 395,221 | 387,450 | 2% | 841,449 | 873,774 | -4% | |
| Girls | 407,718 | 388,696 | 5% | 710,235 | 652,889 | 9% | |
| Preschool | 188,451 | 202,188 | -7% | 364,848 | 385,227 | -5% | |
| Total Net Revenues | \$ 1,469,899 | \$ 1,370,348 | | \$ 2,978,614 | \$ 2,800,384 | | |
| Reconciliation of EBITDA | | | | | | | |
| Net Earnings Attributable to Hasbro, Inc. | \$ 180,457 | \$ 126,574 | | \$ 246,019 | \$ 156,383 | | |
| Net Loss Attributable to Noncontrolling Interests | (302) | (731) | | (1,530) | (731) | | |
| Interest Expense | 24,710 | 41,194 | | 69,940 | 86,398 | | |
| Income Taxes | 63,899 | 30,070 | | 90,077 | 34,844 | | |
| Depreciation | 32,458 | 32,345 | | 82,536 | 75,526 | | |
| Amortization of Intangibles | 12,809 | 14,224 | | 38,103 | 37,677 | | |
| EBITDA | \$ 314,031 | \$ 243,676 | | \$ 525,145 | \$ 390,097 | | |

HASBRO, INC.
SUPPLEMENTAL FINANCIAL DATA
RESTRUCTURING OF EQUITY METHOD INVESTMENT AND RESTRUCTURING, PENSION SETTLEMENT AND ARBITRATION
AWARD CHARGES

(Unaudited)

(Thousands of Dollars)

Operating Profit, Excluding Restructuring of Equity Method Investment and Restructuring, Pension Settlement and Arbitration Award Charges

| | <u>Quarter Ended Sept. 28, 2014</u> | <u>As Reported</u> | <u>Less Restructuring of Equity Method Investment</u> | <u>Excluding Restructuring of Equity Method Investment</u> | <u>% Net Revenues</u> |
|--|-------------------------------------|--------------------|---|--|---------------------------|
| Net Revenues | | \$ 1,469,899 | \$ - | \$ 1,469,899 | 100.0% |
| Costs and Expenses: | | | | | |
| Cost of Sales | | 602,766 | - | 602,766 | 41.0% |
| Royalties | | 94,352 | 2,328 | 96,680 | 6.6% |
| Product Development | | 58,220 | - | 58,220 | 4.0% |
| Advertising | | 147,492 | - | 147,492 | 10.0% |
| Amortization of Intangibles | | 12,809 | - | 12,809 | 0.9% |
| Program Production Cost Amortization | | 24,374 | - | 24,374 | 1.7% |
| Selling, Distribution and Administration | | 244,072 | (1,000) | 243,072 | 16.5% |
| Operating Profit | | <u>\$ 285,814</u> | <u>\$ 1,328</u> | <u>\$ 284,486</u> | <u>19.4%</u> |

| | <u>Nine Months Ended Sept. 28, 2014</u> | <u>As Reported</u> | <u>Less Restructuring of Equity Method Investment</u> | <u>Excluding Restructuring of Equity Method Investment</u> | <u>% Net Revenues</u> |
|--|---|--------------------|---|--|---------------------------|
| Net Revenues | | \$ 2,978,614 | \$ - | \$ 2,978,614 | 100.0% |
| Costs and Expenses: | | | | | |
| Cost of Sales | | 1,181,647 | - | 1,181,647 | 39.7% |
| Royalties | | 214,466 | 2,328 | 216,794 | 7.3% |
| Product Development | | 157,184 | - | 157,184 | 5.3% |
| Advertising | | 296,444 | - | 296,444 | 10.0% |
| Amortization of Intangibles | | 38,103 | - | 38,103 | 1.3% |
| Program Production Cost Amortization | | 35,742 | - | 35,742 | 1.2% |
| Selling, Distribution and Administration | | 643,202 | (1,000) | 642,202 | 21.6% |
| Operating Profit | | <u>\$ 411,826</u> | <u>\$ 1,328</u> | <u>\$ 410,498</u> | <u>13.8%</u> |

| | <u>Quarter Ended Sept. 29, 2013</u> | <u>As Reported</u> | <u>Less Restructuring, Pension Settlement and Arbitration Award Charges</u> | <u>Excluding Restructuring, Pension Settlement and Arbitration Award Charges</u> | <u>% Net Revenues</u> |
|--|-------------------------------------|--------------------|---|--|---------------------------|
| Net Revenues | | \$ 1,370,348 | \$ - | \$ 1,370,348 | 100.0% |
| Costs and Expenses: | | | | | |
| Cost of Sales | | 568,582 | - | 568,582 | 41.5% |
| Royalties | | 143,947 | (57,164) | 86,783 | 6.3% |
| Product Development | | 59,366 | - | 59,366 | 4.3% |
| Advertising | | 136,487 | - | 136,487 | 10.0% |
| Amortization of Intangibles | | 14,224 | - | 14,224 | 1.0% |
| Program Production Cost Amortization | | 17,991 | - | 17,991 | 1.3% |
| Selling, Distribution and Administration | | 231,045 | (4,093) | 226,952 | 16.6% |
| Operating Profit | | <u>\$ 198,706</u> | <u>\$ (61,257)</u> | <u>\$ 259,963</u> | <u>19.0%</u> |

| | <u>Nine Months Ended Sept. 29, 2013</u> | <u>As Reported</u> | <u>Less Restructuring, Pension Settlement and Arbitration Award Charges</u> | <u>Excluding Restructuring, Pension Settlement and Arbitration Award Charges</u> | <u>% Net Revenues</u> |
|--|---|--------------------|---|--|---------------------------|
| Net Revenues | | \$ 2,800,384 | \$ - | \$ 2,800,384 | 100.0% |
| Costs and Expenses: | | | | | |
| Cost of Sales | | 1,136,724 | (8,493) | 1,128,231 | 40.3% |
| Royalties | | 243,568 | (57,164) | 186,404 | 6.7% |
| Product Development | | 154,455 | (3,515) | 150,940 | 5.4% |
| Advertising | | 277,278 | - | 277,278 | 9.9% |
| Amortization of Intangibles | | 37,677 | - | 37,677 | 1.3% |
| Program Production Cost Amortization | | 34,023 | - | 34,023 | 1.2% |
| Selling, Distribution and Administration | | 633,238 | (23,473) | 609,765 | 21.8% |
| Operating Profit | | <u>\$ 283,421</u> | <u>\$ (92,645)</u> | <u>\$ 376,066</u> | <u>13.4%</u> |



HASBRO, INC.
SUPPLEMENTAL FINANCIAL DATA
RESTRUCTURING OF EQUITY METHOD INVESTMENT AND RESTRUCTURING, PENSION SETTLEMENT AND ARBITRATION
AWARD CHARGES
(Unaudited)

(Thousands of Dollars)

Net Earnings and Earnings per Share Excluding Restructuring of Equity Method Investment, Restructuring Charges, Pension Settlement Charges, Arbitration Award Charges and Benefit from Settlement of Tax Exams

| | Quarter Ended | | | | | |
|--|----------------|-------------------|------------|----------------|-------------------|--------|
| | Sept. 28, 2014 | Diluted Per Share | | Sept. 29, 2013 | Diluted Per Share | |
| | | Amount | Amount | | Amount | Amount |
| Net Earnings Attributable to Hasbro, Inc., as Reported | \$ 180,457 | \$ 1.40 | \$ 126,574 | \$ 0.96 | | |
| Restructuring of Equity Method Investment, Net of Tax | 7,379 | 0.06 | - | - | | |
| Restructuring Charges, Net of Tax | - | - | 2,447 | 0.02 | | |
| Pension Settlement Charges, Net of Tax | - | - | 679 | 0.01 | | |
| Arbitration Award Charges, Net of Tax | - | - | 66,447 | 0.50 | | |
| 2013 Benefit from Tax Exam Settlement | - | - | (23,637) | (0.18) | | |
| Net Earnings Attributable to Hasbro, Inc., as Adjusted | \$ 187,836 | \$ 1.46 | \$ 172,510 | \$ 1.31 | | |

| | Nine Months Ended | | | | | |
|--|-------------------|-------------------|------------|----------------|-------------------|--------|
| | Sept. 28, 2014 | Diluted Per Share | | Sept. 29, 2013 | Diluted Per Share | |
| | | Amount | Amount | | Amount | Amount |
| Net Earnings Attributable to Hasbro, Inc., as Reported | \$ 246,019 | \$ 1.88 | \$ 156,383 | \$ 1.19 | | |
| Restructuring of Equity Method Investment, Net of Tax | 7,379 | 0.06 | - | - | | |
| Restructuring Charges, Net of Tax | - | - | 21,224 | 0.16 | | |
| Pension Settlement Charges, Net of Tax | - | - | 2,469 | 0.02 | | |
| Arbitration Award Charges, Net of Tax | - | - | 66,447 | 0.50 | | |
| 2013 Benefit from Tax Exam Settlement | - | - | (23,637) | (0.18) | | |
| Net Earnings Attributable to Hasbro, Inc., as Adjusted | \$ 253,398 | \$ 1.94 | \$ 222,886 | \$ 1.69 | | |

Restructuring of Equity Method Investment and Restructuring, Pension Settlement and Arbitration Award Charges - by Segment

| | Quarter Ended | | Nine Months Ended | |
|----------------------------|-------------------------------------|----------------|-------------------|----------------|
| | Sept. 28, 2014 | Sept. 29, 2013 | Sept. 28, 2014 | Sept. 29, 2013 |
| | Entertainment and Licensing Segment | \$ - | \$ - | \$ - |
| Corporate and Eliminations | (1,328) | 61,257 | (1,328) | 90,916 |
| Total | \$ (1,328) | \$ 61,257 | \$ (1,328) | \$ 92,645 |