



First Quarter 2014 Earnings Presentation

April 21, 2014

Safe Harbor

FORWARD-LOOKING STATEMENTS: *This presentation contains forward-looking statements concerning management's expectations, goals, objectives and similar matters, which are subject to risks and uncertainties. These forward-looking statements may include comments concerning our product and entertainment plans, anticipated product performance, business opportunities, plans and strategies, costs and cost savings initiative, financial goals and expectations for our future financial performance and achieving our objectives. There are many factors that could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in these forward-looking statements, including consumer and retailer interest in and acceptance of our products and product lines, changes in marketing and business plans and strategies as well as future global economic conditions, including foreign exchange rates. Some of those factors are set forth in the Company's Annual Reports on Form 10-K, in the Company's Quarterly Reports on Form 10-Q, in the Company's Current Reports on Form 8-K, the risk factors in the earnings release for the first quarter and in the Company's other public disclosures. The Company undertakes no obligation to make any revisions to the forward-looking statements contained in this presentation to reflect events or circumstances occurring after the date of this presentation.*

REGULATION G: *Information required by Securities and Exchange Commission Regulation G, regarding non-GAAP financial measures, as well as other financial and statistical information, will be available at the time of the conference call on the Investor Relations' section of Hasbro's website at: <http://investor.hasbro.com>, under the subheading "Financial Information" – "Quarterly Results."*



Hasbro: Creating a Revolution in Play



Geography

Consumer Engagement

Hasbro & Partner Brands

Hasbro is creating a branded play world with global brands, engaging storytelling, immersive experiences and digital and analog innovation for consumers across all geographies.

First Quarter 2014 Snapshot

Solid Start to 2014 Growth in Revenues, Operating Profit and EPS

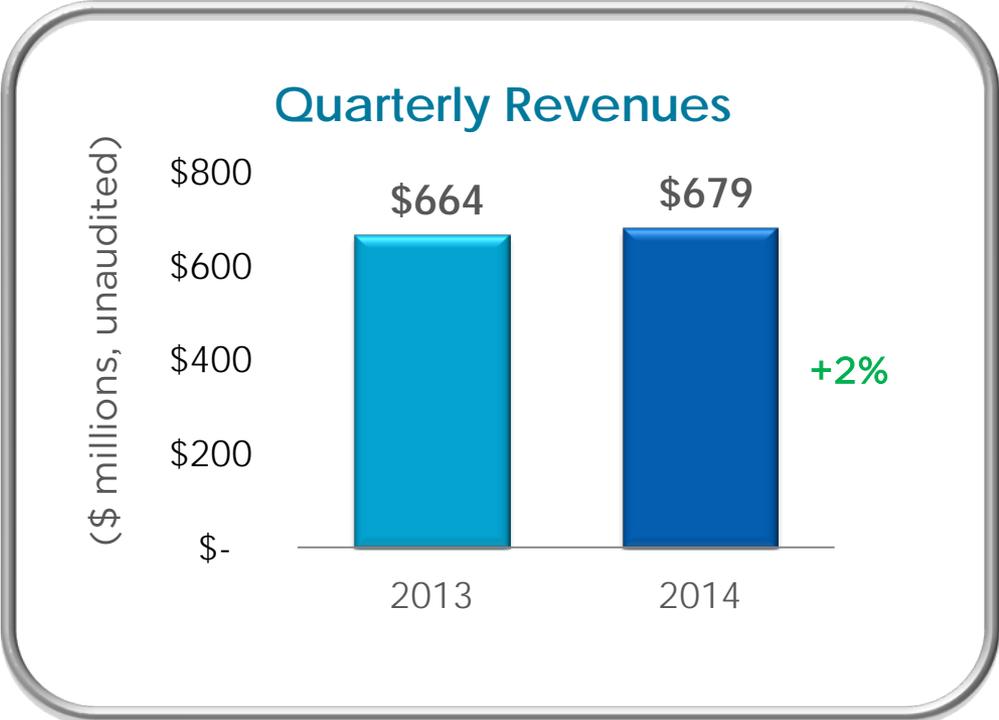
- **Q1 Net revenues \$679M, up 2% year-over-year**
 - International segment up 5%; Entertainment and Licensing segment up 13%
 - Emerging markets up 15%
 - Growth despite Easter comparisons (Easter in Q2 2014 vs. Q1 2013)
- **Franchise Brands up 15% year-over-year**
 - Franchise Brands delivered growth across all segments
 - Majority of Franchise Brands up in quarter: MAGIC: THE GATHERING, MONOPOLY, MY LITTLE PONY, NERF and PLAY-DOH
- **Operating profit, ex. restructuring and pension charges, up 10% year-over-year***
 - U.S and Canada segment declined 5% due to lower revenue and product mix
 - International segment profitable in Q1 2014 vs. loss in Q1 2013
- **Adjusted Net Income of \$18.6M or \$0.14 per diluted share in Q1 2014 vs. \$6.6M or \$0.05 per diluted share in Q1 2013****

**Q1 2013 adjusted operating profit excludes \$28.9 million pre-tax restructuring and pension related charges. Refer to slide 23 for a reconciliation of "As Reported" to "As Adjusted" financials.*

*** Q1 2014 adjusted net income excludes \$13.5 million in discrete tax benefits. Q1 2013 adjusted net income excludes \$13.3 million, net, in restructuring charges and related pension costs and discrete tax benefits. Refer to slide 25 for a reconciliation of "As Reported" to "As Adjusted" financials.*



First Quarter 2014 Revenues

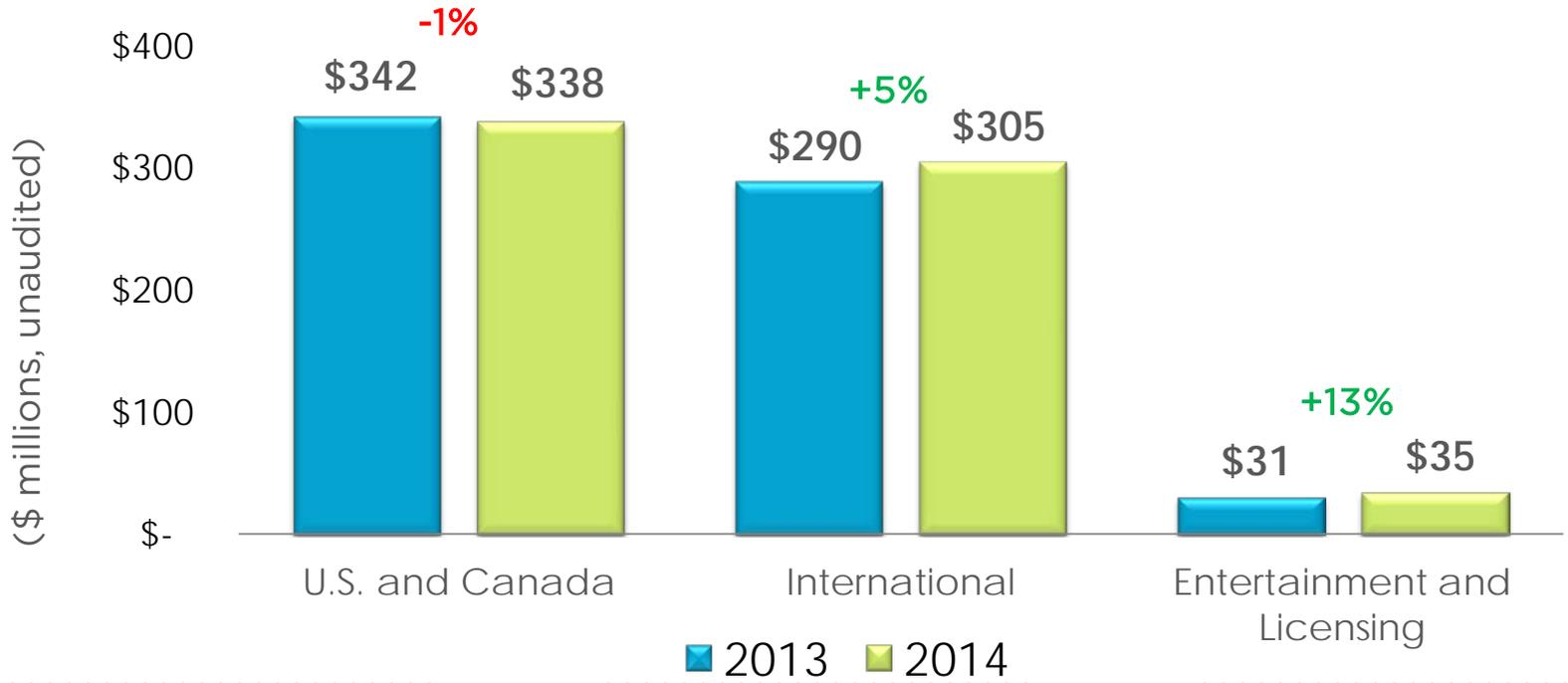


Growth in International segment and Entertainment and Licensing segment

Unfavorable foreign exchange impact of \$6.0 million



First Quarter 2014 Segment Revenues



■ 2013 ■ 2014

U.S. and Canada
 U.S. business improving; Challenges in Canadian market

International
 Up 7% excluding unfavorable impact of FX; Emerging markets up 15%; Europe up 8%; Latin America up 17%; Asia Pacific down 13%

Entertainment and Licensing
 Benefited from Backflip Studios; Lifestyle Licensing growth offset by lower entertainment revenues



First Quarter 2014 Net Revenues By Region

(\$ millions, unaudited)	2014	2013	% Change
U.S./Canada	\$338	\$342	-1%
Europe	207	193	+8%
Latin America	53	46	+17%
Asia Pacific	45	51	-13%
International	305	290	+5%
Entertainment & Licensing	35	31	+13%
Global Operations	1	1	---
Total Net Revenues	\$679	\$664	+2%

Excluding FX impact International segment up 7%:
 Europe up 7%; Latin America up 27% and Asia Pacific down 10%
 Emerging Markets up 15% including growth in Russia, Brazil &
 Poland

First Quarter 2014 Net Revenues By Product Category

(\$ millions, unaudited)	2014	2013	% Change
Boys	\$ 248	\$ 243	+2%
Games	220	231	-4%
Girls	139	115	+21%
Preschool	72	75	-4%
Total	\$ 679	\$ 664	+2%

Growth in majority of our Franchise Brands:
**MAGIC: THE GATHERING, MONOPOLY, MY LITTLE PONY,
 NERF and PLAY-DOH**
MARVEL strong contributor to revenue growth



First Quarter 2014 Major Expense Items

(Absent Charges)

(\$ millions, unaudited)	Q1 2014	Q1 2013	% Change YOY	% of Q1 2014 Revenue
Cost of Sales	\$259	\$259	-0.2%	38.1%
Royalties	\$ 50	\$ 49	+0.4%	7.3%
Product Development	\$ 47	\$ 44	+8.2%	7.0%
Advertising	\$ 67	\$ 67	+0.2%	9.9%
Amortization of Intangibles	\$ 13	\$ 11	+17.4%	2.0%
Program Production Cost Amortization	\$ 5	\$ 6	-18.6%	0.7%
Selling, Distribution & Administration	\$195	\$188	+4.0%	28.7%

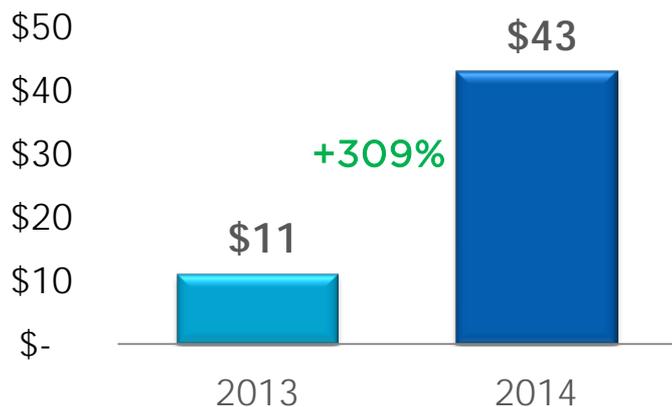
Refer to Slide 23 for a reconciliation of "As Reported" to "As Adjusted" financials



First Quarter 2014 Operating Profit

(\$ Millions, Unaudited)

As Reported Quarterly Operating Profit



Operating profit in 2013 impacted by restructuring and related pension charges

Adjusted Quarterly Operating Profit*



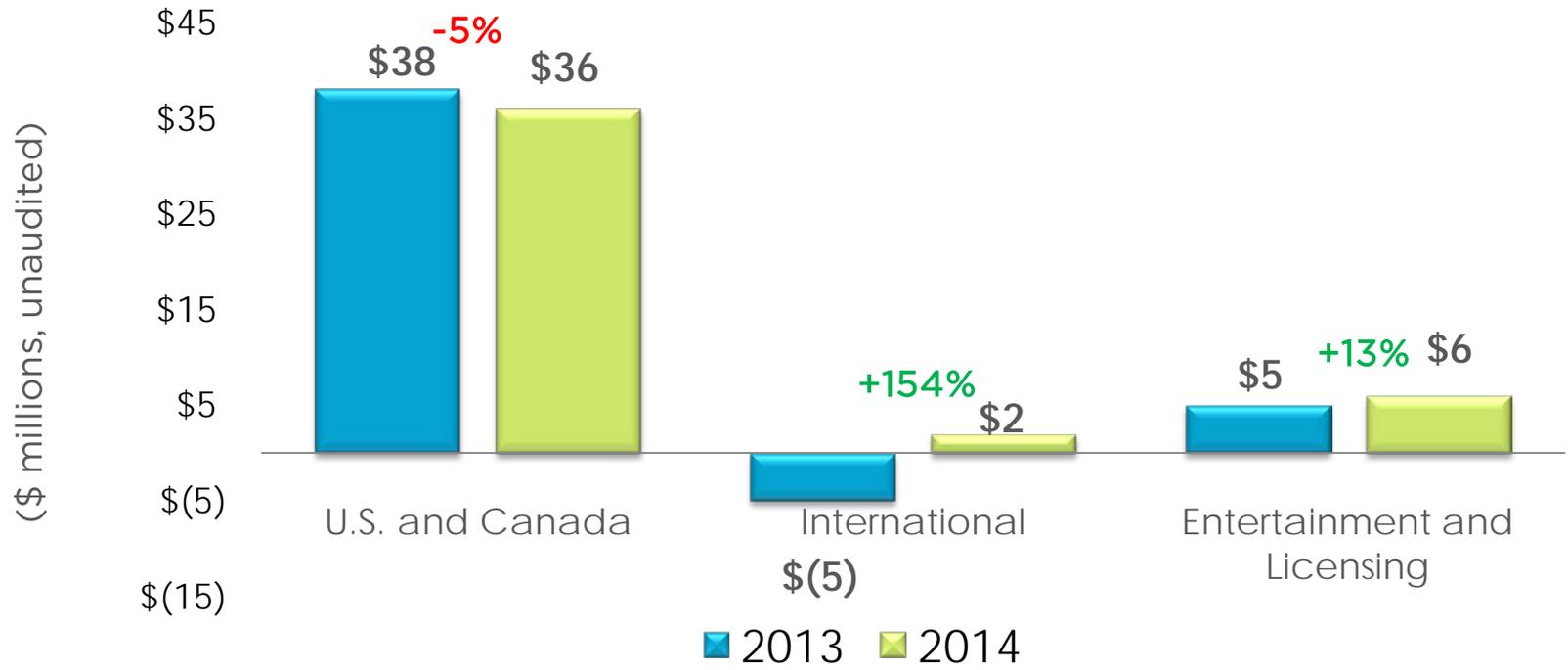
Operating profit supported by higher revenue and favorable product mix

* Q1 2013 adjusted operating profit excludes \$28.9 million pre-tax restructuring and pension related charges. Refer to slide 23 for a reconciliation of "As Reported" to "As Adjusted" financials.



First Quarter 2014 Segment Operating Profit

(As Reported)



U.S. and Canada
Lower revenue and product mix

International
Higher revenue and improved expense leverage

Entertainment and Licensing
Higher revenue



First Quarter 2014 Earnings (Loss) Attributable to Hasbro, Inc



Adjusted net earnings up 180% year-over-year

- Q1 2014 excludes \$13.5M or \$0.10 per diluted share of favorable tax adjustments
- Q1 2013 excludes \$18.7M or \$0.14 per diluted share of restructuring charges and related pension costs, net of tax and \$5.5M or \$0.04 of favorable tax adjustments

Other income, net was \$5M in Q1 2014 vs. other expense, net of \$4M in Q1 2013

Underlying tax rate of 26.1%

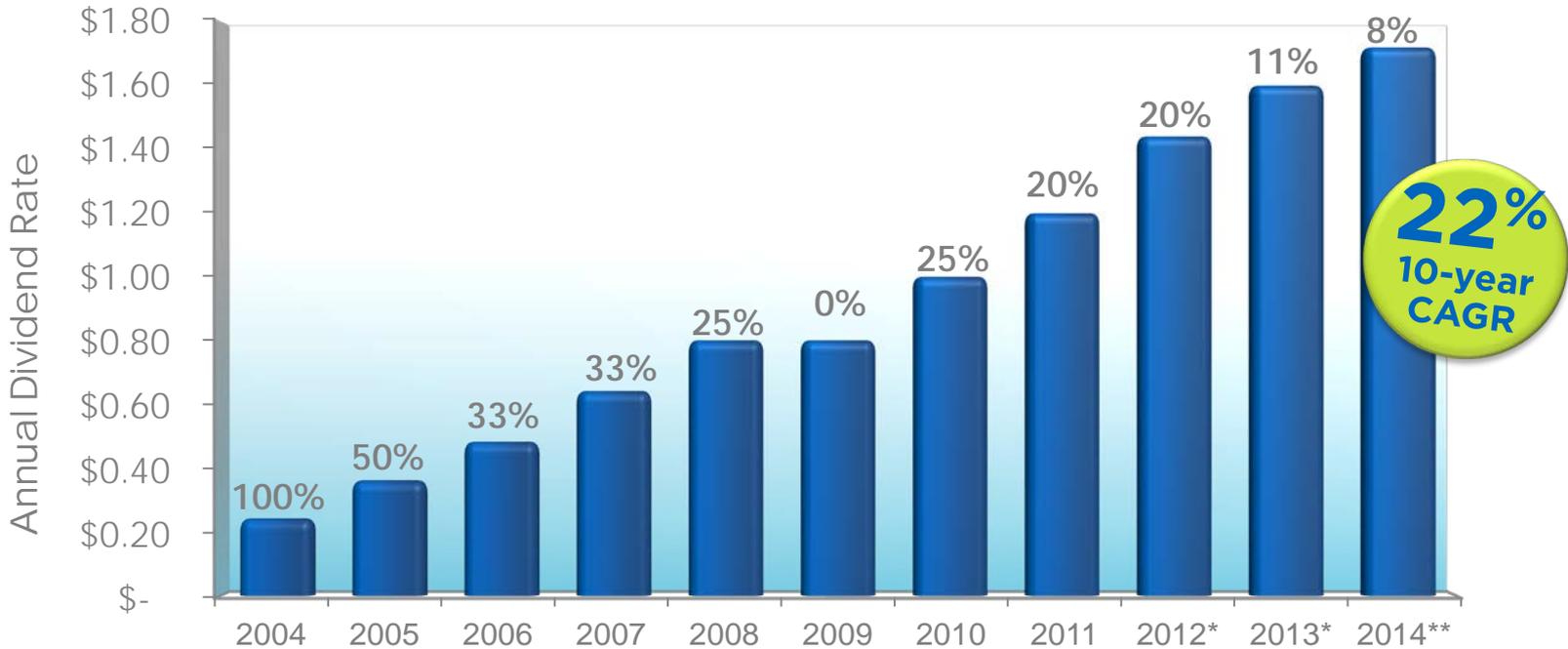
First Quarter 2014 Key Cash Flow & Balance Sheet Data

(\$ millions, unaudited)	2014	2013	Notes
Cash	\$ 792	\$1,067	
Depreciation	\$22	\$19	
Amortization	\$13	\$11	Includes Backflip Studios
Television Program Spending	\$5	\$12	
Capex	\$22	\$24	Full year 2014 target: \$125M - \$135 M
Dividends	\$ 52	\$--*	Next dividend payment on 5/15/14
Stock Repurchase	\$80	\$22	Approx. 1.5M shares at \$54.36
Operating Cash Flow (Q1) (Trailing Twelve Months)	\$242 \$346	\$297 \$548	Continued strong cash generation Reflects \$125M in long-term royalty advances paid to Disney in 2013
Accounts Receivable	\$552	\$509	DSOs at 73 days - reflect timing of collections and the mix of revenue
Inventory	\$391	\$324	Ahead of major movie launches and in support of emerging market growth

* Q1 2013 dividend payment accelerated to Q4 2012.



Dividends



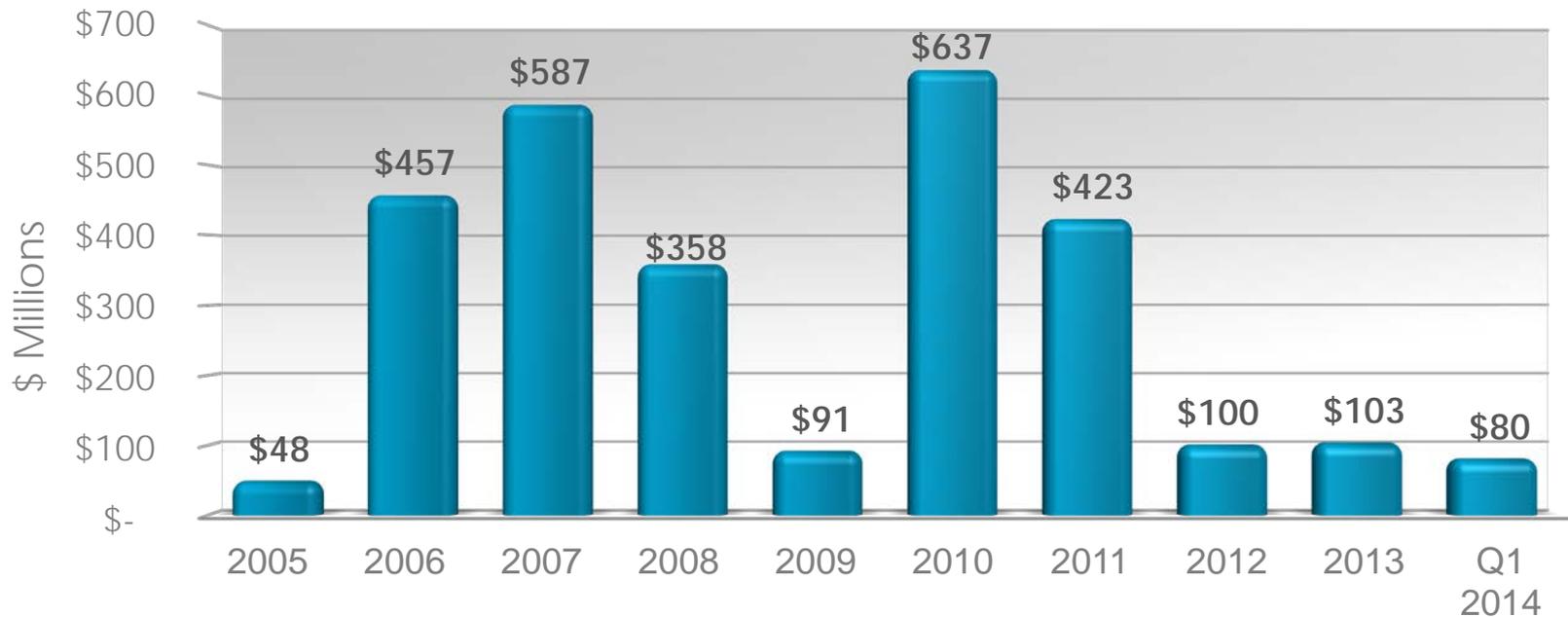
- Announced 8% increase in quarterly dividend to \$0.43 per share on Feb. 10, 2014
 - Tenth increase in 11 years
 - Quarterly dividend has grown from \$0.06 in 2004 to \$0.43 in 2014
- Next dividend payable May 15, 2014 to shareholders of record at the close of business May 1, 2014

*2012 and 2013 annual dividend rates have been adjusted to move accelerated payment paid in 2012 to 2013.

** 2014 annual dividend rate is projected.



Stock Buyback



- Repurchased 94M shares at a total cost of \$2.9B since program inception
- In August 2013, Board authorized additional \$500M in share repurchase
 - \$444.3M remained available at end of Q1 2014 under current authorizations
- In first quarter 2014, repurchased 1.5M shares at a cost of \$80.5 million and an average price of \$54.36

Entertainment Update: Television

- Since inception, green-lit 1000+ half hours of original production
- Shows in more than 180 territories worldwide
- Available on all formats, including digital and home entertainment
- Since inception, received 7 Daytime Emmy Awards for programming (16 nominations)

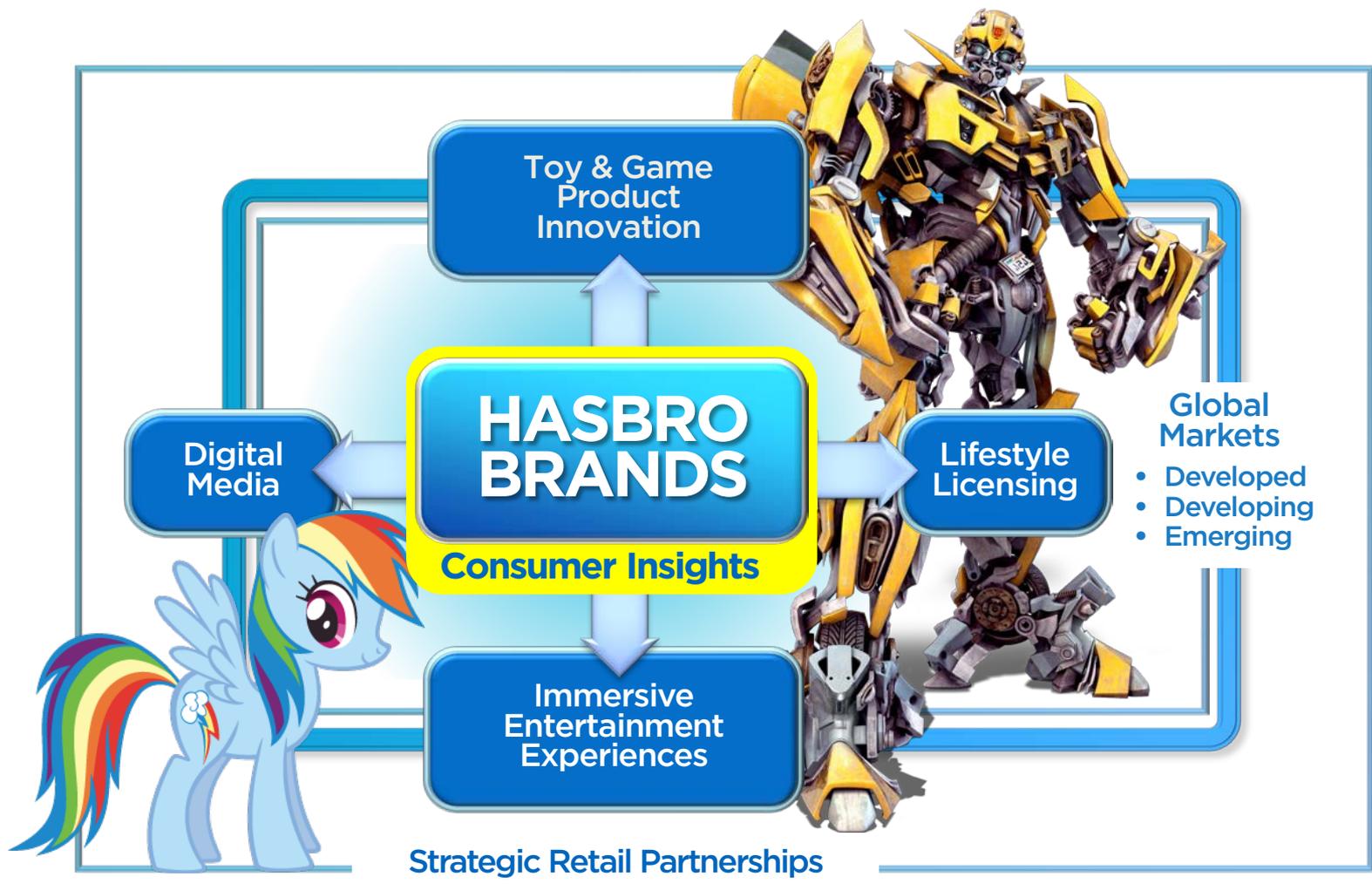


- March 2014: Delivered month-to-month rating gains in Total Day ¹
- Announced new well-received programming initiative focusing on live-action series for primetime that kids and their families can watch together
- In April 2014, launched new Hub Network app with games, clips & shows
- Remains on track to achieve pre-tax profitability in 2014



¹ Among Kids 2-11, Kids 6-11, Adults 18-49, Women 18-49, Adults 25-54, Women 25-54.

Hasbro's Branded Play Blueprint



Hasbro's Franchise Brands

TRANSFORMERS

MAGIC The Gathering

NERF

MONOPOLY

my LITTLE PONY

Littlest Pet Shop

Play-Doh





Supplementary Financial Information

First Quarter Statements of Operations

(\$ millions, unaudited)

March 30, 2014

March 31, 2013

Net Revenues	\$ 679	\$ 664
Cost of Sales	259	268
Royalties	50	49
Product Development	47	47
Advertising	67	67
Amortization of Intangibles	13	11
Program Production Cost Amortization	5	6
Selling, Distribution & Administration	195	205
Operating Profit	\$ 43	\$ 11
Interest Expense	22	23
Other (Income) Expense, Net	(5)	4
Earnings (Loss) Before Income Taxes	\$26	\$(16)
Income Taxes	(5)	(9)
Net Earnings (Loss)	\$ 31	\$ (7)
Net Loss Attributable to Noncontrolling Interests	(1)	-
Net Earnings (Loss) Attributable to Hasbro, Inc.	\$ 32	\$ (7)
Diluted EPS	\$0.24	\$(0.05)



First Quarter Condensed Balance Sheets

(\$ millions, unaudited)	March 30, 2014	March 31, 2013
Cash & Cash Equivalents	\$792	\$1,067
Accounts Receivable, Net	552	509
Inventories	391	324
Other Current Assets	407	350
Total Current Assets	2,142	2,250
Property, Plant & Equipment, Net	237	233
Other Assets	1,650	1,578
Total Assets	\$4,029	\$4,061
Short-term Borrowings	\$13	\$162
Current Portion of Long-term Debt	426	-
Payables & Accrued Liabilities	655	580
Total Current Liabilities	1,094	742
Long-term Debt	960	1,394
Other Liabilities	337	462
Total Liabilities	2,391	2,598
Redeemable Noncontrolling Interests	44	-
Total Shareholders' Equity	1,594	1,463
Total Liabilities, Redeemable Noncontrolling Interests and Shareholders' Equity	\$4,029	\$4,061

First Quarter Condensed Cash Flow

(\$ millions, unaudited)	March 30, 2014	March 31, 2013
Net Cash Provided by Operating Activities	\$ 242	\$ 297
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(22)	(24)
Other	(5)	4
Net Cash Utilized by Investing Activities	(27)	(21)
Cash Flows from Financing Activities:		
Net Proceeds from (Repayments) of Short-term Borrowings	5	(62)
Purchases of Common Stock	(80)	(22)
Stock-based Compensation Transactions	24	25
Dividends Paid	(52)	--
Net Cash Utilized by Financing Activities	(103)	(59)
Effect of Exchange Rate Changes on Cash	(2)	--
Cash and Cash Equivalents at Beginning of Year	682	850
Cash and Cash Equivalents at End of Period	\$ 792	\$ 1,067

Supplemental Financial Data

Operating Profit, Excluding Restructuring Charges and Related Pension Costs

(\$ thousands, unaudited)

Quarter Ended March 31, 2013	Q1 2013, As Reported	Less Restructuring and Related Pension Costs	Q1 2013, Excluding Restructuring and Related Pension Costs	% Net Revenues
Net Revenues	\$ 663,694	\$ -	\$ 663,694	100.0%
Costs and Expenses:				
Cost of Sales	267,572	(8,493)	259,079	39.0%
Royalties	49,392	-	49,392	7.5%
Product Development	47,185	(3,515)	43,670	6.6%
Advertising	67,134	-	67,134	10.1%
Amortization of Intangibles	11,416	-	11,416	1.7%
Program Production Cost Amortization	5,723	-	5,723	0.9%
Selling, Distribution and Administration	204,645	(16,918)	187,727	28.3%
Operating Profit	\$ 10,627	\$ (28,926)	\$ 39,553	6.0%

NOTE: There were no significant unusual or nonrecurring charges in Q1 2014

Supplemental Financial Data

Restructuring Charges and Related Pension Costs by Segment

(\$ thousands, unaudited)	March 30, 2014	March 31, 2013
U.S. and Canada Segment	\$ --	\$ --
International Segment	--	--
Entertainment and Licensing Segment	--	1,729
Global Operations Segment	--	--
Corporate and Eliminations	--	27,197
Total Restructuring Charges and Related Pension Costs	\$ --	\$ 28,926

Supplemental Financial Data

Net Earnings and EPS Excluding Restructuring and Related Charges and Discrete Tax Benefits

(\$ thousands, except per share amounts, unaudited)	March 30, 2014	Diluted Per Share Amount	March 31, 2013	Diluted Per Share Amount
Net Earnings (Loss) Attributable to Hasbro, Inc., as Reported	\$ 32,087	\$ 0.24	\$ (6,671)	\$ (0.05)
Restructuring and Related Pension Costs, Net of Tax	-	-	18,777	0.14
Discrete Tax Benefits, Net	(13,480)	(0.10)	(5,467)	(0.04)
Net Earnings, as Adjusted	\$ 18,607	\$ 0.14	\$ 6,639	\$ 0.05

Cost Savings Initiative: On Track with Plan

Category	Initial Targets (Feb.13)	Annual Run Rate of Savings Achieved	Future Savings	Total Savings by end of 2015
Workforce Reduction	\$55M	\$50M	\$3M	\$53M
Process Improvement & Other Expense Reduction	30M	23M	22M	45M
Facility Consolidation	15M	2M	--	2M
Total	<u>\$100M</u>	<u>\$75M</u>	<u>\$25M</u>	<u>\$100M</u>

- Nearly 75% of actions to achieve \$100M by 2015 are underway
- Remainder achieved through process improvements & expense reductions
 - Globalize media buying
 - Leverage shared services
 - Global SAP implementation

