



Hasbro First Quarter 2013 Earnings
April 22, 2013



Safe Harbor

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First Quarter 2013 Snapshot

Good start to 2013
Growth in Revenues, Operating Profit and EPS (Absent Charges)

- **Q1 Net revenues \$664 million, up 2% year-over-year**
 - U.S and Canada segment up 4%; International Segment flat; Entertainment and Licensing segment up 5%
 - Emerging markets up 34%
- **Games, Girls and Preschool categories posted year-over-year gains**
 - Vast majority of Franchise Brands grew in the quarter
- **Operating profit, ex. restructuring charges, up 47% year-over-year**
 - U.S & Canada segment up 124% (absent charges)
- **Q1 2013 restructuring charges & favorable tax impact**
 - \$28.9 million, or \$0.14 per share, in pre-tax charges associated with restructuring
 - Favorable tax adjustments of \$5.5 million, or \$0.04 per share, in Q1 2013



First Quarter 2013 Revenues

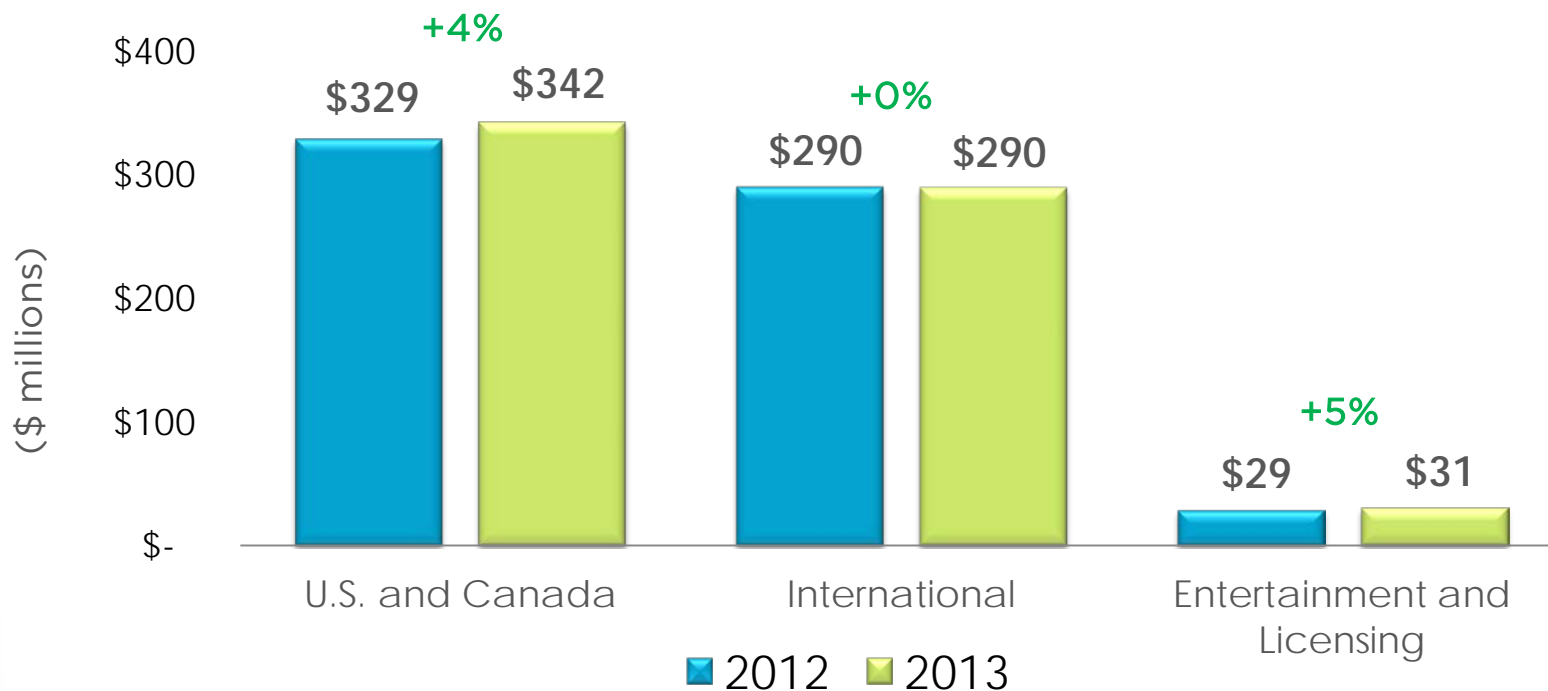


Delivered growth across segments, absent FX

Negative foreign exchange impact of \$3.3 million



First Quarter 2013 Segment Revenues



U.S. and Canada
U.S. business performed well in Q1; Growth in Girls and Games categories; Retail inventories down mid-teens

International
Robust emerging market growth; Growth in Games, Girls & Preschool categories; 1% growth absent FX

Entertainment and Licensing
Television programming sales



First Quarter 2013 Net Revenues By Region

(\$ millions)	2013	2012	% Change
U.S./Canada Segment	\$342	\$329	+4%
Europe	193	208	-7%
Latin America	46	39	+17%
Asia Pacific	51	43	+21%
International Segment	290	290	0%
Entertainment & Licensing	31	29	+5%
Global Operations	1	1	---
Total Net Revenues	\$664	\$649	+2%

Growth across majority of geographic regions, excluding FX
Emerging Markets up 34% including growth in Russia, Eastern
Europe, China, Korea, Brazil, Colombia, Peru and Chile



First Quarter 2013 Net Revenues By Product Category

(\$ millions)	2013	2012	% Change
Boys	\$ 243	\$ 303	-20%
Games	231	183	+26%
Girls	115	93	+23%
Preschool	75	70	+8%
Total	\$ 664	\$ 649	+2%

Growth in vast majority of our Franchise Brands
MY LITTLE PONY; MAGIC: THE GATHERING; PLAY-DOH revenues
all up more than 30% YOY; MARVEL up more than 20% YOY



First Quarter 2013 Major Expense Items (Absent Charges)

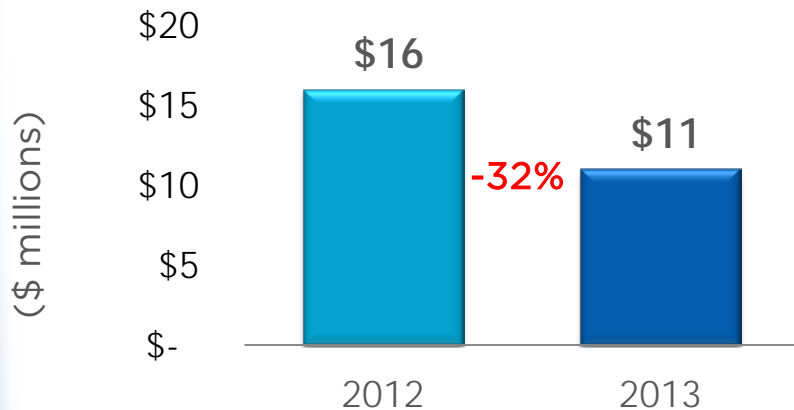
(\$ millions)	2013	% Change (\$)	% of Revenue	Notes
Cost of Sales	\$ 259	+2%	39.0%	Revenue growth 2%
Royalties	\$ 49	-6%	7.5%	Reflects product mix
Product Development	\$44	+3%	6.5%	Investing in product innovation
Advertising	\$67	+3%	10.1%	Investing in consumer demand
Amortization of Intangibles	\$11	+7%	1.7%	Higher amounts for amort. of digital gaming rights
Program Production Cost Amortization	\$6	+82%	0.9%	Related to amort. of new shows
Selling, Distribution & Administration	\$188	-3%	28.3%	Lower expense levels, including impact of one less week

Refer to Slide 21 for a reconciliation of "As Reported" to "As Adjusted" financials



First Quarter 2013 Operating Profit

As Reported Quarterly Operating Profit



• \$28.9M in restructuring-related charges in 2013 and \$11.1M in 2012

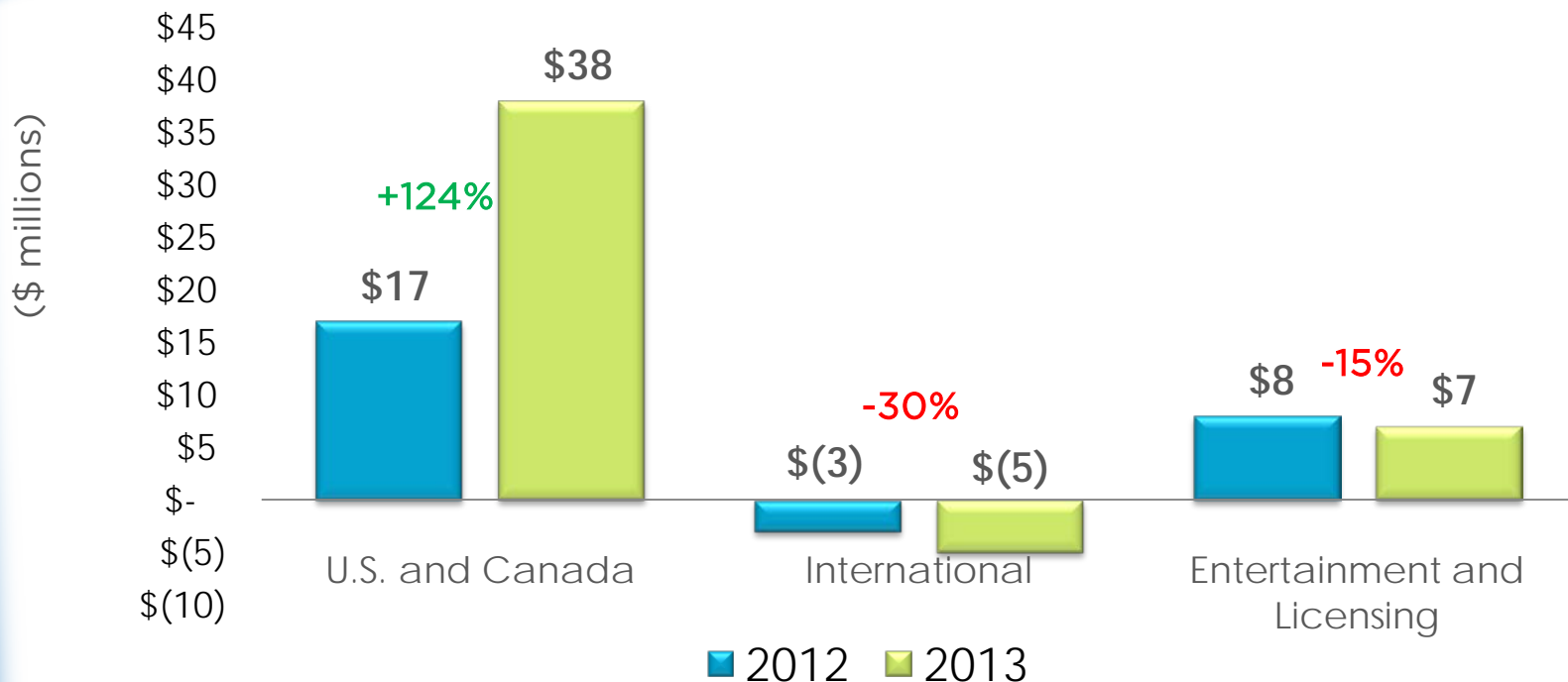
Adjusted Quarterly Operating Profit



• Growth in underlying profitability of U.S. & Canada segment
• 13 week Q1 2013 vs. 14 week Q1 2012 – impact on certain expense levels



First Quarter 2013 Segment Operating Profit (Absent Charges)



U.S. and Canada

Higher revenues;
Favorable product mix;
Savings from Q1 2012
Restructuring; OP margin
improves to 11.0% from
5.1% last year

International

Primarily due to lower
revenue and operating
profit in Europe

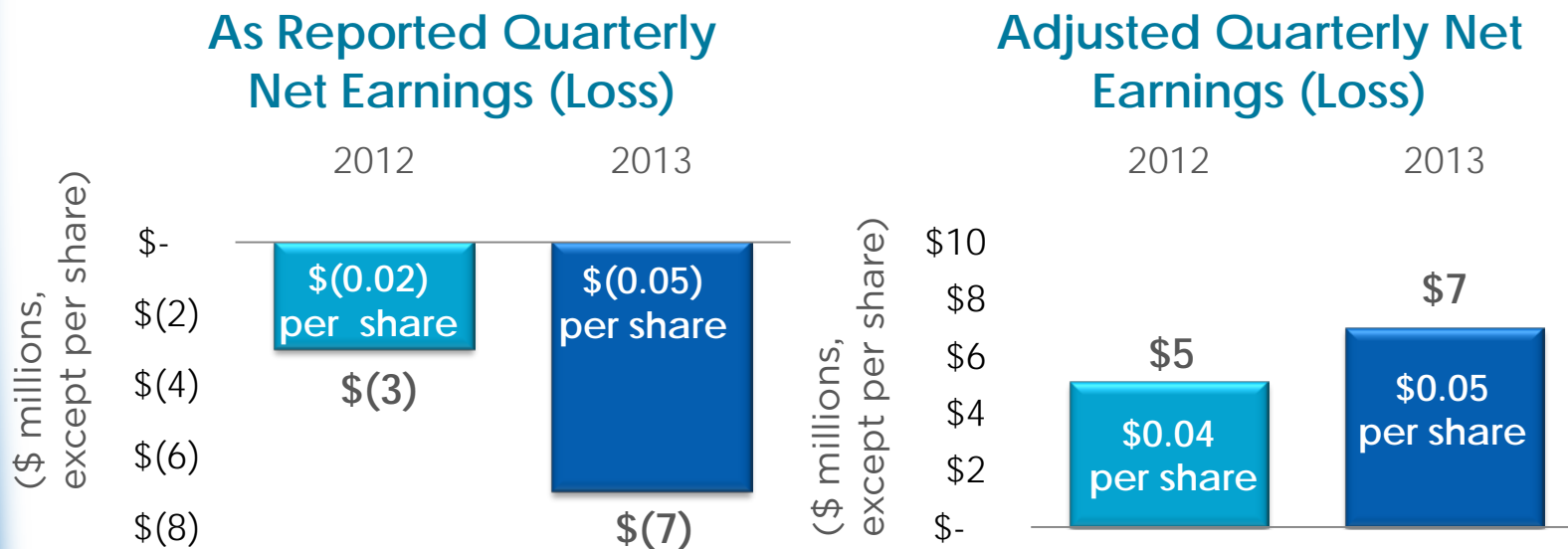
Entertainment and Licensing

Reflects revenue mix
and an increase in
program production
cost amortization vs. Q1
2012

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



First Quarter 2013 Net Earnings



Adjusted 2013 net earnings of \$6.6M or \$0.05 per diluted share

- Excludes 2013 and 2012 restructuring costs & 2013 favorable tax adjustments

Non-operating expense increased \$6.5M

- Foreign currency and investment losses in 2013 versus gains in 2012

Underlying tax rate of 26.4%

Average diluted shares 129.3M

Note: If Hasbro reported net earnings in Q1 13, average diluted shares would have been 130.9M

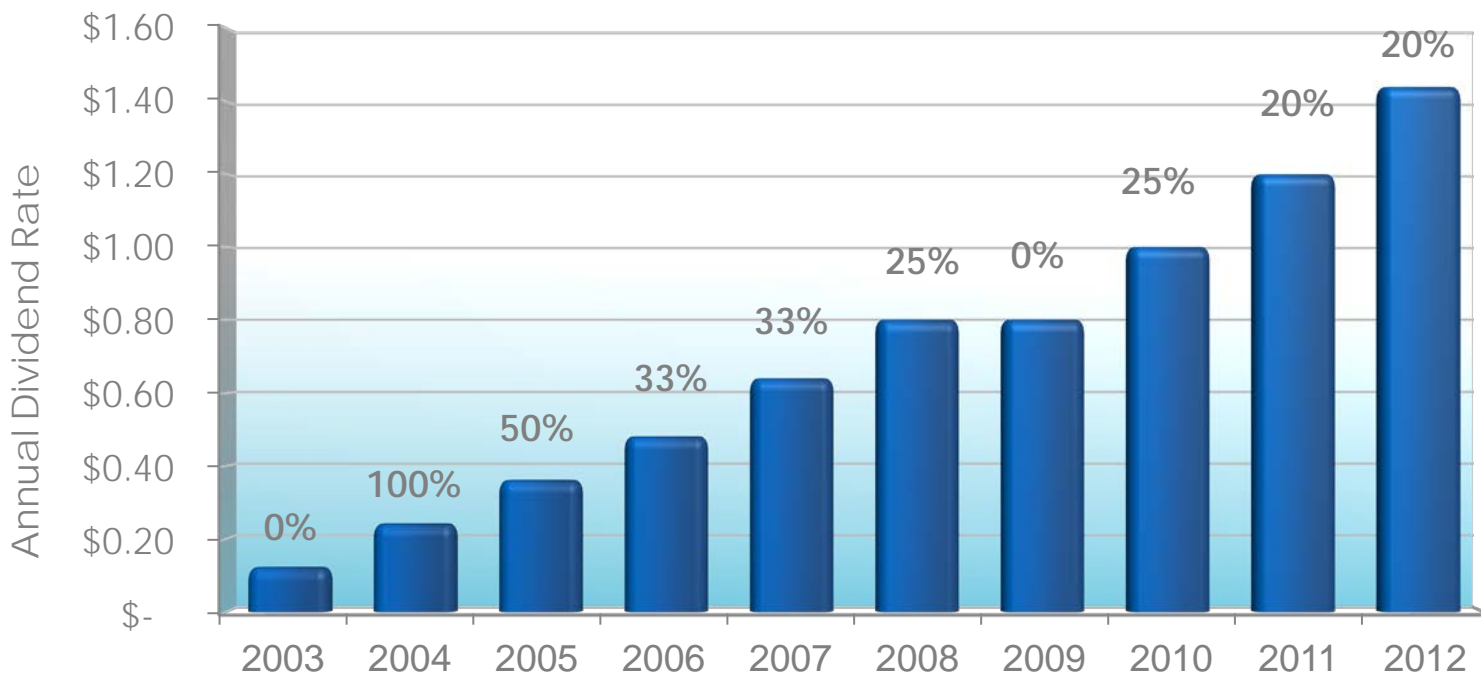


First Quarter 2013 Key Cash Flow & Balance Sheet Data

(\$ millions)	2013	Notes
Cash	\$1,067	
Depreciation	\$19	
Amortization	\$11	
Television Program Spending	\$12	
Capex	\$24	Primarily product tooling and facilities
Dividends	\$ --	Accelerated Q1 2013 payment of \$46M to Q4 2012
Stock Repurchase	\$22	Approx. 520,000 shares at \$38.81
Operating Cash Flow (Q1) (Trailing Twelve Months)	\$297 \$548	Continued strong cash generation
Accounts Receivable	\$509	DSOs at 69 days – higher vs. last year due to extra week of collections last year
Inventory	\$324	Inventory down YOY; Quality inventory for 2013



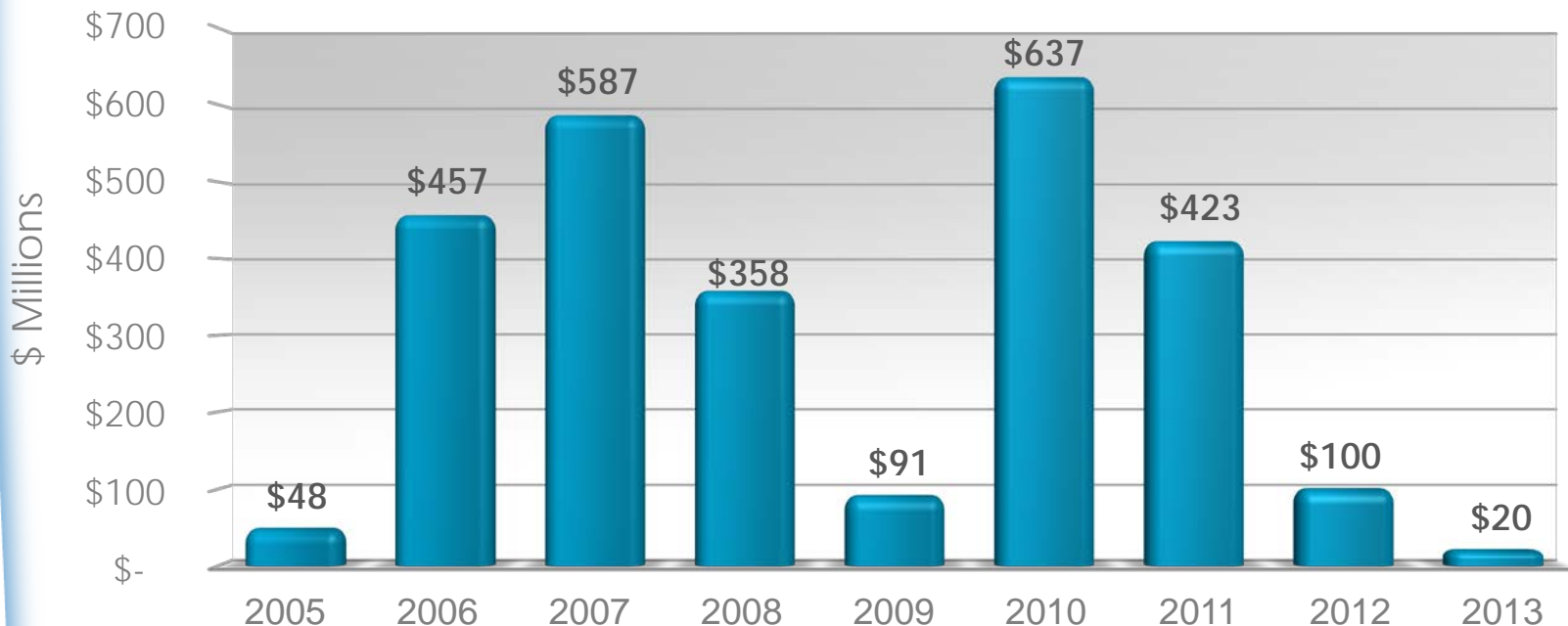
Dividends



- 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 first quarter 2013, repurchased approximately 520,000 shares at a total cost of \$20.2 million and an average price of \$38.81
- \$107.1 million remains available as of end of Q1 2013 under current authorization



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
- Consistently among the top-ranked shows on The Hub



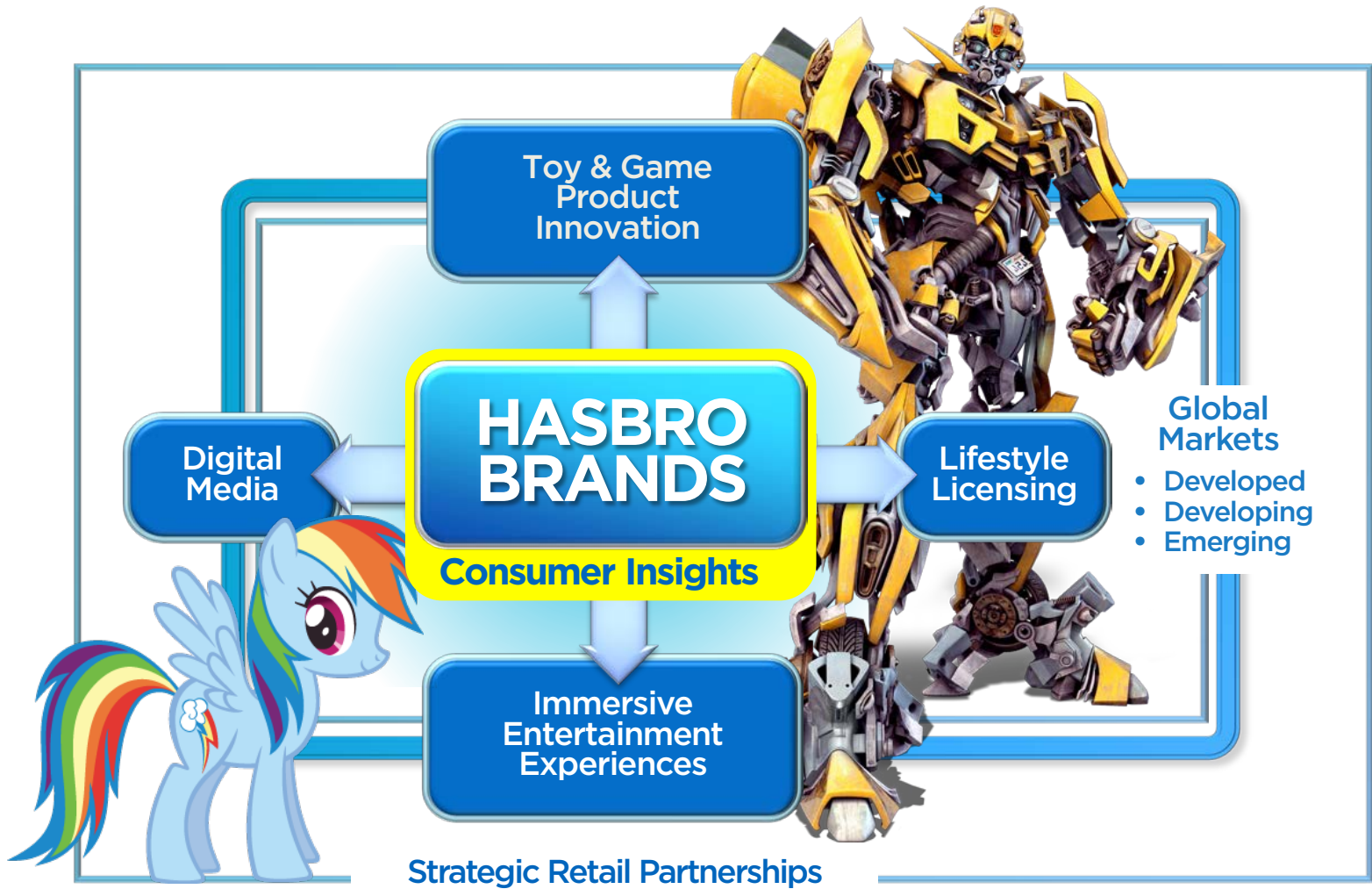
- Q1 2013 represents the 6th consecutive quarter of growth¹
- Launched several campaigns in the quarter to engage viewers and drive Network's ratings growth and online traffic
- Available in 72 million households



¹ Among Kids 2-11, Kids 6-11, Women 18-49, Adults 18-49, Persons 2+ and Households.



Hasbro's Branded Play Blueprint





Appendix



First Quarter Income Statement

(\$ millions)	March 31, 2013	April 1, 2012
Net Revenues	\$ 664	\$ 649
Cost of Sales	268	257
Royalties	49	52
Product Development	47	45
Advertising	67	65
Amortization of Intangibles	11	11
Program Production Cost Amortization	6	3
Selling, Distribution & Administration	205	200
Operating Profit	\$ 11	\$ 16
Interest Expense	23	23
Other (Income) Expense, Net	4	(2)
Earnings (Loss) Before Income Taxes	\$(16)	\$(5)
Income Taxes	(9)	(2)
Net Earnings (Loss)	\$ (7)	\$ (3)
Diluted EPS	\$(0.05)	\$(0.02)



First Quarter Balance Sheets

(\$ millions)	March 31, 2013	April 1, 2012
Cash	\$1,067	\$884
Accounts Receivable	509	457
Inventory	324	397
Other Current Assets	350	281
Total Current Assets	2,250	2,019
Property, Plant & Equipment, Net	233	223
Other Assets	1,578	1,655
Total Assets	\$4,061	\$3,897
Short Term Borrowings	\$162	\$171
Payables & Accrued Liabilities	580	555
Total Current Liabilities	742	726
Long-term Debt	1,394	1,401
Other Liabilities	463	373
Total Liabilities	\$2,599	\$2,500
Total Shareholders' Equity	\$1,462	\$1,397
Total Liabilities & Shareholders' Equity	\$4,061	\$3,897



First Quarter Condensed Cash Flow

(\$ millions)	2013	2012
Net Cash Provided by Operating Activities	\$ 297	\$ 285
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(24)	(23)
Other	3	7
Net Cash Utilized by Investing Activities	(21)	(16)
Cash Flows from Financing Activities:		
Net Repayments of Short Term Borrowings	(62)	(10)
Purchases of Common Stock	(22)	(5)
Stock-Based Compensation Transactions	25	23
Dividends Paid	--	(39)
Net Cash Utilized by Financing Activities	(59)	(31)
Effect of Exchange Rate Changes on Cash	--	4
Cash and Cash Equivalents at Beginning of Year	850	642
Cash and Cash Equivalents at End of Period	\$ 1,067	\$ 884



Supplemental Financial Data

Operating Profit, Excluding Restructuring Charges

(\$ thousands)

Quarter Ended March 31, 2013	Q1 2013, As Reported	Less Restructuring	Q1 2013, Excluding Restructuring	% 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	7.4%
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%

Quarter Ended April 1, 2012	Q1 2012, As Reported	Less Restructuring	Q1 2012, Excluding Restructuring	% Net Revenues
Net Revenues	\$ 648,850	\$ -	\$ 648,850	100.0%
Costs and Expenses:				
Cost of Sales	257,036	(2,764)	254,272	39.2%
Royalties	52,434	-	52,434	8.1%
Product Development	44,926	(2,479)	42,447	6.5%
Advertising	65,045	-	65,045	10.0%
Amortization of Intangibles	10,655	-	10,655	1.7%
Program Production Cost Amortization	3,138	-	3,138	0.5%
Selling, Distribution and Administration	199,890	(5,887)	194,003	29.9%
Operating Profit	\$ 15,726	\$ (11,130)	\$ 26,856	4.1%



Supplemental Financial Data

Restructuring Charges by Segment

(\$ thousands)	March 31, 2013	April 1, 2012
U.S. and Canada Segment	\$ --	\$2,444
International Segment	--	1,628
Entertainment and Licensing Segment	1,729	555
Global Operations Segment	--	4,307
Corporate and Eliminations	27,197	2,196
Total Restructuring Charges	\$28,926	\$11,130



Supplemental Financial Data

Major Segment Results, Excluding Restructuring

(\$ thousands)	Q1 2013 Operating Profit/(Loss)			Q1 2012 Operating Profit/(Loss)		
	As Reported	Less Restructuring	Adjusted, Ex. Restructuring	As Reported	Less Restructuring	Adjusted, Ex. Restructuring
U.S. and Canada Segment	\$ 37,743	\$ -	\$ 37,743	\$ 14,411	\$ 2,444	\$ 16,855
International Segment	\$ (4,505)	\$ -	\$ 4,505)	\$ (5,084)	\$ 1,628	\$ (3,456)
Entertainment and Licensing Segment	\$ 5,285	\$1,729	\$ 7,014	\$ 7,738	\$ 555	\$8,293



Supplemental Financial Data

Net Earnings and EPS Excluding Restructuring Charges and 2013 Tax Benefit

(\$ thousands, except per share amounts)	March 31, 2013	Diluted Per Share Amount	April 1, 2012	Diluted Per Share Amount
Net Loss, as reported	\$(6,671)	\$(0.05)	\$(2,579)	\$(0.02)
Restructuring charges, net of tax	\$18,777	0.14	\$7,675	0.06
2013 discrete tax benefits, net	\$(5,467)	(0.04)	--	--
Net earnings, as adjusted	\$6,639	\$0.05	\$5,096	\$0.04



Cost Savings Initiative

2013 Cost Savings Expectations

(\$ millions)	2013
2013 Expectations, Prior to Pension Charges	
Full-Year Charges	\$30 to \$35M
Full-Year Gross Savings	\$45 to \$48M
Full-Year Net Savings	\$13 to \$15M

Note: Potential pension charges in 2013 could be up to \$10 million dependent on the type of benefit payments pension participants request during the remainder of 2013