



Third Quarter 2016 Earnings

October 17, 2016



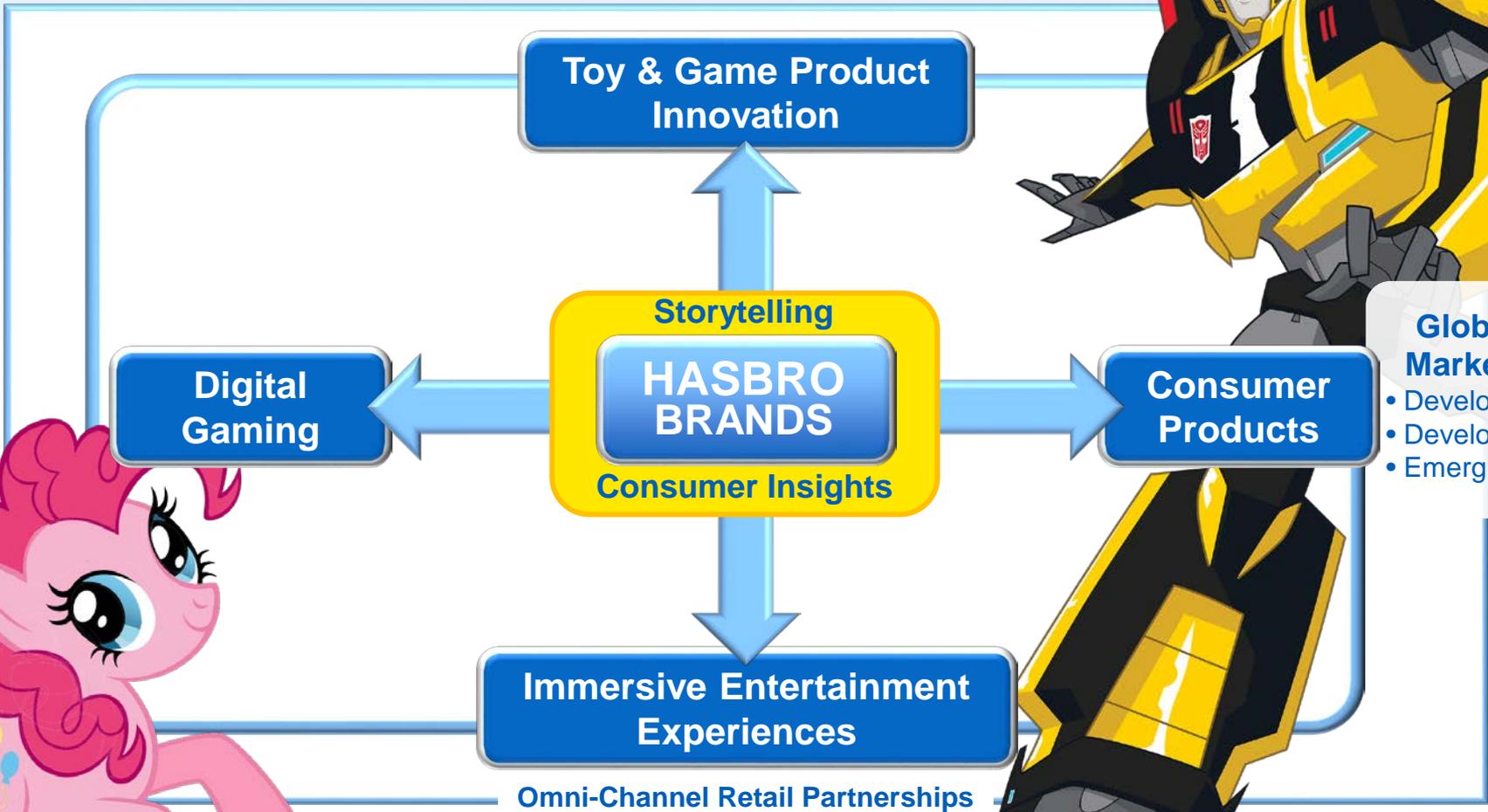
Safe Harbor

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, financial goals and expectations for our future financial performance and achieving our objectives, as well as the anticipated impact of foreign exchange rates. 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 third quarter 2016 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: investor.hasbro.com, under the subheading "Financial Information" - "Quarterly Results."



Brand Blueprint



Toy & Game Product Innovation

Storytelling

HASBRO BRANDS

Consumer Insights

Digital Gaming

Consumer Products

Immersive Entertainment Experiences

Omni-Channel Retail Partnerships

Global Markets

- Developed
- Developing
- Emerging



Third Quarter 2016 Snapshot

Highest Quarterly Revenue and Earnings in Hasbro History

Q3 2016 Net Revenues \$1.68B up 14% year-over-year

- Q3 2016 net revenues up 14% absent negative \$2.8M FX impact in the quarter;
- U.S. and Canada segment up 16%; International segment up 13%; Entertainment and Licensing up 8%;
- Emerging markets revenues increased 16% in the quarter; (approximately 15% absent FX)

Franchise Brands up 2% in Q3 2016

- Growth in MAGIC: THE GATHERING, NERF, PLAY-DOH; & TRANSFORMERS in the quarter

Partner Brands Revenues Grew 19%

- DISNEY PRINCESS and DISNEY'S FROZEN, DREAMWORKS' TROLLS AND YO-KAI WATCH all contributed in the quarter

Operating Profit Margin Improvement

- Q3 2016 Operating Profit up 19% compared to Q3 2015

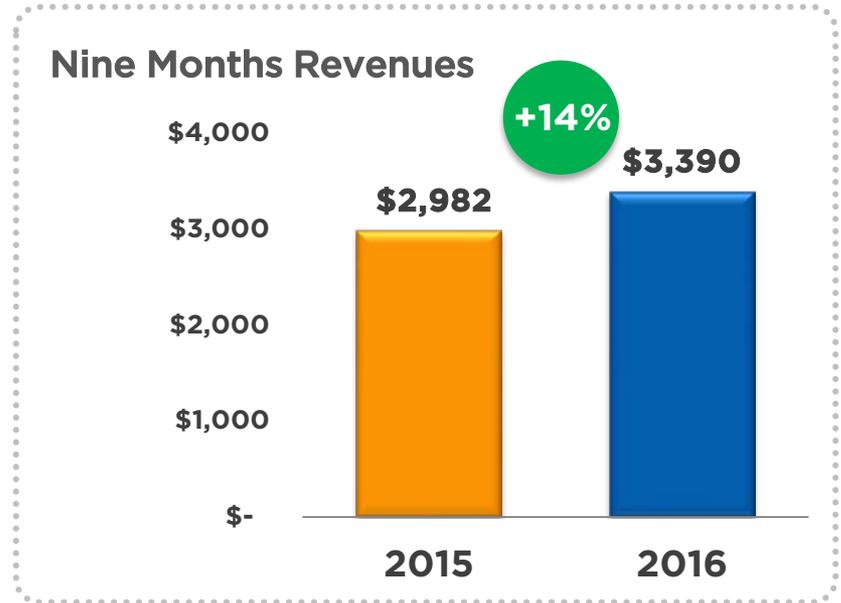
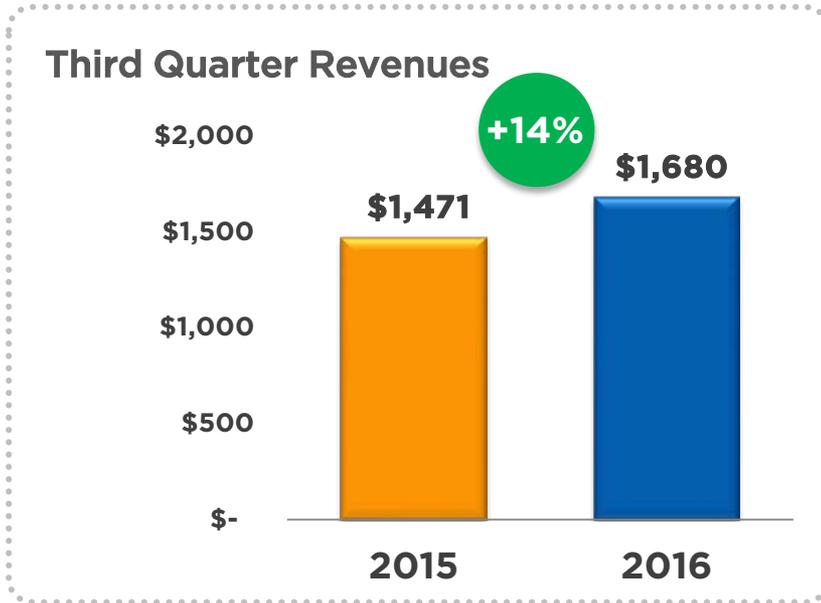
Strong Financial Position & Balance Sheet

- \$830M in cash at quarter end
- Returned \$112.4M to shareholders in the quarter

Net Earnings of \$257.8M, or \$2.03 per diluted share, in Q3 2016 vs. \$207.6M , or \$1.64 per diluted share, in Q3 2015

Third Quarter & Nine Months Net Revenue Performance

(\$ millions, unaudited)

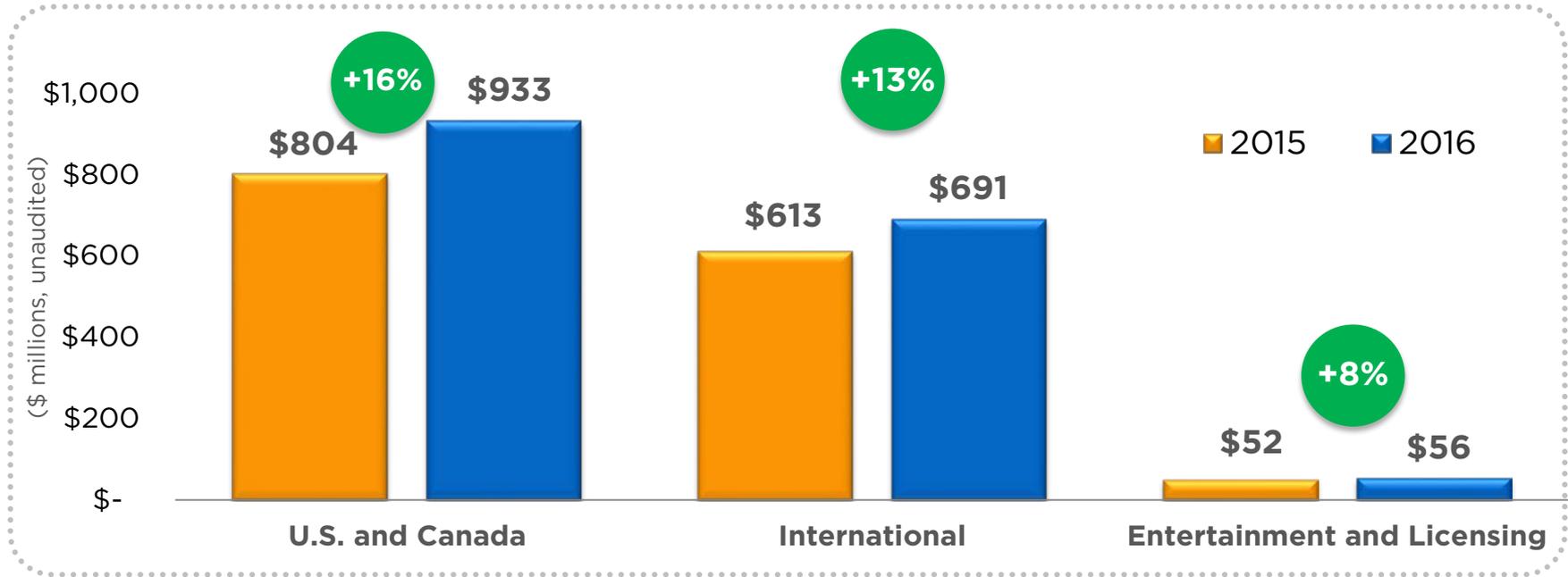


Foreign Exchange had a Negative \$2.8M Impact on Q3 2016 and a Negative \$49.1M Impact YTD 2016

Q3 2016 Revenues Increased 14% Absent Foreign Exchange

Nine Months 2016 Revenues are Up 15% Absent Foreign Exchange

Third Quarter Segment Net Revenues



U.S. and Canada

Franchise Brands +2%; Partner Brands +13%; Inventory in good position

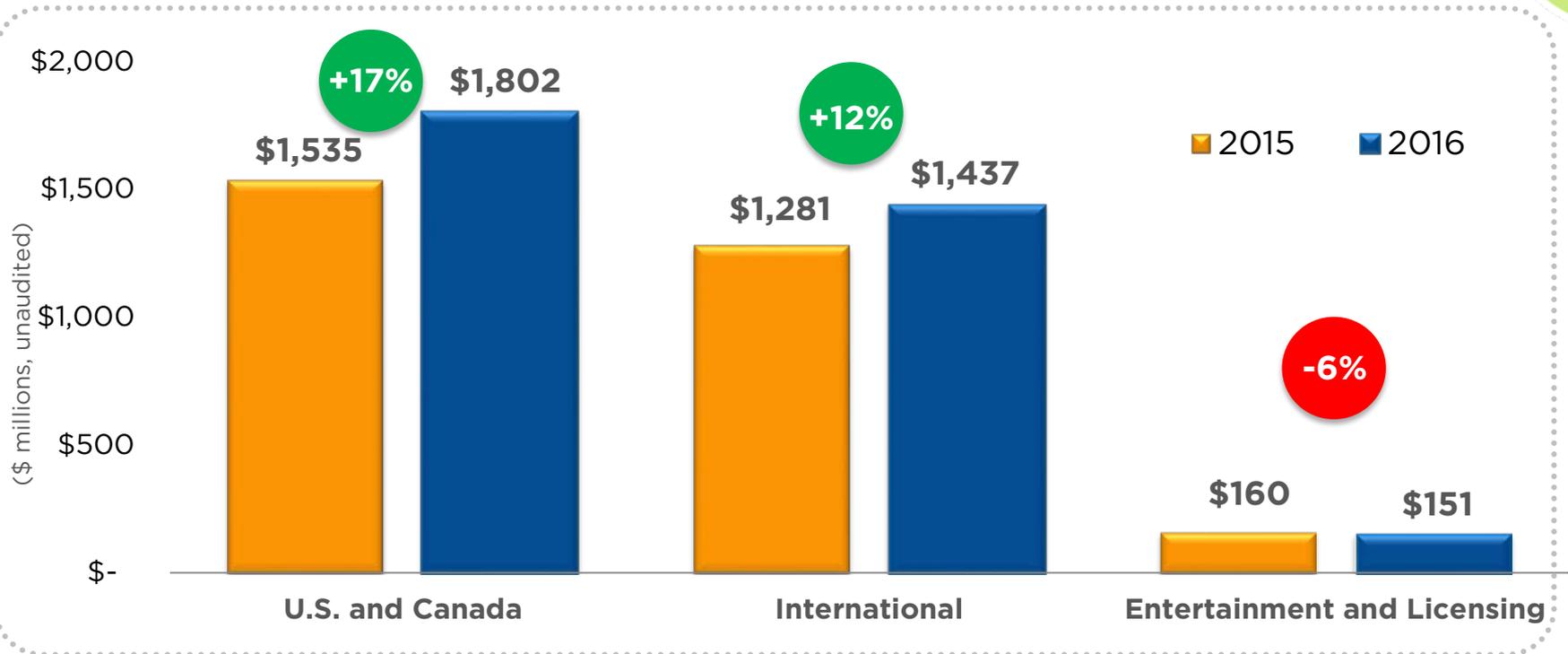
International

Franchise Brands +4%; Partner Brands + 30%; Inventory in good position

Entertainment and Licensing

Growth in Consumer Products and Digital Gaming

Nine Months Segment Net Revenues



U.S. and Canada

Franchise Brands +4%; Partner Brands +23%; Strong POS

International

Franchise Brands +4%; Partner Brands +34%; Positive POS in All Regions

Entertainment and Licensing

Digital Gaming revenue growth; Multi-year streaming deal in 2015

International Segment Revenues

Strong International Growth in the Third Quarter

(\$ millions, unaudited)	Q3 2016 As Reported	Q3 2016 Absent FX	Nine Mo. 2016 As Reported	Nine Mo. 2016 Absent FX
Europe	+16%	+17%	+17%	+19%
Latin America	+9%	+12%	+3%	+13%
Asia Pacific	+1%	+1%	+5%	+8%
International	+13%	+13%	+12%	+16%

Foreign Exchange Impact

Third Quarter 2016: -\$2.8M

Emerging Markets up 16% as reported and approximately 15%,
Absent FX

Third Quarter & Nine Months Net Revenues By Product Category

(\$ millions, unaudited)	Q3 2016	Q3 2015	% Change	Nine Mo. 2016	Nine Mo. 2015	% Change
Boys	\$ 605	\$ 593	+2%	\$ 1,297	\$ 1,206	+8%
Games	410	363	+13%	868	811	+7%
Girls	462	295	+57%	800	539	+48%
Preschool	203	220	-8%	425	426	--%
Total	\$1,680	\$1,471	+14%	\$3,390	\$2,982	+14%

- Growth in Boys, Girls and Games in Both Periods
- Growth Continues in NERF and PLAY-DOH; MAGIC: THE GATHERING and TRANSFORMERS Grew in the Quarter
- Strength in Partner Brands: DISNEY PRINCESS and DISNEY'S FROZEN; DREAMWORKS' TROLLS and YO-KAI WATCH

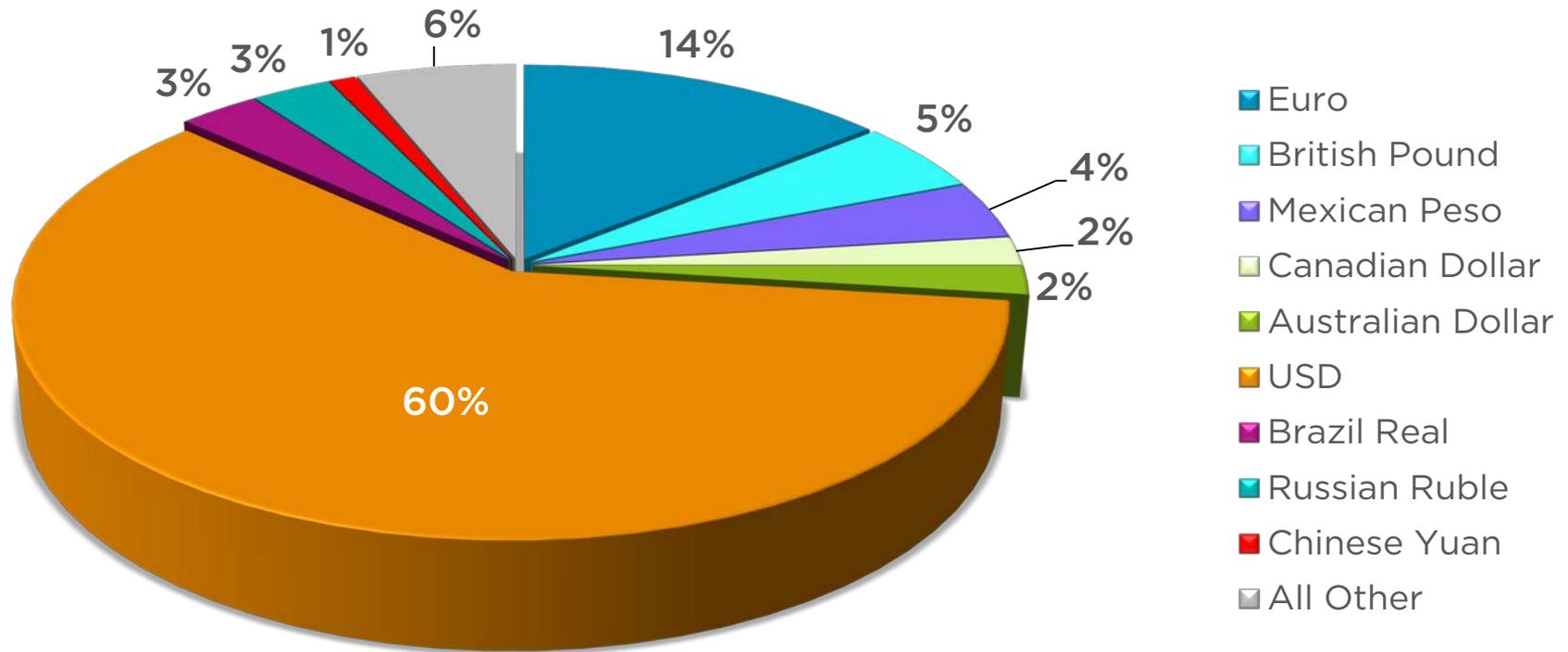


Third Quarter & Nine Months Net Revenues By Product Category-Absent FX

(\$ millions, unaudited)	Q3 2016	Q3 2015	% Change	Nine Mo. 2016	Nine Mo. 2015	% Change
Boys	\$ 606	\$ 593	+2%	\$1,316	\$ 1,206	+9%
Games	410	363	+13%	875	811	+8%
Girls	462	295	+57%	812	539	+51%
Preschool	204	220	-7%	435	426	+2%
Total	\$ 1,683	\$1,471	+14%	\$3,439	\$2,982	+15%

2015 Revenue by Currency

Hasbro 2015 Net Revenues by Currency





Third Quarter Major Expense Items

(\$ millions, unaudited)	Q3 2016	Q3 2015	% Change YOY*	Q3 2016 % of Revenue
Cost of Sales	\$659	\$579	+14%	39.2%
Royalties	\$134	\$114	+18%	8.0%
Product Development	\$70	\$65	+8%	4.2%
Advertising	\$154	\$142	+9%	9.2%
Amortization of Intangibles	\$9	\$9	-4%	0.5%
Program Production Cost Amortization	\$6	\$11	-45%	0.4%
Selling, Distribution & Administration	\$285	\$247*	+15%	17.0%

*Note: 2015 SD&A includes a \$3.1M benefit from the sale of manufacturing operations

*Percent changes may not calculate due to rounding



Nine Months Major Expense Items

(\$ millions, unaudited)	Nine Mo. 2016	Nine Mo. 2015	% Change YOY*	% of 2016 Revenue
Cost of Sales	\$1,271	\$1,122	+13%	37.5%
Royalties	\$274	\$230	+19%	8.1%
Product Development	\$191	\$174	+10%	5.6%
Advertising	\$321	\$288	+11%	9.5%
Amortization of Intangibles	\$26	\$35	-26%	0.8%
Program Production Cost Amortization	\$18	\$30	-41%	0.5%
Selling, Distribution & Administration	\$757	\$669*	+13%	22.3%

**Note: 2015 SD&A includes a \$3.1M benefit from the sale of manufacturing operations*

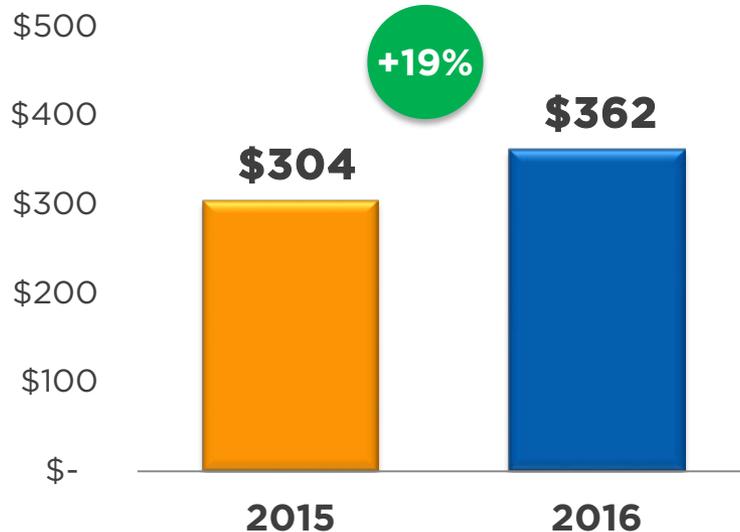
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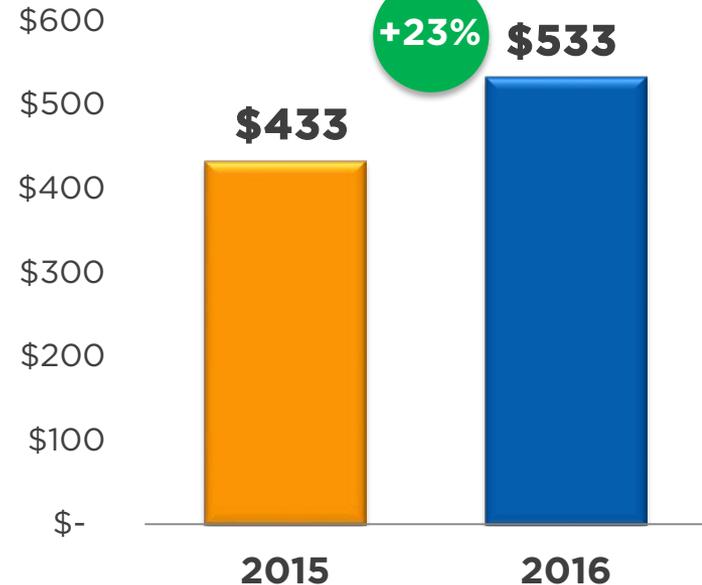
Third Quarter and Nine Months Operating Profit

(\$ millions, unaudited)

As Reported Quarter Operating Profit



As Reported YTD Operating Profit



Q3 2016 Operating Profit Margin 21.6% vs. 20.6% in 2015
YTD 2016 Operating Profit Margin 15.7% vs. 14.5% in 2015

Third Quarter Segment Operating Profit



U.S. and Canada

High revenues drove improved expense leverage;
Operating profit margin 24.4% vs. 23.3% in Q3 15

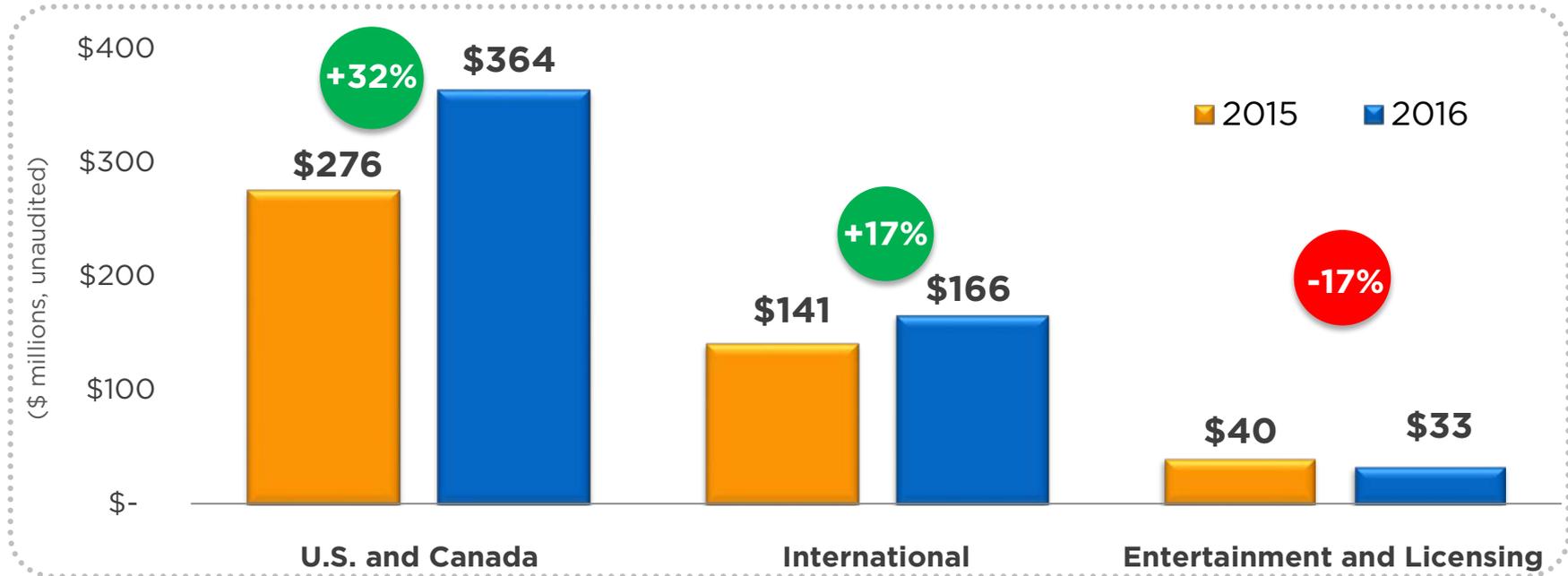
International

Higher Revenues Drove Improved Expense Leverage, Operating profit margin 19.3% vs. 18.6% in Q3 15

Entertainment and Licensing

Higher revenues and lower amortization; Investments in Consumer Products Team and Digital Gaming Launches;
Boulder Media-Not Material

Nine Months Segment Operating Profit



U.S. and Canada

Higher revenues partially offset by higher expenses; YTD 2016 Operating Profit Margin 20.2% vs. 18% YTD 2015

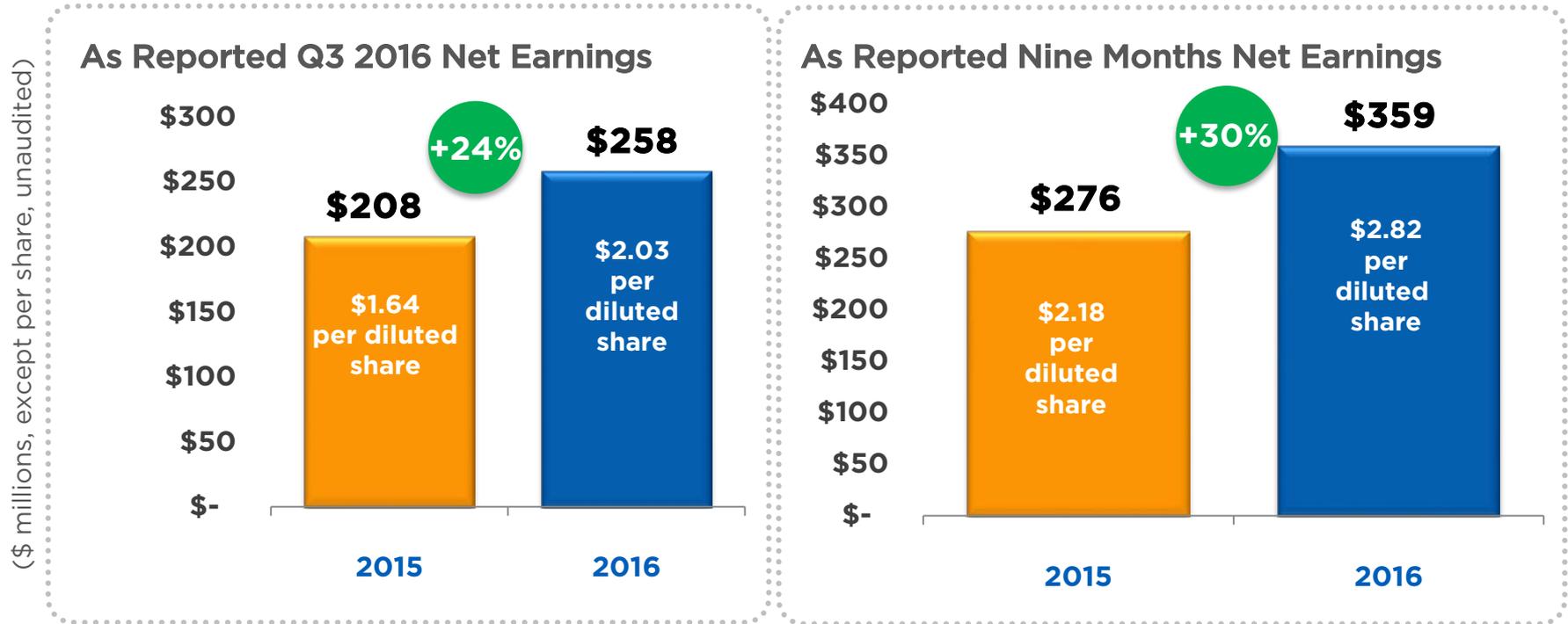
International

Higher revenues partially offset by higher expenses; YTD 2016 Operating Profit Margin 11.5% vs. 11.0% in YTD 2015

Entertainment and Licensing

Lower Revenues and Amortization; Investments in Consumer Products Team and Digital Gaming Launches; Operating Profit Margin 22.2% vs. 25.0% YTD 2015

Third Quarter and Nine Months Net Earnings Attributable to Hasbro, Inc.



**Q3 2016 Net Earnings Up 24% Year over Year;
 Nine Months Net Earnings up +30% Year over Year**

Q3 2016 Non-Operating Expense, net was \$15.8M vs. \$18.9M* in Q3 2015

**Q3 2015 Non-Op Income, net includes \$6.8M gain on sales of manufacturing operations*

Q3 2016 Tax rate of 26.1% vs. 27.2% in Q3 2015



Key Cash Flow & Balance Sheet Data

(\$ millions, unaudited)	Sept. 25, 2016	Sept. 27, 2015	Notes
Cash	\$830	\$551	Strong cash position, mostly held overseas
Depreciation	\$32	\$36	Increased depreciation of IT systems
Amortization of Intangibles	\$9	\$9	Q2 2015 marked last quarter of amortization of certain digital gaming property rights
TV Program and Film Spending	\$11	\$7	Continued investment in TV programming and film
Capital Expenditures	\$39	\$30	Tooling and information systems investments
Dividends Paid	\$64	\$58	Quarterly dividend increased by 11% to \$0.51 per share. Next dividend is payable on November 15, 2016.
Stock Repurchase	\$48	\$26	\$373M remain in authorization
Operating Cash Flow	(\$115)	(\$166)	\$637M over past 12 months
Accounts Receivable	\$1,453	\$1,390	DSOs down 7 days to 78 days; AR in good condition
Inventory	\$608	\$447	Inventory growth to support new initiatives and 2016 growth expectations

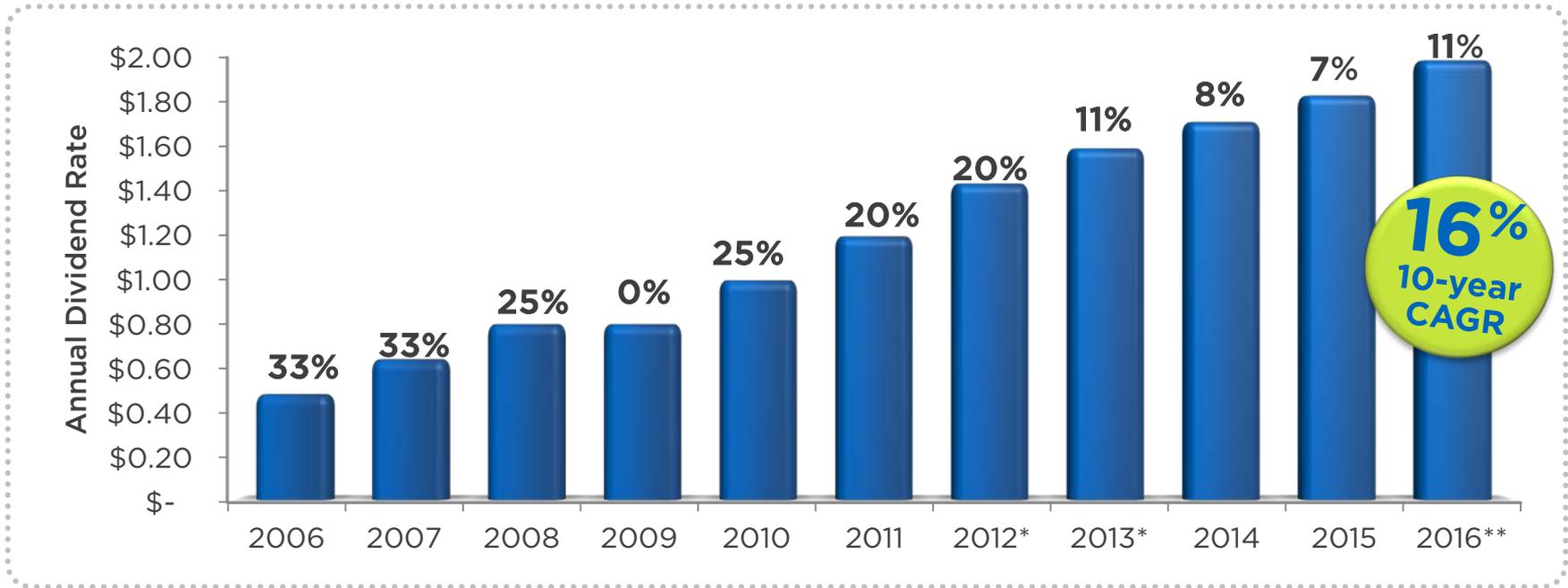
Operating Cash Flow Target

\$550-\$600 Million
on Average Per Year

Capital Priorities

- Invest in the long-term profitable growth of Hasbro
- Return excess cash to shareholders through dividend and stock repurchase program
- Maintain a solid investment grade rating and access to commercial paper market

Capital Priorities: Dividend



↑ 11%

2016 Quarterly dividend increase



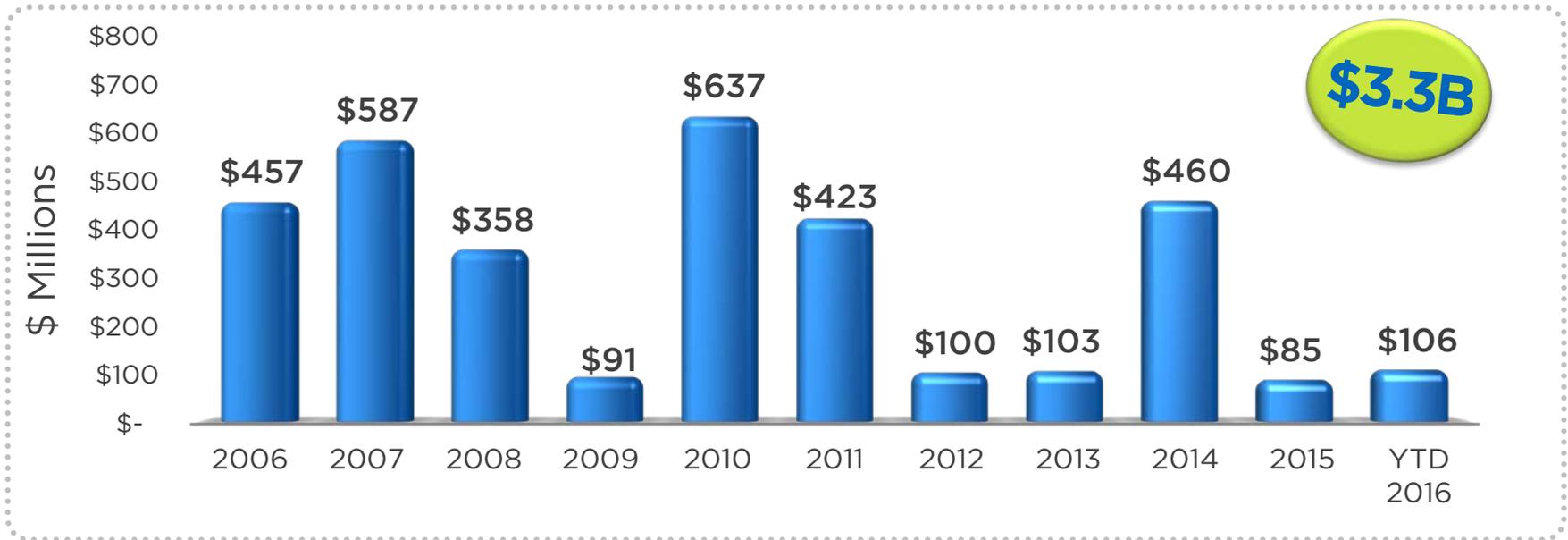
Dividend in 12 of last 13 years

**10 Years
\$1.5B**

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

** 2016 annual dividend rate is projected

Capital Priorities: Share Repurchase



Q3 2016 End
\$373M
 Remains

Q3 2016
 Repurchases
\$48M

10 Years
\$3.3B

Holiday Initiatives

Boys



Girls



Games



Preschool



Supplementary Financial Information



Third Quarter and Nine Months Consolidated Statements of Operations

(\$ millions, unaudited)	Quarter Ended				Nine Months Ended			
	Sept.25, 2016	% Net Revenues	Sept. 27, 2015	% Net Revenues	Sept.25, 2016	% Net Revenues	Sept. 27, 2015	% Net Revenues
Net Revenues	\$1,679	100.0%	\$1,471	100.0%	\$3,390	100.0%	\$2,982	100.0%
Cost of Sales	659	39.2%	579	39.4%	1,271	37.5%	1,122	37.6%
Royalties	134	8.0%	114	7.7%	274	8.1%	230	7.7%
Product Development	70	4.2%	65	4.4%	191	5.6%	174	5.8%
Advertising	154	9.2%	142	9.7%	321	9.5%	288	9.7%
Amortization of Intangibles	9	0.5%	9	0.6%	26	0.8%	35	1.2%
Program Production Cost Amortization	6	0.4%	11	0.8%	18	0.5%	30	1.0%
Selling, Distribution & Administration	285	17.0%	247	16.8%	757	22.3%	669	22.4%
Operating Profit	362	21.6%	304	20.6%	533	15.7%	433	14.5%
Interest Expense	24	1.4%	24	1.6%	72	2.1%	73	2.4%
Other (Income) Expense, Net	(9)	(0.5)%	(5)	(0.3)%	(12)	(0.4)%	(12)	(0.4)%
Earnings Before Income Taxes	346	20.6%	285	19.3%	473	13.9%	373	12.5%
Income Taxes	90	5.4%	78	5.3%	120	3.5%	100	3.4%
Net Earnings	256	15.2%	206	14.0%	353	10.4%	272	9.1%
Net Loss Attributable to Noncontrolling Interests	(2)	(0.1)%	(1)	(0.1)%	(6)	(0.2)%	(4)	(0.1)%
Net Earnings Attributable to Hasbro, Inc.	\$258	15.3%	\$208	14.1%	\$359	10.6%	\$276	9.3%
Diluted EPS	\$2.03		\$1.64		\$2.82		\$2.18	



Condensed Consolidated Balance Sheets

(\$ millions, unaudited)	Sept. 25, 2016	Sept. 27, 2015
Cash & Cash Equivalents	\$830	\$551
Accounts Receivable, Net	1,453	1,390
Inventories	608	447
Other Current Assets	249	321
Total Current Assets	3,140	2,709
Property, Plant & Equipment, Net	247	220
Other Assets	1,561	1,638
Total Assets	\$4,949	\$4,567
Short-term Borrowings	\$179	\$114
Current Portion of Long-Term Debt	\$350	-
Payables & Accrued Liabilities	1,081	926
Total Current Liabilities	1,609	1,040
Long-term Debt	1,198	1,547
Other Liabilities	364	397
Total Liabilities	3,172	2,983
Redeemable Noncontrolling Interests	35	41
Total Shareholders' Equity	1,742	1,543
Total Liabilities, Redeemable Noncontrolling Interests and Shareholders' Equity	\$4,949	\$4,567



Condensed Consolidated Cash Flow-Nine Months Ended

(\$ millions, unaudited)

	Sept. 25, 2016	Sept. 27, 2015
Net Cash Provided by Operating Activities	\$ 154	\$70
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(104)	(98)
Investments and Dispositions	(12)	16
Other	26	23
Net Cash Utilized by Investing Activities	(90)	(59)
Cash Flows from Financing Activities:		
Net Proceeds from (Repayments of) Short-term Borrowings	14	(138)
Purchases of Common Stock	(104)	(74)
Stock-based Compensation Transactions	57	44
Dividends Paid	(185)	(168)
Other	1	1
Net Cash Utilized by Financing Activities	(217)	(336)
Effect of Exchange Rate Changes on Cash	8	(17)
Cash and Cash Equivalents at Beginning of Year	977	893
Cash and Cash Equivalents at End of Quarter	\$830	\$551

Supplemental Financial Data

Reconciliation of Non-GAAP Financial Measures (Unaudited)

Net Earnings and Earnings per Share Excluding Gain on Sale of Manufacturing Operations

	Quarter Ended			
	Diluted Per		Diluted Per	
	Sept. 25, 2016	Share Amount	Sept. 27, 2015	Share Amount
Net Earnings Attributable to Hasbro, Inc., as Reported	\$ 257,798	\$ 2.03	\$ 207,599	\$ 1.64
Gain on Sale of Manufacturing Operations	-	-	(7,050)	(0.06)
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 257,798</u>	<u>\$ 2.03</u>	<u>\$ 200,549</u>	<u>\$ 1.58</u>

	Nine Months Ended			
	Diluted Per		Diluted Per	
	Sept. 25, 2016	Share Amount	Sept. 27, 2015	Share Amount
Net Earnings Attributable to Hasbro, Inc., as Reported	\$ 358,655	\$ 2.82	\$ 276,075	\$ 2.18
Gain on Sale of Manufacturing Operations	-	-	(7,050)	(0.06)
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 358,655</u>	<u>\$ 2.82</u>	<u>\$ 269,025</u>	<u>\$ 2.12</u>

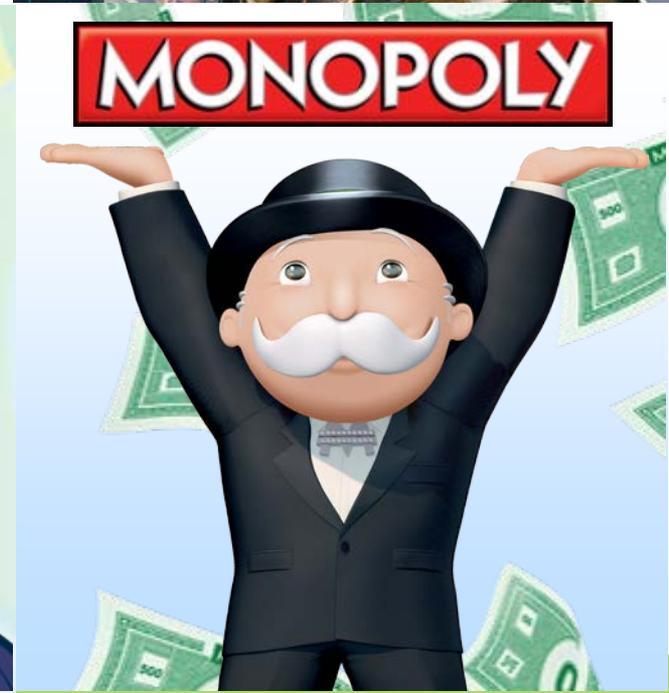
The line items impacted by the gain on sale and the impact on the line excluding the gain as a percentage of revenues is as follows:

	As Reported	% Net Revenues	Less Gain on Sale on Manufacturing Operations	Excluding Gain on Sale of Manufacturing Operations	% Net Revenues
<u>Quarter ended September 27, 2015</u>					
Selling, Distribution and Administration	\$ 247,022	16.8%	\$ 3,061	\$ 250,083	17.0%
Other (Income) Expense, Net	(5,135)	-0.3%	6,832	1,697	0.1%
Tax expense	78,242	5.3%	2,843	75,399	5.1%
<u>Nine months ended September 27, 2015</u>					
Selling, Distribution and Administration	\$ 668,955	22.4%	\$ 3,061	\$ 672,016	22.5%
Other (Income) Expense, Net	(12,162)	-0.4%	6,832	(5,330)	-0.2%
Tax expense	100,100	3.4%	2,843	97,257	3.3%

	Quarter Ended		Nine Months Ended	
	Sept. 25, 2016	Sept. 27, 2015	Sept. 25, 2016	Sept. 27, 2015
Reconciliation of EBITDA				
Net Earnings Attributable to Hasbro, Inc.	\$ 257,798	\$ 207,599	\$ 358,655	\$ 276,075
Net Loss Attributable to Noncontrolling Interests	(1,636)	(1,224)	(6,103)	(3,597)
Interest Expense	24,305	24,045	72,263	72,816
Income Taxes	90,162	78,242	120,005	100,100
Depreciation	32,236	35,644	89,327	86,393
Amortization of Intangibles	8,691	9,031	26,073	35,330
EBITDA	<u>\$ 411,556</u>	<u>\$ 353,337</u>	<u>\$ 660,220</u>	<u>\$ 567,117</u>



Franchise Brands





Creating the
World's **Best Play**
Experiences

