



First Quarter 2017 Earnings

April 24, 2017

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 first quarter 2017 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



First Quarter Snapshot

■ Q1 2017 Net Revenues \$849.7M up 2% year-over-year

- U.S. and Canada segment up 2%; International segment flat; Entertainment and Licensing segment up 24%
- Emerging markets revenues increased 20%

■ First Quarter Brand Portfolio Performance

- Franchise Brands up 2%-Growth in MONOPOLY, NERF and TRANSFORMERS.
- Partner Brands Revenues Declined 18% as expected-DREAMWORKS' TROLLS and BEYBLADE growth offset by declines in STAR WARS and MARVEL ahead of movie releases later this year.
- Hasbro Gaming up 43%-Growth from diverse brand portfolio – new games, digital gaming, classic gaming
- Emerging Brands up 25%-BABY ALIVE and FURREAL FRIENDS main drivers

■ Operating Profit \$78.3M in Q1 2017 vs. \$85.9M in Q1 2016

- Q1 17 was a 14-week period versus Q1 16 which was a 13-week period resulting in an extra week of expense

■ Strong Financial Position & Balance Sheet

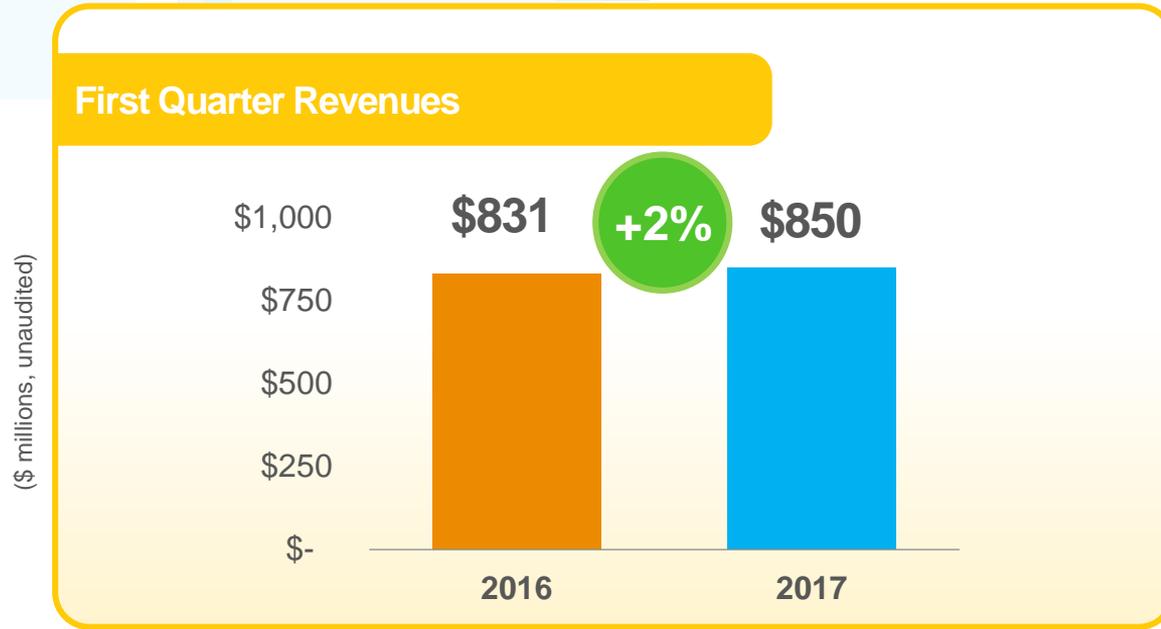
- \$1.5B in cash at quarter end
- Returned \$81.5M to shareholders in the quarter

■ Net Earnings of \$68.6M, or \$0.54* per diluted share, in Q1 2017 vs. \$48.8M, or \$0.38 per diluted share, in Q1 2016

**Q1 2017 Reported net earnings include a \$0.11 per diluted share benefit vs. Q1 2016 from the adoption of FASB ASU No. 2016-09*



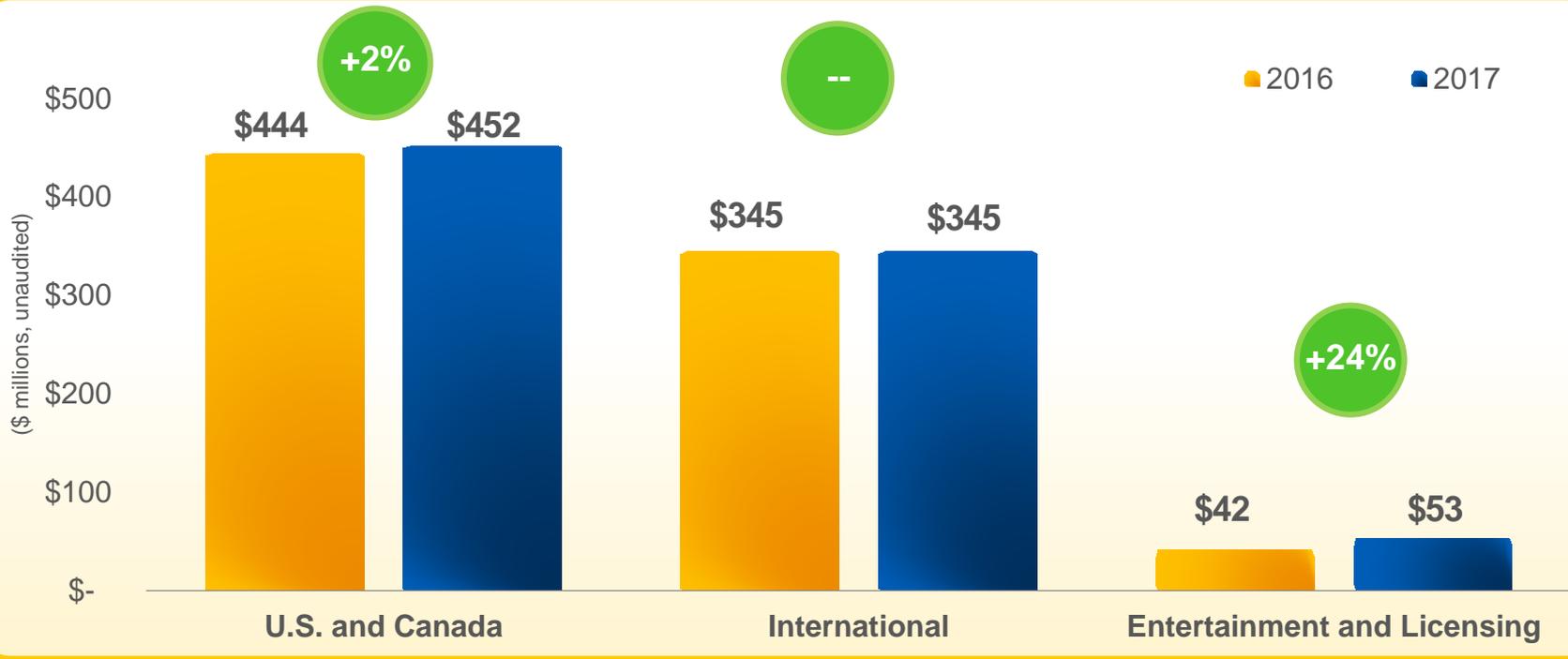
First Quarter Net Revenue Performance



Q1 2017 Revenues Increased 2%

Strong Consumer Takeaway at Retail

First Quarter Segment Net Revenues



U.S. and Canada

Growth in Hasbro Gaming and Emerging Brands; Inventory in good position

International

Growth in Franchise Brands, Hasbro Gaming and Emerging Brands; Inventory in good position

Entertainment and Licensing

Growth in Digital Gaming revenues, including Backflip Studios

International Segment Revenues

	Q1 2017 As Reported	Q1 2017 Absent FX	Q1 2016 Revenues <small>(\$ millions, unaudited)</small>
Europe	-4%	-4%	\$224
Latin America	+16%	+12%	\$56
Asia Pacific	-1%	-2%	\$65
International	--	-1%	\$345

Foreign Exchange Impact

First Quarter 2017: +\$3.0M

Emerging Markets up 20% as reported;

➤ Up approximately 13% Absent FX (up approximately \$5M)



First Quarter Brand Portfolio Performance

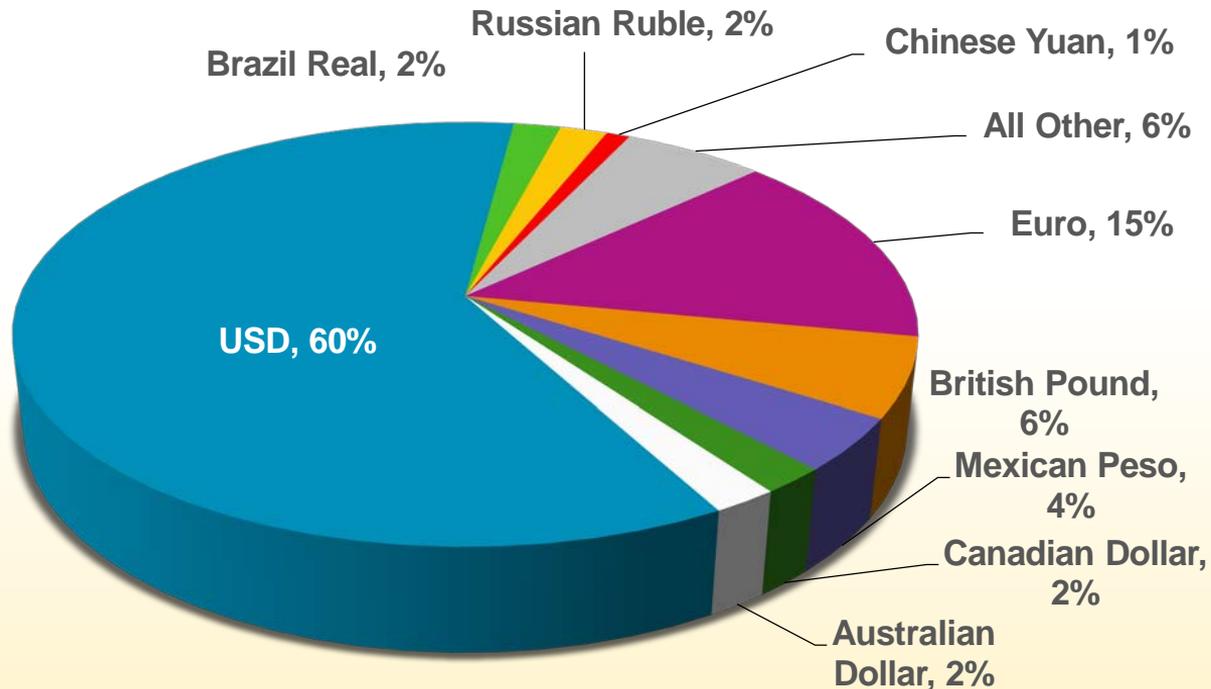
(\$ millions, unaudited)	Q1 2017	Q1 2016	% Change
Franchise Brands	\$424	\$416	+2%
Partner Brands	213	258	-18%
Hasbro Gaming*	143	100	+43%
Emerging Brands	70	56	+25%
Total	\$850	\$831	+2%

*Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY which are included in Franchise Brands in the table above, totaled \$253.3M for Q1 2017, up 10% vs. \$231.1M in Q1 2016. Hasbro believes its gaming portfolio is a competitive differentiator and views it in its entirety.



2016 Revenue by Currency

Hasbro 2016 Net Revenues by Currency



First Quarter Major Expense Items

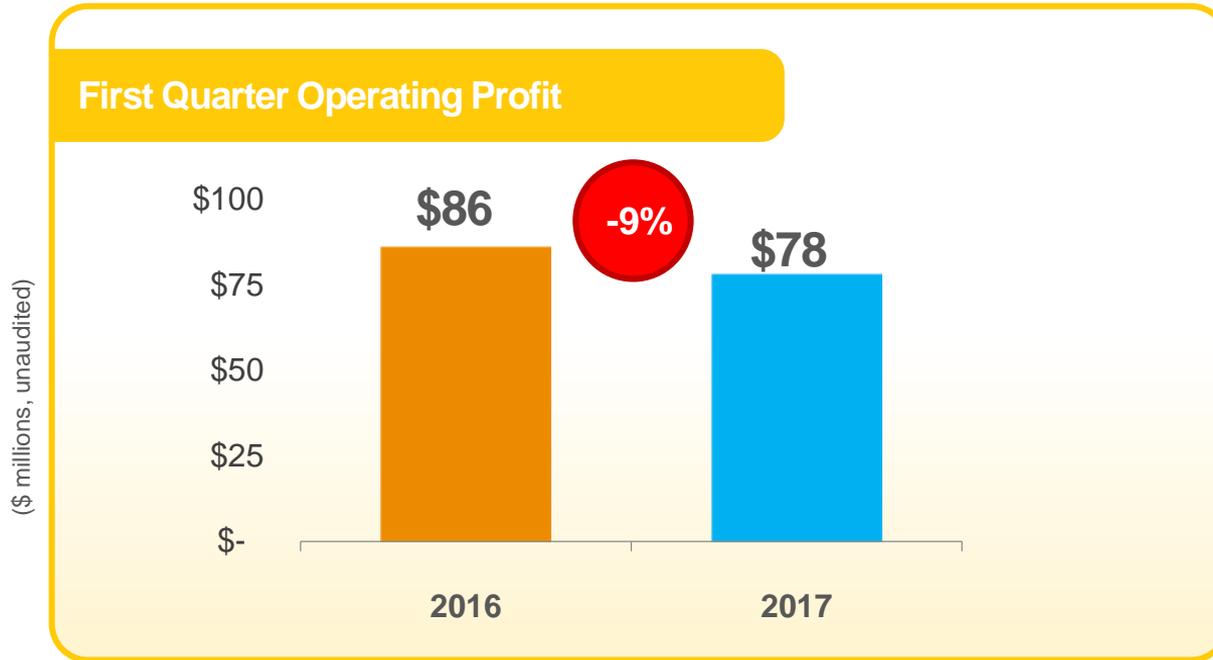
(\$ millions, unaudited)	Q1 2017	Q1 2016	% Change YOY*	Q1 2017 % of Revenue
Cost of Sales	\$306	\$290	+6%	36.0%
Royalties	\$64	\$70	-8%	7.6%
Product Development	\$63	\$57	+10%	7.4%
Advertising	\$81	\$80	+1%	9.5%
Amortization of Intangibles	\$8	\$9	-9%	0.9%
Program Production Cost Amortization	\$6	\$6	-10%	0.7%
Selling, Distribution & Administration	\$244	\$233	+5%	28.7%

*Percent changes may not calculate due to rounding

Note: Q1 17 was a 14-week period versus Q1 16 which was a 13-week period



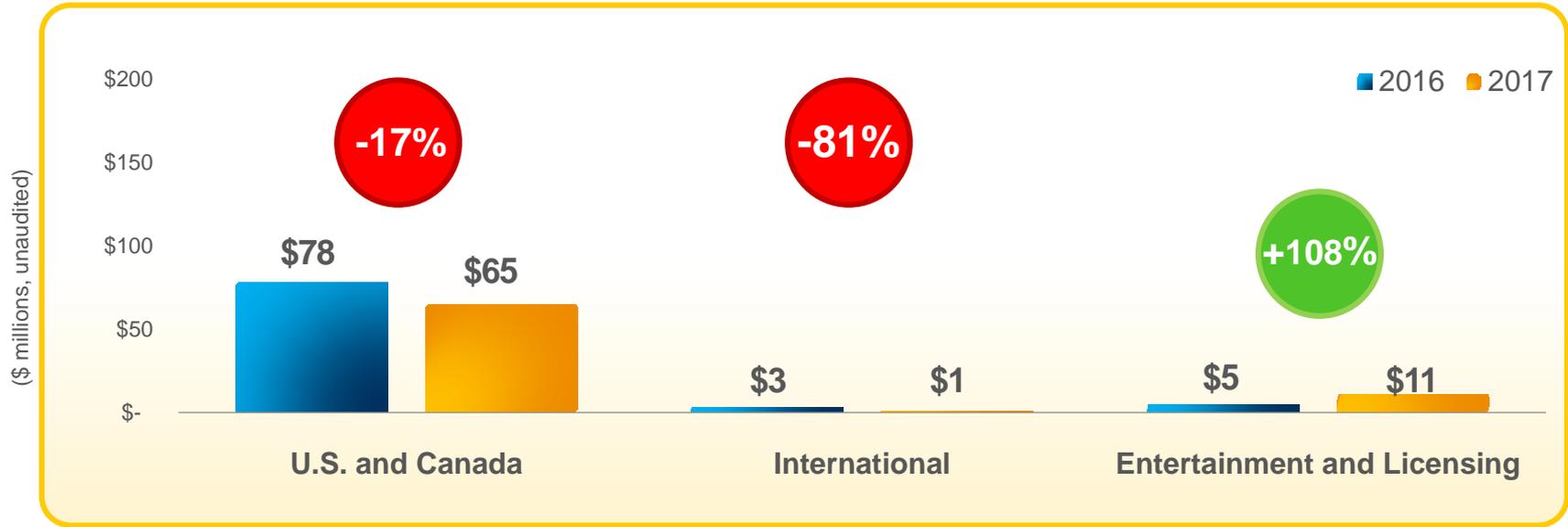
First Quarter Operating Profit



Q1 2017 Operating Profit Margin 9.2% vs 10.3% in 2016

Negatively impacted by an extra week of expenses and shift in product mix

First Quarter Segment Operating Profit



U.S. and Canada

Operating profit margin 14.3% vs. 17.7% in Q1 16; Negative impact from product mix shift; Higher expenses

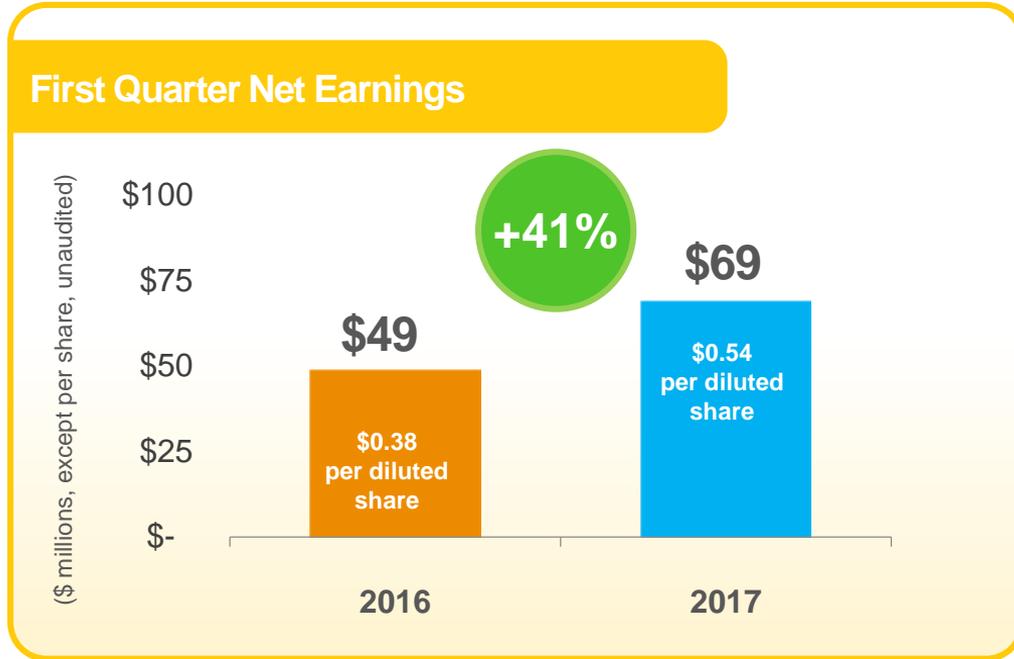
International

Operating profit margin 0.2% vs. 0.8% in Q1 16; Operating profit declined \$2.4 million; Higher expenses

Entertainment and Licensing

Operating profit margin 21.5% vs. 12.8% in Q1 16; Growth in higher margin digital gaming revenues

First Quarter Net Earnings Attributable to Hasbro, Inc.



Q1 2017 Net Earnings up
41% year-over-year

**Includes an \$0.11 per diluted share benefit from adoption of FASB ASU No. 2016-09*

Q1 2017 Other Income, net
was \$17.0M vs. other
expense, net \$2.7M in Q1
2016

Q1 2017 Underlying Tax
Rate of 24.9% vs. 26.5% in
Q1 2016



Key Cash Flow & Balance Sheet Data

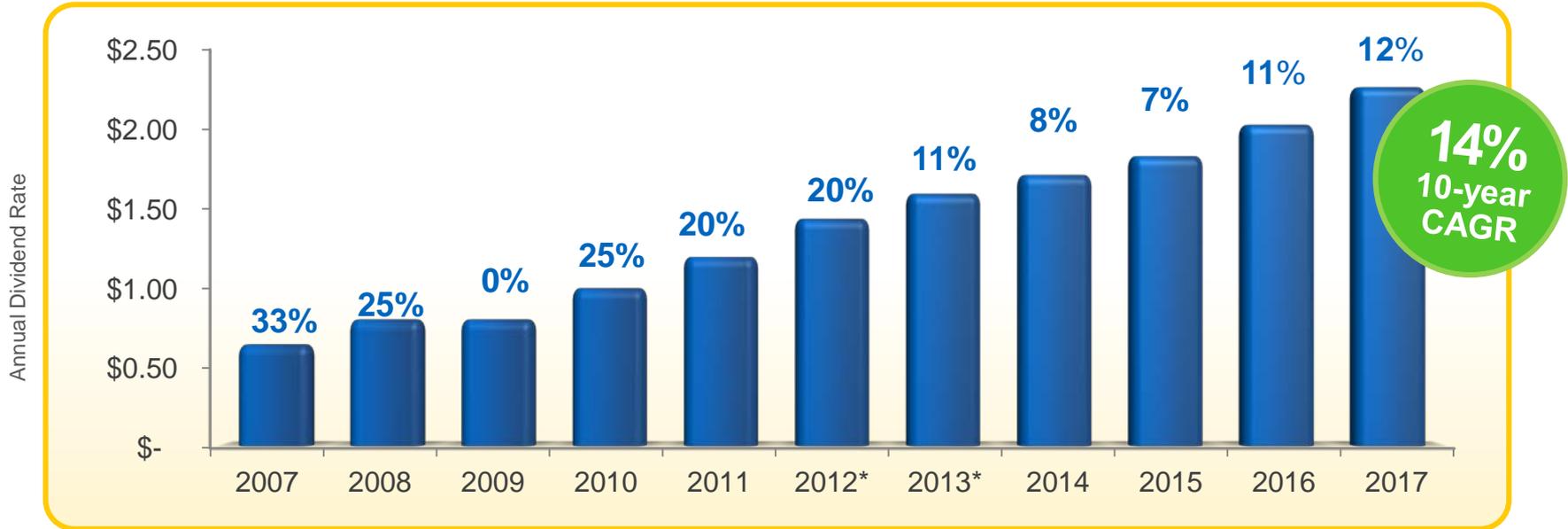
(\$ millions, unaudited)	April 2, 2017	March 27, 2016	Notes
Cash	\$1,463	\$1,096	Strong cash position, mostly held overseas
Depreciation	\$28	\$25	Increased depreciation of IT systems
Amortization of Intangibles	\$8	\$9	In line with full-year target of \$29M
TV Program and Film Spending	\$12	\$12	Continued investment in TV programming and film
Capital Expenditures	\$30	\$31	Tooling and information systems investments
Dividends Paid	\$63	\$57	In February 2017, quarterly dividend increased 12% to \$0.57 per share. Next dividend payable on May 15, 2017.
Stock Repurchase	\$18	\$36	\$310M remains in authorization at quarter end
Operating Cash Flow	\$412	\$313	\$916M over past 12 months
Accounts Receivable	\$677	\$671	DSOs down 1 days to 72 days; AR in good condition
Inventory	\$416	\$462	Inventory down 10%, overall in good condition

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



% reflects increase in quarterly dividend rate

12%
2017 Quarterly
Dividend Increase

**Dividend in 13
of last 14 years**

10 Years
\$1.7B



Capital Priorities: Share Repurchase

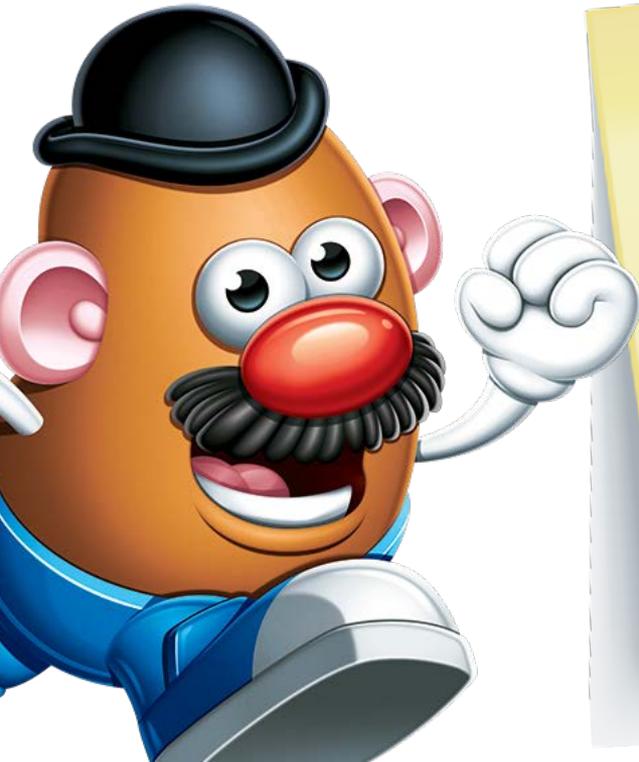


Q1 2017 End
\$310M Remains

Q1 2017 Repurchases
\$18M

10 Years
\$3.5B

Making the World a Better Place



Corporate Social Responsibility

- Product Safety
- Ethical Sourcing
- Environmental Sustainability



Supplementary Financial Information

First Quarter Consolidated Statements of Operations

(\$ millions, unaudited)	Quarter Ended			
	April. 2, 2017	% Net Revenues	March 27, 2016	% Net Revenues
Net Revenues	\$850	100.0%	\$831	100.0%
Cost of Sales	306	36.0%	290	34.9%
Royalties	64	7.6%	70	8.4%
Product Development	63	7.4%	57	6.9%
Advertising	81	9.5%	80	9.6%
Amortization of Intangibles	8	0.9%	9	1.0%
Program Production Cost Amortization	6	0.7%	6	0.7%
Selling, Distribution & Administration	244	28.7%	233	28.1%
Operating Profit	78	9.2%	86	10.3%
Interest Expense	24	2.9%	24	2.9%
Other (Income) Expense, Net	(17)	(2.0)%	3	0.3%
Earnings Before Income Taxes	71	8.3%	59	7.1%
Income Taxes	2	0.3%	12	1.5%
Net Earnings	69	8.1%	47	5.7%
Net Loss Attributable to Noncontrolling Interests	-	0%	(2)	(0.2)%
Net Earnings Attributable to Hasbro, Inc.	\$69	8.1%	\$49	5.9%
Diluted EPS	\$0.54		\$0.38	



Condensed Consolidated Balance Sheets

(\$ millions, unaudited)	April 2, 2017	March 27, 2016
Cash & Cash Equivalents	\$1,463	\$1,096
Accounts Receivable, Net	677	671
Inventories	416	462
Other Current Assets	243	296
Total Current Assets	2,780	2,524
Property, Plant & Equipment, Net	270	241
Other Assets	1,576	1,599
Total Assets	\$4,646	\$4,365
Short-term Borrowings	65	89
Current Portion of long-term debt	350	-
Payables & Accrued Liabilities	787	679
Total Current Liabilities	1,202	768
Long-term Debt	1,199	1,547
Other Liabilities	394	402
Total Liabilities	2,794	2,718
Redeemable Noncontrolling Interests	-	39
Total Shareholders' Equity	1,852	1,607
Total Liabilities, Redeemable Noncontrolling Interests and Shareholders' Equity	\$4,646	\$4,365



Condensed Consolidated Cash Flow-Quarter Ended

(\$ millions, unaudited)

	April 2, 2017	March 27, 2016
Net Cash Provided by Operating Activities	\$412	\$313
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(30)	(31)
Other	(1)	4
Net Cash Utilized by Investing Activities	(31)	(28)
Cash Flows from Financing Activities:		
Net Proceeds from (Repayments of) Short-term Borrowings	(107)	(76)
Purchases of Common Stock	(19)	(34)
Stock-based Compensation Transactions	10	8
Dividends Paid	(63)	(57)
Employee Taxes Paid for Shares Withheld	(31)	(14)
Other		1
Net Cash Utilized by Financing Activities	(212)	(171)
Effect of Exchange Rate Changes on Cash	12	5
Cash and Cash Equivalents at Beginning of Year	1,282	977
Cash and Cash Equivalents at End of Quarter	\$1,463	\$1,096



Supplemental Financial Data

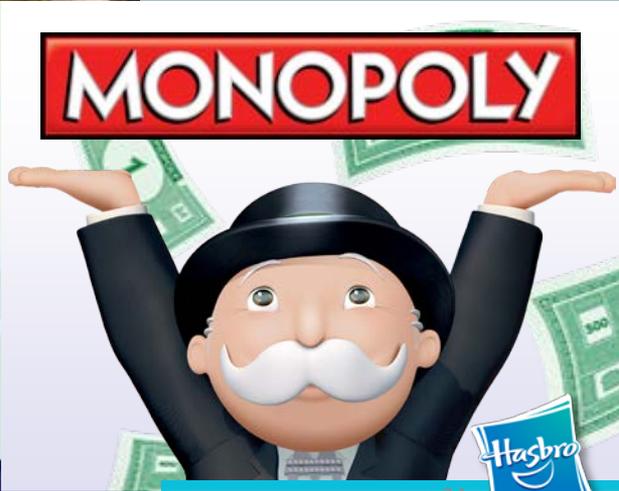
Reconciliation of Non-GAAP Financial Measures (Unaudited)

Reconciliation of EBITDA

Net Earnings Attributable to Hasbro, Inc.	\$ 68,599	\$ 48,751
Net Loss Attributable to Noncontrolling Interests	-	(1,780)
Interest Expense	24,456	24,044
Income Taxes	2,238	12,242
Depreciation	27,702	25,126
Amortization of Intangibles	7,881	8,691
EBITDA	<u>\$ 130,876</u>	<u>\$ 117,074</u>



Franchise Brands





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

