



Fourth Quarter and Full Year 2016 Earnings

February 6, 2017



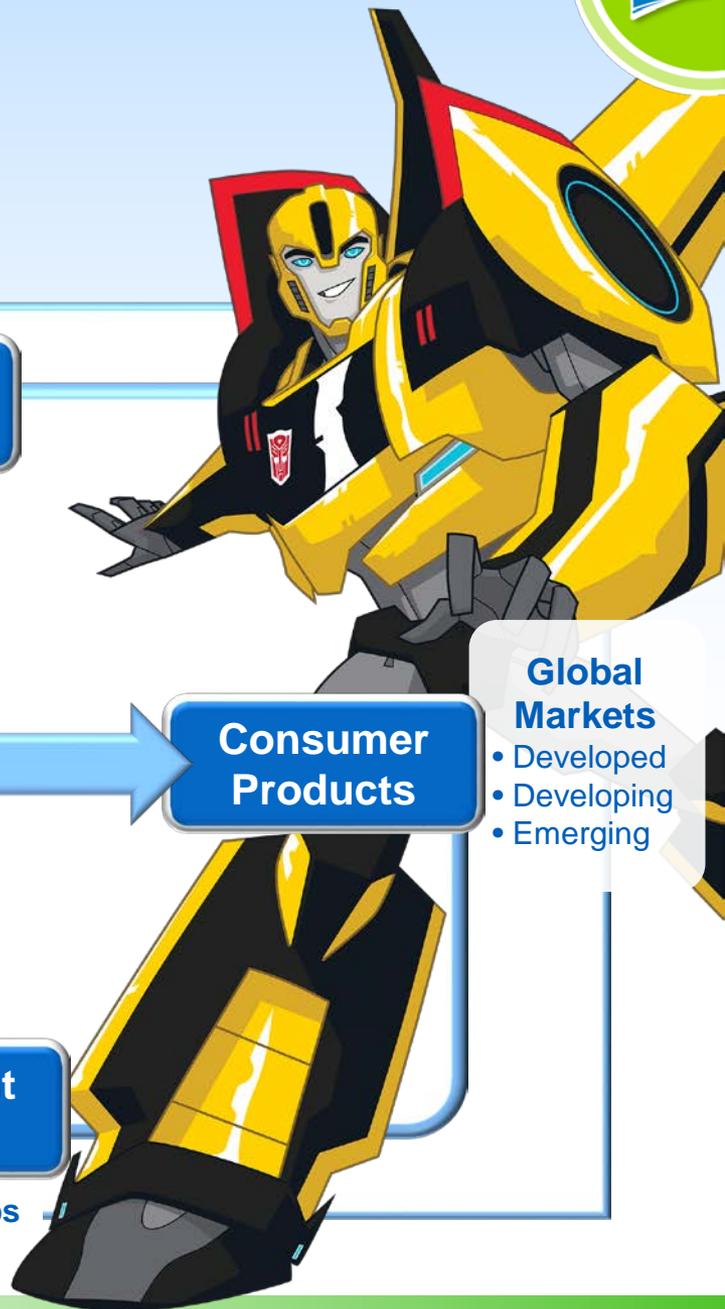
Safe Harbor

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 fourth quarter and full year 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



Fourth Quarter 2016 Snapshot

Strong Finish to Record Year

Q4 2016 Net Revenues \$1.63B up 11% year-over-year

- Q4 2016 net revenues up 12% absent negative \$11.9M FX impact in the quarter;
- U.S. and Canada segment up 10%; International segment up 10%; Entertainment and Licensing up 36%;
- Emerging markets revenues increased 15% in the quarter (approximately 13% absent FX)

Franchise Brands up 3% in Q4 2016

- Growth in NERF, TRANSFORMERS & MONOPOLY in the quarter

Games up 11% in Q4 2016

Partner Brands Revenues Grew 16%

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

Operating Profit Margin Improvement

- As Reported Q4 2016 Operating Profit down 1% compared to Q4 2015; As Adjusted Q4 2016 Operating Profit* is up 11% compared to Q4 2015

Strong Financial Position & Balance Sheet

- \$1.3B in cash at quarter end
- Returned \$110M to shareholders in the quarter

As Reported Q4 2016 Net Earnings increased 10% to \$192.7M, or \$1.52 per diluted share, in Q4 2016 vs. \$175.8M, or \$1.39 per diluted share, in Q4 2015; As Adjusted Q4 2016 Net Earnings increased 18% to \$207.4M, or \$1.64 per diluted share.

**Q4 2016 Adjusted Net Earnings and Operating Profit excludes a pre-tax \$32.9 million, or \$0.12 per diluted share goodwill impairment charge related to Backflip Studios.*



Full Year 2016 Snapshot

Highest Revenue and Earnings in Hasbro History

Full Year 2016 Net Revenues \$5B up 13% year-over-year

- FY 2016 net revenues up 14% absent negative \$61M FX impact for the full year;
- U.S. and Canada segment up 15%; International segment up 11%; Entertainment and Licensing up 8%;
- Emerging markets revenues increased 9% for the full year (approximately 12% absent FX)

Franchise Brands up 2% year-over-year in FY 2016

- Growth in NERF, PLAY-DOH & MAGIC: THE GATHERING

Games up 9% in FY 2016

Partner Brands Revenues Grew 28%

- DISNEY PRINCESS and DISNEY'S FROZEN, DREAMWORKS' TROLLS AND YO-KAI WATCH all contributed to growth for the year

Operating Profit Margin Improvement

- FY 2016 Operating Profit up 14% compared to FY 2015; Up 19% Adjusted*

Strong Financial Position & Balance Sheet

- Returned \$400.2M to shareholders in the full year; Generated \$775M in Operating Cash Flow

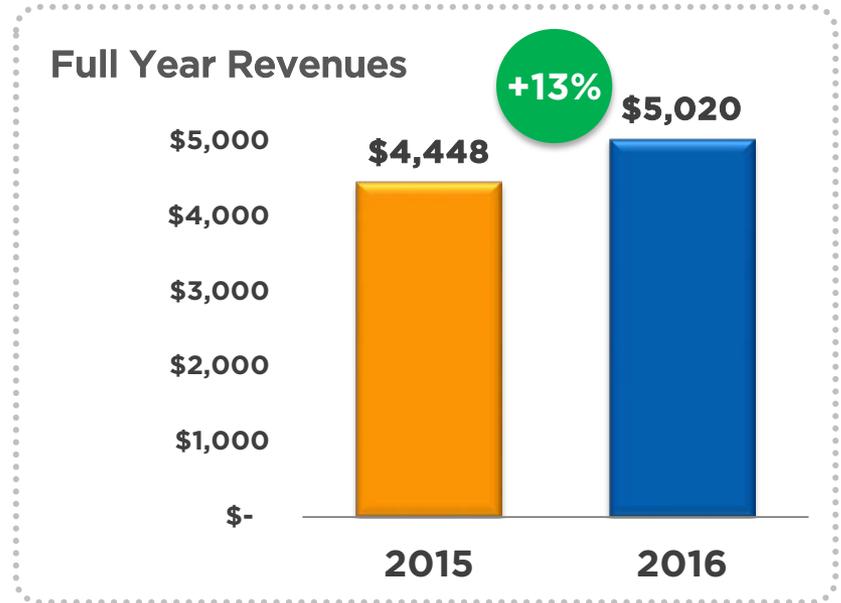
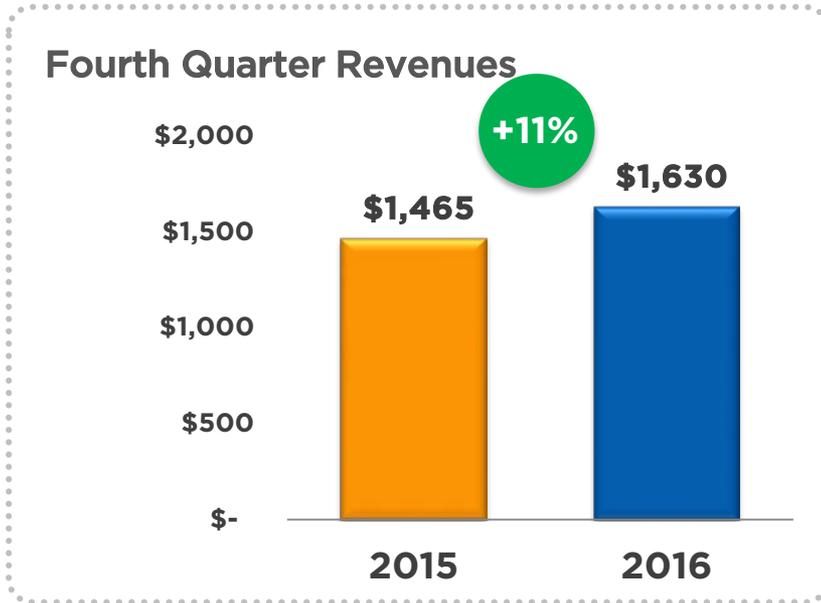
Net Earnings of \$551.4M, or \$4.34 per diluted share, in FY 2016 vs. \$451.8M , or \$3.57 per diluted share, in FY 2015

- FY 2016 Adjusted net earnings were \$566.1 million, or \$4.46 per diluted share, exclude a pre-tax \$32.9 million goodwill impairment charge related to Backflip Studios.
- FY 2015 Adjusted net earnings were \$445.0 million, or \$3.51 per diluted share, excluding a pre-tax gain of \$9.6 million from the sale of the Company's manufacturing operations.

**FY 2016 Adjusted Net Earnings and Operating Profit excludes exclude a pre-tax \$32.9 million, or \$0.12 per diluted share goodwill impairment charge related to Backflip Studios.*

Fourth Quarter & Full Year Net Revenue Performance

(\$ millions, unaudited)



Foreign Exchange had a Negative \$11.9M Impact on Q4 2016 and a Negative \$61.0M Impact FY 2016

Q4 2016 Revenues Increased 12% Absent Foreign Exchange
 Full Year 2016 Revenues are Up 14% Absent Foreign Exchange

Q4 2016 Global POS +11%; FY 2016 Global POS +12%

Fourth Quarter Segment Net Revenues

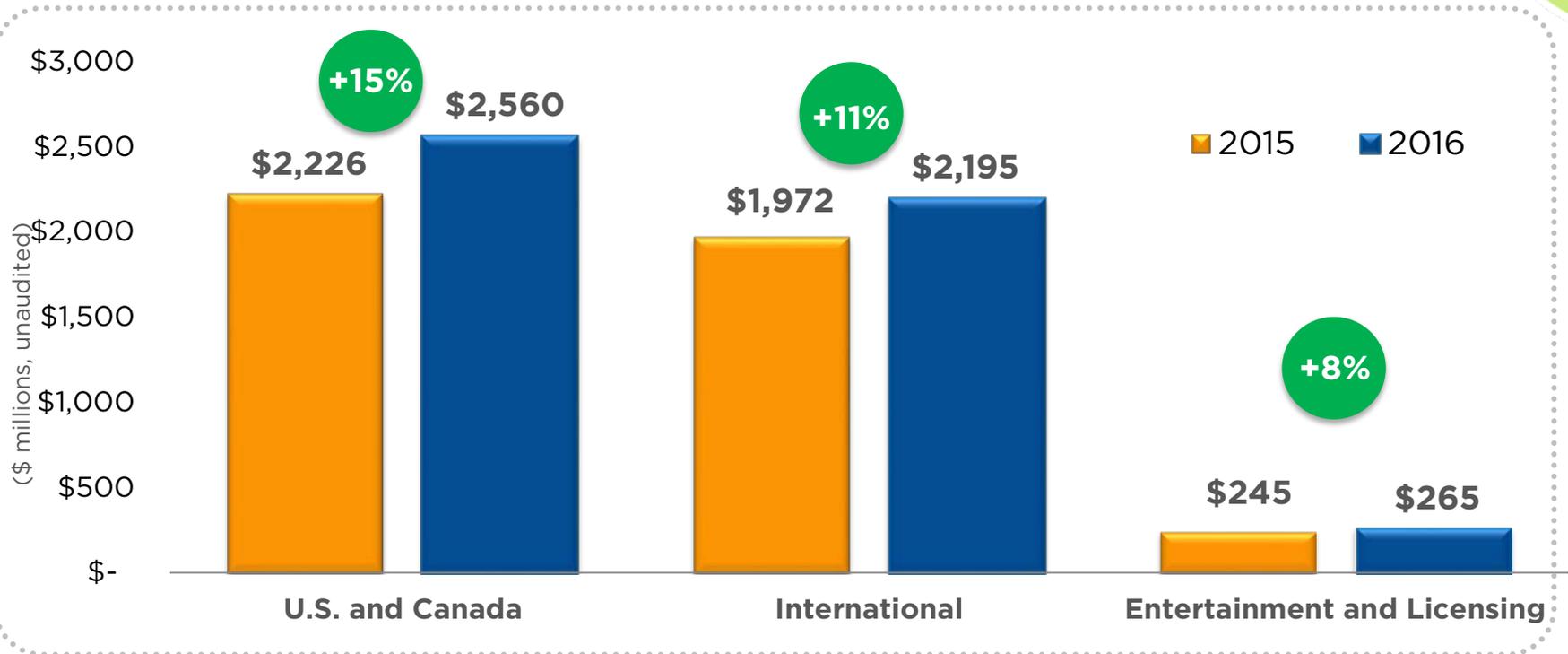


U.S. and Canada
 Franchise Brands Flat; Games +11%;
 Partner Brands +14%;
 POS Strong; Overall inventory in good position

International
 Franchise Brands +3%;
 Partner Brands +17%;
 Games +11%;
 Positive POS in all Regions; Overall inventory in good position

Entertainment and Licensing
 Growth in Consumer Products and Entertainment

Full Year Segment Net Revenues



U.S. and Canada
 Franchise Brands +3%; Games +11%
 Partner Brands +25%;
 Strong POS;
 Overall inventory in good position

International
 Franchise Brands +3%;
 Games +4%; Partner Brands +31%;
 Positive POS in All Regions;
 Overall inventory in good position

Entertainment and Licensing
 Consumer Products & Digital Gaming growth;
 Addition of Boulder Media



International Segment Revenues

Strong International Growth in the Fourth Quarter and Full Year 2016

(\$ millions, unaudited)	Q4 2016 As Reported	Q4 2016 Absent FX	Full Year 2016 As Reported	Full Year 2016 Absent FX
Europe	+7%	+8 %	+14%	+15%
Latin America	+21%	+28%	+9%	+18%
Asia Pacific	+7%	+6%	+6%	+7%
International	10%	+11%	+11%	+14%

Foreign Exchange Impact

Fourth Quarter 2016: -\$11.7M; Full Year 2016 Impact: -\$58.4M

Q4 2016 Emerging Markets up 15% as reported and approximately 13%, Absent FX

FY 2016 Emerging Markets up 9% as reported and approximately 12%, Absent FX



Fourth Quarter & Full Year Net Revenues By Product Category

(\$ millions, unaudited)	Q4 2016	Q4 2015	% Change	Full Year 2016	Full Year 2015	% Change
Boys	\$ 552	\$ 570	-3%	\$ 1,850	\$ 1,776	+4%
Games	519	466	+11%	1,387	1,277	+9%
Girls	394	259	+52%	1,194	798	+50%
Preschool	165	171	-4%	589	597	-1%
Total	\$1,630	\$1,465	+11%	\$5,020	\$4,448	+13%

- Strong Growth in Girls & Games in Both Periods; Growth in Boys for the Full-Year
- NERF, PLAY-DOH, and MAGIC: THE GATHERING grew for the Year and TRANSFORMERS also grew in the Quarter
- Strength in Partner Brands: DISNEY PRINCESS and DISNEY'S FROZEN; DREAMWORKS' TROLLS and YO-KAI WATCH



Fourth Quarter & Full Year Net Revenues By Product Category-Absent FX

(\$ millions, unaudited)	Q4 2016	Q4 2015	% Change	Full Year 2016	Full Year 2015	% Change
Boys	\$ 557	\$ 570	-2%	\$1,873	\$ 1,776	+6%
Games	521	466	+12%	1,396	1,277	+9%
Girls	397	259	+53%	1,209	798	+51%
Preschool	167	171	-2%	602	597	+0.9%
Total	\$ 1,642	\$1,465	+12%	\$5,081	\$4,476	+14%



Fourth Quarter & Full Year Net Revenues

Brand Portfolio Performance

(\$ millions, unaudited)	Q4 2016	Q4 2015	% Change	Full Year 2016	Full Year 2015	% Change
Franchise Brands	\$686	\$ 669	+2%	\$2,328	\$2,285	+2%
Partner Brands	434	375	+16%	1,413	1,101	+28%
Hasbro Gaming*	357	291	+23%	813	662	+23%
Emerging Brands	154	130	+18%	466	398	+17%
Total	\$ 1,630	\$1,465	+11%	\$5,020	\$4,448	+13%

*Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY, totaled \$518.7 million for the fourth quarter 2016, up 11%, and \$1,387.1 million, up 9%, for the full year 2016. Hasbro believes its gaming portfolio is a competitive differentiator and views it in its entirety.



Fourth Quarter Major Expense Items (As Adjusted)

(\$ millions, unaudited)	Q4 2016	Q4 2015	% Change YOY*	Q4 2016 % of Revenue
Cost of Sales	\$635	\$555	+14%	38.9%
Royalties	\$136	\$149	-9%	8.3%
Product Development	\$75	\$69	+10%	4.6%
Advertising	\$148	\$121	+22%	9.1%
Amortization of Intangibles	\$9	\$8	+4%	0.5%
Program Production Cost Amortization	\$18	\$13	+46%	1.1%
Selling, Distribution & Administration	\$321**	\$292	+10%	19.7%

**Note: 2016 SD&A excludes a pre-tax \$32.9 million goodwill impairment charge related to Backflip Studios;

*Percent changes may not calculate due to rounding



Full Year Major Expense Items (As Adjusted)

(\$ millions, unaudited)	Full Year 2016	Full Year 2015	% Change YOY*	% of Full Year 2016 Revenue
Cost of Sales	\$1,905	\$1,677	+14%	38.0%
Royalties	\$410	\$379	+8%	8.2%
Product Development	\$266	\$243	+10%	5.3%
Advertising	\$469	\$409	+15%	9.3%
Amortization of Intangibles	\$35	\$44	-20%	0.7%
Program Production Cost Amortization	\$36	\$42	-15%	0.7%
Selling, Distribution & Administration	\$1,078	\$964	+12%	21.5%

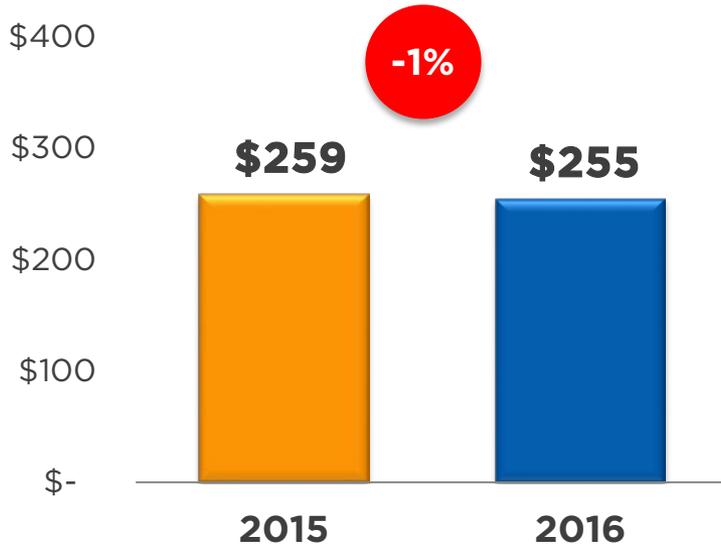
***Note: 2016 SD&A excludes a pre-tax \$32.9 million goodwill impairment charge related to Backflip Studios; 2015 SD&A excludes a \$3.1M benefit from the sale of manufacturing operations*

**Percent changes may not calculate due to rounding*

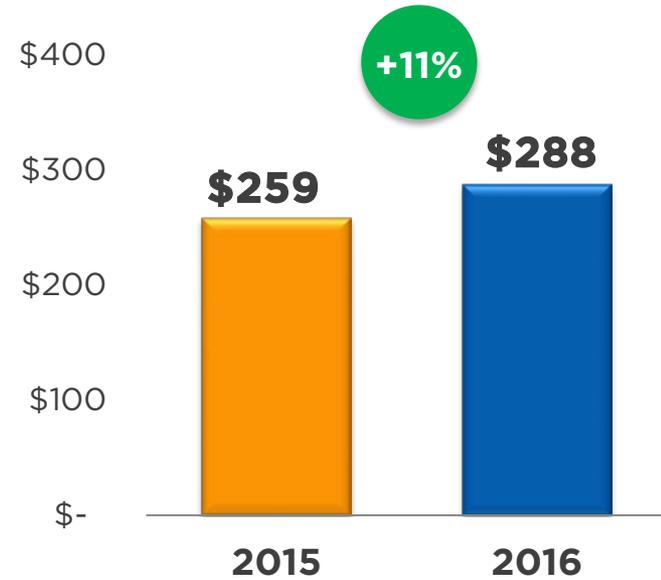
Fourth Quarter Operating Profit

(\$ millions, unaudited)

As Reported Quarter Operating Profit



As Adjusted Quarter Operating Profit



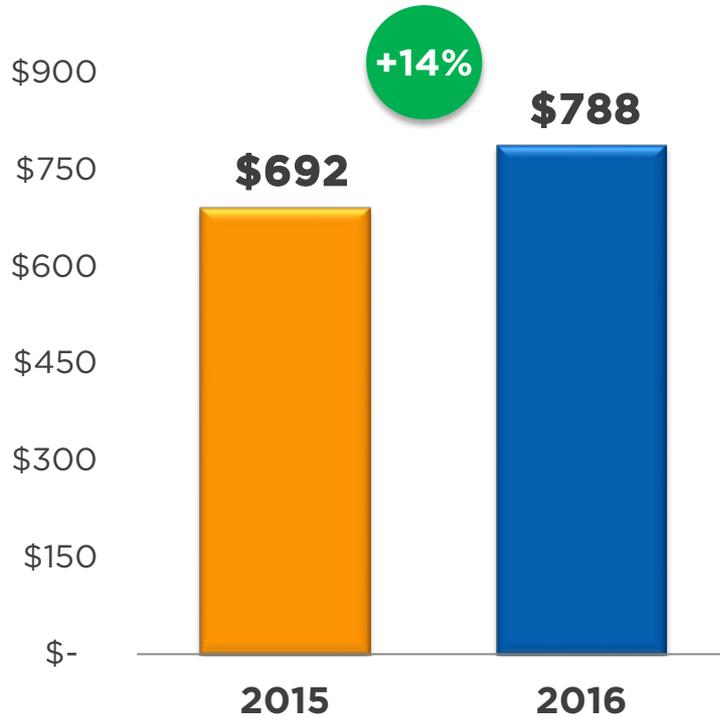
- As Reported Q4 2016 Operating Profit Margin 15.7% vs. 17.7% in 2015
- As Adjusted Q4 2016* Operating Profit Margin 17.7% vs. 17.7% in 2015

*Q4 2016 Adjusted Operating Profit Margin excludes a pre-tax \$32.9 million goodwill impairment charge related to Backflip Studios

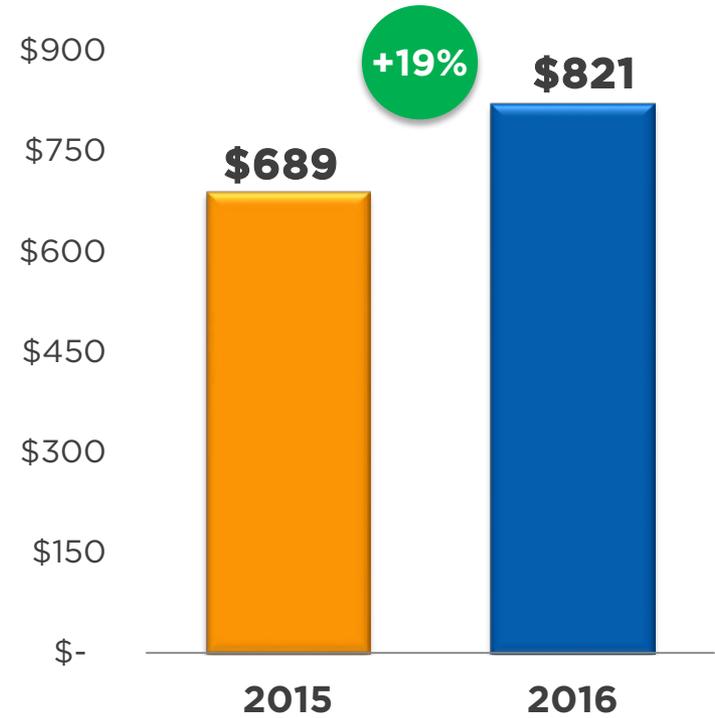
Full Year Operating Profit

(\$ millions, unaudited)

As Reported FY Operating Profit



As Adjusted FY Operating Profit



- **As Reported FY 2016 Operating Profit Margin 15.7% vs. 15.6% in 2015**
- **As Adjusted FY 2016* Operating Profit Margin 16.4% vs. 15.5% in 2015**

*FY 2016 Adjusted Operating Profit Margin excludes a pre-tax \$32.9 million goodwill impairment charge related to Backflip Studios; FY 2015 Adjusted Operating Profit Margin excludes a \$3.1M benefit from the sale of manufacturing operations.

Fourth Quarter Segment Operating Profit



U.S. and Canada

Higher revenues offset by higher Q4 expenses; Operating profit margin 20.9% vs. 22.4% in Q4 15

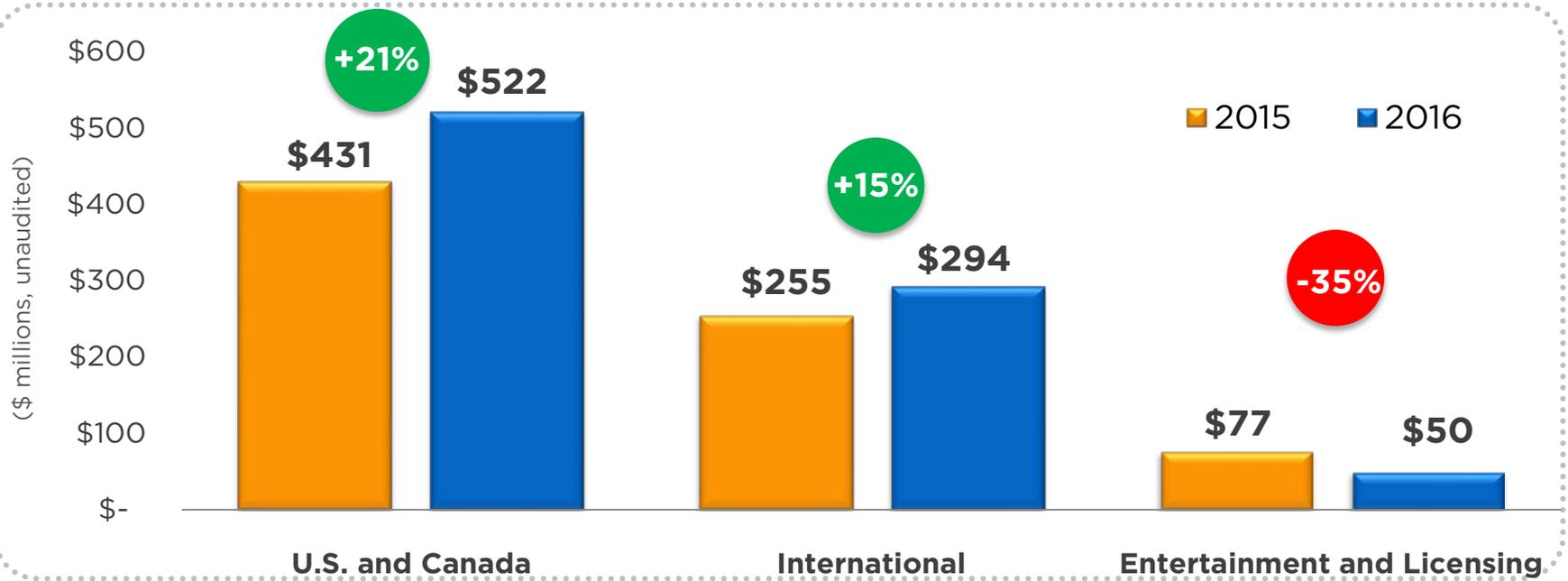
International

Higher Revenues Drove Improved Expense Leverage; Operating profit margin 17.0% vs. 16.5% in Q4 15

Entertainment and Licensing

Decline due to Q42016 non-cash goodwill impairment charge related to Backflip Studios; As Adjusted E&L Operating Profit \$49.4M

Full Year Segment Operating Profit



U.S. and Canada

Higher revenues delivered improved expense leverage despite increased expenses and investments;
 FY 2016 Operating Profit Margin 20.4% vs. 19.4% in FY 2015

International

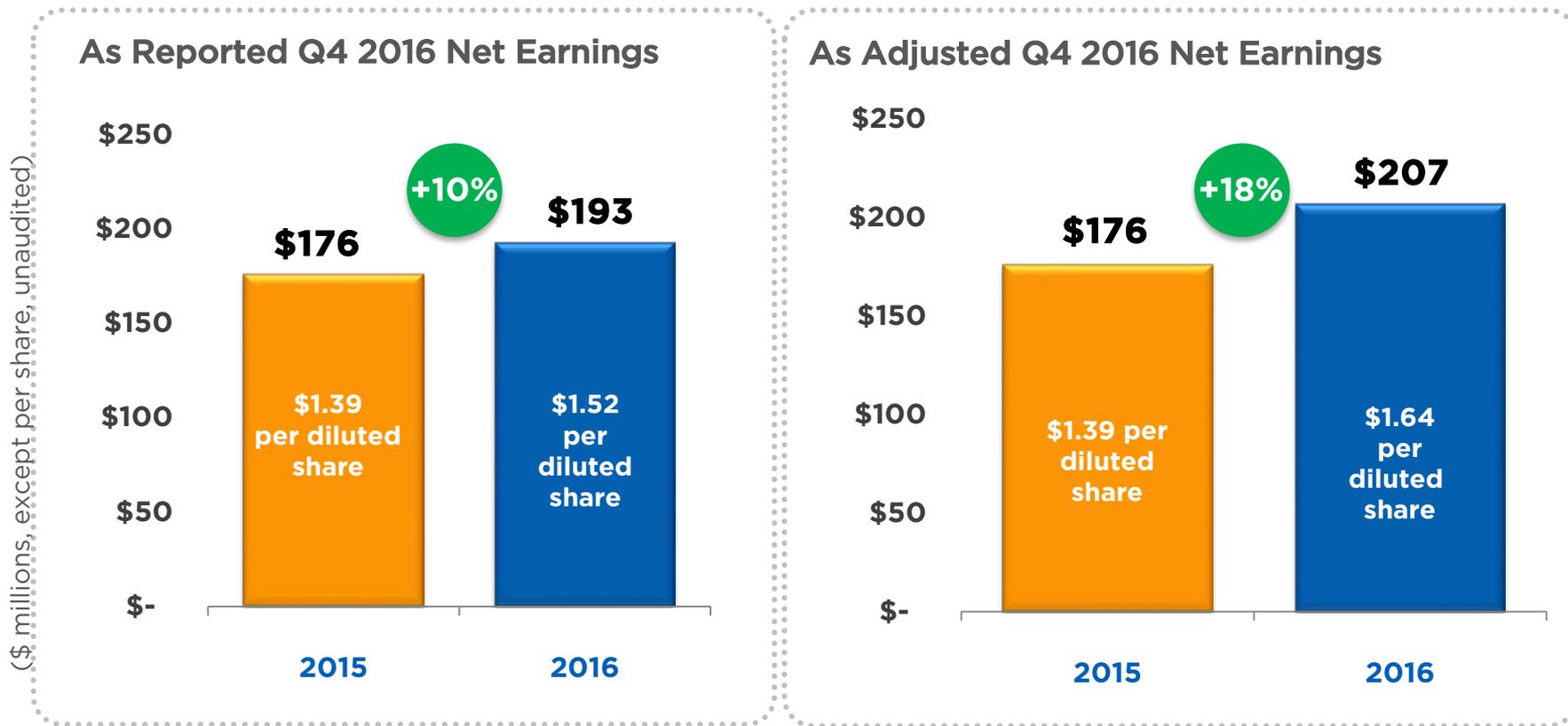
Continued to generate greater expense leverage while investing in the business; FY 2016 Operating Profit Margin 13.4% vs. 13.0% in FY 2015

Entertainment and Licensing

Decline due to Q4 2016 non-cash goodwill impairment charge related to Backflip Studios;
 As Adjusted FY 2016 E&L Operating Profit \$82.7M



Fourth Quarter Net Earnings Attributable to Hasbro, Inc.

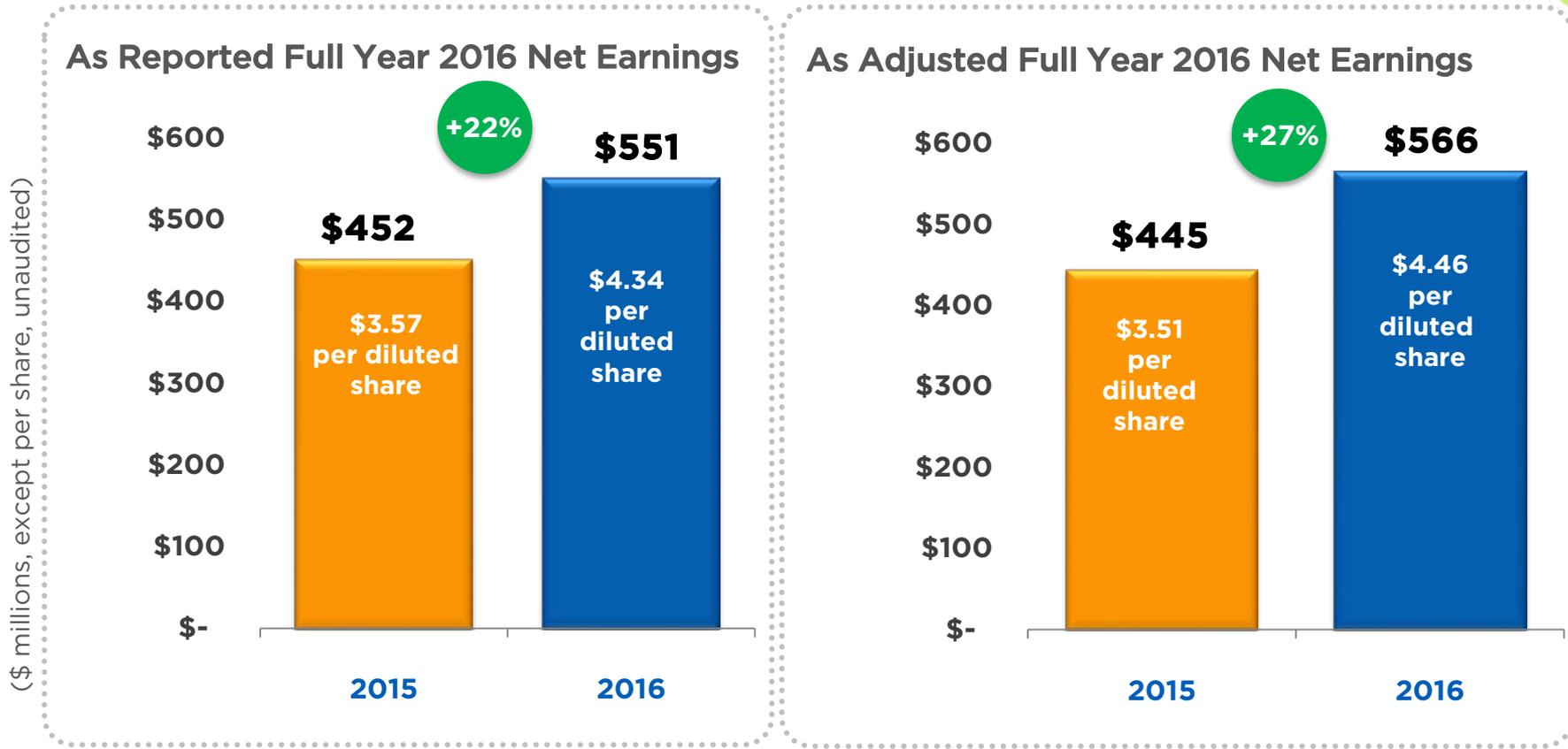


**As Reported Q4 2016 Net Earnings Up 10% Year over Year;
As Adjusted Q4 2016 Net Earnings** up +18% Year over Year**

Q4 2016 Non-Operating Expense, net was \$35.2M vs. \$27.4M* in Q4 2015
**Q4 2015 Non-Op Income, net includes \$6.8M gain on sales of manufacturing operations*

***Q4 2016 As Adjusted Net Earnings exclude a pre-tax \$32.9 million goodwill impairment charge related to Backflip Studios*

Full Year Net Earnings Attributable to Hasbro, Inc.



**As Reported FY 2016 Net Earnings Up 22% Year over Year;
As Adjusted Full Year 2016* Net Earnings up +27% Year over Year**

Tax rate of 24.5% vs. 26.4% in 2015

The decline in tax rate reflected higher U.S. based expenses and a higher mix of International sales.

*FY 2016 As Adjusted Net Earnings exclude a pre-tax \$32.9 million goodwill impairment charge related to Backflip Studios



Key Cash Flow & Balance Sheet Data

(\$ millions, unaudited)	Dec. 25, 2016	Dec. 27, 2015	Notes
Cash	\$1,282	\$977	Strong cash position, mostly held overseas
Depreciation	\$120	\$112	Increased depreciation of IT systems
Amortization of Intangibles	\$35	\$44	Q2 2015 marked last quarter of amortization of certain digital gaming property rights
TV Program and Film Spending	\$49	\$42	Continued investment in TV programming and film
Capital Expenditures	\$155	\$142	Tooling and information systems investments
Dividends Paid	\$249	\$226	Quarterly dividend increased by 12% to \$0.57 per share, payable on May 15, 2017.
Stock Repurchase	\$151	\$87	\$328M remain in authorization
Operating Cash Flow	\$775	\$552	Cash flow ahead of target
Accounts Receivable	\$1,320	\$1,218	DSOs down 2 days to 73 days; AR in good condition
Inventory	\$388	\$384	Inventory essentially flat YOY

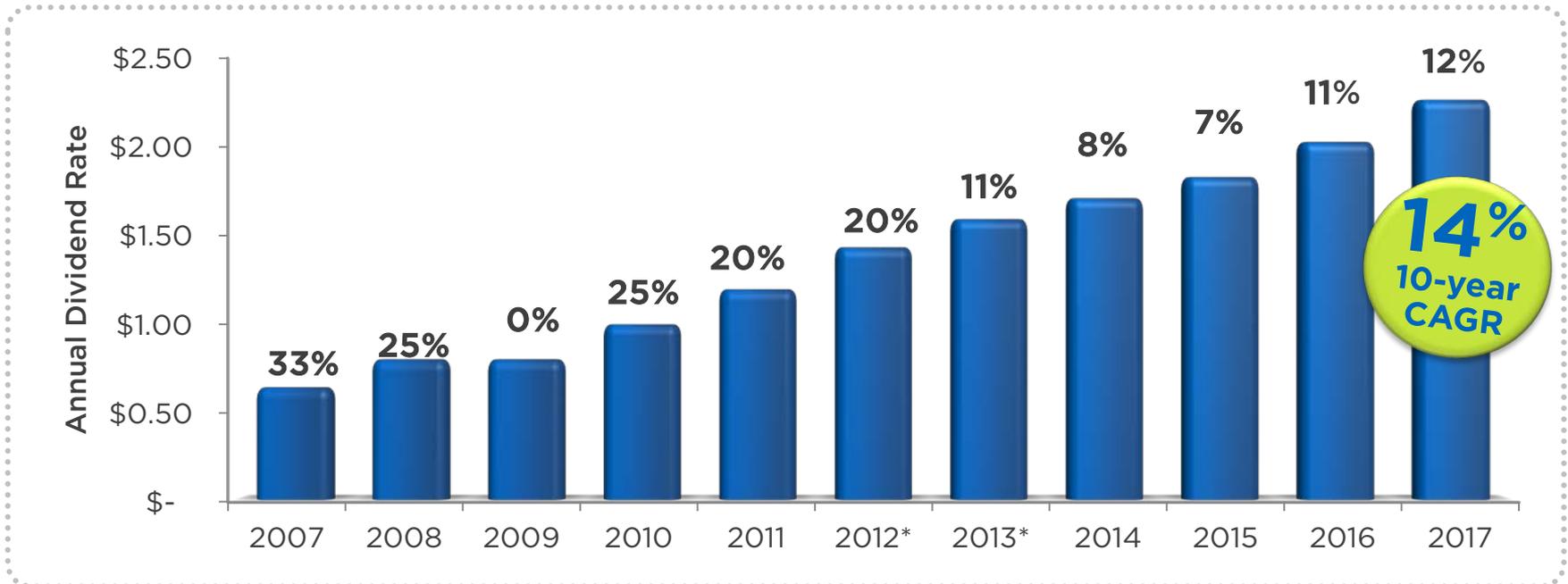
Operating Cash Flow Target

\$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



% reflects increase in quarterly dividend rate

↑ 12%

2017 Quarterly dividend increase

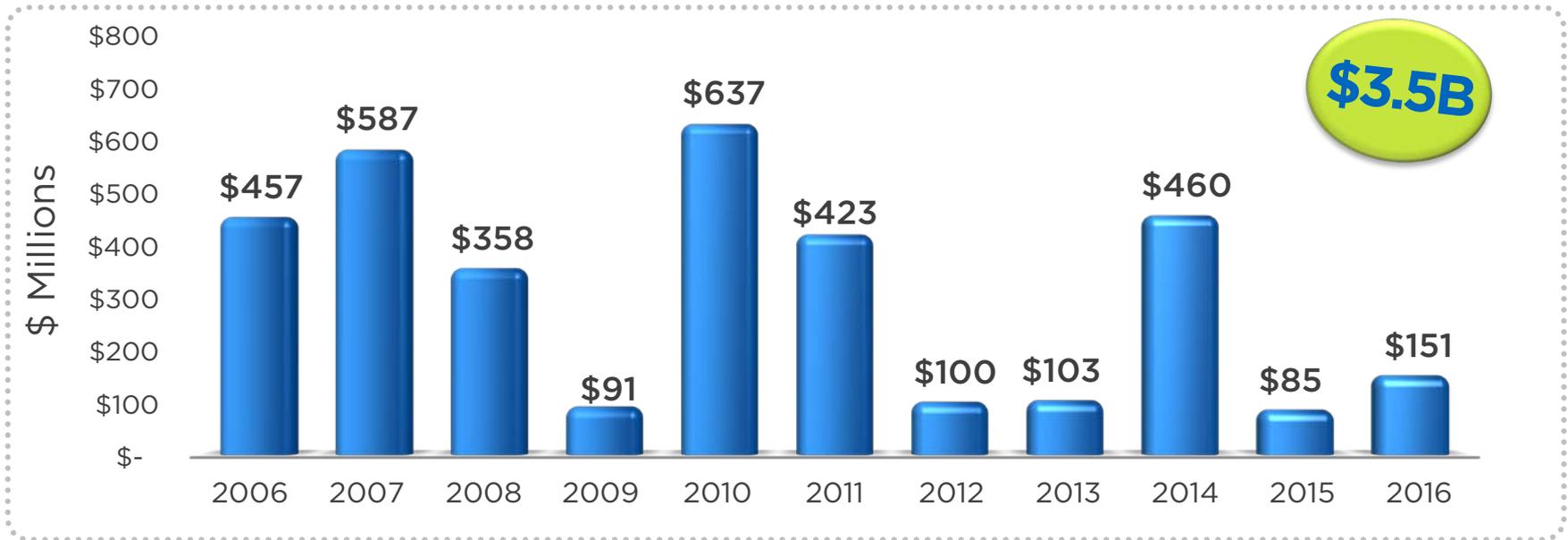


Dividend in 13 of last 14 years

**10 Years
\$1.7B**

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

Capital Priorities: Share Repurchase



FY 2016 End
\$328M
 Remains

Q4 2016
 Repurchases
\$45M

10 Years
\$3.5B

Supplementary Financial Information



Fourth Quarter and Full Year Consolidated Statements of Operations

(\$ millions, unaudited)	Quarter Ended				Full Year Ended			
	Dec. 25, 2016	% Net Revenues	Dec. 27, 2015	% Net Revenues	Dec. 25, 2016	% Net Revenues	Dec. 27, 2015	% Net Revenues
Net Revenues	\$1,630	100.0%	\$1,465	100.0%	\$5,020	100.0%	\$4,448	100.0%
Cost of Sales	635	38.9%	555	37.9%	1,905	38.0%	1,677	37.7%
Royalties	136	8.3%	149	10.2%	410	8.2%	379	8.5%
Product Development	75	4.6%	69	4.7%	266	5.3%	243	5.5%
Advertising	148	9.1%	121	8.3%	469	9.3%	409	9.2%
Amortization of Intangibles	9	0.5%	8	0.6%	35	0.7%	44	1.0%
Program Production Cost Amortization	18	1.1%	13	0.9%	36	0.7%	42	1.0%
Selling, Distribution & Administration	354	21.7%	292	19.9%	1,111	22.1%	961	21.6%
Operating Profit	255	15.7%	259	17.7%	788	15.7%	692	15.6%
Interest Expense	25	1.5%	24	1.7%	97	1.9%	97	2.2%
Other (Income) Expense, Net	10	0.6%	3	0.2%	(2)	0.0%	(9)	(0.2)%
Earnings Before Income Taxes	220	13.5%	231	15.8%	692	13.8%	604	13.6%
Income Taxes	39	2.4%	57	3.9%	159	3.2%	157	3.5%
Net Earnings	181	11.1%	174	11.9%	533	10.6%	447	10.0%
Net Loss Attributable to Noncontrolling Interests	(12)	(0.7)%	(1)	(0.1)%	(18)	(0.4)%	(5)	(0.1)%
Net Earnings Attributable to Hasbro, Inc.	\$193	11.8%	\$176	12.0%	\$551	11.0%	\$452	10.2%
Diluted EPS	\$1.52		\$1.39		\$4.34		\$3.57	



Condensed Consolidated Balance Sheets

(\$ millions, unaudited)	Dec. 25, 2016	Dec. 27, 2015
Cash & Cash Equivalents	\$1,282	\$977
Accounts Receivable, Net	1,320	1,218
Inventories	388	384
Other Current Assets	238	287
Total Current Assets	3,228	2,866
Property, Plant & Equipment, Net	267	238
Other Assets	1,596	1,618
Total Assets	\$5,091	\$4,721
Short-term Borrowings	\$173	\$165
Current Portion of Long-Term Debt	\$350	-
Payables & Accrued Liabilities	1,096	900
Total Current Liabilities	1,618	1,065
Long-term Debt	1,199	1,547
Other Liabilities	389	405
Total Liabilities	3,206	3,017
Redeemable Noncontrolling Interests	23	40
Total Shareholders' Equity	1,863	1,664
Total Liabilities, Redeemable Noncontrolling Interests and Shareholders' Equity	\$5,091	\$4,721



Condensed Consolidated Cash Flow-Full Year Ended

(\$ millions, unaudited)

	Dec. 25, 2016	Dec. 27, 2015
Net Cash Provided by Operating Activities	\$ 774	\$552
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(155)	(142)
Investments and Dispositions	(12)	19
Other	29	20
Net Cash Utilized by Investing Activities	(138)	(104)
Cash Flows from Financing Activities:		
Net Proceeds from (Repayments of) Short-term Borrowings	9	(87)
Purchases of Common Stock	(150)	(87)
Stock-based Compensation Transactions	63	58
Dividends Paid	(249)	(226)
Other	(6)	(4)
Net Cash Utilized by Financing Activities	(333)	(346)
Effect of Exchange Rate Changes on Cash	2	(19)
Cash and Cash Equivalents at Beginning of Year	977	893
Cash and Cash Equivalents at End of Quarter	\$1,282	\$977

Supplemental Financial Data-Reconciliation of Non-GAAP Financial Measures (Unaudited)

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

	Quarter Ended			
	Dec. 25, 2016		Dec. 27, 2015	
		Diluted Per Share Amount		Diluted Per Share Amount
Net Earnings Attributable to Hasbro, Inc., as Reported	\$ 192,725	\$ 1.52	\$ 175,763	\$ 1.39
Goodwill Impairment Charge	14,674	0.12	-	-
Gain on Sale of Manufacturing Operations	-	-	165	-
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 207,399</u>	<u>\$ 1.64</u>	<u>\$ 175,928</u>	<u>\$ 1.39</u>
	Year Ended			
	Dec. 25, 2016		Dec. 27, 2015	
		Diluted Per Share Amount		Diluted Per Share Amount
Net Earnings Attributable to Hasbro, Inc., as Reported	\$ 551,380	\$ 4.34	\$ 451,838	\$ 3.57
Goodwill Impairment Charge	14,674	0.12	-	-
Gain on Sale of Manufacturing Operations	-	-	(6,885)	(0.05)
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 566,054</u>	<u>\$ 4.46</u>	<u>\$ 444,953</u>	<u>\$ 3.51</u>

Supplemental Financial Date-Reconciliation of Non-GAAP Financial Measures (Unaudited)

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

The line items impacted by the goodwill impairment charge and the gain on sale as well as these line items excluding these amounts as a percentage of revenues is as follows:

	As Reported	% Net Revenues	Less Goodwill Impairment Charge	Excluding Goodwill Impairment Charge	% Net Revenues
<u>Quarter ended December 25, 2016</u>					
Selling, Distribution and Administration	\$ 353,791	21.7%	\$ (32,858) (1)	\$ 320,933	19.7%
Tax expense	39,333	2.4%	8,327	47,660	2.9%
Net Loss Attributable to Noncontrolling Interests	(12,126)	-0.7%	9,857	(2,269)	-0.1%
<u>Year ended December 25, 2016</u>					
Selling, Distribution and Administration	\$ 1,110,769	22.1%	\$ (32,858) (1)	\$ 1,077,911	21.5%
Tax expense	159,338	3.2%	8,327	167,665	3.3%
Net Loss Attributable to Noncontrolling Interests	(18,229)	-0.4%	9,857	(8,372)	-0.2%

(1) This charge was recorded in the Entertainment and Licensing segment. Excluding this charge, operating profit and margin for the segment for the quarter ended December 25, 2016 would have been \$49,367 and 43.0%, respectively, and \$82,734 and 31.2%, respectively, for the year ended December 25, 2016.

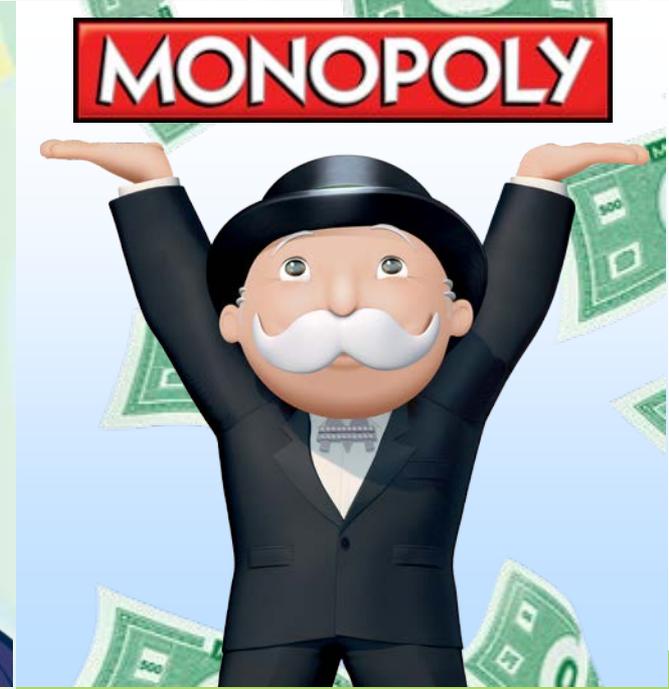
	As Reported	% Net Revenues	Less Gain on Sale on Manufacturing Operations	Excluding Gain on Sale of Manufacturing Operations	% Net Revenues
<u>Quarter ended December 27, 2015</u>					
Selling, Distribution and Administration	\$ 291,840	19.9%	\$ -	\$ 291,840	19.9%
Other (Income) Expense, Net	3,058	0.2%	(259)	2,799	0.2%
Tax expense	56,943	3.9%	94	57,037	3.9%
<u>Year ended December 27, 2015</u>					
Selling, Distribution and Administration	\$ 960,795	21.6%	\$ 3,061 (2)	\$ 963,856	21.7%
Other (Income) Expense, Net	(9,104)	-0.2%	6,573	(2,531)	-0.1%
Tax expense	157,043	3.5%	(2,749)	154,294	3.5%

(2) This gain was recorded to the corporate and eliminations segment.

	Quarter Ended		Year Ended	
	Dec. 25, 2016	Dec. 27, 2015	Dec. 25, 2016	Dec. 27, 2015
Reconciliation of EBITDA				
Net Earnings Attributable to Hasbro, Inc.	\$ 192,725	\$ 175,763	\$ 551,380	\$ 451,838
Net Loss Attributable to Noncontrolling Interests	(12,126)	(1,369)	(18,229)	(4,966)
Interest Expense	25,142	24,306	97,405	97,122
Income Taxes	39,333	56,943	159,338	157,043
Depreciation	30,380	25,212	119,707	111,605
Amortization of Intangibles	8,690	8,392	34,763	43,722
EBITDA	\$ 284,144	\$ 289,247	\$ 944,364	\$ 856,364



Franchise Brands





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



Hasbro

