



Hasbro Second Quarter 2012 Earnings
July 23, 2012

Safe Harbor

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Second Quarter 2012 Snapshot

Results Consistent with Company Strategy to Shift U.S. Shipments Later in the Year

➤ Q2 Net revenues \$811M, down 11% year-over-year

- Net revenues down 7% excluding negative \$34.4M impact of foreign exchange
- On track for 2-4% of full year revenues shifting to second half 2012

➤ EPS flat year-over-year despite lower revenues

- Excluding Gaming Center of Excellence costs and tax adjustment in Q2 2011

➤ Executing plan to return U.S. & Canada to historical operating profit margin

- Operating profit increased to 15.0% of quarterly revenues
- Gained share in the U.S. (Source: The NPD Group, through May 2012)

➤ International segment revenues up 5%, excluding foreign exchange

- Down 4% including negative \$33.4 million foreign exchange impact

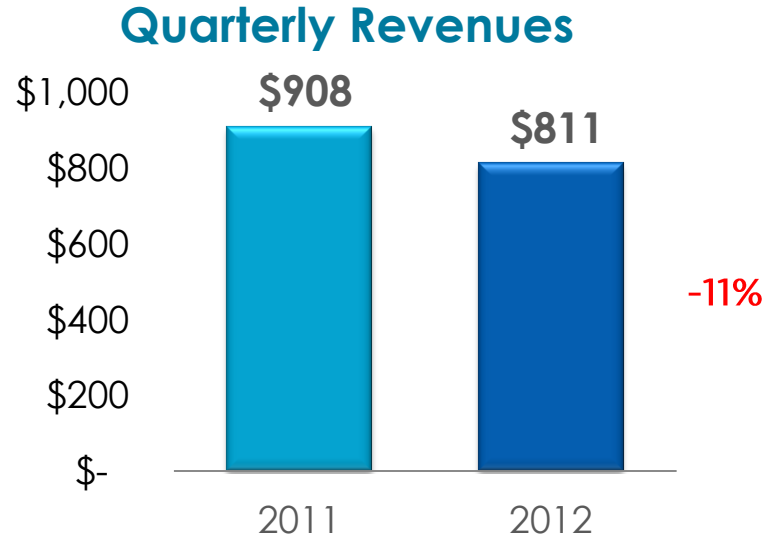
➤ Reiterates Guidance

- Continue to believe, absent the impact of foreign exchange, Company will grow revenues and earnings per share
- Expect fourth quarter to be greater than the third quarter in both revenues and earnings per share



Second Quarter 2012 Net Revenues

(\$ Millions, Unaudited)



Consistent with strategy to shift revenues later in 2012 -
better align with consumer demand

Down 7% excluding negative foreign exchange impact
of \$34.4 million



Second Quarter 2012 Segment Net Revenues

(\$ Millions, Unaudited)



U.S. & Canada
Retail inventories down; Aligning shipments with consumer demand; Gained share*

International
Revenues up 5% excluding foreign exchange; Latin America up 15%

Entertainment & Licensing
Global television programming sales in all formats

* Source: The NPD Group, Through May 2012



Second Quarter 2012 Net Revenues By Region

(\$ Millions, Unaudited)	2012	2011	% Change
U.S./Canada Segment	\$407	\$505	-19%
Europe	198	222	-11%
Latin America	83	72	+15%
Asia Pacific	79	80	-1%
International Segment	360	374	-4%
Entertainment & Licensing	43	27	+59%
Global Operations	1	2	---
Total Net Revenues	\$811	\$908	-11%

Excluding foreign exchange
 International Segment revenues up 5%
 Latin America and Asia Pacific revenues up;
 Europe down ~1%



Second Quarter 2012 Net Revenues By Product Category

(\$ Millions, Unaudited)	2012	2011	% Change
Boys	\$ 389	\$ 460	-16%
Games	214	231	-8%
Girls	104	119	-13%
Preschool	103	98	+6%
Other	1	0	---
Total	\$ 811	\$ 908	-11%



Second Quarter 2012 Major Expense Items

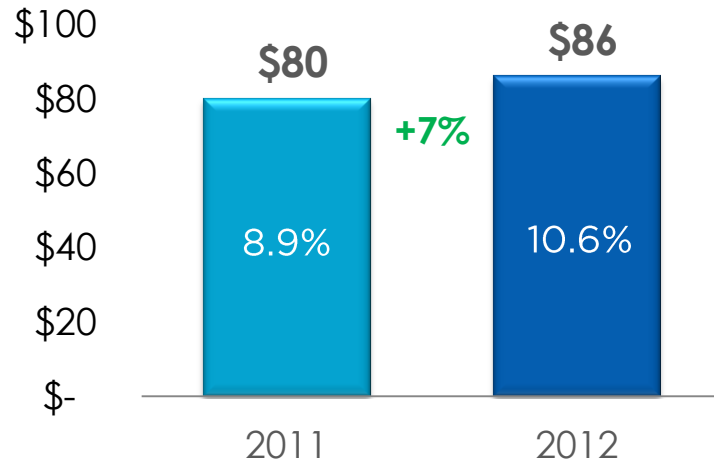
(\$ Millions, Unaudited)	2012	% of Sales	% Change	Notes
Cost of Sales	\$ 312	38.5%	-17.5%	Product mix & the sale of higher quality inventory versus Q2 11
Royalties	\$71	8.7%	-13.8%	Target 7%-8% of revenues FY 12
Product Development	\$50	6.2%	-8.8%	Target ~4.5% of FY 12 revenues
Advertising	\$79	9.8%	-3.0%	Target 10%-11% of FY 12 revenues
Amortization of Intangibles	\$12	1.4%	+8.5%	~\$50M estimate for FY 12
Program Production Cost Amortization	\$10	1.2%	+40.7%	\$50M-\$60M estimate for FY 12
Selling, Distribution & Administration	\$191	23.6%	-10.3%	Targeting 20% of revenues FY 12



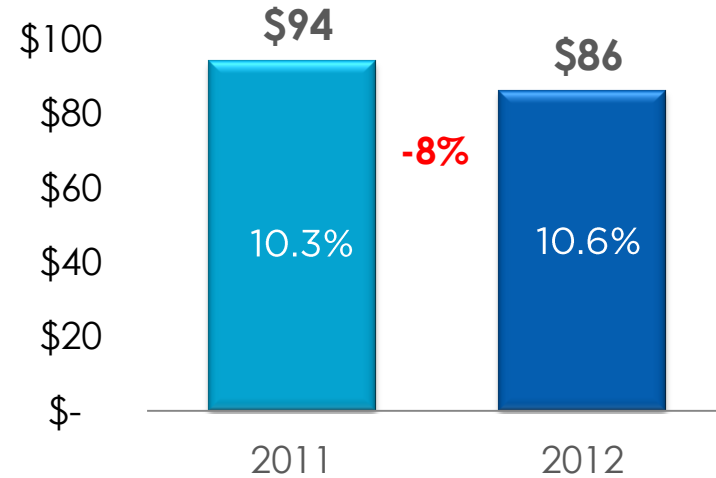
Second Quarter 2012 Operating Profit

(\$ Millions, Unaudited)

Quarterly Operating Profit As Reported



Quarterly Operating Profit Excluding Gaming Center Costs



Positive impact
on OP



Negative
impact on OP



Second Quarter 2012 Segment Operating Profit

(\$ Millions, Unaudited)



U.S. & Canada

Shifting revenue to second half 2012;
Favorable product mix;
Sales of higher quality inventory

International

Higher revenues and OP margin in Latin America;
Lower European revenues

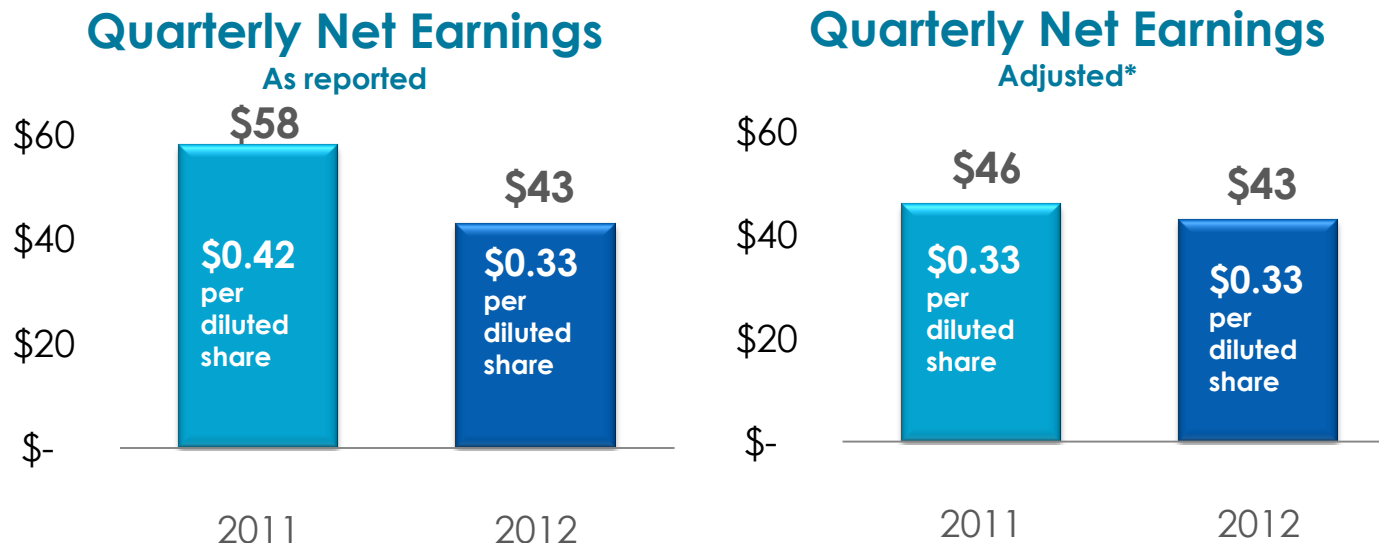
Entertainment & Licensing

Higher revenues;
Better expense leverage



Second Quarter 2012 Net Earnings

(\$ Millions, except per share,
Unaudited)



EPS flat year-over-year

*Q2 2011 excludes a favorable tax adjustment and costs for Hasbro's Gaming Center of Excellence

Q2 2012 underlying tax rate of 26.8%

Average diluted shares 132.1M

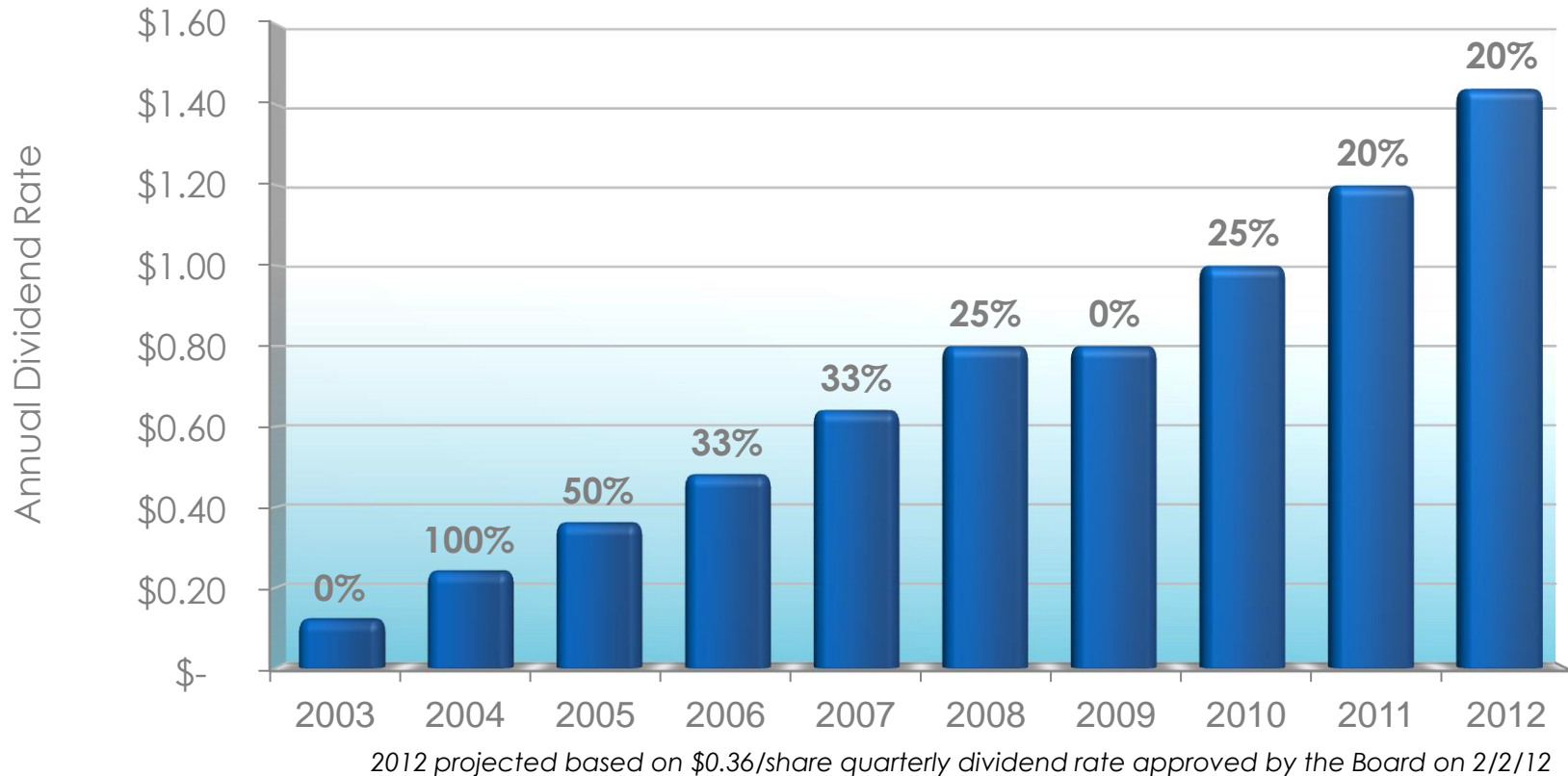


Second Quarter 2012 Key Cash Flow & Balance Sheet Data

(\$ Millions, Unaudited)	2012	Notes
Cash	\$780	\$201M Operating Cash Flow YTD
Depreciation	\$24	Target similar to 2011
Amortization	\$12	Target ~\$50M for FY 12
Television Program Spending	\$11	Target \$60-\$70M for FY 12
Capex	\$27	Target \$125-\$135M for FY 12
Dividends	\$47	Increased 20% on 2/2/12
Stock Repurchase	\$5	~140,000 shares at \$35.21
Operating Cash Flow Trailing Twelve Months	\$468	Target \$500M on average per year
Accounts Receivable	\$651	DSOs at 72 days, down 11 days year-over-year
Inventory	\$417	Good inventory position



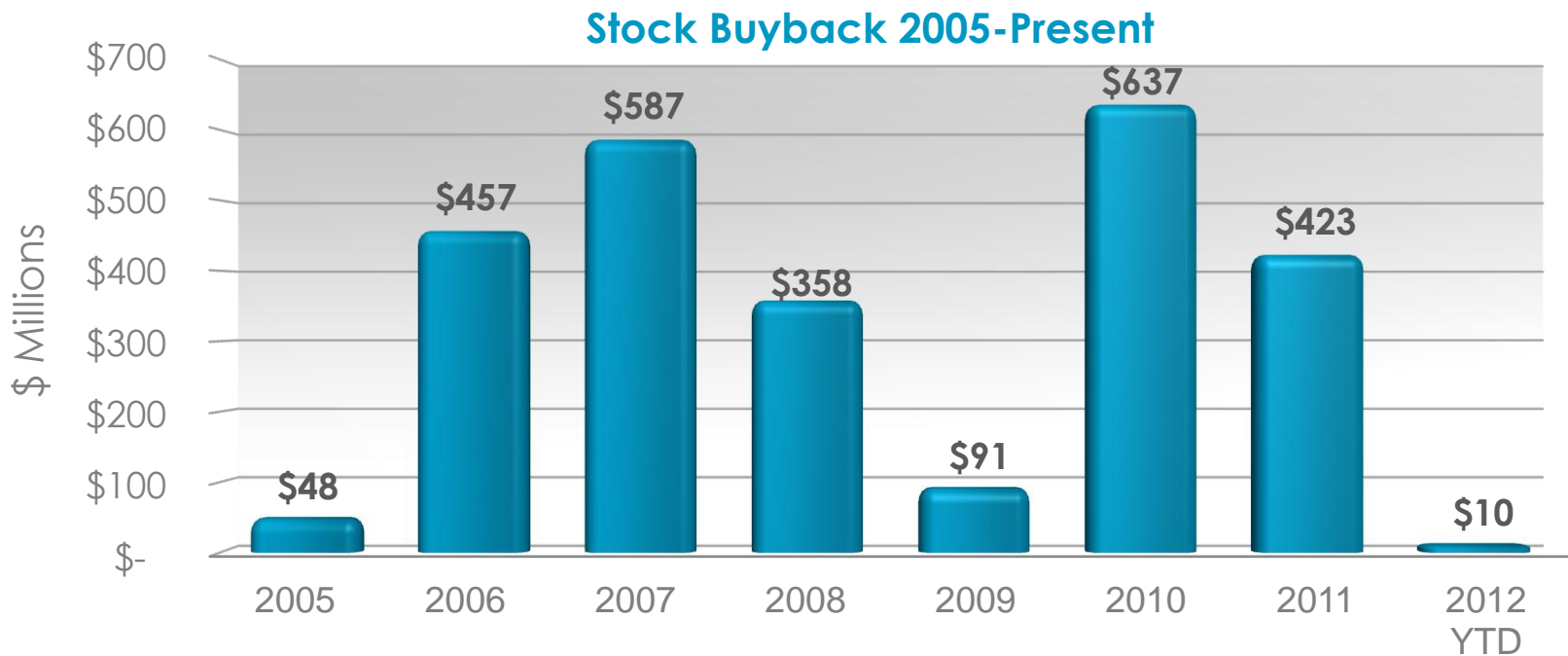
Dividends



- 20% Quarterly dividend increase announced 2/2/12
- Next dividend payable 8/15/12 to shareholders of record at the close of business 8/1/12



Stock Buyback



- Delivering on stated commitment of returning cash to shareholders
- In second quarter 2012, repurchased approximately 140,000 at a total cost of ~\$5 million and an average price of \$35.21
- \$217.3 million remains available as of end of Q2 2012 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 sales



- Q2 2012 was THE HUB'S best ratings quarter in its history
- June 2012 biggest month in networks' history
- 54% ratings growth in Q2 '12 vs. Q2 '11 - Total Day, Kids 2-11



Hasbro's Branded Play Blueprint

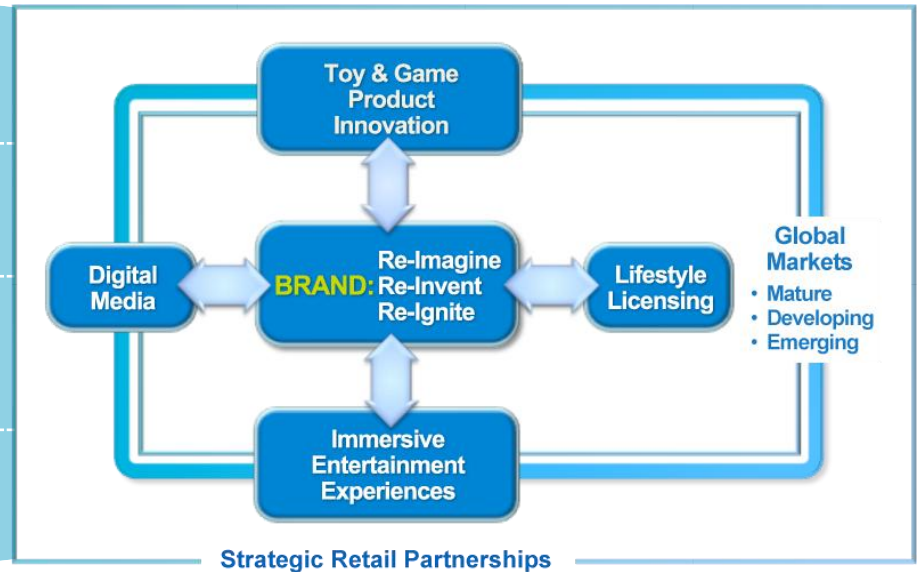
Focused on Executing Our Strategy

Innovation

New Initiatives

**International Business
& Regaining U.S. Momentum**

Immersive Experiences





Appendix

Second Quarter 2012 Income Statement

(\$ Millions, Unaudited)	July 1, 2012	% Net Revenues	June 26, 2011	% Net Revenues
Net Revenues	\$ 811	100.0%	\$908	100.0%
Cost of Sales	312	38.5%	378	41.6%
Royalties	71	8.7%	82	9.0%
Product Development	50	6.2%	55	6.0%
Advertising	79	9.8%	82	9.0%
Amortization of Intangibles	12	1.4%	11	1.2%
Program Production Cost Amortization	10	1.2%	7	0.8%
Selling, Distribution & Administration	191	23.6%	213	23.5%
Operating Profit	\$ 86	10.6%	\$80	8.9%
Interest Expense	23	2.7%	23	2.5%
Other (Income) Expense, Net	4	0.5%	4	0.6%
Earnings Before Income Taxes	\$59	7.4%	\$53	5.8%
Income Taxes	16	2.0%	(5)	-0.6%
Net Earnings	\$43	5.4%	\$58	6.4%
Diluted EPS	\$0.33		\$0.42	



Second Quarter 2012 Balance Sheets

(\$ Millions, Unaudited)	July 1, 2012	June 26, 2011
Cash	\$780	\$585
Accounts Receivable	651	838
Inventory	417	427
Other Current Assets	298	196
Total Current Assets	2,146	2,046
Property, Plant & Equipment, Net	223	239
Other Assets	1,646	1,656
Total Assets	\$4,015	\$3,941
Short-term Borrowings	\$221	\$12
Payables & Accrued Liabilities	618	694
Total Current Liabilities	839	706
Long-term Debt	1,399	1,403
Other Liabilities	377	363
Total Liabilities	\$2,615	\$2,472
Total Shareholders' Equity	\$1,400	\$1,469
Total Liabilities & Shareholders' Equity	\$4,015	\$3,941



2012 Condensed Cash Flow (Six Months)

(\$ Millions, Unaudited)	July 1, 2012	June 26, 2011
Operating Cash Flows	\$ 201	\$ 129
Investing Cash Flows:		
Capex	(50)	(51)
Other	6	(7)
Total Investing	(44)	(58)
Financing Cash Flows:		
Short-term Borrowings	40	(2)
Stock Repurchases	(10)	(172)
Dividends	(85)	(75)
Stock Options	41	28
Total Financing	(14)	(221)
FX Impact on Cash	(5)	7
Beginning Cash	642	728
Ending Cash	\$ 780	\$ 585

