



Hasbro Second Quarter 2012 Earnings
July 23, 2012

Safe Harbor

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 and strategies, costs, financial goals and expectations for our future financial performance and achieving our objectives. 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 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 second quarter 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.



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

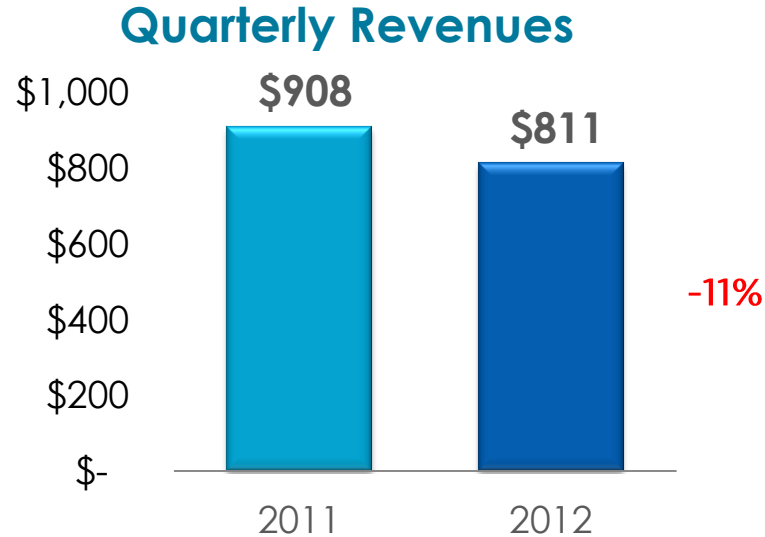
➤ Reiterates Guidance

- 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

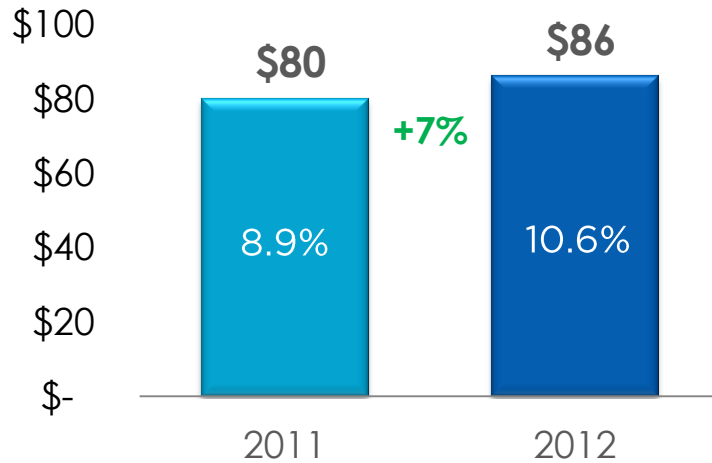
(\$ Millions, Unaudited)	2012	% of Sales	% Change	Notes
Cost of Sales	\$ 312	38.5%	-17.5%	Product mix & the sale of higher quality inventory versus Q2 11
Royalties	\$71	8.7%	-13.8%	Target 7%-8% of revenues FY 12
Product Development	\$50	6.2%	-8.8%	Target ~4.5% of FY 12 revenues
Advertising	\$79	9.8%	-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



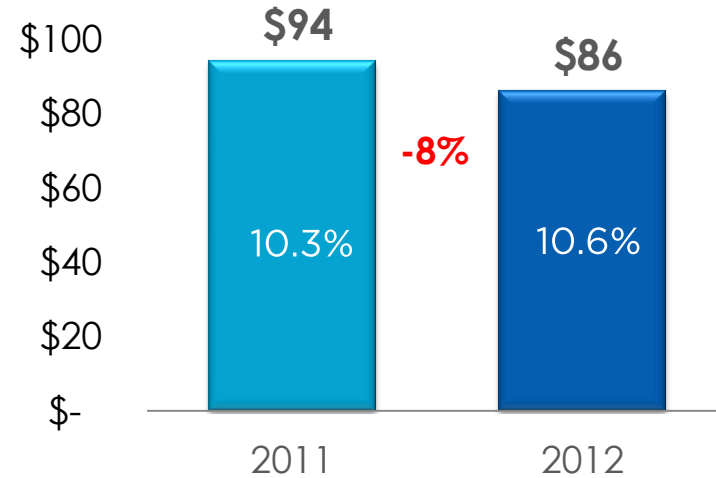
Second Quarter 2012 Operating Profit

(\$ Millions, Unaudited)

Quarterly Operating Profit As Reported



Quarterly Operating Profit Excluding Gaming Center Costs



Positive impact
on OP

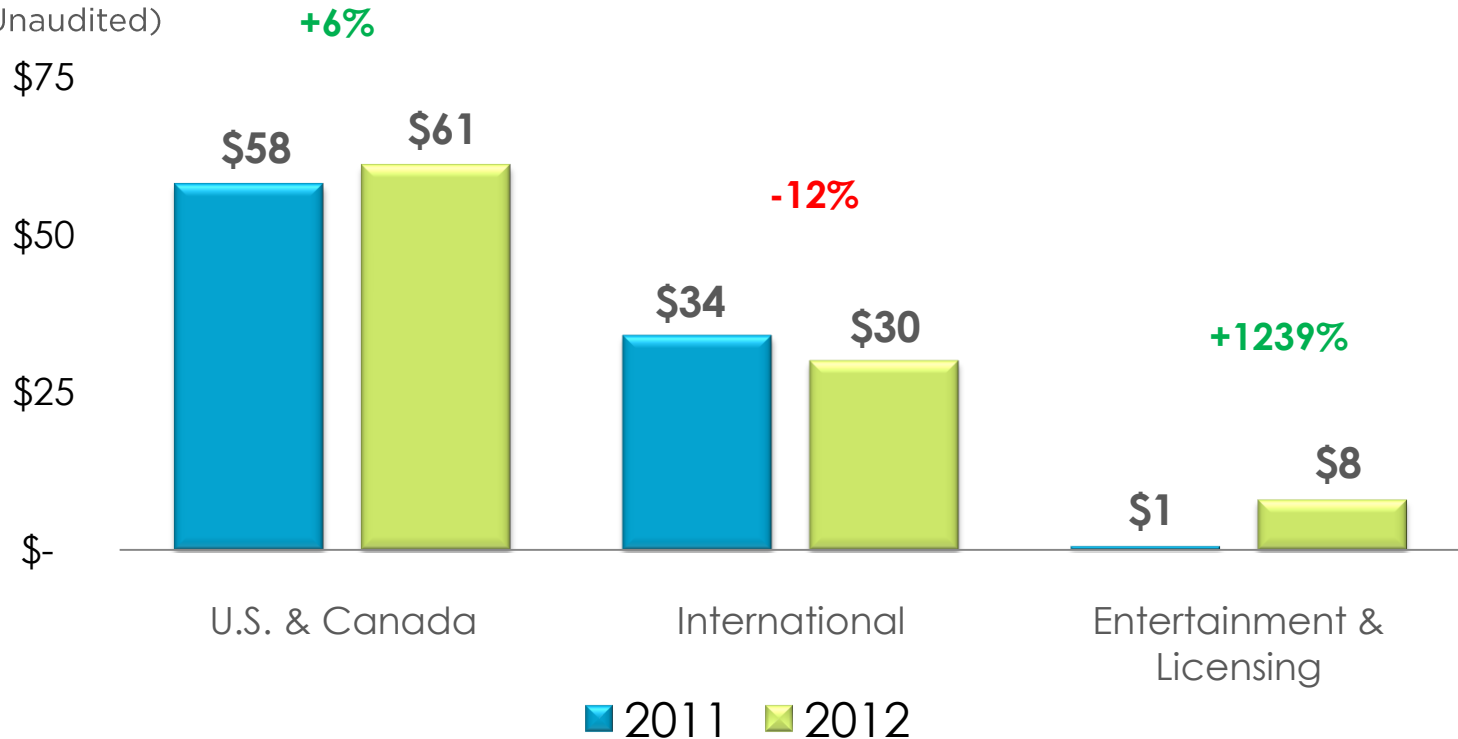


Negative
impact on OP



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

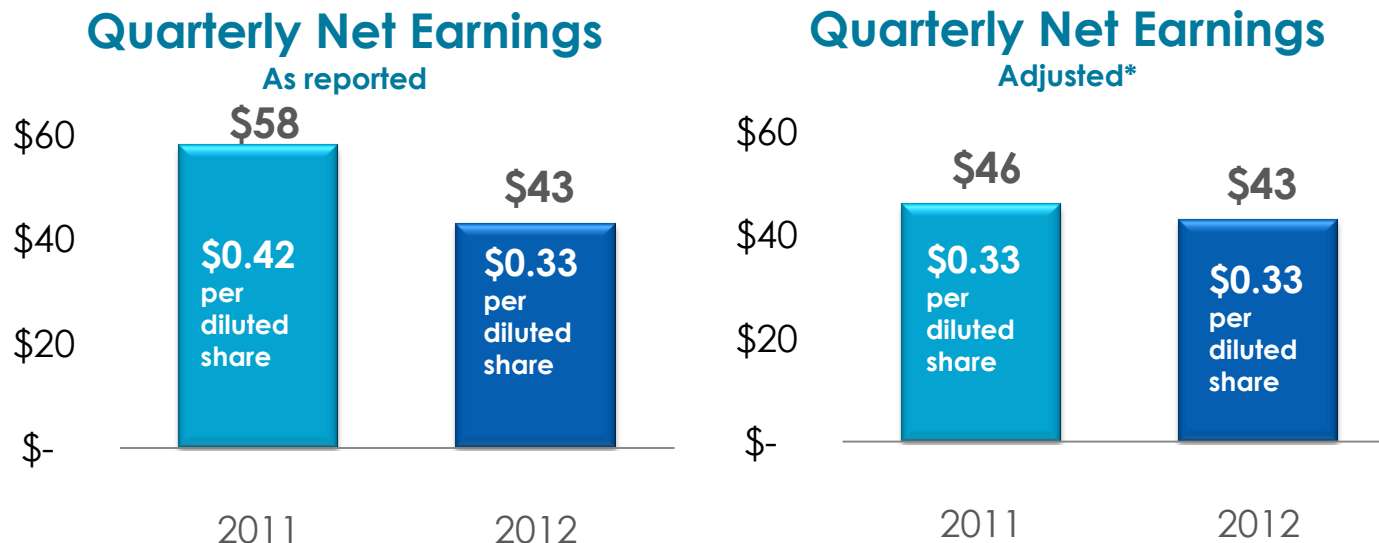
Entertainment & Licensing

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

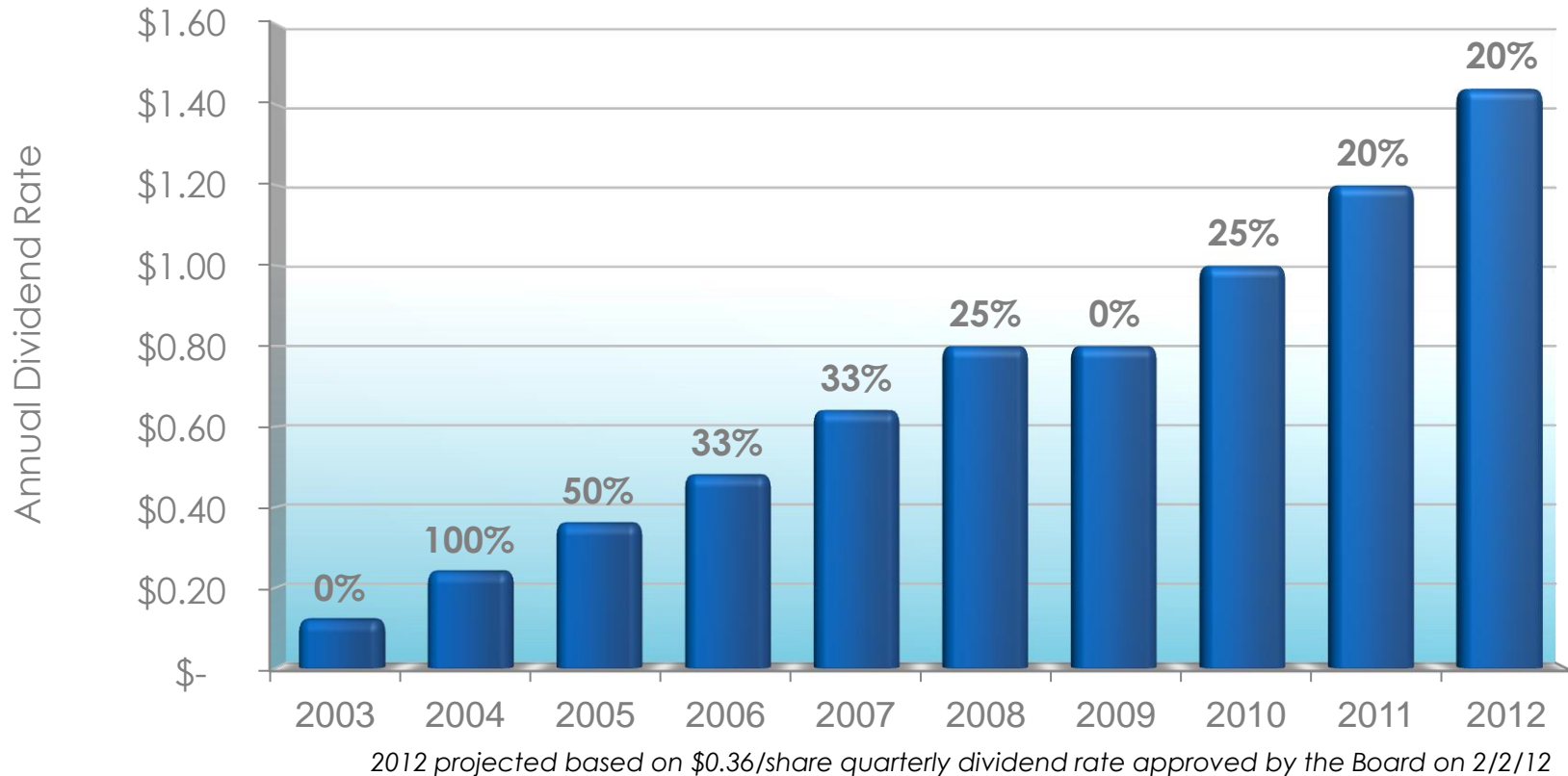


Second Quarter 2012 Key Cash Flow & Balance Sheet Data

(\$ 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



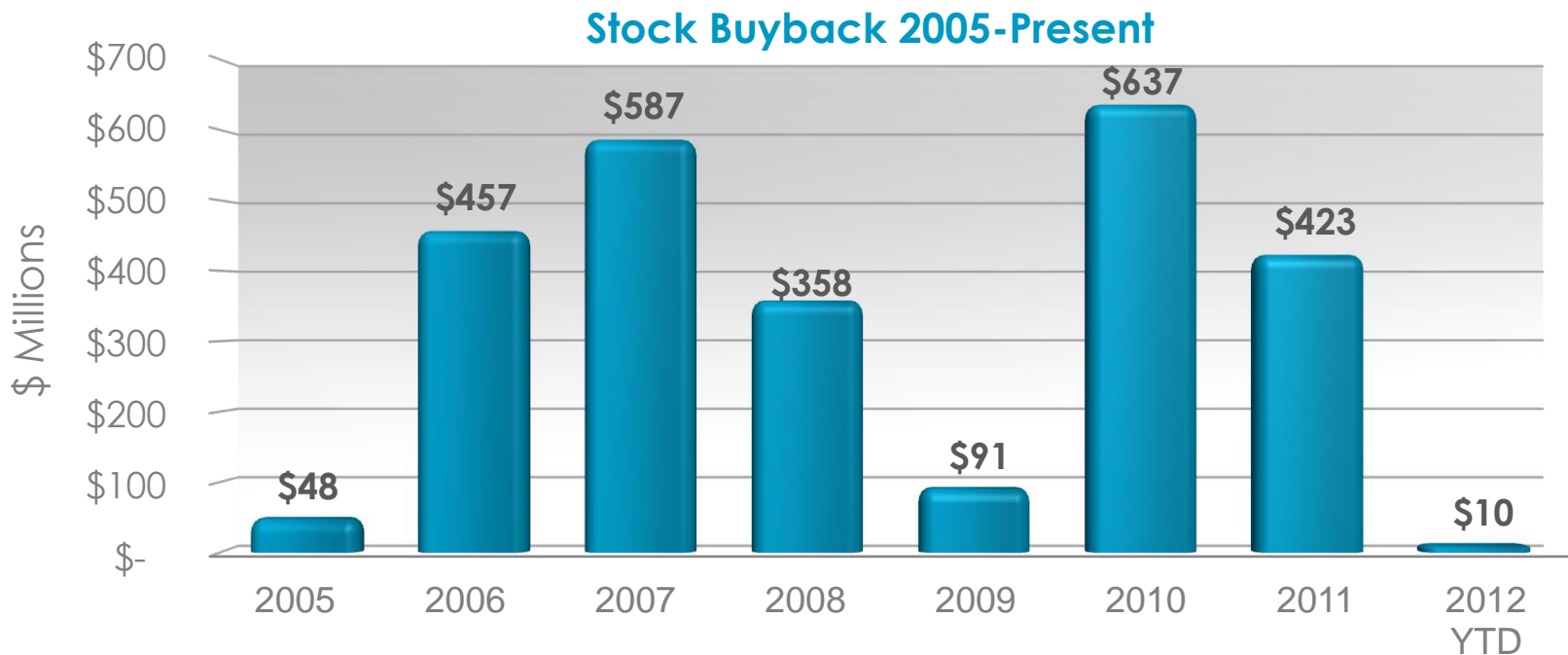
Dividends



- 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



STUDIOS

- 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

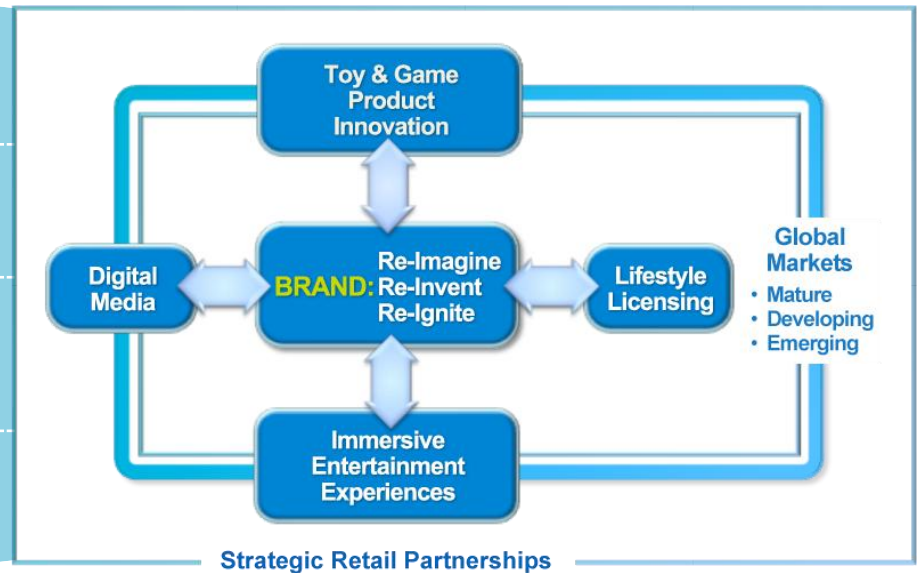
Focused on Executing Our Strategy

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

