

**HASBRO, INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**December 30, 2018 and December 31, 2017**  
**(Thousands of Dollars Except Share Data)**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,182,371	1,581,234
Accounts receivable, less allowance for doubtful accounts of \$9,100 in 2018 and \$31,400 in 2017	1,188,052	1,405,399
Inventories	443,383	433,293
Prepaid expenses and other current assets	268,698	214,000
Total current assets	3,082,504	3,633,926
Property, plant and equipment, net	256,473	259,710
Other assets		
Goodwill	485,881	573,063
Other intangibles, net	693,842	217,382
Other	744,288	605,902
Total other assets	1,924,011	1,396,347
Total assets	<u>\$ 5,262,988</u>	<u>5,289,983</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Short-term borrowings	\$ 9,740	154,957
Accounts payable	333,521	348,476
Accrued liabilities	931,063	748,264
Total current liabilities	1,274,324	1,251,697
Long-term debt	1,695,092	1,693,609
Other liabilities	539,086	514,720
Total liabilities	3,508,502	3,460,026
Shareholders' equity		
Preference stock of \$2.50 par value. Authorized 5,000,000 shares; none issued	—	—
Common stock of \$0.50 par value. Authorized 600,000,000 shares; issued 209,694,630 shares in 2018 and 2017	104,847	104,847
Additional paid-in capital	1,275,059	1,050,605
Retained earnings	4,184,374	4,260,222
Accumulated other comprehensive loss	(294,514)	(239,425)
Treasury stock, at cost, 83,565,598 shares in 2018 and 85,244,923 shares in 2017	(3,515,280)	(3,346,292)
Total shareholders' equity	1,754,486	1,829,957
Total liabilities and shareholders' equity	<u>\$ 5,262,988</u>	<u>5,289,983</u>

See accompanying notes to consolidated financial statements.

**HASBRO, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Operations**  
**Fiscal Years Ended in December**  
**(Thousands of Dollars Except Per Share Data)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net revenues .....	\$4,579,646	5,209,782	5,019,822
Costs and expenses			
Cost of sales .....	1,850,678	2,033,693	1,905,474
Royalties .....	351,660	405,488	409,522
Product development .....	246,165	269,020	266,375
Advertising .....	439,922	501,813	468,940
Amortization of intangible assets .....	28,703	28,818	34,763
Program production cost amortization .....	43,906	35,798	35,931
Selling, distribution and administration .....	1,287,560	1,124,793	1,110,769
Total expenses .....	4,248,594	4,399,423	4,231,774
Operating profit .....	331,052	810,359	788,048
Non-operating (income) expense			
Interest expense .....	90,826	98,268	97,405
Interest income .....	(22,357)	(22,155)	(9,367)
Other (income) expense, net .....	(7,819)	(51,904)	7,521
Total non-operating expense, net .....	60,650	24,209	95,559
Earnings before income taxes .....	270,402	786,150	692,489
Income taxes .....	49,968	389,543	159,338
Net earnings .....	220,434	396,607	533,151
Net loss attributable to noncontrolling interests .....	—	—	(18,229)
Net earnings attributable to Hasbro, Inc. ....	<u>\$ 220,434</u>	<u>396,607</u>	<u>551,380</u>
Per common share			
Net earnings attributable to Hasbro, Inc.			
Basic .....	<u>\$ 1.75</u>	<u>3.17</u>	<u>4.40</u>
Diluted .....	<u>\$ 1.74</u>	<u>3.12</u>	<u>4.34</u>
Cash dividends declared .....	<u>\$ 2.52</u>	<u>2.28</u>	<u>2.04</u>

See accompanying notes to consolidated financial statements.

**HASBRO, INC. AND SUBSIDIARIES**  
**Consolidated Statement of Cash Flows**  
**Fiscal Years Ended in December**  
**(Thousands of Dollars)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities			
Net earnings	\$ 220,434	396,607	533,151
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation of property, plant and equipment	139,255	143,018	119,707
Impairment of goodwill	86,253	—	32,858
Impairment of intangible assets	31,303	—	—
Amortization of intangible assets	28,703	28,818	34,763
Program production cost amortization	43,906	35,798	35,931
Deferred income taxes	(11,094)	112,105	(662)
Stock-based compensation	27,892	56,032	61,624
Other non-cash items	(18,879)	(44,001)	(16,011)
Changes in operating assets and liabilities, net of acquired and disposed balances:			
Decrease (increase) in accounts receivable	180,113	(50,376)	(149,923)
Increase in inventories	(37,211)	(25,301)	(12,065)
(Increase) decrease in prepaid expenses and other current assets	(11,929)	24,450	7,422
Program production costs	(131,984)	(48,003)	(48,690)
Increase (decrease) in accounts payable and accrued liabilities	107,426	(80,461)	246,223
Net deemed repatriation tax	27,027	181,305	—
Other, including long-term advances	(35,218)	(5,613)	(27,015)
Net cash provided by operating activities	<u>645,997</u>	<u>724,378</u>	<u>817,313</u>
Cash flows from investing activities			
Additions to property, plant and equipment	(140,426)	(134,877)	(154,900)
Investments and acquisitions, net of cash acquired	(155,451)	—	(12,436)
Other	9,400	3,396	28,945
Net cash utilized by investing activities	<u>(286,477)</u>	<u>(131,481)</u>	<u>(138,391)</u>
Cash flows from financing activities			
Net proceeds from borrowings with maturity greater than three months	—	493,878	—
Repayments of borrowings with maturity greater than three months	—	(350,000)	—
Net (repayments of) proceeds from other short-term borrowings	(142,357)	(18,419)	8,978
Purchases of common stock	(250,054)	(151,311)	(150,075)
Stock-based compensation transactions	29,999	29,431	42,207
Dividends paid	(309,258)	(276,973)	(248,881)
Payments related to tax withholding for share-based compensation	(58,344)	(31,994)	(21,969)
Other	(7,087)	(6,785)	(5,758)
Net cash utilized by financing activities	<u>(737,101)</u>	<u>(312,173)</u>	<u>(375,498)</u>
Effect of exchange rate changes on cash	(21,282)	18,225	2,111
(Decrease) increase in cash and cash equivalents	<u>(398,863)</u>	<u>298,949</u>	<u>305,535</u>
Cash and cash equivalents at beginning of year	1,581,234	1,282,285	976,750
Cash and cash equivalents at end of year	<u>\$ 1,182,371</u>	<u>1,581,234</u>	<u>1,282,285</u>
Supplemental information			
Interest paid	<u>\$ 82,258</u>	<u>89,294</u>	<u>88,525</u>
Income taxes paid	<u>\$ 117,854</u>	<u>115,753</u>	<u>98,913</u>

See accompanying notes to consolidated financial statements.