

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES AND EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): July 16, 1998

HASBRO, INC.

(Name of Registrant)

RHODE ISLAND ----- (State of Incorporation)	1-6682 ----- (Commission File Number)	05-0155090 ----- (IRS Employer Identification No.)
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1027 NEWPORT AVE., PAWTUCKET, RHODE ISLAND ----- (Address of Principal Executive Offices)	02861 ----- (Zip Code)
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(401) 431-8697

(Registrant's Telephone Number)

Item 5. Other Events

The July 16, 1998 Press Release of the Registrant attached hereto as EXHIBIT 99 is incorporated herein by reference.

Item 7(c) Exhibits

99 Press Release, dated July 16, 1998, of Hasbro, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HASBRO, INC.

(Registrant)

Date: July 16, 1998

By: /s/ John T. O'Neill

John T. O'Neill

Executive Vice President and
Chief Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)

HASBRO, INC.
Current Report on Form 8-K
Dated July 16, 1998

Exhibit Index

Exhibit
No.

Exhibits

99 Press Release dated July 16, 1998

For Immediate Release
July 16, 1998

Contact: John T. O'Neill
401-727-5600
Renita E. O'Connell
401-727-5401

HASBRO, INC. SECOND QUARTER 1998 RESULTS IN LINE WITH EXPECTATIONS

Pawtucket, RI (July 16, 1998) -- Hasbro, Inc. (HAS:ASE) today reported second quarter results consistent with expectations. Net earnings and diluted earnings per share were \$5.5 million and \$0.04, respectively, compared to \$13.0 million and \$0.10, respectively, in the second quarter of 1997.

Worldwide net revenues in local currencies were essentially unchanged from the second quarter of 1997. The acquisition of the operating assets of Tiger Electronics, on April 1, 1998, added approximately \$40 million to net revenues. This increase was offset by ongoing changes in inventory flow policies at Toys `R Us, coupled with year-over-year differences in the timing of movie releases of some of the Company's major entertainment properties. In addition, the adverse impact of the stronger U.S. dollar reduced revenues by approximately \$9 million, resulting in reported revenues of \$572.1 million, compared to \$583.9 million reported last year.

For the first half of 1998, revenues were \$1.055 billion, compared to \$1.140 billion a year ago. Net earnings and diluted earnings per share in the first half were \$13.2 million and \$0.10, respectively, compared to \$38.7 million and \$0.30 last year.

"Across the board, our product portfolio performed as expected," said Alan G. Hassenfeld, Chairman and Chief Executive Officer. "Last year's second quarter results benefited from the movie releases of THE LOST WORLD: JURASSIC PARK in May and BATMAN AND ROBIN in June, as well as the re-release of the STAR WARS TRILOGY. We expected a difficult comparison in the first half of this year, which has been compounded by the significant reduction in inventories and increased seasonality of purchasing patterns announced by Toys `R Us in the first quarter," Hassenfeld explained.

Hassenfeld continued, "On the plus side were sales from newly-acquired Tiger Electronics, as well as TELETUBBIES, introduced in May, and SMALL SOLDIERS, which began appearing at retail in June in anticipation of the July movie release. In addition, sales continue increasing in product lines including HASBRO INTERACTIVE, ACTION MAN, BEAST WARS/TRANSFORMERS and the SUPER SOAKER line of water toys. Internationally, growth occurred in Latin America and certain European markets, notably Italy and France. Our lower earnings in this seasonally light quarter primarily reflected the anticipated dilution from interest expense and goodwill amortization associated with our Tiger acquisition," Hassenfeld added.

"We have been very active on the financial front," continued Hassenfeld. "In the second quarter, we invested \$55 million to buy back 1.5 million shares of our common stock, bringing the first half total investment to \$108 million to buy back 3.0 million shares. Also, on Tuesday we successfully priced a \$300 million long-term debt offering," said Hassenfeld. "This was our first long-term debt issue since 1991, and it was significantly oversubscribed," Hassenfeld added.

"In the increasingly important second half, we will continue building sales and earnings momentum in several product lines. These include a broad range of offerings based on Dreamworks' SMALL SOLDIERS, which was off to a good start at the box office last weekend, the nationwide rollout of Teletubbies, the fall release of our new CD-ROM version of the ATARI classic game - CENTIPEDE, and Tiger Electronics' FURBY - an electronic interactive pet. We also anticipate continued cost savings from the Global Integration and Profit Enhancement Program," Hassenfeld concluded.

Certain statements contained in this release contain "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. The Company's actual actions or results may differ materially from those expected or anticipated in the forward-looking statements. Specific factors that might cause such a difference include, but are not limited to, the timely manufacture and shipping by the Company of new and continuing products and their acceptance by customers and consumers in a competitive product environment; economic conditions and

currency fluctuations in the various markets in which the Company operates throughout the world; the continuing trend of increased concentration of the Company's revenues in the second half and fourth quarter of the year, together with increased reliance by retailers on quick response inventory management techniques, which increases the risk of underproduction of popular items, overproduction of less popular items and failure to achieve tight and compressed shipping schedules; the impact of competition on revenues, margins and other aspects of the Company's business; third party actions or approvals that could delay, modify or increase the cost of implementation of, the Company's Global Integration and Profit Enhancement program; and the risk that anticipated benefits of acquisitions may not occur or be delayed or reduced in their realization. The Company undertakes no obligation to make any revisions to the forward-looking statements contained in this release or to update them to reflect events or circumstances occurring after the date of this release.

(Tables Attached)

HASBRO, INC.

CONSOLIDATED STATEMENTS OF EARNINGS

(Thousands of Dollars and Shares Except Per Share Data)

	Quarter Ended		Six Months Ended	
	Jun. 28, 1998	Jun. 29, 1997	Jun. 28, 1998	Jun. 29, 1997
Net Revenues	\$572,057	583,886	\$1,054,877	1,139,670
Cost of Sales	247,095	252,917	451,407	488,288
Gross Profit	324,962	330,969	603,470	651,382
Amortization	15,880	11,194	30,023	21,226
Royalties, Research and Development	82,129	87,864	149,465	151,756
Advertising	73,213	66,908	128,970	138,210
Selling, Distribution and Administration	141,479	142,289	276,728	277,070
Operating Profit	12,261	22,714	18,284	63,120
Interest Expense	6,416	5,493	8,728	9,923
Other (Income) Expense, Net	(2,417)	(3,062)	(10,514)	(7,233)
Earnings Before Income Taxes	8,262	20,283	20,070	60,430
Income Taxes	2,809	7,302	6,824	21,755
Net Earnings	\$ 5,453	12,981	\$ 13,246	38,675
Per Common Share				
Net Earnings				
Basic	\$.04	.10	\$.10	.30
Diluted	\$.04	.10	\$.10	.30
Cash Dividends Declared	\$.08	.08	\$.16	.16
Weighted Average Number of shares				
Basic	132,560	127,847	132,835	128,223
Diluted	138,228	137,606	138,218	138,158

HASBRO, INC.

CONSOLIDATED CONDENSED BALANCE SHEETS

(Thousands of Dollars)

	Jun. 28, 1998	Jun. 29, 1997
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Assets		
Cash and Temporary Investments	\$ 180,595	\$ 82,510
Accounts Receivable, Net	600,254	714,212
Inventories	331,638	368,221
Other	223,740	188,913
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Total Current Assets	1,336,227	1,353,856
Property, Plant and Equipment, Net	281,327	296,139
Other Assets	1,410,211	996,800
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Total Assets	\$3,027,765	\$2,646,795
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Liabilities and Shareholders' Equity		
Short-term Borrowings	\$ 527,259	\$ 314,288
Payables and Accrued Liabilities	676,860	517,230
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Total Current Liabilities	1,204,119	831,518
Long-term Debt	-	149,040
Deferred Liabilities	77,886	67,206
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Total Liabilities	1,282,005	1,047,764
Total Shareholders' Equity	1,745,760	1,599,031
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Total Liabilities and Shareholders' Equity	\$3,027,765	\$2,646,795
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