SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the period ended June 29, 1997   Commission file number 1-6682

HASBRO, INC.
(Name of Registrant)

Rhode Island	O5-0155090
(State of Incorporation)	(I.R.S. Employer Identification No.)

1027 Newport Avenue, Pawtucket, Rhode Island 02861
(Principal Executive Offices)

(401) 431-8697

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X or No

The number of shares of Common Stock, par value $.50 per share, outstanding as of August 8, 1997 was 126,977,710.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

(Thousands of Dollars Except Share Data)
(Unaudited)

Assets	Jun. 29, 1997	Jun. 30, 1996	Dec. 29, 1996
Current assets			
Cash and cash equivalents	$ 82,510	69,998	218,971
Accounts receivable, less allowance for doubtful accounts of $49,600, $51,200 and $46,600	714,212	683,906	807,149
Inventories:			
Finished products	302,213	312,863	209,903
Work in process	16,025	26,619	16,810
Raw materials	49,983	58,617	46,534
Total inventories	368,221	398,099	273,247
Deferred income taxes	78,461	83,115	78,031

Prepaid expenses	110,452	77,721	109,191
Total current assets	1,353,856	1,312,839	1,486,589
Property, plant and equipment, net	296,139	305,772	313,545
Other assets			
Cost in excess of acquired net assets, less accumulated amortization of $123,524, $107,321 and $115,312	508,439	473,594	460,467
Other intangibles, less accumulated amortization of $114,346, $90,281 and $102,387	419,439	370,129	364,987
Other	68,922	65,180	75,921
Total other assets	996,800	908,903	901,375
Total assets	$2,646,795	2,527,514	2,701,509

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets, Continued

(Thousands of Dollars Except Share Data)
(Unaudited)

Liabilities and Shareholders' Equity	Jun. 29, 1997	Jun. 30, 1996	Dec. 29, 1996
Current liabilities			
Short-term borrowings	$ 314,288	288,872	120,736
Trade payables	89,967	106,444	174,337
Accrued liabilities	336,112	293,937	399,896
Income taxes	91,151	79,891	135,849
Total current liabilities	831,518	769,144	830,818
Long-term debt, excluding current installments	149,040	149,920	149,382
Deferred liabilities	67,206	72,066	69,263
Total liabilities	1,047,764	991,130	1,049,463
Shareholders' equity			
Preference stock of $2.50 par value. Authorized 5,000,000 shares; none issued	-	-	-
Common stock of $.50 par value. Authorized 300,000,000 shares; issued 132,176,967, 88,088,526 and 132,160,293	66,088	44,044	66,080
Additional paid-in capital	279,798	305,915	282,922
Retained earnings	1,378,073	1,211,565	1,362,791
Foreign currency translation	(2,591)	17,137	21,487
Treasury stock, at cost; 4,735,697, 1,251,853 and 3,297,628 shares	(122,337)	(42,277)	(81,234)
Total shareholders' equity	1,599,031	1,536,384	1,652,046
Total liabilities and shareholders' equity	$2,646,795	2,527,514	2,701,509

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Earnings

(Thousands of Dollars Except Share Data)
(Unaudited)

	Quarter Ended		Six Months Ended	
	Jun. 29, 1997	Jun. 30, 1996	Jun. 29, 1997	Jun. 30, 1996
Net revenues	$583,886	511,609	1,139,670	1,050,294
Cost of sales	252,917	234,184	488,288	471,955
Gross profit	330,969	277,425	651,382	578,339
Expenses				
Amortization	11,194	10,007	21,226	19,806
Royalties, research and development	87,864	64,356	151,756	118,778
Advertising	66,908	66,171	138,210	136,447
Selling, distribution and administration	142,289	124,909	277,070	250,274
Total expenses	308,255	265,443	588,262	525,305
Operating profit	22,714	11,982	63,120	53,034
Nonoperating (income) expense				
Interest expense	5,493	5,353	9,923	10,259
Other (income), net	(3,062)	(2,514)	(7,233)	(5,477)
Total nonoperating expense	2,431	2,839	2,690	4,782
Earnings before income taxes	20,283	9,143	60,430	48,252
Income taxes	7,302	3,157	21,755	17,901
Net earnings	$ 12,981	5,986	38,675	30,351
Per common share				
Net earnings	$ .10	.05	.30	.23
Cash dividends declared	$ .08	.07	.16	.14

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Six Months Ended June 29, 1997 and June 30, 1996

(Thousands of Dollars)
(Unaudited)

	1997	1996
Cash flows from operating activities		
Net earnings	$ 38,675	30,351
Adjustments to reconcile net earnings to net cash utilized by operating activities:		
Depreciation and amortization of plant and equipment	48,297	45,843
Other amortization	21,226	19,806
Deferred income taxes	(2,325)	2,882
Change in operating assets and liabilities (other than cash and cash equivalents):		
Decrease in accounts receivable	87,426	101,284
Increase in inventories	(78,110)	(83,079)
Decrease (increase) in prepaid expenses	1	(6,145)
Decrease in trade payables and accrued liabilities	(185,664)	(266,450)
Other	739	3,553
Net cash utilized by operating activities	(69,735)	(151,955)
Cash flows from investing activities		
Additions to property, plant and equipment	(34,655)	(40,943)
Investments and acquisitions, net of cash acquired	(164,153)	(21,300)
Other	1,166	(8,310)
Net cash utilized by investing activities	(197,642)	(70,553)
Cash flows from financing activities		
Proceeds from borrowings with original maturities of more than three months	70,446	96,026
Repayments of borrowings with original maturities of more than three months	(31,721)	(30,990)
Net proceeds of other short-term borrowings	160,646	106,278
Purchase of common stock	(63,539)	(28,869)
Stock option transactions	18,978	7,991
Dividends paid	(18,801)	(15,688)
Net cash provided by financing activities	136,009	134,748
Effect of exchange rate changes on cash	(5,093)	(3,272)
Decrease in cash and cash equivalents	(136,461)	(91,032)
Cash and cash equivalents at beginning of year	218,971	161,030
Cash and cash equivalents at end of period	$ 82,510	69,998

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows (continued)
Six Months Ended June 29, 1997 and June 30, 1996

(Thousands of Dollars)
(Unaudited)

	1997	1996
Supplemental information		
Cash paid during the period for:		
Interest	$ 8,017	8,799
Income taxes	$ 74,875	48,790

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Condensed Notes to Consolidated Financial Statements

(Thousands of Dollars)
(Unaudited)

(1) In the opinion of management and subject to year-end audit, the accompanying unaudited interim financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position of the Company as of June 29, 1997 and June 30, 1996, and the results of operations and cash flows for the periods then ended.

The results of operations for the six months ended June 29, 1997, are not necessarily indicative of results to be expected for the full year.

(2) On May 2, 1997, the Company purchased certain assets of OddzOn Products and Cap Toys, Inc. (OddzOn/Cap Toys). The consideration for this purchase is currently estimated by the Company to be $161,434. Accounting for this acquisition using the purchase method, the Company has allocated the purchase price based on preliminary estimates of fair market value which included $40,610 of net tangible assets, $63,100 of property rights and licenses and $57,724 of cost in excess of net assets acquired. The Consolidated Statements of Earnings include the results of OddzOn/Cap Toys from date of acquisition.

(3) Per share data have been adjusted to reflect the three-for-two stock split paid March 21, 1997.

(4) Earnings per common share are based on the weighted average number of shares of common stock and dilutive common stock equivalents outstanding during each period. Common stock equivalents include stock options and warrants for the period prior to their exercise. Under the treasury stock method, the unexercised options and warrants are assumed to be exercised at the beginning of the period or at issuance, if later. The assumed proceeds are then used to purchase common stock at the average market price during the period.

For each of the reported periods the difference between primary and fully diluted earnings per share was not significant.

HASBRO, INC. AND SUBSIDIARIES
Management's Discussion and Analysis of Financial
Condition and Results of Operations

(Thousands of dollars)

NET REVENUES

Net revenues for the second quarter and six months of 1997 were $583,886 and $1,139,670, respectively, up from the $511,609 and $1,050,294 reported for the same periods of 1996. Revenue growth continued to be driven by the strength of the Company's range of boys' products, including those associated with three of its major entertainment properties, Star Wars(R), Jurassic Park(TM) and Batman(TM). Also contributing to revenue growth in the United States markets was Hasbro's acquisition of certain assets of OddzOn Products and Cap Toys (OddzOn/Cap), during the month of May, which brought with it such well known brands as Koosh(R) balls, Vortex(TM) sport products and Cap Toy's line of interactive candy. Internationally, significant local currency growth was experienced in Canada, Mexico and in Latin America where the Company has three newly established operations, as well as more moderate growth in several other countries. The negative effect of the strengthened dollar, which this quarter amounted to approximately $10 million, reduced the impact of these gains. Hasbro Interactive also contributed to revenue growth as its worldwide line of CD-ROM games continued to be very well accepted.

GROSS PROFIT

The Company's gross profit margin, expressed as a percentage of net revenues, increased in comparison to 1996 levels; for the quarter to 56.7% from 54.2%, and for the six months to 57.2% from 55.1%. The mix of products sold, including the favorable impact of lower levels of sales made at less than normal margins, contributed to this improvement. Adversely impacting gross margin for both the quarter and six months were unfavorable changes in foreign currency rates.

EXPENSES

Royalties, research and development expenses for the second quarter and six months increased both in amount and when expressed as a percentage of net revenues. The increases were primarily attributable to the royalty component, reflecting the increased revenues and the change in the mix of the products sold. Research and development was $37,376 and $68,433 for the quarter and six months of 1997, respectively, compared with $35,391 and $65,510 for the same periods of 1996.

Advertising expense for both the second quarter and six months increased marginally in amount but decreased as a percentage of net revenues. As in the first quarter, the decreased percentage is the result of several factors including the lower portion of the Company's revenues coming from its international marketing units, which generally have higher advertising to sales ratios than do the United States groups. Also contributing was the leverage resulting from the major entertainment properties, particularly with respect to the United States boys' products.

(Thousands of dollars)

The Company's selling, distribution and administration expenses for the quarter, when expressed as a percentage of revenues, remained constant with those of a year ago, although increasing in amount. Contributing to the increase was the impact of the Company's new operations in Latin America and the OddzOn/Cap acquisition. For the six months, selling, distribution and administration expenses increased in both amount and percentage, again reflecting the impact of these new units.

NONOPERATING (INCOME) EXPENSE

Net nonoperating expense for the quarter and six months of 1997 decreased by $408 and $2,092, respectively. The primary contributors to these reductions were increased interest income and gains on investments, both partially offset by increased losses on foreign exchange transactions.

INCOME TAXES

Income tax expense as a percentage of pretax earnings for the quarter and six months of 1997 was 36% while a year ago it was 34.5% and 37.1%, respectively. The lower percentage in the second quarter of 1996 was attributable to the implementation during the quarter of certain tax strategies which impacted the year to date results. The decrease in the six month rate of 1997 from that of a year ago reflects the effect of these strategies as well as changes in Hasbro's operations in the third quarter of 1996. These strategies and changes realize tax benefits for certain international operating losses and contribute to a reduction in state income taxes.

OTHER INFORMATION

During the past several years, the Company has experienced a shift in its revenue pattern wherein the second half of the year has grown in significance to its overall business and within that half the fourth quarter has become more prominent. The Company expects that this trend will continue. This concentration increases the risk of (a) underproduction of popular items, (b) overproduction of less popular items and (c) failure to achieve tight and compressed shipping schedules. The business of the Company is characterized by customer order patterns which vary from year to year largely because of differences in the degree of consumer acceptance of a product line, product availability, marketing strategies, and inventory levels of retailers and differences in overall economic conditions. Also, quick response inventory management practices now being used results in fewer orders being placed in advance of shipment and more orders, when placed, for immediate delivery. As a result, comparisons of unshipped orders on any date in a given year with those at the same date in a prior year are not necessarily indicative of sales for the entire year. In addition, it is a general industry practice that orders are subject to amendment or cancellation by customers prior to shipment. At the end of its fiscal July (July 27, 1997 and July 28, 1996) the Company's unshipped orders were approximately $860,000 and $890,000.

LIQUIDITY AND CAPITAL RESOURCES

Because of the seasonality of the Company's business coupled with certain customer incentives, mainly in the form of extended payment terms, the interim cash flow statements are not representative of that which may be expected for the full year. As a result of these extended payment terms, the majority of the Company's cash collections occur late in the fourth quarter and early in the first quarter of the subsequent year. As receivables are collected late in the fourth quarter and through the first quarter of the subsequent year, cash flow from operations becomes positive and is used to repay a significant portion of the short-term borrowings.

As a result, management believes that on an interim basis, rather than discussing its cash flows, a better understanding of its liquidity and capital resources can be obtained through a discussion of the various balance sheet categories. Also, as several of the major categories, including cash and cash equivalents, accounts receivable, inventories and short-term borrowings, fluctuate significantly from quarter to quarter, again due to the seasonality of its business and the extended payment terms offered, management believes that a comparison to the comparable period in the prior year is generally more meaningful than a comparison to the prior year-end.

Receivables, when measured in days sales outstanding, show a four-day improvement over 1996, although in amount were approximately $30,000, or 4% greater, than at the same time a year ago. A major portion of the increase in amount is attributable to the recently acquired OddzOn/Cap units as well as the new Latin American operations. In spite of the increases related to these new units, inventories were less than those of the same period in the prior year, as the Company continued efforts to balance reduced levels with customers' needs for prompt fulfillment of their orders. Other assets, as a group, increased substantially from their 1996 levels, largely due to the approximate $121,000 of intangible assets acquired in the OddzOn/Cap transaction.

Net borrowings (short- and long-term borrowings less cash) were only $12,000 above the 1996 level, even though approximately $161,000 of cash was utilized for the OddzOn/Cap acquisition and more than $118,000 during the last twelve months for the continuation of Hasbro's share repurchase program. At June 29, 1997, the Company had committed unsecured lines of credit totaling approximately $550,000 available to it. It also had available uncommitted lines approximating $750,000. The Company believes that these amounts are adequate for its needs. Of these available lines, approximately $340,000 was in use at June 29, 1997.

HASBRO, INC. AND SUBSIDIARIES
Management's Discussion and Analysis of Financial
Condition and Results of Operations

(Thousands of dollars)

RECENT INFORMATION

During the quarter, The Financial Accounting Standards Board issued two pronouncements which Hasbro will adopt in fiscal 1998. The first, Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income (SFAS 130), establishes standards for reporting and display of comprehensive income and its components in a full set of general-purpose financial statements. The second, Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information (SFAS 131), establishes requirements for the reporting of certain information in its financial statements about the operating segments of a business enterprise. Both SFAS 130 and SFAS 131 relate to disclosure of financial information and, as such, will not have any impact on the Company's financial condition or its results of operations.

PART II. Other Information

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities.

None

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

At the Company's Annual Meeting of Shareholders held on May 14, 1997, the Company's shareholders reelected the following persons to the Board of Directors of the Company: Harold P. Gordon (114,842,921 votes for, 1,115,596 votes withheld); Alex Grass (114,856,468 votes for, 1,102,049 votes withheld); Alan G. Hassenfeld (114,839,052 votes for, 1,119,465 votes withheld; Marie Josee Kravis (114,882,870 votes for, 1,075,647 votes withheld; and Preston Robert Tisch (114,832,940 votes for, 1,125,577 votes withheld). There were no votes against any nominee and no broker nonvotes.

In addition, the Company's shareholders ratified the selection of KPMG Peat Marwick LLP as the independent public accountants for the Company for the 1997 fiscal year by a vote of 115,725,967 for, 34,032 against, 198,518 abstentions and no broker nonvotes.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

4 Amendment No. 4 to Revolving Credit Agreement, dated as of May 14, 1997, among the Company, certain banks (the "Banks") and BankBoston, N.A., as agent for the Banks.

11.1 Computation of Earnings Per Common Share - Six Months Ended June 29, 1997 and June 30, 1996.

11.2 Computation of Earnings Per Common Share - Quarter Ended June 29, 1997 and June 30, 1996.

12 Computation of Ratio of Earnings to Fixed Charges - Six Months and Quarter Ended June 29, 1997.

27 Article 5 Financial Data Schedule - Second Quarter 1997

(b) Reports on Form 8-K

A Current Report on Form 8-K, dated July 17, 1997, was filed by the Company and included the Press Release dated July 17, 1997, announcing the Company's results for the current quarter. Consolidated Statements of Earnings (without notes) for the quarters and six months ended June 29, 1997 and June 30, 1996 and Consolidated Condensed Balance Sheets (without notes) as of said dates were also filed.

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: August 13, 1997

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. AND SUBSIDIARIES
Quarterly Report on Form 10-Q
For the Period Ended June 29, 1997

Exhibit Index

Exhibit No.	Exhibits
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11.2	Computation of Earnings Per Common Share - Quarter Ended June 29, 1997 and June 30, 1996
12	Computation of Ratio of Earnings to Fixed Charges - Six Months and Quarter Ended June 29, 1997
27	Article 5 Financial Data Schedule - Second Quarter 1997

EXHIBIT 4

AMENDMENT NO. 4
TO
REVOLVING CREDIT AGREEMENT

This Amendment (the "Amendment"), dated as of May 14, 1997, among Hasbro, Inc., a Rhode Island corporation (the "Company") and BankBoston, N.A. ("BKB" f/k/a The First National Bank of Boston), The Bank of Nova Scotia, Citibank, N.A., Fleet National Bank, Bank of America Illinois (as successor to Continental Bank, N.A.), Mellon Bank, N.A., Istituto Bancario San Paolo di Torino, S.P.A., Commerzbank AG New York and/or Grand Cayman Branches and Union Bank of Switzerland, (collectively, the "Banks") and BankBoston, N.A. (f/k/a The First National Bank of Boston), as agent for the Banks (the "Agent"), amends the Revolving Credit Agreement dated as of June 22, 1992, as amended by Amendment No. 1 thereto dated as of April 1, 1994, Amendment No. 2 thereto dated as of May 1, 1995 and Amendment No. 3 thereto dated as of May 10, 1996, among the Company, the Banks and the Agent (as so amended and as may be further amended and in effect from time to time, the "Credit Agreement"). Capitalized terms used herein without definition that are defined in the Credit Agreement shall have the meanings set forth in the Credit Agreement.

WHEREAS, the Company has requested that the Banks and the Agent make certain amendments to the Credit Agreement in order, among other things, to change certain margins and rates, and to extend the maturity date thereof; and

WHEREAS, Union Bank of Switzerland (the "Declining Bank") and the Company have agreed that the Declining Bank's Commitment under the Credit Agreement should not be extended, and the Declining Bank wishes to terminate its Commitment under the Credit Agreement and to have all obligations owing to it repaid in full;

WHEREAS, the Banks and the Agent have agreed to make such amendments upon the terms and conditions described herein;

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereby agree as follows:

1. Definitions.

Section 1 of the Credit Agreement is hereby amended as follows:

1.1. Commitment Fee Rate.

The definition of "Commitment Fee Rate" is hereby amended by deleting clause (a) thereof in its entirety and by replacing it with the following new clause (a):

"(a) With respect to the Revolving Credit Commitment Fee, effective May 14, 1997, the applicable annual percentage rate set forth in the table below opposite the Debt Ratings with respect to Long Term Senior Debt of the Company then in effect, subject to the provisions set forth in clauses (i) through (iv) of the definition of "Margin":

Debt Rating		
Standard & Poor's	Moody's	Applicable Commitment Fee Rate
AA- or better	Aa3 or better	0.06%
A or A+	A2 or A1	0.07%
A-	A3	0.08%
BBB+	Baa1	0.09%
BBB	Baa2	0.12%
BBB- or below	Baa3 or below	0.15%"

1.2. Final Maturity Date.

The definition of Final Maturity Date is hereby amended by substituting the date "May 31, 2000" for the date "May 31, 1999" appearing therein.

1.3. Margin.

The definition of Margin is hereby amended by substituting the following table for the table appearing therein:

"Debt Rating   Applicable Margin

Standard & Poor's	Moody's	Base Rate Amounts	Euro-currency Rate Amounts	CD Rate Amounts
AA- or better	Aa3 or better	0%	.170%	.295%
A or A+	A2 or A1	0%	.220%	.345%
A-	A3	0%	.240%	.365%
BBB+	Baa1	0%	.275%	.400%
BBB	Baa2	0%	.330%	.450%
BBB-	Baa3	0%	.430%	.565%
Below BBB-	Below Baa3	The applicable Margins for Debt Ratings of BBB-/Baa3 subject to Clause (vii) below"		

2. Commitment to Lend.

Section 2.1(c) of the Credit Agreement is hereby amended by deleting the table in said Section 2.1(c) and substituting therefor the following:

Bank	Amount of Commitment	Commitment Percentage
FNBB	$100,000,000	22.7272728%
The Bank of Nova Scotia	$ 60,000,000	13.6363636%
Citibank, N.A.	$ 60,000,000	13.6363636%
Fleet National Bank	$ 60,000,000	13.6363636%
Mellon Bank, N.A.	$ 60,000,000	13.6363636%

Bank of America Illinois	$ 50,000,000	11.3636364%
Istituto Bancario San Paolo di Torino, S.P.A	$ 25,000,000	5.6818182%
Commerzbank AG New York and/or Grand Cayman Branches	$ 25,000,000	5.6818182%
	$440,000,000	100.0000000%

3. Termination of Commitment.

The Commitment of Union Bank of Switzerland (the "Declining Bank") is terminated as of the date hereof as a result of the assignment of its Loans and Commitments referred to herein, and from and after the effectiveness of this Amendment the Declining Bank shall not have any obligations under or in respect of, or be party to, the Credit Agreement or any other Loan Documents, and all references to the Banks in the Loan Documents shall be deemed not to refer to the Declining Bank. The Banks and the Agent acknowledge and agree that payments shall be made to the Declining Bank in connection with such assignment to satisfy all outstanding obligations of the Borrower to the Declining Bank under the Credit Agreement, including principal, interest and fees, and that such payments shall not be shared pro rata with the Remaining Banks; provided, however, that no such payment shall discharge the liability of the Borrower with respect to any of its obligations to the Declining Bank which are expressly stated to survive the termination of the Credit Agreement.

4. Conditions to Effectiveness.

The effectiveness of this Amendment shall be conditioned upon the satisfaction of the following conditions precedent:

4.1. Delivery of Documents.

(a) The Company shall have delivered to the Agent, contemporaneously with the execution hereof, the following, in form and substance satisfactory to the Banks:

(i) this Amendment signed by the Company;

(ii) certified copies of the resolutions of the Company approving this Amendment together with Officer's Certificates as to the incumbency and true signatures of officers; and

(iii) Officer's Certificates of the Company certifying as to the legal existence, good standing, and qualification to do business of the Company.

(b) each Bank shall have delivered to the Agent this Amendment, signed by such Bank.

4.2. Legality of Transaction.

No change in applicable law shall have occurred as a consequence of which it shall have become and continue to be unlawful on the date this Amendment is to become effective (a) for the Agent or any Bank to perform any of its obligations under any of the Loan Documents or (b) for the Company to perform any of its agreements or obligations under any of the Loan Documents.

4.3. Performance.

The Company shall have duly and properly performed, complied with and observed in all material respects its covenants, agreements and obligations contained in the Loan Documents required to be performed, complied with or observed by it on or prior to the date this Amendment is to become effective. No event shall have occurred on or prior to the date this Amendment is to become effective and be continuing, and no condition shall exist on the date this Amendment is to become effective which constitutes a Default or Event of Default under any of the Loan Documents.

4.4. Assignments and Acceptances.

The Declining Bank shall have assigned and sold to each of Istituto Bancario San Paolo di Torino, S.P.A. and Commerzbank AG New York and/or Grand Cayman Branches a portion of its Commitment in the amount of $25,000,000, and Istituto Bancario San Paolo di Torino, S.P.A. and Commerzbank AG New York and/or Grand Cayman Branches shall have assumed and accepted from the Declining Bank, such portion of the Declining Bank's interests, rights and obligations under the Credit Agreement pursuant to Assignments and Acceptances in form satisfactory to the parties thereto, the Borrower and the Agent, (ii) each such Assignment and Acceptance shall be in full force and effect, (iii) the Declining Bank shall have delivered its Note to the Borrower for cancellation, (iv) the Borrower shall have issued to each of Istituto Bancario San Paolo di Torino, S.P.A. and Commerzbank AG New York and/or Grand Cayman Branches a Note in accordance with the terms of the Assignment and Acceptance to which such Bank is a party.

4.5. Proceedings and Documents.

All corporate, governmental and other proceedings in connection with the transactions contemplated by this Amendment and all instruments and documents incidental thereto shall be in the form and substance reasonably satisfactory to the Agent and the Agent shall have received all such counterpart originals or certified or other copies of all such instruments and documents as the Agent shall have reasonably requested.

5. Representations and Warranties.

The Company hereby represents and warrants to the Banks as follows:

(a) The representations and warranties of the Company contained in the Credit Agreement, as amended hereby, were true and correct in all material respects when made and continue to be true and correct in all material respects on the date hereof, except that the financial statements referred to therein shall be the financial statements of the Company most recently delivered to the Agent, and except as such representations and warranties are affected by the transactions contemplated hereby;

(b) The execution, delivery and performance by the Company of this Amendment and the consummation of the transactions contemplated hereby; (i) are within the corporate powers of the Company and have been duly authorized by all necessary corporate action on the part of the Company, (ii) do not require any approval, consent of, or filing with, any governmental agency or authority, or any other person, association or entity, which bears on the validity of this Amendment and which is required by law or the regulation or rule of any agency or authority, or other person, association or entity, (iii) do not violate any provisions of any order, writ, judgment, injunction, decree, determination or award presently in effect in which the Company is named, or any provision of the charter documents or by-laws of the Company, (iv) do not result in any breach of or constitute a default under any agreement or instrument to which the Company is a party or to which it or any of its properties are bound, including without limitation any indenture, loan or credit agreement, lease, debt instrument or mortgage, except for such breaches and defaults which would not have a material adverse effect on the Company and its subsidiaries taken as a whole, and (v) do not result in or require the creation or imposition of any mortgage, deed of trust, pledge or encumbrance of any nature upon any of the assets or properties of the Company; and

(c) This Amendment, the Credit Agreement as amended hereby, and the other Loan Documents constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, provided that (i) enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application affecting the rights and remedies of creditors, and (ii) enforcement may be subject to general principles of equity, and the availability of the remedies of specific performance and injunctive relief may be subject to the discretion of the court before which any proceeding for such remedies may be brought.

6. <u>No Other Amendments.</u>

Except as expressly provided in this Amendment, all of the terms and conditions of the Credit Agreement, the Notes and the other Loan Documents shall remain in full force and effect.

7. <u>Execution in Counterparts.</u>

This Amendment may be executed in any number of counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. In proving this Amendment, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

8. <u>Effective Date.</u>

Subject to the satisfaction of the conditions precedent set forth in paragraph 4 hereof, this Amendment shall be deemed to be effective as of the date first set forth above.

9. Governing Law.

This Amendment is intended to take effect as a sealed instrument and shall be governed by and construed in accordance with, the internal laws of the Commonwealth of Massachusetts, without regard to conflicts of law rules.

IN WITNESS WHEREOF, the Company, the Banks and the Agent have duly executed this Amendment as of the date first above written.

HASBRO, INC.

By: /s/ John T. O'Neill

Title: Executive Vice President and Chief Financial Officer

BANKBOSTON, N.A. (f/k/a THE FIRST NATIONAL BANK OF BOSTON), individually and as Agent

By: /s/ Ellen H. Allen

Title: Director

THE BANK OF NOVA SCOTIA

By: /s/ M. R. Bradley

Title: Authorized Signatory

CITIBANK, N.A.

By: /s/ Robert M. Spence

Title: Attorney in Fact

FLEET NATIONAL BANK

By: /s/ John Webb

Title: Vice President

Bank of America Illinois

By: /s/ Dale Robert Mason

     Title: Vice President

MELLON BANK, N.A.

By: /s/ John Paul Marotta

     Title: Assistant Vice President

ISTITUTO BANCARIO SAN PAOLO DI TORINO, s.p.a.

By: /s/ Gerard M. McKenna

     Title: Vice President

By: /s/ Robert Wurster

     Title: First Vice President

COMMERZBANK AG NEW YORK and/or GRAND CAYMAN BRANCHES

By: /s/ Subash R. Viswanathan

     Title: Vice President

By: /s/ Andrew R. Campbell

     Title:Assistant Treasurer

UNION BANK OF SWITZERLAND

By: /s/ Samuel Azizo

     Title: Vice President

By: /s/ Deiter Hoeppli

     Title: Vice President

EXHIBIT 11.1

HASBRO, INC. AND SUBSIDIARIES
Computation of Earnings Per Common Share
Six Months Ended June 29, 1997 and June 30, 1996

(Thousands of Dollars and Shares Except Per Share Data)

	1997		1996(a)	
	Primary	Fully Diluted	Primary	Fully Diluted
Net earnings	$ 38,675	38,675	30,351	30,351
Interest and amortization on 6% convertible notes, net of taxes (b)	-	-	-	-
Net earnings applicable to common shares	$ 38,675	38,675	30,351	30,351
Weighted average number of shares outstanding:(c)				
Outstanding at beginning of period	128,863	128,863	131,017	131,017
Actual exercise of stock options and warrants	555	555	234	234
Assumed exercise of stock options and warrants	2,302	2,801	1,629	1,629
Actual conversion of 6% convertible notes	8	8	1	1
Assumed conversion of 6% convertible notes (b)	-	-	-	-
Purchase of common stock	(1,203)	(1,203)	(510)	(510)
Total	130,525	131,024	132,371	132,371
Per common share:				
Net earnings	$ .30	.30	.23	.23

(a) Adjusted to reflect the three-for-two stock split paid March 21, 1997.
(b) The effect of these notes is antidilutive and as such is not included.
(c) Computation to arrive at the average number is a weighted average computation.

EXHIBIT 11.2

HASBRO, INC. AND SUBSIDIARIES
Computation of Earnings Per Common Share
Quarter Ended June 29, 1997 and June 30, 1996

(Thousands of Dollars and Shares Except Per Share Data)

	1997		1996(a)	
	Primary	Fully Diluted	Primary	Fully Diluted
Net earnings	$ 12,981	12,981	5,986	5,986
Interest and amortization on 6% convertible notes, net of taxes (b)	-	-	-	-
Net earnings applicable to common shares	$ 12,981	12,981	5,986	5,986
Weighted average number of shares outstanding:(c)				
Outstanding at beginning of period	128,463	128,463	130,602	130,602
Actual exercise of stock options and warrants	102	102	113	113
Assumed exercise of stock options and warrants	2,129	2,707	1,970	1,971
Actual conversion of 6% convertible notes	2	2	1	1
Assumed conversion of 6% convertible notes (b)	-	-	-	-
Purchase of common stock	(720)	(720)	(106)	(106)
Total	129,976	130,554	132,580	132,581
Per common share:				
Net earnings	$ .10	.10	.05	.05

(a) Adjusted to reflect the three-for-two stock split paid March 21, 1997.
(b) The effect of these notes is antidilutive and as such is not included.
(c) Computation to arrive at the average number is a weighted average computation.

EXHIBIT 12

HASBRO, INC. AND SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges
Six Months and Quarter Ended June 29, 1997

(Thousands of Dollars)

	Six Months	Quarter
Earnings available for fixed charges:		
Net earnings	$ 38,675	12,981
Add:		
Fixed charges	17,607	9,473
Income taxes	21,755	7,302
Total	$ 78,037	29,756
Fixed Charges:		
Interest on long-term debt	$ 4,608	2,304
Other interest charges	5,315	3,189
Amortization of debt expense	170	85
Rental expense representative of interest factor	7,514	3,895
Total	$ 17,607	9,473
Ratio of earnings to fixed charges	4.43	3.14

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6-MOS
DEC-28-1997
JUN-29-1997
82,510
0
763,812
49,600
368,221
1,353,856
558,284
262,145
2,646,795
831,518
149,040
0
0
66,088
1,532,943
2,646,795
1,139,670
1,139,670
488,288
488,288
311,192
4,980
9,923
60,430
21,755
38,675
0
0
0
38,675
.30
0