

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D. C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 29, 2015

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

Commission File Number 1-6682

HASBRO, INC.

(Exact name of registrant as specified in its charter)

Rhode Island

(State of Incorporation)

05-0155090

(I.R.S. Employer Identification No.)

1027 Newport Avenue, Pawtucket, Rhode Island 02861

(Address of Principal Executive Offices, Including Zip Code)

(401) 431-8697

(Registrant's Telephone Number, Including Area Code)

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of Common Stock, par value \$.50 per share, outstanding as of April 20, 2015 was 124,479,312.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

HASBRO, INC. AND SUBSIDIARIES
 Consolidated Balance Sheets
 (Thousands of Dollars Except Share Data)
 (Unaudited)

	<u>March 29, 2015</u>	<u>March 30, 2014</u>	<u>December 28, 2014</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,081,397	792,249	893,167
Accounts receivable, less allowance for doubtful accounts of \$16,400 \$20,800 and \$15,900	563,301	552,471	1,094,673
Inventories	340,654	390,824	339,572
Prepaid expenses and other current assets	419,956	406,561	391,688
Total current assets	<u>2,405,308</u>	<u>2,142,105</u>	<u>2,719,100</u>
Property, plant and equipment, less accumulated depreciation of \$510,700, \$509,900 and \$508,600	<u>243,589</u>	<u>236,898</u>	<u>237,489</u>
Other assets			
Goodwill	592,724	594,365	593,438
Other intangibles, net, accumulated amortization of \$810,500, \$679,200 and \$797,500	311,576	362,598	324,528
Other	707,645	693,471	657,587
Total other assets	<u>1,611,945</u>	<u>1,650,434</u>	<u>1,575,553</u>
Total assets	<u>\$ 4,260,842</u>	<u>4,029,437</u>	<u>4,532,142</u>

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets (continued)
(Thousands of Dollars Except Share Data)
(Unaudited)

LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY	March 29, 2015	March 30, 2014	December 28, 2014
Current liabilities			
Short-term borrowings	\$ 231,914	12,858	252,481
Current portion of long-term debt	-	426,356	-
Accounts payable	142,946	169,173	212,549
Accrued liabilities	445,867	485,334	609,904
Total current liabilities	<u>820,727</u>	<u>1,093,721</u>	<u>1,074,934</u>
Long-term debt	1,559,895	959,895	1,559,895
Other liabilities	392,479	337,219	388,919
Total liabilities	<u>2,773,101</u>	<u>2,390,835</u>	<u>3,023,748</u>
Redeemable noncontrolling interests	42,234	44,180	42,730
Shareholders' equity			
Preference stock of \$2.50 par value. Authorized 5,000,000 shares; none issued	-	-	-
Common stock of \$.50 par value. Authorized 600,000,000 shares; issued 209,694,630	104,847	104,847	104,847
Additional paid-in capital	825,489	753,143	806,265
Retained earnings	3,599,571	3,408,259	3,630,072
Accumulated other comprehensive loss	(86,996)	(48,565)	(95,454)
Treasury stock, at cost; 85,120,544 shares at March 29, 2015; 79,465,697 shares at March 30, 2014; and 85,168,478 shares at December 28, 2014	(2,997,404)	(2,623,262)	(2,980,066)
Total shareholders' equity	<u>1,445,507</u>	<u>1,594,422</u>	<u>1,465,664</u>
Total liabilities, redeemable noncontrolling interests and shareholders' equity	<u>\$ 4,260,842</u>	<u>4,029,437</u>	<u>4,532,142</u>

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(Thousands of Dollars Except Per Share Data)
(Unaudited)

	Quarter Ended	
	March 29, 2015	March 30, 2014
Net revenues	\$ 713,500	679,453
Costs and expenses:		
Cost of sales	247,735	258,545
Royalties	59,089	49,581
Product development	51,897	47,257
Advertising	67,742	67,259
Amortization of intangibles	12,951	13,402
Program production cost amortization	11,096	4,658
Selling, distribution and administration	208,785	195,303
Total costs and expenses	<u>659,295</u>	<u>636,005</u>
Operating profit	<u>54,205</u>	<u>43,448</u>
Non-operating (income) expense:		
Interest expense	24,585	22,428
Interest income	(930)	(1,326)
Other income, net	(3,765)	(3,649)
Total non-operating expense, net	<u>19,890</u>	<u>17,453</u>
Earnings before income taxes	34,315	25,995
Income tax expense (benefit)	8,494	(5,519)
Net earnings	25,821	31,514
Net loss attributable to noncontrolling interests	(846)	(573)
Net earnings attributable to Hasbro, Inc.	<u>\$ 26,667</u>	<u>32,087</u>
Net earnings attributable to Hasbro, Inc. per common share:		
Basic	<u>\$ 0.21</u>	<u>0.24</u>
Diluted	<u>\$ 0.21</u>	<u>0.24</u>
Cash dividends declared per common share	<u>\$ 0.46</u>	<u>0.43</u>

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Earnings (Loss)
(Thousands of Dollars)
(Unaudited)

	Quarter Ended	
	March 29, 2015	March 30, 2014
Net earnings	\$ 25,821	31,514
Other comprehensive earnings (loss):		
Foreign currency translation adjustments	(47,311)	(2,294)
Net gains (losses) on cash flow hedging activities, net of tax	62,300	(16,151)
Unrealized holding gains on available-for-sale securities, net of tax	226	2,243
Reclassifications to earnings, net of tax:		
Net (gains) losses on cash flow hedging activities	(7,961)	1,238
Unrecognized pension and postretirement amounts	1,204	534
Total other comprehensive earnings (loss), net of tax	8,458	(14,430)
Total comprehensive earnings	34,279	17,084
Total comprehensive loss attributable to noncontrolling interests	(846)	(573)
Total comprehensive earnings attributable to Hasbro, Inc.	\$ 35,125	17,657

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Thousands of Dollars)
(Unaudited)

	Three Months Ended	
	March 29, 2015	March 30, 2014
Cash flows from operating activities:		
Net earnings	\$ 25,821	31,514
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation of plant and equipment	21,404	21,505
Amortization of intangibles	12,951	13,402
Program production cost amortization	11,096	4,658
Deferred income taxes	(3,406)	4,286
Stock-based compensation	9,624	7,059
Change in operating assets and liabilities:		
Decrease in accounts receivable	478,330	530,411
Increase in inventories	(20,309)	(41,992)
Increase in prepaid expenses and other current assets	(6,319)	(27,328)
Program production costs	(9,252)	(5,051)
Decrease in accounts payable and accrued liabilities	(206,030)	(289,064)
Other	1,371	(7,359)
Net cash provided by operating activities	<u>315,281</u>	<u>242,041</u>
Cash flows from investing activities:		
Additions to property, plant and equipment	(31,151)	(22,239)
Investments and acquisitions, net of cash acquired	(3,000)	-
Other	1,040	(4,839)
Net cash utilized by investing activities	<u>(33,111)</u>	<u>(27,078)</u>
Cash flows from financing activities:		
Net (repayments of) proceeds from other short-term borrowings	(20,325)	5,035
Purchases of common stock	(26,507)	(79,913)
Stock option transactions	14,023	20,124
Excess tax benefits from stock-based compensation	3,440	3,755
Dividends paid	(53,470)	(52,388)
Other	350	-
Net cash utilized by financing activities	<u>(82,489)</u>	<u>(103,387)</u>
Effect of exchange rate changes on cash	<u>(11,451)</u>	<u>(1,776)</u>
Increase in cash and cash equivalents	188,230	109,800
Cash and cash equivalents at beginning of year	893,167	682,449
Cash and cash equivalents at end of period	<u>\$ 1,081,397</u>	<u>792,249</u>
Supplemental information		
Cash paid during the period for:		
Interest	\$ 30,940	31,388
Income taxes	\$ 28,292	36,967

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Condensed Notes to Consolidated Financial Statements
(Thousands of Dollars and Shares Except Per Share Data)
(Unaudited)

(1) Basis of Presentation

In the opinion of management, the accompanying unaudited interim financial statements contain all normal and recurring adjustments necessary to present fairly the financial position of Hasbro, Inc. and all majority-owned subsidiaries ("Hasbro" or the "Company") as of March 29, 2015 and March 30, 2014, and the results of its operations and cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Actual results could differ from those estimates.

The quarters ended March 29, 2015 and March 30, 2014 are each 13-week periods.

The results of operations for the quarter ended March 29, 2015 are not necessarily indicative of results to be expected for the full year, nor were those of the comparable 2014 period representative of those actually experienced for the full year 2014.

These condensed consolidated financial statements have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and disclosures normally included in the consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The Company filed audited consolidated financial statements for the fiscal year ended December 28, 2014 in its Annual Report on Form 10-K, which includes all such information and disclosures and, accordingly, should be read in conjunction with the financial information included herein.

The Company's accounting policies are the same as those described in Note 1 to the Company's consolidated financial statements in its Annual Report on Form 10-K for the fiscal year ended December 28, 2014.

Substantially all of the Company's inventories consist of finished goods.

(2) Earnings Per Share

Net earnings per share data for the quarters ended March 29, 2015 and March 30, 2014 were computed as follows:

	2015		2014	
	Basic	Diluted	Basic	Diluted
Net earnings attributable to Hasbro, Inc.	\$ 26,667	26,667	32,087	32,087
Average shares outstanding	124,853	124,853	131,232	131,232
Effect of dilutive securities:				
Options and other share-based awards	-	1,489	-	1,501
Equivalent Shares	124,853	126,342	131,232	132,733
Net earnings attributable to Hasbro, Inc. per common share	\$ 0.21	0.21	0.24	0.24

For the quarters ended March 29, 2015 and March 30, 2014, options and restricted stock units totaling 782 and 676, respectively, were excluded from the calculation of diluted earnings per share because to include them would have been antidilutive.

(3) Other Comprehensive Earnings (Loss)

Components of other comprehensive earnings (loss) are presented within the consolidated statements of comprehensive earnings (loss). The following table presents the related tax effects on changes in other comprehensive earnings (loss) for the quarters ended March 29, 2015 and March 30, 2014.

	<u>March 29, 2015</u>	<u>March 30, 2014</u>
Other comprehensive (loss) earnings, tax effect:		
Tax (expense) benefit on cash flow hedging activities	\$ (4,815)	9,474
Tax expense on unrealized holding gains	(128)	(1,272)
Reclassifications to earnings, tax effect:		
Tax expense (benefit) on cash flow hedging activities	342	(223)
Tax benefit on unrecognized pension and postretirement amounts reclassified to the consolidated statements of operations	(684)	(303)
Total tax effect on other comprehensive earnings (loss)	\$ (5,285)	7,676

Changes in the components of accumulated other comprehensive loss for the quarters ended March 29, 2015 and March 30, 2014 are as follows:

	<u>Pension and Postretirement Amounts</u>	<u>Gains (Losses) on Derivative Instruments</u>	<u>Unrealized Holding Gains on Available- for-Sale Securities</u>	<u>Foreign Currency Translation Adjustments</u>	<u>Total Accumulated Other Comprehensive Loss</u>
2015					
Balance at Dec. 28, 2014	\$ (113,092)	43,689	1,900	(27,951)	(95,454)
Current period other comprehensive earnings (loss)	1,204	54,339	226	(47,311)	8,458
Balance at March 29, 2015	<u>\$ (111,888)</u>	<u>98,028</u>	<u>2,126</u>	<u>(75,262)</u>	<u>(86,996)</u>
2014					
Balance at Dec. 29, 2013	\$ (64,841)	(7,313)	-	38,019	(34,135)
Current period other comprehensive earnings (loss)	534	(14,913)	2,243	(2,294)	(14,430)
Balance at March 30, 2014	<u>\$ (64,307)</u>	<u>(22,226)</u>	<u>2,243</u>	<u>35,725</u>	<u>(48,565)</u>

At March 29, 2015, the Company had remaining net deferred gains on hedging instruments, net of tax, of \$98,028 in accumulated other comprehensive loss ("AOCE"). These instruments hedge payments related to inventory purchased in the first quarter of 2015 or forecasted to be purchased during the remainder of 2015 and, to a lesser extent, 2016 through 2019, intercompany expenses expected to be paid or received during 2015 and 2016, cash receipts for sales made at the end of the first quarter of 2015 or forecasted to be made in the remainder of 2015 and, to a lesser extent, 2016 through 2017. In addition, the Company entered into hedging contracts on interest payments related to long-term notes due 2021 and 2044. These amounts will be reclassified into the consolidated statements of operations upon the sale of the related inventory or recognition of the related sales or expenses. Of the amount included in AOCE at March 29, 2015, the Company expects approximately \$55,029 to be reclassified to the consolidated statements of operations within the next 12 months. However, the amount ultimately realized in earnings is dependent on the fair value of the hedging instruments on the settlement dates.

(4) Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, short-term borrowings, accounts payable and certain accrued liabilities. At March 29, 2015, March 30, 2014 and December 28, 2014, the carrying cost of these instruments approximated their fair value. The Company's financial instruments at March 29, 2015, March 30, 2014 and December 28, 2014 also include certain assets and liabilities measured at fair value (see Notes 6 and 8) as well as long-term borrowings. The carrying costs and fair values of the Company's long-term borrowings as of March 29, 2015, March 30, 2014 and December 28, 2014 are as follows:

	<u>March 29, 2015</u>		<u>March 30, 2014</u>		<u>December 28, 2014</u>	
	<u>Carrying Cost</u>	<u>Fair Value</u>	<u>Carrying Cost</u>	<u>Fair Value</u>	<u>Carrying Cost</u>	<u>Fair Value</u>
6.35% Notes Due 2040	\$ 500,000	597,900	500,000	567,700	500,000	617,700
6.30% Notes Due 2017	350,000	389,305	350,000	399,785	350,000	387,660
5.10% Notes Due 2044	300,000	316,260	-	-	300,000	316,980
3.15% Notes Due 2021	300,000	308,970	-	-	300,000	302,700
6.60% Debentures Due 2028	109,895	131,039	109,895	120,643	109,895	128,698
6.125% Notes Due 2014	-	-	426,356	427,678	-	-
Total long-term debt	1,559,895	1,743,474	1,386,251	1,515,806	1,559,895	1,753,738
Less: Current portion	-	-	426,356	427,678	-	-
Long-term debt excluding current portion	<u>\$ 1,559,895</u>	<u>1,743,474</u>	<u>959,895</u>	<u>1,088,128</u>	<u>1,559,895</u>	<u>1,753,738</u>

In May 2014, the Company issued \$600,000 in long-term debt which consists of \$300,000 of 3.15% Notes Due in 2021 and \$300,000 of 5.10% Notes Due in 2044 (collectively, the "Notes"). The Company may redeem the Notes at its option at the greater of the principal amount of the Notes or the present value of the remaining scheduled payments discounted using the effective interest rate on applicable U.S. Treasury bills at the time of repurchase. Prior to the issuance of the Notes, the Company held forward-starting interest rate swap contracts to hedge the variability in the anticipated underlying U.S. Treasury interest rate associated with the expected issuance of the Notes. At the date of issuance, these contracts were terminated and the Company paid \$33,306, the fair value of the contracts on that date, to settle. Of this amount, \$6,373 relates to 3.15% Notes Due 2021 and \$26,933 relates to 5.10% Notes Due 2044, which has been deferred in AOCE and will be amortized to interest expense over the life of the respective Notes using the effective interest rate method.

The carrying cost of the 6.125% Notes Due 2014 included principal amounts of \$425,000 as well as a fair value adjustment of \$1,356 at March 30, 2014 related to interest rate swaps. The interest rate swaps were terminated in November 2012 and the fair value adjustment at March 30, 2014 represented the unamortized portions of the fair value of the interest rate swaps at the date of termination. At March 30, 2014, the principal amount and fair value adjustment associated with the 6.125% Notes Due 2014 totaling \$426,356 were included in the current portion of long-term debt. All other carrying costs represented principal amounts and were included in long-term debt excluding the current portion at March 30, 2014. The total principal amount of long-term debt, including the current portion, was \$1,559,895 at both March 29, 2015 and December 28, 2014, and \$1,384,895 at March 30, 2014.

The fair values of the Company's long-term debt are considered Level 3 fair values (see Note 6 for further discussion of the fair value hierarchy) and are measured using the discounted future cash flows method. In addition to the debt terms, the valuation methodology includes an assumption of a discount rate that approximates the current yield on a similar debt security. This assumption is considered an unobservable input in that it reflects the Company's own assumptions about the inputs that market participants would use in pricing the asset or liability. The Company believes that this is the best information available for use in the fair value measurement.

(5) Income Taxes

The Company and its subsidiaries file income tax returns in the United States and various state and international jurisdictions. In the normal course of

business, the Company is regularly audited by U.S. federal, state and local and international tax authorities in various tax jurisdictions.

The Company is no longer subject to U.S. federal income tax examinations for years before 2013. With few exceptions, the Company is no longer subject to U.S. state or local and non-U.S. income tax examinations by tax authorities in its major jurisdictions for years before 2009. The Company is currently under income tax examination in several U.S. state and local and non-U.S. jurisdictions.

(6) Fair Value of Financial Instruments

The Company measures certain financial instruments at fair value. The fair value hierarchy consists of three levels: Level 1 fair values are based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access; Level 2 fair values are those based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities; and Level 3 fair values are based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Accounting standards permit entities to measure many financial instruments and certain other items at fair value and establish presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar assets and liabilities. The Company has elected the fair value option for certain available-for-sale investments. At March 29, 2015, March 30, 2014 and December 28, 2014, these investments totaled \$23,141, \$37,201 and \$23,560, respectively, and are included in prepaid expenses and other current assets in the consolidated balance sheets. The Company recorded net gains and interest income of \$17 and \$1,177 on these investments in other income, net for the quarters ended March 29, 2015 and March 30, 2014, respectively, related to the change in fair value of such instruments.

At March 29, 2015, March 30, 2014 and December 28, 2014, the Company had the following assets and liabilities measured at fair value in its consolidated balance sheets:

	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 29, 2015				
Assets:				
Available-for-sale securities	\$ 27,977	4,836	17,206	5,935
Derivatives	130,550	-	130,550	-
Total assets	<u>\$ 158,527</u>	<u>4,836</u>	<u>147,756</u>	<u>5,935</u>
Liabilities:				
Derivatives	\$ 3,513	-	3,513	-
Option agreement	24,920	-	-	24,920
Total liabilities	<u>\$ 28,433</u>	<u>-</u>	<u>3,513</u>	<u>24,920</u>
March 30, 2014				
Assets:				
Available-for-sale securities	\$ 40,984	3,783	31,538	5,663
Derivatives	1,311	-	1,311	-
Total assets	<u>\$ 42,295</u>	<u>3,783</u>	<u>32,849</u>	<u>5,663</u>
Liabilities:				
Derivatives	\$ 33,053	-	33,053	-
Total Liabilities	<u>\$ 33,053</u>	<u>-</u>	<u>33,053</u>	<u>-</u>
December 28, 2014				
Assets:				
Available-for-sale securities	\$ 28,042	4,482	17,773	5,787
Derivatives	69,148	-	69,148	-
Total assets	<u>\$ 97,190</u>	<u>4,482</u>	<u>86,921</u>	<u>5,787</u>
Liabilities:				
Derivatives	\$ 2,591	-	2,591	-
Option agreement	25,340	-	-	25,340
Total Liabilities	<u>\$ 27,931</u>	<u>-</u>	<u>2,591</u>	<u>25,340</u>

Available-for-sale securities include equity securities of one company quoted on an active public market as well as certain investments valued at net asset values quoted on private markets that are not active. These net asset values are predominantly based on underlying investments which are traded on an active market; investments are redeemable within 45 days. At March 30, 2014, the Company also held an available-for-sale investment in Brazil similar to a repurchase agreement; this investment was valued at the principal plus any interest accrued on the instrument. Lastly, the Company holds an available-for-

sale investment which invests in hedge funds and contains financial instruments that are valued using certain estimates which are considered unobservable in that they reflect the investment manager's own assumptions about the inputs that market participants would use in pricing the asset or liability. The Company believes that these estimates are the best information available for use in the fair value of this investment.

The Company's derivatives consist primarily of foreign currency forward contracts. At March 30, 2014, the Company also had forward-starting interest rate swap contracts related to the anticipated issuance of the Notes Due 2021 and 2044. The Company used current forward rates of the respective foreign currencies and U.S. treasury interest rates to measure the fair value of these contracts. The option agreement included in other liabilities at March 29, 2015 and December 28, 2014, is valued using an option pricing model based on the fair value of the related investment. Inputs used in the option pricing model include the volatility and fair value of the underlying company which are considered unobservable inputs as they reflect the Company's own assumptions about the inputs that market participants would use in pricing the asset or liability. The Company believes that this is the best information available for use in the fair value measurement. There were no changes in these valuation techniques during the first quarter of 2015.

The following is a reconciliation of the beginning and ending balances of the fair value measurements of the Company's financial instruments which use significant unobservable inputs (Level 3):

	2015	2014
Balance at beginning of year	\$ (19,553)	5,484
Gain from change in fair value	568	179
Balance at end of first quarter	<u>\$ (18,985)</u>	<u>5,663</u>

(7) Pension and Postretirement Benefits

The components of the net periodic cost of the Company's defined benefit pension and other postretirement plans for the quarters ended March 29, 2015 and March 30, 2014 are as follows:

	Quarter Ended			
	Pension		Postretirement	
	March 29, 2015	March 30, 2014	March 29, 2015	March 30, 2014
Service cost	\$ 1,011	971	150	137
Interest cost	4,605	5,058	285	332
Expected return on assets	(5,479)	(5,560)	-	-
Net amortization and deferrals	2,201	1,252	(114)	(113)
Net periodic benefit cost	<u>\$ 2,338</u>	<u>1,721</u>	<u>321</u>	<u>356</u>

During the first quarter of fiscal 2015, the Company made cash contributions to its defined benefit pension plans of approximately \$200 in the aggregate. The Company expects to contribute approximately \$3,800 during the remainder of fiscal 2015.

(8) Derivative Financial Instruments

Hasbro uses foreign currency forward contracts to mitigate the impact of currency rate fluctuations on firmly committed and projected future foreign currency transactions. These over-the-counter contracts, which hedge future currency requirements related to purchases of inventory, product sales and other cross-border transactions not denominated in the functional currency of the business unit, are primarily denominated in United States and Hong Kong dollars, and Euros. Further, during the first quarter of 2014, Hasbro used forward-starting interest rate swap agreements to hedge anticipated interest payments. All contracts are entered into with a number of counterparties, all of which are major financial institutions. The Company believes that a default by a single counterparty would not have a material adverse effect on the financial condition of the Company. Hasbro does not enter into derivative financial instruments for speculative purposes.

Cash Flow Hedges

The Company uses foreign currency forward contracts to reduce the impact of currency rate fluctuations on firmly committed and projected future foreign currency transactions. All of the Company's designated foreign currency forward contracts are considered to be cash flow hedges. These instruments hedge a portion of the Company's currency requirements associated with anticipated inventory purchases, product sales and other cross-border transactions in 2015 through 2019.

At March 29, 2015, March 30, 2014 and December 28, 2014, the notional amounts and fair values of the Company's foreign currency forward contracts designated as cash flow hedging instruments were as follows:

Hedged transaction	March 29, 2015		March 30, 2014		December 28, 2014	
	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Inventory purchases	\$ 912,376	135,512	609,689	(6,966)	863,232	69,049
Sales	232,643	(6,769)	161,760	(1,155)	139,946	829
Intercompany royalty transaction	-	-	2,812	(2,403)	-	-
Other	84,518	(2,766)	51,243	(637)	51,213	(1,008)
Total	<u>\$ 1,229,537</u>	<u>125,977</u>	<u>825,504</u>	<u>(11,161)</u>	<u>1,054,391</u>	<u>68,870</u>

The Company has a master agreement with each of its counterparties that allows for the netting of outstanding forward contracts. The fair values of the Company's foreign currency forward contracts designated as cash flow hedges are recorded in the consolidated balance sheets at March 29, 2015, March 30, 2014 and December 28, 2014 as follows:

March 29, 2015	March 30, 2014	December 28, 2014
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Prepaid expenses and other current assets

Unrealized gains	\$ 74,219	999	46,594
Unrealized losses	(10,253)	(647)	(11,508)
Net unrealized gain	<u>\$ 63,966</u>	<u>352</u>	<u>35,086</u>

Other assets

Unrealized gains	\$ 66,438	-	34,234
Unrealized losses	(914)	-	(172)
Net unrealized gains	<u>\$ 65,524</u>	<u>-</u>	<u>34,062</u>

Accrued liabilities

Unrealized gains	\$ 3,149	4,597	447
Unrealized losses	(6,662)	(13,946)	(725)
Net unrealized loss	<u>\$ (3,513)</u>	<u>(9,349)</u>	<u>(278)</u>

Other liabilities

Unrealized gains	\$ -	256	-
Unrealized losses	-	(2,420)	-
Net unrealized loss	<u>\$ -</u>	<u>(2,164)</u>	<u>-</u>

Net gains (losses) on foreign currency cash flow hedging activities have been reclassified from other comprehensive earnings (loss) to net earnings for the quarters ended March 29, 2015 and March 30, 2014 as follows:

	Quarter Ended	
	March 29, 2015	March 30, 2014
Statements of Operations Classification		
Cost of sales	\$ 10,063	(1,019)
Royalties	43	(350)
Net revenues	<u>(1,354)</u>	<u>(159)</u>
Net realized gains (losses)	<u>\$ 8,752</u>	<u>(1,528)</u>

In addition, net gains of \$65 were reclassified to earnings as a result of hedge ineffectiveness for the quarter ended March 30, 2014. There were no reclassifications as a result hedge ineffectiveness during the first quarter of 2015.

During the first quarter of 2014, the Company held forward-starting interest rate swap agreements to hedge the variability of the anticipated underlying U.S. Treasury interest rate associated with the expected issuance of long-term debt to repay the 6.125% Notes Due 2014 with a principal amount of \$425,000. These derivative instruments were designated and effective as cash flow hedges. At March 30, 2014, the total notional amount of these contracts was \$500,000. The instruments were settled on the date of the issuance of the related debt and the related deferred loss is being amortized to interest expense over the life of the debt using the effective interest rate method. For the quarter ended March 29, 2015, the Company reclassified losses of \$450 related to these contracts from other comprehensive earnings (loss) to interest expense.

Undesignated Hedges

The Company also enters into foreign currency forward contracts to minimize the impact of changes in the fair value of intercompany loans due to foreign currency fluctuations. Due to the nature of the derivative contracts involved, the Company does not use hedge accounting for these contracts. At March 29, 2015, March 30, 2014 and December 28, 2014 the total notional amounts of the Company's undesignated derivative instruments were \$119,395, \$158,827 and \$294,571, respectively.

At March 29, 2015, March 30, 2014 and December 28, 2014, the fair values of the Company's undesignated derivative financial instruments were recorded in the consolidated balance sheets as follows:

	March 29, 2015	March 30, 2014	December 28, 2014
Prepaid expenses and other current assets			
Unrealized gains	\$ 1,088	1,218	-
Unrealized losses	(28)	(421)	-
Net unrealized gain	<u>1,060</u>	<u>797</u>	<u>-</u>
Other assets			
Unrealized gains	-	163	-
Unrealized losses	-	(1)	-
Net unrealized gain	<u>-</u>	<u>162</u>	<u>-</u>
Accrued liabilities			
Unrealized gains	-	-	1,733
Unrealized losses	-	-	(4,046)
Net unrealized loss	<u>-</u>	<u>-</u>	<u>(2,313)</u>
Total unrealized gain, net	<u>\$ 1,060</u>	<u>959</u>	<u>(2,313)</u>

The Company recorded net (gains) losses of \$(10,071) and \$4,117 on these instruments to other (income) expense, net for the quarters ended March 29, 2015 and March 30, 2014, respectively, relating to the change in fair value of such derivatives, substantially offsetting gains and losses from the change in fair value of intercompany loans to which the contracts relate.

For additional information related to the Company's derivative financial instruments see Notes 4 and 6.

(9) Segment Reporting

Hasbro is a worldwide leader in children's and family leisure time products and services with a broad portfolio of brands and entertainment properties across toys, games, licensed products ranging from traditional to high-tech and digital, and film and television entertainment. The Company's segments are (i) U.S. and Canada, (ii) International, (iii) Entertainment and Licensing, and (iv) Global Operations.

The U.S. and Canada segment includes the marketing and selling of boys' action figures, vehicles and play sets, girls' toys, electronic toys and games, plush products, preschool toys and infant products, electronic interactive products, toy-related specialty products, traditional board games and puzzles, and trading card and role-playing games primarily within the United States and Canada. Within the International segment, the Company markets and sells both toy and game products in markets outside of the U.S. and Canada, primarily in the European, Asia Pacific, and Latin and South American regions. The Company's Entertainment and Licensing segment includes the Company's lifestyle licensing, digital gaming, movie and television entertainment operations. The Global Operations segment is responsible for manufacturing and sourcing finished products for the Company's U.S. and Canada and International segments.

Segment performance is measured at the operating profit level. Included in Corporate and Eliminations are certain corporate expenses, including the elimination of intersegment transactions and certain assets benefiting more than one segment. Intersegment sales and transfers are reflected in management reports at amounts approximating cost. Certain shared costs, including global development and marketing expenses and corporate administration, are allocated to segments based upon expenses and foreign exchange rates fixed at the beginning of the year, with adjustments to actual expenses and foreign exchange rates included in Corporate and Eliminations. The accounting policies of the segments are the same as those referenced in note 1.

Results shown for the quarter are not necessarily representative of those which may be expected for the full year 2015, nor were those of the comparable 2014 period representative of those actually experienced for the full year 2014. Similarly, such results are not necessarily those which would be achieved were each segment an unaffiliated business enterprise.

Information by segment and a reconciliation to reported amounts for the quarters ended March 29, 2015 and March 30, 2014 are as follows:

	March 29, 2015		March 30, 2014	
	External	Affiliate	External	Affiliate
Net revenues				
U.S. and Canada	\$ 345,690	1,050	337,699	1,210
International	305,713	96	305,475	71
Entertainment and Licensing	60,631	3,409	34,874	3,242
Global Operations (a)	1,466	236,843	1,405	251,540
Corporate and Eliminations	-	(241,398)	-	(256,063)
	<u>\$ 713,500</u>	<u>-</u>	<u>679,453</u>	<u>-</u>

	Quarter Ended	
	March 29, 2015	March 30, 2014
Operating profit (loss)		
U.S. and Canada	\$ 41,423	35,763
International	1,903	2,414
Entertainment and Licensing	16,402	5,982
Global Operations (a)	(3,782)	(1,744)
Corporate and Eliminations (b)	(1,741)	1,033
	<u>\$ 54,205</u>	<u>43,448</u>

	March 29, 2015	March 30, 2014	December 28, 2014
Total assets			
U.S. and Canada	\$ 3,430,196	3,080,602	3,663,497
International	2,088,096	1,900,304	2,422,046
Entertainment and Licensing	800,337	705,895	783,878
Global Operations	2,330,734	2,185,436	2,433,888
Corporate and Eliminations (b)	(4,388,521)	(3,842,800)	(4,771,167)
	<u>\$ 4,260,842</u>	<u>4,029,437</u>	<u>4,532,142</u>

(a) The Global Operations segment derives substantially all of its revenues, and thus its operating results, from intersegment activities.

(b) Certain long-term assets, including property, plant and equipment, goodwill and other intangibles, which benefit multiple operating segments, are included in Corporate and Eliminations. Allocations of certain expenses related to these assets to the individual operating segments are done at the beginning of the year based on budgeted amounts. Any differences between actual and budgeted amounts are reflected in Corporate and eliminations.

Corporate and Eliminations also includes the elimination of inter-company balance sheet amounts.

The following table represents consolidated International segment net revenues by major geographic region for the quarters ended March 29, 2015 and March 30, 2014.

	Quarter Ended	
	March 29, 2015	March 30, 2014
Europe	\$ 195,871	207,542
Latin America	57,608	53,284
Asia Pacific	52,234	44,649
Net revenues	\$ 305,713	305,475

The following table presents consolidated net revenues by class of principal products for the quarters ended March 29, 2015 and March 30, 2014.

	Quarter Ended	
	March 29, 2015	March 30, 2014
Boys	\$ 272,598	247,775
Games	235,649	220,526
Girls	117,127	138,700
Preschool	88,126	72,452
Net revenues	\$ 713,500	679,453

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Quarterly Report on Form 10-Q, including the following section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements expressing management's current expectations, goals, objectives and similar matters. These forward-looking statements may include statements concerning the Company's product and entertainment plans, anticipated product and entertainment performance, business opportunities, plans and strategies, financial goals, cost savings and efficiency enhancing initiatives and expectations for achieving the Company's financial goals and other objectives. See Item 1A, in Part II of this report and Item 1A, in Part I of the Annual Report on Form 10-K for the year ended December 28, 2014, for a discussion of factors which may cause the Company's actual results or experience to differ materially from that anticipated in these forward-looking statements. The Company undertakes no obligation to revise the forward-looking statements in this report after the date of the filing. Unless otherwise specifically indicated, all dollar or share amounts herein are expressed in thousands of dollars or shares, except for per share amounts.

EXECUTIVE SUMMARY

Hasbro, Inc. ("Hasbro" or the "Company") is a global company dedicated to Creating the World's Best Play Experiences. The Company strives to do this through deep consumer engagement and the application of consumer insights, the use of immersive storytelling to build brands, product innovation and development of global business reach. Hasbro applies these principles to leverage its beloved owned and controlled brands, including LITTLEST PET SHOP, MAGIC: THE GATHERING, MONOPOLY, MY LITTLE PONY, NERF, PLAY-DOH and TRANSFORMERS, as well as partner brands. From toys and games, to television programming, motion pictures, digital gaming and a comprehensive licensing program, Hasbro fulfills the fundamental need for play and connection for children and families around the world. The Company's wholly owned Hasbro Studios creates entertainment brand-driven storytelling across mediums, including television, film and more.

Each of these elements is executed globally in alignment with Hasbro's strategic game plan, its brand blueprint. At the center of this blueprint, Hasbro re-imagines, re-invents and re-ignites its owned and controlled brands and imagines, invents and ignites new brands, through toy and game innovation, immersive entertainment offerings, including television programming and motion pictures, and a broad range of licensed products. Utilizing consumer engagement and insights coupled with immersive storytelling and product innovation, Hasbro generates revenue and earns cash by developing, marketing and selling global brands in a broad variety of consumer goods categories including toy and game products and distribution of television programming based on the Company's properties, as well as through the out-licensing of rights for third parties to use its properties in connection with products, including digital media and games and lifestyle products. Hasbro also leverages its competencies to develop and market products based on well-known licensed brands, including, but not limited to, DISNEY DESCENDENTS, JURASSIC WORLD, MARVEL, SESAME STREET and STAR WARS. MARVEL and STAR WARS are owned by the Walt Disney Company.

The Company's business is separated into three principal business segments: U.S. and Canada, International and Entertainment and Licensing. The U.S. and Canada segment markets and sells both toy and game products primarily in the United States and Canada. The International segment consists of the Company's European, Asia Pacific and Latin and South American toy and game marketing and sales operations. The Company's Entertainment and Licensing segment includes the Company's lifestyle licensing, digital licensing and gaming, movie and television entertainment operations. In addition to these three primary segments, the Company's global development, marketing, manufacturing and product sourcing operations are managed through its Global Operations segment.

First quarter 2015 highlights include the following:

- Net revenues increased 5% compared to the first quarter of 2014 and, absent unfavorable foreign currency translation of approximately \$62,600, 2015 net revenues grew 14% compared to the first quarter of 2014.
- 2015 net revenues from franchise brands increased 20%; the Boys, Games and Preschool categories increased and the Girls category decreased in the first quarter 2015 compared to the first quarter of 2014.

2015 net revenues from the U.S. and Canada and Entertainment and Licensing segments were up 2% and 74%, respectively, compared to the first quarter of 2014 and net revenues from the International segment were flat compared to the first quarter of 2014. Absent unfavorable foreign currency translation of approximately \$61,000, primarily in Europe, 2015 International segment net revenues grew 20%.

Operating profit grew 25% in the first quarter of 2015 compared to the first quarter of 2014 and was up 57% absent foreign currency translation.

In line with our commitment to return excess cash to shareholders, Hasbro increased the quarterly dividend rate from \$0.43 per share to \$0.46 per share effective for the dividend scheduled for May 15, 2015 in addition to repurchasing approximately 436 shares at a total and average cost of \$25,200 and \$57.80 per share, respectively.

SUMMARY OF FINANCIAL PERFORMANCE

The components of the results of operations, stated as a percent of net revenues, are illustrated below for the quarters ended March 29, 2015 and March 30, 2014.

	<u>Mar. 29, 2015</u>	<u>Mar. 30, 2014</u>
Net revenues	100.0%	100.0%
Costs and expenses:		
Cost of sales	34.7	38.1
Royalties	8.3	7.3
Product development	7.3	7.0
Advertising	9.5	9.9
Amortization of intangibles	1.8	2.0
Program production cost amortization	1.6	0.7
Selling, distribution and administration	<u>29.3</u>	<u>28.7</u>
Operating profit	7.6	6.4
Interest expense	3.4	3.3
Interest income	(0.2)	(0.2)
Other income, net	<u>(0.5)</u>	<u>(0.5)</u>
Earnings before income taxes	4.8	3.8
Income tax expense (benefit)	<u>1.2</u>	<u>(0.8)</u>
Net earnings	3.6	4.6
Net loss attributable to noncontrolling interests	<u>(0.1)</u>	<u>(0.1)</u>
Net earnings attributable to Hasbro, Inc.	<u><u>3.7%</u></u>	<u><u>4.7%</u></u>

RESULTS OF OPERATIONS

The quarters ended March 29, 2015 and March 30, 2014 were each 13-week periods. Net earnings, including the impact of noncontrolling interests in Backflip, were \$25,821 and \$31,514 for the quarters ended March 29, 2015 and March 30, 2014, respectively. Net earnings and diluted earnings per share attributable to Hasbro, Inc. for the quarter ended March 29, 2015 were \$26,667 and \$0.21, respectively, compared to \$32,087 and \$0.24, respectively, for the quarter ended March 30, 2014.

Net earnings for the first quarter of 2014 included a favorable tax benefit of \$13,480, or \$0.10 per diluted share, related to the settlement of certain open tax years.

Consolidated net revenues for the quarter ended March 29, 2015 grew 5% to \$713,500 from \$679,453 for the quarter ended March 30, 2014 and were negatively impacted by foreign currency translation of approximately \$62,600 as a result of the stronger U.S. dollar in 2015 compared to 2014. Absent the impact of foreign exchange, net revenues grew 14% in the first quarter of 2015 compared to 2014. The Company's focus on franchise brands contributed to the overall growth in consolidated net revenues, including growth across all franchise brands totaling approximately 20% in the first quarter of 2015 compared to 2014.

Operating profit for the quarter ended March 29, 2015 increased to \$54,205, or 7.6% of net revenues, from \$43,448, or 6.4% of net revenues, for the quarter ended March 30, 2014. Unfavorable foreign currency translation impacted consolidated operating profit by approximately \$13,900; absent this impact, operating profit in the first quarter of 2015 grew approximately 57% to 8.8% of net revenues compared to the first quarter of 2014. The higher net revenues discussed above combined with more favorable revenue and product mix, including an increasing portion of net revenues from franchise brands and the Entertainment and Licensing segment, contributed to growth in both operating profit and operating profit margin in the first quarter of 2015. Higher revenues and improved margins were partially offset by higher selling, distribution and administration expense.

Net Revenues

The following table presents net revenues by product category for the quarters ended March 29, 2015 and March 30, 2014.

	<u>Quarter Ended</u>		
	<u>March 29, 2015</u>	<u>March 30, 2014</u>	<u>% Change</u>
Boys	\$ 272,598	247,775	10%
Games	235,649	220,526	7%

Girls	117,127	138,700	-16%
Preschool	88,126	72,452	22%
Net revenues	<u>\$ 713,500</u>	<u>679,453</u>	

BOYS: Net revenues from the boys' category increased 10% in the first quarter of 2015 compared to 2014 primarily due to franchise brands TRANSFORMERS and NERF and partner brands MARVEL and JURASSIC WORLD, partially offset by expected lower net sales from BEYBLADE and ANGRY BIRDS products. In 2015, TRANSFORMERS is supported by all new animated programming, *TRANSFORMERS: ROBOTS IN DISGUISE*. Sales of MARVEL products increased due to shipments related to the May 2015 expected theatrical release of *AVENGERS: AGE OF ULTRON* and were higher than 2014 first quarter sales related to two 2014 theatrical releases, *CAPTAIN AMERICA: THE WINTER SOLDIER* and *THE AMAZING SPIDER-MAN 2*. The first quarter of 2015 also benefited from initial shipments related to the June 2015 expected theatrical release of *JURASSIC WORLD*.

GAMES: Net revenues from the games category increased 7% in the first quarter of 2015 compared to 2014 primarily due to growth in franchise brands MAGIC: THE GATHERING and MONOPOLY. These increases were partially offset by declines in several other game brands, including ANGRY BIRDS games. Growth in MAGIC: THE GATHERING benefited from an earlier release date in the KHANS OF TARKIR block compared to release dates in 2014.

GIRLS: Net revenues from the girls' category decreased 16% in the first quarter of 2015 compared to 2014 primarily due to declines in FURBY, FURREAL FRIENDS and EASY BAKE products. These declines were only partially offset by growth in franchise brands LITTLEST PET SHOP, which was supported by Hasbro Studios programming, and PLAY-DOH, specifically PLAY-DOH DOHVINCI.

PRESCHOOL: Net revenues from the preschool category increased 22% in the first quarter of 2015 compared to 2014 primarily due to PLAY-DOH and PLAYSKOOL HEROES products, which includes TRANSFORMERS RESCUE BOTS and initial shipments of JURASSIC WORLD products. These increases were partially offset by lower net revenues from core PLAYSKOOL, SESAME STREET and TONKA products.

Segment Results

Most of the Company's revenues and operating profit are derived from its three principal business segments: the U.S. and Canada segment, the International segment and the Entertainment and Licensing segment, which are discussed below. See product category discussion for more specific brand detail. The following table presents net external revenues and operating profit data for the Company's three principal segments for the quarters ended March 29, 2015 and March 30, 2014.

	Quarter Ended		
	March 29, 2015	March 30, 2014	% Change
Net Revenues			
U.S. and Canada segment	\$ 345,690	337,699	2%
International segment	305,713	305,475	0%
Entertainment and Licensing segment	60,631	34,874	74%
Operating Profit			
U.S. and Canada segment	\$ 41,423	35,763	16%
International segment	1,903	2,414	-21%
Entertainment and Licensing segment	16,402	5,982	174%

U.S. AND CANADA SEGMENT

The U.S. and Canada segment net revenues increased 2% to \$345,690 at March 29, 2015 from \$337,699 for the quarter ended March 30, 2014. Currency translation negatively impacted net revenues by approximately \$1,300 in the quarter ended March 29, 2015. Growth in the boys', games and preschool categories were partially offset by lower net revenues from the girls' category.

In the boys' category, higher net revenues from JURASSIC WORLD, MARVEL, NERF, STAR WARS and TRANSFORMERS products were partially offset by lower net revenues from BEYBLADE and SUPERSOAKER products. In the games category, higher net revenues from MAGIC: THE GATHERING and MONOPOLY products, and, to a lesser extent, DUNGEONS AND DRAGONS, GAME OF LIFE and TROUBLE products were partially offset by lower net revenues from other games brands, including ANGRY BIRDS and ELEFUN & FRIENDS. Girls' category decreased primarily due to FURBY, FURREAL FRIENDS and EASY BAKE products. MY LITTLE PONY products also contributed to the decline. These reductions were only partially offset by higher net revenues from PLAY-DOH DOHVINCI, NERF REBELLE and LITTLEST PET SHOP products. In the preschool category, franchise brand growth, including PLAYSKOOL HEROES TRANSFORMERS RESCUE BOTS and PLAY-DOH, in addition to early shipments of PLAYSKOOL HEROES JURASSIC WORLD products resulted in higher net revenues partially offset by lower net revenues from SESAME STREET and core PLAYSKOOL products.

U.S. and Canada segment operating profit for the quarter ended March 29, 2015 increased to \$41,423, or 12.0% of segment net revenues, from \$35,763, or 10.6% of segment net revenues, for the quarter ended March 30, 2014. Favorable revenue mix, including higher contributions from MAGIC: THE GATHERING and other franchise brands, partially offset by higher expense levels, resulted in improved operating profit and margin.

INTERNATIONAL SEGMENT

International segment net revenues were \$305,713 for the quarter ended March 29, 2015 compared to \$305,475 for the quarter ended March 30, 2014. First quarter 2015 International segment net revenues include unfavorable foreign currency translation of approximately \$61,000, primarily in Europe, as a result of the stronger U.S. dollar in 2015 compared to 2014. Absent the impact of foreign exchange, International segment net revenues for the first quarter of 2015 increased 20%. The following table presents net revenues by geographic region for the Company's International segment for the quarters ended March 29, 2015 and March 30, 2014.

	Quarter Ended		
	March 29, 2015	March 30, 2014	% Change

Europe	\$	195,871	207,542	-6%
Latin America		57,608	53,284	8%
Asia Pacific		52,234	44,649	17%
Net revenues	\$	<u>305,713</u>	<u>305,475</u>	

Net revenues in emerging markets, which includes but is not limited to Russia, Brazil, China and Korea, increased 3% in the first quarter of 2015 compared to 2014. Net revenues from the European, Latin American and Asia Pacific regions included unfavorable impact of foreign currency translation of approximately \$50,200, \$8,000 and \$2,800, respectively. Excluding this impact of foreign exchange, all major geographic regions grew: Europe – 19%; Latin America – 23%; and Asia Pacific – 23%.

By product category, growth in the boys and preschool categories was almost entirely offset by declines in the girls and games categories.

In the boys' category, higher net revenues from franchise brands NERF and TRANSFORMERS as well as higher sales of MARVEL and STAR WARS products were partially offset by lower net revenues from ANGRY BIRDS and BEYBLADE products. In the games category, higher net revenues from MAGIC: THE GATHERING and MONOPOLY products were more than offset by other games brands. In the girls' category, higher net revenues reflecting contribution from the 2014 introduction of PLAY-DOH DOHVINCI was more than offset by lower net revenues from the other franchise brands, LITTLEST PET SHOP, MY LITTLE PONY and NERF, as well as FURBY and FURREAL FRIENDS. Growth in the preschool category reflects higher net revenues from franchise brands PLAY-DOH and PLAYSKOOL HEROES TRANSFORMERS RESCUE BOTS partially offset by lower net revenues from core PLAYSKOOL products.

International segment operating profit decreased to \$1,903, or 0.6% of segment net revenues, for the quarter ended March 29, 2015, from \$2,414, or 0.8% of segment net revenues, for the quarter ended March 30, 2014. Lower operating profit reflects the impact of foreign exchange resulting from the strengthening U.S. dollar in the first quarter of 2015 compared to 2014. Excluding the impact of foreign exchange, International segment operating profit improved to \$5,455 in the first quarter of 2015.

ENTERTAINMENT AND LICENSING SEGMENT

Entertainment and Licensing segment net revenues for the quarter ended March 29, 2015 increased 74% to \$60,631 from \$34,874 for the quarter ended March 30, 2014, reflecting higher revenues from lifestyle licensing, particularly related to the MY LITTLE PONY and TRANSFORMERS brands, and higher entertainment revenues related to a multi-year digital distribution agreement for Hasbro Studios programming entered during the quarter. These higher net revenues were partially offset by lower net revenues from digital licensing.

Entertainment and Licensing segment operating profit increased to \$16,402 for the quarter ended March 29, 2015 from \$5,982 for the quarter ended March 30, 2014. Improved operating profit primarily reflects higher lifestyle licensing revenues as well as higher programming revenues.

OTHER SEGMENTS AND CORPORATE ELIMINATIONS

Global Operations had an operating loss of \$3,782 for the quarter ended March 29, 2015 compared to an operating loss of \$1,744 for the quarter ended March 30, 2014. Corporate and eliminations operating loss of \$1,741 for the quarter ended March 29, 2015 compared to an operating profit of \$1,033 for the quarter ended March 30, 2014.

Costs and Expenses

The Company's costs and expenses, stated as percentages of net revenues, are illustrated below for the quarters ended March 29, 2015 and March 30, 2014.

	<u>March 29, 2015</u>	<u>March 30, 2014</u>
Cost of sales	34.7%	38.1%
Royalties	8.3	7.3
Product development	7.3	7.0
Advertising	9.5	9.9
Amortization of intangibles	1.8	2.0
Program production cost amortization	1.6	0.7
Selling, distribution and administration	29.3	28.7

Cost of sales decreased to \$247,735, or 34.7% of net revenues, for the quarter ended March 29, 2015 from \$258,545, or 38.1% of net revenues, for the quarter ended March 30, 2014. Cost of sales decreased in dollars and as a percentage of net revenues on higher net revenues in the first quarter of 2015 compared to 2014. This reflects favorable revenue mix, which includes lower cost franchise brands and Entertainment and Licensing segment net revenues. Entertainment and Licensing segment net revenues represented 8.5% of consolidated net revenues in the first quarter of 2015 compared to 5.1% of consolidated net revenues in the first quarter of 2014. In addition, the first quarter of 2015 benefited from a more favorable impact from foreign exchange hedges related to product purchases.

Royalty expense for the quarter ended March 29, 2015 increased to \$59,089, or 8.3% of net revenues, from \$49,581, or 7.3% of net revenues, for the quarter ended March 30, 2014. Fluctuations in royalty expense are generally related to the volume of entertainment-driven products sold in a given period, especially if there is a major motion picture release. Growth in net revenues from partner brands, particularly related to MARVEL products, generated higher royalty expense in both dollars and as percentage of net revenues in 2015 compared to 2014. In addition, royalties related to revenues from a multi-year digital distribution agreement for Hasbro Studios programming recognized in the quarter also contributed to higher royalty expense.

Product development expense for the quarter ended March 29, 2015 increased to \$51,897, or 7.3% of net revenues, from \$47,257, or 7.0% of net revenues, for the quarter ended March 30, 2014. In dollars, higher product development expenses in 2015 compared to 2014 reflects costs associated with development of the DISNEY PRINCESS and FROZEN product lines under license agreement with The Walt Disney Company. The Company will continue to incur these development costs in 2015 in advance of the commencement of the license period and product shipments in 2016.

Advertising expense for the quarter ended March 29, 2015 was \$67,742, or 9.5% of net revenues, compared to \$67,259, or 9.9% of net revenues, for the quarter ended March 30, 2014. The reduction in advertising expense as a percent of net revenues primarily resulted from the mix of revenues, including the increase in the Entertainment and Licensing segment and the MAGIC: THE GATHERING brand.

Amortization of intangibles was \$12,951, or 1.8% of net revenues, in the first quarter of 2015 from \$13,402, or 2.0% of net revenues, in the first quarter of 2014. The decline is primarily due to certain assets which became fully amortized in 2014.

Program production cost amortization increased in the first quarter of 2015 to \$11,096, or 1.6% of net revenues, from \$4,658, or 0.7% of net revenues, in the first quarter of 2014. Program production costs are capitalized as incurred and amortized using the individual-film-forecast method. The increase in the first quarter of 2015 resulted from higher net revenues due to the multi-year digital distribution agreement for Hasbro Studios programming.

For the quarter ended March 29, 2015, the Company's selling, distribution and administration expenses increased to \$208,785, or 29.3% of net revenues, from \$195,303, or 28.7% of net revenues, for the quarter ended March 30, 2014. Higher selling, distribution and administration expenses primarily reflects higher administration and distribution costs, partially offset by lower marketing and sales. Foreign exchange resulted in a decrease of approximately \$13,200. Excluding the impact of foreign exchange, increased 2015 expense is the result of higher depreciation expense, performance-based stock compensation, investments in MAGIC: THE GATHERING and other general cost increases, such as salaries and wages.

NON-OPERATING (INCOME) EXPENSE

Interest expense for the first quarter of 2015 increased to \$24,585 from \$22,428 for the comparable period of 2014. The increase in interest expense in the first quarter of 2015 compared to the first quarter of 2014 reflects the impact of favorable interest rate swap agreements that were in place during 2014.

Interest income for the quarter ended March 29, 2015 was \$930 compared to \$1,326 for the quarter ended March 30, 2014. Higher average cash balances in 2015 compared to 2014 were more than offset by lower average interest rates, particularly in international jurisdictions.

Other income, net of \$3,765 for the quarter ended March 29, 2015 compared to \$3,649 for the quarter ended March 30, 2014. The favorable impact of increased earnings from the Company's joint venture television network and certain asset sales were partially offset by higher foreign currency translation losses.

INCOME TAXES

Income tax expense for the quarter ended March 29, 2015 was \$8,494 on pre-tax earnings of \$34,315 compared to an income tax benefit of \$5,519 on pre-tax earnings of \$25,995 for the quarter ended March 30, 2014. Both quarters, as well as the full year 2014, were impacted by certain discrete tax events including the accrual of potential interest and penalties on uncertain tax positions. During the first quarter of 2015, favorable discrete tax adjustments were a net benefit of \$771 compared to a net benefit of \$12,453 in the first quarter of 2014. The 2014 discrete tax adjustments included a benefit of \$13,480 related to the

effective settlement of certain open tax years in the United States. Absent discrete items, the adjusted tax rate for the first quarters of 2015 and 2014 were 27.0% and 26.1%, respectively. The adjusted rate of 27.0% for the three months ended March, 29, 2015 is comparable to the full year 2014 adjusted rate of 26.5%.

OTHER INFORMATION

Historically, the Company's revenue pattern has shown the second half of the year to be more significant to its overall business than the first half. The Company expects that this concentration will continue, particularly as more of its business has shifted to larger customers with order patterns concentrated in the second half of the year. The concentration of sales in the second half of the year increases the risk of (a) underproduction of popular items, (b) overproduction of less popular items, and (c) failure to achieve compressed shipping schedules.

The toy and game business is characterized by customer order patterns which vary from year to year largely because of differences each year in the degree of consumer acceptance of product lines, product availability, marketing strategies and inventory policies of retailers, the dates of theatrical releases of major motion pictures for which the Company has product licenses, and changes in overall economic conditions. As a result, comparisons of the Company's unshipped orders on any date with those at the same date in a prior year are not necessarily indicative of the Company's expected sales for that year. Moreover, quick response inventory management practices result in fewer orders being placed significantly in advance of shipment and more orders being placed for immediate delivery. Although the Company may receive orders from customers in advance, it is a general industry practice that these orders are subject to amendment or cancellation by customers prior to shipment and, as such, the Company does not believe that these unshipped orders, at any given date, are indicative of future sales.

In May 2014, the Financial Accounting Standards Board ("FASB"), in cooperation with the International Accounting Standards Board ("IASB"), issued ASU No. 2014-09, *Revenue from Contracts with Customers (ASC 606)*. This ASU supersedes the revenue recognition requirements in Accounting Standards Codification 605 – *Revenue Recognition* and most industry-specific guidance throughout the Codification. This new guidance provides a five-step model for analyzing contracts and transactions to determine when, how and if revenue is recognized. Revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This ASU is effective for fiscal years beginning after December 15, 2016, and for interim periods within those fiscal years. The Company is evaluating the requirements of ASU 2014-09 and its potential impact on the Company's financial statements. Presently, the FASB is in the process of drafting an accounting standards update which would defer the effective date to December 15, 2017 with an option for early adoption not before December 15, 2016.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically generated a significant amount of cash from operations. In 2014 the Company funded its operations and liquidity needs primarily through cash flows from operations, and, when needed, using borrowings under its available lines of credit and commercial paper program.

During the first quarter of 2015, the Company continued to fund its working capital needs primarily through cash flows from operations and, when needed, lines of credit and the Company's commercial paper program. The Company believes that the funds available to it, including cash expected to be generated from operations and funds available through its available lines of credit and commercial paper program, are adequate to meet its working capital needs for the remainder of 2015. However, unexpected events or circumstances such as material operating losses or increased capital or other expenditures may reduce or eliminate the availability of external financial resources. In addition, significant disruptions to credit markets may also reduce or eliminate the availability of external financial resources. Although management believes the risk of nonperformance by the counterparties to the Company's financial facilities is not significant, in times of severe economic downturn in the credit markets it is possible that one or more sources of external financing may be unable or unwilling to provide funding to the Company.

As of March 29, 2015 the Company's cash and cash equivalents totaled \$1,081,397, substantially all of which is held outside of the United States. Deferred income taxes have not been provided on the majority of undistributed earnings of international subsidiaries as such earnings are indefinitely reinvested by the Company. Accordingly, such international cash balances are not available to fund cash requirements in the United States unless the Company changes its reinvestment policy. The Company currently has sufficient sources of cash in the United States to fund cash requirements without the need to repatriate any funds. If the Company changes its policy of permanently reinvesting international earnings, it would be required to accrue for any additional income taxes representing the difference between the tax rates in the United States and the applicable tax jurisdiction of the international subsidiaries. If the Company repatriated the funds from its international subsidiaries, it would then be required to pay the additional U.S. income tax. Substantially all of the Company's cash and cash equivalents held outside of the United States as of March 29, 2015 is denominated in the U.S. dollar.

Because of the seasonality in the Company's cash flow, management believes that on an interim basis, rather than discussing only its cash flows, a better understanding of its liquidity and capital resources can be obtained through a discussion of the various balance sheet categories as well. 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, the Company believes that a comparison to the comparable period in the prior year is generally more meaningful than a comparison to the prior quarter or prior year-end.

At March 29, 2015, cash and cash equivalents, net of short-term borrowings, increased to \$849,483 from \$779,391 at March 30, 2014. Net cash provided by operating activities in the first quarter of 2015 was \$315,281 compared to \$242,041 in the first quarter of 2014. During the first quarter of 2014, operating cash flow included \$58,040 in cash payments related to the settlement of an adverse arbitration award. On a trailing twelve month basis, the Company generated \$527,641 in operating cash flows as of the end of the first quarter of 2015 compared to \$345,719 as of the end of the first quarter of 2014 and \$454,411 for the fiscal year ended December 28, 2014.

Accounts receivable increased approximately 2% to \$563,301 at March 29, 2015 from \$552,471 at March 30, 2014. At March 29, 2015, the accounts receivable balance includes a decrease of approximately \$89,400 resulting from the impact of foreign currency translation. Absent the impact of foreign currency translation, accounts receivable increased approximately 18% reflecting the aforementioned 14% revenue growth, absent foreign exchange translation, in the first quarter 2015 compared to 2014. Days sales outstanding decreased from 73 days at March 30, 2014 to 71 days at March 29, 2015.

Inventories decreased approximately 13% to \$340,654 at March 29, 2015 from \$390,824 at March 30, 2014. Inventory at March 29, 2015 includes a reduction of \$55,600 resulting from the impact of foreign currency translation. Absent foreign currency translation, inventories increased approximately 1%. Excluding the impact of foreign currency translation, higher International segment inventories were almost all offset by lower U.S. and Canada segment inventories.

Prepaid expenses and other current assets increased 3% to \$419,956 at March 29, 2015 from \$406,561 at March 30, 2014. Higher prepaid expenses and other current assets primarily relate to higher outstanding foreign exchange contracts, reflecting the stronger U.S. dollar at March 29, 2015 compared to March 30, 2014, as well as higher income tax receivables. These higher balances were partially offset by lower prepaid royalties, deferred taxes and non-income based taxes.

Accounts payable and accrued liabilities at March 29, 2015 decreased 10% to \$588,813 from \$654,507 at March 30, 2014. The 2014 accrued liability balance included \$21,540 of forward-starting interest rate swap contracts related to a contemplated debt issuance, which were terminated when the debt was issued in May 2014. The decrease also included lower accrued severance, due to scheduled payments, and lower accounts payable.

Goodwill and other intangible assets, net decreased approximately 6% to \$904,300 at March 29, 2015 from \$956,963 at March 29, 2014. The decrease was due to amortization of intangible assets over the last twelve months.

Other assets at March 29, 2015 increased approximately 2% to \$707,645 from \$693,471 at March 30, 2014. Higher outstanding foreign exchange contracts and deferred income taxes, reflecting higher pension-related balances, were partially offset by a reduction in the Company's joint venture television network and lower long-term royalty advances. During the third quarter of 2014, the Company sold a 10% equity interest in their joint venture television network to Discovery, which included cash proceeds of \$64,400.

Other liabilities increased 16% to \$392,479 at March 29, 2015 from \$337,219 at March 30, 2014. Increased other liabilities primarily relate to higher pension liabilities primarily due to changes in actuarial assumptions, including a lower discount rate and mortality tables. In addition, the amended relationship between the Company and Discovery resulted in a net increase to other liabilities of approximately \$10,000 reflecting the fair value of an option agreement related to the Company's equity interest in Discovery Family, partially offset by a reduction in amounts due to Discovery related to a tax sharing agreement. These increases were partially offset by lower liabilities related to uncertain tax positions reflecting the settlement of tax examinations in 2014 primarily related to the United States and Mexico. In connection with the settlement of tax assessments and years subject to audit from 2000 to 2013 in Mexico, the Company paid approximately \$65,000 during the fourth quarter of 2014.

Net cash utilized by investing activities was \$33,111 in the first quarter of 2015 compared to \$27,078 in 2014. Additions to property, plant and equipment were \$31,151 in 2015 compared to \$22,239 in 2014, primarily reflecting the Company's investment in tooling and information systems. 2015 investing activity also includes a \$3,000 contribution to a 50% joint venture with Guangdong Alpha Animation and Culture Co., Ltd.

Net cash utilized by financing activities was \$82,489 in the first quarter of 2015 compared to \$103,387 in 2014. Cash payments related to purchases of the Company's common stock were \$26,507 in the first quarter of 2015 compared to \$79,913 in 2014. At March 29, 2015, the Company had \$538,959 remaining available under its current share repurchase authorizations approved by the Board of Directors. Dividends paid were \$53,470 in the first quarter of 2015 compared to \$52,388 in the first quarter of 2014. The impact of the higher dividend rate in 2015 was partially offset by lower shares outstanding. Net repayments of short-term borrowings of \$20,325 in the first quarter of 2015 compared to net proceeds from short-term borrowings of \$5,035 in the first quarter of 2014.

The Company has an agreement with a group of banks for a commercial paper program (the "Program"). Under the Program, at the request of the Company and subject to market conditions, the banks may either purchase from the Company, or arrange for the sale by the Company, of unsecured commercial paper notes. Under the Program the Company may issue notes from time to time up to an aggregate principal amount outstanding at any given time of \$700,000. The maturities of these notes will vary but may not exceed 397 days. The notes will be sold under customary terms in the commercial paper market and will be issued at a discount or par, or alternatively, will be sold at par and will bear varying interest rates based on a fixed or floating rate basis. The interest rates will vary based on market conditions and the ratings assigned to the notes by the credit rating agencies at the time of issuance. Subject to market conditions, the Company intends to utilize the Program as its primary short-term borrowing facility and does not intend to sell unsecured commercial paper notes in excess of the available amount under the revolving credit agreement, discussed below. If, for any reason, the Company is unable to access the commercial paper market, the Company intends to use the revolving credit agreement to meet the Company's short-term liquidity needs. At March 29, 2015 the Company had approximately \$225,000 in borrowings outstanding related to the Program.

The Company has a revolving credit agreement (the "Agreement"), which provides it with a \$700,000 committed borrowing facility. The Agreement contains certain financial covenants setting forth leverage and coverage requirements, and certain other limitations typical of an investment grade facility, including with respect to liens, mergers and incurrence of indebtedness. The Company was in compliance with all covenants as of and for the quarter ended March 29, 2015. The Company had no borrowings outstanding under its committed revolving credit facility at March 29, 2015. However, the Company had letters of credit outstanding under this facility as of March 29, 2015 of approximately \$900, and borrowings under the Company's commercial paper program of approximately \$225,000. Amounts available and unused under the committed line, less outstanding balances under the commercial paper program, as of March 29, 2015 were approximately \$474,100. Subsequent to March 29, 2015, the Agreement was amended and restated, extending the term from October 2017 to March 2020. The Company also has other uncommitted lines from various banks, of which approximately \$26,700 was utilized at March 29, 2015. Of the amount utilized under the uncommitted lines, approximately \$6,500 and \$20,200 represent outstanding borrowings and letters of credit, respectively.

The Company has principal amounts of long-term debt at March 29, 2015 of \$1,559,895 due at varying times from 2017 through 2044. Of this long-term debt, \$600,000 represents the aggregate issuance of long-term debt in May 2014 which consists of \$300,000 of 3.15% Notes Due 2021 and \$300,000 of 5.10% Notes Due 2044. The Company also had letters of credit and other similar instruments of approximately \$162,830 and purchase commitments of \$53,138 outstanding at March 29, 2015. Letters of credit and similar instruments include bonds of approximately \$141,740 related to tax assessments in Mexico which were settled in December 2014. These bonds were cancelled on March 30, 2015.

Other contractual obligations and commercial commitments, as detailed in the Company's Annual Report on Form 10-K for the year ended December 28, 2014, did not materially change outside of payments made in the normal course of business and as otherwise set forth in this report. The table of contractual obligations and commercial commitments, as detailed in the Company's Annual Report on Form 10-K for the year ended December 28, 2014, does not include certain tax liabilities recorded related to uncertain tax positions. These liabilities were \$40,222 at March 29, 2015, and are included as a component of other liabilities in the accompanying consolidated balance sheets.

The Company believes that cash from operations, and, if necessary, its committed line of credit and other borrowing facilities, will allow the Company to meet these and other obligations listed.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. As such, management is required to make certain estimates, judgments and assumptions that it believes are reasonable based on the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods presented. The significant accounting policies which management believes are the most critical to aid in fully understanding and evaluating the Company's reported financial results include sales allowances, program production costs, recoverability of goodwill and intangible assets, recoverability of royalty advances and commitments, pension costs and obligations and income taxes. These critical accounting policies are the same as those detailed in the Annual Report on Form 10-K for the year ended December 28, 2014.

FINANCIAL RISK MANAGEMENT

The Company is exposed to market risks attributable to fluctuations in foreign currency exchange rates, primarily as the result of sourcing products priced in U.S. dollars, Hong Kong dollars and Euros while marketing those products in more than twenty currencies. Results of operations may be affected primarily by changes in the value of the U.S. dollar, Hong Kong dollar, Euro, British pound sterling, Swiss franc, Canadian dollar, Brazilian real, Russian ruble and Mexican peso and, to a lesser extent, other currencies in European, Latin American and Asia Pacific countries.

To manage this exposure, the Company has hedged a portion of its forecasted foreign currency transactions for fiscal years 2015 through 2019 using foreign exchange forward contracts. The Company is also exposed to foreign currency risk with respect to its net cash and cash equivalents or short-term borrowing positions in currencies other than the U.S. dollar. The Company believes, however, that the on-going risk on the net exposure should not be material to its financial condition. In addition, the Company's revenues and costs have been, and will likely continue to be, affected by changes in foreign currency rates. A significant change in foreign exchange rates can materially impact the Company's revenues and earnings due to translation of foreign-denominated revenues and expenses. The Company does not hedge against translation impacts of foreign exchange. From time to time, affiliates of the Company may make or receive intercompany loans in currencies other than their functional currency. The Company manages this exposure at the time the loan is made by using foreign exchange contracts. Other than as set forth above, the Company does not hedge foreign currency exposures.

The Company reflects all forward contracts at their fair value as an asset or liability on the consolidated balance sheets. The Company does not speculate in foreign currency exchange contracts. At March 29, 2015, these contracts had net unrealized gains of \$127,037, of which \$65,026 are recorded in prepaid expenses and other current assets, \$65,524 are recorded in other assets, and \$3,513 are recorded in accrued liabilities. Included in accumulated other comprehensive loss at March 29, 2015 are deferred gains, net of tax, of \$118,252, related to these derivatives.

At March 29, 2015, the Company had fixed rate long-term debt of \$1,559,895. Of this long-term debt, \$600,000 represents the aggregate issuance of long-term debt in May 2014 which consists of \$300,000 of 3.15% Notes Due 2021 and \$300,000 of 5.10% Notes Due 2044. The Company had forward-starting interest rate swap agreements with a total notional value of \$500,000 related to the May 2014 issuance which hedged the anticipated underlying U.S. Treasury interest rate. These interest rate swaps were matched with this debt issuance and were designated and effective as hedges of the change in future interest payments. At the date of debt issuance, the Company terminated these interest rate swap agreements and their fair value, \$33,306 at the date of issuance, was recorded in accumulated other comprehensive loss and is being amortized through the consolidated statements of operations using an effective interest rate method over the life of the related debt. Included in accumulated other comprehensive loss at March 29, 2015 are deferred losses, net of tax, of \$20,224 related to these derivatives.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The information required by this item is included in Part I Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and is incorporated herein by reference.

Item 4. Controls and Procedures.

The Company maintains disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 29, 2015. Based on the evaluation of these disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

There were no changes in the Company's internal control over financial reporting, as defined in Rule 13a-15(f) promulgated under the Exchange Act, during the quarter ended March 29, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is currently party to certain legal proceedings, none of which it believes to be material to its business or financial condition.

Item 1A. Risk Factors.

This Quarterly Report on Form 10-Q contains "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, concerning management's expectations, goals, objectives, and similar matters. These forward-looking statements may include statements concerning the Company's product and entertainment plans, anticipated product and entertainment performance, business opportunities and strategies, financial and business goals, expectations for achieving the Company's financial and business goals, cost savings and efficiency enhancing initiatives and other objectives and anticipated uses of cash and may be identified by the use of forward-looking words or phrases such as "anticipate," "believe," "could," "expect," "intend," "look forward," "may," "planned," "potential," "should," "will," and "would" or any variations of words with similar meanings. These forward-looking statements are inherently subject to known and unknown risks and uncertainties.

The Company's actual results or experience may differ materially from those expected or anticipated in the forward-looking statements. The Company has included, under Item 1A. of its Annual Report on Form 10-K, for the year ended December 28, 2014 (the "Annual Report"), a discussion of factors which may impact these forward-looking statements. In furtherance, and not in limitation, of the more detailed discussion set forth in the Annual Report, specific factors that might cause such a difference include, but are not limited to:

- the Company's ability to successfully re-imagine, re-invent and re-ignite its existing products and product lines, including through the use of immersive entertainment experiences, to maintain and further their success;
- the Company's ability to successfully design, develop, produce, introduce, market and sell innovative new brands, products and product lines which achieve and sustain interest from retailers and consumers and keep pace with changes in consumer preferences and lifestyles;
- the Company's ability to offer products that (i) expand consumer demand for its product offerings and do not significantly compete with the Company's other existing product offerings and (ii) consumers want to purchase and, select over competitors' products;
- the Company's ability to manufacture, source and ship products in a timely and cost-effective manner and customers' and consumers' acceptance and purchase of those products in quantities and at prices that will be sufficient to profitably recover the Company's costs;
- recessions, other economic downturns or challenging economic conditions affecting the Company's markets which can negatively impact the financial health of the Company's retail customers and consumers, and which can result in lower employment levels, lower consumer disposable income and spending, including lower spending on purchases of the Company's products;
- potential difficulties or delays the Company may experience in implementing its cost savings and efficiency enhancing initiatives or the realization of fewer benefits than are expected from such initiatives;
- currency fluctuations, including movements in foreign exchange rates, which can lower the Company's net revenues and earnings, and significantly impact the Company's costs;
- other economic and public health conditions or regulatory changes in the markets in which the Company and its customers and suppliers operate, which could create delays or increase the Company's costs, such as higher commodity prices, labor costs or higher transportation costs or outbreaks of diseases;
- delays, increased costs or difficulties associated with the development and offering of our or our partners' planned digital applications or media initiatives based on the Company's brands;
- the concentration of the Company's retail customers, potentially increasing the negative impact to the Company of difficulties experienced by any of the Company's retail customers or changes in their purchasing or selling patterns;
- the Company's ability to generate sales during the fourth quarter, particularly during the relatively brief holiday shopping season, which is the period in which the Company derives a substantial portion of its revenues and earnings;
- the inventory policies of the Company's retail customers, including the retailers' potential decisions to lower their inventories, even if it results in lost sales, as well as the concentration of the Company's revenues in the second half and fourth quarter of the year, which coupled with reliance by retailers on quick response inventory management techniques, increases the risk of underproduction of popular items, overproduction of less popular items and failure to achieve compressed shipping schedules;
- work stoppages or disruptions which may impact the Company's ability to manufacture or deliver products in a timely and cost-effective manner;
- concentration of manufacturing of the substantial majority of the Company's products by third party vendors in the People's Republic of China and the associated impact to the Company of social, economic or public health conditions and other factors affecting China, the movement of people and products into and out of China, the cost of producing products in China and the cost of exporting them to the Company's other markets or affecting the exchange rates for the Chinese Renminbi, including, without limitation, the impact of tariffs or other trade restrictions being imposed upon goods manufactured in China;
- consumer interest in and acceptance of Discovery Family, the Company's cable television joint venture with Discovery Communications, the programming appearing on Discovery Family, products related to Discovery Family's programming, and other factors impacting the financial performance of Discovery Family;
- consumer interest in and acceptance of programming and entertainment created by Hasbro Studios, as well as products related to Hasbro Studios' programming and entertainment;
- the ability of the Company to hire and retain key officers and employees who are critical to the Company's success;
- the costs of complying with product safety and consumer protection requirements worldwide, including the risk that greater regulation in the future may increase such costs, may require changes in the Company's products and/or may impact the Company's ability to sell some products in particular markets in the absence of making changes to such products;
- the risk that one of the Company's third-party manufacturers will not comply with applicable labor, consumer protection, product safety or other laws or regulations, or with aspects of the Company's Global Business Ethics Principles, and that such noncompliance will not be promptly detected, either of which could cause damage to the Company's reputation, harm sales of its products and potentially create liability for the Company;
- an adverse change in purchasing policies or promotional programs or the bankruptcy or other economic difficulties or lack of success of one or more of the Company's significant retailers comprising its relatively concentrated retail customer base, which could negatively impact the Company's revenues or bad debt exposure;
- the risk that the market appeal of the Company's licensed products will be less than expected or that sales revenue generated by these products will be insufficient to cover the minimum guaranteed royalties;

- the risk the Company will lose rights to significant licensed property or properties, which will harm the Company's revenues and earnings;
- the risk that the Company may face product recalls or product liability suits relating to products it manufactures or distributes which may have significant direct costs to the Company and which may also harm the reputation of the Company and its products, potentially harming future product sales;
- the impact of competition on revenues, margins and other aspects of the Company's business, including the ability to offer Company products which consumers choose to buy instead of competitor products, the ability to secure, maintain and renew popular licenses and the ability to attract and retain employees;
- the risk that anticipated benefits of acquisitions may not occur or be delayed or reduced in their realization;
- the Company's ability to obtain and enforce intellectual property rights both in the United States and other worldwide territories;
- the risk that any litigation or arbitration disputes or government and regulatory investigations could entail significant resources and expense and result in significant fines or other harm to the Company's business or reputation;
- the Company's ability to maintain or obtain external financing on terms acceptable to it in order to meet working capital needs;
- the risk that one or more of the counterparties to the Company's financing arrangements may experience financial difficulties or otherwise be unable or unwilling to allow the Company to access financing under such arrangements;
- the Company's ability to generate sufficient available cash flow to service its outstanding debt;
- restrictions that the Company is subject to under its credit agreement;
- unforeseen circumstances, such as severe softness in or collapse of the retail environment that may result in a significant decline in revenues and operating results of the Company, thereby causing the Company to be in non-compliance with its debt covenants and the Company being unable to utilize borrowings under its revolving credit facility, a circumstance likely to occur when operating shortfalls would result in the Company being in the greatest need of such supplementary borrowings;
- market conditions, third party actions or approvals, the impact of competition and other factors that could delay or increase the cost of implementation of the Company's programs, or alter the Company's actions and reduce actual results;
- the risk that the Company may be subject to governmental penalties, fines, sanctions or additional taxes for failure to comply with applicable laws or regulations in any of the markets in which it operates, or that governmental regulations or requirements will require changes in the manner in which the company does business and/or increase the costs of doing business;
- failure to operate our information systems and implement new technology effectively, as well as maintain the systems and processes designed to protect our electronic data;
- the risk that the Company's reported goodwill may become impaired, requiring the Company to take a charge against its income; or
- other risks and uncertainties as are or may be detailed from time to time in the Company's public announcements and filings with the SEC, such as filings on Forms 8-K, 10-Q and 10-K.

The Company undertakes no obligation to revise the forward-looking statements contained in this Quarterly Report on Form 10-Q to reflect events or circumstances occurring after the date of the filing of this report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Repurchases Made in the Quarter (in whole dollars and number of shares)

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 2015				
12/29/15 – 1/25/15	147,000	\$53.73	147,000	\$56,252,864
February 2015				
1/26/15 – 3/1/2015	122,600	\$57.62	122,600	\$549,188,374
March 2015				
3/2/2015 – 3/29/2015	166,247	\$61.53	166,247	\$538,959,294
Total	435,847	\$57.80	435,847	\$538,959,294

On August 1, 2013, the Company announced that its Board of Directors authorized the repurchase of a \$500 million in common stock. On February 9, 2015, the Company announced that its Board of Directors authorized the repurchase of an additional \$500 million in common stock. Purchases of the Company's common stock may be made from time to time, subject to market conditions. These shares may be repurchased in the open market or through privately negotiated transactions. The Company has no obligation to repurchase shares under this authorization, and the timing, actual number, and value of the shares that are repurchased will depend on a number of factors, including the price of the Company's stock. The Company may suspend or discontinue the program

at any time and there is no expiration date.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

- 3.1 Restated Articles of Incorporation of the Company. (Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)
- 3.2 Amendment to Articles of Incorporation, dated June 28, 2000. (Incorporated by reference to Exhibit 3.4 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)
- 3.3 Amendment to Articles of Incorporation, dated May 19, 2003. (Incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended June 29, 2003, File No. 1-6682.)
- 3.4 Amended and Restated Bylaws of the Company, as amended. (Incorporated by reference to Exhibit 3(d) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, File No. 1-6682.)
- 3.5 Amendment to Amended and Restated Bylaws of the Company, as amended. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated August 6, 2014, File No. 1-6682.)
- 3.6 Certificate of Designations of Series C Junior Participating Preference Stock of Hasbro, Inc. dated June 29, 1999. (Incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)
- 3.7 Certificate of Vote(s) authorizing a decrease of class or series of any class of shares. (Incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)
- 4.1 Indenture, dated as of July 17, 1998, by and between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to Citibank, N.A. as Trustee. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 14, 1998, File No. 1-6682.)
- 4.2 Indenture, dated as of March 15, 2000, by and between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4(b)(i) to the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 1999, File No. 1-6682.)
- 4.3 First Supplemental Indenture, dated as of September 17, 2007, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 17, 2007, File No. 1-6682.)
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 - 101.LAB XBRL Taxonomy Extension Labels Linkbase Document
 - 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document
 - 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- * Furnished herewith.

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.

Date: May 6, 2015

HASBRO, INC.
(Registrant)

By: /s/ Deborah Thomas
Deborah Thomas

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

Exhibit Index

Exhibit No.	Exhibits
3.1	Restated Articles of Incorporation of the Company. (Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)
3.2	Amendment to Articles of Incorporation, dated June 28, 2000. (Incorporated by reference to Exhibit 3.4 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)
3.3	Amendment to Articles of Incorporation, dated May 19, 2003. (Incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended June 29, 2003, File No. 1-6682.)
3.4	Amended and Restated Bylaws of the Company, as amended. (Incorporated by reference to Exhibit 3(d) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, File No. 1-6682.)
3.5	Amendment to Amended and Restated Bylaws of the Company, as amended. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated August 6, 2014, File No. 1-6682.)
3.6	Certificate of Designations of Series C Junior Participating Preference Stock of Hasbro, Inc. dated June 29, 1999. (Incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)
3.7	Certificate of Vote(s) authorizing a decrease of class or series of any class of shares. (Incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)
4.1	Indenture, dated as of July 17, 1998, by and between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to Citibank, N.A. as Trustee. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 14, 1998, File No. 1-6682.)
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* Furnished herewith.

CERTIFICATION

I, Brian Goldner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hasbro, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2015

/s/ Brian Goldner
Brian Goldner
President and Chief
Executive Officer

CERTIFICATION

I, Deborah Thomas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hasbro, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2015

/s/ Deborah Thomas

Deborah Thomas
Executive Vice President and
Chief Financial Officer

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Financial Officer of Hasbro, Inc., a Rhode Island corporation (the "Company"), does hereby certify that to the best of the undersigned's knowledge:

- 1) the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 2015 as filed with the Securities and Exchange Commission (the "10-Q Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in the Company's 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Deborah Thomas
Deborah Thomas
Executive Vice President and Chief Financial Officer of Hasbro, Inc.

Dated: May 6, 2015

A signed original of this written statement required by Section 906 has been provided to Hasbro, Inc. and will be retained by Hasbro, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Executive Officer of Hasbro, Inc., a Rhode Island corporation (the "Company"), does hereby certify that to the best of the undersigned's knowledge:

- 1) the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 2015, as filed with the Securities and Exchange Commission (the "10-Q Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in the Company's 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brian Goldner
Brian Goldner
President and Chief Executive Officer of Hasbro, Inc.

Dated: May 6, 2015

A signed original of this written statement required by Section 906 has been provided to Hasbro, Inc. and will be retained by Hasbro, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Hasbro, Inc.

Performance Rewards Program

January 1, 2015

Hasbro, Inc.

Performance Rewards Program

1.0 Background

1.1 Performance Rewards Program (PRP)

- Establishes standard criteria to determine plan eligibility, and overall company, business area or region, and individual performance objectives.
- Provides the guidelines for the establishment of target awards as a percent of annual earned salary based on worldwide band level.
- Plan pay-out is based on a combination of company, business area or region, and individual performance.
- Performance objectives and goals are established to measure performance achievement and may be based on one or a combination of the following: sales (net revenues), operating margin and returns (free cash flow) for company and business area or region performance, as well as an individual component.

1.2 Purpose

Hasbro, Inc., herein referred to as "the Company", has established this plan for the purpose of providing incentive compensation to those employees who contribute significantly to the growth and success of the Company's business; to attract and retain, in the employ of the Company, individuals of outstanding ability; and to align the interests of employees with the interest of the Company's shareholders.

1.2.1 General Guideline

No employee of the Company has any legal entitlement to participate in the PRP or to receive an award under the PRP.

1.3 Scope

The Plan is applicable to all subsidiaries and divisions of the Company, including the Corporate group, on a worldwide basis.

1.3.1 Eligibility

Employees, as determined by management, whose duties and responsibilities contribute significantly to the growth and success of the Company's business, are eligible to participate in the Plan. Eligibility will be determined by an employee's broad band in accordance with the Company's method of job evaluation as appropriate. Eligibility to participate in the Plan does not guarantee

the receipt of an award under the Plan.

Unless otherwise required by law, if an employee is eligible to participate in the Plan, the Sales Rewards Program, the High Growth Bonus Plan and/or any other annual incentive plan implemented from time to time by the Company, such employee may only participate in one plan per year, such plan as determined by the Company in its sole discretion.

1.3.2 Exclusion of Senior Management Performance Plan Participants

Notwithstanding any of the above, those executive officers of Hasbro, Inc. who are identified as participants under the Company's 2009 Senior Management Annual Performance Plan (or any successor shareholder approved bonus plan) are not eligible to participate in the PRP. However, executive officers who are not identified as participants in the 2009 Senior Management Annual Performance Plan (or a successor plan) are eligible to participate in the Plan.

2.0 Incentive Award Levels

2.1 Target Incentive Award

Target awards are expressed as a percentage of earned salary for the plan year. For purposes of this Plan, earned salary means all base compensation for the participant for the year in question, which base compensation shall include all base compensation amounts deferred into the Company's retirement savings plan, the Company's Non-Qualified Deferred Compensation Plan, and/or any similar successor plans for the fiscal year and excludes any bonus or other benefits, other than base compensation, for the plan year. By design, these are the award levels that plan participants are eligible to earn when they and their applicable business units perform as expected (i.e., achieve their goals and objectives). Incentive target awards are determined by salary band and vary by country.

2.2 Maximum Incentive Award

Under this incentive plan the maximum award for employees below band WW80 is 200% of the target award. The maximum award for employees in band WW80 or above is 300% of the target award.

3.0 Measures of Performance for 2015

3.1 Establishing Company and Business Area or Region Performance Targets

In the first quarter of the plan year, the Company's senior management establishes the level of target performance for the year associated with each of the Company and business area or region performance metrics. Those target levels are reviewed and approved by the Company's President and Chief Executive Officer and by the Compensation Committee of the Company's Board of Directors (the "Compensation Committee").

3.2 Overall Company Performance

Each PRP formula award contains a performance component related to overall Hasbro company performance. For 2015, the Company component is measured by Sales, Operating Margin, and Returns. Overall Company performance is determined by individually assessing performance against goal for each metric, applying the acceleration/deceleration scale, weighting each metric and summing the total. The weighting and definition of the overall Company measures are:

<u>Measure</u>	<u>Definition</u>	<u>% of Company Measure</u>
Sales (net revenues)	Third Party Gross Sales (after returns) less Sales Allowances plus Third Party Royalty Income	40%
Operating Margin	Operating Profit divided by Net Revenues	40%
Returns (Free Cash Flow)	Net cash provided by operating activities – Capital Expenditures	20%

Each metric, before the acceleration/deceleration scale is applied, must achieve a threshold performance of 80% or no award is payable under the metric that did not achieve threshold performance.

For example:

If sales is achieved at 100% of target (which results in 100% payout based on the acceleration/deceleration scale) and operating margin is achieved at 85% of target (which results in at 70% payout) but returns does not reach threshold performance, then overall Company performance will only pay out on sales and operating margin. The aggregate weighted payout would be:

$$(100\% \times 40\%) + (70\% \times 40\%) + (0\% \times 20\%) = 68\%$$

Corporate payout would be 68%.

3.3 Individual Performance

Individual performance will be determined by the participant's supervisor and approved by the Division/Subsidiary senior executive or Corporate functional head, where appropriate. It will be based upon actual job performance consistent with goals/objectives outlined during performance reviews for the plan year.

3.4 Business Area or Region Performance

Each business area or region, as determined under this program, will assess performance based on Sales and Operating Margin specific to the business area or region. Unlike the Company component where an individual metric's failure to reach the threshold performance of 80% does not impact another individual metric's ability to reach the threshold performance and payout, for the business area or region component, the individual performance of each metric must meet a minimum threshold performance of 80%, before the

acceleration/deceleration scale is applied, or no award is payable for the business area or region component. The weighting and definition of the business area or region component are:

Measure	Definition	% of Company Measure
Sales (net revenues) Growth	Third Party Gross Sales (after returns) less Sales Allowances plus Third Party Royalty income	50%
Operating Margin	Operating Profit divided by Net Revenues	50%

Those jobs, which are corporate in nature will comprise the "Corporate" business area or region and the performance for this component will be based on overall Company performance as described in section 3.2, rather than the business area or region measures outlined above in this Section 3.4.

- 3.4.1 Bonus formula metrics for employees in bands WW70 and below are used to assess performance at the overall Company level, business area or region level (where applicable), and individual level.

A portion of all PRP formulas will have metrics tied to Corporate performance and individual performance. The weighting of the Corporate component may be 1/3 or 2/3 (in the case of employees in the "Corporate" business area or region) of the formula metric and the individual component will be weighted 1/3 of the formula metric. Similarly, the business area or region component will be 1/3 of the formula metric and used in formulas where appropriate.

Bonus formula metrics are subject to review annually by the CEO.

- 3.4.2 Bonus formula metrics for WW80 employees are based on the employee's role and will be comprised of either 100% overall company performance with a personal performance modifier (see note below) or be based on 40% overall company performance and 60% business area or region performance with a personal performance modifier (see note below).

*Definition of the personal performance modifier: Individual Management Business Objectives (MBOs) are set before the end of Q1 of the plan year. These are established between the WW80 employee and the CEO and/or COO. Performance is reviewed annually - if MBO's are exceeded, pay out can be up to 150% of formula bonus; if MBO's are met, pay out can be up to 100% of formula bonus; if MBO's are not met, pay out can be reduced to 0% of formula. Maximum bonus may not exceed 300% of the target.

4.0 Development of Formula Incentive Award

At the end of the fiscal year, the overall Company and each business area or region's actual performance for each financial component of the formula portion of the bonus awards will be calculated (based on the Company's and each business area or region's performance as of year-end) and approved by the Chief Financial Officer, ("CFO"). Each metric of the business area or region (net revenue and operating margin) must individually achieve a minimum performance of 80% against target to qualify for business area or region component payout. If one metric achieves 80% or higher, and the other metric does not, the business area or region component payout will be 0%. An acceleration/deceleration scale will then be applied to each individual metric as follows to develop the payout for each metric:

<u>%</u>	<u>Performance</u>	<u>Scale %</u>	<u>Payout</u>
< 80%		0%	Minimum Performance 80% For ever
80%		60%	1% below target, 2% decrease in award
100%		100%	Target performance = 100% payout
105%		115%	For every 1% above 100%, 2% increase in award
111%		134%	For every 1% above 110%, 4% increase in award
127%		200%	Maximum Payout

In contrast, for the Company component, the 80% threshold is applied to each metric before the acceleration/deceleration scale is applied. Each metric must then achieve a threshold performance of 80% or no award is payable under the metric that did not achieve the threshold performance.

The payout attributable to each metric will then be weighted and added to arrive at the overall formula payout.

Illustrative examples of the development of a formula payout for a business area or region component are as follows:

If business area or region revenue is achieved at 90% of target (which results in an 80% payout based on the acceleration/deceleration

scale) and operating margin is at 65% (which is below 80% threshold), the business unit will not pay out.

or

If business area or region revenue is achieved at 90% target (which results in an 80% payout), and operating margin is achieved at 85% target (which results in a 70% payout) the aggregate weighted payout is:

$$(80\% \times 50\%) + (70\% \times 50\%) = 75\% \text{ business unit payout}$$

Once all of the business areas or regions have calculated the formula incentive awards, the award pools by business areas or regions are developed. These business area/region award pools, combined with the formula incentive award at the corporate level, will equal the aggregate of the formula incentive awards for all eligible employees in the Company, including the budgeted individual performance component for all eligible employees.

4.1 Formula Award

The formula incentive award is a calculation of an award based on the actual performance achieved by the overall Company, and each of its applicable business area or region, as well as the budgeted individual performance percentage to be applied across the Company as a whole.

Business area or region incentive pool dollars are derived from the aggregate of the formula awards within the business area or region.

4.2 Formula Pool

The Company calculates, based on the Company's performance through the end of the year, the performance at the corporate level, and for each business area or region at the business area or region level, against the applicable performance targets. The Company also calculates, based on the Company's and its business area or region's performance, the targeted total pool to be used for the year for rewarding individual performances across the Company as a whole. Those pools as established (composed of the pools for the Company's performance, the performance of each of the Company's business area or region, and for the total individual performances across the Company) are aggregated. Collectively these amounts constitute one aggregate formula pool (referred to hereafter as the "Formula Pool"), based on performance as of the end of the year, which the Company will pay out to all participants in the PRP collectively for performance during the year.

Although the Chief Executive Officer of the Company and the Compensation Committee reserve the right to alter the Formula Pool after year end, but prior to the actual payment of awards to participants in the PRP, it is expected that such discretion will only be exercised in rare or extreme circumstances, and that generally the entire Formula Pool, as it has been computed, will be paid (absent any affirmative exercise of this discretion) out to the participants in the PRP collectively following the closing of the year in question.

4.3 Additional Individual Performance Awards in Excess of the Formula Award

Following the end of the year, but prior to the payment of all awards under the PRP with respect to the completed fiscal year, management of the Company may determine to add additional funding to the plan to cover individual performance awards for some employees or officers in excess of the amounts used to compute the Formula Pool. To the extent such determinations are made they are subject to the approval of the appropriate management of the Company. Collectively any amounts set aside to reward individual performances and personal performance multipliers across the Company beyond the aggregate amount reflected in the Formula Pool will hereafter be referred to as the "Additional Individual Performance Pool". The aggregate amount of the Additional Individual Performance Pool is subject to the approval of both the Chief Executive Officer and the Compensation Committee.

4.4 Total Awards under the PRP

The aggregate of all payouts under the PRP shall consist of the sum of the Formula Pool and the Additional Individual Performance Pool. In addition to the procedures set forth above, any performance awards recommended under the PRP which exceed one times a participant's base salary must be reviewed and approved by the Company's Chief Executive Officer.

4.5 Management Review

Payment of any award to an employee is subject to management's review.

- For purposes of the PRP, management has the ability to review the proposed payout of any award under the PRP to an eligible plan participant and to determine whether such proposed payout should be adjusted. In completing this review, management has the option of providing a zero value payout to the employee regardless of Company, business area, regional or individual performance. For participants that do not receive an award or that receive a reduced award, the portion of such person's potential award that might have been reflected in the Formula Pool will remain in the Formula Pool and be allocated to other plan participants in the manner determined by management.

5.0 Removals, Transfers, Terminations, Promotions and Hiring Eligibility

Except to the extent applicable legal requirements mandate a different result for a Plan participant, the following scenarios will be dealt with under the Plan in the manner set forth below.

5.1 Participants whose employment with the Company is terminated because of retirement or disability:

- After the close of the plan year, but prior to the actual distribution of awards for such year, may be awarded an incentive award for the plan year at the discretion of the Chief Human Resource Officer. For any such participant who is not given an incentive award, the portion of such person's potential award that might have been reflected in the Formula Pool will remain in the Formula Pool and be allocated to other plan participants in the manner determined by management.

- After the beginning, but prior to the close of the plan year, no award shall be granted unless authorized at the discretion of the Chief Human Resource Officer.

5.2 Participants whose employment with the Company is terminated because of death:

- After the close of the plan year, but prior to the actual distribution of awards for such year, shall be awarded an incentive award for the plan year. Such payment will be made to the deceased employee's estate or designated beneficiary.

- After the beginning, but prior to the close of the plan year, no award shall be granted unless authorized at the discretion of the Chief Human Resource Officer. Any such payments will be made to the deceased employee's estate or designated beneficiary.

5.3 Participants who resign for any reason after the close of the plan year but prior to the distribution of awards for such year will not receive an incentive award. For any such participant, the portion of such person's potential award that might have been reflected in the Formula Pool will remain in the Formula Pool and be allocated to other plan participants in the manner determined by management if the planning budgets have already been established.

5.4 Participants who are discharged from the employ of the Company or any of its subsidiaries for cause or for any offense involving moral turpitude or an offense involving breach of the fiduciary duty owed by the individual to the Company will not be entitled to an award for any plan year. For any such participant, the portion of such person's potential award that might have been reflected in the Formula Pool will remain in the Formula Pool and be allocated to other plan participants in the manner determined by management.

5.5 Participants who are discharged from the employ of the Company or any of its subsidiaries due to any reason other than the ones enumerated above, including, without limitation, participants who are discharged due to job elimination:

- After the close of the plan year, but prior to the actual distribution of awards for such year, may be awarded an incentive award for the plan year. No award shall be granted unless authorized at the discretion of the Chief Human Resource Officer. For any such participant who is not given an incentive award, the portion of such person's potential award that might have been reflected in the Formula Pool will remain in the Formula Pool and be allocated to other plan participants in the manner determined by management.

- After the beginning, but prior to the close of the plan year, the participant is no longer eligible for that year. However, a discretionary award may be granted by the Chief Human Resource Officer.

5.6 Participants under statutory or contractual notices as may be required by applicable law:

- On December 31st of the plan year, may be awarded an incentive award for the plan year. Except as may be required by applicable laws, no award shall be granted unless authorized at the discretion of the Chief Human Resource Officer. For any such participant who is not given an incentive award, the portion of such person's potential award that might have been reflected in the Formula Pool will remain in the Formula Pool and be allocated to other plan participants in the manner determined by management.

- Which ends prior to the close of the plan year shall not be eligible for an incentive award for that plan year. However, a discretionary award may be granted by the Chief Human Resource Officer.

5.7 Participants transferred during the plan year from one division of the Company to another will be eligible to receive an award (subject to achievement of the requisite organizational and individual performance) through the division in which he or she is employed at the end of the plan year, but the award amount may be based on the performance made in each division in which the individual was employed during the year.

5.8 Employees hired during the plan year must be actively employed on or before October 1st of the plan year to participate in the bonus for that plan year. Awards will be made based upon the employee's earned salary during the period of their employment with the Company during the plan year.

5.9 The eligibility for an award and plan status of employees who remain employed with the Company during the plan year but whose change in employment status through promotion or reclassification affects their level of participation:

- Prior to October 1st of the plan year, will participate at the level consistent with the promotion or reclassification.

- After October 1st but prior to the close of the plan year, will participate at the level consistent with their classification prior to the promotion or reclassification.

5.10 The eligibility for an award and plan status of employees who remain employed with the Company during the plan year but whose change in employment status through demotion affects their level of participation will be determined by the Chief Human Resource Officer.

6.0 Administration of the Plan

6.1 Amendments to the Plan (Contingency Clause)

The Chief Executive Officer and the Compensation Committee of the Board of Directors reserve the right to interpret, amend, modify, or terminate the Plan in accordance with changing conditions at any time in their sole discretion.

6.2 Incentive Award Distribution

Incentive awards, when payable, shall be paid as near to the close of the company's fiscal year as may be feasible. In furtherance of the preceding sentence, any incentive awards under the Plan will be paid no later than the date allowable to insure tax deductibility in the year of accrual, which in the case of the United States is March 15, 2015. Participants in the Plan must be employed at the time of award distribution in order to receive bonus payments, except as provided in Section 5.0.

No individual has the rights to receive an award until it has been approved and distributed in accordance with the provisions of this plan.

6.3 Non-Assignment of Awards

Participants eligible to receive incentive awards shall not have any right to pledge, assign, or otherwise dispose of any unpaid or projected awards.

6.4 Deferral of Awards

Participants eligible to defer incentive awards through the Deferred Compensation Program (DCP) may elect to do so during the annual DCP enrollment.

6.5 Clawback of Awards

By accepting any incentive compensation under the Plan the participant hereby acknowledges and agrees that (i) any incentive compensation the participant is awarded is subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) any incentive compensation the participant is awarded will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving any incentive compensation under the Plan, which would not have been awarded to the participant otherwise.

6.6 Stock Ownership

Additionally, the participant acknowledges and agrees that if the participant is now, or becomes subject in the future to, the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014 as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then the receipt of any incentive compensation under the Plan is contingent upon the participant's compliance with the terms of the Stock Ownership Policy, including without limitation, the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant's applicable requirement levels are met. Failure to comply with the Stock Ownership Policy may, in the Company's sole discretion, result in the reduction or total elimination of any incentive compensation that otherwise might be payable under the Plan, and/or result in the Company determining to substitute other forms of compensation, such as equity, for any award the participant otherwise might have received under the Plan.

HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN
STOCK OPTION AGREEMENT FOR EMPLOYEES
(WITH NON-COMPETE)
[] , 2015 GRANT

AGREEMENT, made effective as of [], 2015, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated option grant recipient (the "Optionee").

WHEREAS, Optionee is an employee of the Company or of a direct or indirect subsidiary of the Company and is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, contingent upon and in consideration for the Optionee having executed and delivered to the Company's designated contact no later than [], 2015 a Non-Competition, Non-Solicitation and Confidentiality Agreement between the Optionee and the Company in the form provided to the Optionee by the Company, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") acting in accordance with the provisions of the Plan is granting to Optionee a non-qualified stock option to purchase the specified number of shares of Common Stock of the Company, par value \$.50 per share (the "Common Stock"), at a price determined by said Committee to be not less than the fair market value of such Common Stock on the date of said grant, subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto agree as follows:

W I T N E S S E T H:

1. Contingent upon and in consideration for the Optionee having executed and delivered to the Company's designated contact no later than [], 2015 a Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Non-Compete Agreement") between the Optionee and the Company in the form provided to the Optionee by the Company, the Company hereby grants to the Optionee effective on [], 2015, pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of which are incorporated herein as if set forth in full, a stock option to purchase all or any part of the number of shares of Common Stock (the "Shares"), described in Paragraph 3 below (the "Option"), subject to and upon the terms and conditions set forth in the Plan and the Non-Compete Agreement and the additional terms and conditions hereinafter set forth. The Option is evidenced by this Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan. For the avoidance of doubt, if the Optionee has not executed and delivered to the Company's designated contact the Non-Compete Agreement on or before [], 2015 the Option represented by this Agreement will never take effect and will be null and void.

2. By accepting this award the Optionee hereby acknowledges and agrees that (i) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgment and agreement was a material condition to receiving this Option, which would not have been granted to the Optionee otherwise. Additionally, the Optionee acknowledges and agrees that if the Optionee is or becomes subject to the Hasbro, Inc. Executive Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this award and any shares that the Optionee may acquire in the future pursuant to this award, as well as any other equity-based incentive compensation the Optionee is granted after the Optionee becomes subject to the Stock Ownership Policy, the Optionee agrees that the Optionee will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Optionee's applicable requirement levels are met.

3. This Agreement relates to an Option to purchase the specified number of shares which have been communicated to the Optionee at an exercise price of \$[] per share (the "Exercise Price Per Share"). (Hereinafter, the term "Exercise Price" shall mean the Exercise Price Per Share multiplied by the number of shares being exercised.) Subject to the provisions of the Plan and of this Agreement, the Optionee shall be entitled to exercise the Option on a cumulative basis until the day preceding the seventh anniversary of the date of the grant in accordance with the following schedule:

	<u>Period</u>	<u>Percent of Option Exercisable</u>
☐ []	[]	
☐ []	[]	
☐ []	[]	
☐ []	[]	

In determining the number of shares exercisable in accordance with the above table, fractional shares shall be disregarded.

4. In the event that Optionee wishes to purchase any of the shares then purchasable under the Option as provided in Paragraph 3 hereof, Optionee shall deliver or shall transmit to the Company or to the Company's designee, in the manner designated by or on behalf of the Company, a notice in the form and/or in the manner designated by or on behalf of the Company or its designee, as the same may be amended or supplemented from time to time by or on behalf of the Company, together with a check payable to Hasbro, Inc. or its designee, if applicable, (or accompanied by wire transfer to such account of the Company or its designee as the Company may designate) in United States dollars, in the aggregate amount of the Exercise Price, or shares of Common Stock held by the Optionee for at least six (6) months (duly endorsed to the Company or its designee, if applicable, or accompanied by an executed stock power, in each case with signatures guaranteed by a bank or broker if required by the Company or its designee) having a Fair Market Value (as defined in the Plan) equal to the Exercise Price, or a combination of such shares having a Fair Market Value less than the Exercise Price and a check in United States dollars for the balance of the Exercise Price.

Unless an Optionee shall have made advance alternative arrangements satisfactory to the Company, or to the Company's designee, each Optionee shall deliver to the Company or its designee, together with the required notice of exercise and payment of the Exercise Price as aforesaid, a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee, if applicable, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of such exercise. Each Optionee shall consult with the Company or the Company's designee in advance of the exercise so as to determine the amount of withholding taxes due. An Optionee may also elect to satisfy any withholding taxes payable as a result of such exercise (the "Taxes"), in whole or in part, either (i) by having the Company or its designee withhold from the shares of Common Stock to be issued upon exercise of the Option or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Optionee and held by the Optionee for at least six (6) months (represented by stock certificates duly endorsed to the Company or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date of exercise is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of exercise.

In addition, the Optionee shall comply with such other requirements and provide such additional information and documentation as is reasonably required by the Company, or the Company's designee, to process any exercise of this option and resulting delivery of shares. As soon as practicable after receipt of the notice of exercise, Exercise Price, Taxes, and such other information and documentation as the Company or its designee shall require, the Company or its designee shall deliver or cause to be delivered to Optionee the shares in respect of which the Option was so exercised (less any shares deducted to pay Taxes in accordance with Optionee's election).

5. (a) If an Optionee who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at his or her Normal Retirement Date (as defined below), or an Optionee with at least one year of Credited Service of the Company suffers a permanent physical or mental disability (as defined below) or dies, in each case without the Optionee having fully exercised any Option granted to the Optionee, then the Optionee, the executor, administrator or trustee of the Optionee's estate, or the Optionee's legal representative, as the case may be, shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after such retirement, such disability, or in the case of death, the appointment and qualification of such executor, administrator or trustee (except that in no event other than death may such Option be exercised later than the day preceding

the seventh anniversary of the date of the grant of such Option). In each such case, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such retirement, disability or death. Thereafter, such Option, to the extent not so exercised during such one-year period shall be deemed to have expired regardless of the expiration date otherwise specified in Section 2 hereof.

(b) If an Optionee who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at an Early Retirement Date (as defined below), without the Optionee having fully exercised any Option granted to him or her, the Optionee shall have the right to exercise the unexercised portion of any Option theretofore granted, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement, for a period of not more than three (3) months after the date of early retirement (but in no event shall the exercise period extend beyond the day preceding the seventh anniversary of the date of grant of the Option). Thereafter, the Option, to the extent not exercised during such three-month period shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

(c) If an Optionee ceases to be employed by the Company or by a direct or indirect subsidiary of the Company for any reason other than the reasons set forth in subsections (a), (b) and (d) of this Section 5, he or she shall have the right to exercise the unexercised portion of any Option theretofore granted to Optionee, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of termination, for a period of not more than three (3) months after any such termination, but not, in any event, later than the day preceding the seventh anniversary date of the grant of such Option. Thereafter, such Option, to the extent not so exercised during such three-month period, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

For purposes of subsections (a) and (b) above:

*A year of "Credited Service" shall mean a calendar year in which the Optionee is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a subsidiary of the Company. A Optionee does not need to be, or have been, a participant in the Hasbro Pension Plan.

*"Early Retirement Date" shall mean: the day on which an Optionee who has attained age fifty-five (55), but has not reached age sixty-five (65), with ten (10) or more years of Credited Service, retires. An Optionee is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service, and "early retirement" shall mean retirement by an eligible Optionee at the Early Retirement Date.

*"Normal Retirement Date" shall mean: the day on which an Optionee who has attained age sixty-five (65) with five (5) or more years of Credited Service, retires. An Optionee is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Optionee's attainment of age sixty-five (65) and completion of five (5) or more years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Optionee at the Normal Retirement Date.

*"permanent physical or mental disability" shall mean: an Optionee's inability to perform his or her job or any position which the Optionee can reasonably perform with his or her background and training by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration.

(d) Notwithstanding the foregoing, the Optionee acknowledges and agrees that this Option, and any and all rights the Optionee may have hereunder, including any rights with respect to any portion of this Option which may have vested in accordance with the Schedule set forth in Section 3 above, shall terminate immediately upon a termination of the Optionee's employment with the Company for cause or for any such other reason that casts such discredit on the Optionee as to make termination of the Option appropriate. Whether an Optionee has been terminated for cause or for such other reason that casts such discredit on the Optionee as to make termination of the Option appropriate will be determined by the Administrator in its sole discretion, and in making this determination the Administrator will not be limited by any definition of "Cause" which appears in the Plan. The Optionee's agreement to the terms in this Section 5(d) are a material condition to the grant of this Option and this Option would not be granted to the Optionee if the Optionee did not agree to such terms.

6. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Option.

7. This Option shall not be transferable by the Optionee, in whole or in part, except in accordance with Section 7 of the Plan, and shall be exercisable only as hereinbefore provided. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Option or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Option or any interest therein, shall be null and void and without effect.

8. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Optionee, Optionee's successors and permitted assigns, and the Company and its successors and assigns.

9. In connection with a Change in Control the Option will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company's shareholders through the date of such Change in Control.

10. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

IN WITNESS WHEREOF, the Company and the Optionee have entered into this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Optionee hereby agrees to the terms of this Agreement with the same effect as if the Optionee had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner
Brian Goldner
President and Chief Executive Officer

By: _____
Optionee

HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN
STOCK OPTION AGREEMENT FOR EMPLOYEES
(WITHOUT NON-COMPETE)
[] , 2015 GRANT

AGREEMENT, made effective as of [], 2015, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated option grant recipient (the "Optionee").

WHEREAS, Optionee is an employee of the Company or of a direct or indirect subsidiary of the Company and is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") acting in accordance with the provisions of the Plan is granting to Optionee a non-qualified stock option to purchase the specified number of shares of Common Stock of the Company, par value \$.50 per share (the "Common Stock"), at a price determined by said Committee to be not less than the fair market value of such Common Stock on the date of said grant, subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto agree as follows:

WITNESSETH:

1. The Company hereby grants to the Optionee effective on [], 2015, pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of which are incorporated herein as if set forth in full, a stock option to purchase all or any part of the number of shares of Common Stock (the "Shares"), described in Paragraph 3 below (the "Option"), subject to and upon the terms and conditions set forth in the Plan and the additional terms and conditions hereinafter set forth. The Option is evidenced by this Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern, provided that to the extent the provisions of the Plan or this Agreement are inconsistent with the terms of the Employment Agreement (as defined below), the provisions of the Employment Agreement shall govern. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

2. By accepting this award the Optionee hereby acknowledges and agrees that (i) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Option, which would not have been granted to the Optionee otherwise. Additionally, the Optionee acknowledges and agrees that if the Optionee is or becomes subject to the Hasbro, Inc. Executive Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this award and any shares that the Optionee may acquire in the future pursuant to this award, as well as any other equity-based incentive compensation the Optionee is granted after the Optionee becomes subject to the Stock Ownership Policy, the Optionee agrees that the Optionee will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Optionee's applicable requirement levels are met.

3. This Agreement relates to an Option to purchase the specified number of shares which have been communicated to the Optionee at an exercise price of \$[] per share (the "Exercise Price Per Share"). (Hereinafter, the term "Exercise Price" shall mean the Exercise Price Per Share multiplied by the number of shares being exercised.) Subject to the provisions of the Plan and of this Agreement, the Optionee shall be entitled to exercise the Option on a cumulative basis until the day preceding the seventh anniversary of the date of the grant in accordance with the following schedule:

<u>Period</u>	<u>Cumulative Percent of Option Exercisable</u>
[] to []	0%
[] to []	33 1/3%
[] to []	66 2/3%
[] to []	100%

In determining the number of shares exercisable in accordance with the above table, fractional shares shall be disregarded.

4. In the event that Optionee wishes to purchase any of the shares then purchasable under the Option as provided in Paragraph 3 hereof, Optionee shall deliver or shall transmit to the Company or to the Company's designee, in the manner designated by or on behalf of the Company, a notice in the form and/or in the manner designated by or on behalf of the Company or its designee, as the same may be amended or supplemented from time to time by or on behalf the Company, together with a check payable to Hasbro, Inc. or its designee, if applicable, (or accompanied by wire transfer to such account of the Company or its designee as the Company may designate) in United States dollars, in the aggregate amount of the Exercise Price, or shares of Common Stock held by the Optionee for at least six (6) months (duly endorsed to the Company or its designee, if applicable, or accompanied by an executed stock power, in each case with signatures guaranteed by a bank or broker if required by the Company or its designee) having a Fair Market Value (as defined in the Plan) equal to the Exercise Price, or a combination of such shares having a Fair Market Value less than the Exercise Price and a check in United States dollars for the balance of the Exercise Price.

Unless an Optionee shall have made advance alternative arrangements satisfactory to the Company, or to the Company's designee, each Optionee shall deliver to the Company or its designee, together with the required notice of exercise and payment of the Exercise Price as aforesaid, a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee, if applicable, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of such exercise. Each Optionee shall consult with the Company or the Company's designee in advance of the exercise so as to determine the amount of withholding taxes due. An Optionee may also elect to satisfy any withholding taxes payable as a result of such exercise (the "Taxes"), in whole or in part, either (i) by having the Company or its designee withhold from the shares of Common Stock to be issued upon exercise of the Option or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Optionee and held by the Optionee for at least six (6) months (represented by stock certificates duly endorsed to the Company or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date of exercise is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of exercise.

In addition, the Optionee shall comply with such other requirements and provide such additional information and documentation as is reasonably required by the Company, or the Company's designee, to process any exercise of this option and resulting delivery of shares. As soon as practicable after receipt of the notice of exercise, Exercise Price, Taxes, and such other information and documentation as the Company or its designee shall require, the Company or its designee shall deliver or cause to be delivered to Optionee the shares in respect of which the Option was so exercised (less any shares deducted to pay Taxes in accordance with Optionee's election).

5. (a) If the Optionee retires at his Normal Retirement Date (as defined below), or the Optionee suffers a Disability (as defined below) or dies, in each case without the Optionee having fully exercised the Option granted to the Optionee, then the Optionee, the executor, administrator or trustee of the Optionee's estate, or the Optionee's legal representative, as the case may be, shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after such retirement, such Disability, or in the case of death, the appointment and qualification of such executor, administrator or trustee, unless the Committee shall extend (it being understood that any determination as to whether or not to extend the exercise period for an Option will be made by the Committee in its sole discretion) the time for exercise of the Option (except that in no event other than death may such Option be exercised, nor shall any such extension by the Committee allow for exercise, later than the day preceding the seventh anniversary of the date of the grant of such Option). In each such case, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such retirement, Disability or death. Thereafter, such Option, to the extent not so exercised during such one-year period, or any extended exercise period provided for by the Committee, shall be deemed to have expired regardless of the expiration date otherwise specified in Section 2 hereof.

(b) If the Optionee's employment with the Company is either (i) terminated by the Optionee for Good Reason (as defined below), or (ii) terminated by the Company without Cause (as defined below), without the Optionee having fully exercised the Option granted to the Optionee, then, upon the Release becoming effective, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such termination of employment, and the Optionee shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after the date of such termination of employment (except that in no event may such Option be exercised later than the day preceding the seventh anniversary of the date of the grant of such Option). Thereafter, such Option, to the extent not so exercised during such one-year period, shall be deemed to have expired regardless of the expiration date otherwise specified in Section 3 hereof. For the avoidance of doubt, if the Optionee's employment with the Company is either (i) terminated by the Optionee for Good Reason, or (ii) terminated by the Company without Cause, without the Optionee having fully exercised the Option granted to the Optionee, and the Release does not become effective, then the Option will be treated in accordance with the provisions of Section 4(d) below.

(c) If the Optionee retires at an Early Retirement Date (as defined below), without the Optionee having fully exercised any Option granted to him, the Optionee shall have the right to exercise the unexercised portion of any Option theretofore granted, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement, for a period of not more than three (3) months after the date of early retirement, unless the Committee shall extend (it being understood that any determination as to whether or not to extend the exercise period for an Option will be made by the Committee in its sole discretion) the time for exercise of the Option (but in no event shall the exercise period extend beyond the day preceding the seventh anniversary of the date of grant of the Option) or shall approve an increase in the number of shares exercisable upon or following early retirement (it being further understood that any determination whether or not to increase the number of shares exercisable upon or following retirement will also be made by the Committee in its sole discretion), notwithstanding the schedule set forth in Section 3 hereof, or any combination of the foregoing. Thereafter, the Option, to the extent not exercised during such three-month period, or such longer period as may have been approved by the Committee, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

(d) If the Optionee ceases to be employed by the Company or by a direct or indirect subsidiary of the Company for any reason other than the reasons set forth in subsections (a), (b) and (c) of this Section 4, he shall have the right to exercise the unexercised portion of any Option theretofore granted to Optionee, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of termination, for a period of not more than three (3) months after any such termination, but not, in any event, later than the day preceding the seventh anniversary date of the grant of such Option. Thereafter, such Option, to the extent not so exercised during such three-month period, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

For purposes of subsections (a), (b) and (c) above:

* "Cause" shall have the meaning set forth in the Employment Agreement.

* "Credited Service" shall mean a calendar year in which the Optionee is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a subsidiary of the Company. A Optionee does not need to be, or have been, a participant in the Hasbro Pension Plan.

* "Disability" shall have the meaning set forth in the Employment Agreement.

* "Early Retirement Date" shall mean: the day on which the Optionee retires after attaining age fifty-five (55), but not age sixty-five (65), with ten (10) or more years of Credited Service. The Optionee is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service, and "early

retirement" shall mean retirement by an eligible Optionee at the Early Retirement Date.

* "Employment Agreement" shall mean the Amended and Restated Employment Agreement between the Optionee and the Company, dated October 4, 2012, as such agreement may be amended from time to time.

* "Good Reason" shall have the meaning set forth in the Employment Agreement.

* "Normal Retirement Date" shall mean: the day on which the Optionee retires after retaining age sixty-five (65) with five (5) or more years of Credited Service. The Optionee is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Optionee's attainment of age sixty-five (65) and completion of five (5) or more years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Optionee at the Normal Retirement Date.

* "Release" shall have the meaning set forth in the Employment Agreement.

6. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Option.

7. This Option shall not be transferable by the Optionee, in whole or in part, except in accordance with Section 7 of the Plan, and shall be exercisable only as hereinbefore provided. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Option or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Option or any interest therein, shall be null and void and without effect.

8. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Optionee, Optionee's successors and permitted assigns, and the Company and its successors and assigns.

9. In connection with a Change in Control the Option will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company's shareholders through the date of such Change in Control.

10. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

IN WITNESS WHEREOF, the Company and the Optionee have entered into this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Optionee hereby agrees to the terms of this Agreement with the same effect as if the Optionee had signed this Agreement.

HASBRO, INC.

By: _____

By: _____
Optionee

HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN
CONTINGENT STOCK PERFORMANCE AWARD
(THREE PERFORMANCE METRICS WITH NON-COMPETE)
[], 2015 GRANT

AGREEMENT, made effective as of [], 2015, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated contingent stock performance award recipient (the "Participant").

WHEREAS, the Participant is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, contingent upon and in consideration for the Participant having executed and delivered to the Company's designated contact no later than [], 2015 a Non-Competition, Non-Solicitation and Confidentiality Agreement between the Participant and the Company in the form provided to the Participant by the Company, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), acting in accordance with the provisions of the Plan, is granting to Participant a contingent stock performance award dated [], 2015 designed to reward the Participant for the Participant's efforts in contributing to the Company's achievement of certain stated financial goals, and

WHEREAS, the stock performance award provides the Participant with the ability to earn shares of the Company's common stock, par value \$.50 per share (the "Common Stock"), contingent on the Company's performance in achieving pre-established cumulative diluted earnings per share ("EPS"), cumulative net revenue ("Revenues") and average return on invested capital ("ROIC") performance targets over the period beginning on December 29, 2014 and ending on December 31, 2017 (the "Performance Period"), subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth. For purposes of this Agreement average ROIC shall be computed as Net Income divided by the sum of Short-Term Debt plus Long Term Debt plus Shareholder's Equity, averaged over the three fiscal years in the Performance Period.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the parties hereto agree as follows:

WITNESSETH:

1. Contingent upon and in consideration for the Participant having executed and delivered to the Company's designated contact no later than [], 2015 a Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Non-Compete Agreement") between the Participant and the Company in the form provided to the Participant by the Company, the Company hereby grants to the Participant effective on [], 2015, and pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of which are incorporated herein as if set forth in full, a contingent stock performance award (the "Award") subject to and upon the terms and conditions set forth in the Plan and in the Non-Compete Agreement and the additional terms and conditions hereinafter set forth. The Award is evidenced by this Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan. For the avoidance of doubt, if the Participant has not executed and delivered to the Company's designated contact the Non-Compete Agreement on or before [], 2015, the Award represented by this Agreement will never take effect and will be null and void.

2. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been granted to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant's applicable requirement levels are met.

3. This Agreement relates to an Award providing the Participant with the potential ability to earn shares of the Company's common stock, par value \$.50 per share (the "Common Stock"), contingent on the Company's performance in achieving its pre-established cumulative EPS and Revenues and average ROIC targets over the Performance Period. The EPS, Revenues and ROIC targets for the Performance Period are set forth below:

EPS]	\$[
Revenues]	\$[
Average]	[
ROIC]	%

The threshold and maximum levels for cumulative EPS and Revenues and average ROIC contributing to shares being earned under this Award are set forth on Exhibit A to this Agreement. Except as is otherwise set forth in this Agreement, the Participant shall not have any ability to receive any shares of Common Stock pursuant to this Award until the Performance Period is completed. Following the end of the Performance Period, the Committee will determine the Company's cumulative EPS and Revenues and average ROIC over the Performance Period. The Committee will certify the Company's cumulative EPS, Revenues and ROIC over the Performance Period as promptly as is reasonably possible following the completion of the Performance Period, but in no event later than 75 days following the completion of the Performance Period.

4. For purposes of this Award, the Company's cumulative EPS and Revenues and average ROIC over the Performance Period will be computed on a consolidated basis in the same manner used by the Company in computing its consolidated financial performance under generally accepted accounting principles ("GAAP"), except for the following deviations from GAAP: (i) they will be computed excluding the impact of any changes in accounting rules that are effective after the date of this Agreement and which impact the Company's reported net earnings or Revenues results by

\$10,000,000 or more, individually or in the aggregate, in any fiscal year during the Performance Period, (ii) they will exclude the impact of any acquisitions (whether paid for in cash, shares of the Company's stock, other property, or any combination thereof) or dispositions consummated by the Company during the Performance Period which have, individually or in the aggregate, either a total acquisition price, or total sale price, respectively, of \$100 million or more, as such acquisition price or sales price is determined in good faith by the Committee, (iii) they will be calculated excluding the impact of any major discrete restructuring activities undertaken by the Company after the date of this Agreement which result in costs or charges to the Company of \$10,000,000 or more, individually, in any fiscal year during the Performance Period, (iv) they will be calculated excluding the impact of any payments made or entered into in connection with new license amendments or license extensions, or other contractual arrangements or contract amendments entered into after the date the goals are set, which were not contemplated in the Company's budget and operating plan used for purposes of determining the performance goals, (v) they will be calculated excluding the impact of any judgments, fines, penalties or expenses associated with litigations, arbitrations, or regulatory matters, or settlements of ongoing or potential disputes or regulatory matters, which individually exceed \$50,000,000 in any given year and and (vi) they will be calculated based on actual results translated at exchange rates established at the beginning of the Performance Period.

5. The target number of shares of Common Stock which may be issuable under this Award in the event of 100% achievement of the pre-established cumulative EPS and Revenue and average ROIC measures over the Performance Period is the specified number of shares communicated to the Participant (the "Target Shares"). The tables appearing on Exhibit A to this Agreement set forth the contingent number of shares of Common Stock which the Participant may actually earn under this Award, as a percentage of the Target Shares, based upon certain performances by the Company in achieving the EPS, Revenues and average ROIC targets.

To compute the actual number of shares of Common Stock, if any, which may be earned by the Participant the respective cumulative EPS and Revenues and average ROIC performances of the Company, as certified by the Committee following completion of the Performance Period, are applied to the tables on Exhibit A. The appropriate boxes in the tables corresponding with the highest threshold achieved by the Company's actual cumulative EPS and Revenues and average ROIC performance, as so certified by the Committee, sets forth the number of shares of Common Stock, if any, as a percentage of the Target Shares, which are earned by the Participant over the Performance Period due to the Company's performance in achieving those metrics. The Company's achievement against its EPS metric is weighted at 34% in determining the final shares earned by the Participant. The Company's achievement against its Revenues metric is weighted at 33%, and the Company's achievement against its average ROIC metric is also weighted at 33%.

By way of illustration, if the Company's cumulative Revenues over the Performance Period are at least \$[] (but below \$[]), the percentage of the Revenues target achieved is []% and the percentage of the target number of contingent shares earned due to that performance is []%. If the Company's cumulative EPS over the Performance Period is at least \$[] (but less than \$[]), the percentage of the EPS target achieved is []%, and the percentage of the target number of contingent shares earned due to that EPS performance is []%. If the Company's average ROIC over the Performance Period is at least []% (but less than []%), the percentage of the ROIC target achieved is []%, and the percentage of the target number of contingent shares earned due to that ROIC performance is []%. In that case, the Participant would earn $.33*[]% + .34*[]% + .33*[]%$, or []% of the Target Shares of Common Stock subject to the Award. If the number of Target Shares of Common Stock subject to the Award was [] shares, the Participant would earn [] shares of Common Stock. If the number of shares earned is not a whole number, the Participant will earn the next highest whole number of shares.

6. Once the Company has determined the number of shares of Common Stock, if any, which have been earned by the Participant based on the cumulative EPS and Revenues and average ROIC performance of the Company, the Company or its designee will as promptly as possible thereafter, but in all events not later than the 15th day of the third month following the end of the calendar year in which the Performance Period ends, issue any such shares of Common Stock which have been deemed earned to the Participant.

7. The Participant shall consult with the Company or its designee in advance of the issuance of any shares pursuant to this Award so as to designate the manner in which the Participant wishes to pay any withholding taxes due, and any such Participant's designation must be made to the Company, in the manner specified by the Company, and on or before the date selected by the Company and communicated to the Participant. Each Participant who elects to pay withholding taxes in cash shall deliver to the Company or its designee, a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of the Participant earning any shares under this Award or being issued any shares pursuant to the provisions below based on certain other events. Alternatively, a Participant may elect to satisfy the minimum withholding taxes required by law payable as a result of the issuance of any shares pursuant to this Award (the "Taxes"), in whole or in part, either (i) by having the Company withhold from the shares of Common Stock to be issued pursuant to this Award or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Participant and held by the Participant for at least six (6) months (represented by stock certificates duly endorsed to the Company or its designee or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date the Participant has become entitled to such shares pursuant to this Award is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of issuance. If the Participant fails to make a timely election to pay the withholding taxes in some other manner pursuant to the preceding provisions, or otherwise does not timely remit payment of the required withholding taxes, then the Participant's tax withholding requirements will be satisfied through the withholding of shares of Common Stock and to the extent a fractional share needs to be withheld, the Company or its designee will withhold the next highest number of full shares and will remit the value of the fraction of a share which exceeds the required withholding to the Participant. As soon as practicable after receipt of the withholding taxes and any other materials or information reasonably required by the Company or its designee, the Company or its designee shall deliver or cause to be delivered to the Participant, using the method of delivery determined by the Company or its designee, the shares payable pursuant to the Award (less any shares deducted to pay Taxes).

8. Until such time, if any, that actual shares of Common Stock become due and are issued to the Participant in accordance with the terms of this Agreement, the Participant will not have any dividend or voting rights with respect to any shares which may be issuable in the future pursuant to this Award. The Participant's rights under this Award shall be no greater than those of an unsecured general creditor of the Company, and nothing herein shall be construed as requiring the Company or any other person to establish a trust or to set aside assets to meet the Company's obligations hereunder.

9. (a) If a Participant who is an employee of the Company or of a direct or indirect subsidiary of the Company dies before the Performance Period is completed, then the Company will issue the number of shares of Common Stock to the executor, administrator or trustee of the Participant's estate, or the Participant's legal representative, as the case may be, that is computed by multiplying: (i) the number of shares of Common Stock which would have been issuable to the Participant pursuant to the Award assuming completion of the Performance Period and the Company's achievement over the Performance Period of cumulative EPS and Revenues and average ROIC equal to target in each case by (ii) a fraction, the numerator of which is the number of days from the start of the Performance Period to the date that the Participant died and the denominator of which is the total number of days in the Performance Period. This pro-rated target award will be payable as soon following the Participant's death as is reasonably practicable. If a Participant dies after the end of the

Performance Period, but prior to the delivery of any shares of Common Stock issuable pursuant to this award, then the Company or its designee will issue to the Participant's estate, or the Participant's legal representative, as the case may be, the number of shares of Common Stock, if any, which would have otherwise been issuable to the Participant if the Participant had not died.

(b) If a Participant with at least one year of Credited Service of the Company suffers a permanent physical or mental disability (as defined below), before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based on the Company's performance against its cumulative EPS and Revenues and average ROIC targets. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant became disabled and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other Participants.

(c) If a Participant who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at either an Early Retirement Date or a Normal Retirement Date (each as defined below), before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based on the Company's performance against its cumulative EPS and Revenues and average ROIC targets. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant retired and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other Participants.

(d) If a Participant ceases to be employed by the Company or by a direct or indirect subsidiary of the Company before the end of the Performance Period for any reason other than the reasons set forth in subsections (a), (b) and (c) of this Section 9, including, without limitation, if the Participant's employment is terminated by the Company for cause or for such other reason that casts such discredit on the Participant as to make termination of the Participant's employment appropriate (cause or such other reasons being determined in the sole discretion of the Administrator and the Administrator not being limited to any definition of Cause in the Plan), the Award will be forfeited and the Participant will not have any further rights under the Award, including, without limitation, any rights to receive shares of Common Stock.

For purposes of subsections (a), (b) and (c) above:

*A year of "Credited Service" shall mean a calendar year in which the Participant is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a subsidiary of the Company. A Participant does not need to be, or have been, a participant in the Hasbro Pension Plan.

*"Early Retirement Date" shall mean: the day on which a Participant who has attained age fifty-five (55), but has not reached age sixty-five (65), with ten (10) or more years of Credited Service, retires. A Participant is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service, and "early retirement" shall mean retirement by an eligible Participant at the Early Retirement Date.

*"Normal Retirement Date" shall mean: the day on which a Participant who has attained age sixty-five (65) with five (5) or more years of Credited Service, retires. A Participant is eligible for normal retirement on the first day of the calendar month coincidental with or immediately following the Participant's attainment of age sixty-five (65) and completion of five (5) or more years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Participant at the Normal Retirement Date.

*"permanent physical or mental disability" shall mean: a Participant's inability to perform his or her job or any position which the Participant can reasonably perform with his or her background and training by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration, all as determined by the Committee in its discretion.

10. In the event of a Change in Control (as defined in the Plan) prior to the end of the Performance Period, this Award will be treated in accordance with the provisions of the Plan applicable to a Change in Control, provided, however, that for purposes of computing the payment due to the Participant as a result of a termination of employment following a Change in Control under the terms set forth in the Plan, (i) the full number of Target Shares will be used (as opposed to the actual number of shares, if any, that may be issuable based on performance through the date of the termination of employment following the Change in Control) and (ii) no pro-ration of the Award will be applied to account for less than the full Performance Period having had elapsed as of the date of the termination of employment following a Change in Control.

11. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Award.

12. This Award shall not be transferable by the Participant, in whole or in part, except in accordance with Section 7 of the Plan. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Award or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Award or any interest therein, shall be null and void and without effect.

13. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Participant, Participant's successors and permitted assigns, and the Company and its successors and assigns.

14. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

IN WITNESS WHEREOF, the Company and the Participant have entered this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner
Brian Goldner
President and Chief Executive Officer

By: _____
Participant

HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN
CONTINGENT STOCK PERFORMANCE AWARD
(THREE PERFORMANCE METRICS WITHOUT NON-COMPETE)
[], 2015 GRANT

AGREEMENT, made effective as of [], 2015, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated contingent stock performance award recipient (the "Participant").

WHEREAS, the Participant is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), acting in accordance with the provisions of the Plan, is granting to Participant a contingent stock performance award dated [], 2015 designed to reward the Participant for the Participant's efforts in contributing to the Company's achievement of certain stated financial goals, and

WHEREAS, the stock performance award provides the Participant with the ability to earn shares of the Company's common stock, par value \$.50 per share (the "Common Stock"), contingent on the Company's performance in achieving pre-established cumulative diluted earnings per share ("EPS"), cumulative net revenue ("Revenues") and average return on invested capital ("ROIC") performance targets over the period beginning on December 29, 2014 and ending on December 31, 2017 (the "Performance Period"), subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth. For purposes of this Agreement average ROIC shall be computed as Net Income divided by the sum of Short-Term Debt plus Long Term Debt plus Shareholder's Equity, averaged over the three fiscal years in the Performance Period.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the parties hereto agree as follows:

W I T N E S S E T H:

1. The Company hereby grants to the Participant effective on [], 2015, and pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of which are incorporated herein as if set forth in full, a contingent stock performance award (the "Award") subject to and upon the terms and conditions set forth in the Plan and the additional terms and conditions hereinafter set forth. The Award is evidenced by this Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern, provided that to the extent the provisions of the Plan or this Agreement are inconsistent with the terms of the Employment Agreement (as defined below), the provisions of the Employment Agreement shall govern. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

2. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been granted to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant's applicable requirement levels are met.

3. This Agreement relates to an Award providing the Participant with the potential ability to earn shares of the Company's common stock, par value \$.50 per share (the "Common Stock"), contingent on the Company's performance in achieving its pre-established cumulative EPS, Revenues and average ROIC targets over the Performance Period. The EPS and Revenues and average ROIC targets for the Performance Period are set forth below:

EPS]	\$[
Revenues]	\$[
Average]	[
ROIC]	%

The threshold and maximum levels for cumulative EPS and Revenues and average ROIC contributing to shares being earned under this Award are set forth on Exhibit A to this Agreement. Except as is otherwise set forth in this Agreement, the Participant shall not have any ability to receive any shares of Common Stock pursuant to this Award until the Performance Period is completed. Following the end of the Performance Period, the Committee will determine the Company's cumulative EPS and Revenues and average ROIC over the Performance Period. The Committee will certify the Company's cumulative EPS and Revenues and average ROIC over the Performance Period as promptly as is reasonably possible following the completion of the Performance Period, but in no event later than 75 days following the completion of the Performance Period.

4. For purposes of this Award, the Company's cumulative EPS and Revenues and average ROIC over the Performance Period will be computed on a consolidated basis in the same manner used by the Company in computing its consolidated financial performance under generally accepted accounting principles ("GAAP"), except for the following deviations from GAAP: (i) they will be computed excluding the impact of any changes in accounting rules that are effective after the date of this Agreement and which impact the Company's reported net earnings or Revenues results by \$10,000,000 or more, individually or in the aggregate, in any fiscal year during the Performance Period, (ii) they will exclude the impact of any acquisitions (whether paid for in cash, shares of the Company's stock, other property, or any combination thereof) or dispositions consummated by the Company during the Performance Period which have, individually or in the aggregate, either a total acquisition price, or total sale price, respectively, of \$100 million or more, as such acquisition price or sales price is determined in good faith by the Committee, (iii) they will be calculated excluding the impact of any major

discrete restructuring activities undertaken by the Company after the date of this Agreement which result in costs or charges to the Company of \$10,000,000 or more, individually, in any fiscal year during the Performance Period, (iv) they will be calculated excluding the impact of any payments made or entered into in connection with new license amendments or license extensions, or other contractual arrangements or contract amendments entered into after the date the goals are set, which were not contemplated in the Company's budget and operating plan used for purposes of determining the performance goals, (v) they will be calculated excluding the impact of any judgments, fines, penalties or expenses associated with litigations, arbitrations, or regulatory matters, or settlements of ongoing or potential disputes or regulatory matters, which individually exceed \$50,000,000 in any given year and (vi) they will be calculated based on actual results translated at exchange rates established at the beginning of the Performance Period.

5. The target number of shares of Common Stock which may be issuable under this Award in the event of 100% achievement of the pre-established cumulative EPS and Revenue and average ROIC measures over the Performance Period is the specified number of shares communicated to the Participant (the "Target Shares"). The tables appearing on Exhibit A to this Agreement set forth the contingent number of shares of Common Stock which the Participant may actually earn under this Award, as a percentage of the Target Shares, based upon certain performances by the Company in achieving the EPS, Revenues and average ROIC targets.

To compute the actual number of shares of Common Stock, if any, which may be earned by the Participant the respective cumulative EPS and Revenues and average ROIC performances of the Company, as certified by the Committee following completion of the Performance Period, are applied to the tables on Exhibit A. The appropriate boxes in the tables corresponding with the highest threshold achieved by the Company's actual cumulative EPS and Revenue and average ROIC performance, as so certified by the Committee, sets forth the number of shares of Common Stock, if any, as a percentage of the Target Shares, which are earned by the Participant over the Performance Period due to the Company's performance in achieving those metrics. The Company's achievement against its EPS metric is weighted at 34% in determining the final shares earned by the Participant. The Company's achievement against its Revenues metric is weighted at 33%, and the Company's achievement against its average ROIC metric is also weighted at 33%.

By way of illustration, if the Company's cumulative Revenues over the Performance Period are at least \$[] (but below \$[]), the percentage of the Revenues target achieved is []% and the percentage of the target number of contingent shares earned due to that performance is []%. If the Company's cumulative EPS over the Performance Period is at least \$[] (but less than \$[]), the percentage of the EPS target achieved is []%, and the percentage of the target number of contingent shares earned due to that EPS performance is []%. If the Company's average ROIC over the Performance Period is at least []% (but not less than []%), the percentage of the ROIC target achieved is []%, and the percentage of the target number of contingent shares earned due to that ROIC performance is []%. In that case, the Participant would earn $(.33*[]\%) + (.34*[]\%) + (.33*[]\%)$, or []% of the Target Shares of Common Stock subject to the Award. If the number of Target Shares of Common Stock subject to the Award was [] shares, the Participant would earn [] shares of Common Stock. If the number of shares earned is not a whole number, the Participant will earn the next highest whole number of shares.

6. Once the Company has determined the number of shares of Common Stock, if any, which have been earned by the Participant based on the cumulative EPS and Revenues and average ROIC performance of the Company, the Company or its designee will as promptly as possible thereafter, but in all events not later than the 15th day of the third month following the end of the calendar year in which the Performance Period ends, issue any such shares of Common Stock which have been deemed earned to the Participant.

7. The Participant shall consult with the Company or its designee in advance of the issuance of any shares pursuant to this Award so as to designate the manner in which the Participant wishes to pay any withholding taxes due, and any such Participant's designation must be made to the Company, in the manner specified by the Company, and on or before the date selected by the Company and communicated to the Participant. Each Participant who elects to pay withholding taxes in cash shall deliver to the Company or its designee, a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of the Participant earning any shares under this Award or being issued any shares pursuant to the provisions below based on certain other events. Alternatively, a Participant may elect to satisfy the minimum withholding taxes required by law payable as a result of the issuance of any shares pursuant to this Award (the "Taxes"), in whole or in part, either (i) by having the Company withhold from the shares of Common Stock to be issued pursuant to this Award or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Participant and held by the Participant for at least six (6) months (represented by stock certificates duly endorsed to the Company or its designee or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date the Participant has become entitled to such shares pursuant to this Award is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of issuance. If the Participant fails to make a timely election to pay the withholding taxes in some other manner pursuant to the preceding provisions, or otherwise does not timely remit payment of the required withholding taxes, then the Participant's tax withholding requirements will be satisfied through the withholding of shares of Common Stock and to the extent a fractional share needs to be withheld, the Company or its designee will withhold the next highest number of full shares and will remit the value of the fraction of a share which exceeds the required withholding to the Participant. As soon as practicable after receipt of the withholding taxes and any other materials or information reasonably required by the Company or its designee, the Company or its designee shall deliver or cause to be delivered to the Participant, using the method of delivery determined by the Company or its designee, the shares payable pursuant to the Award (less any shares deducted to pay Taxes).

8. Until such time, if any, that actual shares of Common Stock become due and are issued to the Participant in accordance with the terms of this Agreement, the Participant will not have any dividend or voting rights with respect to any shares which may be issuable in the future pursuant to this Award. The Participant's rights under this Award shall be no greater than those of an unsecured general creditor of the Company, and nothing herein shall be construed as requiring the Company or any other person to establish a trust or to set aside assets to meet the Company's obligations hereunder.

9. (a) If the Participant's employment is terminated by death or because of Disability (as defined in the Amended Employment Agreement), before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based upon the Company's performance against its cumulative EPS and Revenues and average ROIC targets, all over the Performance Period. That actual number of shares of Common Stock earned over the full Performance Period will then be issuable to the Participant in the same manner as shares are issued to other participants.

(b) If the Participant's employment is terminated at the election of the Company (or its successor, in the event there has been a Change in Control) without Cause or at the election of the Participant with Good Reason (as the terms Cause, Good Reason and Change in Control are defined in the Amended Employment Agreement, it being understood the Amended Employment Agreement provides different definitions of Cause and Good Reason based upon whether the termination occurs within 2 years following a Change in Control, or occurs outside such a window), and provided Participant

executes a full and complete Release (as defined in the Amended Employment Agreement) which becomes effective, all in accordance with the Amended Employment Agreement, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based upon the Company's performance against its cumulative EPS and Revenues and average ROIC targets, all over the Performance Period. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period, if any, will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant's employment was terminated and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other participants.

(c) If the Participant's employment is terminated by the Company for Cause (as defined in the Amended Employment Agreement) or at Participant's election for other than Good Reason (as defined in the Amended Employment Agreement), then the Award will be forfeited and become null and void and the Participant will not have any further rights under the Award, including, without limitation, any rights to receive shares of Common Stock.

10. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Award.

11. This Award shall not be transferable by the Participant, in whole or in part, except in accordance with Section 7 of the Plan. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Award or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Award or any interest therein, shall be null and void and without effect.

12. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Participant, Participant's successors and permitted assigns, and the Company and its successors and assigns.

13. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

IN WITNESS WHEREOF, the Company and the Participant have entered this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: _____

By: _____
Participant



**RESTRICTED STOCK UNIT AGREEMENT
(WITH NON-COMPETE)**

THIS AGREEMENT, entered into effective as of the Grant Date (as defined in paragraph 1), is made by and between the Participant (as defined in paragraph 1) and Hasbro, Inc. (the "Company").

WHEREAS, the Company maintains the Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), a copy of which is annexed hereto as Exhibit A and the provisions of which are incorporated herein as if set forth in full, and the Participant has been selected by the Compensation Committee of the Board of Directors of the Company (the "Committee"), which administers the Plan, to receive an award of restricted stock units under the Plan;

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. Terms of Award. The following terms used in this Agreement shall have the meanings set forth in this paragraph 1:

A. The "Participant" is _____.

B. The "Grant Date" is [], 2015

C. The "Vesting Period" is the period beginning on the Grant Date and ending on [], 2018, such that the Participant shall become vested in the Stock Units and the Stock Unit Account as of [], 2018, subject to the terms of this Agreement.

D. The number of restricted stock units ("Stock Units") awarded under this Agreement shall be _____ (_____) Stock Units. Stock Units are notional shares of the Company's common stock, par value \$.50 per share ("Common Stock") granted under this Agreement and subject to the terms of this Agreement and the Plan.

E. Contingent upon and in consideration for the Participant having executed and delivered to the Company's designated contact no later than [], 2015 a Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Non-Compete Agreement") between the Participant and the Company in the form provided to the Participant by the Company, the Company hereby grants to the Participant effective on the Grant Date, pursuant to the Plan, the Stock Units. For the avoidance of doubt, if the Participant has not executed and delivered to the Company's designated contact the Non-Compete Agreement on or before [], 2015, the grant of the Stock Units represented by this Agreement will never take effect and will be null and void.

F. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, and any proceeds from selling any such shares of Common Stock, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Award, and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, and any proceeds from selling any such shares of Common Stock, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been made to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or become subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant's applicable requirement levels are met.

G. For record-keeping purposes only, the Company shall maintain an account with respect to this restricted stock unit award (a "Stock Unit Account") for the Participant where Stock Units related to this award shall be accumulated and accounted for by the Company. Without limiting the provisions of Section 8(b) of the Plan, in the event the Company pays a stock dividend or reclassifies or divides or combines its outstanding Common Stock then an appropriate adjustment shall be made in the number of Stock Units held in the Stock Unit Account. The Stock Unit Account will reflect notional fractional shares of Common Stock to the nearest hundredth of a share on a one Stock Unit for one share of Common Stock basis.

Other terms used in this Agreement are defined pursuant to paragraph 7 or elsewhere in this Agreement.

2. Award. The Participant is hereby granted the number of Stock Units set forth in paragraph 1.

3. No Dividends and No Voting Rights. The Participant shall not be entitled to any (i) dividends, other than stock dividends (which will be reflected in an adjustment to the number of Units), or (ii) voting rights with respect to the Stock Units or the Stock Unit Account.

4. Vesting and Forfeiture of Units. Subject to earlier vesting (either in whole or in part as applicable) only in the situations and under the terms which are explicitly provided for in the following paragraphs, at the end of the Vesting Period the Participant shall become vested in the Stock Units and the portion of the Stock Unit Account subject to this Agreement provided that the Participant has remained employed and remains employed with the Company through and including the last day of the Vesting Period.

A. If a Change in Control (as defined below), occurs prior to the end of the Vesting Period, then in connection with such Change in Control the Stock Units will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company's shareholders through the date of such Change in Control.

B. The Participant shall otherwise become vested in a pro-rata portion of the Stock Units and the Stock Unit Account subject to this Agreement as of the Participant's Date of Termination prior to the end of the Vesting Period, but only if the Participant's Date of Termination occurs by reason of either (i) the Participant's retirement at his or her Normal Retirement Date (as defined below) or Early Retirement Date (as defined below), or (ii) for a Participant who has at least one year of Credited Service (as defined below), the Participant's death or Participant's suffering a Permanent Physical or Mental Disability (as defined below). In the case of a Termination of Employment covered by this paragraph 4.B., the Participant will become entitled, as of the date of the Termination of Employment, to a portion of the Stock Units and the Stock Unit Account subject to this Agreement, which portion is computed by

multiplying the full number of Stock Units subject to this Agreement by a fraction, the numerator of which is the number of days in the Vesting Period which have already elapsed as of the day of the Participant's Termination of Employment, inclusive of the actual day on which there is a Termination of Employment, and the denominator of which is the total number of days in the Vesting Period. The Participant will forfeit that portion of the Stock Unit Account which has not vested in accordance with the foregoing provision.

C. If the Participant's Date of Termination occurs prior to the end of the Vesting Period for any reason other than the reasons set forth in the preceding Section 4.B., including, without limitation, if the Participant's employment is terminated by the Company for cause or for such other reason that casts such discredit on the Participant as to make termination of the Participant's employment appropriate (cause or such other reasons being determined in the sole discretion of the Administrator and the Administrator not being limited to any definition of Cause in the Plan), then the award of Stock Units pursuant to this Agreement shall be forfeited and terminate effective as of such Date of Termination, and the Participant shall not be entitled to any stock pursuant to this award or any other benefits of this award.

D. The Stock Units and the Stock Unit Account may not be sold, assigned, transferred, pledged or otherwise encumbered, except to the extent otherwise provided by either the terms of the Plan or by the Committee.

5. Settlement in Shares of Common Stock. Provided that the Participant's interest in the Stock Units and the Stock Unit Account has vested, in whole or in part, in accordance with the provisions of Section 4 above, the Participant's Stock Unit Account, or applicable portion thereof, shall be converted into actual shares of Common Stock upon the date of such vesting. Such conversion: (i) if it occurs in connection with a termination of the Participant's employment following a Change in Control under the conditions set forth in the Plan, will occur upon the Date of Termination, (ii) will occur upon the Date of Termination, in the case that Section 4.B. is applicable, or (iii) on [], 2018, in the case that the Participant has remained employed through the end of the Vesting Period. The conversion will occur on the basis of one share of Common Stock for every one Stock Unit which vests. Such shares of Common Stock shall be registered in the name of the Participant effective as of the date of conversion and a stock certificate representing such actual shares of Common Stock, or electronic delivery of such shares of Common Stock, as specified in an election by the Participant, shall be delivered to the Participant within a reasonable time thereafter, subject to any different treatment called for or allowed by the terms of the Plan relating to a Change in Control. To the extent that there are notional fractional shares of Common Stock in a Stock Unit Account which have vested upon settlement, such notional fractional shares shall be rounded to the nearest whole share in determining the number of shares of Common Stock to be received upon conversion.

6. Income Taxes. The Participant shall pay to the Company promptly upon request, and in any event at the time the Participant recognizes taxable income in respect of the shares of Common Stock received by the Participant upon the conversion of all or a portion of the Participant's Stock Unit Account, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to such shares of Common Stock. Such payment shall be made in the form of cash, the delivery of shares of Common Stock already owned or by withholding such number of actual shares otherwise deliverable pursuant to this Agreement as is equal to the withholding tax due, or in a combination of such methods. In the event that the Participant does not make a timely election with respect to payment of withholding taxes, the Company shall withhold shares from the settlement of the Award.

7. Definitions. For purposes of this Agreement, the terms used in this Agreement shall be subject to the following:

A. Change in Control. The term "Change in Control" shall have the meaning ascribed to it in the Plan.

B. Credited Service. A year of "Credited Service" shall mean a calendar year in which the Participant is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a Subsidiary of the Company. A Participant does not need to be, or have been, a participant in the Hasbro Pension Plan.

C. Date of Termination. The Participant's "Date of Termination" shall be the first day occurring on or after the Grant Date on which the Participant is not employed (a "Termination of Employment") by the Company or any entity directly or indirectly controlled by the Company (a "Subsidiary"), regardless of the reason for the termination of employment; provided that a termination of employment shall not be deemed to occur by reason of a transfer of the Participant between the Company and a Subsidiary or between two Subsidiaries; and further provided that the Participant's employment shall not be considered terminated while the Participant is on a leave of absence from the Company or a Subsidiary approved by the Participant's employer. If, as a result of a sale or other transaction, the Participant's employer ceases to be a Subsidiary (and the Participant's employer is or becomes an entity that is separate from the Company), the occurrence of such transaction shall be treated as the Participant's Date of Termination caused by the Participant being discharged by the employer.

D. Early Retirement Date. The term "Early Retirement Date" shall mean: the day on which a Participant who has attained age fifty-five (55), but has not reached age sixty-five (65), with ten (10) or more years of Credited Service, retires. A Participant is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service, and "early retirement" shall mean retirement by an eligible Participant at the Early Retirement Date.

E. Normal Retirement Date. The term "Normal Retirement Date" shall mean the day on which a Participant who has attained age sixty-five (65), with five (5) years of Credited Service, retires. A Participant is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Participant's attainment of age sixty-five (65) and completion of five (5) years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Participant at the Normal Retirement Date.

F. Permanent Physical or Mental Disability. The term "Permanent Physical or Mental Disability" shall mean the Participant's inability to perform his or her job or any position which the Participant can perform with his or her background and training by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration.

G. Plan Definitions. Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.

8. Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, including upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business, and the Participant and the successors and permitted assigns of the Participant, including but not limited to, the estate of the Participant and the executor, administrator or trustee of such estate, and the guardian or legal representative of the Participant.

9. Administration. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Committee and

any decision made by it with respect to the Agreement is final and binding.

10. Plan Governs. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan.

11. No Employment Contract. The Participant acknowledges that this Agreement does not constitute a contract for employment for any period of time and does not modify the at will nature of the Participant's employment with the Company, pursuant to which both the Company and the Participant may terminate the employment relationship at any time, for any or no reason, with or without notice.

12. Amendment. This Agreement may be amended by written Agreement of the Participant and the Company, without the consent of any other person.

13. Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect of the award contained herein and therein and supersede all prior communications, representations and negotiations in respect thereof.

14. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law and any court determining the unenforceability of any provisions shall have the power to reduce the scope or duration of such provision to render such provision enforceable.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Participant has executed this Agreement, and the Company has caused these presents to be executed in its name and on its behalf, all effective as of the Grant Date. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner

Name: Brian Goldner

Title: President and Chief Executive Officer

Participant

Non-Competition, Non-Solicitation and Confidentiality Agreement

You have been granted a Contingent Stock Performance Award and a Non-Qualified Stock Option Grant, (collectively, the "Award") subject to the terms of the Company's Restated 2003 Stock Incentive Performance Plan (the "Plan") and Contingent Stock Performance Award Agreement and Stock Option Agreement for Employees between you and the Company. As the Award states, to be entitled to any payment under the Award, you must accept the Award and agree to comply with the terms and conditions of this Agreement.

1. Confidentiality.

You acknowledge that you have access to Confidential Information (as defined below) and that such Confidential Information is the property of Hasbro, Inc. (the "Company" or "Hasbro"), its Subsidiaries, and/or its or their licensors, suppliers or customers. You agree specifically as follows, whether during your employment or following the termination thereof:

- (a) You will always preserve as confidential all Confidential Information, and will never use it for your own benefit or for the benefit of others.
- (b) You will not disclose, divulge, or communicate Confidential Information to any unauthorized person, business or corporation during or after the termination of your employment with the Company. You will use your best efforts and exercise due diligence to protect, to not disclose and to keep as confidential all Confidential Information.
- (c) You will abide by all applicable Company written policies and procedures regarding data or information security.
- (d) Upon the earlier of request or termination of employment, you agree to return to the Company, or if so directed by the Company, destroy any and all copies of materials in your possession containing Confidential Information.

Confidential Information includes any information you learn in connection with your work at Hasbro which is not generally known to the general public.

Confidential Information shall not include any information which is previously known to you without an obligation of confidence or is publicly disclosed either prior to or subsequent to your receipt of such information without breach of this Agreement, or is rightfully received by you from a third-party without obligation of confidence and other than in relation to your employment with the Company.

2. Non-Competition/Non-Solicitation.

- (a) In consideration of the Award, you agree that while employed by Hasbro (including any of its affiliates) and for a period of one (1) year after your Date of Termination (as defined below) (including any of its affiliates), you will not, in the geographical area in which Hasbro or any of its affiliates does business or has done business, engage in any business or enterprise that would be competitive with any business of Hasbro in existence as of the Date of Termination. This obligation shall preclude any such involvement, whether on a direct or indirect basis, and whether as an owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than 1% of the outstanding stock of a publicly held company.
- (b) The geographic area to which the restrictions of Section 2 (a) shall apply shall be limited to the geographic area in which the Company does business, has done business, or plans to do business as of your Date of Termination.
- (c) You agree that while employed by the Company and for a period of one (1) year after your Date of Termination, you shall not directly or indirectly solicit, induce or attempt to induce (other than a general solicitation not directed at the employees of the Company) either alone or in association with others, any employee or independent contractor of the Company to terminate his or her employment or his, her or its relationship with the Company or in any way assist or enable another person or entity, directly or indirectly, to solicit, induce or attempt to induce any individual, employee or independent contractor of the Company to terminate his/her employment or his, her or its relationship with the Company.
- (d) You agree that while employed by the Company and for a period of one (1) year after your Date of Termination, you shall not, directly or indirectly, acting alone or in association with others, solicit, divert or take away or attempt to solicit, divert or take away, the business of any current or prospective customers, accounts or business partners that were contacted, solicited or served by the Company while you were employed by the Company.
- (e) You acknowledge that the restrictions set forth in this Section 2 are necessary for the protection of the business and goodwill of the Company and its Subsidiaries and are material and integral to the Award. You further acknowledge that the restrictions contained herein are reasonable for the protection of the business and good will of the Company and its Subsidiaries. You agree that any breach, or threatened breach, of this Agreement is likely to cause the Company substantial and irrevocable harm. In the event of any breach or threatened breach, you agree that the Company, in addition to such other remedies which may be available, shall be entitled to specific performance and other injunctive relief without posting a bond or other security. You also waive the adequacy of a remedy at law as a defense to such relief.

(f) You agree that if you violate any of the provisions of this Section 2, you shall continue to be bound by the restrictions set forth herein until a period of one (1) year has expired without any violation of this Section 2. You further agree that in the event you violate any of the provisions of this Section 2, and you are receiving any severance pay or benefits from the Company, the Company shall have no obligation to continue paying or providing to you any such severance pay or benefits and may recover from you the severance pay and benefits you previously received.

(g) If any restriction set forth in this Section 2 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

3. Date of Termination.

Your "Date of Termination" shall be the first day after you are not employed by the Company or any entities directly or indirectly controlled by the Company (a "Subsidiary" or "Subsidiaries"), regardless of the reason for the termination of your employment; provided that your employment shall not be considered terminated by reason of your transfer between the Company and a Subsidiary or between two Subsidiaries; and further provided that your employment shall not be considered terminated while you are on an approved leave of absence from the Company or a Subsidiary.

4. Disclosure of this Agreement.

You hereby authorize the Company to notify others, including but not limited to customers of the Company and any of your future employers or prospective business associates, of the terms and existence of this Agreement and your continuing obligations to the Company hereunder.

5. Not Employment Contract.

You acknowledge that this Agreement does not constitute a contract of employment for any period of time and does not modify the at-will nature of your employment with the Company, pursuant to which both the Company and you may terminate the employment relationship at any time, for any or no reason, with or without notice.

6. Entire Agreement.

This Agreement contains the entire Agreement and understanding of the parties hereto with respect to your obligations undertaken in consideration of the Award and does not supersede, but is in addition to, any obligations arising under any other agreements between you and the Company. You agree that any change or changes in your duties, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

7. Amendment.

This Agreement may be amended only by written agreement of you and the Company.

8. Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which, or into which, the Company may be merged or by which it may be acquired or which may succeed to the Company's assets or business, provided, however, that your obligations are personal and shall not be assigned by you. You expressly consent to be bound by the provisions of this Agreement for the benefit of the Company and/or its Subsidiaries to which you may be transferred without the necessity that this Agreement be re-signed at the time of such transfer.

9. Severability.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the full extent permitted by law. Any court determining the unenforceability of any provision shall have the power to reduce the scope or duration of such provision to render such provision enforceable.

10. Waivers.

No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to the enforcement of or waiver of any right on any other occasion.

11. Choice of Law and Jurisdiction.

This Agreement shall be construed in accordance with the laws of the State of Rhode Island (without reference to the conflicts of laws provisions thereof). Any action, suit, or other legal proceeding which is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the State of Rhode Island (or, if appropriate, a federal court located within the State of Rhode Island), and the Company and you each consent to the jurisdiction of such a court. The Company and you each hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

12. Captions.

The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

THE EMPLOYEE ACKNOWLEDGES THAT HE/SHE HAS CAREFULLY READ THIS AGREEMENT AND UNDERSTANDS AND AGREES TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

Date: _____

HASBRO, INC.

By: _____

Date: _____

EMPLOYEE

Print Name

Signature
