

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): October 15, 1998

HASBRO, INC.

(Name of Registrant)

RHODE ISLAND ----- (State of Incorporation)	1-6682 ----- (Commission File Number)	05-0155090 ----- (IRS Employer Identification No.)
--	--	---

1027 NEWPORT AVE., PAWTUCKET, RHODE ISLAND ----- (Address of Principal Executive Offices)	02861 ----- (Zip Code)
---	------------------------------

(401) 431-8697

(Registrant's Telephone Number)

Item 5. Other Events

The October 15, 1998 Press Release of the Registrant attached hereto as EXHIBIT 99 is incorporated herein by reference.

Item 7(c) Exhibits

99 Press Release, dated October 15, 1998, of Hasbro, Inc.

SIGNATURES

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

HASBRO, INC.

(Registrant)

Date: October 15, 1998

By: /s/ John T. O'Neill

John T. O'Neill

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

HASBRO, INC.
Current Report on Form 8-K
Dated October 15, 1998

Exhibit Index

Exhibit No. -----	Exhibits -----
99	Press Release dated October 15, 1998

For Immediate Release
October 15, 1998

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

HASBRO REPORTS RECORD THIRD QUARTER REVENUES

QUARTERLY RESULTS IN LINE WITH PRE-ANNOUNCEMENT

Pawtucket, RI (October 15, 1998) - Hasbro, Inc. (ASE:HAS) today reported third quarter results consistent with its September 28, 1998 announcement regarding the impact of ongoing and recently accelerated changes in inventory flow policies at Toys 'R Us. "We are very pleased to report record third quarter revenues despite lower sales to this key customer," said Alan G. Hassenfeld, Chairman and Chief Executive Officer.

Reported net revenues reached \$945.5 million, or approximately 3% above the \$915.5 million reported last year, in part due to the acquisition of Tiger Electronics in April and increased sales at Hasbro Interactive. As previously announced, the Company took a one-time pre-tax charge to write-off acquired in-process research and development of MicroProse, Inc., which was acquired for approximately \$70 million in September 1998. Prior to this \$20.0 million pre-tax charge (\$13.6 million after tax), net earnings and diluted earnings per share were \$74.9 million and \$0.55, respectively, compared to \$77.4 million and \$0.57, respectively, a year ago. Including the charge, net earnings were \$61.3 million and diluted earnings per share were \$0.45.

"In addition to revenue growth this quarter, we are also very pleased about two acquisitions that will fuel future growth in revenue and earnings well into the next century. The acquisition of MicroProse significantly enhances Hasbro Interactive in three key strategic growth areas going forward: brands and content, R&D assets, and European distribution," Hassenfeld added. "In addition, the pending acquisition of Galoob Toys, with its highly successful MICRO MACHINES and STAR WARS small-scale figures and vehicles, will be a tremendous addition to our rich brand portfolio," Hassenfeld continued.

For the first nine months of 1998, revenues were \$2.0 billion compared to \$2.1 billion in 1997. Excluding the one-time charge, net earnings and diluted earnings per share were \$88.2 million and \$0.64, respectively, compared to \$116.1 million and \$0.87 a year ago. Including the charge, net earnings were \$74.6 million and diluted earnings per share were \$0.54.

During the third quarter, the Company invested \$65 million to repurchase 1.8 million shares. Under the \$500 million share repurchase authorization announced on December 9, 1997, the Company has invested approximately \$185 million to repurchase 5.1 million shares.

"Looking ahead to the fourth quarter, we continue building sales and earnings momentum in several product lines," Hassenfeld noted. "These include Tiger Electronics' FURBY - an electronic interactive pet being introduced nationwide to great acclaim; TELETUBBIES; new releases from Hasbro Interactive and MicroProse - including our CD-ROM version of the ATARI game classic, CENTIPEDE, and our first Nintendo 64 game title, GLOVER; as well as a range of POKEMON offerings. Building excitement for 1999, we are shipping the first new product from STAR WARS Episode One - a MACE WINDU exclusive mail-in figure offer and a STAP vehicle with BATTLE DROID figure. In 1999, we look forward to a tremendous product line-up, led by STAR WARS, with Hasbro and Galoob teaming up with the Power of the Force. We are also on track to realize planned incremental cost savings from the Global Integration and Profit Enhancement Program next year, enabling us to continue to add value for our shareholders," Hassenfeld concluded.

Certain statements contained in this release contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. The Company's actual actions or results may differ materially from those expected or anticipated in the forward-looking statements. Specific factors that might cause such a difference include, but are not limited to, the timely manufacture and shipping by the Company of new and continuing products and their acceptance by customers and consumers in a competitive product environment; economic conditions and currency fluctuations in the various markets in which the Company operates throughout the world; the inventory policies of retailers, including the continuing trend of increased concentration of the Company's revenues in the second half and fourth quarter of the year, together with increased reliance

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

(Tables Attached)

HASBRO, INC.

CONSOLIDATED STATEMENTS OF EARNINGS

(Thousands of Dollars and Shares Except Per Share Data)

	Quarter Ended		Nine Months Ended	
	Sep. 27, 1998	Sep. 28, 1997	Sep. 27, 1998	Sep. 28, 1997
Net Revenues	\$945,498	\$915,533	\$2,000,375	\$2,055,203
Cost of Sales	402,369	403,027	853,776	891,315
Gross Profit	543,129	512,506	1,146,599	1,163,888
Amortization	19,275	11,741	49,298	32,967
Royalties, Research and Development	113,755	102,583	263,220	254,339
Advertising	128,053	116,208	257,023	254,418
Selling, Distribution and Administration	162,705	156,215	439,433	433,285
Acquired Research and Development	20,000	-	20,000	-
Operating Profit	99,341	125,759	117,625	188,879
Interest Expense	11,308	9,197	20,036	19,120
Other (Income) Expense, Net	(1,568)	1,121	(12,082)	(6,112)
Earnings Before Income Taxes	89,601	115,441	109,671	175,871
Income Taxes	28,271	38,041	35,095	59,796
Net Earnings	\$ 61,330	\$ 77,400	\$ 74,576	\$ 116,075
Per Common Share				
Net Earnings				
Basic	\$.47	\$.61	\$.56	\$.91
Diluted	\$.45	\$.57	\$.54	\$.87
Cash Dividends Declared	\$.08	\$.08	\$.24	\$.24
Weighted Average Number of shares				
Basic	131,368	126,922	132,346	127,789
Diluted	136,375	137,103	137,604	137,806

HASBRO, INC.

CONSOLIDATED CONDENSED BALANCE SHEETS

(Thousands of Dollars)

	Sep. 27, 1998	Sep. 28, 1997
Assets	-----	-----

Cash and Temporary Investments	\$ 176,486	\$ 80,030
Accounts Receivable, Net	1,030,751	1,153,910
Inventories	383,809	347,779
Other	336,261	175,534
	-----	-----
Total Current Assets	1,927,307	1,757,253
Property, Plant and Equipment, Net	287,872	279,916
Other Assets	1,461,125	986,782
	-----	-----
Total Assets	\$3,676,304	\$3,023,951
	=====	=====

Liabilities and Shareholders' Equity

Short-term Borrowings	\$ 507,596	\$ 462,894
Payables and Accrued Liabilities	1,029,906	708,278
	-----	-----
Total Current Liabilities	1,537,502	1,171,172
Long-term Debt	300,000	148,751
Deferred Liabilities	80,010	68,924
	-----	-----
Total Liabilities	1,917,512	1,388,847
Total Shareholders' Equity	1,758,792	1,635,104
	-----	-----
Total Liabilities and Shareholders' Equity	\$3,676,304	\$3,023,951
	=====	=====