

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the period ended October 1, 1995

Commission file number 1-6682

HASBRO, INC.

-----  
(Name of Registrant)

Rhode Island

05-0155090

-----  
(State of Incorporation)

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

1027 Newport Avenue, Pawtucket, Rhode Island 02861

-----  
(Principal Executive Offices)

(401) 431-8697

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

Yes  or No  
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The number of shares of Common Stock, par value \$.50 per share, outstanding as of November 10, 1995 was 87,672,905.

HASBRO, INC. AND SUBSIDIARIES  
Consolidated Balance Sheets

(Thousands of Dollars Except Share Data)

(Unaudited)

	Oct. 1, 1995	Sep. 25, 1994	Dec. 25, 1994
	-----	-----	-----
Assets			
Current assets			
Cash and cash equivalents	\$ 53,785	43,234	137,028
Marketable securities available for sale	-	16,810	-
Accounts receivable, less allowance for doubtful accounts of \$49,000, \$52,500 and \$51,000	1,128,119	1,118,622	717,890
Inventories:			
Finished products	296,358	260,407	181,202
Work in process	28,374	20,163	19,342
Raw materials	65,363	52,519	43,863
	-----	-----	-----
Total inventories	390,095	333,089	244,407
Deferred income taxes	84,175	89,165	83,730

Prepaid expenses	74,089	58,002	69,408
	-----	-----	-----
Total current assets	1,730,263	1,658,922	1,252,463
Property, plant and equipment, net	306,464	296,986	308,879
	-----	-----	-----
Other assets			
Cost in excess of acquired net assets, less accumulated amortization of \$95,438, \$79,926 and \$82,949	480,749	553,745	479,960
Other intangibles, less accumulated amortization of \$73,959, \$99,499 and \$58,178	346,383	170,695	295,333
Other	53,650	35,966	41,740
	-----	-----	-----
Total other assets	880,782	760,406	817,033
	-----	-----	-----
Total assets	\$2,917,509	2,716,314	2,378,375
	=====	=====	=====

HASBRO, INC. AND SUBSIDIARIES  
Consolidated Balance Sheets, Continued

(Thousands of Dollars Except Share Data)

(Unaudited)

Liabilities and Shareholders' Equity	Oct. 1, 1995	Sep. 25, 1994	Dec. 25, 1994
	-----	-----	-----
Current liabilities			
Short-term borrowings	\$ 566,820	486,252	81,805
Current installments of long-term debt	-	3,204	10
Trade payables	140,743	133,060	165,368
Accrued liabilities	448,243	413,741	417,763
Income taxes	84,635	108,515	98,786
	-----	-----	-----
Total current liabilities	1,240,441	1,144,772	763,732
Long-term debt, excluding current installments	149,991	150,437	150,000
Deferred liabilities	65,143	73,057	69,226
	-----	-----	-----
Total liabilities	1,455,575	1,368,266	982,958
	-----	-----	-----
Shareholders' equity			
Preference stock of \$2.50 par value. Authorized 5,000,000 shares; none issued	-	-	-
Common stock of \$.50 par value. Authorized 300,000,000 shares; issued 88,086,108, 88,085,802 and 88,085,802	44,043	44,043	44,043
Additional paid-in capital	279,320	283,872	282,151
Retained earnings	1,120,707	1,001,730	1,071,416
Cumulative translation adjustments	25,588	32,049	14,526
Treasury stock, at cost, 262,653, 451,900 and 557,455 shares	(7,724)	(13,646)	(16,719)
	-----	-----	-----
Total shareholders' equity	1,461,934	1,348,048	1,395,417
	-----	-----	-----
Total liabilities and shareholders' equity	\$2,917,509	2,716,314	2,378,375
	=====	=====	=====

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES  
Consolidated Statements of Earnings

(Thousands of Dollars Except Share Data)

(Unaudited)

	Quarter Ended		Nine Months Ended	
	Oct. 1, 1995	Sep. 25, 1994	Oct. 1, 1995	Sep. 25, 1994
Net revenues	\$826,165	796,222	1,834,522	1,729,679
Cost of sales	360,852	352,129	807,509	763,507
Gross profit	465,313	444,093	1,027,013	966,172
Expenses				
Amortization	9,718	9,598	28,686	27,196
Royalties, research and development	78,318	75,359	195,487	180,781
Discontinued development project	-	-	31,100	-
Advertising	123,537	116,307	261,934	241,294
Selling, distribution and administration	142,977	123,067	382,785	343,337
Restructuring charges	-	12,500	-	12,500
Total expenses	354,550	336,831	899,992	805,108
Operating profit	110,763	107,262	127,021	161,064
Nonoperating (income) expense				
Interest expense	10,932	8,776	24,139	18,821
Other (income), net	(3,539)	(23,710)	(11,528)	(26,053)
Total nonoperating expense	7,393	(14,934)	12,611	(7,232)
Earnings before income taxes and cumulative effect of change in accounting principles	103,370	122,196	114,410	168,296
Income taxes	39,798	47,045	44,048	64,794
Net earnings before cumulative effect of change in accounting principles	63,572	75,151	70,362	103,502
Cumulative effect of change in accounting principles	-	-	-	(4,282)
Net earnings	\$ 63,572	75,151	70,362	99,220
Per common share				
Net earnings before cumulative effect of change in accounting principles	\$ .72	.85	.80	1.16
Net earnings	\$ .72	.85	.80	1.11
Cash dividends declared	\$ .08	.07	.24	.21

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES  
Consolidated Statements of Cash Flows  
Nine Months Ended October 1, 1995 and September 25, 1994

	(Unaudited)	
	1995	1994
Cash flows from operating activities		
Net earnings	\$ 70,362	99,220
Adjustments to reconcile net earnings to net cash utilized by operating activities:		
Depreciation and amortization of plant and equipment	65,652	59,710
Other amortization	28,686	27,196
Deferred income taxes	(6,652)	(11,102)
Gain on investments	-	(23,291)
Change in operating assets and liabilities (other than cash and cash equivalents):		
(Increase) in accounts receivable	(397,487)	(368,304)
(Increase) in inventories	(137,331)	(73,557)
(Increase) decrease in prepaid expenses	(3,227)	9,318
(Decrease) in trade payables and accrued liabilities	(8,437)	(41,936)
Other	12,346	(786)

Net cash utilized by operating activities	(376,088)	(323,532)
Cash flows from investing activities		
Additions to property, plant and equipment	(62,813)	(73,019)
Acquisitions, net of cash acquired	(112,531)	(98,411)
Proceeds from sale of investments	-	24,449
Other	4,912	444
Net cash utilized by investing activities	(170,432)	(146,537)
Cash flows from financing activities		
Proceeds from borrowings with original maturities of more than three months	413,953	-
Repayments of borrowings with original maturities of more than three months	(32,071)	(50,105)
Net proceeds from other borrowings	89,733	418,409
Stock option and warrant transactions	6,476	(8,498)
Purchase of common stock	(312)	(17,954)
Dividends paid	(20,170)	(17,577)
Net cash provided by financing activities	457,609	324,275
Effect of exchange rate changes on cash	5,668	2,774
Decrease in cash and cash equivalents	(83,243)	(143,020)
Cash and cash equivalents at beginning of year	137,028	186,254
Cash and cash equivalents at end of period	\$ 53,785	43,234
Supplemental information		
Cash paid during the period for:		
Interest	\$ 15,558	16,636
Income taxes	\$ 60,320	45,931

See accompanying condensed notes to consolidated financial statements.

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

(Thousands of Dollars)

(Unaudited)

(1) In the opinion of management and subject to year-end audit, the accompanying unaudited interim financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position of the Company as of October 1, 1995 and September 25, 1994, and the results of operations and cash flows for the periods then ended.

The nine months ended October 1, 1995 consisted of 40 weeks while the nine months ended September 25, 1994 consisted of 39 weeks.

The results of operations for the nine months ended October 1, 1995, are not necessarily indicative of results to be expected for the full year.

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

For each of the reported periods except the quarter ended September 25, 1994, the difference between primary and fully diluted earnings per share was not significant. For the quarter ended September 25, 1994, the primary and fully diluted earnings per share were \$.85 and \$.82, respectively

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

(Thousands of dollars)

## NET REVENUES

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Net revenues for the third quarter and nine months of 1995 were \$826,165 and \$1,834,522, respectively, up from the \$796,222 and \$1,729,679 reported for the same periods of 1994. During the quarter, international revenues increased by approximately 12% from those of a year ago, while domestically, they marginally declined. Included in both the international and domestic 1995 revenues was the positive impact of the Company's recent acquisitions. Additionally, international revenues benefited by approximately \$11,000 from changed foreign currency translation rates during the quarter, net of the approximate \$5,000 negative impact from the weakened Mexican peso. Within both geographic areas, the Company's revenues from its games and boys' toys were greater than those of the comparable period of 1994, while revenues from its girls' toys were less. Revenues from the Company's preschool and activity items approximated those of a year ago. The growth pattern for the nine months was similar to that of the quarter.

## COST OF SALES

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The gross profit margin, expressed as a percentage of net revenues, for the quarter increased to 56.3% from the 1994 level of 55.8%, and the nine months to 56.0% from 55.9% a year ago. The improvement in both periods reflects the more favorable mix of products sold, the efficiencies from recent plant consolidations, the effect of GATT, all partially offset by the impact of increased material costs, specifically paper board and plastic resin.

## EXPENSES

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Royalties, research and development expenses for the quarter increased from prior year's amount but remained constant as a percentage of net revenues. The royalty component increased both in amount and when expressed as a percentage of net revenues. In addition to reflecting the growth in volume during the quarter, the increases can also be attributed to the mix of products sold with more revenue being derived from items carrying higher royalty rates. Research and development was \$34,576 and \$102,004 for the quarter and nine months of 1995 while \$35,193 and \$96,655 for the same periods of 1994.

Earlier this year, the Company discontinued its efforts, begun in 1992, related to the development of a mass-market virtual reality game system. These efforts produced such a game system, but at a price judged to be too expensive for the mass-market. The impact of this decision was a second quarter charge of \$31,100, the estimated costs associated with such action. Approximately half of the charge resulted from the expensing of software development costs, previously capitalized under the provisions of Statement of Financial Accounting Standards No. 86, related to both the operating system and games for the system. The remaining amount represented provisions for costs associated with discontinuance of this project, including the termination of contractual agreements relating to the development of the system and games, the write-off of certain fixed assets and various other cancellation/termination costs.

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

(Thousands of dollars)

Advertising expense in the current quarter increased both in amount and as a percentage of net revenues. For the third quarter and nine months of 1995, the amounts were \$123,537 and \$261,934, respectively, compared with \$116,307 and \$241,294 in the same periods of 1994. Expressed as a percentage of net revenues, the third quarter and nine months of 1995 was 15.0% and 14.3%, respectively, while 1994 was 14.6% and 14.0%. The increases during the current year reflect the higher proportion of the Company's revenues coming from the international marketing units which generally have higher advertising to sales ratios than do the domestic groups. Also contributing to the increase is the impact of expanded efforts to support products in certain of the Company's domestic operations.

For the quarter, selling distribution and administration expense increased from the level of the comparable period of 1994. As in the prior quarter, this increase was the result of a combination of factors including the impact of the weakened U.S. dollar, new organizations, principally Larami, Waddington Games, Scandinavia and the K'NEX joint venture, higher distribution costs, a higher bad debt charge and a general increase in

expense levels. The nine month increase is primarily attributable to the same factors.

During the third quarter of 1994, the Company restructured its Domestic Toy Group, merging the five units into one organization, the Hasbro Toy Group, and also announced the consolidation of certain of its domestic manufacturing facilities. To provide for these and other immaterial restructuring costs, the Company recorded a \$12,500 pretax charge during that quarter. In excess of 90% of this charge was related to severance and other costs associated with terminated employees.

#### NONOPERATING (INCOME) EXPENSE

Interest expense for the third quarter increased approximately \$2,100 from that of the same period of 1994, reflecting the use of funds to finance the Company's recent acquisitions and geographic expansion. The nine month increase can also be attributed to the same factors.

Other income, net, decreased significantly for the quarter. During the third quarter of 1994, the Company disposed of certain investments, as described in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report on Form 10-K for the year ended December 25, 1994, realizing an aggregate pretax gain of approximately \$23,000. Absent the impact of this gain, other income in the third quarter of 1995 increased approximately \$2,800 reflecting both the impact of foreign currency transaction gains and increased earnings from available funds. These funds, principally in the international units, are invested on a short-term basis locally. (See Liquidity and Capital Resources later in this document for further discussion related to short-term investments.)

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

(Thousands of dollars)

#### OTHER INFORMATION

The business of the Company is characterized by customer order patterns which vary from year to year largely because of differences in the degree of consumer acceptance of a product line, product availability, marketing strategies and inventory levels of retailers and differences in overall economic conditions. Also, quick response inventory management practices now being used results in fewer orders being placed in advance of shipment and more orders, when placed, for immediate delivery. As a result, comparisons of unshipped orders on any date in a given year with those at the same date in a prior year are not necessarily indicative of sales for the entire year. In addition, it is a general industry practice that orders are subject to amendment or cancellation by customers prior to shipment. At the end of its fiscal October (October 29, 1995 and October 23, 1994), the Company's unshipped orders were approximately \$550,000 and \$490,000, respectively. The revenue pattern of the Company continues to shift with the second half of the year growing in significance to its overall business and, within that half, the fourth quarter becoming much more prominent. The Company expects that this trend will continue.

During the fourth quarter of 1993, the Company recorded a restructuring charge of \$15,500, primarily relating to the planned closure of the Company's manufacturing facility in The Netherlands. The Company had initially planned to cease production at this facility during the second quarter of 1994 but was unable to do so. The actions necessary to comply with local regulations relating to such a closure took longer than anticipated and the Company did not cease production at this facility until the first quarter of 1995. A majority of the liability established for this closure has now been satisfied and the Company has begun to experience the positive results from this action including both the elimination of costs associated with the previously existing excess production capacity and the transfer of production to a lower-cost manufacturing facility. The remaining amount provided in 1993 related to several items, none of which were significant, either in cost or anticipated benefits. All of the liabilities established for such items have been satisfied and the expected benefits are being obtained.

As discussed above, during the third quarter of 1994 the Company recorded a restructuring charge of \$12,500, primarily to cover costs associated with the restructuring of certain of its domestic operations. Included in such amount was a provision of approximately \$4,400 for the costs associated with the termination of approximately 100 management employees. Substantially all of these employees have been terminated and a majority of the liability has

been satisfied. Also part of this charge was a provision of approximately \$3,400 for costs associated with the termination of approximately 485 domestic manufacturing employees. Substantially all of these employees have also been terminated and a majority of the liability has been satisfied. The Company believes that the reorganized units are operating more efficiently and thus the anticipated savings, although impractical to quantify, are being experienced.

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

(Thousands of dollars)

LIQUIDITY AND CAPITAL RESOURCES

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Because of the seasonality of the Company's business coupled with certain customer incentives, mainly in the form of extended payment terms, the interim cash flow statements are not representative of that which may be expected for the full year. As a result of these extended payment terms, the majority of the Company's cash collections occur late in the fourth quarter and early in the first quarter of the subsequent year. While a large portion of these receivables are of a quality which would allow their sale, alleviating the need for much of its interim financing, the Company believes it to be more cost effective to use its available funds and short-term borrowings to finance them. Late in its fourth quarter and through the first quarter of the subsequent year, as receivables are collected, cash flow from operations becomes positive and is used to repay a significant portion of the short-term borrowings.

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

Cash and cash equivalents at October 1, 1995, were approximately 10% less than their 1994 level. The Company attempts to keep its cash and cash equivalents at the lowest level possible whenever it has short-term borrowings, although at times the cash available and the borrowing requirement may be in different countries and currencies which may make it impractical to substitute one for the other. Receivables were approximately \$10,000 greater than at the same time in 1994, although they would have been approximately \$30,000 lower than those of a year ago if the impact of new operations and changed foreign currency translation rates were excluded. Inventories were approximately \$57,000 higher than those of September 1994, reflecting the impact of new operations and changed foreign currency translation rates as well as the need to have product available for an anticipated increased fourth quarter demand. Other assets, as a group, increased by approximately \$120,000 from their level a year ago. This increase results from the Company's investments and acquisitions during the most recent twelve months, partially offset by twelve additional months of amortization expense.

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

(Thousands of dollars)

Short-term borrowings at \$566,820 were approximately \$80,000 greater than last year. This increase is the net effect of the cash required for the Company's recent acquisitions, expanded business operations and the repurchase of shares of the Company's common stock, all partially offset by funds generated from operations within the most recent twelve months. In the aggregate, trade payables, accrued liabilities and accrued income taxes increased marginally, reflecting both the Company's increased activities and the impact of changed foreign currency translation rates.

At October 1, 1995, the Company had committed unsecured lines of credit totaling approximately \$590,000 available to it. It also had available uncommitted lines approximating \$990,000. The Company believes that these

amounts are adequate for its needs. Of these available lines, approximately \$590,000 was in use at October 1, 1995.

#### RECENT DEVELOPMENT

On October 25, 1995, the Company announced the formation of Hasbro Interactive Worldwide. This new unit will be an all-family classic game and edutainment software company with a presence in viable hardware platforms in the major worldwide markets. It plans to publish edutainment software in North America, Europe and throughout Asia under the Playskool(R) Software brand and all CD-ROM and on-line games under the Hasbro Interactive(TM) brand name. Two of its products, CD-ROM versions of Monopoly(R) and Trivial Pursuit(R) are currently on the market and it will incorporate additional Company brands and characters, along with original and licensed properties, in future products.

#### PART II. Other Information

##### Item 1. Legal Proceedings.

None.

##### Item 2. Changes in Securities.

None

##### Item 3. Defaults Upon Senior Securities.

None.

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

None

##### Item 5. Other Information

None.

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

###### (a) Exhibits.

11.1 Computation of Earnings Per Common Share - Nine Months Ended October 1, 1995 and September 25, 1994.

11.2 Computation of Earnings Per Common Share - Quarter Ended October 1, 1995 and September 25, 1994.

12 Computation of Ratio of Earnings to Fixed Charges - Nine Months and Quarter Ended October 1, 1995.

27 Article 5 Financial Data Schedule - Third Quarter 1995

###### (b) Reports on Form 8-K

A Current Report on Form 8-K, dated October 23, 1995, was filed by the Company and included the Press Release dated October 23, 1995, announcing the Company's results for the current quarter. Consolidated Statements of Earnings (without notes) for the quarters and nine months ended October 1, 1995 and September 25, 1994 and Consolidated Condensed Balance Sheets (without notes) as of said dates were also filed.

#### SIGNATURES

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

HASBRO, INC.

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(Registrant)

Date: November 15, 1995

By: /s/ John T. O'Neill

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John T. O'Neill  
Executive Vice President and  
Chief Financial Officer  
(Duly Authorized Officer and  
Principal Financial Officer)

HASBRO, INC. AND SUBSIDIARIES  
Quarterly Report on Form 10-Q  
For the Period Ended October 1, 1995

Exhibit Index

Exhibit No. -----	Exhibits -----
11.1	Computation of Earnings Per Common Share - Nine Months Ended October 1, 1995 and September 25, 1994
11.2	Computation of Earnings Per Common Share - Quarter Ended October 1, 1995 and September 25, 1994
12	Computation of Ratio of Earnings to Fixed Charges - Nine Months and Quarter Ended October 1, 1995
27	Article 5 Financial Data Schedule - Third Quarter 1995

HASBRO, INC. AND SUBSIDIARIES  
 Computation of Earnings Per Common Share  
 Nine Months Ended October 1, 1995 and September 25, 1994

(Thousands of Dollars and Shares Except Per Share Data)

	1995		1994	
	Primary	Fully Diluted	Primary	Fully Diluted
Net earnings before cumulative effect of change in accounting principles	\$ 70,362	70,362	103,502	103,502
Interest and amortization on 6% convertible notes, net of taxes	-	4,338	-	4,323
Net earnings before cumulative effect of change in accounting principles applicable to common shares	70,362	74,700	103,502	107,825
Cumulative effect of change in accounting principles	-	-	(4,282)	(4,282)
Net earnings applicable to common shares	\$ 70,362	74,700	99,220	103,543
Weighted average number of shares outstanding:(a)				
Outstanding at beginning of period	87,528	87,528	87,795	87,795
Actual exercise of stock options and warrants	169	169	221	221
Assumed exercise of stock options and warrants	600	704	1,720	1,720
Assumed conversion of 6% convertible notes	-	5,114	-	5,114
Purchase of common stock	(7)	(7)	(144)	(144)
Total	88,290	93,508	89,592	94,706
Per common share:				
Earnings before cumulative effect of change in accounting principles	\$ .80	.80	1.16	1.14
Cumulative effect of change in accounting principles	-	-	(.05)	(.05)
Net earnings	\$ .80	.80	1.11	1.09

(a) Computation to arrive at the average number is a weighted average computation.

HASBRO, INC. AND SUBSIDIARIES  
 Computation of Earnings Per Common Share  
 Quarter Ended October 1, 1995 and September 25, 1994

(Thousands of Dollars and Shares Except Per Share Data)

	1995		1994	
	Primary	Fully Diluted	Primary	Fully Diluted
Net earnings before cumulative effect of change in accounting principles	\$ 63,572	63,572	75,151	75,151
Interest and amortization on 6% convertible notes, net of taxes	-	1,426	-	1,441
Net earnings before cumulative effect of change in accounting principles applicable to common shares	63,572	64,998	75,151	76,592
Cumulative effect of change in accounting principles	-	-	-	-
Net earnings applicable to common shares	\$ 63,572	64,998	75,151	76,592
Weighted average number of shares outstanding:(a)				
Outstanding at beginning of period	87,751	87,751	87,948	87,948
Actual exercise of stock options and warrants	36	36	42	42
Assumed exercise of stock options and warrants	560	561	1,143	1,146
Assumed conversion of 6% convertible notes	-	5,114	-	5,114
Purchase of common stock	-	-	(292)	(292)
Total	88,347	93,462	88,841	93,958
Per common share:				
Earnings before cumulative effect of change in accounting principles	\$ .72	.70	.85	.82
Cumulative effect of change in accounting principles	-	-	-	-
Net earnings	\$ .72	.70	.85	.82

(a) Computation to arrive at the average number is a weighted average computation.

HASBRO, INC. AND SUBSIDIARIES  
 Computation of Ratio of Earnings to Fixed Charges  
 Nine Months and Quarter Ended October 1, 1995

(Thousands of Dollars)

	Nine Months -----	Quarter -----
Earnings available for fixed charges:		
Net earnings	\$ 70,362	63,572
Add:		
Fixed charges	34,425	14,410
Income taxes	44,048	39,798
Total	----- \$148,835 =====	----- 117,780 =====
 Fixed Charges:		
Interest on long-term debt	\$ 6,975	2,292
Other interest charges	17,164	8,640
Amortization of debt expense	255	85
Rental expense representative of interest factor	10,031	3,393
Total	----- \$ 34,425 =====	----- 14,410 =====
 Ratio of earnings to fixed charges	 4.32 =====	 8.17 =====

9-MOS

	DEC-31-1995	
	OCT-01-1995	
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	1,177,119	
	49,000	
	390,095	
	1,730,263	
		496,875
	190,411	
	2,917,509	
1,240,441		
		149,991
		44,043
	0	
		0
	1,417,891	
2,917,509		
		1,834,522
	1,834,522	
		807,509
	898,071	
	(11,528)	
	1,921	
	24,139	
	114,410	
	44,048	
	70,362	
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	70,362	
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	.80	