

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 30, 2014

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 02862

(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 short 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 **R** 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 short period that the registrant was required to submit and post such files). Yes **R** 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 **R**

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 **R**

The number of shares of Common Stock, par value \$.50 per share, outstanding as of April 18, 2014 was 129,811,566.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	March 30, 2014	March 31, 2013	December 29, 2013
ASSETS			
Current assets			
Cash and cash equivalents	\$ 792,249	1,067,039	682,449
Accounts receivable, less allowance for doubtful accounts of \$20,800, \$20,200 and \$19,000	552,471	509,276	1,093,620
Inventories	390,824	323,754	348,794
Prepaid expenses and other current assets	406,561	350,327	355,594
Total current assets	<u>2,142,105</u>	<u>2,250,396</u>	<u>2,480,457</u>
Property, plant and equipment, less accumulated depreciation of \$509,900, \$489,000 and \$500,500	<u>236,898</u>	<u>232,902</u>	<u>236,263</u>
Other assets			
Goodwill	594,365	474,726	594,321
Other intangibles, less accumulated amortization of \$679,200, \$678,100 and \$744,800	362,598	405,241	375,999
Other	693,471	697,380	715,227
Total other assets	<u>1,650,434</u>	<u>1,577,347</u>	<u>1,685,547</u>
Total assets	<u>\$ 4,029,437</u>	<u>4,060,645</u>	<u>4,402,267</u>

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

LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY	March 30, 2014	March 31, 2013	December 29, 2013
Current liabilities			
Short-term borrowings	\$ 12,858	161,968	8,332
Current portion of long-term debt	426,356	-	428,390
Accounts payable	169,173	118,416	198,799
Accrued liabilities	485,334	461,289	727,759
Total current liabilities	<u>1,093,721</u>	<u>741,673</u>	<u>1,363,280</u>
Long-term debt	959,895	1,394,387	959,895
Other liabilities	337,219	461,497	351,304
Total liabilities	<u>2,390,835</u>	<u>2,597,557</u>	<u>2,674,479</u>
Redeemable noncontrolling interests	44,180	-	45,445
Shareholders' equity			
Preference stock of \$2.50 par value. Authorized 5,000,000 shares; none issued	-	-	-
Common stock of \$0.50 par value. Authorized 600,000,000 shares; issued 209,694,630	104,847	104,847	104,847
Additional paid-in capital	753,143	667,932	734,181
Retained earnings	3,408,259	3,296,140	3,432,176
Accumulated other comprehensive loss	(48,565)	(68,166)	(34,135)
Treasury stock, at cost; 79,465,697 shares at March 30, 2014, 80,362,337 at March 31, 2013 and 78,640,228 at December 29, 2013	(2,623,262)	(2,537,665)	(2,554,726)
Total shareholders' equity	<u>1,594,422</u>	<u>1,463,088</u>	<u>1,682,343</u>
Total liabilities, redeemable noncontrolling interests and shareholders' equity	<u>\$ 4,029,437</u>	<u>4,060,645</u>	<u>4,402,267</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 30, 2014	March 31, 2013
Net revenues	\$ 679,453	663,694
Costs and expenses:		
Cost of sales	258,545	267,572
Royalties	49,581	49,392
Product development	47,257	47,185
Advertising	67,259	67,134
Amortization of intangibles	13,402	11,416
Program production cost amortization	4,658	5,723
Selling, distribution and administration	195,303	204,645
Total costs and expenses	<u>636,005</u>	<u>653,067</u>
Operating profit	<u>43,448</u>	<u>10,627</u>
Non-operating (income) expense:		
Interest expense	22,428	22,979
Interest income	(1,326)	(1,481)
Other (income) expense, net	(3,649)	5,622
Total non-operating expense, net	<u>17,453</u>	<u>27,120</u>
Earnings (loss) before income taxes	25,995	(16,493)
Income tax benefit	(5,519)	(9,822)
Net earnings (loss)	31,514	(6,671)
Net loss attributable to noncontrolling interests	(573)	-
Net earnings (loss) attributable to Hasbro, Inc.	<u>\$ 32,087</u>	<u>(6,671)</u>
Net earnings (loss) attributable to Hasbro, Inc. per common share:		
Basic	<u>\$ 0.24</u>	<u>(0.05)</u>
Diluted	<u>\$ 0.24</u>	<u>(0.05)</u>
Cash dividends declared per common share	<u>\$ 0.43</u>	<u>0.40</u>

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

	Quarter Ended	
	March 30, 2014	March 31, 2013
Net earnings (loss)	\$ 31,514	(6,671)
Other comprehensive earnings (loss):		
Foreign currency translation adjustments	(2,294)	(7,348)
Net (losses) gains on cash flow hedging activities, net of tax	(16,151)	10,776
Unrealized holding gains on available-for-sale securities, net of tax	2,243	-
Reclassifications to earnings (loss), net of tax:		
Net losses (gains) on cash flow hedging activities	1,238	(542)
Unrecognized pension and postretirement amounts	534	1,255
Total other comprehensive earnings (loss), net of tax	(14,430)	4,141
Total comprehensive earnings (loss)	17,084	(2,530)
Total comprehensive loss attributable to noncontrolling interests	(573)	-
Total comprehensive earnings (loss) attributable to Hasbro, Inc.	\$ 17,657	(2,530)

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 30, 2014	March 31, 2013
Cash flows from operating activities:		
Net earnings (loss)	\$ 31,514	(6,671)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation of plant and equipment	21,505	19,351
Amortization of intangibles	13,402	11,416
Program production cost amortization	4,658	5,723
Deferred income taxes	4,286	(7,041)
Stock-based compensation	7,059	4,686
Change in operating assets and liabilities:		
Decrease in accounts receivable	530,411	515,949
Increase in inventories	(41,992)	(11,254)
Increase in prepaid expenses and other current assets	(27,328)	(22,645)
Program production costs	(5,051)	(11,697)
Decrease in accounts payable and accrued liabilities	(289,064)	(206,844)
Other	(7,359)	6,481
Net cash provided by operating activities	<u>242,041</u>	<u>297,454</u>
Cash flows from investing activities:		
Additions to property, plant and equipment	(22,239)	(24,201)
Other	(4,839)	3,598
Net cash utilized by investing activities	<u>(27,078)</u>	<u>(20,603)</u>
Cash flows from financing activities:		
Net proceeds from (repayments of) short-term borrowings	5,035	(62,605)
Purchases of common stock	(79,913)	(22,213)
Stock option transactions	20,124	21,899
Excess tax benefits from stock-based compensation	3,755	3,564
Dividends paid	(52,388)	-
Net cash utilized by financing activities	<u>(103,387)</u>	<u>(59,355)</u>
Effect of exchange rate changes on cash	<u>(1,776)</u>	<u>(158)</u>
Increase in cash and cash equivalents	109,800	217,338
Cash and cash equivalents at beginning of year	682,449	849,701
Cash and cash equivalents at end of period	<u>\$ 792,249</u>	<u>1,067,039</u>
Supplemental information		
Cash paid during the period for:		
Interest	\$ 31,388	31,464
Income taxes	\$ 36,967	23,072

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 30, 2014 and March 31, 2013, 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 30, 2014 and March 31, 2013 are each 13-week periods.

The results of operations for the quarter ended March 30, 2014 is not necessarily indicative of results to be expected for the full year, nor were those of the comparable 2013 periods representative of those actually experienced for the full year 2013.

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 29, 2013 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 29, 2013.

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

(2) Earnings (Loss) Per Share

Net earnings (loss) per share data for the quarters ended March 30, 2014 and March 31, 2013 were computed as follows:

	2014		2013	
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Net earnings (loss) attributable to Hasbro, Inc.	\$ 32,087	32,087	(6,671)	(6,671)
Average shares outstanding	131,232	131,232	129,340	129,340
Effect of dilutive securities:				
Options and other share-based awards	-	1,501	-	-
Equivalent Shares	<u>131,232</u>	<u>132,733</u>	<u>129,340</u>	<u>129,340</u>
Net earnings (loss) attributable to Hasbro, Inc. per common share	<u>\$ 0.24</u>	<u>0.24</u>	<u>(0.05)</u>	<u>(0.05)</u>

Restricted stock-based awards and options to acquire shares totaling 676 and 8,731 at March 30, 2014 and March 31, 2013, respectively, were excluded from the calculation of diluted earnings per share because to include them would have been antidilutive. Of the amount for March 31, 2013, 7,559 would have been included in the calculation of diluted shares had the Company not had a net loss in the first quarter of 2013. Assuming that these awards and options were included, under the treasury stock method, they would have resulted in an additional 1,524 shares being included in the diluted earnings per share calculation for the quarter ended March 30, 2013 resulting in equivalent shares of 130,864.

(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 30, 2014 and March 31, 2013.

	<u>March 30, 2014</u>	<u>March 31, 2013</u>
Other comprehensive earnings (loss), tax effect:		
Tax benefit (expense) on cash flow hedging activities	\$ 9,474	(1,712)
Tax expense on unrealized holding gains	(1,272)	-
Reclassifications to earnings, tax effect:		
Tax (benefit) expense on cash flow hedging activities	(223)	133
Tax (benefit) expense on unrecognized pension and postretirement amounts reclassified to the consolidated statements of operations	<u>(303)</u>	<u>(712)</u>
Total tax effect on other comprehensive earnings (loss)	<u>\$ 7,676</u>	<u>(2,291)</u>

At March 30, 2014, the Company had remaining net deferred losses on hedging instruments, net of tax, of \$22,226 in accumulated other comprehensive loss ("AOCE"). These instruments hedge payments related to inventory purchased in the first quarter of 2014 or forecasted to be purchased during 2014 and 2015, intercompany expenses expected to be paid or received during 2014 and 2015, cash receipts for sales made at the end of the first quarter of 2014 or forecasted to be made in the remainder of 2014 and interest expenses expected to be paid on an expected issuance of long-term debt in 2014. These amounts will be reclassified into the consolidated statements of operations upon the sale of the related inventory or recognition of the related sales, royalties or expenses. Of the net deferred losses included in AOCE at March 30, 2014, the Company expects approximately \$6,441 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.

Changes in the components of accumulated other comprehensive loss for the quarters ended March 30, 2014 and March 31, 2013 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>
2014					
Balance at December 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>
2013					
Balance at December 30, 2012	\$ (120,422)	(1,008)	-	49,123	(72,307)
Current period other comprehensive earnings (loss)	1,255	10,234	-	(7,348)	4,141
Balance at March 31, 2013	<u>\$ (119,167)</u>	<u>9,226</u>	<u>-</u>	<u>41,775</u>	<u>(68,166)</u>

(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 30, 2014, March 31, 2013 and December 29, 2013, the carrying cost of these instruments approximated their fair value. The Company's financial instruments at March 30, 2014, March 31, 2013 and December 29, 2013 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 30, 2014, March 31, 2013 and December 29, 2013 are as follows:

	<u>March 30, 2014</u>		<u>March 31, 2013</u>		<u>December 29, 2013</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	567,700	500,000	584,750	500,000	532,750
6.125% Notes Due 2014	426,356	427,678	434,492	449,395	428,390	435,838
6.30% Notes Due 2017	350,000	399,785	350,000	407,085	350,000	400,050
6.60% Debentures Due 2028	109,895	120,643	109,895	126,588	109,895	118,566
Total long-term debt	1,386,251	1,515,806	1,394,387	1,567,818	1,388,285	1,487,204
Less: Current portion	426,356	427,678	-	-	428,390	435,838
Long-term debt excluding current portion	<u>\$ 959,895</u>	<u>1,088,128</u>	<u>1,394,387</u>	<u>1,567,818</u>	<u>959,895</u>	<u>1,051,366</u>

The carrying cost of the 6.125 % Notes Due 2014 includes principal amounts of \$425,000 as well as fair value adjustments of \$1,356, \$9,492, and \$3,390 at March 30, 2014, March 31, 2013 and December 29, 2013, respectively, related to interest rate swaps. The interest rate swaps were terminated in November 2012 and the fair value adjustments at March 30, 2014, March 31, 2013 and December 29, 2013 represent 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 May 15, 2014, totaling \$426,356, were included in the current portion of long-term debt. All other carrying costs represent principal amounts and were included in long-term debt excluding the current portion at March 30, 2014 and December 29, 2013. The total principal amount of long-term debt, including the current portion, at March 30, 2014, March 31, 2013 and December 29, 2013 was \$1,384,895.

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 U.S. Internal Revenue Service completed an examination related to the 2008 and 2009 U.S. federal income tax returns in 2013. During the first quarter of 2014, as a result of amending tax years 2010 through 2012 and making similar adjustments identified in the completion of the 2008 and 2009 examinations, the Company recognized \$12,159 of previously accrued unrecognized tax benefits including the reversal of related accrued interest, primarily related to the deductibility of certain expenses, as well as the tax treatment of certain subsidiary and other transactions. Of this amount, \$324 was recorded as a reduction of deferred tax assets and the remainder as a reduction to income tax expense. The total income tax benefit resulting from the amended returns, including other adjustments, totaled \$13,480 during the first quarter of 2014.

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 2006. The Company is currently under income tax examination in several U.S. state and local and non-U.S. jurisdictions.

In connection with the Mexican tax examinations for the years 2000 to 2007, the Company has received tax assessments totaling approximately \$252,140 (at March 30, 2014 exchange rates), which include interest, penalties and inflation updates, related to transfer pricing which the Company is vigorously defending. In order to continue the process of defending its position, the Company was required to guarantee the amount of the assessments for the years 2000 to 2004, as is usual and customary in Mexico with respect to these matters. Accordingly, as of March 30, 2014, bonds totaling approximately \$190,660 (at March 30, 2014 exchange rates) have been provided to the Mexican government related to the 2000 to 2004 assessments, allowing the Company to defend its positions. The Company is not currently required to guarantee the amounts of the 2005 through 2007 assessments. The Company expects to be successful in

sustaining its position with respect to these assessments as well as similar positions that may be taken by the Mexican tax authorities for periods subsequent to 2007 if these disputes continue through litigation and/or administrative processes. However, in the interest of resolving these open disputes and to provide for a mutually agreeable framework in future years, the Company is party to discussions with the Mexican tax authorities to determine if the two parties can reach an agreed settlement of these issues.

(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 30, 2014, March 31, 2013 and December 29, 2013, these investments totaled \$37,201, \$23,907 and \$28,048, 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 \$1,177 and \$280 on these investments in other (income) expense, net for the quarters ended March 30, 2014 and March 31, 2013, respectively.

At March 30, 2014, March 31, 2013 and December 29, 2013, 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 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	<u>\$ 33,053</u>	<u>-</u>	<u>33,053</u>	<u>-</u>
March 31, 2013				
Assets:				
Available-for-sale securities	\$ 23,915	8	18,650	5,257
Derivatives	12,854	-	11,864	990
Total assets	<u>\$ 36,769</u>	<u>8</u>	<u>30,514</u>	<u>6,247</u>
Liabilities:				
Derivatives	<u>\$ 3,231</u>	<u>-</u>	<u>3,231</u>	<u>-</u>
December 29, 2013				
Assets:				
Available-for-sale securities	\$ 28,048	-	22,564	5,484
Derivatives	4,627	-	4,627	-
Total assets	<u>\$ 32,675</u>	<u>-</u>	<u>27,191</u>	<u>5,484</u>
Liabilities:				
Derivatives	<u>\$ 12,330</u>	<u>-</u>	<u>12,330</u>	<u>-</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. The Company also holds an available-for-sale investment in Brazil similar to a repurchase agreement; this investment is 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 which contain 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 and forward-starting interest rate contracts. The Company uses current forward rates of the respective foreign currencies and U.S. treasury interest rates to measure the fair value of these contracts. At March 31, 2013, the Company also had derivative instruments consisting of warrants to purchase common stock of an unrelated company. The Company used the Black-Scholes model to value these warrants. One of the inputs used in the Black-Scholes model, historical volatility, is considered an unobservable input in that it reflected the Company's own assumptions about the inputs that market participants would use in pricing the asset or liability. The Company believed that this is the best information available for use in the fair value measurement. There were no changes in these valuation techniques during 2014.

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):

	2014	2013
Balance at beginning of year	\$ 5,484	7,618
Gain (loss) from change in fair value	179	(1,371)
Balance at end of first quarter	\$ 5,663	6,247

(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 30, 2014 and March 31, 2013 are as follows:

	Quarter Ended			
	Pension		Postretirement	
	March 30, 2014	March 31, 2013	March 30, 2014	March 31, 2013
Service cost	\$ 971	1,502	137	188
Interest cost	5,058	4,795	332	345
Expected return on assets	(5,560)	(5,541)	-	-
Net amortization and deferrals	1,252	2,392	(113)	(65)
Curtailement losses	-	2,959	-	-
Net periodic benefit cost	\$ 1,721	6,107	356	468

During the first quarter of fiscal 2014, the Company made cash contributions to its defined benefit pension plans of approximately \$1,100 in the aggregate. The Company expects to contribute approximately \$5,300 during the remainder of fiscal 2014.

(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, Hasbro uses 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.

In 2013, the Company also had warrants to purchase common stock of an unrelated company that constituted and were accounted for as derivatives. For additional information related to these warrants see Note 6.

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 2014 and 2015.

At March 30, 2014, March 31, 2013 and December 29, 2013, the notional amounts and fair values of the Company's foreign currency forward contracts designated as cash flow hedging instruments were as follows:

	March 30, 2014		March 31, 2013		December 29, 2013	
	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Hedged transaction						
Inventory purchases	\$ 609,689	(6,966)	394,818	5,858	577,138	(7,493)
Intercompany royalty transactions	2,812	(2,403)	132,677	2,053	4,948	(2,774)
Sales	161,760	(1,155)	83,942	3,465	171,393	(1,965)
Other	51,243	(637)	23,746	(22)	46,563	302
Total	\$ 825,504	(11,161)	635,183	11,354	800,042	(11,930)



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 30, 2014, March 31, 2013 and December 29, 2013 as follows:

	<u>March 30, 2014</u>	<u>March 31, 2013</u>	<u>December 29, 2013</u>
<u>Prepaid expenses and other current assets</u>			
Unrealized gains	\$ 999	10,324	1,088
Unrealized losses	(647)	(2,483)	(702)
Net unrealized gain	<u>\$ 352</u>	<u>7,841</u>	<u>386</u>
<u>Other assets</u>			
Unrealized gains	\$ -	4,023	-
<u>Accrued liabilities</u>			
Unrealized gains	\$ 4,597	1,095	3,425
Unrealized losses	(13,946)	(1,605)	(13,671)
Net unrealized loss	<u>\$ (9,349)</u>	<u>(510)</u>	<u>(10,246)</u>
<u>Other liabilities</u>			
Unrealized gains	\$ 256	-	-
Unrealized losses	(2,420)	-	(2,070)
Net unrealized loss	<u>\$ (2,164)</u>	<u>-</u>	<u>(2,070)</u>

Net gains (losses) on cash flow hedging activities have been reclassified from other comprehensive earnings (loss) to net earnings (loss) for the quarters ended March 30, 2014 and March 31, 2013 as follows:

	<u>Quarter Ended</u>	
	<u>March 30, 2014</u>	<u>March 31, 2013</u>
<u>Statements of Operations Classification</u>		
Cost of sales	\$ (1,019)	341
Royalties	(350)	(141)
Net revenues	(159)	475
Net realized (losses) gains	<u>\$ (1,528)</u>	<u>675</u>

In addition, net gains (losses) of \$65 and \$(1) were reclassified to earnings as a result of hedge ineffectiveness for the quarters ended March 30, 2014 and March 31, 2013, respectively.

During the fourth quarter of 2013, the Company entered into 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 which will be utilized to repay the 6.125% Notes Due 2014 with a principal of \$425,000. These derivative instruments are designated and effective as cash flow hedges. At March 30, 2014 and December 29, 2013, the total notional amounts of the Company's forward-starting interest rate swap agreements were \$500,000 and \$300,000, respectively. Unrealized (losses) gains of \$(21,540) and \$3,172 were recorded to the consolidated balance sheets as of March 30, 2014 and December 29, 2013, respectively. The instruments will be settled on the date of the issuance of the related debt and any gains or losses on these instruments at that time will be amortized to interest expense over the life of the debt using the effective interest rate method.

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 changes. Due to the nature of the derivative contracts involved, the Company does not use hedge accounting for these contracts. At March 30, 2014, March 31, 2013 and December 29, 2013 the total notional amounts of the Company's undesignated derivative instruments were \$158,827, \$109,433 and \$294,888, respectively.

At March 30, 2014, March 31, 2013 and December 29, 2013, the fair values of the Company's undesignated derivative financial instruments were recorded in the consolidated balance sheets as follows:

	<u>March 30, 2014</u>	<u>March 31, 2013</u>	<u>December 29, 2013</u>
<u>Prepaid expenses and other current assets</u>			
Unrealized gains	\$ 1,218	-	-
Unrealized losses	(421)	-	-
Net unrealized gain	<u>797</u>	<u>-</u>	<u>-</u>
<u>Other assets</u>			
Unrealized gains	163	-	1,069
Unrealized losses	(1)	-	-
Net unrealized gain	<u>162</u>	<u>-</u>	<u>1,069</u>
<u>Accrued liabilities</u>			

Unrealized gains	-	140	478
Unrealized losses	-	(1,123)	(492)
Net unrealized loss	-	(983)	(14)

Other liabilities

Unrealized loss	-	(1,738)	-
-----------------	---	---------	---

Total unrealized gain (loss), net	\$ 959	(2,721)	1,055
--	---------------	----------------	--------------

The Company recorded net losses of \$4,117 and \$3,107 on these instruments to other (income) expense, net for the quarters ended March 30, 2014 and March 31, 2013, 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) Acquisitions

On July 8, 2013, the Company acquired a majority interest in Backflip Studios, LLC ("Backflip"), a mobile game developer based in Boulder, Colorado. The Company paid \$112,000 in cash to acquire a 70% interest in Backflip. The Company is consolidating the financial statements of Backflip and reporting the 30% redeemable noncontrolling interests as a separate line in the consolidated balance sheets and statements of operations.

Based on a valuation of approximately \$160,000, the Company has allocated approximately \$6,000 to net tangible assets, \$35,000 to identifiable intangible assets, \$119,000 to goodwill, and \$48,000 to redeemable noncontrolling interests. The valuation was based on an income approach which utilizes discounted future cash flows expected to be generated from the acquired business. Identifiable intangible assets include property rights which are being amortized over the projected revenue curve over a period of four years. The carrying value and amortization curve of these intangible assets are based on cash flows associated with game titles released and planned to be released as of the date of acquisition. Actual results achieved from these acquired game titles may impact the carrying value of these intangibles or the timing of amortization expense. Goodwill reflects the value to the Company from leveraging Backflip's expertise in developing and marketing mobile digital games, including the continued expansion of its own brands in this arena. Goodwill will be tested for impairment at least annually during the fourth quarter of the Company's fiscal year, unless an event occurs or circumstances change that indicate that the carrying value may not be recoverable.

The \$48,000 value of the redeemable noncontrolling interests has been presented in the consolidated balance sheets as temporary equity between liabilities and shareholders' equity. This presentation is required because the Company has the obligation to purchase the remaining 30% of Backflip in the future contingent on the achievement by Backflip of certain predetermined financial performance metrics. The Company does not know the ultimate timing that these predetermined financial metrics may be met and, thereby, cannot currently estimate the purchase price of the remaining 30%.

Actual and pro forma results have not been disclosed because they are not material to the consolidated financial statements. The balance of the redeemable noncontrolling interests was \$44,180 at March 30, 2014 and \$45,445 at December 29, 2013. Net loss attributable to noncontrolling interests for the quarter ended March 30, 2014 was \$573.

(10) Equity Method Investment

The Company owns a 50% interest in a joint venture, Hub Television Networks, LLC ("Hub Network"), with Discovery Communications, Inc.. Hub Network was established to create a cable television network in the United States dedicated to high-quality children's and family entertainment. During the quarters ended March 30, 2014 and March 31, 2013, the Company's share in the earnings (loss) of Hub Network was \$1,336 and \$(1,064), respectively. As of March 30, 2014, March 31, 2013 and December 29, 2013, the Company's investment in Hub Network totaled \$323,212, \$329,683 and \$321,876, respectively. The Company monitors the valuation of its investment in Hub Network primarily based on a discounted cash flow model. The underlying cash flows are based on long-term financial plans for Hub Network, which include projections for growth in revenues and profitability. Should Hub Network not achieve its profitability and growth targets, the carrying value of the Company's investment may become impaired.

(11) 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 and licensed products ranging from traditional to high-tech and digital. 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 playsets, 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 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 substantially all costs incurred related to the 2013 business restructurings, 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 2014, nor were those of the comparable 2013 period representative of those actually experienced for the full year 2013. 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 30, 2014 and March 31, 2013 are as follows:

	March 30, 2014		March 31, 2013	
	External	Affiliate	External	Affiliate
Net revenues				
U.S. and Canada	\$ 337,699	1,210	342,059	1,029
International	305,475	71	289,813	199
Entertainment and Licensing	34,874	3,242	30,774	2,221
Global Operations (a)	1,405	251,540	1,048	214,286
Corporate and Eliminations	-	(256,063)	-	(217,735)
	<u>\$ 679,453</u>	<u>-</u>	<u>663,694</u>	<u>-</u>

	Quarter Ended	
	March 30, 2014	March 31, 2013
Operating profit (loss)		
U.S. and Canada	\$ 35,763	37,743
International	2,414	(4,505)
Entertainment and Licensing	5,982	5,285
Global Operations (a)	(1,744)	(9,583)
Corporate and Eliminations (b)	1,033	(18,313)
	<u>\$ 43,448</u>	<u>10,627</u>

	March 30, 2014	March 31, 2013	December 29, 2013
Total assets			
U.S. and Canada	\$ 3,080,602	6,076,021	3,066,301
International	1,900,304	1,874,583	2,233,115
Entertainment and Licensing	705,895	1,185,905	691,795
Global Operations	2,185,436	2,527,454	2,172,816
Corporate and Eliminations (b)	(3,842,800)	(7,603,318)	(3,761,760)
	<u>\$ 4,029,437</u>	<u>4,060,645</u>	<u>4,402,267</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. During 2013, certain inter-company balances were settled between each of the U.S. and Canada segment, Entertainment and Licensing segment and Corporate and eliminations. This reduced the amount of reported total assets of the U.S. and Canada and Entertainment and Licensing segments and increased the amount reported in Corporate and eliminations at March 30, 2014 and December 29, 2013 compared to March 31, 2013.

The following table represents consolidated International segment net revenues by major geographic region for the quarters ended March 30, 2014 and March 31, 2013.

	Quarter Ended	
	March 30, 2014	March 31, 2013
Europe	\$ 207,542	192,589
Latin America	53,284	45,713
Asia Pacific	44,649	51,511
Net revenues	<u>\$ 305,475</u>	<u>289,813</u>

The following table presents consolidated net revenues by class of principal products for the quarters ended March 30, 2014 and March 31, 2013.

	Quarter Ended	
	March 30, 2014	March 31, 2013
Boys	\$ 247,775	242,796
Games	220,526	230,915
Girls	138,700	114,774
Preschool	72,452	75,209
Net revenues	<u>\$ 679,453</u>	<u>663,694</u>

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 29, 2013, 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.

EXECUTIVE SUMMARY

Hasbro, Inc. ("Hasbro" or the "Company") is a branded-play company dedicated to fulfilling the fundamental need for play for children and families through creative expression of the Company's world class brand portfolio. From toys and games, to television programming, motion pictures, digital gaming and a comprehensive licensing program, Hasbro executes its brand blueprint in all of its operations. 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, ranging from traditional to high-tech and digital, under well-known brand names structured within the Company's brand architecture and offering consumers the ability to experience these brands in all areas of their lives.

To accomplish these objectives, the Company offers consumers the ability to experience its branded play through innovative toys and games, digital media, lifestyle licensing, publishing and entertainment, including television programming and motion pictures. The Company's focus remains on growing its owned and controlled brands, developing new and innovative products which respond to market insights, offering entertainment experiences which allow consumers to experience the Company's brands across multiple forms and formats and optimizing efficiencies within the Company to increase operating margins and maintain a strong balance sheet.

The Company earns revenues and generates cash primarily through the sale of a broad variety of 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 use of its properties in connection with complementary products, including digital media and games and lifestyle products, offered by third parties, or in certain situations, toy products where the Company considers the out-licensing of brands to be more effective. The Company's brand architecture includes franchise brands, key partner brands, challenger brands, gaming mega brands and new brands. The Company's franchise and challenger brands represent Company-owned brands or brands which if not entirely owned, are broadly controlled by the Company, and have been successful over the long term. Franchise brands are the Company's most significant owned or controlled brands which it believes have the ability to deliver significant revenue over the long-term. Challenger brands are brands which have not yet achieved franchise brand status, but have the potential to do so with investment and time. The Company's franchise brands are LITTLEST PET SHOP, MAGIC: THE GATHERING, MONOPOLY, MY LITTLE PONY, NERF, PLAY-DOH and TRANSFORMERS, while challenger brands include BABY ALIVE, FURBY, FURREAL FRIENDS and PLAYSKOOL. The Company has a large portfolio of owned and controlled brands, which can be introduced in new forms and formats over time. These brands may also be further extended by pairing a licensed concept with an owned or controlled brand. By focusing on these brands, the Company is working to build a more consistent revenue stream and basis for future growth, and to leverage profitability. During 2013, net revenues from the Company's franchise brands increased by 15% and totaled 44% of total consolidated net revenues. This trend continued in the first quarter of 2014 as the Company's franchise brands grew approximately 15% as compared to the first quarter of 2013.

The Company's innovative product offerings encompass a broad variety of toys including boys' action figures, vehicles and play sets, girls' toys, electronic toys, plush products, preschool toys and infant products, electronic interactive products, creative play and toy-related specialty products. Games offerings include action battling, board, off-the-board, digital, card, electronic, trading card and role-playing games.

While the Company believes it has built a more sustainable revenue base by developing and maintaining its owned or controlled brands and avoiding reliance on licensed entertainment properties, it continues to opportunistically enter into or leverage existing strategic licenses which complement its brands and key strengths and allow the Company to offer innovative products based on movie, television, music and other entertainment properties owned by third parties. The Company's primary licenses include agreements with Marvel Characters B.V. ("Marvel") for characters in the Marvel Universe, including SPIDER-MAN and the AVENGERS; Lucas Licensing Ltd. ("Lucas"), related to the STAR WARS brand; Sesame Workshop, related to the SESAME STREET characters; and Rovio Entertainment Ltd. related to the ANGRY BIRDS brand. Both Marvel and Lucas are owned by The Walt Disney Company ("Disney").

In 2013, the Company and Disney amended both the Marvel and Lucas agreements which extended the term of the license for Marvel characters through 2020 and provides additional guaranteed royalty payments with respect to both MARVEL and STAR WARS products in anticipation of expected future motion pictures and other related entertainment through 2020. Sales of MARVEL and STAR WARS products can vary based on the popularity of theatrical and television entertainment in any given year. In 2013 the Company's offerings included products related to several MARVEL properties backed by entertainment, including products based on the theatrical motion picture releases of *IRON MAN 3* in May 2013 and *THOR: THE DARK WORLD* in November 2013. During the remainder of 2014, the Company will market products related to three planned theatrical releases based on MARVEL properties, *CAPTAIN AMERICA: THE WINTER SOLDIER* in April 2014, *THE AMAZING SPIDER-MAN 2* in May 2014 and *GUARDIANS OF THE GALAXY* in August 2014. The Company also expects to have sales related to the introduction of all new television entertainment based on the STAR WARS brand, *STAR WARS REBELS*, in the second half of 2014. In addition to offering products based on licensed entertainment properties, the Company offers products which are licensed from outside inventors.

The Company seeks to build all-encompassing brand experiences and drive product-related revenues by increasing the visibility of its brands through entertainment such as motion pictures and television programming. Since 2007, the Company has had a number of motion pictures based on its brands released by major motion picture studios, including three motion pictures based on its TRANSFORMERS brand, two motion pictures based on its G.I. JOE brand, including *G.I. JOE: RETALIATION* released in March 2013, and a major motion picture based on its gaming mega brand, BATTLESHIP. The Company has motion picture projects based on other brands in development for potential release in future years, including a fourth motion picture based on its TRANSFORMERS brand, *TRANSFORMERS: AGE OF EXTINCTION*, expected to be released in June 2014 by Paramount Pictures.

In addition to using motion pictures to provide entertainment experiences for its brands, the Company has an internal wholly-owned production studio, Hasbro Studios, which is responsible for the creation and development of television programming based primarily on Hasbro's brands. This programming is currently aired in markets throughout the world. The Company is also a 50% partner in a joint venture with Discovery Communications, Inc. ("Discovery") which runs Hub Television Network, LLC ("Hub Network"), a cable television network in the United States dedicated to high-quality children's and family entertainment and educational programming. Programming on Hub Network includes content based on Hasbro's brands as well as programming developed by

third parties. Hasbro Studios programming is distributed domestically to Hub Network, internationally to broadcasters and cable networks, and on various digital platforms including Netflix and iTunes. The Company's television initiatives support its strategy of growing its brands well beyond traditional toys and games and providing entertainment experiences for consumers of all ages in many forms or formats.

The Company's strategic blueprint and brand architecture also focus on extending its brands further into digital media and gaming, including through the licensing of the Company's properties to a number of partners who develop and offer digital games and other gaming experiences based on those brands. One example of these digital gaming relationships is the Company's agreement with Electronic Arts Inc. ("EA") under which EA has the rights to develop eight of Hasbro's best-selling gaming brands for mobile platforms globally. Similarly, the Company has an agreement with Activision under which Activision offers digital games based on the TRANSFORMERS brand, as well as agreements with other third-party digital gaming companies, including DeNA and GameLoft.

In 2013, the Company acquired a 70% majority stake in Backflip Studios, LLC ("Backflip"), a mobile game developer based in Boulder, Colorado. Backflip's product offerings include games for tablets and mobile devices including DRAGONVALE, NINJUMP and PAPER TOSS. In 2014 and beyond, Backflip intends to focus on its existing product lines and launch new games, including those based on Hasbro brands. New game brands expected to be released in 2014 include DWARVEN DEN and PLUNDERNAUTS.

The Company also seeks to express its brands through its lifestyle licensing business. Under its lifestyle licensing programs, the Company enters into relationships with a broad spectrum of apparel, food, bedding, publishing and other lifestyle products companies for the global marketing and distribution of licensed products based on the Company's brands. These relationships further broaden and amplify the consumer's ability to experience the Company's brands.

As the Company seeks to grow its business in entertainment, licensing and digital gaming, the Company will continue to evaluate strategic alliances and acquisitions, like Backflip, which may complement its current product offerings, allow it entry into an area which is adjacent or complementary to the toy and game business, or allow it to further develop awareness of its brands and expand the ability of consumers to experience its brands in different forms and formats.

During the fourth quarter of 2012 the Company announced a multi-year cost savings initiative in which it targeted achieving aggregate annual cost reductions in its underlying business of \$100,000 by 2015. This plan included an approximate 10% workforce reduction, facility consolidations and process improvements which reduce redundancy and increase efficiencies. During 2012 and 2013, the Company incurred aggregate restructuring and related pension charges of \$79,748 as well as product-related charges of \$19,736 related to this plan. For the full year 2013, the Company recognized gross cost savings, before restructuring charges, from these actions of approximately \$50,000. These savings are prior to other costs which have or are anticipated to increase in 2014 and future years, such as compensation costs and other investments in certain components of the business.

The Company's business is highly seasonal with a significant amount of revenues occurring in the second half of the year. In 2013, 2012 and 2011, the second half of the year accounted for 65%, 64% and 63% of the Company's annual net revenues, respectively. The Company expects this trend to continue with variation depending on the number, timing and popularity of theatrical movie releases in any given year.

The Company sells its products both within the United States and in a number of international markets. In recent years, the Company's international net revenues have experienced growth as the Company has sought to increase its international presence. Net revenues of the Company's International segment represented 46%, 44% and 43% of total net revenues in 2013, 2012 and 2011, respectively. The Company has driven international growth by opportunistically opening offices in certain markets, primarily emerging markets, to develop a greater global presence. The Company believes emerging markets offer greater opportunity for revenue growth than developed economies which have faced challenging economic environments in recent years. In 2013 and 2012, net revenues from emerging markets increased by 25% and 16%, respectively, and represented more than 10% of consolidated net revenues in each of these years. During the first quarter of 2014, net revenues from emerging markets increased approximately 15% compared to the same period in 2013.

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 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 world-wide manufacturing and product sourcing operations are managed through its Global Operations segment.

The Company is committed to returning excess cash to its shareholders through share repurchases and dividends. As part of this initiative, from 2005 to 2013, the Company's Board of Directors (the "Board") adopted seven successive share repurchase authorizations with a cumulative authorized repurchase amount of \$3,325,000. The seventh authorization was approved in August 2013 for \$500,000. At March 30, 2014, the Company had \$444,338 remaining under this authorization. During the first quarter of 2014, the Company spent \$80,513 to repurchase approximately 1,481 shares of common stock in the open market. During the three years ended 2013, the Company spent \$625,554 to repurchase 15,424 shares in the open market. The Company has no obligation to repurchase shares under the 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. The Company intends to, at its discretion, opportunistically repurchase shares in the future subject to market conditions, the Company's other potential uses of cash and the Company's levels of cash generation. In addition to the share repurchase program, the Company also seeks to return cash to its shareholders through the payment of quarterly dividends. In February 2014 the Board increased the Company's quarterly dividend rate, effective for the dividend paid in May 2014, to \$0.43 per share, an 8% increase from the prior quarterly dividend rate of \$0.40 per share. This was the tenth dividend increase in the previous eleven years. During that period, the Company has increased its quarterly cash dividend from \$0.03 to \$0.43 per share.

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 30, 2014 and March 31, 2013.

	2014	2013
Net revenues	100.0%	100.0%
Costs and expenses:		
Cost of sales	38.1	40.3
Royalties	7.3	7.5
Product development	7.0	7.1

Advertising	9.9	10.1
Amortization of intangibles	2.0	1.7
Program production cost amortization	0.7	0.9
Selling, distribution and administration	28.7	30.8
Operating profit	6.4	1.6
Interest expense	3.3	3.5
Interest income	(0.2)	(0.2)
Other (income) expense, net	(0.5)	0.8
Earnings (loss) before income taxes	3.8	(2.5)
Income tax benefit	(0.8)	(1.5)
Net earnings (loss)	4.6	(1.0)
Net loss attributable to noncontrolling interests	(0.1)	-
Net earnings (loss) attributable to Hasbro, Inc.	4.7%	(1.0)%

RESULTS OF OPERATIONS

The quarters ended March 30, 2014 and March 31, 2013 were each 13-week periods. Net earnings, including the impact of noncontrolling interests in Backflip, were \$31,514 for the quarter ended March 30, 2014. Net earnings and diluted earnings per share attributable to Hasbro, Inc. for the quarter ended March 30, 2014 were \$32,087 and \$0.24, respectively, compared to net loss and diluted loss per share attributable to Hasbro, Inc. of \$(6,671) and \$(0.05), respectively, for the quarter ended March 31, 2013.

Net earnings for the first quarter of 2014 include a tax benefit of \$13,480, or \$0.10 per diluted share, related to the favorable settlement of certain open tax years. The net loss for the quarter ended March 31, 2013 includes an unfavorable impact, net of tax, of \$18,777, or \$0.14 per diluted share, from restructuring and related pension charges associated with the multi-year cost savings initiative announced during the fourth quarter of 2012.

During the third quarter of 2013, the Company acquired a 70% majority interest in Backflip Studios, LLC ("Backflip"). The Company is consolidating the financial results of Backflip in its consolidated financial statements and, accordingly, reported revenues, costs and expenses, assets and liabilities, and cash flows include 100% of Backflip, with the 30% noncontrolling interests share reported as net loss attributable to noncontrolling interests in the consolidated statements of operations, and redeemable noncontrolling interests on the consolidated balance sheets. The results of operations for the first quarter of 2014 include the operations of Backflip whereas the first quarter of 2013 does not. The operations of Backflip are reported in the Entertainment and Licensing segment.

Consolidated net revenues for the quarter ended March 30, 2014 increased 2% to \$679,453 from \$663,694 for the quarter ended March 31, 2013 and were negatively impacted by foreign currency translation of approximately \$6,000 for the quarter ended March 30, 2014 as a result of the stronger U.S. dollar in 2014 compared to 2013. The Company's focus on franchise brands contributed to the overall growth of consolidated net revenues, with franchise brands growing approximately 15% in the first quarter of 2014 compared to 2013. Five of the seven franchise brands experienced growth in the quarter, including MAGIC: THE GATHERING, MONOPOLY, MY LITTLE PONY, NERF and PLAY-DOH.

The following table presents net revenues by product category for the quarters ended March 30, 2014 and March 31, 2013.

	Quarter Ended		
	March 30, 2014	March 31, 2013	% Change
Boys	\$ 247,775	242,796	2%
Games	220,526	230,915	-4%
Girls	138,700	114,774	21%
Preschool	72,452	75,209	-4%
Net revenues	\$ 679,453	663,694	

BOYS: Net revenues in the boys category increased 2% in the first quarter of 2014 compared to 2013. The first quarter of 2014 benefited from higher shipments of MARVEL products related to two expected theatrical releases, *CAPTAIN AMERICA: THE WINTER SOLDIER* in April 2014 and *THE AMAZING SPIDER-MAN 2* in May 2014, compared to the first quarter of 2013 which only included shipments of MARVEL products related to one theatrical release, *IRON MAN 3* in May 2013. Higher net revenues from NERF products also contributed to the category's growth. These increases were partially offset by an expected decline in sales of BEYBLADE products.

GAMES: Net revenues from the games category decreased 4% in the first quarter of 2014 compared to 2013. Higher net revenues from MAGIC: THE GATHERING, MONOPOLY, ELEFUN & FRIENDS, JENGA and OPERATION products were more than offset by lower net revenues from other games, including DUEL MASTERS products. Net revenues from the games category in the first quarter of 2014 also includes mobile gaming revenue from Backflip properties, primarily DRAGONVALE, as a result of its third quarter 2013 acquisition.

GIRLS: Net revenues in the girls category increased 21% in the first quarter of 2014 compared to 2013. Higher net revenues from franchise brands, specifically MY LITTLE PONY and NERF, contributed to the category's growth in the quarter. Net revenues from MY LITTLE PONY products have continued momentum with support from the successful television program, *MY LITTLE PONY: FRIENDSHIP IS MAGIC*, as well as the third quarter 2013 introduction of MY LITTLE PONY EQUESTRIA GIRLS products. The Company also successfully launched NERF REBELLE, a line of action performance products, during the second half of 2013 and the product line's success continued into the first quarter of 2014. These higher net revenues were partially offset by declines in net revenues from LITTLEST PET SHOP, FURBY and FURREAL FRIENDS products.

PRESCHOOL: Net revenues from the preschool category declined 4% for the quarter ended March 30, 2014 compared to the quarter ended March 31, 2013. Growth in net revenues from PLAY-DOH products was more than offset by lower net revenues from PLAYSKOOL and TONKA products.

Operating profit for the quarter ended March 30, 2014 increased to \$43,448, or 6.4% of net revenues, from \$10,627, or 1.6% of net revenues, for the quarter ended March 31, 2013. Absent the impact of restructuring and related pension charges of \$28,926, operating profit for the quarter ended March 31, 2013 was

\$39,553, or 6.0% of net revenues. Foreign currency translation had an immaterial impact on consolidated operating profit in the first quarter of 2014. The higher net revenues discussed above combined with more favorable product mix, including an increasing portion of net revenues from franchise brands, contributed to growth in both operating profit and operating profit margin in the first quarter of 2014.

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 in detail below. The following table presents net external revenues and operating profit data for the Company's three principal segments for the quarters ended March 30, 2014 and March 31, 2013.

	Quarter Ended		
	March 30, 2014	March 31, 2013	% Change
Net Revenues			
U.S. and Canada segment	\$ 337,699	342,059	-1%
International segment	305,475	289,813	5%
Entertainment and Licensing segment	34,874	30,774	13%
Operating Profit (Loss)			
U.S. and Canada segment	\$ 35,763	37,743	-5%
International segment	2,414	(4,505)	154%
Entertainment and Licensing segment	5,982	5,285	13%

U.S. AND CANADA SEGMENT

The U.S. and Canada segment net revenues for the quarter ended March 30, 2014 decreased 1% to \$337,699 from \$342,059 for the quarter ended March 31, 2013. Currency translation negatively impacted net revenues by approximately \$1,200 in the quarter ended March 30, 2014. Growth in the girls category was more than offset by declines in the boys, games and preschool categories.

In the boys category, higher net revenues from NERF, MARVEL and SUPER SOAKER products were more than offset by lower net revenues from BEYBLADE, STAR WARS and G.I. JOE products. 2014 net revenues from MARVEL products benefited from shipments related to CAPTAIN AMERICA and SPIDER-MAN products, while 2013 included products related to the IRON MAN brand. In the games category, higher net revenues from MAGIC: THE GATHERING, ELEFUN & FRIENDS and OPERATION products were more than offset by lower net revenues from DUEL MASTERS products as well as several other games brands. In the girls category, higher net revenues from MY LITTLE PONY, NERF and EASY BAKE products were only partially offset by lower net revenues LITTLEST PET SHOP and FURREAL FRIENDS products. In the preschool category, higher net revenues from PLAY-DOH products were wholly offset by lower net revenues from STAR WARS, PLAYSKOOL and TRANSFORMERS products.

U.S. and Canada segment operating profit decreased to \$35,763, or 10.6% of net revenues, for the quarter ended March 30, 2014 from \$37,743, or 11.0% of net revenues, for the quarter ended March 31, 2013. In the first quarter of 2014, operating profit was negatively impacted by the lower net revenues discussed above as well as investment in support of the rapidly growing brand, MAGIC: THE GATHERING. Operating profit margin declined as a result of higher expenses, primarily to support the MAGIC: THE GATHERING brand.

INTERNATIONAL SEGMENT

International segment net revenues increased 5% to \$305,475 for the quarter ended March 30, 2014 compared to \$289,813 for the quarter ended March 31, 2013. International segment net revenues for the first quarter of 2014 were negatively impacted by currency translation of approximately \$4,900 as a result of the stronger U.S. dollar in 2014 compared to 2013. Absent the impact of foreign exchange, net revenues for the first quarter of 2014 increased approximately 7%. The following table presents net revenues by geographic region for the Company's International segment for the quarters ended March 30, 2014 and March 31, 2013.

	Quarter Ended		
	March 30, 2014	March 31, 2013	% Change
Europe	\$ 207,542	192,589	8%
Latin America	53,284	45,713	17%
Asia Pacific	44,649	51,511	-13%
Net revenues	<u>\$ 305,475</u>	<u>289,813</u>	

Increased net revenues from the European and Latin American regions were partially offset by lower net revenues from the Asia Pacific region. Absent the impact of foreign exchange, net revenues from the European and Latin American regions grew approximately 7% and 27%, respectively while net revenues from the Asia Pacific region fell 10%. Net revenues in emerging markets, which includes but is not limited to Russia, Brazil, China and Korea, increased 15% in the first quarter of 2014 compared to 2013.

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

In the boys category, higher sales of MARVEL products as well as net revenues from NERF products were partially offset by lower sales of BEYBLADE and STAR WARS products. In the games category, lower net revenues from STAR WARS, TWISTER and TRANSFORMERS products were only partially offset by higher net revenues from other game brands, including ELEFUN & FRIENDS and MAGIC: THE GATHERING. Growth in the girls category for the quarter was driven by higher net revenues from NERF and MY LITTLE PONY products which were partially offset by lower net revenues from FURBY and FURREAL FRIENDS products. In the preschool category, higher net revenues from PLAY-DOH products were more than offset by lower net revenues from PLAYSKOOL and TONKA products.

International segment operating profit increased to \$2,414, or 0.8% of net revenues, for the quarter ended March 30, 2014 from an operating loss of \$4,505, or (1.6)% of net revenues, for the quarter ended March 31, 2013. Higher net revenues contributed to the higher operating profit and operating profit margin in the first quarter of 2014 compared to 2013.

ENTERTAINMENT AND LICENSING SEGMENT

Entertainment and Licensing segment net revenues for the quarter ended March 30, 2014 increased 13% to \$34,874 from \$30,774 for the quarter ended March 31, 2013, primarily due to the revenue contribution from Backflip. Increased net revenues from lifestyle licensing were wholly offset by lower entertainment revenues, primarily related to digital distribution.

Entertainment and Licensing segment operating profit increased to \$5,982 for the quarter ended March 30, 2014 from \$5,285 for the quarter ended March 31, 2013, but remained flat as a percentage of net revenues at 17.2%. The first quarter 2013 operating profit included restructuring charges of \$1,729. Excluding these charges, operating profit decreased driven by higher intangible asset amortization, primarily related to the acquisition of Backflip. The impact of Backflip during the first quarter of 2014 was a loss of \$1,911, which included \$2,775 of amortization expense. Further, the impact of higher net revenues from lifestyle licensing as well as lower program production cost amortization were partially offset by lower entertainment revenues.

OTHER SEGMENTS AND CORPORATE AND ELIMINATIONS

Operating loss in the Global Operations segment decreased to \$1,744 for the quarter ended March 30, 2014 compared to \$9,583 for the quarter ended March 31, 2013. The improvement in operating results in the Global Operations segment is primarily due to improvements made in owned manufacturing facilities and expense reductions associated with restructuring activities.

The operating profit in Corporate and Eliminations for the first of quarter 2014 totaled \$1,033 compared to operating loss of \$18,313 for the first quarter of 2013. Operating loss in the first quarter of 2013 included restructuring and related pension charges of \$27,197. Absent these charges, operating profit in Corporate and Eliminations for the first quarter of 2013 was \$8,884.

The Company's costs and expenses, stated as percentages of net revenues, are illustrated below for the quarters ended March 30, 2014 and March 31, 2013.

	<u>March 30,</u> <u>2014</u>	<u>March 31,</u> <u>2013</u>
Cost of sales	38.1%	40.3%
Royalties	7.3	7.5
Product development	7.0	7.1
Advertising	9.9	10.1
Amortization of intangibles	2.0	1.7
Program production cost amortization	0.7	0.9
Selling, distribution and administration	28.7	30.8

Operating expenses for the quarter ended March 31, 2013 include costs related to a multi-year cost savings initiative announced during the fourth quarter of 2012, which targeted achieving an aggregate \$100,000 in underlying annual savings by the end of 2015, prior to the other costs which have, or are anticipated to, increase in 2014 as well as in future years. These expenses were included in the consolidated statement of operations as follows:

	<u>March 31,</u> <u>2013</u>
Cost of sales	\$ 8,493
Product development	3,515
Selling, distribution and administration	16,918
Total	<u>\$ 28,926</u>

Cost of sales decreased to \$258,545, or 38.1% of net revenues, for the quarter ended March 30, 2014 from \$267,572, or 40.3% of net revenues, for the quarter ended March 31, 2013. Absent restructuring charges noted above, cost of sales as a percentage of net revenues for the quarter ended March 31, 2013 were 39.0%. Cost of sales decreased in dollars and as a percentage of net revenues despite higher net revenues in the first quarter of 2014 compared to 2013. This decrease reflects a favorable revenue mix, including higher Entertainment and Licensing segment net revenues as well as realized cost savings.

Royalty expense for the quarter ended March 30, 2014 was \$49,581, or 7.3% of net revenues, compared to \$49,392, or 7.5% of net revenues, for the quarter ended March 31, 2013. 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. The impact of higher shipments during the first quarter of 2014 related to MARVEL products were partially offset by lower sales of other licensed properties, including BEYBLADE products.

Product development expense for the quarter ended March 30, 2014 was \$47,257, or 7.0% of net revenues, compared to \$47,185, or 7.1% of net revenues, for the quarter ended March 31, 2013. Absent restructuring charges, product development expense for the first quarter of 2013 was \$43,670, or 6.6% of net revenues. Higher product development expenses in 2014 compared to 2013 reflect the acquisition of Backflip in the third quarter of 2013 as well as increased investment in the MAGIC: THE GATHERING brand, partially offset by cost savings.

Advertising expense for the quarter ended March 30, 2014 was \$67,259, or 9.9% of net revenues, compared to \$67,134, or 10.1% of net revenues, for the quarter ended March 31, 2013. Advertising expense for the first quarters of 2014 and 2013 were consistent in dollars and as a percentage of net revenues.

Amortization of intangibles increased to \$13,402, or 2.0% of net revenues, in the first quarter of 2014 from \$11,416, or 1.7% of net revenues, in the first quarter of 2013. Amortization in the first quarter of 2014 includes \$2,775 of expense related to certain intangibles acquired with the acquisition of Backflip in the third quarter of 2013. Absent amortization of intangibles related to Backflip, the Company's amortization decreased approximately 7% related to the impact of intangible assets which were fully amortized during 2013.

Program production cost amortization decreased in the first quarter of 2014 to \$4,658, or 0.7% of net revenues, from \$5,723, or 0.9% of net revenues, in the first quarter of 2013. Program production costs are capitalized as incurred and amortized using the individual-film-forecast method.

For the quarter ended March 30, 2014, the Company's selling, distribution and administration expenses decreased to \$195,303, or 28.7% of net revenues, from \$204,645, or 30.8% of net revenues, for the quarter ended March 31, 2013. Selling, distribution and administration expenses for the first quarter of 2013 include restructuring charges of \$16,918. Absent these charges, selling, distribution and administration expenses increased 4% in 2014 from \$187,727, or 28.3% of net revenues, for the quarter ended March 31, 2013. This increase, excluding restructuring charges, reflects higher compensation, depreciation and investments, including MAGIC: THE GATHERING and Backflip, partially offset by cost savings.

NON-OPERATING (INCOME) EXPENSE

Interest expense for the first quarter of 2014 decreased to \$22,428 from \$22,979 for the comparable period of 2013. Interest income for the quarter ended March 30, 2014 was \$1,326 compared to \$1,481 for the quarter ended March 31, 2013.

Other income, net of \$3,649 for the quarter ended March 30, 2014 compared to other expense, net of \$5,622 for the quarter ended March 31, 2013. Other (income) expense, net includes the Company's 50% share in the (earnings) losses of Hub Network. Earnings from Hub Network of \$1,336 in the first quarter of 2014 compared to losses of \$1,064 in the first quarter of 2013. Other income, net in the first quarter of 2014 also includes gains of \$3,400 on the sale of an internet domain name as well as gains on investments of approximately \$450 compared to losses of approximately \$1,300 in the prior year. Foreign exchange losses also decreased in 2014 as compared to 2013.

INCOME TAXES

The income tax benefit for the quarter ended March 30, 2014 was \$5,519 on pre-tax earnings of \$25,995 compared to an income tax benefit of \$9,822 on a pre-tax loss of \$16,493 for the quarter ended March 31, 2013. Both quarters, as well as the full year 2013, were impacted by certain discrete tax events including the accrual of potential interest and penalties on certain tax positions. During the first quarter of 2014, favorable discrete tax adjustments were a net benefit of \$12,453 compared to a net benefit of \$5,467 in the first quarter of 2013. The favorable discrete tax adjustment for the first quarter of 2014 includes 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 rates for the first quarters of 2014 and 2013 were 26.1% and 26.4%, respectively. The adjusted rate of 26.1% for the three months ended March 30, 2014 is comparable to the full year 2013 adjusted rate of 25.8%.

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.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically generated a significant amount of cash from operations. In 2013 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 2014, the Company continued to fund its working capital needs primarily through cash flows from operations and, when needed, lines of credit. 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 2014. 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 30, 2014 the Company's cash and cash equivalents totaled \$792,249, a substantial portion 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. The majority of the Company's cash and cash equivalents held outside of the United States as of March 30, 2014 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, management 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 30, 2014, cash and cash equivalents, net of short-term borrowings, decreased to \$779,391 from \$905,071 at March 31, 2013. Net cash provided by operating activities in the first quarter of 2014 was \$242,041 compared to \$297,454 in the first quarter of 2013. Accounts receivable increased approximately 8% to \$552,471 at March 30, 2014 from \$509,276 at March 31, 2013. The accounts receivable balance at March 30, 2014 includes a decrease of approximately \$8,900 resulting from a stronger U.S. dollar at March 30, 2014 compared to March 31, 2013. Absent the impact of foreign currency translation, the increase in accounts receivable reflects higher net revenues for the quarter ended March 30, 2014 compared to the quarter ended March 31, 2013 as well as higher days sales outstanding reflecting the timing of collections and mix of revenues. Days sales outstanding were 73 days at March 30, 2014 compared to 69 days at March 31, 2013.

Inventories increased approximately 21% to \$390,824 at March 30, 2014 from \$323,754 at March 31, 2013. The inventory balance at March 30, 2014 includes a decrease of approximately \$7,400 resulting from a stronger U.S. dollar at March 30, 2014 compared to March 31, 2013. The increase is primarily due to a higher level of inventories in international markets, mainly in support of high growth emerging markets, as well as higher levels globally to support anticipated shipments related entertainment-based properties.

Prepaid expenses and other current assets increased 16% to \$406,561 at March 30, 2014 from \$350,327 at March 31, 2013. Higher prepaid expenses and other current assets primarily relate to increases in prepaid royalties as advances previously recorded as long-term have become current. These advances relate to the MARVEL and STAR WARS licenses, as well as Hub Network. Prepaid expenses and other current assets in 2014 also reflect higher short-term and other investments. These increases were partially offset by lower income and non-income based tax receivables, primarily value added taxes in Europe.

Accounts payable and accrued liabilities increased 13% to \$654,507 at March 30, 2014 from \$579,705 at March 31, 2013. Accounts payable and accrued liabilities at March 30, 2014 included a decrease of approximately \$9,300 resulting from a stronger U.S. dollar at March 30, 2014 compared to March 31, 2013. Higher accounts payable, accrued dividends and balances related to hedging contracts were partially offset by lower restructuring accruals due to scheduled payments.

Goodwill and other intangible assets, net increased to \$956,963 at March 30, 2014 from \$879,967 at March 31, 2013. Goodwill increased from \$474,726 at March 31, 2013 to \$594,365 at March 30, 2014, reflecting the Company's acquisition of a majority interest in Backflip during the third quarter of 2013. Other intangible assets decreased from \$405,241 at March 31, 2013 to \$362,598 at March 30, 2014. Increases in other intangible assets resulting from the acquisition of a majority interest in Backflip during the third quarter of 2013 were more than offset by write-offs of certain intangibles during the fourth quarter of 2013 as well as twelve months of amortization.

Other assets in 2014 decreased to \$693,471 at March 30, 2014 from \$697,380 at March 31, 2013. Increased long-term royalty advances relating to the STAR WARS license and Hub Network were more than offset by lower television programming, deferred taxes and other long-term receivables.

Other liabilities decreased 27% to \$337,219 at March 30, 2014 from \$461,497 at March 31, 2013. Lower non-current liabilities are primarily the result of lower liabilities related to defined benefit pension and post-retirement medical plans as well as lower uncertain income tax positions at March 30, 2014 compared to March 31, 2013.

Net cash utilized by investing activities was \$27,078 in the first quarter of 2014 compared to \$20,603 in 2013. Additions to property, plant and equipment were \$22,239 in 2014 compared to \$24,201 in 2013. The utilization in 2014 includes approximately \$8,600 of cash invested in short-term investments.

Net cash utilized by financing activities was \$103,387 in the first quarter of 2014 compared to \$59,355 in the first quarter of 2013. Cash payments related to purchases of the Company's common stock were \$79,913 in the first quarter of 2014 compared to \$22,213 in 2013 reflecting the Company's intent to opportunistically increase the pace of share repurchases compared to 2013 and 2012. At March 30, 2014, the Company had \$444,338 remaining available under its current share repurchase authorization approved by the Board of Directors. Dividends paid in the first quarter of 2014 totaled \$52,388. There were no dividends paid in the first quarter of 2013 as the payment historically made in February was accelerated and paid in December 2012. Proceeds from short-term borrowings of \$5,035 in the first quarter of 2014 compared to repayments of short-term borrowings of \$62,605 in the first quarter of 2013.

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 30, 2014 the Company had no 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 30, 2014. The Company had no borrowings outstanding under its committed revolving credit facility at March 30, 2014. However, the Company had letters of credit outstanding under this facility as of March 30, 2014 of approximately \$1,000. Amounts available and unused under the committed line as of March 30, 2014 were approximately \$699,000. The Company also has other uncommitted lines from various banks, of which approximately \$33,900 was utilized at March 30, 2014. Of the amount utilized under the uncommitted lines, approximately \$12,900 and \$21,000 represent outstanding borrowings and letters of credit, respectively.

The Company has principal amounts of long-term debt at March 30, 2014 of \$1,384,895 due at varying times from 2014 through 2040. The principal amount of the debentures due during the second quarter of 2014 total \$425,000. The Company currently expects to issue long-term notes in order to repay this debt. The Company also had letters of credit and other similar instruments of approximately \$212,600 and purchase commitments of \$327,877 outstanding at March 30, 2014. Letters of credit and similar instruments include approximately \$190,700 related to the defense of tax assessments in Mexico. These assessments relate to transfer pricing that the Company is defending and expects to be successful in sustaining its position.

Other contractual obligations and commercial commitments, as detailed in the Company's Annual Report on Form 10-K for the year ended December 29, 2013, 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 29, 2013, does not include certain tax liabilities recorded related to uncertain tax positions. These liabilities were \$68,096 at March 30, 2014, 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 29, 2013.

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 2014 through 2015 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 30, 2014, these contracts had net unrealized losses of \$10,202, of which \$1,149 are recorded in prepaid expenses and other current assets, \$162 are recorded in other assets, \$9,349 are recorded in accrued liabilities and \$2,164 are recorded in other liabilities. Included in accumulated other comprehensive loss at March 30, 2014 are deferred losses, net of tax, of \$8,483, related to these derivatives.

At March 30, 2014, the Company had fixed rate long-term debt, excluding fair value adjustments, of \$1,384,895. The Company was party to several interest rate swap agreements, with a total notional amount of \$400,000, to adjust the amount of long-term debt subject to fixed interest rates. The interest rates were matched with specific long-term debt issues and were designated and effective as hedges of the change in the fair value of the associated debt. Changes in fair value of these contracts were wholly offset in earnings by changes in the fair value of the related long-term debt. In November 2012, these interest rate swap agreements were terminated. The fair value was recorded as an adjustment to long-term debt and is now being amortized through the statement of operations over the life of the remaining long-term debt using a straight-line method. At March 30, 2014, the adjustment to long-term debt was \$1,356. As a result of this termination, long-term debt is no longer affected by variable interest rates and, thereby, earnings and cash flows are not expected to be impacted by changes in interest rates.

Of the \$1,384,895 in fixed rate long-term debt at March 30, 2014, \$425,000 matures on May 15, 2014. The Company currently expects to issue long-term notes during the second quarter of 2014 to finance the repayment of this debt. As such, during the fourth quarter of 2013 and first quarter of 2014, the Company entered into forward-starting interest rate swap agreements with total notional value of \$500,000 to hedge the anticipated underlying U.S. Treasury interest rate associated with the expected issuance of long-term debt. These interest rate swaps were matched with the expected long-term debt issuance and are designated and effective as hedges of the change in future interest payments. The fair value of these instruments is recorded to accumulated other comprehensive loss and will be amortized through the consolidated statements of operations using an effective interest rate method once the expected debt issuance occurs. At March 30, 2014, the fair value of these instruments is a loss of \$21,540, which is recorded in accrued liabilities. Included in accumulated other comprehensive loss are deferred losses, net of tax, of \$13,743, 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 30, 2014. 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 30, 2014, 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 has outstanding tax assessments in Mexico relating to the years 2000 through 2007. These tax assessments, which total approximately \$252 million in aggregate (at March 30, 2014 exchange rates including interest, penalties, and inflation updates), are based on transfer pricing issues between the Company's subsidiaries with respect to the Company's operations in Mexico. The Company has filed suit in the Federal Tribunal of Fiscal and Administrative Justice in Mexico challenging the 2000 through 2004 assessments. The Company filed the suit related to the 2000 and 2001 assessments in May 2009; the 2002 assessment in June 2008; the 2003 assessment in March 2009; and the 2004 assessment in July 2011. The Company is challenging assessments for 2005 through 2007 through administrative appeals. The Company expects to be successful in sustaining its positions, as well as similar positions that may be taken by Mexican tax authorities for periods subsequent to 2007, if these disputes continue through litigation and/or administrative processes. However, in order to challenge the outstanding tax assessments related to the years 2000 through 2004 in court, as is usual and customary in Mexico in these matters, the Company was required to either make a deposit or post a bond in the full amount of the assessments. The Company elected to post bonds and accordingly, as of March 30, 2014, bonds totaling approximately \$191 million (at March 30, 2014 exchange rates) have been posted related to the assessments for the years 2000 through 2004. These bonds guarantee the full amounts of the outstanding related tax assessments in the event the Company is not successful in its challenge to them. The Company does not currently expect that it will be required to make a deposit or post bonds related to the 2005 through 2007 assessments as the Company is challenging these through administrative appeals. In the interest of resolving these open disputes and to provide for a mutually agreeable framework in future years, the Company is party to discussions with the Mexican tax authorities to determine if the two parties can reach an agreed settlement of these issues.

In 2013, an inventor brought claims against the Company based on two license agreements between the parties. One license agreement related to certain products included in the Company's SUPER SOAKER product line. The other agreement related to certain products included in Hasbro's NERF product line. The inventor licensor, Johnson Research ("Johnson"), claimed that the license agreements required the payment of royalties by the Company on a significantly greater number of products in each of those respective product lines than the Company believed was the case. The claims related to the NERF products were pursued by the licensor in binding arbitration in Atlanta, Georgia, as was required by the license. The licensor made a demand for arbitration in February 2013, seeking damages related to claimed non-payment of royalties on certain NERF products for the years 2007 through 2012. The licensor's claims related to the SUPER SOAKER products were not subject to binding arbitration and were the subject of a separate complaint filed by the licensor in February of 2013 in the United States District Court for the Northern District of Georgia.

The arbitration hearing with respect to the NERF claims took place in August of 2013 before a single arbitrator. On October 29, 2013, the arbitrator issued the ruling in the NERF arbitration. The arbitrator awarded a total of \$70.0 million, including damages, interest, fees and expenses, to the licensor. The Company disagreed with the arbitrator's ruling and filed a motion to vacate the arbitrator's decision in the United States District Court for the District of Rhode Island based on several legal grounds. Prior to a decision, on February 7, 2014, the Company entered into a Settlement Agreement (the "Settlement Agreement") with Johnson with respect to all outstanding litigation and arbitration proceedings between the parties relating to two license agreements involving the Company's NERF and SUPER SOAKER product lines (the "Licensing Agreements"). Under the terms of the Settlement Agreement, the Company has agreed to pay Johnson a reduced amount of \$58.04 million and Johnson agreed to release any and all claims arising from or relating to the License Agreements.

The Company is currently party to certain other 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 29, 2013 (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 and introduce 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 expand consumer demand for its product offerings and do not significantly compete with the Company's existing product offerings and consumers favor 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 initiative;
- 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 application 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 product 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 Hub Network, the Company's cable television joint venture with Discovery Communications, the programming appearing on Hub Network, products related to Hub Network's programming, and other factors impacting the financial performance of Hub Network;
- 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 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 sanctions for failure to comply with applicable regulations;
- 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 2014 12/30/14 – 1/26/14	81,000	\$53.04	81,000	\$520,526,243
February 2014 1/27/14 – 3/2/14	480,800	\$53.73	480,800	\$494,694,279
March 2014 3/3/14 – 3/30/14	918,800	\$54.81	918,800	\$444,338,474
Total	1,480,600	\$54.36	1,480,600	\$444,338,474

On August 1, 2013, the Company announced that its Board of Directors authorized the repurchase of \$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 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.)
 - 3.6 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.)
-

- 4.4 Second Supplemental Indenture, dated as of May 13, 2009, 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 May 13, 2009, File No. 1-6682.)
- 4.5 Third Supplemental Indenture, dated as of March 11, 2010, 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 March 11, 2010, File No. 1-6682.)
- 10.1 Hasbro, Inc. 2014 Performance Rewards Program.
- 10.2 Form of Fair Market Value Stock Option Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan. (Applicable for Duncan Billing, John Frascotti, Wiebe Tinga and Deborah Thomas and certain other employees of the Company.)
- 10.3 Form of Fair Market Value Stock Option Agreement for Brian Goldner under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.
- 10.4 Form of Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan. (Applicable to Duncan Billing, John Frascotti, Wiebe Tinga and Deborah Thomas and certain other employees of the Company.)
- 10.5 Form of Contingent Stock Performance Award for Brian Goldner under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.
- 10.6 Form of Restricted Stock Unit Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan. (Applicable to Duncan Billing, John Frascotti, Wiebe Tinga and Deborah Thomas and certain other employees of the Company.)
- 10.7 Form of Restricted Stock Unit Agreement for Brian Goldner under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.
- 10.8 Form of Non-Competition, Non-Solicitation and Confidentiality Agreement. (Applicable to Duncan Billing, John Frascotti, Wiebe Tinga and Deborah Thomas and certain other employees of the Company.)
- 31.1 Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- 31.2 Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- 32.1* Certification of the Chief Executive Officer Pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934.
- 32.2* Certification of the Chief Financial Officer Pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934.
- 101.INS XBRL Instance Document
-

101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
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.

HASBRO, INC.

(Registrant)

Date: May 6, 2014

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	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.)
3.6	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 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.)
4.4	Second Supplemental Indenture, dated as of May 13, 2009, 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 May 13, 2009, File No. 1-6682.)
4.5	Third Supplemental Indenture, dated as of March 11, 2010, 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 March 11, 2010, File No. 1-6682.)
10.1	Hasbro, Inc. 2014 Performance Rewards Program.
10.2	Form of Fair Market Value Stock Option Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan. (Applicable for Duncan Billing, John Frascotti, Wiebe Tinga and Deborah Thomas and certain other employees of the Company.)
10.3	Form of Fair Market Value Stock Option Agreement for Brian Goldner under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.
10.4	Form of Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan. (Applicable to Duncan Billing, John Frascotti, Wiebe Tinga and Deborah Thomas and certain other employees of the Company.)
10.5	Form of Contingent Stock Performance Award for Brian Goldner under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.
10.6	Form of Restricted Stock Unit Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan. (Applicable to Duncan Billing, John Frascotti, Wiebe Tinga and Deborah Thomas and certain other employees of the Company.)
10.7	Form of Restricted Stock Unit Agreement for Brian Goldner under the Hasbro, Inc. Restated 2003 Incentive Performance Plan.
10.8	Form of Non-Competition, Non-Solicitation and Confidentiality Agreement. (Applicable to Duncan Billing, John Frascotti, Wiebe Tinga and Deborah Thomas and certain other employees of the Company.)
31.1	Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2	Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1*	Certification of the Chief Executive Officer Pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934.
32.2*	Certification of the Chief Financial Officer Pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934.
101.INS	XBRL Instance Document

101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
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.

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, 2014

/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, 2014

/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 30, 2014, 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, 2014

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 30, 2014, 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, 2014

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, 2014

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 2014

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 2014, 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:

Measure	Definition	% of Company Measure
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>Performance %</u>	<u>Payout Scale %</u>	
< 80%	0%	Minimum performance 80%
80%	60%	For every 1% below target, 2% decrease in award
100%	100%	Target performance = 100% payout
105%	115%	For every 1% above 100%, 3% 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.

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, 2014. 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
FEBRUARY 12, 2014 GRANT

AGREEMENT, made effective as of February 12, 2014, 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 June 12, 2014 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 June 12, 2014 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 February 12, 2014, 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 June 12, 2014 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 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 \$52.11 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>
February 12, 2014 to February 11, 2015	0%
February 12, 2015 to February 11, 2016	33 1/3%
February 12, 2016 to February 11, 2017	66 2/3%
February 12, 2017 to February 11, 2021	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 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 BRIAN GOLDNER
FEBRUARY 12, 2014

AGREEMENT, made effective as of February 12, 2014, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and Brian D. Goldner (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 granted 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. The Company confirms the grant by the Committee to the Optionee on February 12, 2014, 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, of 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 "Award") the Participant hereby acknowledges and agrees that (i) this Award, and any 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 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 Optionee acknowledges and agrees that if the Optionee is 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 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 Three Hundred and Two Thousand, Two Hundred (302,200) shares of Common Stock at an exercise price of \$52.11 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>
February 12, 2014 to February 11, 2015	0%
February 12, 2015 to February 11, 2016	33 1/3%
February 12, 2016 to February 11, 2017	66 2/3%
February 12, 2017 to February 11, 2021	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 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 the Optionee shall have made advance alternative arrangements satisfactory to the Company, or to the Company's designee, the 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. The 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. The Optionee may also elect to satisfy any withholding taxes payable as a result of such exercise (the "Taxes"), in whole or in part, either by (i) 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 a subsidiary of the Company.

* "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 attaining 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.

[The remainder of this page intentionally left blank.]

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: _____
Name:
Title:

OPTIONEE

By: _____
Brian D. Goldner

HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN
CONTINGENT STOCK PERFORMANCE AWARD
FEBRUARY 12, 2014 GRANT

AGREEMENT, made effective as of February 12, 2014, 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 June 12, 2014 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 February 12, 2014 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") and cumulative net revenue ("Revenues") performance targets over the period beginning on December 30, 2013 and ending on December 25, 2016 (the "Performance Period"), subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth.

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. Contingent upon and in consideration for the Participant having executed and delivered to the Company's designated contact no later than June 12, 2014 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 February 12, 2014, 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 June 12, 2014, 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 targets over the Performance Period. The EPS and Revenues targets for the Performance Period are set forth below:

EPS	\$[]
Revenues	\$[]

The threshold and maximum levels for both cumulative EPS and Revenues 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 over the Performance Period. The Committee will certify the Company's cumulative EPS and Revenues 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 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) EPS and Revenues 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) EPS and Revenues 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) EPS and Revenues 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, and (iv) EPS and Revenues 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 Revenues 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 and Revenues 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 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 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 metric. The Company's achievement against

its EPS metric is weighted 60% in determining the final shares earned by the Participant, and the Company's achievement against its Revenues metric is weighted 40%.

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 []%. In that case, the Participant would earn $(.40 * []\%) + (.60 * []\%)$, 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.

Notwithstanding the foregoing, if the Company does not achieve at least the threshold cumulative EPS of \$[] over the Performance Period, no shares will be earned under the Award, regardless of the cumulative Revenues achieved.

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 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 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 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 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 coincident 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

Exhibit A

EPS

Achievement

Payout

HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN
CONTINGENT STOCK PERFORMANCE AWARD
FEBRUARY 12, 2014 GRANT

AGREEMENT, made effective as of February 12, 2014, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and Brian D. Goldner (the "Participant").

WHEREAS, the Participant and the Company entered into an Amended and Restated Employment Agreement, dated as of October 4, 2012 (the "Amended Employment Agreement"), and

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 February 12, 2014 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") and cumulative net revenue ("Revenues") performance targets over the period beginning on December 30, 2013 and ending on December 25, 2016 (the "Performance Period"), with the number of shares earned, if any, then being adjusted in accordance with the Company's total shareholder return ("TSR") during the Performance Period as compared to the TSR for the Standard & Poor's 500 Index (the "S&P 500 Index"), as is described on Exhibit C hereto.

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 February 12, 2014, and pursuant to the Plan, a copy of which is attached hereto as Exhibit 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. 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 that if the Participant is subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as 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 that 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 the 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 targets over the Performance Period. The EPS and Revenues targets for the Performance Period are set forth below:

EPS	\$[]
Revenues	\$[]

The threshold and maximum levels for both cumulative EPS and Revenues contributing to shares being earned under this Award are set forth on Exhibit B to this Agreement. The terms of the adjustment, which is based on the Company's TSR as compared to the TSR for the S&P 500 Index over the Performance Period, is set forth on Exhibit C 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 (i) the Company's cumulative EPS and Revenues over the Performance Period and (ii) the Company's TSR over the Performance Period, as compared to the TSR for the S&P 500 Index over the Performance Period, in the manner set forth on Exhibit C (the "Relative TSR Performance"). The Committee will certify the Company's cumulative EPS and Revenues and Relative TSR Performance 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. 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 Amended Employment Agreement and this Agreement does not explicitly set forth such inconsistency and state that it is amending the Amended Employment Agreement, then the provisions of the Amended Employment Agreement shall govern. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

4. For purposes of this Award, the Company's cumulative EPS and Revenues 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) EPS and Revenues 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) EPS and Revenues 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) EPS and Revenues 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, and (iv) EPS and Revenues 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 Revenues measures over the Performance Period, prior to any Relative TSR Performance multiplier, is Sixty-Seven Thousand One Hundred and Forty-Nine (67,149) shares (the "Target Shares"). The tables appearing on Exhibit B 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 and Revenues targets. Exhibit C to this Agreement sets forth the Relative TSR Performance modifier that is then applied to the number of shares earned (based upon the Company's EPS and Revenue performances as a percentage of target) to arrive at the final number of shares, if any, earned under this Award.

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 performances of the Company, as certified by the Committee following completion of the Performance Period, are applied to the tables on Exhibit B. The appropriate boxes in the tables corresponding with the highest threshold achieved by the Company's actual cumulative EPS and Revenues 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 60% in determining the final shares earned by the Participant, and the Company's achievement against its Revenues metric is weighted 40%. The Participant has agreed to this allocation between EPS and Revenues notwithstanding that the Amended Employment Agreement contemplated a weighting of 50% for each metric. This Agreement hereby amends the provision in the Amended Employment Agreement requiring that the Award be weighted 50% for each metric.

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 []%. And if the Company's Relative TSR Performance over the Performance Period was at the 75th percentile of the S&P 500 Index, the total number of contingent shares of Common Stock earned under the Award (based upon the EPS and Revenues performances) would be then multiplied by a factor of 2.0. In that case, the Participant would earn $((.40 * []\%) + (.60 * []\%)) * 2.0$, or []% of the Target Shares of Common Stock subject to the Award, or [] shares. Assuming the same EPS and Revenues Performances, but that the Company's Relative TSR Performance was at the 24th percentile as compared to the S&P 500 Index, then the Relative TSR Performance modifier would be .75 and the Participant would earn []% of the Target Shares, or [] shares. In all cases, if the number of shares earned is not a whole number, the Participant will earn the next highest whole number of shares. The modifier for Relative TSR Performance is applied to the number of shares earned based upon the Company's EPS and Revenues performances. As a result, if no shares are earned based upon the EPS and Revenues performances, then the Relative TSR Performance multiplier will not change the fact that 0 shares are earned under the award.

Notwithstanding the foregoing, if the Company does not achieve at least the threshold cumulative EPS of \$[] over the Performance Period, no shares will be earned under the Award, regardless of the cumulative Revenues achieved.

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 performance, and Relative TSR 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 (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 targets and the Company's Relative TSR Performance, 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 targets and the Company's Relative TSR Performance, 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: _____

Name:

Title:

PARTICIPANT

By: _____

Brian D. Goldner

Exhibit B

EPS

Achievement

Payout

Exhibit C

Relative TSR Performance Multiplier

The number of shares earned under this Award, if any, based upon the Company's EPS and Revenues performances over the Performance Period will be modified by the applicable Award Multiplier set forth in the table below based upon the Relative TSR Performance of the Company as compared to the TSR of the S&P 500 Index over the Performance Period.

For this purpose, the Total Shareholder Return (TSR) for both the Company and the S&P 500 Index will be computed based upon share price appreciation over the Performance Period and by assuming the reinvestment of all dividends received over the Performance Period.

In addition, the TSR for the S&P 500 Index over the Performance Period will be computed using a closed list. In other words, the computation will only include companies that were in the S&P 500 Index at both the beginning and the end of the Performance Period, and will not include either (i) companies that are included in the S&P 500 Index at the beginning of the Performance Period but are dropped from the S&P 500 Index during the Performance Period or (ii) companies that are not in the S&P 500 Index at the beginning of the Performance Period but are added to the S&P 500 Index during the Performance Period.

Company's Relative TSR Performance as compared to the S&P 500 Index over the Performance Period

Award Multiplier

≥75th percentile of companies in the S&P 500 Index
≥ 65th percentile but <75th percentile
≥ 25th percentile but <65th percentile
<25th percentile

2.0x Award Otherwise Earned
1.5x Award Otherwise Earned
1.0x Award Otherwise Earned
0.75x Award Otherwise Earned

RESTRICTED STOCK UNIT AGREEMENT

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 February 12, 2014.

C. The "Vesting Period" is the period beginning on the Grant Date and ending on February 12, 2017, such that the Participant shall become vested in the Stock Units and the Stock Unit Account as of February 13, 2017, 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 June 12, 2014 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 June 12, 2014, 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 February 13, 2017, 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 coincidental 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 _____

HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN
RESTRICTED STOCK UNIT AGREEMENT
FEBRUARY 12, 2014 GRANT

THIS AGREEMENT, entered into effective as of the Grant Date (as defined in paragraph 1), is made by and between Brian D. Goldner 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; and

WHEREAS, effective on October 4, 2012 the Participant and the Company entered into an Amended and Restated Employment Agreement (the "Amended Employment Agreement"), which contemplated the grant of this Award.

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 Brian D. Goldner.

B. The "Grant Date" is February 12, 2014.

C. The number of restricted stock units ("Stock Units") awarded under this Agreement is One Hundred and Nineteen Thousand Three Hundred and Eighteen (119,318) 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.

D. By accepting this award (the "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 subject to the Hasbro, Inc. Executive Ownership Policy, effective as of March 1, 2014 (the "Stock Ownership Policy"), as it may be amended from time to time by the Board in the future, then by accepting this Award and any shares that that 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 ownership levels are met.

E. 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. Vesting of the Stock Units is based upon fulfillment of both a (i) Stock Price Component and (ii) Service Component.

A. Stock Price Component. To fulfill the stock price component ("Stock Price Component") for vesting of the Stock Units the price of the Company's Common Stock must achieve the following pre-defined stock price hurdles:

<u>Stock Price Hurdle</u>	<u>Percentage of Shares Subject to Hurdle</u>
\$45	25%
\$52	25%
\$56	25%
\$60	25%

A stock price hurdle is achieved if at some point between April 24, 2013 and prior to the termination of the Award, there is a period of at least thirty (30) consecutive trading days over which the average of the closing prices for the Common Stock over those 30 consecutive trading days is equal to or greater than the applicable stock price hurdle(s). So for example, if the average of the closing prices for the Common Stock over a period of thirty consecutive trading days (at some point during the period between April 24, 2013 and prior to the termination of the Award is greater than \$45, then the first stock price hurdle is achieved. Once a stock price hurdle(s) is achieved, a subsequent decline in the price of the Common Stock does not change the achievement of that hurdle(s).

B. Service Component. To fulfill the service component ("Service Component") for vesting of some or all of the Stock Units, the Participant must remain continuously employed with the Company from the Grant Date through and including December 31, 2017. Subject only to the limited exceptions set forth below, if the Participant's employment with the Company terminates for any reason prior to December 31, 2017, the Participant will forfeit this Award and the Award will become null and void.

C. Vesting. 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 of this Section 4, if the Participant has remained continuously employed with the Company through December 31, 2017, then on January 1, 2018 (the "Vesting Date") the Participant shall become vested in that portion of the Stock Units, if any, for which the applicable Stock Price Hurdles have been achieved. By way of example, if the \$45, \$52 and \$56 Stock Price Hurdles (but not the \$60 Stock Price Hurdle) have been achieved at some time during the period between April 24, 2013 and December 31, 2017, and the Participant has remained continuously employed with the Company through December 31, 2017, then the Participant will become vested in 75% of the Stock Units, or 89,489 Units, on January 1, 2018. If a fractional number of Units have become vested, the number will be rounded to the next highest whole number of Units.

D. Change in Control. If a Change in Control (as defined below), occurs prior to December 31, 2017, 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.

E. Earlier Vesting in Certain Limited Situations. The Participant shall otherwise become vested in that portion, if any, of the Stock Units and the Stock Unit Account subject to this Agreement for which the Stock Price Hurdles have been met 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 death or Disability (as defined in the Amended Employment Agreement), (ii) termination of the Participant's employment by the Company without Cause (as defined in the Amended Employment Agreement) or (iii) termination of the Participant's employment by the Participant with Good Reason (as defined in the Amended Employment Agreement).

In the case of a Termination of Employment covered by this paragraph 4.E(i) for death or Disability, the Participant will become entitled, as of the date of the Termination of Employment, to any portion of the Stock Units and the Stock Unit Account subject to this Agreement for which the Stock Price Hurdles have been met prior to the date of Termination of Employment. In the case of a Termination of Employment covered by this paragraph 4.E(ii) or 4.E(iii), which in either case occurs within two (2) years following a Change in Control (as defined in the Amended Employment Agreement), the Participant will become entitled, as of the date of the Termination of Employment, to any portion of the Stock Units and the Stock Unit Account subject to this Agreement for which the Stock Price Hurdles have been met prior to the date of Termination of Employment. In the case of a Termination of Employment covered by this paragraph 4.E(ii) or 4.E(iii), which in either case does not occur within two (2) years following a Change in Control (as defined in the Amended Employment Agreement), the Participant will become entitled, as of the date of the Termination of Employment, to a portion of any Stock Units and the Stock Unit Account subject to this Agreement for which the Stock Price Hurdles have been met prior to the date of Termination of Employment, which portion is computed by multiplying the full number of Stock Units subject to this Agreement for which the Stock Price Hurdles have been achieved by a fraction, the numerator of which is the number of days since October 4, 2012 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 period from October 4, 2012 through and including December 31, 2017. The Participant will forfeit any portion of the Stock Unit Account which has not vested in accordance with the foregoing provisions.

F. If the Participant's Date of Termination occurs prior to December 31, 2017 for any reason other than the reasons set forth above in Section 4.E above, 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.

G. 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 the applicable portion thereof, shall be converted into actual shares of Common Stock upon the date of such vesting. Such conversion: (i) will occur on January 1, 2018, in the case that the Participant has remained employed through the end of the Vesting Period, (ii) as of the date of death or Disability, if it occurs pursuant to the provisions of Section 4.E(i) above or (iii) will occur upon the Date of Termination, in the case that Section 4.E(ii) or (iii) is applicable. 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 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, such delivery timing to be consistent with the terms and requirements set forth in the Amended Employment Agreement for delivery, and 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. Cause. The term "Cause" shall have the meaning ascribed to it in the Amended Employment Agreement.

B. Change in Control. The term "Change in Control" shall have the meaning ascribed to it in the Amended Employment Agreement.

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. Good Reason. The term "Good Reason" shall have the meaning ascribed to it in the Amended Employment Agreement.

E. 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. 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 Amended Employment Agreement, the provision of the Amended Employment Agreement shall govern. Terms used here in and not otherwise defined shall have the meaning set forth in the Plan.

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

12. Entire Agreement. This Agreement, the Amended Employment 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.

13. 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.

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: _____

Name:

Title:

PARTICIPANT _____
Brian D. Goldner

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: _____

Date: _____

HASBRO, INC.

By: _____

EMPLOYEE

Print Name

Signature