SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the period ended June 28, 1998 Commission file number 1-6682

HASBRO, INC.
(Name of Registrant)

Rhode Island
(State of Incorporation)

O5-0155090
(I.R.S. Employer Identification No.)

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

(401) 431-8697

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

Yes X or No

The number of shares of Common Stock, par value $.50 per share, outstanding as of August 7, 1998 was 131,534,304.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

(Thousands of Dollars Except Share Data)
(Unaudited)

Assets	Jun. 28, 1998	Jun. 29, 1997	Dec. 28, 1997
Current assets			
Cash and cash equivalents	$ 180,595	82,510	361,785
Accounts receivable, less allowance for doubtful accounts of $52,400, $49,600 and $51,700	600,254	714,212	783,008
Inventories:			
Finished products	277,608	302,213	198,215
Work in process	17,215	16,025	12,208
Raw materials	36,815	49,983	32,279
Total inventories	331,638	368,221	242,702
Deferred income taxes	92,929	78,461	96,489
Prepaid expenses	130,811	110,452	89,890

Total current assets	1,336,227	1,353,856	1,573,874
Property, plant and equipment, net	281,327	296,139	280,603
Other assets			
Cost in excess of acquired net assets, less accumulated amortization of $138,162, $123,524 and $128,237	615,297	508,439	486,502
Other intangibles, less accumulated amortization of $154,513, $114,346 and $135,467	707,775	419,439	478,798
Other	87,139	68,922	79,940
Total other assets	1,410,211	996,800	1,045,240
Total assets	$3,027,765	2,646,795	2,899,717

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets, continued

(Thousands of Dollars Except Share Data)
(Unaudited)

Liabilities and Shareholders' Equity	Jun. 28, 1998	Jun. 29, 1997	Dec. 28, 1997
Current liabilities			
Short-term borrowings	$ 527,259	314,288	122,024
Trade payables	124,479	89,967	179,156
Accrued liabilities	486,715	336,112	596,033
Income taxes	65,666	91,151	106,333
Total current liabilities	1,204,119	831,518	1,003,546
Long-term debt, excluding current installments	-	149,040	-
Deferred liabilities	77,886	67,206	58,054
Total liabilities	1,282,005	1,047,764	1,061,600
Shareholders' equity			
Preference stock of $2.50 par value. Authorized 5,000,000 shares; none issued	-	-	-
Common stock of $.50 par value. Authorized 300,000,000 shares; issued 139,799,011, 132,176,967 and 139,799,011	69,900	66,088	69,900
Additional paid-in capital	488,374	279,798	489,447
Retained earnings	1,449,609	1,382,557	1,457,495
Accumulated other comprehensive income	(20,076)	(7,075)	(3,903)
Treasury stock, at cost; 7,786,821, 4,735,697 and 6,357,948 shares	(242,047)	(122,337)	(174,822)
Total shareholders' equity	1,745,760	1,599,031	1,838,117
Total liabilities and shareholders' equity	$3,027,765	2,646,795	2,899,717

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Earnings

(Thousands of Dollars Except Share Data)
(Unaudited)

	Quarter Ended		Six Months Ended	
	Jun. 28, 1998	Jun. 29, 1997	Jun. 28, 1998	Jun. 29, 1997
Net Revenues	$ 572,057	583,886	1,054,877	1,139,670
Cost of Sales	247,095	252,917	451,407	488,288
Gross Profit	324,962	330,969	603,470	651,382
Expenses				
Amortization	15,880	11,194	30,023	21,226
Royalties, Research and Development	82,129	87,864	149,465	151,756
Advertising	73,213	66,908	128,970	138,210
Selling, Distribution and Administration	141,479	142,289	276,728	277,070
Total Expenses	312,701	308,255	585,186	588,262
Operating Profit	12,261	22,714	18,284	63,120
Nonoperating (income) expense				
Interest Expense	6,416	5,493	8,728	9,923
Other (Income) Expense, Net	(2,417)	(3,062)	(10,514)	(7,233)
Total nonoperating (income) expense	3,999	2,431	(1,786)	2,690
Earnings Before Income Taxes	8,262	20,283	20,070	60,430
Income Taxes	2,809	7,302	6,824	21,755
Net Earnings	$ 5,453	12,981	13,246	38,675
Per Common Share				
Net Earnings				
Basic	$ .04	.10	.10	.30
Diluted	$ .04	.10	.10	.30
Cash Dividends Declared	$ .08	.08	.16	.16

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Six Months Ended June 28, 1998 and June 29, 1997

(Thousands of Dollars)
(Unaudited)

	1998	1997
Cash flows from operating activities		
Net earnings	$ 13,246	38,675
Adjustments to reconcile net earnings to net cash utilized by operating activities:		
Depreciation and amortization of plant and equipment	43,857	48,297
Other amortization	30,023	21,226
Deferred income taxes	(1,153)	(2,325)
Change in operating assets and liabilities (other than cash and cash equivalents):		
Decrease in accounts receivable	176,595	87,426
Increase in inventories	(69,208)	(78,110)
(Increase) Decrease in prepaid expenses	(30,447)	1
Decrease in trade payables and accrued liabilities	(254,312)	(185,664)
Other	(1,739)	739
Net cash utilized by operating activities	(93,138)	(69,735)
Cash flows from investing activities		
Additions to property, plant and equipment	(47,969)	(34,655)
Investments and acquisitions, net of cash acquired	(355,000)	(164,153)
Other	9,019	1,166
Net cash utilized by investing activities	(393,950)	(197,642)
Cash flows from financing activities		
Proceeds from borrowings with original maturities of more than three months	850	70,446
Repayments of borrowings with original maturities of more than three months	(25,775)	(31,721)
Net proceeds of other short-term borrowings	433,825	160,646
Purchase of common stock	(107,647)	(63,539)
Stock option transactions	39,350	18,978
Dividends paid	(21,268)	(18,801)
Net cash provided by financing activities	319,335	136,009
Effect of exchange rate changes on cash	(13,437)	(5,093)
Decrease in cash and cash equivalents	(181,190)	(136,461)
Cash and cash equivalents at beginning of year	361,785	218,971
Cash and cash equivalents at end of period	$180,595	82,510

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows (continued)
Six Months Ended June 28, 1998 and June 29, 1997

(Thousands of Dollars)
(Unaudited)

	1998	1997
Supplemental information		
Cash paid during the period for:		
Interest	$ 8,033	8,017
Income taxes	$ 33,495	74,875

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) In the opinion of management and subject to year-end audit, the accompanying unaudited interim financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position of the Company as of June 28, 1998 and June 29, 1997, and the results of operations and cash flows for the periods then ended.

The results of operations for the six months ended June 28, 1998, are not necessarily indicative of results to be expected for the full year.

(2) On May 2, 1997, the Company purchased certain assets of OddzOn Products and Cap Toys, Inc. (OddzOn). The consideration for this purchase was $167,379. This acquisition was accounted for using the purchase accounting method and, based on estimates of fair market value, $43,582 was allocated to net tangible assets, $76,700 to product rights and $47,097 to goodwill.

(3) On April 1, 1998, the Company acquired substantially all of the business and operating assets of Tiger Electronics, Inc. and certain affiliates (Tiger) for an initial payment of $335,000, subject to post-closing adjustment, plus the closing date value of inventory, tooling, equipment and prepaid assets. The estimated total cost of this acquisition approximates $395,000 and is being accounted for using the purchase accounting method. Based on current estimates of fair market value, approximately $42,000 has been allocated to net tangible assets, $213,000 to product rights and $140,000 to goodwill.

(4) Late in the fourth quarter of 1997, the Company announced a global integration and profit enhancement program which anticipated the redundancy of approximately 2,500 employees, principally in manufacturing, and provided for actions in three principal areas: a continued consolidation of the Company's manufacturing operations; the streamlining of marketing and sales, while exiting from certain underperforming markets and product lines; and the further leveraging of overheads. Of the $140,000 estimated costs related to these actions, $125,000 was reported as a nonrecurring charge and $15,000 was reflected in cost of sales. Of the nonrecurring amount, approximately $54,000 related to severance and people costs, $52,000 to property, plant and equipment and leases and $19,000 to product line related costs. During the first six months of 1998, approximately 1,900 employees were terminated. The approximate $100,000 accrual remaining at June 28, 1998, is principally attributable to severance costs, which will be disbursed over the employee's entitlement period, and property, plant and equipment costs, which will not be incurred prior to the cessation of production at the various facilities. The program remains on schedule to be substantially completed by the end of 1998.

(Thousands of Dollars and Shares Except Per share Data)
(Unaudited)

(5) Earnings per share data for the fiscal quarters and six months ended June 28, 1998 and June 29, 1997 were computed as follows:

	1998		1997	
	Basic	Diluted	Basic	Diluted
Quarter				
Net earnings	$ 5,453	5,453	12,981	12,981
Effect of dilutive securities;				
6% Convertible Notes due 1998	-	-	-	1,437
Adjusted net earnings	$ 5,453	5,453	12,981	14,418
Average shares outstanding	132,560	132,560	127,847	127,847
Effect of dilutive securities;				
6% Convertible Notes due 1998	-	-	-	7,630
Options and warrants	-	5,668	-	2,129
Equivalent Shares	132,560	138,228	127,847	137,606
Earnings per share	$ .04	.04	.10	.10
Six Months				
Net earnings	$ 13,246	13,246	38,675	38,675
Effect of dilutive securities;				
6% Convertible Notes due 1998	-	-	-	2,875
Adjusted net earnings	$ 13,246	13,246	38,675	41,550
Average shares outstanding	132,835	132,835	128,223	128,223
Effect of dilutive securities;				
6% Convertible Notes due 1998	-	-	-	7,633
Options and warrants	-	5,383	-	2,302
Equivalent Shares	132,835	138,218	128,223	138,158
Earnings per share	$ .10	.10	.30	.30

(Thousands of Dollars and Shares Except Per share Data)
(Unaudited)

(6) Effective for fiscal 1998, Hasbro adopted Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income (SFAS 130). SFAS 130 requires that all items recognized under accounting standards as components of comprehensive earnings be reported in a financial statement that is displayed with the same prominence as other financial statements. SFAS 130 also requires that an entity classify items of other comprehensive earnings by their nature in the financial statements and display the accumulated amount thereof separately within the equity section of the balance sheet. The Company's other comprehensive earnings (loss) primarily results from foreign currency translation adjustments. Hasbro's total comprehensive earnings (loss) for the fiscal quarters and six months ended June 28, 1998 and June 29, 1997 were as follows:

	1998	1997
Quarter		
Net earnings	$ 5,453	12,981
Other comprehensive earnings (loss)	(7,891)	(11,608)
Total comprehensive earnings (loss)	$ (2,438)	1,373
Six Months		
Net earnings	$ 13,246	38,675
Other comprehensive earnings (loss)	(16,173)	(27,068)
Total comprehensive earnings (loss)	$ (2,927)	11,607

(Thousands of dollars)

NET REVENUES

Worldwide net revenues in local currencies for the second quarter of 1998 were essentially unchanged from the second quarter of 1997. The acquisition of the operating assets of Tiger Electronics, Inc. and certain affiliates thereof (Tiger), on April 1, 1998 (see note 3), added approximately $40,000 to net revenues. This increase, however, was offset by ongoing changes in inventory flow policies at Toys `R Us, coupled with year-over-year differences in the timing of movie releases of some of the Company's major entertainment properties. In addition, the adverse impact of the stronger U.S. dollar reduced revenues by approximately $9,000, resulting in reported revenues of $572,057, compared to $583,886 reported last year. For the six months, revenues were $1,054,877 and $1,139,670 in 1998 and 1997, respectively. In addition to the second quarter factors noted above, the 1998 six month amounts reflect an approximate $10,000 impact of the strengthened U.S. dollar during the first quarter as well as that quarter's impact of the Toys `R Us inventory flow policy change.

GROSS PROFIT

While the Company's gross margin for the quarter and six months of 1998, at 56.8% and 57.2%, were both essentially flat with the 1997 amounts of 56.7% and 57.2%, certain of the Company's global integration and profit enhancement program initiatives have increased margins. Offsetting this favorable movement, however, was the decrease in sales of certain higher margin boys action toys, many of which are tied to entertainment properties which had more visibility in 1997 as a result of various motion picture releases.

EXPENSES

Amortization expense in both periods of 1998 was greater than in the comparable periods of 1997, reflecting the Company's recent acquisitions, including OddzOn in May of 1997 (see note 2) and Tiger in April of 1998.

Royalties, research and development expenses for the quarter decreased in both amount and as a percentage of net revenues from comparable 1997 levels. The royalty component decreased in both dollars and as a percentage of net revenues to rates more comparable with those experienced during the later quarters of 1997. Research and development, at $39,103 and $74,379 for the quarter and six months of 1998, respectively, increased in both dollars and as a percentage of net revenues from $37,376 and $68,433 a year ago. These increases reflect both the inclusion of new units, OddzOn in May 1997, and Tiger in April 1998, and the continuing impact of increased development efforts within the Company's Interactive unit as it builds for the future.

(Thousands of dollars)

Advertising expense for the second quarter increased both in dollars and as a percentage of net revenues. The increase in dollars reflects the inclusion of Tiger while the increase in percentage reflects the mix of more non-entertainment based product in 1998, in the absence of major movie support. For the six months, it remained essentially unchanged as a percentage of net revenues while decreasing in amount. This decrease was the result of the greater proportion of first quarter revenues which arose from products not as extensively advertised as many of the Company's other offerings.

Selling, distribution and administration expenses, which are largely fixed, decreased marginally in amount during both the second quarter and six months of 1998 from comparable 1997 levels. This, despite the inclusion of both OddzOn and Tiger for a full second quarter of 1998. The increase in percentage terms is principally a function of the lower level of 1998 revenues.

NONOPERATING (INCOME) EXPENSE

Interest expense during the quarter, $6,416 in 1998 compared with $5,493 in 1997, reflects both the conversion of the Company's 6% Notes into common stock during the fourth quarter of 1997 and the increased borrowing requirements relating to the funding of the Tiger acquisition. For the six months of 1998, interest expense was lower than in 1997, reflecting the lower first quarter borrowing requirements as well as the two factors previously noted for the second quarter. The change in other nonoperating income, in both the quarter and six months, reflects the earnings differential resulting from changes in levels of short-term investments, the impact of minority investments in certain subsidiaries, as well as foreign exchange transactions and translation.

INCOME TAXES

Income tax expense for the second quarter and six months of 1998 remained constant with the full year 1997 rate of 34%, while decreasing from 36% in the second quarter and six months of 1997. The decrease in the period to period rates resulted principally from the continued reorganization of the Company's global business, which reduced the tax on international earnings.

OTHER INFORMATION

During the past several years, the Company has experienced a shift in its revenue pattern wherein the second half of the year has grown in significance to its overall business and within that half the fourth quarter has become more prominent. The Company expects that this trend will continue. This concentration increases the risk of (a) underproduction of popular items, (b) overproduction of less popular items and (c) failure to achieve tight and compressed shipping schedules. The business of the Company is characterized by customer order patterns which vary from year to year largely because of differences in the degree of consumer acceptance of a product line, product availability, marketing strategies, and inventory levels of retailers and differences in overall economic conditions. Also, quick response inventory management practices now being used results in fewer orders being placed in advance of shipment and more orders, when placed, for immediate delivery. As a result, comparisons of unshipped orders on any date in a given year with those at the same date in a prior year are not necessarily indicative of sales for the entire year. In addition, it is a general industry practice that orders are subject to amendment or cancellation by customers prior to shipment. At the end of its fiscal July (July 26, 1998 and July 27, 1997) the Company's unshipped orders were approximately $670,000 and $860,000.

Late in the fourth quarter of 1997, the Company announced a global integration and profit enhancement program which anticipated the redundancy of approximately 2,500 employees, principally in manufacturing, and provided for actions in three principal areas: a continued consolidation of the Company's manufacturing operations; the streamlining of marketing and sales, while exiting from certain underperforming markets and product lines; and the further leveraging of overheads. Of the $140,000 estimated costs related to these actions, $125,000 was reported as a nonrecurring charge and $15,000 was reflected in cost of sales. Of the nonrecurring amount, approximately $54,000 related to severance and people costs, $52,000 to property, plant and equipment and leases and $19,000 to product line related costs. During the first six months of 1998, approximately 1,900 employees were terminated. The approximate $100,000 accrual remaining at June 28, 1998, is principally attributable to severance, which will be disbursed over the employee's entitlement period, and property, plant and equipment costs, which will not be incurred prior to the cessation of production at the various facilities. The program remains on schedule to be substantially completed by the end of 1998.

LIQUIDITY AND CAPITAL RESOURCES

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

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

Receivables, both in dollars and in days sales outstanding, decreased from June 1997 levels. In amount, receivables were approximately $114,000, or 16% lower and, at 95 days sales outstanding, 16 days less than the 111 days sales outstanding at the same point in 1997. These improvements reflect the increased impact of the Company's letter of credit business and its non-traditional toy and game businesses, both of which have shorter payment terms. Inventories decreased from 1997 levels despite the inclusion of Tiger in 1998, reflecting the Company's efforts to manage them more efficiently. Other assets, as a group, increased approximately $415,000 from their June 1997 levels reflecting the acquisition of Tiger as well as other acquisitions of product rights and licenses during the most recent twelve months, all partially offset by an additional year of amortization expense.

Net borrowings (short- and long-term borrowings less cash and cash equivalents) decreased by approximately $34,000 to $346,664 from $380,818 at June 29, 1997. This decrease occurred despite the fact that more than $500,000 of cash was utilized during the last twelve months for acquisitions and the continuation of the Company's share repurchase program. At June 28, 1998, the Company had committed unsecured lines of credit totaling approximately $550,000 available to it. It also had available uncommitted lines approximating $750,000. The Company believes that these amounts are adequate for its needs. Of these available lines, approximately $540,000 was in use at June 28, 1998. Trade payables and accrued liabilities both increased from the comparable 1997 levels, reflecting the impact of the unpaid amounts relating to the Tiger acquisition and the Company's global integration and profit enhancement program.

RECENT INFORMATION

During the quarter, The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133). The Company is currently reviewing the provisions of SFAS 133, which must be adopted not

(Thousands of dollars)

later than the beginning of the Company's fiscal 2000, but does not believe that it will have a material impact on either the Company's financial condition or its results of operations.

On July 15, 1998, in a public offering, the Company issued $150,000 of 6.15% notes due July 15, 2008 and $150,000 of 6.60% debentures due July 15, 2028. The net proceeds from the sale of these notes will be used to repay a portion of the Company's outstanding short-term debt, primarily incurred in connection with the acquisition of Tiger.

On August 12, 1998, the Company announced that it had entered into a definitive agreement to acquire MicroProse, Inc. (MicroProse), a 17-year publisher of popular simulation, 3-D action and strategy games for the personal computer. The purchase price is $6.00 per common share of MicroProse, payable in cash. The total value of the transaction is approximately $70 million, including assumed debt and redeemable preferred stock. Closing is expected in September of 1998.

The agreement calls for a wholly owned subsidiary of the Company to commence a tender offer no later than August 18, 1998 for all of MicroProse's outstanding common shares. The offer will be conditioned upon, among other things, the expiration or earlier termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976 and the tender of a majority of the common shares outstanding on a fully diluted basis of MicroProse. Following the consummation of the offer, the Company's subsidiary will be merged with MicroProse and any remaining MicroProse common shares will be converted into the right to receive $6.00 per share in cash.

PART II. Other Information

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities.

On July 15, 1998, in a public offering, the Company issued $150,000,000 of 6.15% notes due July 15, 2008 and $150,000,000 of 6.60% debentures due July 15, 2028.

Item 3. Defaults Upon Senior Securities.

None.

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

At the Company's Annual Meeting of Shareholders held on May 13, 1998, the Company's shareholders reelected the following persons to the Board of Directors of the Company: Claudine B. Malone (110,059,507 votes for, 1,209,763 votes withheld); Alan R. Batkin (110,063,694 votes for, 1,205,576 votes withheld); Morris W. Offit (103,279,297 votes for, 7,989,973 votes withheld; Carl Spielvogel (103,273,532 votes for, 7,995,738 votes withheld; and Paul Wolfowitz (110,156,771 votes for, 1,112,499 votes withheld). There were no votes against any nominee and no broker nonvotes.

Item 5. Other Information

None.

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

(a) Exhibits.

11.1 Computation of Earnings Per Common Share - Six Months Ended June 28, 1998 and June 29, 1997.

11.2 Computation of Earnings Per Common Share - Quarter Ended June 28, 1998 and June 29, 1997.

12 Computation of Ratio of Earnings to Fixed Charges - Six Months and Quarter Ended June 28, 1998.

27 Article 5 Financial Data Schedule - Second Quarter 1998

(b) Reports on Form 8-K

A Current Report on Form 8-K, dated July 14, 1998, was filed by the Company in connection with the issuance of an aggregate amount of $300,000,000 of long-term debt. The filing included the following exhibits: Underwriting Agreement, dated July 14, 1998, by and among the Registrant and Bear, Stearns & Co. Inc. and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated; Terms Agreement dated July 14, 1998, by and among the Registrant and Bear, Stearns & Co. Inc. and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated; Indenture, dated July 17, 1998, by and between the Registrant and Citibank, N.A., as Trustee; Form of Note (Global); Form of Debenture (Global); Opinion of Phillip H. Waldoks, Esq., Senior Vice President - Corporate Legal Affairs and Secretary of the Registrant, as to the legality of the securities being registered; and Consent of Phillip H. Waldoks, Esq., Senior Vice President - Corporate Legal Affairs and Secretary of the Registrant.

A Current Report on Form 8-K, dated July 16, 1998, was filed by the Company and included the Press Release dated July 16, 1998, announcing the Company's results for the current quarter. Consolidated Statements of Earnings (without notes) for the quarters and six months ended June 28, 1998 and June 29, 1997 and Consolidated Condensed Balance Sheets (without notes) as of said dates were also filed.

A Current Report on Form 8-K, dated July 17, 1998, was filed by the Company in connection with the issuance of an aggregate amount of $300,000,000 of long-term debt. The filing included a Statement of Eligibility under the Trust Indenture Act of 1939 of a Corporation Designated to Act as Trustee on Form T-1, completed by Citibank, N.A.

SIGNATURES

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

HASBRO, INC.

(Registrant)

Date: August 12, 1998

By: /s/ John T. O'Neill

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

HASBRO, INC. AND SUBSIDIARIES
Quarterly Report on Form 10-Q
For the Period Ended June 28, 1998

Exhibit Index

Exhibit No.	Exhibits
11.1	Computation of Earnings Per Common Share - Six Months Ended June 28, 1998 and June 29, 1997
11.2	Computation of Earnings Per Common Share - Quarter Ended June 28, 1998 and June 29, 1997
12	Computation of Ratio of Earnings to Fixed Charges - Six Months and Quarter Ended June 28, 1998
27	Article 5 Financial Data Schedule - Second Quarter 1998

EXHIBIT 11.1

HASBRO, INC. AND SUBSIDIARIES
Computation of Earnings Per Common Share
Six Months Ended June 28, 1998 and June 29, 1997

(Thousands of Dollars and Shares Except Per Share Data)

	1998		1997	
	Basic	Diluted	Basic	Diluted
Net earnings	$ 13,246	13,246	38,675	38,675
Interest and amortization on 6% convertible notes, net of taxes	-	-	-	2,875
Net earnings applicable to common shares	$ 13,246	13,246	38,675	41,550
Weighted average number of shares outstanding:				
Outstanding at beginning of period	133,441	133,441	128,863	128,863
Exercise of stock options and warrants:				
Actual	914	914	555	555
Assumed	-	5,383	-	2,302
Conversion of 6% convertible notes:				
Actual	-	-	8	8
Assumed	-	-	-	7,633
Purchase of common stock	(1,520)	(1,520)	(1,203)	(1,203)
Total	132,835	138,218	128,223	138,158
Per common share:				
Net earnings	$ .10	.10	.30	.30

EXHIBIT 11.2

HASBRO, INC. AND SUBSIDIARIES
Computation of Earnings Per Common Share
Quarter Ended June 28, 1998 and June 29, 1997

(Thousands of Dollars and Shares Except Per Share Data)

	1998		1997	
	Basic	Diluted	Basic	Diluted
Net earnings	$ 5,453	5,453	12,981	12,981
Interest and amortization on 6% convertible notes, net of taxes	-	-	-	1,437
Net earnings applicable to common shares	$ 5,453	5,453	12,981	14,418
Weighted average number of shares outstanding:				
Outstanding at beginning of period	133,072	133,072	128,463	128,463
Exercise of stock options and warrants:				
Actual	196	196	102	102
Assumed	-	5,668	-	2,129
Conversion of 6% convertible notes:				
Actual	-	-	2	2
Assumed	-	-	-	7,630
Purchase of common stock	(708)	(708)	(720)	(720)
Total	132,560	138,228	127,847	137,606
Per common share:				
Net earnings	$ .04	.04	.10	.10

HASBRO, INC. AND SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges
Six Months and Quarter Ended June 28, 1998

(Thousands of Dollars)

	Six Months	Quarter
Earnings available for fixed charges:		
Net earnings	$ 13,246	5,453
Add:		
Fixed charges	16,253	10,503
Income taxes	6,824	2,809
Total	$ 36,323	18,765
Fixed Charges:		
Interest on long-term debt	$ -	-
Other interest charges	8,728	6,416
Rental expense representative of interest factor	7,525	4,087
Total	$ 16,253	10,503
Ratio of earnings to fixed charges	2.23	1.79

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1,000

6-MOS	6-MOS
DEC-27-1998	DEC-28-1997
JUN-28-1998	JUN-29-1997
180,595	82,510
0	0
652,654	763,812
52,400	49,600
331,638	368,221
1,336,227	1,353,856
538,669	558,284
257,342	262,145
3,027,765	2,646,795
1,204,119	831,518
0	149,040
0	0
0	0
69,900	66,088
1,675,860	1,532,943
3,027,765	2,646,795
1,054,877	1,139,670
1,054,877	1,139,670
451,407	488,288
451,407	488,288
308,458	311,192
2,121	4,908
8,728	9,923
20,070	60,430
6,824	21,755
13,246	38,675
0	0
0	0
0	0
13,246	38,675
.10	.30
.10	.30

As required under Statement of Financial Accounting Standards No. 128, the Company has restated its earnings per share into the new 'Basic' and 'Diluted' amounts. 1997 data in column 2 is provided solely to reflect that restatement.