UNITED STATES
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 quarterly period ended March 28, 2010 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 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 __

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

The number of shares of Common Stock, par value $.50 per share, outstanding as of April 23, 2010 was 145,452,167.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

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

Assets	March 28, 2010	March 29, 2009	Dec. 27, 2009
Current assets			
Cash and cash equivalents	$ 1,259,799	590,388	636,045
Accounts receivable, less allowance for doubtful accounts of $32,500, $31,200 and $32,800	526,031	365,037	1,038,802
Inventories	226,784	295,248	207,895
Prepaid expenses and other current assets	200,226	199,147	162,290
Total current assets	2,212,840	1,449,820	2,045,032
Property, plant and equipment, less accumulated depreciation of $432,400, $405,200 and $431,600	220,522	217,919	220,706
Other assets			
Goodwill	474,401	473,850	475,931
Other intangibles, less accumulated amortization of $570,400, $819,200 and $877,300	542,942	548,485	554,567
Other	627,318	237,748	600,656
Total other assets	1,644,661	1,260,083	1,631,154
Total assets	$ 4,078,023	2,927,822	3,896,892

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

Liabilities and Shareholders' Equity	March 28, 2010	March 29, 2009	Dec. 27, 2009
Current liabilities			
Short-term borrowings	$ 11,438	45,716	14,113
Current portion of long-term debt	138,651	-	-
Accounts payable	128,780	120,591	173,388
Accrued liabilities	412,974	404,945	628,387
Total current liabilities	691,843	571,252	815,888
Long-term debt, excluding current portion	1,390,484	709,723	1,131,998
Other liabilities	325,842	265,992	354,234
Total liabilities	2,408,169	1,546,967	2,302,120
Shareholders' equity			
Preference stock of $2.50 par value. Authorized 5,000,000 shares; none issued	-	-	-
Common stock of $.50 par value. Authorized 600,000,000 shares; issued 209,694,630	104,847	104,847	104,847
Additional paid-in capital	516,488	441,921	467,183
Retained earnings	2,744,517	2,448,405	2,720,549
Accumulated other comprehensive earnings	56,043	58,785	58,631
Treasury stock, at cost; 69,288,243 shares at March 28, 2010, 69,867,161 at March 29, 2009 and 72,597,140 at December 27, 2009	(1,752,041)	(1,673,103)	(1,756,438)
Total shareholders' equity	1,669,854	1,380,855	1,594,772
Total liabilities and shareholders' equity	$ 4,078,023	2,927,822	3,896,892

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 28, 2010	March 29, 2009
Net revenues	$ 672,371	621,340
Costs and expenses		
Cost of sales	262,679	244,753
Royalties	43,782	54,453
Product development	40,324	37,131
Advertising	71,174	62,309
Amortization	11,384	19,887
Selling, distribution and administration	173,701	161,590
Total costs and expenses	603,044	580,123
Operating profit	69,327	41,217
Nonoperating (income) expense		
Interest expense	16,792	9,715
Interest income	(830)	(1,265)
Other (income) expense, net	(865)	4,180
Total nonoperating expense, net	15,097	12,630
Earnings before income taxes	54,230	28,587
Income tax expense (benefit)	(4,713)	8,857
Net earnings	$ 58,943	19,730
Net earnings per common share		
Basic	$ 0.43	0.14
Diluted	$ 0.40	0.14
Cash dividends declared per common share	$ 0.25	0.20

See accompanying condensed notes to consolidated financial statements.

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

	Quarter Ended	
	March 28, 2010	March 29, 2009
Cash flows from operating activities		
Net earnings	$ 58,943	19,730
Adjustments to reconcile net earnings to net cash provided (utilized) by operating activities:		
Depreciation of plant and equipment	17,916	15,228
Amortization	11,384	19,887
Deferred income taxes	15,096	11,725
Stock-based compensation	7,182	6,020
Change in operating assets and liabilities:		
Decrease in accounts receivable	502,295	225,980
(Increase) decrease in inventories	(22,045)	320
Increase in prepaid expenses and other current assets	(18,162)	(18,339)
Decrease in accounts payable and accrued liabilities	(283,925)	(253,435)
Other, including long-term portion of royalty advances	(23,567)	(49,773)
Net cash provided (utilized) by operating activities	265,117	(22,657)
Cash flows from investing activities		
Additions to property, plant and equipment	(20,783)	(24,535)
Other	(332)	1,045
Net cash utilized by investing activities	(21,115)	(23,490)
Cash flows from financing activities		
Net proceeds from borrowings with original maturities of more than three months	492,528	-
Net (repayments) proceeds from short-term borrowings	(1,948)	37,256
Purchases of common stock	(95,597)	-
Stock option transactions	11,860	814
Excess tax benefits from stock-based compensation	2,592	1,088
Dividends paid	(27,292)	(27,854)
Net cash provided by financing activities	382,143	11,304
Effect of exchange rate changes on cash	(2,391)	(5,159)
Increase (decrease) in cash and cash equivalents	623,754	(40,002)
Cash and cash equivalents at beginning of year	636,045	630,390
Cash and cash equivalents at end of period	$ 1,259,799	590,388

See note 5 for disclosure of financing activities not affecting cash.

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

	Quarter Ended	
	March 28, 2010	March 29, 2009
Supplemental information		
Cash paid during the period for:		
Interest	$14,771	15,013
Income taxes	$23,395	31,349

See accompanying condensed notes to consolidated financial statements.

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

	Quarter Ended	
	March 28, 2010	March 29, 2009
Net earnings	$ 58,943	19,730
Other comprehensive loss	(2,588)	(3,471)
Total comprehensive earnings	$ 56,355	16,259

See accompanying condensed notes to consolidated financial statements.

(1) 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 28, 2010 and March 29, 2009, 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 28, 2010 and March 29, 2009 are both 13-week periods.

The results of operations for the quarter ended March 28, 2010 are not necessarily indicative of results to be expected for the full year, nor were those of the comparable 2009 period representative of those actually experienced for the full year 2009.

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 year ended December 27, 2009 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 for the fiscal year ended December 27, 2009.

Substantially all of the Company's inventories consist of finished goods. Cost of sales primarily consists of purchased materials, labor, manufacturing overheads and other inventory-related costs such as obsolescence.

(Thousands of Dollars and Shares Except Per Share Data)

(2) Net earnings per share data for the fiscal quarters ended March 28, 2010 and March 29, 2009 were computed as follows:

	2010		2009	
	Basic	Diluted	Basic	Diluted
Net earnings	$ 58,943	58,943	19,730	19,730
Effect of dilutive securities:				
Interest expense on contingent convertible debentures due 2021, net of tax	-	1,017	-	1,082
Adjusted net earnings	$ 58,943	59,960	19,730	20,812
Average shares outstanding	137,320	137,320	140,047	140,047
Effect of dilutive securities:				
Contingent convertible debentures due 2021	-	10,989	-	11,566
Options and other share-based awards	-	2,973	-	1,343
Equivalent shares	137,320	151,282	140,047	152,956
Net earnings per common share	$ 0.43	0.40	0.14	0.14

For the quarters ended March 28, 2010 and March 29, 2009, the effect of the Company's contingent convertible debt was dilutive and, accordingly, for the diluted earnings per share calculation, the numerator includes an adjustment to earnings to exclude the interest expense incurred for these debentures and the denominator includes an adjustment to include the shares issuable upon conversion.

Options to acquire shares totaling 2,327 at March 28, 2010 and 5,535 at March 29, 2009 were excluded from the calculation of diluted earnings per share because to include them would have been antidilutive.

(Thousands of Dollars and Shares Except Per Share Data)

(3) Other comprehensive earnings (loss) for the quarters ended March 28, 2010 and March 29, 2009 consist of the following:

	2010	2009
Foreign currency translation adjustments	$ (26,009)	(16,078)
Changes in value of available-for-sale securities, net of tax	-	(806)
Change in unrecognized pension and postretirement amounts, net of tax	-	(571)
Gain on cash flow hedging activities, net of tax	24,995	22,933
Reclassifications to earnings, net of tax:		
Net gains on cash flow hedging activities	(1,574)	(8,949)
Other comprehensive loss	$ (2,588)	(3,471)

At March 28, 2010, the Company had remaining deferred gains on hedging instruments, net of tax, of $43,831 in accumulated other comprehensive earnings (“AOCE”). These instruments hedge certain anticipated inventory purchases and other cross-border transactions through 2011. These amounts will be reclassified into the consolidated statement of operations upon the sale of the related inventory or receipt or payment of the related royalties and expenses. Of the amount included in AOCE at March 28, 2010, the Company expects approximately $19,600 to be reclassified to earnings within the next twelve months. However, the amount ultimately realized in earnings is dependent on the fair value of the contracts on the settlement dates.

(4) In the second quarter of 2009, the Company acquired a 50% interest in a joint venture, DHJV Company LLC (“DHJV”), with Discovery Communications (“Discovery”). DHJV was established to create a television network in the United States dedicated to high-quality children’s and family entertainment and educational programming and owns the DISCOVERY KIDS network in the United States. As of March 28, 2010, the Company’s interest in the joint venture totaled $372,282 and is a component of other assets. The Company’s share in the earnings of DHJV for the quarter ended March 28, 2010 totaled $500 of income and is included as a component of other (income) expense in the accompanying consolidated statement of operations.

(5) Hasbro’s financial instruments include cash and cash equivalents, accounts receivable, marketable securities, short-term borrowings, accounts payable and accrued liabilities. At March 28, 2010, the carrying cost of these instruments approximated their fair value. The Company’s financial instruments at March 28, 2010 also include certain assets and liabilities measured at fair value (see Notes 7 and 9) as well as long-term borrowings. The carrying costs and fair values of the Company’s long-term borrowings as of March 28, 2010 are as follows:

(Thousands of Dollars and Shares Except Per Share Data)

	Carrying Cost	Fair Value
6.125% Notes Due 2014	$ 425,000	466,735
6.30% Notes Due 2017	350,000	380,590
2.75% Convertible Debentures Due 2021	138,651	242,122
6.60% Debentures Due 2028	109,895	111,543
6.35% Notes Due 2040	500,000	491,900
Total principal amount of long-term debt	1,523,546	1,692,890
Fair value adjustment related to interest rate swaps	5,589	5,589
Total long-term debt	1,529,135	1,698,479
Less current portion	138,651	242,122
Long-term debt, excluding current portion	$1,390,484	1,456,357

The fair value of the convertible debt is based on an average of the prices of trades occurring around the balance sheet date. The fair value of the Company's other long-term borrowings is measured using a combination of broker quotations when available and discounted future cash flows. The fair value of the interest rate swaps are measured based on the present value of future cash flows using the swap curve as of the date of valuation.

In March 2010 the Company issued $500,000 of Notes that are due in 2040 (the "Notes"). The Notes bear interest at a rate of 6.35%. The Company may redeem the Notes at its option at the greater of the principal amount of the Notes or the present value of the remaining scheduled payments discounted using the effective interest rate on applicable U.S. Treasury bills at the time of repurchase.

The Company is party to a series of interest rate swap agreements which effectively adjust the interest rates on a portion of the Company's long-term debt from fixed to variable. The interest rate swaps are matched with a portion of the 6.125% Notes Due 2014 and accounted for as fair value hedges of those notes. The interest rate swaps have a total notional amount of $400,000 with maturities in 2014 which match the maturity date of the related notes. In each of the contracts, the Company receives payments based upon a fixed interest rate of 6.125%, which matches the interest rate of the notes being hedged, and makes payments based upon a floating rate based on Libor. These contracts are designated and effective as hedges of the change in the fair value of the associated debt. At March 28, 2010, the fair value of these contracts was $5,589 which is recorded in other assets with a corresponding fair value adjustment to increas e long-term debt. The Company recorded a gain of $8,314 on these instruments in other (income) expense, net for the quarter ended March 28, 2010, relating to the change in fair value of such derivatives, wholly offsetting losses from the change in fair value of the associated long-term debt, also included in other (income) expense.

At March 28, 2010, the Company has $138,651 outstanding in principal amount of contingent convertible debentures due 2021. These debentures bear interest at 2.75%, which could be subject to an upward adjustment depending on the price of the Company's common stock. If the closing price of the Company's common stock exceeds $23.76 for at least 20 trading days, within the 30 consecutive trading day period ending on the last trading day of the calendar quarter, the holders have the right to convert the notes to shares of the Company's common stock at the initial conversion price of $21.60 in the next calendar quarter. During the first quarter of 2010, holders of these debentures converted $111,177 of these debentures which resulted in the issuance of 5,147 shares of common stock. In addition, if the closing price of the Company's common stock exceeds $27.00 for at least 20 trading days in any thirty day period, the Company has the right to call the debentures by giving notice to the holders of the debentures. During a prescribed notice period, the holders of the debentures have the right to convert their debentures in accordance with the conversion terms described above. On March 29, 2010, the Company gave notice of its election to redeem all of the outstanding debentures on April 29, 2010 at a redemption price to be paid in cash of $1,011.31 per $1,000 principal amount, which was equal to the par value thereof plus accrued and unpaid cash interest through April 29, 2010. As a result, at March 28, 2010 the remaining debentures were reclassified to current long-term debt on the consolidated balance sheet. Subsequent to quarter end, substantially all remaining debentures were converted by the holders prior to the call date, resulting in the issuance of 6,410 shares of common stock. A cash payment of $186 representing the redemption price was made to the remaining holders of the debentures who did not convert prior to the end of the call period.

(6) The Company and its subsidiaries file income tax returns in the United States and various state and international jurisdictions. In the normal course of business, the Company is regularly audited by U.S. federal, state and local and international tax authorities in various tax jurisdictions. The Company is no longer subject to U.S. federal income tax examinations for years before 2006. 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 2004.

The U.S. Internal Revenue Service has commenced an examination related to the 2006 and 2007 U.S. federal income tax returns. The U.S. Internal Revenue Service has recently completed an examination related to 2004 and 2005, including review by the Joint Committee on Taxation. During the first quarter of 2010, as the result of the completion of this examination, the Company recognized $24,167 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, $7,032 was recorded as a reduction of deferred tax assets and the remainder as a reduction of income tax expense. The total income tax benefit resulting from the completion of the examination, including other adjustments, totaled $21,243 during the first quarter of 2010. The Company is also under incom e 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 2004, the Company has received tax assessments totaling approximately $137,710, 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 2003, as is usual and customary in Mexico with respect to these matters. Accordingly, as of March 28, 2010, bonds totaling approximately $111,780 (at March 28, 2010 exchange rates) have been provided to the Mexican government related to the 2000 to 2003 assessments, allowing the Company to defend its positions. The Company currently does not expect to be required to guarantee the amount of the 2004 assessment. 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 2004.

(7) The Company measures certain assets 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 28, 2010, these investments totaled $20,850 and are included in prepaid expenses and other current assets in the consolidated balance sheet. The Company recorded net gains of $295 on these investments in other (income) expense, net for the quarter ended March 28, 2010, related to the change in fair value of such investments.

(Thousands of Dollars and Shares Except Per Share Data)

At March 28, 2010 and March 29, 2009, the Company had the following assets measured at fair value in its consolidated balance sheets:

		Fair Value Measurements Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 28, 2010				
Available-for-sale securities	$ 20,889	39	20,850	-
Derivatives	63,148	-	55,536	7,612
Total	$ 84,037	39	76,386	7,612
March 29, 2009				
Available-for-sale securities	$ 3,359	51	-	3,308
Derivatives	86,469	-	86,469	-
Total	$89,828	51	86,469	3,308

For a portion of the Company's available-for-sale securities, the Company is able to obtain quoted prices from stock exchanges to measure the fair value of these securities. Certain other available-for-sale securities held by the Company are valued at the net asset value which is quoted on a private market that is not active; however, the unit price is predominantly based on underlying investments which are traded on an active market. The Company's derivatives consist primarily of foreign currency forward contracts. The Company uses current forward rates of the respective foreign currencies to measure the fair value of these contracts. The Company's derivatives also include interest rate swaps used to effectively adjust the interest rates on a portion of the Company's long-term debt from fixed to variable. The fair values of the interest rate swaps are measured based on the present value of future cash flows using the swap curve as of the valuation date. The remaining derivative securities consist of warrants to purchase common stock. The Company uses 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 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. There were no changes in these valuation techniques during 2010.

(Thousands of Dollars and Shares Except Per Share Data)

The following is a reconciliation of the beginning and ending balances of the fair value measurements of the Company's warrants to purchase common stock that use significant unobservable inputs (Level 3):

	2010	2009
Balance at beginning of year	$6,808	4,591
Gain (loss) from change in fair value	804	(1,283)
Balance at end of first quarter	$7,612	3,308

(8) The Company, except for certain international subsidiaries, has pension plans covering substantially all of its full-time employees. Substantially all United States employees are covered under at least one of several non-contributory defined benefit pension plans maintained by the Company. Benefits under the two major plans which principally cover non-union employees are based primarily on salary and years of service. One of these major plans is funded. Benefits under the remaining plans are based primarily on fixed amounts for specified years of service. Of these remaining plans, the plan covering union employees is also funded. Effective at the end of December 2007, the Company froze pension benefits being accrued for its non-union employees in the United States. Pension coverage for employees of Hasbro's international subsidiaries is provided, to the extent deemed appropriate, through separate defined benefit and defined contribution plans.

The components of the net periodic cost of the Company's defined benefit pension and other postretirement plans for the quarters ended March 28, 2010 and March 29, 2009 are as follows:

	Pension		Postretirement	
	2010	2009	2010	2009
Service cost	$ 1,082	1,031	153	156
Interest cost	5,236	5,286	450	476
Expected return on assets	(6,144)	(5,375)	-	-
Net amortization and deferrals	1,095	1,411	-	3
Net periodic benefit cost	$ 1,269	2,353	603	635

In the first quarter of fiscal 2010, the Company made cash contributions to its defined benefit pension plans of approximately $1,700 in the aggregate. The Company expects to contribute approximately $3,400 during the remainder of fiscal 2010.

(Thousands of Dollars and Shares Except Per Share Data)

(9) 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 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, Euros and United Kingdom pound sterling and 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.

The Company also has warrants to purchase common stock that qualify as derivatives. For additional information related to these warrants see Note 7. In addition the Company is party to several interest rate swap agreements to effectively adjust the interest rates on a portion of the Company's long-term debt from fixed to variable. For additional information related to these interest rate swaps see Note 5.

Cash Flow Hedges

Hasbro 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 and other cross-border transactions in 2010 and 2011.

At March 28, 2010 and March 29, 2009, the notional amounts and fair values of the Company's foreign currency forward contracts designated as cash flow hedging instruments were as follows:

	2010		2009	
Hedged transaction	Notional Amount	Fair Value	Notional Amount	Fair Value
Inventory purchases	$ 333,838	37,366	494,662	62,123
Intercompany royalty transactions	124,405	13,283	190,298	24,569
Other	21,848	(701)	11,856	(378)
Total	$ 480,091	49,948	696,816	86,314

(Thousands of Dollars and Shares Except Per Share Data)

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 28, 2010 and March 29, 2009 as follows:

	2010	2009
Prepaid expenses and other current assets		
Unrealized gains	$ 26,666	38,707
Unrealized losses	(2,881)	(1,177)
Net unrealized gain	23,785	37,530
Other assets		
Unrealized gains	26,163	48,784
Total	$49,948	$ 86,314

During the quarters ended March 28, 2010 and March 29, 2009, the Company reclassified net gains from other comprehensive earnings to net earnings of $1,919 and $10,145, respectively. Of the amount reclassified during the quarter ended March 28, 2010, $1,112 was reclassified to cost of sales and $807 was reclassified to royalty expense. Of the amount reclassified during the quarter ended March 29, 2009, $8,092 and $2,053 were reclassified to cost of sales and royalty expense, respectively. In the first quarter of 2010 and 2009 there were no reclassifications to earnings as a result of hedge ineffectiveness.

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 short-term nature of the derivative contracts involved, the Company does not use hedge accounting for these contracts. At March 28, 2010 and March 29, 2009, the total notional amounts of the Company's undesignated derivative instruments were $27,193 and $38,175, respectively.

(Thousands of Dollars and Shares Except Per Share Data)

At March 28, 2010 and March 29, 2009, the fair values of the Company’s undesignated derivative financial instruments were recorded in prepaid expenses and other current assets in the consolidated balance sheets as follows:

	2010	2009
Unrealized gains	$ 292	468
Unrealized losses	(293)	(313)
Net unrealized gain (loss)	$ (1)	155

The Company recorded net gains (losses) of $120 and $(402) on these instruments to other (income) expense, net for the quarters ended March 28, 2010 and March 29, 2009, 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 5 and 7.

(10) Hasbro is a worldwide leader in children’s and family leisure time products and services, including 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, DVD-based games and trading card and role-playing games within the United States and Canada. Within the International segment, the Company markets and sells both toy and certain game products in markets outside of the U.S. and Canada, primarily the European, Asia Pacific, and Latin and South American regions. The Company’s Entertainment and Licensing segment includes the Company’s lifestyle licensing, digital gaming, movie, television and online entertainment operations. The Global Operations segment is responsible for manufacturing and sourcing finished product for the Comp any’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, 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 product development and marketing expenses, are allocated to segments based upon foreign exchange rates fixed at the beginning of the year, with adjustments to actual foreign exchange rates included in Corporate and eliminations. The accounting policies of the segments are the same as those referenced in Note 1.

(Thousands of Dollars and Shares Except Per Share Data)

Results shown for the quarter are not necessarily representative of those which may be expected for the full year 2010, nor were those of the comparable 2009 periods representative of those actually experienced for the full year 2009. 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 28, 2010 and March 29, 2009 are as follows.

	2010		2009	
	External	Affiliate	External	Affiliate
Net revenues				
U.S. and Canada	$ 424,710	2,724	404,502	2,461
International	221,719	24	189,192	16
Entertainment and Licensing	25,109	-	27,233	-
Global Operations (a)	833	246,060	413	219,347
Corporate and Eliminations	-	(248,808)	-	(221,824)
	$ 672,371	-	621,340	-

	2010	2009
Operating profit (loss)		
U.S. and Canada	$ 61,131	41,550
International	(2,430)	(14,471)
Entertainment and Licensing	9,366	13,627
Global Operations (a)	(2,728)	(5,443)
Corporate and eliminations (b)	3,988	5,954
	$ 69,327	41,217

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

	2010	2009
Total assets		
U.S. and Canada	$3,656,436	3,624,001
International	1,316,450	1,193,849
Entertainment and Licensing	740,867	279,182
Global Operations	1,006,218	1,399,454
Corporate and eliminations (b)	(2,641,948)	(3,568,664)
	$4,078,023	2,927,822

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

(b) Certain intangible assets, primarily goodwill, which benefit multiple operating segments are reflected as Corporate assets for segment reporting purposes. In accordance with accounting standards related to impairment testing, these amounts have been allocated to the reporting unit which benefits from their use. In addition, 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 difference between actual and budgeted amounts is reflected in Corporate and eliminations.

The following table presents consolidated net revenues by class of principal products for the quarters ended March 28, 2010 and March 29, 2009.

	2010	2009
Boys	$236,871	229,064
Games and puzzles	227,024	213,087
Girls	129,385	111,123
Preschool	78,895	66,753
Other	196	1,313
Net revenues	$672,371	621,340

(11) In April 2010, the Company's Board of Directors authorized the repurchase of up to an additional $625,000 in aggregate principal amount of Hasbro's common stock. The authorization is in addition to the amount remaining under the prior share repurchase authorization of $500,000 in February 2008. At March 28, 2010, the Company had $63,779 remaining available under the February 2008 authorization. These shares may be purchased in the open market or through privately negotiated transactions. The Company has no obligation to repurchase shares under the authorization, and the timing, actual number and value of shares which are repurchased will depend on a number of factors, including the price of the Company's common stock. The Company may suspend or discontinue its repurchase program at any time.

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

HASBRO, INC. AND SUBSIDIARIES
Management's Discussion and Analysis of Financial Condition and Results of Operations
(Thousands of Dollars and Shares Except Per Share Data)

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 and strategies, financial goals and expectations for achieving the Company’s financial goals and other objectives. See Item 1A, in Part II of this report, 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

The Company earns revenue and generates cash primarily through the sale of a variety of toy and game products, as well as through the out-licensing of rights for use of its properties in connection with non-competing products, including digital games, offered by third-parties. The Company sells its products both within the United States and in a number of international markets. The Company's business is highly seasonal with a significant amount of revenues occurring in the second half of the year. In 2009, 2008 and 2007, the second half of the year accounted for 65%, 63% and 66% of the Company’s net revenues, respectively. While many of the Company's products are based on brands the Company owns or controls, the Company also offers products which are licensed from outside inventors. In addition, the Company licenses rights to produce products based on movie, television, music and other entertainment properties owned by third part ies, such as the MARVEL and STAR WARS properties.

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 develops, markets and sells both toy and game products in the U.S. and Canada. The International segment consists of the Company's European, Asia Pacific and Latin and South American marketing and sales operations. The Company’s Entertainment and Licensing segment includes the Company’s lifestyle licensing, digital gaming, movie, television and online 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 seeks to make its brands relevant in all areas important to its consumers. Brand awareness is amplified through immersive traditional play, digital applications, publishing and lifestyle licensing and entertainment experiences presented for consumers’ enjoyment. The Company’s focus remains on growing core owned and controlled brands, developing new and innovative products which respond to market insights, offering immersive entertainment experiences which allow consumers to experience the Company’s brands across multiple forms and formats, and optimizing efficiencies within the Company to reduce costs, increase operating profits and maintain a strong balance sheet. The Company’s core brands represent Company-owned or Company-controlled brands, such as TRANSFORMERS, MY LITTLE PONY,

LITTLEST PET SHOP, MONOPOLY, MAGIC: THE GATHERING, PLAYSKOOL, G.I. JOE and NERF, which have been successful over the long term. The Company has a large portfolio of owned and controlled brands, which can be introduced in new formats and platforms over time. These brands may also be further extended by pairing a licensed concept with a core brand. By focusing on core brands, the Company is working to build a more consistent revenue stream and basis for future growth, and to leverage profitability. During the first quarter of 2010 the Company had strong revenues from core brands, namely NERF, LITTLEST PET SHOP, TRANSFORMERS, MAGIC: THE GATHERING, PLAY-DOH, MONOPOLY, and PLAYSKOOL. The Company's strategy of re-imagining, re-inventing and re-igniting its brands has been instrumental in achieving its overall long-term growth objectives.

The Company also seeks to drive product-related revenues by increasing the visibility of its core brands through entertainment. As an example of this, in June of 2009, the *TRANSFORMERS: REVENGE OF THE FALLEN* motion picture was released as a sequel to the 2007 motion picture *TRANSFORMERS*. In addition, in August 2009, the motion picture *G.I. JOE: THE RISE OF COBRA* was released. The Company developed and marketed product lines based on these motion pictures. As a result of pairing these core brands with motion picture entertainment, both the movies and the product lines benefited. In addition, the Company has entered into a strategic relationship with Universal Pictures to produce at least three motion pictures based on certain of Hasbro's core brands, with the potential for production of two additional pictures. The first movie is expected to be released in 2012. As part of its strateg y, in addition to using theatrical entertainment, the Company continues to seek opportunities to use other entertainment outlets and forms of entertainment as a way to build awareness of its brands, which has proved instrumental to achieving its overall long-term growth objectives.

The Company is a partner in a joint venture with Discovery Communications, Inc. ("Discovery") to create a television network in the United States dedicated to high-quality children's and family entertainment and educational programming. Programming on the network will include content based on Hasbro's brands, Discovery's library of children's educational programming, as well as programming developed by third parties. The Company expects the rebranded network, THE HUB, to debut in the fall of 2010 and believes that it will reach approximately 60 million homes in the U.S. at that time, with programming targeted to children 14 years of age and under. The Company believes that this effort will support its strategy of growing its core brands well beyond traditional toys and games and providing immersive entertainment experiences for consumers of all ages in any form or format. In connection w ith this initiative, the Company is building an internal creative group that will be responsible for the creation and development of television programming based on Hasbro's brands. The Company expects to incur a certain level of investment spending leading up to the debut of THE HUB, as well as costs in 2010 and beyond related to the production of television programming.

While the Company believes it has built a more sustainable revenue base by developing and maintaining its core 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. The Company’s primary licenses include its agreements with Marvel Characters B.V. (“Marvel”); Lucas Licensing, Ltd. (“Lucas”), related to the STAR WARS brand; and Sesame Workshop, related to the Sesame Street brand of characters. The majority of product offerings under the Sesame Workshop license will commence in 2011. In 2009 and 2008, the Company had significant sales of products related to the Company’s license with Marvel, primarily due to the movie releases of *IRON MAN* in May 2008, *THE INCREDIBLE HULK* in June 2008 and *X-MEN ORIGINS: WOLVERINE* in May 2009. In addition, the Com pany had significant sales in 2008 of products related to the movie release of *STAR WARS: CLONE WARS* in August 2008 as well as sales from the movie release of *INDIANA JONES AND THE KINGDOM OF THE CRYSTAL SKULL* in May 2008. During 2009 the Company also had a high level of revenues from products related to television programming based on SPIDER-MAN and STAR WARS. In 2010 the Company expects significant sales of products related to the movie release of *IRON MAN 2* in May 2010.

The Company’s long-term strategy also focuses on extending its brands further into the digital world. As part of this strategy, the Company is party to a multi-year strategic agreement with Electronic Arts Inc. (“EA”). The agreement gives EA the exclusive worldwide rights, subject to existing limitations on the Company’s rights and certain other exclusions, to create digital games for all platforms, such as mobile phones, gaming consoles and personal computers, based on a broad spectrum of the Company’s intellectual properties, including MONOPOLY, SCRABBLE, YAHTZEE, NERF, TONKA, G.I. JOE and LITTLEST PET SHOP.

The Company is investing to grow its business in emerging markets. During the last two years, the Company expanded its operations in China, Brazil, Russia, Korea, Romania and the Czech Republic. In addition, the Company is seeking to grow its business in entertainment and digital gaming, and will continue to evaluate strategic alliances and acquisitions which may complement its current product offerings, allow it entry into an area which is adjacent to 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 of media.

While the Company remains committed to investing in the growth of its business, it continues to be focused on reducing fixed costs through efficiencies and on profit improvement. Over the last 7 years the Company has improved its full year operating margin from 7.8% in 2002 to 14.5% in 2009. The Company reviews its operations on an ongoing basis and seeks to reduce the cost structure of its underlying business and promote efficiency.

(Thousands of Dollars and Shares Except Per Share Data)

In recent years, the Company has been seeking to return excess cash to its shareholders through share repurchases and dividends. As part of this initiative, from 2004 to 2009, the Company's Board of Directors (the "Board") adopted four successive share repurchase authorizations with a cumulative authorized repurchase amount of $1,700,000. At March 28, 2010, the authorization approved on February 7, 2008 for $500,000 had $63,779 remaining. For the quarter ended March 28, 2010, the Company invested $97,710 in the repurchase of 2,763 shares of common stock in the open market. For the years ended 2009, 2008 and 2007, the Company spent $90,994, $357,589 and $587,004, respectively, to repurchase 3,172, 11,736 and 20,795 shares, respectively, in the open market. The Company intends to, at its discretion, opportunistically repurchase shares in the future subject to market conditions, the Comp any's other potential uses of cash and the Company's levels of cash generation, including the Company's recent issuance of $500,000 of long-term notes in March 2010. In April 2010, the Board approved an additional authorization for $625,000, a portion of which will be used to purchase an equivalent number of shares resulting from the conversion of the Company's convertible debt.

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 28, 2010 and March 29, 2009.

	2010	2009
Net revenues	100.0 %	100.0 %
Costs and expenses:		
Cost of sales	39.1	39.4
Royalties	6.5	8.8
Product development	6.0	6.0
Advertising	10.6	10.0
Amortization	1.7	3.2
Selling, distribution and administration	25.8	26.0
Operating profit	10.3	6.6
Interest expense	2.5	1.5
Interest income	(0.1)	(0.2)
Other (income) expense, net	(0.2)	0.7
Earnings before income taxes	8.1	4.6
Income tax expense (benefit)	(0.7)	1.4
Net earnings	8.8 %	3.2 %

(Thousands of Dollars and Shares Except Per Share Data)

RESULTS OF OPERATIONS

The quarters ended March 28, 2010 and March 29, 2009 were both 13-week periods. Net earnings for the first quarter of 2010 were $58,943, compared to net earnings of $19,730 for the first quarter of 2009. Basic and diluted earnings per share for the first quarter of 2010 were $0.43 and $0.40, respectively, compared to basic and diluted earnings per share in the first quarter of 2009 which were each $0.14. Net earnings for the quarter ended March 28, 2010 include a favorable tax adjustment of approximately $21,200, or $0.14 per diluted share, related to the recognition of certain previously unrecognized tax benefits and reversal of related accrued interest due to the completion of a tax audit.

Consolidated net revenues for the quarter ended March 28, 2010 increased 8% to $672,371 compared to $621,340 for the quarter ended March 29, 2009. Consolidated net revenues were positively impacted by foreign currency translation in the amount of approximately $20,400, or 3%, for the quarter ended March 28, 2010 as the result of the weaker U.S. dollar in 2010. Operating profit for the quarter ended March 28, 2010 was $69,327 compared to $41,217 for the quarter ended March 29, 2009.

Most of the Company's revenues and operating profit are derived from its three principal 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 28, 2010 and March 29, 2009.

	2010	2009	% Change
Net revenues			
U.S. and Canada segment	$424,710	404,502	5 %
International segment	221,719	189,192	17 %
Entertainment and Licensing segment	25,109	27,233	-8 %
Operating profit (loss)			
U.S. and Canada segment	$61,131	41,550	47 %
International segment	(2,430)	(14,471)	83 %
Entertainment and Licensing segment	9,366	13,627	-31 %

U.S. AND CANADA SEGMENT

The U.S. and Canada segment's net revenues for the quarter ended March 28, 2010 increased 5% to $424,710 from $404,502 for the quarter ended March 29, 2009. The increase in the quarter was driven by increased revenues in the games and puzzles category, primarily due to increased sales of MAGIC: THE GATHERING and MONOPOLY products. The increase in U.S. and Canada segment net revenues was also a result of increased revenues in the girls' toys and preschool categories. The increase in net revenues in the girls' toys category was driven by sales of STRAWBERRY SHORTCAKE products which were reintroduced to the Company's line in the second quarter of 2009 and, to a lesser extent, increased sales of BABY ALIVE products, partially offset by decreased sales of LITTLEST PET SHOP products. Although revenues from sales of LITTLEST PET SHOP products decreased, sales of these products remained a significant contributor to U.S. and Canada segment net revenues in the first quarter of 2010. Net revenues in the preschool category increased primarily as a result of increased sales of PLAY-DOH, TONKA and, to a lesser extent, PLAYSKOOL products. Revenues in the boys' toys category decreased in the quarter primarily as a result of decreased sales of TRANSFORMERS and STAR WARS products, partially offset by increased sales of NERF and MARVEL products. Sales of MARVEL products increased in the quarter primarily as a result of the anticipated movie release of *IRON MAN 2* in May 2010.

U.S. and Canada segment operating profit increased to $61,131 for the quarter ended March 28, 2010 compared to $41,550 for the quarter ended March 29, 2009. The increase in operating profit for the quarter was primarily a result of the higher revenues discussed above as well as decreased amortization expense primarily as a result of the property rights related to the Wizards of the Coast acquisition becoming fully amortized in the fourth quarter of 2009. In addition, royalty expense decreased as the result of decreased sales of entertainment-driven products.

INTERNATIONAL SEGMENT

International segment net revenues increased by 17% to $221,719 for the quarter ended March 28, 2010 from $189,192 for the quarter ended March 29, 2009. For the quarter ended March 28, 2010, International segment net revenues were positively impacted by currency translation of approximately $16,300, or 9%, as a result of the weaker U.S. dollar in the first quarter of 2010. The remaining increase in net revenues for the quarter was driven by increased sales in the boys' toys category primarily as a result of increased sales of NERF and MARVEL products and increased revenues in the girls' toys category as a result of increased sales of LITTLEST PET SHOP products and sales of STRAWBERRY SHORTCAKE products, which were reintroduced to the Company's line in the second quarter of 2009. Sales of MARVEL products increased in the quarter primarily as a result of the anticipated movie release of *IRON MAN 2* in May 2010. Net revenues in the quarter were also positively impacted by increased sales in the games and puzzles and preschool categories, including increased revenues from sales of MAGIC: THE GATHERING and PLAY-DOH products, respectively. Increased revenues in the preschool category, to a lesser extent, also included increased revenues from sales of PLAYSKOOL products.

(Thousands of Dollars and Shares Except Per Share Data)

International segment operating loss was $2,430 for the quarter ended March 28, 2010 compared to a loss of $14,471 for the quarter ended March 29, 2009. International segment operating loss was negatively impacted by currency translation of approximately $1,400. The decreased operating loss was primarily a result of higher revenues as well as decreased amortization expense, partially offset by higher advertising and product development expenses.

ENTERTAINMENT AND LICENSING SEGMENT
Entertainment and Licensing segment net revenues for the quarter ended March 28, 2010 decreased 8% to $25,109 from $27,233 for the quarter ended March 29, 2009. The decrease in the quarter was primarily due to lower digital gaming licensing revenues, partially offset by higher revenues from lifestyle licensing.

Entertainment and Licensing segment operating profit decreased to $9,366 for the quarter ended March 28, 2010 compared to $13,627 for the quarter ended March 29, 2009. Operating profit for the quarter decreased as a result of the lower revenues discussed above, increased royalty expenses as well as costs related to the Company’s internal television studio. While the Discovery joint venture is a component of our television operations, the Company’s 50% share in the earnings from the joint venture are included in other (income) expense and therefore are not a component of operating profit of the segment.

COSTS AND EXPENSES
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The Company's costs and expenses, stated as percentages of net revenues, are illustrated below for the quarters ended March 28, 2010 and March 29, 2009.

	2010	2009
Cost of sales	39.1 %	39.4 %
Royalties	6.5	8.8
Product development	6.0	6.0
Advertising	10.6	10.0
Amortization	1.7	3.2
Selling, distribution and administration	25.8	26.0

Cost of sales increased in dollars but decreased as a percentage of revenues to $262,679 or 39.1% of net revenues for the quarter ended March 28, 2010 from $244,753 or 39.4% of net revenues for the quarter ended March 29, 2009. The increase in dollars is primarily a result of increased revenues while the decrease as a percentage of net revenues for the quarter was primarily due to the mix of products sold in the first quarter of 2010 compared to the first quarter of 2009.

Royalty expense for the quarter ended March 28, 2010 decreased to $43,782 or 6.5% of net revenues from $54,453 or 8.8% of net revenues for the quarter ended March 29, 2009. The decrease in the quarter is primarily the result of decreased sales of entertainment-driven products, including TRANSFORMERS and STAR WARS. Royalty expense in the quarter ended March 29, 2009 also included costs associated with a royalty audit.

Product development expenses for the quarter ended March 28, 2010 increased in dollars, but remained flat as a percentage of net revenues, to $40,324 or 6.0% of net revenues from $37,131 or 6.0% of net revenues for the quarter ended March 29, 2009.

Advertising expense for the quarter ended March 28, 2010 increased to $71,174, or 10.6% of net revenues compared to $62,309, or 10.0% of net revenues for the quarter ended March 29, 2009. In years in which the Company expects significant sales of products related to major motion picture releases, such as in 2009, advertising expense as a percentage of revenue is generally lower, as such products do not require the same level of advertising that the Company spends on non-entertainment based products.

Amortization expense decreased to $11,384 or 1.7% of net revenues in the first quarter of 2010 from $19,887 or 3.2% of net revenues in the first quarter of 2009. The decrease is primarily the result of the property rights related to the Wizards of the Coast acquisition becoming fully amortized in the fourth quarter of 2009.

For the quarter ended March 28, 2010, the Company's selling, distribution and administration expenses increased to $173,701 or 25.8% of net revenues from $161,590 or 26.0% of net revenues for the quarter ended March 29, 2009. The increase in selling, distribution and administration expenses for the quarter primarily reflects the impact of currency translation as a result of the weaker U.S. dollar in the first quarter of 2010.

NONOPERATING (INCOME) EXPENSE
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Interest expense for the first quarter of 2010 increased to $16,792 from $9,715 in the first quarter of 2009. The increase in interest expense in the quarter primarily reflects higher outstanding borrowings as a result of the issuance of $425,000 in principal amount of Notes in May 2009 and $500,000 in principal amount of Notes in March 2010. The proceeds from the issuance of Notes in May 2009 were primarily used to purchase a 50% interest in the joint venture with Discovery. In addition, interest expense in first quarter of 2010 also includes amounts related to the Company’s tax sharing agreement with Discovery. The overall increase in interest expense was partially offset by lower average effective interest rates as a result of the Company’s fixed-for-floating interest rate swaps.

Interest income for the quarter ended March 28, 2010 was $830 compared to $1,265 for the quarter ended March 29, 2009. The decrease in interest income for the quarter was primarily the result of lower returns on invested cash, partially offset by higher average invested cash balances.

Other (income) expense, net, was $(865) for the first quarter of 2010, compared to $4,180 for the first quarter of 2009. Other (income) expense, net in the quarter includes $(500) which represents the Company’s 50% share in the earnings of the joint venture with Discovery. The remainder of the change in other (income) expense, net in the quarter ended March 28, 2010 as compared to the quarter ended March 29, 2009 primarily reflects the impact of foreign exchange losses incurred in the first quarter of 2009.

INCOME TAXES
- ----------------------
Income tax benefit for the quarter ended March 28, 2010 was $4,713 on pretax earnings of $54,230 compared to income tax expense of $8,857 on pretax earnings of $28,587 for the quarter ended March 29, 2009. Both quarters are impacted by certain discrete tax events including the accrual of potential interest and penalties on certain tax positions. The income tax benefit for the quarter ended March 28, 2010 also includes $21,243 as a result of the settlement of the 2004 and 2005 IRS examination, including other adjustments, primarily related to the recognition of previously unrecognized tax benefits and related reversal of accrued potential interest. Absent these items, the effective tax rate for the first quarter of 2010 and 2009 was 29.0% and 29.1%, respectively. The adjusted tax rate for the first quarter of 2010 of 29.0% is consistent with the full year 2009 effective tax rate of 29.0%, which excludes certain discrete tax events.

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. Although the Company expects that this concentration will continue, particularly as more of its business shifts to larger customers with order patterns concentrated in the second half of the year, this concentration may be less in years when the Company has products related to one or more major motion picture releases that occur in the first half of the year. In 2010 the Company expects significant sales of products related to the movie release of *IRON MAN 2* in May 2010. In 2009 the Company had products related to the mid-year major motion picture releases of *TRANSFORMERS: REVENGE OF THE FALLEN*, *GI JOE: THE RISE OF COBRA* and *X-MEN ORIGINS: WOLVERINE*. 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 we have product licenses, and changes in overall economic conditions. As a result, comparisons of our unshipped orders on any date with those at the same date in a prior year are not necessarily indicative of our 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. Unshipped orders at March 28, 2010 and March 29, 2009 were approximately $311,400 and $318,600, respectively. It is a general industry practice that orders are subject to amendment or cancellation by customers prior to shipment. The backlog of unshipped orders at any date in a given year can also be affected by programs that we may employ to incent customers to place orders and accept shipments early in the year. These programs follow general industry practices.

In June 2009 the Financial Accounting Standards Board ("FASB") revised accounting standards related to the transfer of financial assets. These revisions seek to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. These revisions also eliminate the concept of a qualifying special-purpose entity, and require such entities to be evaluated for consolidation in accordance with the applicable consolidation guidance. The requirements of these revised accounting standards are effective for fiscal years and interim periods beginning after November 15, 2009. As a result of the adoption of these n ew accounting standards in 2010, the Company will account for all sales of accounts receivable under its securitization facility in 2010 as collateralized borrowings. The accounts receivable balances will remain on the Company's balance sheet and proceeds from the sales of the receivables will be recorded as short-term debt. The adoption of these standards did not have a material impact on the Company's consolidated balance sheet or statement of operations.

In January 2010 the FASB revised accounting standards related to fair value measurements to expand disclosure requirements to include significant transfers of assets and liabilities in and out of Level 1 and Level 2 fair value measurements and the reasons for those transfers, as well as a gross presentation of purchases, sales, issuances and settlements within the rollforward of changes in Level 3 assets and liabilities. The revised standards also provide clarification to existing fair value disclosure requirements related to the level of disaggregation and disclosure about inputs and valuation techniques. The majority of the requirements of these revised accounting standards were effective and adopted by the Company in the first quarter of 2010 and had no impact on the consolidated balance sheet or results of operations. Certain requirements related to the gross presentation of activity in the rollfoward of changes in Level 3 assets and liabilities will become effective for fiscal years beginning after December 15, 2010 and for interim reporting periods within those fiscal years.

LIQUIDITY AND CAPITAL RESOURCES

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The Company has historically generated a significant amount of cash from operations. In 2009 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 proceeds from its accounts receivable securitization program. During the first quarter of 2010, the Company has continued to fund its working capital needs primarily through cash flows from operations and, when needed, using borrowings under its available 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 accounts receivable securitization program are adequate to meet its working capital needs for the remainder of 2010. 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 resour ces. In addition, significant disruptions to credit markets may also reduce or eliminate the availability of external financial resources. Although we believe the risk of nonperformance by the counterparties to our 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 us.

In March 2010 the Company issued $500,000 in aggregate principal amount of Notes that are due in 2040 (the "Notes"). The Notes bear interest at a rate of 6.35%. The Company may redeem the Notes at its option at the greater of the principal amount of the Notes or the present value of the remaining scheduled payments discounted using the effective interest rate on applicable U.S. Treasury bills at the time of repurchase. The proceeds from the issuance of the Notes are expected to be used primarily to repurchase an equivalent number of shares resulting from the conversion of the Company's contingent convertible debentures.

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.

Net cash provided by operating activities in the first quarter of 2010 was $265,117 compared to net cash utilized of $22,657 in the first quarter of 2009. Net cash provided in 2010 as compared to net cash utilized in 2009 primarily reflects increased collections of accounts receivable as a result of higher sales in the fourth quarter of 2009 as compared to the fourth quarter of 2008, and because we did not utilize our securitization at December 27, 2009 compared to a utilization of $250,000 of the securitization program at December 28, 2008. In addition, net cash utilized in the first quarter of 2009 includes a $50,000 guaranteed royalty payment to Marvel related to the extension of the current agreement.

Accounts receivable increased to $526,031 at March 28, 2010 from $365,037 at March 29, 2009. The accounts receivable balance at March 28, 2010 includes an increase of approximately $12,600 as a result of a weaker U.S. dollar at March 28, 2010 as compared to March 29, 2009. The remaining increase in accounts receivable primarily reflects the utilization of the Company's securitization program at March 29, 2009 of approximately $100,000. At March 28, 2010, based on the Company's cash position and liquidity needs, there was no utilization of the securitization program. Days sales outstanding were 70 days at March 28, 2010 compared to 53 days at March 29, 2009. Absent the impact of securitization, days sales outstanding at March 29, 2009 would have been 67 days. The increase in days sales outstanding, absent the impact of securitization, is primarily due to increased sales in markets with longer terms.

Inventories decreased to $226,784 at March 28, 2010 from $295,248 at March 29, 2009. The inventory balance at March 28, 2010 includes an increase of approximately $9,900 as a result of a weaker U.S. dollar at March 28, 2010 as compared to March 29, 2009. The decrease primarily reflects higher inventory levels at March 29, 2009, which were worked down throughout 2009.

Prepaid expenses and other current assets increased to $200,226 at March 28, 2010 compared to $199,147 at March 29, 2009. The prepaid expenses and other current assets balance at March 28, 2010 includes an increase of approximately $7,200 as a result of a weaker U.S. dollar at March 28, 2010 as compared to March 29, 2009. Absent the impact of foreign exchange, prepaid expenses and other current assets decreased approximately $6,100. The decrease primarily relates to decreased foreign currency forward contracts and decreased prepaid royalties and income taxes. These decreases were partially offset by purchases of short-term investments of $18,000 in the last three quarters of 2009.

Accounts payable and accrued expenses increased to $541,754 at March 28, 2010 from $525,536 at March 29, 2009. Increased accrued income taxes, interest, dividends and payroll and management incentives were partially offset by decreased accrued royalties.

Collectively, property, plant and equipment and other assets at March 28, 2010 increased $387,181 from March 29, 2009. The increase is primarily due to the Company’s investment in a 50% interest in the joint venture with Discovery in the second quarter of 2009, which has a carrying value of $372,282 at March 28, 2010. In addition, the increase reflects an increase in long-term prepaid royalty advances as a result of a $25,000 guaranteed royalty payment to the Discovery joint venture in the third quarter of 2009, partially offset by a decrease in the long-term portion of the Marvel royalty advance. These increases were partially offset by decreased foreign currency forward contracts. The increases in intangible assets in the last nine months of 2009, including $45,000 related to the extension of the term of the license agreement related to the STAR WARS brand, and approximately $26,500 related to the acquisition of certain other i ntellectual properties, were more than offset by amortization expense over the twelve months ended March 28, 2010.

Net cash utilized by investing activities was $21,115 in the first quarter of 2010 compared to $23,490 in the first quarter of 2009. Additions to property, plant and equipment were $20,783 in 2010 compared to $24,535 in 2009.

Net cash provided by financing activities was $382,143 in the first quarter of 2010 compared to $11,304 in the first quarter of 2009. The 2010 cash provided reflects net proceeds of $492,528 from the issuance of long-term notes in March 2010. Repayments of short-term borrowings were $1,948 in the first quarter of 2010 compared to proceeds from short-term borrowing of $37,256 in the first quarter of 2009. Proceeds from stock option transactions increased to $11,860 in the first quarter of 2010 compared to $814 in the first quarter of 2009 reflecting increased stock option exercises attributed to the overall higher Company stock price during the first quarter of 2010 compared to the first quarter of 2009. Dividends paid were $27,292 in 2010 compared to $27,854 in 2009. Cash payments related to purchases of the Company's common stock were $95,597 in the first quarter of 2010. There were no repurchases of the Company’s common stock i n the first quarter of 2009. At March 28, 2010, the Company had $63,779 remaining available under a $500,000 February 2008 Board of Directors share repurchase authorization. In April 2010 the Board of Directors approved an authorization for up to an additional $625,000 of share repurchases.

The Company has a revolving credit agreement (the “Agreement”), which provides it with a $300,000 committed borrowing facility. The Company has the ability to request increases in the committed facility in additional increments of at least $50,000, subject to lender agreement, up to a total committed facility of $500,000. 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 28, 2010. The Company had no borrowings outstanding under its committed revolving credit facility at March 28, 2010. However, the Company had letters of credit outstanding under this facility of approximately $1,400 at March 28, 2010. Amounts available and unused under the co mmitted line at March 28, 2010 were approximately $298,600. The Company also has other uncommitted lines from various banks, of which approximately $35,600 was utilized at March 28, 2010. Of the amount utilized under the uncommitted lines, approximately $11,400 and $24,200 represent outstanding borrowings and letters of credit, respectively.

The Company is party to an accounts receivable securitization program whereby the Company sells, on an ongoing basis, substantially all of its U.S. trade accounts receivable to a bankruptcy remote special purpose entity, Hasbro Receivables Funding, LLC ("HRF"). HRF is consolidated with the Company for financial reporting purposes. The securitization program then allows HRF to sell, on a revolving basis, an undivided fractional ownership interest of up to $250,000 in the eligible receivables it holds to certain bank conduits. The program provides the Company with a source of working capital. Based on the amount of eligible accounts receivable as of March 28, 2010, the Company had availability under this program to sell approximately $111,500, of which no amounts were utilized.

The Company has principal amounts of long-term debt at March 28, 2010 of $1,523,546 due at varying times from 2014 through 2040. The Company also had letters of credit and other similar instruments of approximately $137,300 and purchase commitments of $382,966 outstanding at March 28, 2010. Letters of credit and similar instruments include $111,780 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 27, 2009, did not materially change outside of payments made in the normal course of business and as otherwise set forth in this report, including the issuance of $500,000 of long-term notes in March 2010. 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 27, 2009, does not include certain tax liabilities recorded related to uncertain tax positions because the Company does not know the ultimate resolution of these liabilities and as such, does not know the ultimate timing of payments, if required, related to these liabilities. These liabilities were $86,734 and $93,899 at March 28, 2010 and March 29, 2009, respectively, and are included as a component of other liabilities in the accompany ing consolidated balance sheets.

At March 28, 2010, the Company has outstanding $138,651 in principal amount of contingent convertible debentures due 2021. The senior convertible debentures bear interest at 2.75%, which could be subject to an upward adjustment in the rate, not to exceed 11%, should the price of the Company's common stock trade at or below $9.72 per share for 20 of 30 trading days preceding the fifth day prior to an interest payment date. This contingent interest feature represents a derivative instrument that is recorded on the balance sheet at its fair value, with changes in fair value recognized in the statement of operations. If the closing price of the Company's common stock exceeds $23.76 for at least 20 trading days within the 30 consecutive trading day period ending on the last trading day of the calendar quarter, or upon other specified events, the debentures will be convertible at an initial conversion price of $21.60 in the next calendar qu arter. At December 31, 2009 this conversion feature was met and the debentures were convertible during the first quarter of 2010. During the first quarter of 2010, holders of these debentures converted $111,177 of these debentures which resulted in the issuance of 5,147 shares. In addition, if the closing price of the Company's common stock exceeds $27.00 for at least 20 trading days in any 30 day period, the Company has the right to call the debentures by giving notice to the holders of the debentures. During a prescribed notice period, the holders of the debentures have the right to convert their debentures in accordance with the conversion terms described above. As of March 28, 2010, the Company had the right to call the debentures. On March 29, 2010, as part of the Company’s overall debt management strategy and in furtherance of its capital structure goals, the Company gave notice of its election to redeem in cash all of the outstanding debentures on April 29, 2010 at a redemption price of $1,011.31 per $1,000 principal amount, which was equal to the par value thereof plus accrued and unpaid cash interest through April 29, 2010. Prior to this date, substantially all remaining debentures were converted by the holders, resulting in the issuance of 6,410 shares of common stock. A cash payment of $186 representing the redemption price was made to the remaining holders of the debentures who did not convert prior to the end of the call period.

The Company believes that cash from operations, including the securitization facility, 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, recoverability of goodwill and intangible assets, recoverability of royalty advances and commitments, pension costs and obligations, stock-based compensation 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 27, 2009.

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, Swiss franc, Canadian dollar and Mexican peso and, to a lesser extent, currencies in 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 2010 through 2011 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 intercomp any 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 derivatives at their fair value as an asset or liability on the balance sheet. The Company does not speculate in foreign currency exchange contracts. At March 28, 2010, these contracts had unrealized gains of $49,947, of which $23,784 are recorded in prepaid expenses and other current assets and $26,163 are recorded in other assets. Included in accumulated other comprehensive income at March 28, 2010 are deferred gains, net of tax, of $43,831, related to these derivatives.

At March 28, 2010, the Company had fixed rate long-term debt, excluding fair value adjustments, of $1,523,546. Also at March 28, 2010, the Company had fixed-for-floating interest rate swaps with notional amounts of $400,000. The interest rate swaps are designed to effectively adjust the interest rates on a portion of the Company's long-term debt from fixed to variable. The interest rate swaps are matched with specific long-term debt issues and are designated and effective as hedges of the change in the fair value of the associated debt. Changes in fair value of these contracts are wholly offset in earnings by changes in the fair value of the related long-term debt. At March 28, 2010, these contracts had a fair value of $5,589, which was included in other assets, with a corresponding fair value adjustment to increase long-term debt.

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 28, 2010. 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 28, 2010, 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 from the Mexican tax authorities relating to the years 2000, 2001, 2002, 2003 and 2004. These tax assessments, which total approximately $138 million in aggregate (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 2003 assessments. The Company filed the suit related to the 2000 and 2001 assessments in May 2009; the 2002 assessment in June 2008; and the 2003 assessment in March 2009. The Company is challenging 2004 assessment through administrative appeals. The Company expects to be successful in sustaining its positions for all of these years. However, in order to challenge the outstanding tax assessments relate d to 2000 through 2003, 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 28, 2010, bonds totaling approximately $112 million (at March 28, 2010 exchange rates) have been posted related to the 2000, 2001, 2002 and 2003 assessments. These bonds guarantee the full amounts of the outstanding 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 a bond related to the 2004 assessment.

We are currently party to certain other legal proceedings, none of which we believe to be material to our 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 statements 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 27, 2009 (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-invent, re-imagine and re-invigorate its existing products and product lines to maintain and further their success and to successfully introduce new products and product lines which achieve and sustain interest from retailers and consumers;
- the Company's ability to manufacture, source and ship new and continuing products in a timely and cost-effective basis and customers' and consumers' acceptance and purchase of those products in quantities and at prices that will be sufficient to profitably recover development, manufacturing, marketing, royalty and other costs;
- recessions or other economic downturns which can negatively impact the retail and credit markets, and the financial health of the Company's retail customers and consumers, and which can result in lower employment levels, less consumer disposable income, lower consumer confidence and, as a consequence, lower consumer spending, including lower spending on purchases of the Company's products;
- other economic and public health conditions in the various markets in which the Company and its customers and suppliers operate throughout the world, which impact the Company's ability and cost to manufacture and deliver products, such as higher fuel and other commodity prices, higher labor costs, higher transportation costs, outbreaks of SARs, bird flu or other diseases which affect public health and the movement of people and goods, and other factors, including government regulations, which can create potential manufacturing and transportation delays or impact costs;
- 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;
- the concentration of the Company's customers;
- 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;
- the inventory policies of the Company's retail customers, including the concentration of the Company's revenues in the second half and fourth quarter of the year, together with the increased reliance by retailers on quick response inventory management techniques, which increases the risk of underproduction of popular items, overproduction of less popular items and failure to achieve compressed shipping schedules;
- work stoppages, slowdowns or strikes, which may impact the Company's ability to manufacture or deliver product in a timely and cost-effective manner;
- concentration of manufacturing of many of the Company's products in the People's Republic of China and the associated impact to the Company of health conditions and other factors affecting social and economic activity in China, affecting the movement of people and products into and out of China, impacting 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;

- greater than expected costs, or unexpected delays or difficulties, associated with the Company’s investment in its joint venture with Discovery Communications, LLC, the rebranding of the joint venture network and the creation of new programming content to appear on the network, including greater than expected costs, or unexpected delays or difficulties, related to the creation of Hasbro Studios LLC and Hasbro Studios’ efforts to develop programming, including programming to appear on the joint venture network;
- consumer interest in and acceptance of the joint venture network, the programming appearing on the network, products related to the network’s programming, and other factors impacting the financial performance of the joint venture;
- 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 the bankruptcy or other 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 secure, maintain and renew popular licenses and the ability to attract and retain employees in a competitive environment;
- 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 regulatory investigations could entail significant expense and result in significant fines or other harm to the Company's business;
- 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
- the risk that the Company's reported goodwill may become impaired, requiring the Company to take a charge against its income;
- 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 2010 12/28/09 - 1/24/10	540,000	$31.9893	540,000	$144,159,464
February 2010 1/25/10 - 2/28/10	862,600	$33.9283	862,600	$114,892,932
March 2010 3/1/10 – 3/28/10	1,360,000	$37.5836	1,360,000	$ 63,779,189
Total	2,762,600	$35.3488	2,762,600	$ 63,779,189

In February 2008 the Company’s Board of Directors authorized the repurchase of up to $500 million in common stock. At March 28, 2010 approximately $63.8 million remained available under this authorization. Subsequent to quarter end, in April 2010 the Board of Directors authorized the repurchase of an additional $625 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 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 and there is no expiration date.

Item 3. Defaults Upon Senior Securities.

None.

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

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

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 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 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 Indenture, dated as of November 30, 2001, by and between the Company and The Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3, File No. 333-83250, filed February 22, 2002.)

4.4 First Supplemental Indenture, dated as of September 17, 2007, between the Company and 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.)

Item 6. Exhibits (continued)

4.5	Second Supplemental Indenture, dated as of May 13, 2009, between the Company and 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.)
4.6	Third Supplemental Indenture, dated as of March 11, 2010, between the Company and 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.)
4.7	Revolving Credit Agreement, dated as of June 23, 2006, by and among Hasbro, Inc., Hasbro SA, Bank of America, N.A. Citibank, N.A., Citizens Bank of Massachusetts, Commerzbank AG, New York and Grand Cayman Branches, BNP Paribas, Banc of America Securities LLC and the other banks party thereto. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 23, 2006, File No. 1-6682.)
10.1	Amended and Restated Employment Agreement, dated March 26, 2010, between the Company and Brian Goldner. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 30, 2010, File No. 1-6682.)
10.2	Form of Fair Market Value Stock Option Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.
10.3	Form of Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.
10.4	Hasbro, Inc. 2010 Management Incentive Plan.
10.5	Lease Extension and Amending Agreement, dated January 31, 2010, between Central Toy Manufacturing Inc. and Hasbro Canada Corporation.
12	Computation of Ratio of Earnings to Fixed Charges Quarter Ended March 28, 2010.
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.

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 5, 2010

By: /s/ Deborah Thomas

Deborah Thomas

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

Exhibit Index

Exhibit No.	Exhibits
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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 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 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	Indenture, dated as of November 30, 2001, by and between the Company and The Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3, File No. 333-83250, filed February 22, 2002.)
4.4	First Supplemental Indenture, dated as of September 17, 2007, between the Company and 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.)
4.5	Second Supplemental Indenture, dated as of May 13, 2009, between the Company and 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.)
4.6	Third Supplemental Indenture, dated as of March 11, 2010, between the Company and 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.)
4.7	Revolving Credit Agreement, dated as of June 23, 2006, by and among Hasbro, Inc., Hasbro SA, Bank of America, N.A. Citibank, N.A., Citizens Bank of

Massachusetts, Commerzbank AG, New York and Grand Cayman Branches, BNP Paribas, Banc of America Securities LLC and the other banks party thereto. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 23, 2006, File No. 1-6682.)

10.1	Amended and Restated Employment Agreement, dated March 26, 2010, between the Company and Brian Goldner. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 30, 2010, File No. 1-6682.)
10.2	Form of Fair Market Value Stock Option Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.
10.3	Form of Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.
10.4	Hasbro, Inc. 2010 Management Incentive Plan.
10.5	Lease Extension and Amending Agreement, dated January 31, 2010, between Central Toy Manufacturing Inc. and Hasbro Canada Corporation.
12	Computation of Ratio of Earnings to Fixed Charges - Quarter Ended March 28, 2010.
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.

EXHIBIT 10.2

HASBRO, INC.

RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN

STOCK OPTION AGREEMENT FOR EMPLOYEES

[__________], 2010 GRANT

AGREEMENT, made effective as of [___________], 2010, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated option grant recipient (the "Optionee").

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

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") acting in accordance with the provisions of the Plan 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 [_____________], 2010, 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 2 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. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

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

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

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

3. In the event that Optionee wishes to purchase any of the shares then purchasable under the Option as provided in Paragraph 2 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 <u>in advance</u> 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 "Taxe s"), 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).

4. (a) If an Optionee who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at his 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, unless the Committee shall extend (it being understood that any determination as to wh ether 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 2 of this Agreement as of the date of such retirement, disability or death. Optionee understands that among the factors to be considered by the Committee in making its decision hereunder is whether or not Optionee has executed a "covenant not to compete," in a form approved by the Company, relating to the period subsequent to Optionee's retirement. Thereafter, such Option, to the e xtent 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 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, 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 2 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 th e 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 2 hereof, or any combination of the foregoing. Optionee understands that among the factors to be considered by the Committee in making its decision hereunder is whether or not Optionee has executed a "covenant not to compete," in a form approved by the Board or the Committee, relating to the period subsequent to Optionee's early retirement. 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 2 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) and (b) 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 2 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 2 hereof.

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

* "Credited Service" shall mean: the period of an Optionee's employment considered in determining whether the Optionee is eligible to receive benefits upon termination of employment.

* "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 (l0) 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 (l0) 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.

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

6. 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.

7. 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.

8. 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

CONTINGENT STOCK PERFORMANCE AWARD

[____________], 2010 GRANT

AGREEMENT, made effective as of [________], 2010, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated contingent stock performance award recipient (the "Participant").

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

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), acting in accordance with the provisions of the Plan, granted to Participant a contingent stock performance award dated [__________], 2010 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 28, 2009 and ending on December 30, 2012 (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. The Company confirms the grant by the Committee to the Participant on [_____________], 2010, 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, of 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. 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	$[_________]

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.

3. 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

or dispositions consummated by the Company during the Performance Period which have, individually or in the aggregate, either a total acqu isition 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.

4. 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 following table sets 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. It is understood and agreed by the Participant, however, that the Committee retains sole and absolute discretion in all cases to reduce the number of shares of Common Stock, if any, to actually be delivered to the Participant to any number, below the number of shares otherwise called for under this Award , as the Committee may deem appropriate. To compute the actual number of shares of Common Stock, if any, which may be earned by the Participant (prior to any reduction in such number by the Committee) 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 following table. The appropriate box in the table corresponding with the 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 may be earned by the Participant over the Performance Period (prior to any reduction in such number by the Committee).

Revenues Measure

EPS Measure	Revenues 25% or more over Target	Revenues of at least 10% over, but not 25% or more over, Target	Revenues of at least Target but not 10% or more over Target	Revenues of at least 95% of Target but less than Target	Revenues of at least 90% of Target but less than 95% of Target	Revenues of under 90% of Target
EPS of 25% or more over Target	200%	163%	150%	138%	125%	0%
EPS at least 10% over, but not 25% or more over, Target	163%	125%	113%	100%	88%	0%
EPS of at least Target but not 10% or more over Target	150%	113%	100%	88%	75%	0%
EPS of at least 95% of Target but less than Target	138%	100%	88%	75%	63%	0%
EPS of at least 90% of Target but less than 95% of Target	125%	88%	75%	63%	50%	0%
EPS under 90% of Target	0%	0%	0%	0%	0%	0%

By way of illustration, if the percentage of the Revenues target achieved is 120% and the percentage of the EPS target achieved is 95%, the Participant would earn 100% of the Target Shares of Common Stock, subject to a reduction in such number at the sole discretion of the Committee.

5. Once the Company has determined the number of shares of Common Stock, if any, which may be earned by the Participant based on the cumulative EPS and Revenues performance of the Company, and taking into account the exercise of any discretion of the part of the Committee to reduce such number by any amount which the Committee deems appropriate, 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.

6. 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. Each Participant 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 share s 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 pursuant to the preceding provisions and 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 a certificate or certificates, or such other method of delivery as the Company or its designee shall agree to with the Participant, for the shares payable pursuant to the Award (less any shares deducted to pay Taxes).

7. 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.

8. (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 Perfo rmance Period. This pro-rated target award, as it may be reduced by the Committee in the Committee's sole and absolute discretion, 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 n umber of days in the Performance Period. This pro-rated number of shares, as it may be reduced by the Committee in the Committee's sole and absolute discretion, 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, provided that the Participant executes, or has previously executed, a non-compete agreement in the form established by the Company, 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, as it may be reduced by the Committee in the Committee's sole and absolute discretion, 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 8, 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:

* "Credited Service" shall mean: the period of a Participant's employment considered in determining whether the Participant is eligible to receive benefits upon termination of employment under the Company's applicable retirement 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 (l0) 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 (l0) 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.

9. 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 the Change in Control, (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 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 Change in Control.

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

By: ___________________________
Participant

EXHIBIT 10.4

Hasbro, Inc.

Management Incentive Plan

2010

Hasbro, Inc.
Management Incentive Plan

1.0 Background

1.1 The Management Incentive Plan (MIP)

- § Establishes standard criteria to determine plan eligibility, and overall company, business unit and individual performance objectives.

- § Establishes target awards as a percent of annual earned salary based on worldwide band level.

- § Plan pay-out is based on a combination of company, individual, and/or business unit 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 unit 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 officers, managers, and key 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 those who hold positions of major responsibility in the Company with the interest of the Company’s shareholders.

1.2.1 General Guideline

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

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

Officers, managers, and key 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. Worldwide employees in positions classified in broad bands 30 and above generally will be eligible to participate.

Eligibility to participate in the Plan does not guarantee the receipt of an award under the Plan.

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 MIP. 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 can expect to earn when they and their applicable business units perform as expected (i.e., achieve their goals and objectives).

2.2 Maximum Incentive Award

Under this incentive plan the maximum award for employees below band WW80 is 200% of the target award. As is provided in Section 3.3.3 of the Plan, the maximum award for employees in band WW80 or above is 300% of the target award.

2.3 The following table outlines the various incentive award targets defined above. All percentages refer to percentages of base salary earned for the incentive award period.

WW Band	**Target**
80	60%
70	50%
60	45%
50	40%
40*	25%
30	15%

*Includes broad band 45 in European markets.

3.0 Measures of Performance for 2010

3.1 Establishing Company and Business Unit Performance Targets

In the first quarter of 2010 the Company’s senior management established the level of target performance for 2010 associated with each of the Company and Business Unit performance metrics. Those target levels were 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 MIP formula award contains a performance component related to overall Hasbro performance. For 2010, this component is measured by Sales, Operating Margin, and Returns. Overall performance is determined by individually assessing performance against goal for each metric and applying the scale, weighting each metric and then 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%

For example:
If sales and operating margin are achieved at target but returns does not reach threshold the aggregate weighted payout is:

(100% x 40%) + (100% x 40%) + (0% x 20%) = 80%

Corporate payout would be 80%.

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 Unit Performance
Each business unit, as determined under this program, will assess performance based on Sales and Operating Margin specific to the business unit. The weighted performance of the two metrics must be equivalent to threshold performance (80% or more) or no award is payable for the business unit component. The weighting and definition of the overall company measures 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 unit and their performance will be based on overall company performance as described in section 3.1.

3.4.1 Bonus formula metrics for employees in WW30 to WW70 are used to assess performance at the overall Company level, business unit level (where applicable), and individual level.

A portion of all MIP formulas will have metrics tied to Corporate performance and individual performance. The weighting of the Corporate components may range from 25% to 75% and the individual component may range from 25% to 50%, where appropriate. Similarly, the Business unit, region or country component will be used in formulas where appropriate.

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

3.4.2 Bonus formula metrics for WW 80 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 unit 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 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 unit'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 unit's performance as of year end) and approved by the Chief Financial Officer, ("CFO"). An acceleration or deceleration scale will be applied to the component's payout performance as shown below to develop the formula bonus*. For corporate performance the portion attributable to each metric will be weighted and added to arrive at the overall formula payout. For business unit metrics, a blended performance will be determined as set forth below:

Performance %	Payout %*	
< 80%	0%	Minimum performance 80%
80%	60%	For every 1% below target, 2% decrease in award
100%	100%	For every 1% increase in perf, 3% increase in award
105%	115%	
110%	140%	For every 1% increase in perf, 4% increase in award
115%	160%	
120%	180%	
125%	200%	

Some countries outside of the US will have a separate performance and payout scale established annually.

If the aggregate weighted payout for both metrics for a **business unit** is less than 80%, the business unit payout percentage is equal to 0%.

For example:
If business unit revenue is achieved at 90% of target (which results in an 80% payout) and operating margin does not meet threshold of 80% (which results in a 0% payout) the aggregate weighted payout is:

(80% x 50%) + (0% x 50%) = 40%

As 40% is less than 80% threshold, business unit payout percentage is equal is 0%.

Once all of the business units have calculated the formula incentive awards, the award pools by business unit are developed. These business unit 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 units, as well as the budgeted individual performance percentage to be applied across the Company as a whole.

Business unit incentive pool dollars are derived from the aggregate of the formula awards within a business unit.

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 unit at the business unit level, against the applicable performance targets. The Company also calculates, based on the Company's and its business units' performances, 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 units, 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 th e MIP 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 MIP, 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 MIP 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 MIP 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 MIP

The aggregate of all payouts under the MIP 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 MIP which exceed one times a participant's base salary must be reviewed and approved by the Company's Chief Executive Officer.

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 CEO. 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 sole discretion of the CEO.

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 sole discretion of the CEO. 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 sole discretion of the CEO. 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 CEO.

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 sole discretion of the CEO. 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 CEO.

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 by July 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 July 1st of the plan year, will participate at the level consistent with the promotion or reclassification.
- § After July 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 CEO in the CEO's sole discretion.

6.0 Employees on Performance Plans

6.1 Payment of any award to an active employee (not on leave) who is on a performance plan and received a DO or DO+ rating is subject to manager discretion.

7.0 Administration of the Plan

7.1 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.

7.2 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 out no later than March 15th of 2011. 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.

7.3 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.

7.4 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.

LEASE EXTENSION AND AMENDING AGREEMENT entered into at the City of Longueuil, Province of Quebec as of this 31st day of January, 2010 (the "**Agreement**").

BETWEEN: **CENTRAL TOY MANUFACTURING INC.**, a corporation duly formed under the laws of the Province of Quebec, having its head office at 2350 rue de la Province, City of Longueuil, Province of Quebec, J4G 1G2, herein acting and represented by Donald J. Bezahler, duly authorized as he so declares;

(the "**Lessor**")

AND: **HASBRO CANADA CORPORATION**, a corporation duly formed under the laws of Nova Scotia, having a place of business at 2350 rue de la Province, City of Longueuil, Province of Quebec, J4G 1G2, herein acting and represented by Linda Merlo, duly authorized as she so declares;

(the "**Lessee**")

(the Lessor and the Lessee are hereinafter sometimes collectively referred to as the "**Parties**", and "**Party**" means any one of them)

WHEREAS on November 11, 2003, the Parties entered into an indenture and agreement of lease (the "**Lease**") pursuant to which the Lessor leased to the Lessee the Premises for a Term of six (6) years commencing on February 1, 2004 and expiring on January 31, 2010;

AND WHEREAS the Parties have agreed to enter into this Agreement in order to amend the Lease and renew the Term until January 31, 2016, upon the terms and conditions hereinafter set forth;

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. The recitals shall form an integral part hereof as though recited at length.

2. Unless otherwise defined herein, all capitalized terms used herein have the meaning assigned to them in the Lease.

3. The Lease is hereby renewed for a term which shall commence on February 1, 2010 (the "**Commencement Date"**) and shall terminate on January 31, 2016 (the "**Renewal Term"**). For further clarity, the defined word "Term" in the Lease shall mean, as of the Commencement Date, the period covered under the Renewal Term.

4. The annual rental payable by the Lessee for the period commencing on the Commencement Date up to and including January 31, 2012 shall be FIVE HUNDRED FIFTY THOUSAND DOLLARS ($550,000), payable in equal and consecutive monthly instalments of FORTY FIVE THOUSAND EIGHT HUNDRED AND THIRTY THREE DOLLARS ($45,833) each plus the applicable goods and services tax ("**GST**") and provincial tax ("**QST**").

5. The annual rental payable by the Lessee for the period commencing on February 1, 2012 up to and including January 31, 2014 shall be FIVE HUNDRED SIXTY-FIVE THOUSAND DOLLARS ($565,000), payable in equal and consecutive monthly instalments of FORTY SEVEN THOUSAND EIGHTY THREE DOLLARS ($47,083) each plus GST and QST.

6. The annual rental payable by the Lessee for the period commencing on February 1, 2014 up to and including January 31, 2016 shall be FIVE HUNDRED EIGHTY THOUSAND DOLLARS ($580,000), payable in equal and consecutive monthly instalments of FORTY EIGHT THOUSAND THREE HUNDRED AND THIRTY THREE DOLLARS ($48,333) each plus GST and QST.

7. The Lessee undertakes to carry out the works, repairs and replacement to the Building more fully described and detailed at Schedule "A" of this Agreement (the "**Major Renovations**"), on behalf of the Lessor, as agent and mandatary, the costs and expenses of which, as well as a project management fee in relation to said Major Renovations, shall be paid by the Lessee on behalf of the Lessor and subsequently reimbursed by the Lessor to the Lessee in accordance with the terms and conditions of this Agreement; such costs and expenses and project management fee are initially estimated as follow:

   7.1 the costs and expenses of the Major Renovations are estimated at $980,000, plus GST and QST, shall bear interest from the date of payment at the rate of six percent (6%) annually, and shall be reimbursed over the first three (3) years of the Renewal Term (the actual amount of the foregoing being referred to as the "**Construction Costs**");

   7.2 the project management fee of the Major Renovations shall be equal to five percent (5%) of the Construction Costs, and is estimated at $49,000, plus GST and QST, shall bear interest from the date of payment at the rate of six percent (6%) annually, and shall be reimbursed over the first three (3) years of the Renewal Term (the actual amount of the foregoing being referred to as the "**Project Fees**"); and

   7.3 The commission payable to DTZ Barnicke (the "Broker") in the amount of $15,000 plus applicable GST and QST, shall be paid by the Lessee on behalf of the Lessor and shall bear interest from the date of payment at a rate of six percent (6%) annually, and shall be reimbursed over the first three (3) years of the Renewal Term (the actual amount of the foregoing being referred to as the "Broker's Fees").

   The amount representing the total of the Construction Costs, Project Fees and Broker's Fees is referred to as the "**Project Costs**".

The Project Costs shall be reimbursed to the Lessee by the Lessor in accordance with this Agreement. The Parties acknowledge and agree that the amount of the Construction Costs and the Project Fees set out in Sections 7.1 and 7.2 hereof are estimates only and that the Lessor shall be liable for and shall reimburse the Lessee the actual amount of the Construction Costs and the Project Fees. For illustrative purposes only, a calculation of the Project Costs and their reimbursement is set out in the spreadsheet attached hereto as Schedule "B". The Parties also acknowledge and agree that the Lessee, as of January 26, 2010, has already been invoiced for Project Costs amounting to $6,992.25 and also has committed to an amount of $8,750 in Project Costs which has not been invoiced yet. These amounts shall be reimbursed to the Lessee by the Lessor in accordan ce with this Agreement.

8. The Lessee, acting as agent and mandatary of the Lessor, shall be entitled to choose, at its reasonable discretion but subject to the prior approval of the Lessor which approval shall not be unreasonably withheld or delayed, duly licensed contractors, consultants and other service providers (the "**Service Providers**") it deems necessary to carry out, perform and supervise the Major Renovations, being understood that for works having an estimated value of $25,000 or more, the Lessee shall seek bids from at least two Service Providers. For greater certainty, the Project Costs shall include the costs and expenses associated with the Service Providers, the building material, fees and charges (including with respect to permits) and applicable taxes (including GST and QST). The Lessee shall instruct the Service Providers to issue all invoices under the name of th e Lessor. The Lessee shall provide Lessor with a copy of all invoices representing Construction Costs. Unless the Lessor disputes the amount(s) set out in an invoice within ten days of its delivery, the Lessor shall be deemed to have approved the Construction Costs set out in the relevant invoice. The Lessor shall reimburse the Project Costs to the Lessee through monthly rent compensation (set-off) of $35,849.67 (each, a "**Monthly Adjustment**") over the first thirty-six (36) months of the Renewal Term. The Parties acknowledge and agree that the amount of the Monthly Adjustment is calculated based on an estimate of $1,178,415, including GST and QST, for the costs and expenses of the Major Renovations, which may be subject to change. For greater certainty, the Parties acknowledge that the Lessee, as agent and mandatary of the Lessor, shall not be allowed to recover any GST or QST that is part of the Project Costs as an input tax credit or input tax refund.

It is acknowledged and agreed to by the Parties that, for the purposes of this Agreement, the Lessee shall not be considered or deemed to be considered a contractor or a provider of services within the meaning of Chapter VIII of the Civil Code of Quebec, being understood that the Lessee is acting as an agent and mandatary of the Lessor with respect to the Major Renovations. In addition, at the completion of the Major Renovations, the Lessee shall, upon demand, transfer and assign to the Lessor all of its rights and recourses it may have against any Service Provider chosen by the Lessee to carry out, perform and supervise the Major Renovations or a portion of same pursuant to the first paragraph of this Section 8. Upon request from any Service Provider hired by the Lessee pursuant to this Section 8, the Lessor shall intervene to any agreement between the Lessee and said Se rvice Provider to be entered in relation to the Major Renovations, as the case may be. The Parties acknowledge and agree that the Lessee shall have no liability to the Lessor arising out of, relating to or connected with the Major Renovations, including, without limitation: (i) the hiring of any Service Providers or the performance of their obligations under the applicable contracts or purchase orders to complete any part of the Major Renovations (including the design, quality, condition or workmanship of the Major Renovations or the material used by the Service Providers), (ii) any claim, loss, damage, or other liability whatsoever suffered or incurred by the Lessor or any third party, or (iii) the project management services performed by the Lessee, except in the case of gross negligence or willful misconduct on the part of the Lessee. Without limiting the generality of the foregoing, Lessee disclaims all warranties and representations of any kind, either express or implied, as to the Major Renovations, including, without limitation, all representations and warranties: (i) as to the design, quality, condition or workmanship of the Major Renovations, including the material used by the Service Providers, or (ii) as to the fitness or suitability of the Major Renovations for any particular purpose other than the Lessee's specific purposes as contemplated under this Agreement.

9. No later than sixty (60) days from the date on which the Lessee is satisfied, at its discretion, that the Major Renovations have been completed, the Lessee shall provide the Lessor with a written statement setting out in reasonable detail the actual Project Costs incurred and the aggregate amount of Monthly Adjustments as of that date. Notwithstanding the previous sentence, if, at the Lessee's discretion, the Major Renovations have not been completed by December 31, 2010, then Lessee shall, within sixty (60) days of that date, provide the Lessor with an interim written statement setting out in reasonable details (i) the actual Project Costs incurred, and (ii) the aggregate amount of the Monthly Adjustment as of that date (each of the written statements referred to above being referred to as an "**Account Statement**"). An Account Statement shall be final and binding on the Parties, unless the Lessor disputes the Account Statement by sending a written notice to the Lessee within a delay of 14 days of the date on which the Account Statement is received by the Lessor except in the case where there is a manifest error. If the Project Costs set out in an Account Statement exceed the Monthly Adjustments deducted by the Lessee (the "**Excess Costs**"), then the difference shall be reimbursed by the Lessor and the Monthly Adjustment specified at Section 8 will be increased by an amount that results in the Excess Costs being reimbursed by the Lessor over the number of whole months from the month on which the Account Statement is delivered until January 31, 2013, provided that if this results in a Monthly Adjustment greater than the monthly rental payable by the Lessee during said period of the Renewal Term, then the Excess Costs shall be reimbursed over a longer period so that the Project Costs be completely reimbursed as soon as possible during the Ren ewal Term through Monthly Adjustments which are equal or less than the monthly rental. For greater certainty, the Parties acknowledge and agree that the Excess Costs are part of the Project Costs. If the Project Costs set out in an Account Statement are less than the Monthly Adjustments deducted by the Lessee (the "**Shortfall**"), then the monthly rent shall be increased by up to an amount equal to the amount of the Monthly Adjustment until the Shortfall is paid in full. If additional Monthly Adjustments are made or Project Costs incurred following the date of the final Account Statement, the adjustments referred to in this Section 9 shall reflect this. If for any reason, the Project Costs have not been reimbursed in full to the Lessee at the end of the Renewal Term, the Lessor shall pay the difference to the Lessee forthwith thereafter. Any amount of unpaid Project Costs at the end of the thirty (30) day period which follows the end of the Renewal Term shall bear interest from the end of the R enewal Term at the rate of ten percent (10%) calculated annually until such unpaid Project Costs are paid in full. In the event that this Agreement is terminated other than as a result of a default by the Lessee of its obligations under this Agreement, the Lessee may, at its discretion, immediately and without notice to the Lessor, cease to carry out the Major Renovations and require immediate payment of the Project Costs. In that case, if the amount of the Project Costs are not fully reimbursed to the Lessee within thirty (30) days of a written demand from the Lessee to the Lessor, then such unpaid amount shall bear interest at the rate of ten percent (10%) calculated annually from the date on which the written demand was made until paid in full.

10.

Section 2.2 of the Lease is hereby deleted, terminated and of no effect whatsoever. For further clarity, the Lease shall contain no termination right in favour of the Lessee.

11. Section 4.4 paragraph 5 of the Lease is hereby amended and shall read as follows:

> "If the Lessee assigns the Lease or sublet the Premises or any portion thereof to any entity which is not an affiliate of Hasbro Canada Corporation, the profit made by the Lessee as a result of such assignment or subletting, which amount shall be the difference between (i) the amount received or to be received by the Lessee pursuant to such assignment or sublease, and (ii) any rent payable by the Lessee to the Lessor and all costs or expenses relating to the assignment or sublease (including all fees and disbursements of the auditors, accountants, lawyers and other professionals or advisors), shall be shared equally (50%-50%) between the Parties."

12. The Parties acknowledge that the option to renew granted in favour of the Lessee at Article 5 of the Lease, as well as all related terms and conditions thereof, are hereby renewed, reaffirmed and are in full force and effect, *mutatis mutandis*. For further clarity, the rent payable by the Lessee during the renewal period specified at Section 5.1. of the Lease shall be the then fair market rental rate for similar buildings in the area of the Property.

13. Each Party represents to each other that the only broker involved in the transaction contemplated by this Agreement was the Broker.

14. This Agreement shall enure to the benefit of and be binding upon the Parties hereto, the permitted successors and assigns of the Lessor and the permitted successors and assigns of the Lessee.

15. The Parties hereby confirm that in all other respects, the terms, covenants and conditions of the Lease remain unchanged, *mutatis mutandis,* and are in full force and effect, except as modified by this Agreement. This Agreement shall prevail over the Lease in the event of any contradiction or inconsistency.

16. The Parties have requested that this Agreement be prepared in the English language. *Les parties ont exigé que la présente entente soit rédigée en anglais*.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have signed, on the date and at the place hereinabove first mentioned.

CENTRAL TOY MANUFACTURING INC.

Per: /s/ Donald J. Bezahler
Name: Donald J. Bezahler
Title: Authorized Signatory

HASBRO CANADA CORPORATION

Per: /s/ Linda Merlo
Name: Linda Merlo
Title: Senior Vice President
Finance & Operations

<u>SCHEDULE “A”</u>

MAJOR RENOVATIONS

Roof replacement/repair.

Floor replacement/repair.

SCHEDULE "B"

PROJECT COSTS

EXHIBIT 12

HASBRO, INC. AND SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges
Quarter Ended March 28, 2010

(Thousands of Dollars)

Earnings available for fixed charges:	
Net earnings	58,943
Add:	
Fixed charges	20,291
Income tax benefit	(4,713)

Total	74,521
	======
Fixed charges:	
Interest expense	16,792
Rental expense representative of interest factor	3,499

Total	20,291
	======
Ratio of earnings to fixed charges	3.67
	======

Exhibit 31.1

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 5, 2010

/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 5, 2010

/s/ Deborah Thomas

Deborah Thomas
Senior 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 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 28, 2010, 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 5, 2010

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.

Exhibit 32.2

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 28, 2010, 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
Senior Vice President and Chief Financial Officer of Hasbro, Inc.

Dated: May 5, 2010

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.