

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): April 16, 1998  
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HASBRO, INC.  
-----  
(Name of Registrant)

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

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

(401) 431-8697  
-----  
(Registrant's Telephone Number)

Item 5. Other Events

The April 16, 1998 Press Release of the Registrant attached hereto as EXHIBIT 99 is incorporated herein by reference.

Item 7(c) Exhibits

99 Press Release, dated April 16, 1998, of Hasbro, Inc.

SIGNATURES

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

HASBRO, INC.  
-----  
(Registrant)

Date: April 16, 1998

By: /s/ John T. O'Neill  
-----  
John T. O'Neill

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

HASBRO, INC.  
Current Report on Form 8-K  
Dated April 16, 1998

Exhibit Index

Exhibit  
No.

Exhibits

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99                    Press Release dated April 16, 1998

For Immediate Release  
April 16, 1998

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

#### HASBRO FIRST QUARTER 1998 RESULTS IN LINE WITH PRE-ANNOUNCEMENT

Pawtucket, RI (April 16, 1998) -- Hasbro, Inc. (HAS:ASE) today reported first quarter results consistent with its March 24, 1998 announcement regarding the impact of recent changes in inventory flow policies at Toys `R Us, a key customer.

Net revenues decreased approximately 11% in local currencies, primarily due to the changes at Toys `R Us. In addition, the adverse impact of the stronger U.S. dollar reduced revenues by approximately \$10 million, or almost 2%. Reported revenues were \$482.8 million, or 13.1% below the \$555.8 million reported last year. Net earnings and diluted earnings per share were \$7.8 million and \$0.06, respectively, compared to \$25.7 million and \$0.20, respectively, in the first quarter of 1997.

"Across the board, our product lines performed as expected," said Alan G. Hassenfeld, Chairman and Chief Executive Officer. "Last year, our first quarter results were boosted by the theatrical re-release of the Star Wars Trilogy(TM) and anticipation of the release of The Lost World: Jurassic Park(TM). We expected a difficult comparison this year, and this has been compounded by the significant reduction in inventories and increased seasonality of purchasing patterns at Toys `R Us," Hassenfeld explained.

Hassenfeld continued, "Partly offsetting the anticipated decline in Star Wars(R) and Jurassic Park(R) were increased sales by Hasbro Interactive(TM), Beast Wars(R)/Transformers(R) and the Super Soaker(R) line of water toys. Revenues from Barney(TM) also increased in anticipation of the full-screen movie release on April 3, which has been well-received. Internationally, growth occurred in Latin America and certain European markets, notably Italy and Spain. Our lower earnings in the quarter reflected the disproportionate impact that a decrease in revenues has in a seasonally low-revenue quarter, as fixed costs continue to be incurred," Hassenfeld added.

Two significant achievements so far this year provide a platform for future earnings growth: first, the acquisition of Tiger Electronics in early April and second, the completion of the groundwork to implement the Global Integration and Profit Enhancement Program. The Company is on track to realize the anticipated savings from this Program in 1998 and future years.

"Looking ahead, we expect difficult earnings comparisons to continue in the second quarter, in part due to the ongoing inventory reduction at Toys `R Us," Alan Hassenfeld said. "Then, in the increasingly important second half, we will build sales and earnings momentum, not only from cost savings but also from Teletubbies(TM) - which debuted on April 6 on PBS to great acclaim, the summer movie release of DreamWorks' `Small Soldiers'(TM), the fall release of our new CD-ROM version of the recently acquired Atari(R) classic - Centipede(R), and new products from Tiger Electronics. We continue working hard to deliver our plan for this year, and expect to achieve double-digit growth in earnings per share," Hassenfeld concluded.

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

revenues, margins and other aspects of the Company's business; third party actions or approvals that could delay, modify or increase the cost of implementation of, the Company's Global Integration and Profit Enhancement program; and the risk that anticipated benefits of acquisitions may not occur or be delayed or reduced in their realization. The Company undertakes no obligation to make any revisions to the forward-looking statements contained in this release or to update them to reflect events or circumstances occurring after the date of this release.

# # #  
(Tables Attached)

HASBRO, INC.

CONSOLIDATED STATEMENTS OF EARNINGS

(Thousands of Dollars and Shares Except Per Share Data)

|  | Quarter Ended    |                  |
|--|------------------|------------------|
|  | Mar. 29,<br>1998 | Mar. 30,<br>1997 |
| Net Revenues                             | \$482,820        | \$555,784        |
| Cost of Sales                            | 204,312          | 235,371          |
| Gross Profit                             | 278,508          | 320,413          |
| Amortization                             | 14,143           | 10,032           |
| Royalties, Research and Development      | 67,336           | 63,892           |
| Advertising                              | 55,757           | 71,302           |
| Selling, Distribution and Administration | 135,249          | 134,781          |
| Operating Profit                         | 6,023            | 40,406           |
| Interest Expense                         | 2,312            | 4,430            |
| Other (Income), Net                      | (8,097)          | (4,171)          |
| Earnings Before Income Taxes             | 11,808           | 40,147           |
| Income Taxes                             | 4,015            | 14,453           |
| Net Earnings                             | \$ 7,793         | \$ 25,694        |
| Per Common Share                         |                  |                  |
| Net Earnings                             |                  |                  |
| Basic                                    | \$ .06           | \$ .20           |
| Diluted                                  | \$ .06           | \$ .20           |
| Cash Dividends Declared                  | \$ .08           | \$ .08           |
| Weighted Average Number of Shares        |                  |                  |
| Basic                                    | 133,110          | 128,599          |
| Diluted                                  | 138,209          | 138,709          |

HASBRO, INC.

CONSOLIDATED CONDENSED BALANCE SHEETS

(Thousands of Dollars)

|                                | Mar. 29,<br>1998 | Mar. 30,<br>1997 |
|--------------------------------|------------------|------------------|
| Assets                         |                  |                  |
| Cash and Temporary Investments | \$ 430,601       | \$ 289,546       |

|                                    |             |             |
|------------------------------------|-------------|-------------|
| Accounts Receivable, Net           | 362,328     | 517,022     |
| Inventories                        | 269,097     | 268,945     |
| Other                              | 205,209     | 180,395     |
|                                    | -----       | -----       |
| Total Current Assets               | 1,267,235   | 1,255,908   |
| Property, Plant and Equipment, Net | 271,607     | 299,626     |
| Other Assets                       | 1,053,124   | 894,354     |
|                                    | -----       | -----       |
| Total Assets                       | \$2,591,966 | \$2,449,888 |
|                                    | =====       | =====       |

Liabilities and Shareholders' Equity

|  |             |             |
|--|-------------|-------------|
| Short-term Borrowings                      | \$ 112,465  | \$ 69,543   |
| Payables and Accrued Liabilities           | 617,015     | 528,308     |
|  | -----       | -----       |
| Total Current Liabilities                  | 729,480     | 597,851     |
| Long-term Debt                             | -           | 149,208     |
| Deferred Liabilities                       | 59,771      | 68,937      |
|  | -----       | -----       |
| Total Liabilities                          | 789,251     | 815,996     |
| Total Shareholders' Equity                 | 1,802,715   | 1,633,892   |
|  | -----       | -----       |
| Total Liabilities and Shareholders' Equity | \$2,591,966 | \$2,449,888 |
|  | =====       | =====       |