

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): April 29, 2009  
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HASBRO, INC.  
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(Exact name of registrant as specified in its charter)

RHODE ISLAND  
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(State of  
Incorporation)

1-6682  
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(Commission  
File Number)

05-0155090  
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(IRS Employer  
Identification No.)

1027 NEWPORT AVE., PAWTUCKET, RHODE ISLAND  
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(Address of Principal Executive Offices)

02862  
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(Zip Code)

(401) 431-8697  
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(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On April 29, 2009, Hasbro, Inc. ("Hasbro"), entered an agreement with Discovery Communications, LLC, a Delaware limited liability company ("Discovery") and Discovery's ultimate parent, Discovery Communications, Inc., a Delaware corporation ("DCI"). Upon the closing (the "Closing") of the transactions contemplated by a purchase agreement between Hasbro and Discovery (the "Purchase Agreement"), Hasbro will purchase a 50% interest in a limited liability company subsidiary of Discovery (hereafter referred to as the "Joint Venture") that will own the Discovery Kids Network in the United States (the "Network"). Hasbro will purchase the 50% interest in the Joint Venture from Discovery for a purchase price of \$300 million. The Joint Venture will also hold the existing Discovery Kids programming library in the United States.

The closing of the transactions contemplated by the Purchase Agreement is conditioned upon fulfillment of all closing requirements under the Purchase Agreement, including the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

Following the Closing, Hasbro and Discovery intend to rebrand the Network. The rebranded Network will feature new content to be developed based upon Hasbro's portfolio of brands and intellectual properties, new content to be developed by the Network, as well as content taken from the Hasbro and Discovery Kids program libraries. The parties currently expect to launch the rebranded Network in the fall of 2010.

The Joint Venture will be operated in accordance with an LLC operating agreement and will be governed by a Board composed 50% of Hasbro representatives, and 50% of Discovery representatives. Funding by Hasbro and Discovery of any future Network cash flow requirements will be made pro-rata, with neither party required to contribute more than an aggregate of \$15 million in additional funding to the Joint Venture.

In connection with the Joint Venture agreements, Hasbro will provide the Joint Venture with an exclusive first look at television programming (i) to be aired in the United States, (ii) which is based upon Hasbro's intellectual property and (iii) which is programmed for children 14 years of age or younger. For programming submissions accepted by the Network, the Network will pay a license fee to Hasbro and will have an exclusive license to telecast such programming in the United States, generally for a term of five years. For programming not accepted by the Network, Hasbro may take such programming to third parties. Hasbro is also providing an exclusive English language license in the United States to the Joint Venture for Hasbro's pre-existing programming library in return for license fees from the Joint Venture, which will vary based on the age of the programming in the library. As part of this arrangement, the Joint Venture is required to accept specified amounts of Hasbro programming for telecast on the Network.

Hasbro will pay the Network a royalty computed on Hasbro's net sales of merchandise based on programming appearing on the Network, as well as a royalty on licensing revenues received by Hasbro for television show-based merchandise. Contingent on the Network accepting specified amounts of programming based on Hasbro's intellectual property, Hasbro has guaranteed the payment of \$125 million in royalties to the Joint Venture, with this guaranteed royalty advance amount being paid in five installments, the first of which will be due on the earlier of (i) the launch of the rebranded Network and (ii) July 1, 2009, and the remainder of which will be payable in equal annual installments on each of November 1, 2010, November 1, 2011, November 1, 2012 and November 1, 2013. The advances will be recoupable against future royalties due to the Network in accordance with terms set forth in the transaction documents.

Hasbro will control the online and mobile distribution of programming appearing on the Network and will pay the Network specified revenue shares in connection with such distribution. In connection with this arrangement, the Network will receive a participation right in the value of Hasbro.com and any Network microsite under Hasbro.com, including the portions of such sites which allow for streaming and download of programming or the ability to play games, but excluding the Wizards of the Coast and ecommerce portions of Hasbro.com.

Pursuant to a services arrangement between Discovery and the Joint Venture, Discovery will provide certain services at specified management fees, including channel

affiliate relations services, advertising sales services, transmission services, and certain corporate services to the Joint Venture.

Each of Hasbro and Discovery will be subject to certain non-competition and exclusivity provisions, the intent of which are to provide that the Network is the only English language network in the United States primarily programmed for viewers 14 years old and younger in which the parties are participating.

The Joint Venture is terminable in certain circumstances, including upon the mutual agreement of both Hasbro and Discovery or in connection with a sale of all or substantially all of the Joint Venture's assets. Either Hasbro or Discovery can terminate the Joint Venture for (i) certain material uncured breaches by the other party or (ii) if there is a change in control of the other party. Each of Hasbro and Discovery also have the option to cause a termination of the Joint Venture (i) after January 1, 2014 if the parties are unable to agree upon annual budgets for the Joint Venture, (ii) at any time within the 90 days following December 31, 2015 if the Joint Venture has not achieved specified performance metrics over the period from the formation of the Joint Venture through such date, and (iii) at any time within the one-year period commencing on October 1, 2019.

Upon a material breach by Discovery or change in control of Discovery prior to the launch of the rebranded Network, Discovery shall repurchase Hasbro's interest in the Joint Venture. Under the other termination scenarios generally the parties will compute the fair market value of the Joint Venture and either (i) one party will buy out the other party's interest at that value or a higher value, if both parties want to buy out the other, in which case the higher bidder will prevail, or (ii) the parties will conduct an auction process to sell the Joint Venture to a third party.

For periods following the closing of Hasbro's purchase of a 50% interest in the Joint Venture, Hasbro will consolidate the financial results of the Joint Venture into Hasbro's consolidated financial results.

On April 30, 2009, Hasbro and Discovery issued a press release announcing the signing of the Purchase Agreement. A copy of this press release is furnished as Exhibit 99 to this Form 8-K.

#### Item 8.01 Other Events

Reference is made to the disclosure contained above under Item 1.01 of this report.

Hasbro may fund the purchase of its 50% interest in the Joint Venture through available cash, its existing sources of financing, and/or through the offering of debt. However, to maintain flexibility, Hasbro has also obtained a financing commitment from Bank of America, N.A. and RBS Citizens, N.A. providing Hasbro with the ability to borrow up to \$200 million for up to one year, subject to customary borrowing conditions, including the absence of a material adverse event impacting Hasbro's business.

Hasbro currently anticipates dilution of between \$0.25 and \$0.30 per share associated with its investment in the Joint Venture for its full-year fiscal 2009 results. This dilution includes advisory fees for the investment, amortization resulting from the intangible assets of the Network, as well as the costs of starting and funding Hasbro's studio to develop creative content and programming for the Network. For 2010, Hasbro currently anticipates dilution will be in the range of \$0.30 and \$0.35 per share to Hasbro, resulting from the increased cost of rebranding and relaunching the Network. Starting in 2011, Hasbro believes the Network and its related arrangements with Hasbro will be accretive to Hasbro as incremental revenue generated more than offsets Hasbro's investment.

Certain statements contained in this Current Report on Form 8-K and in the attached press release, including statements related to the future expectations and timing for the rebranding of the Network, the types of content which the parties currently plan to create and distribute via the Network, and expectations for the performance of the rebranded Network, constitute forward-looking statements. Such forward-looking statements are subject to known and unknown risks and the actual actions or results may differ from these current expectations. Factors which might cause a difference between actual and expected events include: (i) greater than expected costs or unexpected delays associated with the steps necessary to rebrand the Network, (ii) greater than expected costs or unexpected delays related to Hasbro's establishment and development of the team

and infrastructure to create and produce content for the Network, (iii) changes in plans with respect to the future content to be created for the Network or the timing for its development, or with respect to the branding and marketing for the Network, (iv) consumer interest in and acceptance of the Network and its programming, or in entertainment-related product associated with the Network, (v) the financial performance of the Network and other factors which impact the resources the Network has available and/or determines to spend on programming, advertising and marketing, (vi) the willingness and ability of Hasbro and Discovery to assist the Network in meeting any financial shortfalls it may experience or to otherwise support the Network, (vii) increased costs associated with, or delays in the production of, planned content for the Network, (viii) other factors which may lead to changes in the branding of the Network and/or the content to be developed for the Network, as well as (ix) other factors which are discussed in Hasbro's and Discovery's public announcements and SEC filings.

Neither party undertakes any obligation to update these forward-looking statements for events occurring after the date of this Current Report on Form 8-K and the attached press release.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99 Press Release, dated April 30, 2009

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 hereunto duly authorized.

HASBRO, INC.

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(Registrant)

Date: April 30, 2009

By: /s/ David D.R. Hargreaves  
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David D.R. Hargreaves

Chief Operating Officer and  
Chief Financial Officer  
(Duly Authorized Officer and  
Principal Financial Officer)

Hasbro, Inc.  
Current Report on Form 8-K  
Dated April 30, 2009

Exhibit Index

Exhibit No.

Exhibits

99

Press Release, dated April 30, 2009

**HASBRO AND DISCOVERY COMMUNICATIONS ANNOUNCE JOINT VENTURE TO CREATE TELEVISION NETWORK DEDICATED TO HIGH-QUALITY CHILDREN'S AND FAMILY ENTERTAINMENT AND EDUCATIONAL CONTENT**

*-- Multi-Platform Initiative Planned to Premiere in Late 2010; TV Network to Reach Approximately 60 Million Nielsen Households in the U.S. Served by Discovery Kids Channel --*

*-- Joint Media Call with Hasbro CEO and Discovery CEO at 8:15 AM Eastern Today; Hasbro Investor Call with Hasbro CEO and Hasbro CFO & COO at 8:45 AM Eastern Today; See Dial-in and Webcast Details at End of Release --*

PAWTUCKET, R.I., and SILVER SPRING, Md. – Hasbro, Inc. (NYSE: HAS) and Discovery Communications (Nasdaq: DISCA, DISCB, DISCK) today announced an agreement to form a 50/50 joint venture, including a television network and website, dedicated to high-quality children's and family entertainment and educational programming built around some of the most well-known and beloved brands in the world. As part of the transaction, the joint venture also will receive a minority interest in the U.S. version of Hasbro.com.

Both the network and the venture's online component will feature content from Hasbro's rich portfolio of entertainment and educational properties built over the past 90 years, including original programming for animation, game shows, and live-action series and specials. New programming will be based on brands such as ROMPER ROOM, TRIVIAL PURSUIT, SCRABBLE, CRANIUM, MY LITTLE PONY, G.I. JOE, GAME OF LIFE, TONKA and TRANSFORMERS, among many others. The TV network and online presence also will include content from Discovery's extensive library of award-winning children's educational programming, such as BINDI THE JUNGLE GIRL, ENDURANCE, TUTENSTEIN, HI-5, FLIGHT 29 DOWN and PEEP AND THE BIG WIDE WORLD, as well as programming from third-party producers.

"Hasbro continues to evolve as a company with an unwavering vision of reimagining the potential of our incredible portfolio of brands well beyond traditional toys and games," said Brian Goldner, Hasbro's President and CEO. "Today, consumers are embracing our powerful brands through unique and immersive entertainment and educational experiences in a number of areas, including movies and new digital platforms.

"We believe the time is right for Hasbro to take the next step into television through our partnership with Discovery Communications," continued Goldner. "David Zaslav and his talented team have the experience, track record and ambition necessary to make this joint venture a long-term success as we build this network. We look forward to creating fun, stimulating and educational content that will allow us to deliver all-new brand experiences to the young and 'young at heart' – anywhere and anytime they want."

"This joint venture reinforces Discovery's strategy to develop strong brands, maximize the potential of our extensive distribution in the U.S. and work with the highest quality content partners to create long-term value," said David Zaslav, President and CEO of Discovery Communications. "Brian Goldner and the dynamic management team at Hasbro have a long track record of developing well-respected quality brands that entertain and encourage creative play. The combined assets of both partners provide a compelling platform for building a trusted children's destination that engages and enlightens a thirsty and growing audience."

At the closing of the transaction, Hasbro will purchase a 50% stake in the venture, which will hold the assets related to Discovery Kids Network in the U.S., for which Discovery Communications will receive \$300 million. The joint venture's rebranded network is expected to debut in late 2010 reaching approximately 60 million Nielsen households in the U.S. with programming geared to boys and girls 14 years of age and under. The joint venture also will participate in merchandising opportunities associated with on-air content. The closing of the transaction is subject to customary closing conditions including satisfaction of all requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

Each company will have equal representation on a board of directors that will oversee a management team responsible for programming, scheduling and operations. The search for a President and General Manager for the network will begin immediately. Discovery Communications will handle advertising sales services, distribution, origination and other operational requirements for the proposed venture, while Hasbro will provide studio-produced programming.

Hasbro will also make a separate investment to establish a creative team that will allow Hasbro to create and produce the consumer-driven content children and families have come to expect from Hasbro's unmatched brands. Creative work will start in the next few months beginning with early stage development for properties including ROMPER ROOM, TONKA, G.I. JOE, TRANSFORMERS and MY LITTLE PONY. The creative team will have the capability to produce animated, live-action, and game show programming as well as content designed for digital and mobile extensions.

Programming on the network will be designed to entertain and educate, echoing the popularity and appeal of Hasbro's portfolio of brands and Discovery's long-standing commitment to life-long learning with the goal of making our emerging networks more valuable to affiliates and more compelling for viewers. In the tradition of Discovery Kids, this will include a number of daily hours voluntarily devoted to educational/informative content.

The network will continue to operate as Discovery Kids until the debut of the to-be-named channel and new programming slate. Discovery Communications will retain the Discovery Kids brand for, among other things, its international networks and its licensing and merchandising business.

Launched in 1996, Discovery Kids Channel has won multiple Daytime Emmys and Parents' Choice Awards for its series and specials. Discovery Kids programming helps children satisfy their curiosity about a full range of science, adventure, exploration and natural history topics through documentaries, reality shows, scripted dramas and animated stories.

Hasbro was advised by The William Morris Agency (WMA), John Fogelman of WMA and Bank of America/Merrill Lynch & Co. in connection with this transaction.

Discovery was advised by Paul, Weiss, Rifkind, Wharton & Garrison LLP.

### **Conference Call and Webcast Details**

At 8:15 a.m. Eastern today, Hasbro President and CEO Brian Goldner and Discovery Communications President and CEO David Zaslav will host a conference call for media to discuss the new joint venture. To access the conference call, in the U.S. dial 1-800-573-4842, or outside of the U.S. dial 1-617-224-4327, and use the following passcode: 59518157. A live webcast and replay of the call also will be available on Discovery Communications' website at [www.discoverycommunications.com](http://www.discoverycommunications.com) and Hasbro's website at [www.hasbro.com](http://www.hasbro.com).

At 8:45 a.m. Eastern today, Hasbro President and CEO Brian Goldner and Hasbro Chief Operating Officer and Chief Financial Officer David Hargreaves will host a conference call for Hasbro investors to further discuss the new joint venture. Discovery President and CEO David Zaslav and Discovery CFO Brad Singer also will join the call. To access the Hasbro investor conference call, in the U.S. dial 800-768-6544, or outside of the U.S. dial 785-830-7990. A live webcast of the call will be available on Hasbro's website at <http://investor.hasbro.com> and click on the webcast microphone. The replay will be available on Hasbro's web site approximately 2 hours following completion of the call.

### **About Hasbro**

Hasbro, Inc. (NYSE:HAS) is a worldwide leader in children's and family leisure time products and services with a rich portfolio of brands and entertainment properties that provides some of the highest quality and most recognizable play and recreational experiences in the world. As a brand-driven, consumer-focused global company, Hasbro brings to market a range of toys, games and licensed products, from traditional to high-tech and digital, under such powerful brand names as TRANSFORMERS, PLAYSKOOL, TONKA, MILTON BRADLEY, PARKER BROTHERS, CRANIUM and WIZARDS OF THE COAST. Come see how we inspire play through our brands at <http://www.hasbro.com>. (C) 2009 Hasbro, Inc. All Rights Reserved.

### **About Discovery Communications**

Discovery Communications (Nasdaq: DISCA, DISCB, DISCK) is the world's number one nonfiction media company reaching more than 1.5 billion cumulative subscribers in 170 countries. Discovery empowers people to explore their world and satisfy their curiosity through 100-plus worldwide networks, led by Discovery Channel, TLC, Animal Planet, Science Channel, Planet Green, Investigation Discovery and HD Theater, as well as leading consumer and educational products and services, and a diversified portfolio of digital media services including [HowStuffWorks.com](http://HowStuffWorks.com). For more information, please visit [www.discoverycommunications.com](http://www.discoverycommunications.com).

### **News Media Contacts:**

For Hasbro: Wayne Charness at 401-727-5983; [wcharness@hasbro.com](mailto:wcharness@hasbro.com)  
For Discovery: Michelle Russo at 240-662-2901; [michelle\\_russo@discovery.com](mailto:michelle_russo@discovery.com)

### **Investor Relations Contacts:**

For Hasbro: Karen Warren at 401-727-5401; [kwarren@hasbro.com](mailto:kwarren@hasbro.com)  
For Discovery: Craig Felenstein at 212-548-5109; [craig\\_felenstein@discovery.com](mailto:craig_felenstein@discovery.com)

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