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): July 27, 2006

HASBRO, INC.
(Exact name of registrant as specified in its charter)

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

1027 NEWPORT AVE., PAWTUCKET, RHODE ISLAND	02862
(Address of Principal Executive Offices)	(Zip Code)

(401) 431-8697
(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.

The Compensation and Stock Option Committee (the "Committee") of the Board of Directors (the "Board") of Hasbro, Inc. (the "Company") made, and the Board approved, effective on July 27, 2006, annual equity grants to the Company's executive officers and certain other employees of the Company.

These equity grants were all made under the Company's 2003 Stock Incentive Performance Plan, as amended (the "Plan"), which has been filed as an exhibit to the Company's periodic reports with the Securities and Exchange Commission (the "SEC"). The July 27, 2006 equity awards consisted of two forms of award. Each executive officer and employee of the Company who was selected to receive equity grants received two awards, one in each form.

The first form of award consisted of non-qualified stock options (the "Options") similar to the options the Company has granted in recent years. These Options have an exercise price equal to the fair market value (as computed under the Plan) of the Company's common stock, par value $.50 per share (the "Common Stock") on the date of grant. The Options vest in three equal cumulative installments on the first three anniversaries of the date of grant and expire seven years from the date of grant. The Company has previously filed the form of fair market value non-qualified stock option agreement under the Plan with the SEC. The Options granted on July 27, 2006 to the Company's executive officers covered the following numbers of shares of Common Stock: Alfred J. Verrecchia, 453,515 shares; Brian Goldner, 181,406 shares; David D.R. Hargreaves, 85,034 shares; Frank P. Bifulco, Jr., 80,782 shares; Simon Gardner, 85,791 shares; Barry Nagler, 80,782 shares; Deborah Thomas Slater, 27,211 shares; and Martin Trueb, 18,201 shares.

The other form of equity award made on July 27, 2006 consisted of contingent stock performance awards (the "Stock Performance Awards"). These awards provide the recipients with the ability to earn shares of the Company's Common Stock based on the Company's achievement of stated cumulative diluted earnings per share ("EPS") and cumulative net revenue ("Revenues") targets over a ten quarter period beginning July 3, 2006 and ending December 28, 2008 (the "Performance Period"). Each Stock Performance Award has a target number of shares of Common Stock associated with such award which may be earned by the recipient if the Company achieves the stated EPS and Revenues targets set for the Performance Period. A table in Section 4 of the applicable award agreements designates what percentage of the target number of shares may be earned by the recipient for various levels of achievement of the designated EPS and Revenues targets. A copy of the form of Stock Performance Award agreement used for these award grants is filed as Exhibit 10 to this Current Report on Form 8-K and the terms of the agreement are incorporated herein by reference. The Stock Performance Awards granted on July 27, 2006 to the Company's executive officers have the following target numbers of shares of Common Stock associated with 100% achievement of the stated EPS and Revenues targets: Alfred J. Verrecchia, 110,436 shares; Brian Goldner, 44,175 shares; David D.R. Hargreaves, 20,707 shares; Frank P. Bifulco, Jr., 19,671 shares; Simon Gardner, 20,891 shares; Barry Nagler, 19,671 shares; Deborah Thomas Slater, 6,626 shares; and Martin Trueb, 4,432 shares.

Item 7.01 Regulation FD Disclosure

On July 27, 2006 the Company issued a press release announcing that the Company's Board had authorized, at its July 27, 2006 meeting, the repurchase of up to an additional $350 million of the Company's Common Stock. The press release is furnished as an exhibit to this Current Report on Form 8-K and is incorporated herein.

The Company's Board of Directors had previously authorized the repurchase of up to $350 million of the Company's Common Stock in May of 2005. In July 2006 the Company completed repurchasing the remaining shares available under the May 2005 repurchase authorization.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

10 Form of Contingent Stock Performance Award under the Hasbro, Inc. 2003 Stock Incentive Performance Plan.

99 Press Release, dated July 27, 2006, 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 hereunto duly authorized.

HASBRO, INC.

(Registrant)

Date: July 28, 2006

By: /s/ David D. R. Hargreaves

David D. R. Hargreaves

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

Hasbro, Inc.
Current Report on Form 8-K
Dated July 28, 2006

Exhibit Index

Exhibit No.	
10	Form of Contingent Stock Performance Award under the Hasbro, Inc. 2003 Stock Incentive Performance Plan.
99	Press Release, Dated July 27, 2006, of Hasbro, Inc.

For Immediate Release	**<u>Contact:</u>**	
July 27, 2006	Karen A. Warren (*Investor Relations*)	401-727-5401
	Wayne S. Charness (*News Media*)	401-727-5983

HASBRO, INC. ANNOUNCES ADDITIONAL $350 MILLION SHARE REPURCHASE AUTHORIZATION

Pawtucket, R.I. (July 27, 2006) -- Hasbro, Inc. (NYSE:HAS) announced that its Board of Directors has authorized the Company to repurchase an additional $350 million in common stock. Repurchases of the Company's common stock may be made from time to time, subject to market conditions. These shares may be purchased in the open market or through privately negotiated transactions. Hasbro 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 the repurchase program at any time.

"This program reflects the continuing commitment of the Board of Directors and Hasbro management to pursue opportunities that create value for our shareholders," said Alfred J. Verrecchia, President and Chief Executive Officer.

The Company recently completed a $350 million share repurchase program that was announced in May, 2005. Under this program, Hasbro repurchased 17,795,900 shares of common stock.

Hasbro is a worldwide leader in children's and family leisure time entertainment products and services, including the design, manufacture and marketing of games and toys ranging from traditional to high-tech. Both internationally and in the U.S., its PLAYSKOOL, TONKA, MILTON BRADLEY, PARKER BROTHERS, TIGER, and WIZARDS OF THE COAST brands and products provide the highest quality and most recognizable play experiences in the world.

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EXHIBIT 10

HASBRO, INC.

2003 STOCK INCENTIVE PERFORMANCE PLAN

CONTINGENT STOCK PERFORMANCE AWARD

JULY 27, 2006 GRANT

AGREEMENT, made effective as of July 27, 2006, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and <<FirstName>> <<LastName>>, an individual residing at <<Address1>>, <<Address2>>, <<City>> <<State>> <<PostalCode>> (the "Participant").

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

WHEREAS, the Compensation and Stock Option 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 on July 27, 2006 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 July 3, 2006 and ending on December 28, 2008 (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 July 27, 2006, and pursuant to the Plan, a copy of which is annexed 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 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 EPS and Revenues over the Performance Period. The Committee will certify the Company's 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 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 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 either a total acquisition price, or total sale price, respectively, of $100 million or more, as such acquisition price or sales price is determined in good faith by the Committee, (iii) EPS and Revenues will be calculated excluding the impact of any 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 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 EPS and Revenues measures over the Performance Period is [__________] (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 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 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.

	Revenues Measure			
EPS Measure	Revenues 10% or more over Target	Revenues of at least Target but not 10% or more over Target	Revenues of at least 90% of Target but less than Target	Revenues of under 90% of Target

EPS 10% or more over Target

EPS of at least Target but not 10% or more over Target

EPS of at least 90% of Target but less than Target

EPS under 90% of Target

By way of illustration, if the percentage of the Revenues target achieved is 120% and the percentage of the EPS target achieved is 85%, the Participant would earn [_______] shares of Common Stock, subject to a reduction in such number at the 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 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 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 Secretary of the Company or his 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. Unless the Participant shall have made advance alternative arrangements satisfactory to the Secretary of the Company, or his designee, each Participant shall deliver to the Secretary or his designee, a check payable to Hasbro, Inc., or a wire transfer to such account of the Company 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. A Participant may also elect to satisfy the minimum withholding taxes required by law payable as a result of the issuance of any shares pursuant to this Award (the "Taxes"), in whole or in part, either (i) by having the Company withhold from the shares of Common Stock to be issued pursuant to this Award or (ii) delivering to the Company 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 accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company), 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 a wire transfer to such account of the Company as the Company may designate, in United States dollars for the balance of the Taxes is also d elivered to the Secretary, or his designee, at the time of issuance. If the Participant makes no election pursuant to the preceding provisions and does not timely remit payment of the required withholding taxes, 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 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, the Company shall deliver or cause to be delivered to the Participant a certificate or certificates, or such other method of delivery as the Company 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 EPS and Revenues equal to target in each case by (ii) a fraction, the numerator of which is the number of days from the start of the Performance Period to the date that the Participant died and the denominator of which is the total number of days in the Performance Peri od. 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 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 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 or 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 Committee, 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 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 duly executed this Agreement effective as of the day and year first above written.

ATTEST:

By: ___________________________
Barry Nagler,
Senior Vice President,
General Counsel and Secretary

HASBRO, INC.

By: ___________________________
Alfred J. Verrecchia,
President and Chief Executive Officer

By: ___________________________
Participant