SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the period ended July 2, 1995 Commission file number 1-6682

HASBRO, INC.
(Name of Registrant)

Rhode Island	O5-0155090
(State of Incorporation)	(I.R.S. Employer Identification No.)

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

(401) 431-8697

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

Yes X or No

The number of shares of Common Stock, par value $.50 per share, outstanding as of August 11, 1995 was 87,782,900.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

(Thousands of Dollars Except Share Data) (Unaudited)

Assets	Jul. 2, 1995	Jun. 26, 1994	Dec. 25, 1994
Current assets			
Cash and cash equivalents	$ 86,213	46,427	137,028
Accounts receivable, less allowance for doubtful accounts of $45,800, $53,500 and $51,000	654,216	635,893	717,890
Inventories:			
Finished products	272,182	271,620	181,202
Work in process	29,987	22,549	19,342
Raw materials	61,873	44,275	43,863
Total inventories	364,042	338,444	244,407
Deferred income taxes	81,173	89,356	83,730
Prepaid expenses	79,920	63,719	69,408

Total current assets	1,265,564	1,173,839	1,252,463
Property, plant and equipment, net	309,571	292,794	308,879
Other assets			
Cost in excess of acquired net assets, less accumulated amortization of $91,499, $75,461 and $82,949	486,034	469,384	479,960
Other intangibles, less accumulated amortization of $68,363, $94,803 and $58,178	351,852	175,793	295,333
Other	46,747	55,332	41,740
Total other assets	884,633	700,509	817,033
Total assets	$2,459,768	2,167,142	2,378,375

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets, Continued

(Thousands of Dollars Except Share Data) (Unaudited)

Liabilities and Shareholders' Equity	Jul. 2, 1995	Jun. 26, 1994	Dec. 25, 1994
Current liabilities			
Short-term borrowings	$ 353,051	129,488	81,805
Current installments of long-term debt	-	3,214	10
Trade payables	115,321	105,249	165,368
Accrued liabilities	314,563	297,094	417,763
Income taxes	57,905	67,425	98,786
Total current liabilities	840,840	602,470	763,732
Long-term debt, excluding current installments	149,993	200,458	150,000
Deferred liabilities	66,292	70,946	69,226
Total liabilities	1,057,125	873,874	982,958
Shareholders' equity			
Preference stock of $2.50 par value. Authorized 5,000,000 shares; none issued	-	-	-
Common stock of $.50 par value. Authorized 300,000,000 shares; issued 88,086,040, 88,081,902 and 88,085,802	44,043	44,041	44,043
Additional paid-in capital	279,933	292,455	282,151
Retained earnings	1,064,150	932,690	1,071,416
Cumulative translation adjustments	24,464	27,933	14,526
Treasury stock, at cost, 335,435, 134,400 and 557,455 shares	(9,947)	(3,851)	(16,719)
Total shareholders' equity	1,402,643	1,293,268	1,395,417
Total liabilities and shareholders' equity	$2,459,768	2,167,142	2,378,375

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Earnings

(Thousands of Dollars Except Share Data) (Unaudited)

	Quarter Ended	Six Months Ended

	Jul. 2, 1995	Jun. 26, 1994	Jul. 2, 1995	Jun. 26, 1994
Net revenues	$481,854	444,324	1,008,357	933,457
Cost of sales	214,085	203,178	446,657	411,378
Gross profit	267,769	241,146	561,700	522,079
Expenses				
Amortization	9,725	8,805	18,968	17,598
Royalties, research and development	62,085	55,102	117,169	105,422
Discontinued development project	31,100	-	31,100	-
Advertising	68,164	60,428	138,397	124,987
Selling, distribution and administration	119,005	109,980	239,808	220,270
Total expenses	290,079	234,315	545,442	468,277
Operating profit (loss)	(22,310)	6,831	16,258	53,802
Nonoperating (income) expense				
Interest expense	7,384	4,609	13,207	10,045
Other (income), net	(5,477)	(435)	(7,989)	(2,343)
Total nonoperating expense	1,907	4,174	5,218	7,702
Earnings (loss) before income taxes and cumulative effect of change in accounting principles	(24,217)	2,657	11,040	46,100
Income taxes	(9,324)	1,023	4,250	17,749
Net earnings (loss) before cumulative effect of change in accounting principles	(14,893)	1,634	6,790	28,351
Cumulative effect of change in accounting principles	-	-	-	(4,282)
Net earnings (loss)	$(14,893)	1,634	6,790	24,069
Per common share				
Net earnings (loss) before cumulative effect of change in accounting principles	$ (.17)	.02	.08	.32
Net earnings (loss)	$ (.17)	.02	.08	.27
Cash dividends declared	$ .08	.07	.16	.14

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Six Months Ended July 2, 1995 and June 26, 1994

(Thousands of Dollars) (Unaudited)

	1995	1994
Cash flows from operating activities		
Net earnings	$ 6,790	24,069
Adjustments to reconcile net earnings to net cash utilized by operating activities:		
Depreciation and amortization of plant and equipment	40,415	35,529
Other amortization	18,968	17,598
Deferred income taxes	(3,521)	(13,241)
Change in operating assets and liabilities (other than cash and cash equivalents):		
Decrease in accounts receivable	79,057	90,098
(Increase) in inventories	(108,054)	(82,645)
(Increase) decrease in prepaid expenses	(8,323)	3,193
(Decrease) in trade payables and accrued liabilities	(208,513)	(219,678)
Other	12,016	1,475
Net cash utilized by operating activities	(171,165)	(143,602)

Cash flows from investing activities		
Additions to property, plant and equipment	(38,752)	(45,825)
Acquisitions, net of cash acquired	(102,413)	-
Other	2,215	1,114
Net cash utilized by investing activities	(138,950)	(44,711)
Cash flows from financing activities		
Net proceeds from short-term borrowings of 90 days or less	76,332	63,944
Proceeds from short-term borrowings in excess of 90 days	185,000	-
Repayment of long-term debt	(10)	(74)
Stock option and warrant transactions	4,866	(4,225)
Purchase of common stock	(312)	(3,851)
Dividends paid	(13,147)	(11,434)
Net cash provided by financing activities	252,729	44,360
Effect of exchange rate changes on cash	6,571	4,126
Decrease in cash and cash equivalents	(50,815)	(139,827)
Cash and cash equivalents at beginning of year	137,028	186,254
Cash and cash equivalents at end of period	$ 86,213	46,427
Supplemental information		
Cash paid during the period for:		
Interest	$ 10,279	10,958
Income taxes	$ 45,982	43,361

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES

Condensed Notes to Consolidated Financial Statements

(Thousands of Dollars) (Unaudited)

(1) In the opinion of management and subject to year-end audit, the accompanying unaudited interim financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position of the Company as of July 2, 1995 and June 26, 1994, and the results of operations and cash flows for the periods then ended.

The six months ended July 2, 1995 consisted of 27 weeks while the six months ended June 26, 1994 consisted of 26 weeks.

The results of operations for the six months ended July 2, 1995, are not necessarily indicative of results to be expected for the full year.

(2) During the second quarter, the Company discontinued its efforts, begun in 1992, related to the development of a mass-market virtual reality game system. These efforts produced such a game system, but at a price judged to be too expensive for the mass-market. The impact of this decision on the quarter was a charge of $31,100. (See further discussion in Management's Discussion and Analysis of Financial Condition and Results of Operations.)

(3) Earnings per common share are based on the weighted average number of shares of common stock and dilutive common stock equivalents outstanding during each period. Common stock equivalents include stock options and warrants for the period prior to their exercise. Under the treasury stock method, the unexercised options and warrants were assumed to be exercised at the beginning of the period or at issuance, if later. The assumed proceeds were then used to purchase common stock at the average market price during the period.

For each of the reported periods the difference between primary and fully diluted earnings per share was not significant.

HASBRO, INC. AND SUBSIDIARIES

Management's Discussion and Analysis of Financial
Condition and Results of Operations

(Thousands of dollars)

NET REVENUES

Net revenues for the second quarter and six months of 1995 were $481,854 and $1,008,357, respectively, up approximately 8% in each period from the $444,324 and $933,457 reported for the same periods of 1994. Reflecting local currency growth in their major markets, the U.K., France, Italy and Spain, as well as the impact of acquisitions made in the second half of 1994, the European units achieved revenue growth of almost 14% in constant dollars. The effect of the weakened U.S. dollar added approximately $15,000, resulting in a total European growth of 26% for the quarter. Domestically, the Company's revenues were also favorably impacted by the second-half 1994 and early 1995 acquisitions. The Hasbro Games Group, showing growth in many of their classic products, a positive acceptance from new products as well as benefiting from one of these 1994 acquisitions, reported significant revenue growth, up more than 21%.

COST OF SALES

The gross profit margin, expressed as a percentage of net revenues, for the quarter increased to 55.6% from the 1994 level of 54.3%, while marginally decreasing for the six months to 55.7% from 55.9% a year ago. The improvement for the quarter reflects the more favorable mix of products sold in 1995, which more than offset cost increases from a year ago. The difference for the six months can largely be attributed to the impact of increased product costs and the higher volume of preschool products sold during the first quarter.

EXPENSES

Royalties, research and development expenses for the quarter increased both in amount and as a percentage of net revenues from prior year levels. The royalty component increased in amount and when expressed as a percentage of net revenues. In addition to reflecting the 8% growth in volume during the quarter, the increases can also be attributed to the mix of products sold with more revenue being derived from items carrying higher than traditional royalty rates. Research and development was $34,864 and $67,428 for the quarter and six months of 1995 while $32,959 and $61,462 for the same periods of 1994. Included in the 1995 amounts are $2,300 for the second quarter and $5,300 for the six months relating to efforts to develop a mass-market virtual reality game system as discussed below. Amounts for the comparable periods of 1994 were $3,800 and $6,800.

(Thousands of dollars)

During the second quarter, the Company discontinued its efforts, begun in 1992, related to the development of a mass-market virtual reality game system. These efforts produced such a game system, but at a price judged to be too expensive for the mass-market. The impact of this decision on the quarter was a charge of $31,100, the estimated costs associated with such action. Approximately half of the charge resulted from the expensing of software development costs related to both the operating system and games for the system. These costs were previously capitalized under the provisions of Statement of Financial Accounting Standards No. 86. The remaining amount represents provisions for costs associated with discontinuing this project, including the termination of contractual agreements relating to the development of the system and games, the write-off of certain fixed assets and various other cancellation/termination costs.

Advertising expense in the current quarter increased both in amount and as a percentage of net revenues. For the second quarter and six months of 1995, the amounts were $68,164 and $138,397, respectively, compared with $60,428 and $124,987 in the same periods of 1994. Expressed as a percentage of net revenues, 1995 was 14.1% and 13.7% while 1994 was 13.6% and 13.4%. The increases during the current year reflect the higher proportion of the Company's revenues coming from the international marketing units which generally have higher advertising to sales ratios than do the domestic groups.

For the quarter, selling distribution and administration expense increased from the level of the comparable period of 1994. This increase was the result of a combination of factors including the impact of the weakened U.S. dollar, new organizations, principally Larami, Waddington Games, Scandinavia and the K'NEX joint venture, higher distribution costs attributable to the higher sales volume and a general increase in expense levels. The six month increase is primarily attributable to the same factors, augmented by the impact of the additional week included in the first quarter of 1995.

NONOPERATING (INCOME) EXPENSE
- -----------------------------
Interest expense for the second quarter, reflecting the impact of higher interest rates and the utilization of approximately $400,000 of working capital for acquisitions and investments, warrant and share repurchases and the reduction of long-term debt during the most recent twelve months, increased by $2,800 from the 1994 level. The six month increase can also be attributed to the same factors.

(Thousands of dollars)

Other income, net, increased significantly for the quarter reflecting both the impact of foreign currency transaction gains and increased earnings from available funds, principally in the international units, invested on a short-term basis locally. (See Liquidity and Capital Resources later in this document for further discussion related to short-term investments.)

OTHER INFORMATION
- -----------------
The business of the Company is characterized by customer order patterns which vary from year to year largely because of differences in the degree of consumer acceptance of a product line, product availability, marketing strategies and inventory levels of retailers and differences in overall economic conditions. Also, quick response inventory management practices now being used results in fewer orders being placed in advance of shipment and more orders, when placed, for immediate delivery. As a result, comparisons of unshipped orders on any date in a given year with those at the same date in a prior year are not necessarily indicative of sales for the entire year. In addition, it is a general industry practice that orders are subject to amendment or cancellation by customers prior to shipment. The Company's unshipped orders were approximately $950,000 at July 30, 1995, compared to $850,000 at July 24, 1994. The revenue pattern of the Company continues to shift with the second half of the year growing in significance to its overall business and within that half the fourth quarter becoming much more prominent. The Company expects that this trend will continue.

During the fourth quarter of 1993, the Company recorded a restructuring charge of $15,500, primarily relating to the planned closure of the Company's manufacturing facility in The Netherlands. The Company had initially planned to cease production at this facility during the second quarter of 1994 but was unable to do so. The actions necessary to comply with local regulations relating to such a closure took longer than anticipated and the Company did not cease production at this facility until the first quarter of 1995. A majority of the liability established for this closure has now been satisfied and the Company has begun to experience the positive results from this action including both the elimination of costs associated with the previously existing excess production capacity and the transfer of production to a lower-cost manufacturing facility. The remaining amount provided in 1993 related to several items, none of which were significant, either in cost or anticipated benefits. All of the liabilities established for such items have been satisfied and the expected benefits are being obtained.

(Thousands of dollars)

During the third quarter of 1994, the Company recorded a restructuring charge of $12,500, primarily to cover costs associated with the restructuring of certain of its domestic operations. Included in such amount was a provision of approximately $4,400 for the costs associated with the termination of approximately 100 management employees. Substantially all of these employees have been terminated and a majority of the liability has been satisfied. Also part of this charge was a provision of approximately $3,400 for costs associated with the termination of approximately 485 domestic manufacturing employees. Substantially all of these employees have also been terminated and a majority of the liability has been satisfied. The Company believes that the reorganized units are operating more efficiently and thus the anticipated savings, although impractical to quantify, are being experienced.

LIQUIDITY AND CAPITAL RESOURCES

Because of the seasonality of the Company's business coupled with certain customer incentives, mainly in the form of extended payment terms, the interim cash flow statements are not representative of that which may be expected for the full year. As a result of these extended payment terms, the majority of the Company's cash collections occur late in the fourth quarter and early in the first quarter of the subsequent year. While a large portion of these receivables is of a quality which would allow their sale, alleviating the need for much of its interim financing, the Company believes it to be more cost effective to use its available funds and short-term borrowings to finance them. Late in its fourth quarter and through the first quarter of the subsequent year, as receivables are collected, cash flow from operations becomes positive and is used to repay a significant portion of the short-term borrowings.

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

(Thousands of dollars)

Cash and cash equivalents at July 2, 1995, were almost double their 1994 level. While the Company attempts to keep its cash and cash equivalents at the lowest level possible whenever it has short-term borrowings, at times the cash available and the borrowing requirement may be in different countries and currencies which may make it impractical to substitute one for the other. Receivables were approximately $20,000 greater than at the same time in 1994, with more than two-thirds of the increase attributable to changed foreign currency translation rates. Inventories, at $364,042 were approximately $25,000 higher than those of a year ago reflecting the impact of the Company's new operations as well as that of the weakened U.S. dollar. Other assets, as a group, increased by approximately $185,000 from their level a year ago. This increase reflects the Company's investments and acquisitions during the most recent twelve months, partially offset by the disposition of certain investments, as described in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report on Form 10-K for the year ended December 25, 1994, and twelve additional months of amortization expense.

Short-term borrowings, at $353,051 were approximately $225,000 greater than last year. This increase is the net effect of the cash required for the Company's recent investments and acquisitions, the early redemption of $50,000 of its long-term debt, the election to pay cash rather than issuing additional shares to exercising holders of its warrants, which expired on July 12, 1994, and the repurchase of shares of the Company's common stock, all partially offset by funds generated from operations within the most recent twelve months. Other current liabilities increased approximately 3% reflecting both the Company's increased activities and the impact of changed foreign currency translation rates.

At July 2, 1995, the Company had committed unsecured lines of credit totaling approximately $600,000 available to it. It also had available uncommitted lines approximating $1,050,000. The Company believes that these amounts are adequate for its needs. Of these available lines, approximately

$375,000 was in use at July 2, 1995.

PART II. Other Information

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities.

None

Item 3. Defaults Upon Senior Securities.

None.

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

At the Company's Annual Meeting of Shareholders held on May 10, 1995, the Company's Shareholders, by a vote of 69,811,908 for, 6,116,974 against, 681,468 abstentions and no broker nonvotes, approved the Hasbro, Inc. Stock Incentive Performance Plan.

In addition, they reelected the following persons to the Board of Directors of the Company: Barry J. Alperin (76,462,143 votes for, 148,207 votes withheld); Alan R. Batkin (76,447,327 votes for, 163,023 votes withheld); Claudine B. Malone (76,462,359 votes for, 147,991 votes withheld); Carl Spielvogel (74,190,912 votes for, 2,419,438 votes withheld); and Henry Taub (74,177,318 votes for, 2,433,032 votes withheld). They also elected the following two new Directors; Morris W. Offit (76,455,655 votes for, 154,695 votes withheld); and Paul Wolfowitz (76,457,571 votes for, 152,779 votes withheld). There were no votes against any nominee and no broker nonvotes.

Finally, the Company's Shareholders ratified the selection of KPMG Peat Marwick as the independent public accountants for the Company for the 1995 fiscal year by a vote of 76,501,156 for, 40,194 against, 69,000 abstentions and no broker nonvotes.

Item 5. Other Information

None.

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

(a) Exhibits.

11.1 Computation of Earnings Per Common Share - Six Months Ended July 2, 1995 and June 26, 1994.

11.2 Computation of Earnings Per Common Share - Quarter Ended July 2, 1995 and June 26, 1994.

12 Computation of Ratio of Earnings to Fixed Charges - Six Months and Quarter Ended July 2, 1995.

27 Article 5 Financial Data Schedule - Second Quarter 1995

(b) Reports on Form 8-K

A Current Report on Form 8-K, dated July 19, 1995, was filed by the Company and included the Press Release dated July 19, 1995, announcing that the Company was discontinuing its efforts to develop a mass-market virtual reality game system and discussing the Company's revenue and earnings expectations for the current quarter.

A Current Report on Form 8-K, dated July 24, 1995, was filed by the Company and included the Press Release dated July 24, 1995, announcing the Company's results for the current quarter. Consolidated Statements of Earnings (without notes) for the quarters and six months ended July 2, 1995 and June 26, 1994 and Consolidated Condensed Balance Sheets (without notes) as of said dates were also filed.

SIGNATURES

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

HASBRO, INC.
(Registrant)

Date: August 16, 1995

By: /s/ John T. O'Neill

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

HASBRO, INC. AND SUBSIDIARIES
Quarterly Report on Form 10-Q
For the Period Ended July 2, 1995

Exhibit Index

Exhibit No.	Exhibits
11.1	Computation of Earnings Per Common Share - Six Months Ended July 2, 1995 and June 26, 1994
11.2	Computation of Earnings Per Common Share - Quarter Ended July 2, 1995 and June 26, 1994
12	Computation of Ratio of Earnings to Fixed Charges - Six Months and Quarter Ended July 2, 1995
27	Article 5 Financial Data Schedule - Second Quarter 199

EXHIBIT 11.1

HASBRO, INC. AND SUBSIDIARIES
Computation of Earnings Per Common Share
Six Months Ended July 2, 1995 and June 26, 1994

(Thousands of Dollars and Shares Except Per Share Data)

	1995		1994	
	Primary	Fully Diluted	Primary	Fully Diluted
Net earnings before cumulative effect of change in accounting principles	$ 6,790	6,790	28,351	28,351
Interest and amortization on 6% convertible notes, net of taxes (a)	-	-	-	-
Net earnings before cumulative effect of change in accounting principles applicable to common shares	6,790	6,790	28,351	28,351
Cumulative effect of change in accounting principles	-	-	(4,282)	(4,282)
Net earnings applicable to common shares	$ 6,790	6,790	24,069	24,069
Weighted average number of shares outstanding:(b)				
Outstanding at beginning of period	87,528	87,528	87,795	87,795
Actual exercise of stock options and warrants	122	122	168	168
Assumed exercise of stock options and warrants	619	726	2,008	2,008
Assumed conversion of 6% convertible notes (a)	-	-	-	-
Purchase of common stock	(6)	(6)	(3)	(3)
Total	88,263	88,370	89,968	89,968
Per common share:				
Earnings before cumulative effect of change in accounting principles	$ .08	.08	.32	.32
Cumulative effect of change in accounting principles	-	-	(.05)	(.05)
Net earnings	$ .08	.08	.27	.27

(a) The effect of these notes is antidilutive and as such is not included.
(b) Computation to arrive at the average number is a weighted average computation.

EXHIBIT 11.2

HASBRO, INC. AND SUBSIDIARIES
Computation of Earnings Per Common Share
Quarter Ended July 2, 1995 and June 26, 1994

(Thousands of Dollars and Shares Except Per Share Data)

	1995		1994	
	Primary	Fully Diluted	Primary	Fully Diluted
Net earnings (loss) before cumulative effect of change in accounting principles	$(14,893)	(14,893)	1,634	1,634
Interest and amortization on 6% convertible notes, net of taxes (a)	-	-	-	-
Net earnings (loss) before cumulative effect of change in accounting principles applicable to common shares	(14,893)	(14,893)	1,634	1,634
Cumulative effect of change in accounting principles	-	-	-	-
Net earnings (loss) applicable to common shares	$(14,893)	(14,893)	1,634	1,634
Weighted average number of shares outstanding:(b)				
Outstanding at beginning of period	87,635	87,635	87,981	87,981
Actual exercise of stock options and warrants	84	84	63	63
Assumed exercise of stock options and warrants	-	-	1,798	1,798
Assumed conversion of 6% convertible notes (a)	-	-	-	-
Purchase of common stock	-	-	(6)	(6)
Total	87,719	87,719	89,836	89,836
Per common share:				
Earnings (loss) before cumulative effect of change in accounting principles	$ (.17)	(.17)	.02	.02
Cumulative effect of change in accounting principles	-	-	-	-
Net earnings (loss)	$ (.17)	(.17)	.02	.02

(a) The effect of these notes is antidilutive and as such is not included.
(b) Computation to arrive at the average number is a weighted average computation.

EXHIBIT 12

HASBRO, INC. AND SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges
Six Months and Quarter Ended July 2, 1995

(Thousands of Dollars)

	Six Months	Quarter
Earnings available for fixed charges:		
Net earnings (loss)	$ 6,790	(14,893)
Add:		
Fixed charges	20,015	10,844
Income taxes	4,250	(9,324)
Total	$ 31,055	(13,373)
Fixed Charges:		
Interest on long-term debt	$ 4,683	2,193
Other interest charges	8,524	5,191
Amortization of debt expense	170	85
Rental expense representative of interest factor	6,638	3,375
Total	$ 20,015	10,844
Ratio of earnings to fixed charges (a)	1.55	-

(a) During the second quarter, the Company recorded a $31,100 pretax charge related to the discontinuance of efforts to develop a mass-market virtual reality game system. As a result, second quarter earnings were inadequate by $24,217 to cover fixed charges.

6-MOS
DEC-31-1995
JUL-02-1995
86,213
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364,042
1,265,564
620,729
311,158
2,459,768
840,840
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