

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): October 22, 2001

HASBRO, INC.

(Name of Registrant)

RHODE ISLAND ----- (State of Incorporation)	1-6682 ----- (Commission File Number)	05-0155090 ----- (IRS Employer Identification No.)
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1027 NEWPORT AVE., PAWTUCKET, RHODE ISLAND ----- (Address of Principal Executive Offices)	02862 ----- (Zip Code)
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(401) 431-8697

(Registrant's Telephone Number)

Item 5. Other Events and Regulation FD Disclosure

The October 22, 2001 Press Release of the Registrant attached hereto as EXHIBIT 99 is incorporated herein by reference.

Item 7(c) Exhibits

99 Press Release, dated October 22, 2001, 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: October 22, 2001

By: /s/ David D. R. Hargreaves

David D. R. Hargreaves

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

Exhibit Index

Exhibit
No.

Exhibits

99 Press Release dated October 22, 2001

For Immediate Contact:
Release

October 22, 2001 Karen A. Warren (Investor Relations) 401-727-5401
Wayne S. Charness (News Media) 401-727-5983

HASBRO RETURNS TO PROFITABILITY IN THE THIRD QUARTER

CONTINUES TO BE ON TRACK FOR FULL YEAR PROFITABILITY

Pawtucket, RI (October 22, 2001) - Hasbro, Inc. (NYSE:HAS) today reported that it had returned to profitability in the third quarter. Worldwide net revenues were \$893.4 million compared to \$1.1 billion a year ago. Net earnings were \$50.6 million, compared to earnings of \$13.8 million in 2000 and diluted earnings per share were \$0.29, compared to \$0.08 per share in 2000. The Company also reported third quarter Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of \$161.3 million, compared to \$120.4 million in the third quarter of 2000.

For the nine months, worldwide net revenues were \$1.9 billion compared to \$2.6 billion a year ago. Net earnings and diluted earnings per share in the first nine months were \$7.2 million and \$0.04, respectively, compared to earnings of \$35.5 million and \$0.20 last year. EBITDA for the nine months was \$247.0 million compared to \$311.0 million last year.

"We are very pleased that we achieved our goal of cumulative profitability for 2001 by the end of the third quarter and we continue to believe we are on track to be profitable this year. Our strategy of focusing on expense reductions and growing our core brands is continuing to pay dividends," said Alan G. Hassenfeld, Chairman and Chief Executive Officer.

"In the third quarter, many of our new products for the year began shipping and we saw our revenue grow by approximately \$92 million or 12%, excluding POKEMON, Hasbro Interactive and FURBY. Revenue reductions from these three product lines totaled \$272 million for the quarter in 2001," Hassenfeld continued.

"We've had strong sales from TRANSFORMERS and G.I. JOE - including our new kid directed line DOUBLE DUTY. In the games area, several new products have done well including WHEELS ON THE BUS and DISNEY MONOPOLY, one of the most successful introductions of a licensed Monopoly game in the 66 year history of the brand. Also, we've had great initial response to DUSTY MY TALKING TOOL BENCH from TONKA. We are also pleased with our partnerships - BOB THE BUILDER has continued to have strong sales, and we've had good initial response to HARRY POTTER trading card games, E-KARA, a hand-held karaoke system and MONSTERS, INC., the first movie with a full product line as part of our new Disney alliance," Hassenfeld concluded.

For the third quarter, the U.S. Toy segment increased revenue 21% and was profitable, compared to a substantial loss last year. Excluding POKEMON, revenue increased 30% for the U.S. Toy segment. The Games segment continued to be profitable, although revenue declined due to POKEMON, FURBY and the sale of Hasbro Interactive. Excluding these three product lines, revenue increased 2% for the segment, primarily attributable to growth in our board game and trading card game businesses, which was partially offset by a decline in Tiger Electronics. International segment revenue declined year over year, primarily due to POKEMON and FURBY. This decline in International segment revenue also resulted in a slightly lower operating profit versus the comparable period last year. Excluding POKEMON, FURBY and Hasbro Interactive, International revenue increased 10%.

"We continue to demonstrate that our focus on reducing expenses is working, with substantial reductions in all operating expense categories in each of the past three quarters. In fact, we expect cost savings for the year, excluding Hasbro Interactive, will exceed the \$50 to \$70 million objective we set at the beginning of the year, and with further opportunities for cost reductions in 2002," said Alfred J. Verrecchia, President and Chief Operating Officer.

"As has been the case all year, these cost savings are primarily attributable to our ongoing cost reduction program and the sale of Hasbro Interactive and Games.com. In addition, we maintained our focus on managing the balance sheet as we continue to reduce inventory levels and short-term

debt. In fact, short-term debt declined \$240.0 million and total debt, net of cash, declined \$112.6 million as compared to the third quarter last year. We are on track and management is focused on our most important objective of returning to the profitability levels we have had historically," Verrecchia concluded.

The company will webcast its third quarter earnings conference call at 9:00 a.m. Eastern time today. Investors and the media are invited to listen at <http://www.hasbro.com> (select "Investors" from the home page, then click on the webcast icon).

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.

Certain statements contained in this release contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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". 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 Company's ability to manufacture, source and ship new and continuing products on a timely basis and the acceptance of those products by customers and consumers at prices that will be sufficient to profitably recover development, manufacturing, marketing, royalty and other costs of products; economic conditions, including higher fuel prices, currency fluctuations and government regulation and other actions in the various markets in which the Company operates throughout the world; the inventory policies of retailers, including the 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, including the ability to secure, maintain and renew popular licenses and the ability to attract and retain talented employees in a competitive environment; market conditions, third party actions or approvals and the impact of competition that could delay or increase the cost of implementation of the Company's consolidation programs or alter the Company's actions and reduce actual results, 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.

EBITDA (earnings before interest, taxes, depreciation and amortization) represents operating profit plus depreciation and all amortization. EBITDA is not adjusted for all noncash expenses or for working capital, capital expenditures or other investment requirements and, accordingly, is not necessarily indicative of amounts that may be available for discretionary uses. Thus, EBITDA should not be considered in isolation or as a substitute for net earnings or cash provided by operating activities, each prepared in accordance with generally accepted accounting principles, when measuring Hasbro's profitability or liquidity as more fully discussed in the Company's financial statements and securities filings.

(Tables Attached)

HASBRO, INC.

CONSOLIDATED CONDENSED BALANCE SHEETS

(Thousands of Dollars)

Sept. 30,	Oct. 1,
2001	2000
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Assets

Cash and Cash Equivalents	\$ 37,080	\$ 164,307
Accounts Receivable, Net	785,807	889,090
Inventories	345,690	540,307
Other Current Assets	388,092	442,651
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Total Current Assets	1,556,669	2,036,355
Property, Plant and Equipment, Net	256,982	313,301
Other Assets	1,776,935	2,020,930
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Total Assets	\$3,590,586	\$4,370,586
	=====	=====

Liabilities and Shareholders' Equity

Short-term Borrowings	\$ 298,698	\$ 538,653
Current Installments of Long-term Debt	3,344	781
Payables and Accrued Liabilities	746,757	1,080,176
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Total Current Liabilities	1,048,799	1,619,610
Long-term Debt	1,166,360	1,168,764
Deferred Liabilities	90,293	90,887
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Total Liabilities	2,305,452	2,879,261
Total Shareholders' Equity	1,285,134	1,491,325
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Total Liabilities and Shareholders' Equity	\$3,590,586	\$4,370,586
	=====	=====

HASBRO, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Thousands of Dollars and Shares Except Per Share Data)

	Quarter Ended		Nine Months Ended	
	Sept. 30, 2001	Oct. 1, 2000	Sept 30, 2001	Oct. 1, 2000
Net Revenues	\$ 893,353	1,072,617	\$1,867,610	2,624,471
Cost of Sales	402,155	459,535	795,968	1,057,879
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Gross Profit	491,198	613,082	1,071,642	1,566,592
Amortization	29,761	33,861	88,044	98,645
Royalties, Research and Development	97,182	164,912	223,785	426,101
Advertising	90,655	134,631	189,333	281,722
Selling, Distribution and Administration	169,826	222,743	480,854	626,453
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Operating Profit	103,774	56,935	89,626	133,671
Interest Expense	26,116	30,565	77,327	80,206
Other (Income) Expense, Net	3,244	6,324	74	2,075
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Earnings Before Income Taxes and Cumulative Effect of Accounting Change	74,414	20,046	12,225	51,390
Income Taxes	23,812	6,214	3,912	15,931
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Earnings before Cumulative Effect of Accounting Change	50,602	13,832	8,313	35,459
Cumulative Effect of Accounting Change	-	-	(1,066)	-
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Net Earnings	\$ 50,602	\$ 13,832	\$ 7,247	\$ 35,459
	=====	=====	=====	=====
Per Common Share				
Earnings before Cumulative Effect of Accounting Change				
Basic and Diluted	\$ 0.29	\$ 0.08	\$ 0.05	\$ 0.20
	=====	=====	=====	=====
Net Earnings				
Basic and Diluted	\$ 0.29	\$ 0.08	\$ 0.04	\$ 0.20
	=====	=====	=====	=====

Cash Dividends Declared	\$ 0.03	\$ 0.06	\$ 0.09	\$ 0.18
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Weighted Average Number of shares				
Basic	172,140	171,732	172,032	177,937
	=====	=====	=====	=====
Diluted	173,232	171,941	172,650	178,638
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