UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

(Mark One)

[x] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended April 1, 2018

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission File Number 1-6682

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

Rhode Island	05-0155090
(State of Incorporation)	(I.R.S. Employer Identification No.)

1027 Newport Avenue, Pawtucket, Rhode Island 02861
(Address of Principal Executive Offices, Including Zip Code)

(401) 431-8697
(Registrant's Telephone Number, Including Area Code)

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] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [x] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [x]	Accelerated filer [ ]
Non-accelerated filer (Do not check if a smaller reporting company) [ ]	Smaller reporting Company [ ]
Emerging growth Company [ ]	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [x]

The number of shares of Common Stock, par value $.50 per share, outstanding as of April 23, 2018 was 124,937,746.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Thousands of Dollars Except Share Data)
(Unaudited)

	April 1, 2018	April 2, 2017	December 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents	$ 1,598,944	1,463,081	1,581,234
Accounts receivable, less allowance for doubtful accounts of $94,300 $13,200 and $31,400	612,698	676,945	1,405,399
Inventories	517,439	416,232	433,293
Prepaid expenses and other current assets	292,756	243,475	214,000
Total current assets	3,021,837	2,799,733	3,633,926
Property, plant and equipment, less accumulated depreciation of $436,600, $392,900 and $422,100	262,418	270,023	259,710
Other assets			
Goodwill	573,574	570,937	573,063
Other intangibles, net, accumulated amortization of $911,300, $883,900 and $904,900	210,904	238,069	217,382
Other	660,339	767,108	605,902
Total other assets	1,444,817	1,576,114	1,396,347
Total assets	$ 4,729,072	4,645,870	5,289,983
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	$ 21,611	65,294	154,957
Current portion of long-term debt	-	349,814	-
Accounts payable	256,433	241,214	348,476
Accrued liabilities	574,482	545,492	748,264
Total current liabilities	852,526	1,201,814	1,251,697
Long-term debt	1,693,977	1,198,896	1,693,609
Other liabilities	611,210	393,516	514,720
Total liabilities	3,157,713	2,794,226	3,460,026
Shareholders' equity			
Preference stock of $2.50 par value. Authorized 5,000,000 shares; none issued	-	-	-
Common stock of $0.50 par value. Authorized 600,000,000 shares; issued 209,694,630 at April 1, 2018, April 2, 2017, and December 31, 2017	104,847	104,847	104,847
Additional paid-in capital	1,053,368	1,008,737	1,050,605
Retained earnings	4,090,637	4,145,469	4,260,222
Accumulated other comprehensive loss	(292,395)	(197,171)	(239,425)
Treasury stock, at cost; 84,706,373 shares at April 1, 2018; 84,685,145 shares at April 2, 2017; and 85,244,923 shares at December 31, 2017	(3,385,098)	(3,210,238)	(3,346,292)
Total shareholders' equity	1,571,359	1,851,644	1,829,957
Total liabilities and shareholders' equity	$ 4,729,072	4,645,870	5,289,983

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(Thousands of Dollars Except Per Share Data)
(Unaudited)

	Quarter Ended	
	April 1, 2018	April 2, 2017
Net revenues	$ 716,341	849,663
Costs and expenses:		
Cost of sales	255,187	306,082
Royalties	69,652	64,380
Product development	57,384	62,586
Advertising	68,016	80,936
Amortization of intangibles	6,478	7,881
Program production cost amortization	12,034	5,570
Selling, distribution and administration	328,009	243,885
Total costs and expenses	796,760	771,320
Operating profit (loss)	(80,419)	78,343
Non-operating (income) expense:		
Interest expense	22,809	24,456
Interest income	(6,248)	(5,564)
Other income, net	(8,592)	(11,386)
Total non-operating expense, net	7,969	7,506
Earnings (loss) before income taxes	(88,388)	70,837
Income tax expense	24,104	2,238
Net earnings (loss)	$ (112,492)	68,599
Net earnings (loss) per common share:		
Basic	$ (0.90)	0.55
Diluted	$ (0.90)	0.54
Cash dividends declared per common share	$ 0.63	0.57

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Earnings (Loss)
(Thousands of Dollars)
(Unaudited)

	Quarter Ended	
	April 1, 2018	April 2, 2017
Net earnings (loss)	$ (112,492)	68,599
Other comprehensive earnings (loss):		
Foreign currency translation adjustments	12,829	24,673
Unrealized holding losses on available-for-sale securities, net of tax	(143)	(31)
Net losses on cash flow hedging activities, net of tax	(25,270)	(23,317)
Changes in unrecognized pension amounts, net of tax	(26,058)	-
Reclassifications to earnings (loss), net of tax:		
Net losses (gains) on cash flow hedging activities	5,355	(5,374)
Amortization of unrecognized pension and postretirement amounts	1,820	1,448
Total other comprehensive loss, net of tax	(31,467)	(2,601)
Comprehensive earnings (loss)	$ (143,959)	65,998

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Thousands of Dollars)
(Unaudited)

	Three Months Ended	
	April 1, 2018	**April 2, 2017**
Cash flows from operating activities:		
Net earnings (loss)	$ (112,492)	68,599
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation of plant and equipment	26,221	27,702
Amortization of intangibles	6,478	7,881
Program production cost amortization	12,034	5,570
Deferred income taxes	(16,437)	13,428
Stock-based compensation	10,291	10,844
Other non-cash items	(4,971)	(5,498)
Change in operating assets and liabilities net of acquired and disposed balances:		
Decrease in accounts receivable	808,367	660,253
Increase in inventories	(76,516)	(21,377)
Increase in prepaid expenses and other current assets	(78,540)	(7,200)
Program production costs	(11,398)	(11,738)
Decrease in accounts payable and accrued liabilities	(297,669)	(342,533)
Changes in net deemed repatriation tax	75,805	-
Other	(23,434)	5,997
Net cash provided by operating activities	317,739	411,928
Cash flows from investing activities:		
Additions to property, plant and equipment	(28,235)	(30,243)
Other	2,007	(781)
Net cash utilized by investing activities	(26,228)	(31,024)
Cash flows from financing activities:		
Net repayments of other short-term borrowings	(133,698)	(107,336)
Purchases of common stock	(38,126)	(19,312)
Stock-based compensation transactions	19,518	9,743
Dividends paid	(70,781)	(63,404)
Payments related to tax withholding for share-based compensation	(52,637)	(31,391)
Net cash utilized by financing activities	(275,724)	(211,700)
Effect of exchange rate changes on cash	1,923	11,592
Increase in cash and cash equivalents	17,710	180,796
Cash and cash equivalents at beginning of year	1,581,234	1,282,285
Cash and cash equivalents at end of period	$ 1,598,944	1,463,081
Supplemental information		
Cash paid during the period for:		
Interest	$ 28,699	31,446
Income taxes	$ 42,481	31,571

See accompanying condensed notes to consolidated financial statements.

(1) Basis of Presentation

In the opinion of management, the accompanying unaudited interim consolidated financial statements contain all normal and recurring adjustments necessary to present fairly the consolidated financial position of Hasbro, Inc. and all majority-owned subsidiaries ("Hasbro" or the "Company") as of April 1, 2018 and April 2, 2017, and the results of its operations and cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Actual results could differ from those estimates.

The quarter ended April 1, 2018 was a 13-week period. The quarter ended April 2, 2017 was a 14-week period.

The results of operations for the quarter are not necessarily indicative of results to be expected for the full year, nor were those of the comparable 2017 period representative of those actually experienced for the full year 2017.

These condensed consolidated financial statements have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and disclosures normally included in the consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The Company filed audited consolidated financial statements for the fiscal year ended December 31, 2017 in its Annual Report on Form 10-K (“2017 Form 10-K”), which includes all such information and disclosures and, accordingly, should be read in conjunction with the financial information included herein.

Recently Adopted Accounting Standards

The Company's accounting policies are the same as those described in Note 1 to the Company's consolidated financial statements in its 2017 Form 10-K with the exception of the accounting policies related to revenue recognition, reclassification of disproportionate tax effects from accumulated other comprehensive income (“AOCI”) caused by the Tax Cuts and Jobs Act of 2017 and the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.

On January 1, 2018, the Company adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606 or the New Revenue Standard) using the modified retrospective method. ASC 606 supersedes the revenue recognition requirements in ASC 605 – *Revenue Recognition* and most industry-specific guidance in U.S. GAAP. The New Revenue Standard provides a five-step model for analyzing contracts and transactions to determine when, how, and if revenue is recognized. Revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The cumulative impact of the adoption of the New Revenue Standard was not material to the Company therefore the Company did not record any adjustments to retained earnings. This was determined by analyzing contracts not completed as of January 1, 2018. The Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. For further details, see Note 2.

Revenue recognition from the sale of finished product to customers, which is the majority of the Company's revenues, did not change under the new standard and the Company does not expect material changes in the future as a result of the New Revenue Standard related to the sale of finished product to its customers. Within the Company's Entertainment and Licensing segment, the timing of revenue recognition for minimum guarantees that the Company receives from licensees is impacted by the New Revenue Standard. Prior to the adoption of ASC 606, for licenses of the Company's brands that are subject to minimum guaranteed license fees, the Company recognized the difference between the minimum guaranteed amount and the actual royalties earned from licensee merchandise sales ("shortfalls") at the end of the contract period, which was in the fourth quarter for most of the Company's licensee arrangements. In periods following January 1, 2018, minimum guaranteed amounts will be recognized on a straight-line basis over the license period. While the impact of this change will not be material to the year, it will impact the timing of revenue recognition within the Company's Entertainment and Licensing segment such that under ASC 606, less revenues will be recorded in the fourth quarter and more revenues will be recorded within the first, second, and third quarters. No other areas of the Company's business were materially impacted by the New Revenue Standard.

In February 2018, the FASB issued Accounting Standards Update No. 2018-02 (ASU 2018-02), Income Statement -Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. The standard provides for a reclassification from accumulated other comprehensive income ("AOCI") to retained earnings, of disproportionate income tax effects arising from the impact of the Tax Cuts and Jobs Act of 2017. For public companies, this standard is effective for annual reporting periods beginning after December 15, 2018. Early adoption is permitted. The Company adopted ASU 2018-02 in the first quarter of 2018. The impact of the adoption resulted in a one-time reclassification in the amount of $21,503 from AOCI with a corresponding credit to retained earnings.

In March 2017, the FASB issued Accounting Standards Update No. 2017-07 (ASU 2017-07), Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. The standard requires companies to present the service cost component of net benefit cost in the income statement line items where they report compensation cost. Companies will present all other components of net benefit cost outside operating income, if this subtotal is presented. For public companies, this standard was effective for annual reporting periods beginning after December 15, 2017, and early adoption was permitted. The Company adopted this standard in the first quarter of 2018 and the adoption of this standard did not have a material impact on the Company's results or consolidated financial statements in the first quarter of 2018.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (ASC 230) – Classification of Certain Cash Receipts and Cash Payments*. The new guidance is intended to reduce diversity in practice across all industries, in how certain transactions are classified in the statement of cash flows. ASU 2016-15 was effective for public companies for fiscal years beginning after December 15, 2017. The Company adopted this standard in 2018 and the adoption of this standard did not have an impact on the Company's statement of cash flows for the quarters ended April 1, 2018 and April 2, 2017.

In October 2016, the FASB issued Accounting Standards Update No. 2016-16 (ASU 2016-16), *Accounting for Income Taxes: Intra-Entity Transfers of Assets Other Than Inventory*. For public companies, this standard was effective for annual reporting periods beginning after December 15, 2017, and early adoption is permitted. The standard requires that the income tax impact of intra-entity sales and transfers of property, except for inventory, be recognized when the transfer occurs requiring any deferred taxes not yet recognized on intra-entity transfers to be recorded to retained earnings. The Company adopted this standard in the first quarter of 2018 and the adoption did not have an impact on the Company's results or consolidated financial statements.

(2) Revenue Recognition

Revenue Recognition

Revenue is recognized when control of the promised goods is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for transferring those goods. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable.

Toy and Games

The majority of the Company's revenues are derived from sales of finished products to customers. Revenues from sales of finished products to customers accounted for 90% and 92% of the Company's revenues for the quarters ended April 1, 2018 and April 2, 2017, respectively. When determining whether control of the finished products has transferred to the customer, the Company considers any future performance obligations. Generally, the Company has no post-shipment obligation on sales of finished products to customers and revenues from product sales are recognized upon passing of title to the customer, which is generally at the time of shipment. Any shipping and handling activities that are performed by the Company, whether before or after a customer has obtained control of the products, are considered activities to fulfill our obligation to transfer the products, and are recorded as incurred within selling, distribution, and administration expenses. For the quarters ended April 1, 2018 and April 2, 2017, these costs were $41,486 and $36,609, respectively. The Company offers various discounts, rebates, allowances, returns, and markdowns to its customers, (collectively, "allowances"), all of which are considered when determining the transaction price. Certain allowances are fixed and determinable at the time of sale and are recorded at the time of sale as a reduction to revenues. Other allowances can vary depending on future outcomes such as customer sales volume ("variable consideration"). The Company estimates the amount of variable consideration using the expected value method. In estimating the amount of variable consideration using the expected value method, the Company considers various factors including but not limited to: customer terms, historical experience, any expected deviations from historical experience, and existing or expected market conditions. The Company then records an estimate of variable consideration as a reduction to revenues at the time of sale. The Company adjusts its estimate of variable consideration at least quarterly or when facts and circumstances used in the estimation process may change. Historically, adjustments to estimated variable consideration have not been material.

Entertainment and Licensing

Revenues within the Company's Entertainment and Licensing segment, which accounted for 9% and 6% of the Company's revenues for the quarters ended April 1, 2018 and April 2, 2017, respectively, are recorded either over a period of time or at a point in time. The Company enters into contracts to license its intellectual property, which consists of its brands, in various channels including but not limited to: consumer products such as apparel or home goods, within formats such as on-line games, within venues such as theme parks, or within formats such as motion picture films. The licensees pay the Company either a sales-based or usage-based royalty, or a combination of both, for use of the brands, in some cases subject to minimum guaranteed amounts or fixed fees. The license of the Company's brands provide access to the intellectual property over the term of the license, generally without any other performance obligation of the Company other than keeping the intellectual property active, and is therefore considered a right-to-access license of symbolic intellectual property. The Company records sales-based or usage-based royalty revenues for right-to-access licenses at the occurrence of the licensees' subsequent sale or usage. When the arrangement includes a minimum guarantee, the Company records the minimum guarantee on a ratable basis over the term of the license period and does not record the sales-based or usage-based royalty revenues until they exceed the minimum guarantee. The Company also produces television or streaming programming for licensing to third parties. The licensees typically pay a fixed fee for the license of the produced content. The content that the Company delivers to its licensees has stand-alone functionality, generally without any other performance obligation of the Company, and is therefore considered a right-to-use license of functional intellectual property. The Company records revenues for right-to-use licenses once the license period has commenced and the licensee has the ability to use the delivered content. In arrangements where the licensee pays the Company a fixed fee for multiple seasons or multiple series of programming, arrangement fees are recorded as revenues based upon their relative fair values. As of April 1, 2018, the Company did not have any material future performance commitments for film streaming or television orders that have not yet been delivered. The Company also develops application based digital games featuring its brands within the games. These games are hosted by third-party platform providers. The Company does not charge a fee to the end users for the download of the games or the ability to play the games. The end users make in-application purchases of digital currencies, via the Company's platform providers, with such purchased digital currencies to be used in the games. The Company records revenues from in-application purchases based on the spending patterns of the players. For the majority of the Company's digital games, players spend their currencies in the month of purchase, and therefore revenues are recorded at the time of sale. The Company has no additional performance obligations other than delivery of the currency via its platform providers. The Company controls all aspects of the goods delivered to the consumer. The third-party platform providers are providing only the service of hosting and administering receipt from the end users. The Company is the principal in the arrangement and revenues are recorded in net revenues inclusive of the fees charged by the third-party platform providers. The fee charged by the third-party platform providers to the Company are recorded within cost of sales.

Contract Assets and Liabilities

A contract asset is defined as an entity's right to consideration for goods or services that the entity has transferred to a customer. A contract liability is defined to occur if the customer's payment of consideration precedes the entity's performance and represents the entity's obligation to transfer goods or services to a customer for which the entity has received consideration. The Company occasionally will require payment from customers for finished product in advance of the customer receiving control of the finished product. In these situations, the Company defers revenue on the advanced payment until the customer has control of the finished product, generally within the next month. Within our Entertainment and Licensing segment, the Company may receive royalty payments from licensees in advance of the licensees' subsequent sales to their customers, or in advance of the Company's performance obligation being satisfied. The Company defers revenues on these advanced payments until its performance obligation is satisfied. The aggregate deferred revenues are recorded as liabilities and are not material to the Company's consolidated balance sheets as of April 1, 2018 and December 31, 2017, and the changes in deferred revenues are not material to the Company's consolidated statement of operations for the quarter ended April 1, 2018. The Company historically has not recorded contract assets and does not currently expect to record any material contract assets in the future.

Accounts Receivable and Allowance for Doubtful Accounts

The Company's accounts receivable on the consolidated balance sheets as of April 1, 2018, April 2, 2017 and December 31, 2017 are materially from contracts with customers. In the quarter ended April 1, 2018, the Company recorded a bad debt charge of $59,115 related to a significant customer. The Company had no other material bad debt expense in the quarters ended April 1, 2018 and April 2, 2017.

Disaggregation of revenues

The Company disaggregates its revenues from contracts with customers by segment: US and Canada, International, Entertainment and Licensing, and Global Operations. The Company further disaggregates revenues within its International segment by major geographic region: Europe, Latin America, and Asia Pacific. Finally, the Company disaggregates its revenues by brand portfolio into four brand categories: Franchise brands, Partner brands, Hasbro gaming, and Emerging brands. We believe these collectively depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See Note 10, Segment Reporting, for further information.

(3) Earnings (Loss) Per Share

Net earnings (loss) per share data for the quarters ended April 1, 2018 and April 2, 2017 were computed as follows:

	2018		2017	
Quarter	**Basic**	**Diluted**	**Basic**	**Diluted**
Net earnings (loss)	$ (112,492)	(112,492)	68,599	68,599
Average shares outstanding	125,073	125,073	125,182	125,182
Effect of dilutive securities:				
Options and other share-based awards	-	-	-	2,047
Equivalent Shares	125,073	125,073	125,182	127,229
Net earnings (loss) per common share	$ (0.90)	(0.90)	0.55	0.54

For the quarters ended April 1, 2018 and April 2, 2017, options and restricted stock units totaling 3,191 and 638, respectively, were excluded from the calculation of diluted earnings per share because to include them would have been antidilutive. Of this amount 1,993 would have been included in the calculation of diluted shares had the Company not had a net loss in the first quarter of 2018. Assuming that these awards and options were included, under the treasury stock method, they would have resulted in an additional 1,022 shares being included in the diluted earnings per share calculation for the quarter ended April 1, 2018.

(4) Other Comprehensive Earnings (Loss)

Components of other comprehensive earnings (loss) are presented within the consolidated statements of comprehensive earnings (loss). The following table presents the related tax effects on changes in other comprehensive earnings (loss) for the quarters ended April 1, 2018 and April 2, 2017.

	Quarter Ended	
	April 1, 2018	April 2, 2017
Other comprehensive earnings (loss), tax effect:		
Tax benefit on unrealized holding losses	$ 41	18
Tax benefit on cash flow hedging activities	5,980	5,310
Tax benefit on changes in unrecognized pension amounts	7,565	-
Reclassifications to earnings, tax effect:		
Tax benefit on cash flow hedging activities	(794)	(369)
Tax benefit on unrecognized pension and postretirement amounts reclassified to the consolidated statements of operations	(528)	(822)
Total tax effect on other comprehensive earnings (loss)	$ 12,264	4,137

Changes in the components of accumulated other comprehensive loss for the three months ended April 1, 2018 and April 2, 2017 are as follows:

	Pension and Postretirement Amounts	Gains (Losses) on Derivative Instruments	Unrealized Holding Gains on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss
2018					
Balance at December 31, 2017	$ (110,971)	(32,827)	1,034	(96,661)	(239,425)
Adoption of ASU 2018-02	(18,065)	(3,660)	222	-	(21,503)
Current period other comprehensive earnings (loss)	(24,238)	(19,915)	(143)	12,829	(31,467)
Balance at April 1, 2018	$ (153,274)	(56,402)	1,113	(83,832)	(292,395)
2017					
Balance at December 25, 2016	$ (118,401)	51,085	1,424	(128,678)	(194,570)
Current period other comprehensive earnings (loss)	1,448	(28,691)	(31)	24,673	(2,601)
Balance at April 2, 2017	$ (116,953)	22,394	1,393	(104,005)	(197,171)

Gains (Losses) on Derivative Instruments

At April 1, 2018, the Company had remaining net deferred losses on foreign currency forward contracts, net of tax, of $36,046 in accumulated other comprehensive loss ("AOCE"). These instruments hedge payments related to inventory purchased in the first quarter of 2018 or forecasted to be purchased during the remainder of 2018 and, to a lesser extent, 2019 through 2022, intercompany expenses expected to be paid or received during 2018 and 2019, cash receipts for sales made at the end of the first quarter of 2018 or forecasted to be made in the remainder of 2018 and, to a lesser extent, 2019 through 2020. These amounts will be reclassified into the consolidated statements of operations upon the sale of the related inventory or recognition of the related sales or expenses.

In addition to foreign currency forward contracts, the Company entered into hedging contracts on future interest payments related to the long-term notes due in 2021 and 2044. At the date of debt issuance, these contracts were terminated and the fair value on the date of settlement was deferred in AOCE and is being amortized to interest expense over the life of the related notes using the effective interest rate method. At April 1, 2018, deferred losses, net of tax of $20,356 related to these instruments remained in AOCE. For the quarters ended April 1, 2018 and April 2, 2017, losses of $450 and $484, respectively, were reclassified from AOCE to net earnings.

Of the amount included in AOCE at April 1, 2018, the Company expects net losses of approximately $21,415 to be reclassified to the consolidated statements of operations within the next 12 months. However, the amount ultimately realized in earnings is dependent on the fair value of the hedging instruments on the settlement dates.

(5) Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, short-term borrowings, accounts payable and certain accrued liabilities. At April 1, 2018, April 2, 2017 and December 31, 2017, the carrying cost of these instruments approximated their fair value. The Company's financial instruments at April 1, 2018, April 2, 2017 and December 31, 2017 also include certain assets and liabilities measured at fair value (see Notes 7 and 9) as well as long-term borrowings. The carrying costs, which are equal to the outstanding principal amounts, and fair values of the Company's long-term borrowings as of April 1, 2018, April 2, 2017 and December 31, 2017 are as follows:

	April 1, 2018		April 2, 2017		December 31, 2017	
	Carrying Cost	Fair Value	Carrying Cost	Fair Value	Carrying Cost	Fair Value
6.35% Notes Due 2040	$ 500,000	585,400	500,000	597,150	500,000	601,800
3.50% Notes Due 2027	500,000	468,000	-	-	500,000	488,300
6.30% Notes Due 2017	-	-	350,000	357,385	-	-
5.10% Notes Due 2044	300,000	299,460	300,000	306,570	300,000	313,320
3.15% Notes Due 2021	300,000	300,480	300,000	305,490	300,000	302,640
6.60% Debentures Due 2028	109,895	128,006	109,895	125,390	109,895	131,390
Total long-term debt	$ 1,709,895	1,781,346	1,559,895	1,691,985	1,709,895	1,837,450
Less: Current portion	-	-	350,000	357,385	-	-
Less: Deferred debt expenses	15,918	-	10,999	-	16,286	-
Long-term debt	$ 1,693,977	1,781,346	1,198,896	1,334,600	1,693,609	1,837,450

Current portion of long-term debt at April 2, 2017 of $349,814, as shown on the consolidated balance sheet represents the $350,000 principal of 6.30% notes less $186 of deferred debt expenses.

The fair values of the Company's long-term debt are considered Level 3 fair values (see Note 7 for further discussion of the fair value hierarchy) and are measured using the discounted future cash flows method. In addition to the debt terms, the valuation methodology includes an assumption of a discount rate that approximates the current yield on a similar debt security. This assumption is considered an unobservable input in that it reflects the Company's own assumptions about the inputs that market participants would use in pricing the asset or liability. The Company believes that this is the best information available for use in the fair value measurement.

(6) Income Taxes

The Company and its subsidiaries file income tax returns in the United States and various state and international jurisdictions. In the normal course of business, the Company is regularly audited by U.S. federal, state and local and international tax authorities in various tax jurisdictions.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”). The Tax Act made broad and complex changes to the U.S. tax code which impacted 2017 including, but not limited to, reducing the U.S. federal corporate tax rate and requiring a one-time tax on certain unrepatriated earnings of foreign subsidiaries.

On December 22, 2017, Staff Accounting Bulletin No. 118 ("SAB 118") established a one-year measurement period to complete the accounting for the ASC 740 income tax effects of the Tax Act. An entity recognizes the impact of those amounts for which the accounting is complete. For matters that have not been completed, provisional amounts are recorded to the extent they can be reasonably estimated. For amounts for which a reasonable estimate cannot be determined, no adjustment is made until such estimate can be completed. For the quarter ended April 1, 2018, the Company obtained additional information affecting the provisional amount initially recorded for the quarter ended December 31, 2017. As a result, the Company recorded a one-time tax expense of $47,800 which reversed certain discrete benefits recorded in 2017 as well as increased our provisional deemed repatriation tax liability.

The Company is no longer subject to U.S. federal income tax examinations for years before 2013. With few exceptions, the Company is no longer subject to U.S. state or local and non-U.S. income tax examinations by tax authorities in its major jurisdictions for years before 2012. The Company is currently under income tax examination in several U.S. state and local and non-U.S. jurisdictions.

(7) Fair Value of Financial Instruments

The Company measures certain financial instruments at fair value. The fair value hierarchy consists of three levels: Level 1 fair values are based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access; Level 2 fair values are those based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities; and Level 3 fair values are based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Accounting standards permit entities to measure many financial instruments and certain other items at fair value and establish presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar assets and liabilities. The Company has elected the fair value option for certain available-for-sale investments. At April 1, 2018, April 2, 2017 and December 31, 2017, these investments totaled $24,584, $23,603 and $24,436, respectively, and are included in prepaid expenses and other current assets in the consolidated balance sheets. The Company recorded net gains of $448 and $631 on these investments in other income, net for the quarters ended April 1, 2018 and April 2, 2017, respectively, related to the change in fair value of such instruments.

At April 1, 2018, April 2, 2017 and December 31, 2017, the Company had the following assets and liabilities measured at fair value in its consolidated balance sheets (excluding assets for which the fair value is measured using net asset value per share):

		Fair Value Measurements Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
April 1, 2018				
Assets:				
Available-for-sale securities	$ 2,941	2,941	-	-
Derivatives	2,960	-	2,960	-
Total assets	$ 5,901	2,941	2,960	-
Liabilities:				
Derivatives	$ 39,428	-	39,428	-
Option agreement	23,665	-	-	23,665
Total liabilities	$ 63,093	-	39,428	23,665
April 2, 2017				
Assets:				
Available-for-sale securities	$ 3,687	3,687	-	-
Derivatives	56,017	-	56,017	-
Total assets	$ 59,704	3,687	56,017	-
Liabilities:				
Derivatives	$ 20,595	-	20,595	-
Option agreement	28,710	-	-	28,710
Total liabilities	$ 49,305	-	20,595	28,710
December 31, 2017				
Assets:				
Available-for-sale securities	$ 3,126	3,126	-	-
Derivatives	12,226	-	12,226	-
Total assets	$ 15,352	3,126	12,226	-
Liabilities:				
Derivatives	$ 23,051	-	23,051	-
Option agreement	23,980	-	-	23,980
Total Liabilities	$ 47,031	-	23,051	23,980

Available-for-sale securities include equity securities of one company quoted on an active public market.

The Company's derivatives consist of foreign currency forward contracts. The Company used current forward rates of the respective foreign currencies to measure the fair value of these contracts. The Company’s option agreement relates to an equity method investment in Discovery Family Channel (“Discovery”). The option agreement is included in other liabilities at April 1, 2018, April 2, 2017 and December 31, 2017, and is valued using an option pricing model based on the fair value of the related investment. Inputs used in the option pricing model include the volatility and fair value of the underlying company which are considered unobservable inputs as they reflect the Company's own assumptions about the inputs that market participants would use in pricing the asset or liability. The Company believes that this is the best information available for use in the fair value measurement. There were no changes in these valuation techniques during the three-month period ended April 1, 2018.

The following is a reconciliation of the beginning and ending balances of the fair value measurements of the Company's financial instruments which use significant unobservable inputs (Level 3):

		2018	2017
Balance at beginning of year	$	(23,980)	(28,770)
Gain from change in fair value		315	60
Balance at end of first quarter	$	(23,665)	(28,710)

In addition to the above, the Company has three investments for which the fair value is measured using net asset value per share. At April 1, 2018, April 2, 2017 and December 31, 2017, these investments had fair values of $24,584, $23,603 and $24,436, respectively. Two of the investments have net asset values that are predominantly based on underlying investments which are traded on an active market and are redeemable within 45 days. The third investment invests in hedge funds which are generally redeemable on a quarterly basis with 30 – 90 days’ notice.

(8) Pension and Postretirement Benefits

The components of the net periodic cost of the Company's defined benefit pension and other postretirement plans for the quarters ended April 1, 2018 and April 2, 2017 are as follows:

		Quarter Ended			
		Pension		Postretirement	
		April 1, 2018	April 2, 2017	April 1, 2018	April 2, 2017
Service cost	$	685	952	188	172
Interest cost		4,016	4,725	292	295
Expected return on assets		(5,205)	(6,281)	-	-
Net amortization and deferrals		2,977	2,694	42	-
Net periodic benefit cost	$	2,473	2,090	522	467

During the three months ended April 1, 2018, the Company made cash contributions of $280 to its defined benefit pension plans. During fiscal 2018, the Company expects to make cash contributions to its defined benefit pension plans of approximately $1,300 in the aggregate.

In February 2018, the Compensation Committee of the Company’s Board of Directors approved a resolution to terminate the Company’s U.S. defined benefit pension plan (“Plan”). During the first quarter of 2018 the Company commenced the plan termination process and expects to complete the transfer of the Plan’s assets to a third-party administrator over a period of eighteen months. The decision to terminate the Plan follows the 2015 decision to freeze benefits being accrued covering non-union employees after the sale of the Company’s manufacturing facility in East Longmeadow, MA. Benefits covering non-union employees were frozen in December 2007.

In connection with the decision to terminate the Plan, the Company remeasured the projected benefit obligation based on the expected Plan termination costs. This remeasurement utilized a discount rate of 3.2% compared to the discount rate of 3.7% utilized in the December 31, 2017 measurement and resulted in an increase in the projected benefit obligation of $35,192 with offsetting amounts recorded to accumulated other comprehensive losses and deferred taxes. Upon settlement of the pension liability, the Company will reclassify the related pension losses currently recorded to accumulated other comprehensive loss, to the consolidated statements of operations.

(9) Derivative Financial Instruments

Hasbro uses foreign currency forward contracts to mitigate the impact of currency rate fluctuations on firmly committed and projected future foreign currency transactions. These over-the-counter contracts, which hedge future currency requirements related to purchases of inventory, product sales and other cross-border transactions not denominated in the functional currency of the business unit, are primarily denominated in United States and Hong Kong dollars, and Euros. All contracts are entered into with a number of counterparties, all of which are major financial institutions. The Company believes that a default by a single counterparty would not have a material adverse effect on the financial condition of the Company. Hasbro does not enter into derivative financial instruments for speculative purposes.

Cash Flow Hedges

The Company uses foreign currency forward contracts to reduce the impact of currency rate fluctuations on firmly committed and projected future foreign currency transactions. All of the Company's designated foreign currency forward contracts are considered to be cash flow hedges. These instruments hedge a portion of the Company's currency requirements associated with anticipated inventory purchases, product sales and other cross-border transactions in 2018 through 2022.

At April 1, 2018, April 2, 2017 and December 31, 2017, the notional amounts and fair values of the Company's foreign currency forward contracts designated as cash flow hedging instruments were as follows:

	April 1, 2018		April 2, 2017		December 31, 2017	
Hedged transaction	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**
Inventory purchases	$ 718,925	(31,453)	974,235	35,711	756,673	(13,695)
Sales	375,441	7,323	423,828	1,083	423,315	16,144
Royalties and Other	178,896	(11,602)	324,008	(1,345)	196,889	(10,383)
Total	$ 1,273,262	(35,732)	1,722,071	35,449	1,376,877	(7,934)

The Company has a master agreement with each of its counterparties that allows for the netting of outstanding forward contracts. The fair values of the Company's foreign currency forward contracts designated as cash flow hedges are recorded in the consolidated balance sheets at April 1, 2018, April 2, 2017 and December 31, 2017 as follows:

		April 1, 2018	April 2, 2017	December 31, 2017
Prepaid expenses and other current assets				
Unrealized gains	$	458	23,241	13,666
Unrealized losses		(405)	(3,204)	(10,319)
Net unrealized gains	$	53	20,037	3,347
Other assets				
Unrealized gains	$	5,996	39,032	11,255
Unrealized losses		(3,089)	(3,052)	(2,376)
Net unrealized gains	$	2,907	35,980	8,879
Accrued liabilities				
Unrealized gains	$	8,218	9,041	4,215
Unrealized losses		(30,826)	(28,591)	(15,484)
Net unrealized losses	$	(22,608)	(19,550)	(11,269)
Other liabilities				
Unrealized gains	$	2,846	149	4,546
Unrealized losses		(18,930)	(1,167)	(13,437)
Net unrealized losses	$	(16,084)	(1,018)	(8,891)

Net gains on cash flow hedging activities have been reclassified from other comprehensive earnings (loss) to net earnings for the quarters ended April 1, 2018 and April 2, 2017 as follows:

		Quarter Ended	
		April 1, 2018	April 2, 2017
Statements of Operations Classification			
Cost of sales	$	(3,891)	9,874
Sales		332	541
Other		(1,423)	31
Net realized gains	$	(4,982)	10,446

In addition, losses of $718 and $4,958 were reclassified to earnings as a result of hedge ineffectiveness for the quarters ended April 1, 2018 and April 2, 2017, respectively.

Undesignated Hedges

The Company also enters into foreign currency forward contracts to minimize the impact of changes in the fair value of intercompany loans due to foreign currency changes. The Company does not use hedge accounting for these contracts as changes in the fair values of these contracts are substantially offset by changes in the fair value of the intercompany loans. As of April 1, 2018, April 2, 2017 and December 31, 2017 the total notional amounts of the Company's undesignated derivative instruments were $132,945, $62,806 and $418,471, respectively.

At April 1, 2018, April 2, 2017 and December 31, 2017, the fair values of the Company's undesignated derivative financial instruments were recorded in the consolidated balance sheets as follows:

	April 1, 2018	April 2, 2017	December 31, 2017
Accrued liabilities			
Unrealized gains	$ 383	289	1,793
Unrealized losses	(1,119)	(316)	(4,684)
Net unrealized loss	(736)	(27)	(2,891)
Total unrealized gain, net	$ (736)	(27)	(2,891)

The Company recorded net (losses) gains of $(6,700) and $3,581 on these instruments to other income, net for the quarters ended April 1, 2018 and April 2, 2017, respectively, relating to the change in fair value of such derivatives, substantially offsetting gains and losses from the change in fair value of intercompany loans to which the contracts relate.

For additional information related to the Company's derivative financial instruments see Notes 5 and 7.

(10) Segment Reporting

Hasbro is a global play and entertainment company with a broad portfolio of brands and entertainment properties spanning toys, games, licensed products ranging from traditional to high-tech and digital, and film and television entertainment. The Company's segments are (i) U.S. and Canada, (ii) International, (iii) Entertainment and Licensing, and (iv) Global Operations.

The U.S. and Canada segment includes the marketing and selling of action figures, arts and crafts and creative play products, electronic toys and related electronic interactive products, fashion and other dolls, infant products, play sets, preschool toys, plush products, sports action blasters and accessories, vehicles and toy-related specialty products, as well as traditional board games, and trading card and role-playing games primarily within the United States and Canada. Within the International segment, the Company markets and sells both toy and game products in markets outside of the U.S. and Canada, primarily in the European, Asia Pacific, and Latin and South American regions. The Company's Entertainment and Licensing segment includes the Company's consumer products licensing, digital gaming, movie and television entertainment operations. The Global Operations segment is responsible for sourcing finished products for the Company's U.S. and Canada and International segments.

Segment performance is measured at the operating profit level. Included in Corporate and Eliminations are certain corporate expenses, including the elimination of intersegment transactions and certain assets benefiting more than one segment. Intersegment sales and transfers are reflected in management reports at amounts approximating cost. Certain shared costs, including global development and marketing expenses and corporate administration, are allocated to segments based upon expenses and foreign exchange rates fixed at the beginning of the year, with adjustments to actual expenses and foreign exchange rates included in Corporate and eliminations. The accounting policies of the segments are the same as those referenced in note 1.

Results shown for the quarter are not necessarily representative of those which may be expected for the full year 2018, nor were those of the comparable 2017 period representative of those actually experienced for the full year 2017. Similarly, such results are not necessarily those which would be achieved were each segment an unaffiliated business enterprise.

Information by segment and a reconciliation to reported amounts for the quarters ended April 1, 2018 and April 2, 2017 are as follows:

	Quarter Ended			
	April 1, 2018		April 2, 2017	
Net revenues	**External**	**Affiliate**	**External**	**Affiliate**
U.S. and Canada	$ 364,297	2,133	451,577	2,391
International	287,945	62	345,281	-
Entertainment and Licensing	64,021	3,576	52,729	3,502
Global Operations (a)	78	253,320	76	260,229
Corporate and Eliminations(b)	-	(259,091)	-	(266,122)
	$ 716,341	-	849,663	-

	Quarter Ended	
Operating profit (loss)	**April 1, 2018**	**April 2, 2017**
U.S. and Canada	$ (23,383)	64,754
International	(56,088)	544
Entertainment and Licensing	13,906	11,346
Global Operations (a)	2,176	833
Corporate and Eliminations (b)	(17,030)	866
	$ (80,419)	78,343

Total assets	**April 1, 2018**	**April 2, 2017**	**December 31, 2017**
U.S. and Canada	$ 2,745,209	2,618,808	2,749,384
International	2,033,928	1,964,343	2,499,985
Entertainment and Licensing	673,248	763,988	626,193
Global Operations	3,293,265	2,218,817	2,819,768
Corporate and Eliminations (b)	(4,016,578)	(2,920,086)	(3,405,347)
	$ 4,729,072	4,645,870	5,289,983

(a) The Global Operations segment derives substantially all of its revenues, and thus its operating results, from intersegment activities.

(b) Certain long-term assets, including property, plant and equipment, goodwill and other intangibles, which benefit multiple operating segments, are included in Corporate and Eliminations. Allocations of certain expenses related to these assets to the individual operating segments are done at the beginning of the year based on budgeted amounts. Any differences between actual and budgeted amounts are reflected in Corporate and Eliminations because allocations are translated from the U.S. Dollar to local currency at budget rates when recorded. Corporate and Eliminations also includes the elimination of inter-company balance sheet amounts.

The following table represents consolidated International segment net revenues by major geographic region for the quarters ended April 1, 2018 and April 2, 2017.

	Quarter Ended	
	April 1, 2018	**April 2, 2017**
Europe	$ 155,562	216,120
Latin America	65,961	64,756
Asia Pacific	66,422	64,405
Net revenues	$ 287,945	345,281

The following table presents consolidated net revenues by brand portfolio for the quarters ended April 1, 2018 and April 2, 2017.

	Quarter Ended	
	April 1, 2018	April 2, 2017
Franchise Brands	$ 361,706	449,160
Partner Brands	200,592	212,962
Hasbro Gaming	105,227	135,766
Emerging Brands	48,816	51,775
Total	$ 716,341	849,663

Franchise and Emerging Brands net revenues for the first quarter of 2017 have been restated to reflect the move of BABY ALIVE from Emerging Brands to Franchise Brands and the move of LITTLEST PET SHOP from Franchise Brands to Emerging Brands.

Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY, totaled $203,542 for the first quarter of 2018, compared to revenues of $253,289 for the first quarter of 2017.

(11) Subsequent Event

Power Rangers Agreement

On May 1, 2018, the Company announced that it has entered into a definitive agreement with Saban Properties LLC to purchase Saban's Power Rangers and several other entertainment brands for $522,000 to be paid in a combination of cash and stock.

Hasbro has previously paid Saban Brands $22,250 pursuant to the Power Rangers master toy license agreement, announced by the parties in February of 2018, that was scheduled to begin in 2019. Under the terms of the purchase agreement, Hasbro will pay an additional $229,750 in cash and will issue $270,000 worth of Hasbro common stock for the Power Rangers brand and several other entertainment brands. The agreement includes all related intellectual property, category rights and content libraries owned by Saban Properties and its affiliates. The transaction is subject to a number of closing conditions, including obtaining required regulatory approvals, and is expected to close during the second quarter of 2018.

The transaction, including intangible amortization expense, is not expected to have a material impact on Hasbro's 2018 results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Quarterly Report on Form 10-Q, including the following section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements expressing management's current expectations, goals, objectives and similar matters. These forward-looking statements may include statements concerning the Company's product and entertainment plans, anticipated product and entertainment performance, business opportunities, plans and strategies, financial goals, cost savings and efficiency enhancing initiatives and expectations for achieving the Company's financial goals and other objectives. See Item 1A, in Part II of this report and Item 1A, in Part I of the Annual Report on Form 10-K for the year ended December 31, 2017 ("2017 Form 10-K"), for a discussion of factors which may cause the Company's actual results or experience to differ materially from that anticipated in these forward-looking statements. The Company undertakes no obligation to revise the forward-looking statements in this report after the date of the filing. Unless otherwise specifically indicated, all dollar or share amounts herein are expressed in millions of dollars or shares, except for per share amounts.

EXECUTIVE SUMMARY

Hasbro, Inc. ("Hasbro" or the "Company") is a global play and entertainment company dedicated to Creating the World's Best Play Experiences. The Company strives to do this through deep consumer engagement and the application of consumer insights, the use of immersive storytelling to build brands, product innovation and development of global business reach. Hasbro applies these principles to leverage its beloved owned and controlled brands, including Franchise Brands BABY ALIVE, MAGIC: THE GATHERING, MONOPOLY, MY LITTLE PONY, NERF, PLAY-DOH and TRANSFORMERS, as well as Partner Brands. From toys and games, to television, motion pictures, digital gaming and a comprehensive consumer products licensing program, Hasbro fulfills the fundamental need for play and connection for children and families around the world. The Company's wholly-owned Hasbro Studios and its film labels, Allspark Pictures and Allspark Animation, create entertainment brand-driven storytelling across mediums, including television, film, digital and more.

Each of these principles is executed globally in alignment with Hasbro's strategic plan, its brand blueprint. At the center of this blueprint, Hasbro re-imagines, re-invents and re-ignites its owned and controlled brands and imagines, invents and ignites new brands, through product innovation, immersive entertainment offerings, including television and motion pictures, digital gaming and a broad range of consumer products. Hasbro generates revenue and earns cash by developing, marketing and selling products based on global brands in a broad variety of consumer goods categories and distribution of television programming based on the Company's properties, as well as through the out-licensing of rights for third parties to use its properties in connection with products, including digital media and games and other consumer products. Hasbro also leverages its competencies to develop and market products based on well-known licensed brands including, but not limited to, BEYBLADE, DISNEY PRINCESS and DISNEY FROZEN, DISNEY’S DESCENDANTS, MARVEL, SESAME STREET, STAR WARS, and DREAMWORKS’ TROLLS. MARVEL, STAR WARS, DISNEY PRINCESS, DISNEY FROZEN and DISNEY’S DECENDANTS are owned by The Walt Disney Company.

The Company's business is separated into three principal business segments: U.S. and Canada, International and Entertainment and Licensing. The U.S. and Canada segment markets and sells both toy and game products primarily in the United States and Canada. The International segment consists of the Company's European, Asia Pacific and Latin and South American toy and game marketing and sales operations. The Company's Entertainment and Licensing segment includes the Company's consumer products licensing, digital licensing and gaming, and movie and television entertainment operations. In addition to these three primary segments, the Company's product sourcing operations are managed through its Global Operations segment.

First quarter 2018 highlights:

- First quarter net revenues declined 16% to $716.3 million from $849.7 million in the first quarter of 2017 driven by the loss of revenues from the liquidations of Toys“R”Us in the U.S. and the U.K. and uncertainty in other Toys“R”Us operations, as well as higher retail inventory at year-end, which carried into 2018.
    - In the first quarter of 2018, Toys”R”Us announced its plan to liquidate its stores in the United States and the United Kingdom.
    - Net revenues in the U.S. and Canada and International segments declined 19% and 17%, respectively, while the Entertainment and Licensing segment net revenues increased 21%. International segment net revenues included a favorable $19.5 million in foreign currency translation.
    - Net revenues declined in all product categories including Franchise Brands, Partner Brands, Hasbro Gaming and Emerging Brands by 19%, 6%, 22% and 6%, respectively, during the first quarter of 2018 compared to the first quarter of 2017.

- Operating loss was $80.4 million in the first quarter of 2018 compared to operating profit of $78.3 million in first quarter of 2017.

- First quarter 2018 operating profit was negatively impacted by after-tax expenses of $77.1 million related to the Toys“R”Us liquidation and severance associated with the reorganization of the Company’s commercial organization . See “Recent Events” below for further discussion.

- The net loss of $112.5 million, or $0.90 per diluted share, in the first quarter of 2018 compared to net earnings of $68.6 million, or $0.54 per diluted share, in the first quarter of 2017.
  - In addition to the one-time expenses described above, the net loss for the first quarter of 2018 included additional income tax expense of $47.8 million related to additional guidance issued on U.S. tax reform. See “Recent Events” below for further discussion.

The impact of changes in foreign currency exchange rates used to translate the consolidated statements of operations is quantified by translating the current period revenues at the prior period exchange rates and comparing this amount to the prior period reported revenues. The Company believes that the presentation of the impact of changes in exchange rates, which are beyond the Company’s control, is helpful to an investor’s understanding of the performance of the underlying business.

Recent Events

Toys“R”Us

During the first quarter of 2018, Toys“R”Us went into liquidation in the U.S. and the U.K.. As a result, the Company recorded lower revenues in part due to the loss of revenues from Toys“R”Us in the U.S. and Europe, as a result of the related liquidations as well as uncertainty in the other Toys“R”Us operations. In association with this, the Company recorded pre-tax expenses of $70.4 million ($61.4 million after-tax) consisting of bad debt expense of $59.1 million, accelerated royalty expense of $7 million and other charges of $4.3 million.

Commercial Reorganization

In the first quarter of 2018, the Company recorded pre-tax severance expense of $17.3 million ($15.7 million after-tax) associated with accelerating its commercial organization transformation. Over the past several years, the Company has invested in developing an omni-channel retail presence, and in 2018 is bringing onboard new skill sets and talent to lead in today’s converged retail environment.

U.S. Tax Reform Update

In the fourth quarter of 2017, the Company recognized a provisional net charge of $296.5 million from the U.S. Tax Cuts and Jobs Act. For the first quarter of 2018, the Company obtained additional information affecting the provisional amount initially recorded in the fourth quarter of 2017. As a result, the Company recorded a one-time tax expense of $47.8 million which reversed certain discrete benefits recorded in 2017 as well as increased our provisional deemed repatriation tax liability.

Amounts Returned to Shareholders

The Company is committed to returning excess cash to its shareholders through quarterly dividends and share repurchases. Hasbro increased the quarterly dividend rate from $0.57 per share to $0.63 per share effective for the dividend to be paid in May 2018. In addition to the dividend, the Company returns cash through its share repurchase program. As part of this initiative, from 2005 to 2015, the Company's Board of Directors (the "Board") adopted eight successive share repurchase authorizations with a cumulative authorized repurchase amount of $3,825 million. The eighth authorization was approved in February 2015 for $500 million. During the first quarter of 2018, Hasbro repurchased approximately 0.4 million shares at a total cost of $38.8 million and at an average price of $90.81 per share. As of April 1, 2018, the Company had $139.2 million remaining under this authorization. Share repurchases are subject to market conditions, the availability of funds and other uses of funds.

SUMMARY OF FINANCIAL PERFORMANCE

The components of the results of operations, stated as a percent of net revenues, are illustrated below for the quarters ended April 1, 2018 and April 2, 2017.

	Quarter Ended	
	April 1, 2018	April 2, 2017
Net revenues	100.0 %	100.0 %
Costs and expenses:		
Cost of sales	35.6	36.0
Royalties	9.7	7.6
Product development	8.0	7.4
Advertising	9.5	9.5
Amortization of intangibles	0.9	0.9
Program production cost amortization	1.7	0.7
Selling, distribution and administration	45.8	28.7
Operating profit (loss)	(11.2)	9.2
Interest expense	3.2	2.9
Interest income	(0.9)	(0.7)
Other income, net	(1.2)	(1.3)
Earnings (loss) before income taxes	(12.3)	8.3
Income tax expense	3.4	0.3
Net earnings (loss)	(15.7) %	8.1 %

RESULTS OF OPERATIONS – CONSOLIDATED

The quarter ended April 1, 2018 was a 13-week period while the quarter ended April 2, 2017 was a 14-week period. The net loss for the first quarter of 2018 was $112.5 million compared to net earnings of $68.6 million for the first quarter of 2017. Diluted loss per share for the first quarter of 2018 was $0.90, down from diluted earnings per share of $0.54 in the first quarter of 2017. The net loss for the quarter ended April 1, 2018 includes incremental bad debt expense and other costs, net of tax, of $61.4 million, or $0.49 per diluted share, related to Toys"R"Us, $15.7 million net of tax, or $0.12 per diluted share, of severance costs related to a commercial reorganization, and tax expense of $47.8 million, or $0.38 per diluted share, related to U.S. tax reform and additional guidance issued in the first quarter of 2018.

Consolidated net revenues for the first quarter of 2018 decreased 16% compared to the first quarter of 2017 and included a favorable impact from foreign currency translation of $20.7 million as a result of strengthening currencies in the European, Latin American and Asia Pacific markets in 2018 compared to 2017.

The following table presents net revenues by brand portfolio for the quarters ended April 1, 2018 and April 2, 2017.

	Quarter Ended		
	April 1, 2018	**April 2, 2017**	**% Change**
Franchise Brands	$ 361.7	449.2	-19%
Partner Brands	200.6	213.0	-6%
Hasbro Gaming	105.2	135.8	-22%
Emerging Brands	48.8	51.7	-6%
Total	$ 716.3	849.7	-16%

Franchise and Emerging Brands net revenues for the first quarter of 2017 have been restated to reflect the move of BABY ALIVE from Emerging Brands to Franchise Brands and the move of LITTLEST PET SHOP from Franchise Brands to Emerging Brands.

FRANCHISE BRANDS: Net revenues in the Franchise Brands portfolio decreased 19% in the first quarter of 2018 compared to the first quarter of 2017. Increased revenues from MONOPOLY were more than offset by declines in all other Franchise Brands during the first quarter of 2018.

PARTNER BRANDS: Net revenues from the Partner Brands portfolio decreased 6% in the first quarter of 2018 compared to the first quarter of 2017. Revenue growth from MARVEL and BEYBLADE products, was more than offset by declines in net revenues from DISNEY PRINCESS, DREAMWORKS' TROLLS and YO-KAI WATCH products and other Partner Brand revenues.

HASBRO GAMING: Net revenues in the Hasbro Gaming portfolio decreased 22% in the first quarter of 2018 compared to the first quarter of 2017. Higher net revenues from new social games, such as DON'T STEP IN IT, as well as other games, such as DUNGEONS & DRAGONS and JENGA were more than offset by declines in PIE FACE, SPEAK OUT and certain other Hasbro Gaming products in the first quarter of 2018.

Net revenues for Hasbro's total gaming category, including the Hasbro Gaming portfolio as reported above and all other gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY, which are included in the Franchise Brands portfolio, totaled $203.5 million for the first quarter of 2018, down 20%, versus $253.3 million in the first quarter 2017.

EMERGING BRANDS: Net revenues from the Emerging Brands portfolio decreased 6% during the first quarter of 2018 compared to the same period in 2017. Net sales from the introduction of the Company's line of STRETCH ARMSTRONG products and higher net revenues of LITTLEST PET SHOP products were more than offset by declines in FURREAL FRIENDS products and certain other Emerging Brands products during the first quarter of 2018.

Operating loss for the first quarter of 2018 was $80.4 million compared to operating profit of $78.3 million for the first quarter of 2017. Operating profit was negatively impacted by the loss of revenues and incremental bad debt expense associated with the Toys"R"Us liquidations in the U.S. and U.K. and uncertainty related to other Toys"R"Us operations, as well as severance costs associated with the reorganization of the Company's commercial organization and higher programming amortization costs during the first quarter of 2018. These negative impacts were partially offset by lower advertising and intangible asset amortization costs. Foreign currency translation did not have a significant impact on operating profit results in the first quarter of 2018.

SEGMENT RESULTS

Most of the Company's net revenues and operating profit are derived from its three principal business segments: the U.S. and Canada segment, the International segment and the Entertainment and Licensing segment. The results of these operations are discussed in detail below.

The following table presents net external revenues and operating profit data for the Company's three principal segments for the quarters ended April 1, 2018 and April 2, 2017.

	Quarter Ended		
	April 1, 2018	April 2, 2017	% Change
Net Revenues			
U.S. and Canada segment	$ 364.3	$ 451.6	-19%
International segment	287.9	345.3	-17%
Entertainment and Licensing segment	64.0	52.7	21%
Operating Profit (Loss)			
U.S. and Canada segment	$ (23.4)	$ 64.8	(i)
International segment	(56.1)	0.5	(i)
Entertainment and Licensing segment	13.9	11.3	23%

(i) Variance is greater than 100%

U.S. and Canada Segment

The U.S. and Canada segment net revenues for the first quarter of 2018 decreased 19% compared to the first quarter of 2017. Foreign currency translation did not have a significant impact on this segment's net revenues. In the first quarter of 2018, net revenues declined in the Franchise Brands, Hasbro Gaming and Emerging Brands product categories while Partner Brands net revenues increased slightly.

In the Franchise Brands portfolio increases in net revenues from MY LITTLE PONY and MONOPOLY products were more than offset by lower net revenues from NERF, MAGIC: THE GATHERING, BABY ALIVE, PLAY-DOH and TRANSFORMERS products. In the Partner Brands portfolio, higher net revenues from MARVEL, BEYBLADE, STAR WARS, and DISNEY’S DESCENDANTS products were more than offset by lower net revenues from the Company’s DISNEY PRINCESS products as well as DREAMWORKS’ TROLLS and YO-KAI WATCH products. In the Hasbro Gaming portfolio, higher net revenues from DUNGEONS & DRAGONS products and new social games, including DON’T STEP IN IT, were more than offset by decreased net revenues from PIE FACE, SPEAK OUT and certain other Hasbro Gaming products. In the Emerging Brands portfolio, decreased net revenues from FURREAL FRIENDS products and certain other Emerging Brands were partially offset by net revenues from the introduction of the Company’s line of STRETCH ARMSTRONG content and products.

U.S. and Canada segment operating loss for the first quarter of 2018 was $23.4 million, compared to segment operating profit of $64.8 million, for the first quarter of 2017. The operating loss for the first quarter of 2018 included expenses of $52.3 million related to the Toys“R”Us liquidation in the U.S. The remaining decline in operating profit was due to the lower sales as well as higher freight expense due to new trucking regulations in the U.S. during the first quarter of 2018.

International Segment

International segment net revenues declined 17% to $287.9 million for the quarter ended April 1, 2018 from $345.3 million for the quarter ended April 2, 2017. The following table presents net revenues by geographic region for the Company's International segment for the quarters ended April 1, 2018 and April 2, 2017.

	Quarter Ended		
	April 1, 2018	**April 2, 2017**	**% Change**
Europe	$ 155.5	216.1	-28%
Latin America	66.0	64.8	2%
Asia Pacific	66.4	64.4	3%
Net revenues	$ 287.9	345.3	-17%

The variance in International segment net revenues includes a favorable benefit of $19.5 million from foreign currency translation, primarily related to the Company’s European region, and, to a lesser extent, Asia Pacific and Latin American regions during the first quarter of 2018 compared to the first quarter of 2017. International segment net revenues declined during the first quarter of 2018 in all brand portfolios including Franchise Brands, Partner Brands, Hasbro Gaming and Emerging Brands compared to the same period in 2017. The decrease in Franchise Brands portfolio net revenues reflects a decrease of all Franchise Brands. In the Partner Brands portfolio, higher net revenues from MARVEL and BEYBLADE products were more than offset by lower net revenues from the Company’s line of DISNEY PRINCESS and DREAMWORKS’ TROLLS products as well as lower net revenues from STAR WARS, YO-KAI WATCH, and DISNEY FROZEN products. In the Hasbro Gaming portfolio, lower net revenues from PIE FACE and other Hasbro Gaming products were partially offset by higher net revenues from JENGA products. In the Emerging Brands portfolio, the declines were primarily driven by not having comparable sales of FURBY in the first quarter of 2018.

International segment operating loss was $56.1 million for the first quarter of 2018 from operating profit of $0.5 million for the first quarter of 2017. The operating loss for the first quarter of 2018 includes $11.2 million of expenses related to the Toys“R”Us liquidation in the United Kingdom and uncertainty over the other Toys“R”Us operations in Europe. The remaining decrease in operating profit was driven by lower product sales and non-Toys“R”Us related bad debt expense in the first quarter of 2018.

Entertainment and Licensing Segment

Entertainment and Licensing segment net revenues increased 21% for the first quarter of 2018 to $64.0 million compared to $52.7 million for the first quarter of 2017. Higher revenues from consumer products and digital game licensing, and to a lesser extent, the impact of the adoption of ASU 2014-09, Revenue from Contracts with Customers (ASC-606), drove growth during the first quarter of 2018.

Entertainment and Licensing segment operating profit increased to $13.9 million, or 21.7% of segment net revenues, for the quarter ended April 1, 2018 from $11.3 million, or 21.5% of segment net revenues, for the quarter ended April 2, 2017. Overall, the increase in Entertainment and Licensing segment operating profit was primarily due to increased revenues noted above, partially offset by higher programing amortization costs related to MY LITTLE PONY: THE MOVIE in the first quarter of 2018.

Global Operations

The Global Operations segment operating profit of $2.2 million for the quarter ended April 1, 2018 compared to an operating profit of $0.8 million for the quarter ended April 2, 2017. The increase in operating results is primarily attributable to lower cost of sales in the first quarter of 2018 compared to the same period in 2017.

Corporate and Eliminations

The operating loss in Corporate and eliminations totaled $17.0 million for the first quarter of 2018 compared to an operating profit of $0.9 million for the first quarter of 2017. Included in the Corporate and eliminations operating loss in the first quarter of 2018 was $7 million of expenses associated with Toys“R”Us and $17.3 million of severance for the reorganization of the Company’s commercial organization.

OPERATING COSTS AND EXPENSES

The Company's costs and expenses, stated as percentages of net revenues, are illustrated below for the quarters ended April 1, 2018 and April 2, 2017.

	Quarter Ended	
	April 1, 2018	**April 2, 2017**
Cost of sales	35.6 %	36.0 %
Royalties	9.7	7.6
Product development	8.0	7.4
Advertising	9.5	9.5
Amortization of intangibles	0.9	0.9
Program production cost amortization	1.7	0.7
Selling, distribution and administration	45.8	28.7

Cost of sales decreased 17% from $306.1 million, or 36.0% of net revenues, for the first quarter of 2017 to $255.2 million, or 35.6% of net revenues for the first quarter of 2018. Costs of sales decreased in dollars primarily due to lower sales volumes compared to the first quarter of 2017. As a percent of net revenues, the cost of sales decrease was driven by product mix, more favorable profit margins on closeout sales as well as increased Entertainment and Licensing revenues which generate higher margins, partially offset by higher sales allowances and obsolescence charges as a result of the Toys“R”Us liquidations.

Royalty expense for the first quarter of 2018 was $69.7 million, or 9.7% of net revenues, compared to $64.4 million, or 7.6% of net revenues, for the first quarter of 2017. Fluctuations in royalty expense are generally related to the volume of entertainment-driven products sold in a given period, especially if there is a major motion picture release. In the first quarter of 2018, the increase in royalty expense was driven primarily by accelerated royalty charges incurred as a result of the loss of Toys“R”Us product sales.

Product development expense for the first quarter of 2018 was $57.4 million, or 8.0% of net revenues, compared to $62.6 million, or 7.4% of net revenues, for the first quarter of 2017. The favorable decline was driven by the capitalization of certain costs of the digital version of MAGIC: THE GATHERING in 2018 as it has reached the later stages of its development and approaches its launch date, as compared to comparable costs that were expensed in 2017 based on the fact that the game was in its earlier stages of development.

Advertising expense for the first quarter of 2018 was $68.0 million, or 9.5% of revenues, compared to $80.9 million, or 9.5% of net revenues, for the first quarter of 2017. The lower spend in advertising expense was primarily due to lower revenues in the first quarter of 2018. Advertising expense was consistent as a percent of net revenues.

Amortization of intangibles was $6.5 million, or 0.9% of net revenues for the first quarter of 2018 compared to $7.9 million, or 0.9% of net revenues, for the first quarter of 2017. The decrease reflects the full amortization of property rights related to Backflip during the second quarter of 2017.

Program production cost amortization increased to $12.0 million or 1.7% of net revenues, for the first quarter of 2018 from $5.6 million, or 0.7% of net revenues, for the first quarter of 2017. Program production costs are capitalized as incurred and amortized using the individual-film-forecast method. The increase in dollars and as a percent of net revenues reflects amortization of production expense related to MY LITTLE PONY: THE MOVIE and higher television programming costs as a result of higher programming revenues in the first quarter of 2018.

For the quarter ended April 1, 2018, the Company's selling, distribution and administration expenses increased to $328.0 million, or 45.8% of net revenues, from $243.9 million, or 28.7% of net revenues, for the quarter ended April 2, 2017. This increase was primarily driven by $60.3 million of bad debt and other expenses related to Toys“R”Us, as well as $17.3 million of severance costs related to the reorganization of the Company’s commercial organization. In addition to these expenses, the increase was also due to higher bad debt expense in the International segment and higher freight and warehousing expenses. These increases were partially offset by higher expense levels in the first quarter of 2017 due to the additional week in the quarter.

NON-OPERATING (INCOME) EXPENSE

Interest expense in the first quarter of 2018 totaled $22.8 million compared to $24.5 million for the comparable period of 2017 reflecting lower levels of borrowing in 2018 compared to 2017.

Interest income was $6.2 million in the first quarter of 2018 compared to $5.6 million in the first quarter of 2017. Higher invested cash balances and higher average interest rates in 2018 compared to 2017 contributed to the increase.

Other income, net of $(8.6) million for the first quarter of 2018 compared to $(11.4) million in the first quarter of 2017. The decrease in the first quarter was primarily due to lower foreign exchange gains in 2018 compared to 2017, partially offset by higher earnings from the Company’s joint venture with Discovery in 2018.

INCOME TAXES

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”). The Tax Act made broad and complex changes to the U.S. tax code which impacted 2017 including, but not limited to, reducing the U.S. federal corporate tax rate and requiring a one-time tax on certain unrepatriated earnings of foreign subsidiaries.

On December 22, 2017, Staff Accounting Bulletin No. 118 (“SAB 118”) established a one-year measurement period to complete the accounting for the ASC 740 income tax effects of the Tax Act. An entity recognizes the impact of those amounts for which the accounting is complete. For matters that have not been completed, provisional amounts are recorded to the extent they can be reasonably estimated. For amounts for which a reasonable estimate cannot be determined, no adjustment is made until such estimate can be completed. For the first quarter of 2018, the Company obtained additional information affecting the provisional amount initially recorded in the fourth quarter of 2017. As a result, the Company recorded a one-time tax expense of $47.8 million which reversed certain discrete benefits recorded in 2017 as well as increased our provisional deemed repatriation tax liability.

Income tax expense totaled $24.1 million on pre-tax loss of $88.4 million in the first quarter compared to income tax expense of $2.2 million on pre-tax earnings of $70.8 million in the first quarter of 2017. Both periods were impacted by discrete tax events including the accrual of potential interest and penalties on uncertain tax positions. During the first quarter of 2018, unfavorable discrete tax adjustments were a net expense of $34.9 million compared to a net benefit of $15.4 million in the first quarter of 2017. The unfavorable discrete tax adjustments for the first quarter of 2018 primarily relate to changes in guidance on U.S. tax reform, which resulted in the reversal of a tax benefit recorded in 2017 and additional repatriation tax liability, partially offset by excess tax benefits on share-based payments. Absent discrete items, the adjusted tax rate for the first quarters of 2018 and 2017 were 16.5% and 24.9%, respectively. The decrease in the adjusted tax rate of 16.5% for the first quarter of 2018 is primarily due to the tax impact of the lower U.S. corporate tax rate.

OTHER INFORMATION

Business Seasonality and Shipments

Historically, the Company's revenue pattern has shown the second half of the year to be more significant to its overall business than the first half. The Company expects that this concentration will continue, particularly as more of its business has shifted to larger customers with order patterns concentrated in the second half of the year around the holiday season. The concentration of sales in the second half of the year increases the risk of (a) underproduction of popular items, (b) overproduction of less popular items, and (c) failure to achieve compressed shipping schedules.

The toy and game business is characterized by customer order patterns which vary from year to year largely because of differences each year in the degree of consumer acceptance of product lines, product availability, marketing strategies and inventory policies of retailers, the dates of theatrical releases of major motion pictures for which the Company sells products, and changes in overall economic conditions. As a result, comparisons of the Company's unshipped orders on any date with those at the same date in a prior year are not necessarily indicative of the Company's expected sales for the year. Moreover, quick response inventory management practices result in fewer orders being placed significantly in advance of shipment and more orders being placed for immediate delivery. Although the Company may receive orders from customers in advance, it is a general industry practice that these orders are subject to amendment or cancellation by customers prior to shipment and, as such, the Company does not believe that these unshipped orders, at any given date, are indicative of future sales.

Accounting Pronouncement Updates

On January 1, 2018, the Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606 or the New Revenue Standard) using the modified retrospective method. ASC 606 supersedes the revenue recognition requirements in ASC 605 – *Revenue Recognition* and most industry-specific guidance in U.S. GAAP. The New Revenue Standard provides a five-step model for analyzing contracts and transactions to determine when, how, and if revenue is recognized. Revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The cumulative impact of the adoption of the New Revenue Standard was not material to the Company therefore the Company did not record any adjustments to retained earnings. This was determined by analyzing contracts not completed as of January 1, 2018. The Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

Revenue recognition from the sale of finished product to customers, which is the majority of the Company's revenues, did not change under the new standard and the Company does not expect material changes in the future as a result of the New Revenue Standard related to the sale of finished product to its customers. Within the Company's Entertainment and Licensing segment, the timing of revenue recognition for minimum guarantees that the Company receives from licensees is impacted by the New Revenue Standard. Prior to the adoption of ASC 606, for licenses of the Company's brands that are subject to minimum guaranteed license fees, the Company recognized the difference between the minimum guaranteed amount and the actual royalties earned from licensee merchandise sales ("shortfalls") at the end of the contract period, which was in the fourth quarter for most of the Company's licensee arrangements. In periods following January 1, 2018, minimum guaranteed amounts will be recognized on a straight-line basis over the license period. While the impact of this change will not be material to the year, it will impact the timing of revenue recognition within the Company's Entertainment and Licensing segment such that under ASC 606, less revenues will be recorded in the fourth quarter and more revenues will be recorded within the first, second, and third quarters. No other areas of the Company's business were materially impacted by the New Revenue Standard. Refer to Note 2 of our Consolidated Financial Statements for further information.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842) (ASU 2016-02), which will require lessees to recognize a right-of-use asset and a lease liability for virtually all leases. The liability will be based on the present value of lease payments and the asset will be based on the liability. For income statement purposes, a dual model was retained requiring leases to be either classified as operating or finance. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern. Additional quantitative and qualitative disclosures will be required. ASU 2016-02 is required for public companies for fiscal years beginning after December 15, 2018 and must be adopted using a modified retrospective transition. The Company has evaluated the requirements of ASU 2016-02 and is continuing to assess its potential impact on the Company's consolidated financial statements. The Company has a significant number of leases globally, primarily for property and office equipment, and is in the process of identifying and evaluating these leases as well as designing systems and processes to properly record these leases in relation to the requirements of ASU 2016-02. For each of these leases, the term will be evaluated, including extension and renewal options as well as the lease payments associated with the leases. The standard also includes certain practical expedients that may be used in the adoption of the standard. The Company is in the process of evaluating which of these practical expedients it will use when adopting the standard. The Company does not expect that its results of operations will be materially impacted by this standard. The Company expects to record assets and liabilities on its consolidated balance sheets upon adoption of this standard, which may be material. The adoption of this standard will not have an impact on the Company's cash flows.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (ASC 230) – Classification of Certain Cash Receipts and Cash Payments*. The new guidance is intended to reduce diversity in practice across all industries, in how certain transactions are classified in the statement of cash flows. ASU 2016-15 was effective for public companies for fiscal years beginning after December 15, 2017. The Company adopted this standard in 2018 and the adoption of this standard did not have an impact on the Company's statement of cash flows for the quarters ended April 1, 2018 and April 2, 2017.

In October 2016, the FASB issued Accounting Standards Update No. 2016-16 (ASU 2016-16), *Accounting for Income Taxes: Intra-Entity Transfers of Assets Other Than Inventory*. For public companies, this standard was effective for annual reporting periods beginning after December 15, 2017, and early adoption is permitted. The standard requires that the income tax impact of intra-entity sales and transfers of property, except for inventory, be recognized when the transfer occurs requiring any deferred taxes not yet recognized on intra-entity transfers to be recorded to retained earnings. The Company adopted this standard in the first quarter of 2018 and the adoption did not have an impact on the Company's results or consolidated financial statements.

In March 2017, the FASB issued Accounting Standards Update No. 2017-07 (ASU 2017-07), Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. The standard requires companies to present the service cost component of net benefit cost in the income statement line items where they report compensation cost. Companies will present all other components of net benefit cost outside operating income, if this subtotal is presented. For public companies, this standard was effective for annual reporting periods beginning after December 15, 2017, and early adoption is permitted. The Company adopted this standard in the first quarter of 2018 and the adoption of this standard did not have a material impact on the Company's results or consolidated financial statements in the first quarter of 2018.

In February 2018, the FASB issued Accounting Standards Update No. 2018-02 (ASU 2018-02), *Income Statement -Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. The standard provides for a reclassification from accumulated other comprehensive income ("AOCI") to retained earnings, of disproportionate income tax effects ("stranded tax effects") arising from the impact of the Tax Cuts and Jobs Act. For public companies, this standard is effective for annual reporting periods beginning after December 15, 2018. Early adoption is permitted. The Company adopted ASU 2018-02 in the first quarter of 2018. The impact of the adoption resulted in a decrease to AOCI in the amount of $21.5 million with a corresponding increase to retained earnings.

Recently Issued Accounting Pronouncements

In January 2017, the FASB issued Accounting Standards Update No. 2017- 04 (ASU 2017-04), *Intangibles -Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The standard eliminates the requirement to measure the implied fair value of goodwill by assigning the fair value of a reporting unit to all assets and liabilities within that unit ("the Step 2 test") from the goodwill impairment test. Instead, if the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited by the amount of goodwill in that reporting unit. For public companies, this standard is effective and must be applied to annual or any interim goodwill impairment tests beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the standard, but expects that it will not have a material impact on our consolidated financial statements.

In August 2017, the FASB issued Accounting Standards Update No. 2017-12 (ASU 2017-12), *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities.* The amendments expand and refine hedge accounting for both nonfinancial and financial risk components and align the recognition and presentation of the effects of the hedging instrument and the underlying hedged item in the financial statements. The impact of the standard includes elimination of the requirement to separately measure and recognize hedge ineffectiveness and requires the presentation of fair value adjustments to hedging instruments to be included in the same income statement line as the hedged item. For public companies, this standard is effective for annual reporting periods beginning after December 15, 2018, and early adoption is permitted. The Company is currently evaluating the standard but does not expect the standard to have a material impact on its consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically generated a significant amount of cash from operations. In the first quarter of 2018 and 2017 the Company funded its operations and liquidity needs primarily through cash flows from operations, and, when needed, used borrowings under its available lines of credit and commercial paper program.

The Company believes that the funds available to it, including cash expected to be generated from operations and funds available through its available lines of credit and commercial paper program, are adequate to meet its working capital needs for the remainder of 2018. However, unexpected events or circumstances such as material operating losses or increased capital or other expenditures may reduce or eliminate the availability of external financial resources. In addition, significant disruptions to credit markets may also reduce or eliminate the availability of external financial resources. Although management believes the risk of nonperformance by the counterparties to the Company's financial facilities is not significant, in times of severe economic downturn in the credit markets it is possible that one or more sources of external financing may be unable or unwilling to provide funding to the Company.

In September 2017, the Company issued $500.0 million in principal amount of Notes Due 2027 that bear interest at a rate of 3.50%. Net proceeds of the Notes offering, after deduction of the underwriting discount and debt issuance expenses, totaled approximately $493.9 million. The Company may redeem the Notes at its option at the greater of the principal amount of the Notes or the present value of the remaining scheduled payments using the effective interest rate on applicable U.S. Treasury bills plus 25 basis points. In addition, on or after June 15, 2027, the Company may redeem at its option, any portion of the Notes at a redemption price equal to 100% of the principal amount of the notes to be redeemed. The proceeds from the issuance of the Notes were used, primarily, to repay $350 million aggregate principal amount of the 6.30% Notes Due 2017 upon maturity, including accrued and unpaid interest. The remaining net proceeds were utilized for general corporate and working capital purposes.

As of April 1, 2018, the Company's cash and cash equivalents totaled $1,598.9 million, substantially all of which is held outside of the United States. Prior to 2017, deferred income taxes had not been provided on the majority of undistributed earnings of international subsidiaries as such earnings were indefinitely reinvested by the Company. Accordingly, such international cash balances were not available to fund cash requirements in the United States unless the Company was to change its reinvestment policy. The Company has maintained sufficient sources of cash in the United States to fund cash requirements without the need to repatriate any funds. On December 22, 2017, the Tax Cuts and Jobs Act was signed into law which provides significant changes to the U.S. tax system including the elimination of the ability to defer U.S. income tax on unrepatriated earnings by imposing a one-time mandatory deemed repatriation tax on undistributed foreign earnings, estimated to be $288.5 million as of April 1, 2018. As a result, in the future, the related earnings in foreign jurisdictions will be made available with greater investment flexibility. The majority of the Company’s cash and cash equivalents held outside of the United States as of April 1, 2018 is denominated in the U.S. dollar.

Because of the seasonality in the Company's cash flow, management believes that on an interim basis, rather than discussing only its cash flows, a better understanding of its liquidity and capital resources can be obtained through a discussion of the various balance sheet categories as well. 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, management believes that a comparison to the comparable period in the prior year is generally more meaningful than a comparison to the prior quarter or prior year-end.

The table below outlines key financial information pertaining to our consolidated balance sheets including the quarter-over-quarter changes.

	Quarter Ended		
	April 1, 2018	**April 2, 2017**	**% Change**
Cash and cash equivalents	$ 1,598.9	1,463.1	9%
Accounts receivable, net	612.7	676.9	-10%
Inventories	517.4	416.2	24%
Prepaid expenses and other current assets	292.8	243.5	20%
Other assets	1,444.8	1,576.1	-8%
Accounts payable and accrued liabilities	830.9	786.7	6%
Other liabilities	611.2	393.5	55%

Accounts receivable decreased 10% to $612.7 million at April 1, 2018, compared to $676.9 million at April 2, 2017. The decrease reflects an increase from foreign exchange translation of $11.9 million and a decrease resulting from the 16% decrease in net revenues in the first quarter of 2018 as compared to the first quarter of 2017. The balance at April 1, 2018 includes a $77.0 million allowance for doubtful accounts related to Toys“R”Us. Days sales outstanding of 78 at April 1, 2018 was consistent with 78 days at April 2, 2017.

Inventories increased 24% to $517.4 million at April 1, 2018 from $416.2 million at April 2, 2017. The increase includes an increase of $23.8 million from the impact of foreign exchange. The remaining increase is primarily related to sales declines in the first quarter of 2018.

Prepaid expenses and other current assets increased 20% to $292.8 million at April 1, 2018 from $243.5 million at April 2, 2017. The increase was related to higher prepaid royalties, higher prepaid income taxes primarily due to reduced earnings in the first quarter of 2018 and higher prepaid non-income related taxes, primarily value-added taxes. These increases were partially offset by lower unrealized gains on foreign exchange contracts as a result of a weaker U.S. dollar in the first quarter of 2018.

Goodwill and other intangible assets, net, decreased to $784.5 million at April 1, 2018 from $809.0 million at April 2, 2017. The decrease was due to amortization of intangible assets over the last twelve months.

Other assets decreased approximately 14% to $660.3 million at April 1, 2018 from $767.1 million at April 2, 2017. The decrease was primarily related to lower deferred tax asset balances reflecting the decrease in the Company’s U.S. tax rate as a result of tax reform enacted in the fourth quarter of 2017, decreases in the value of long-term foreign exchange contracts, lower long-term royalty advances and the settlement of a long-term note receivable in the fourth quarter of 2017. These decreases were partially offset by higher capitalized movie and television production costs, net of related production rebates in 2018.

Accounts payable and accrued liabilities increased 6% to $830.9 million at April 1, 2018 from $786.7 million at April 2, 2017. Contributing to the increase were severance charges accrued during the first quarter of 2018, higher accounts payable balances in the Company’s Global Operations business, higher accrued income tax balances related to the current portion of the repatriation tax, increased liability for foreign currency forward contracts as result of strengthening foreign currencies and higher accrued dividends due to a higher dividend rate in 2018. These increases were partially offset by lower royalty balances in 2018 due to declines in in Partner Brand sales as well as lower accrued advertising at April 1, 2018.

Other liabilities increased 55% to $611.2 million at April 1, 2018 from $393.5 million at April 2, 2017. The increase is primarily due to the $264.1 million estimated long-term portion of the repatriation tax liability. This increase is partially offset by a decrease in the Company’s pension liabilities due to a $50.0 million contribution in 2017 offset by an increase due to the remeasurement of the U.S. pension liability as a result of the Company’s decision in the first quarter of 2018 to terminate the plan.

Cash Flow

Net cash provided by operating activities in the first quarter of 2018 was $317.7 million compared to $411.9 million in the first quarter of 2017. The reduction in cash flow from operations reflects lower earnings in the first quarter of 2018 as compared to the first quarter of 2017. For the fiscal year ended December 31, 2017, net cash provided by operating activities was $724.4 million.

Net cash utilized by investing activities was $26.2 million in the first quarter of 2018 compared to $31.0 million in the first quarter of 2017. Additions to property, plant and equipment were $28.2 million in the first quarter of 2018 compared to $30.2 million in the first quarter of 2017.

Net cash utilized by financing activities was $275.7 million in the first quarter of 2018 compared to $211.7 million in the first quarter of 2017. Cash payments related to purchases of the Company's common stock were $38.1 million in the first quarter of 2018 compared to $19.3 million in the first quarter of 2017. At April 1, 2018, the Company had $139.2 million remaining available under its current share repurchase authorization approved by the Board of Directors. Dividends paid in the first quarter of 2018 totaled $70.8 million compared to $63.4 million in the first quarter of 2017 reflecting a higher dividend rate on the February 2018 dividend compared to the February 2017 dividend. Net repayments of short-term borrowings were $133.7 million in the first quarter of 2018 compared to net repayments of $107.3 million in the first quarter of 2017. Financing activities in the first quarter of 2018 and 2017 include payments of $52.6 million and $31.4 million, respectively, relating to tax payments made to tax authorities for which shares were withheld from employees' share-based payment awards.

Sources and Uses of Cash

The Company has an agreement with a group of banks for a commercial paper program (the "Program"). Under the Program, at the request of the Company and subject to market conditions, the banks may either purchase from the Company, or arrange for the sale by the Company, of unsecured commercial paper notes. Under the Program the Company may issue notes from time to time up to an aggregate principal amount outstanding at any given time of $1,000.0 million. The maturities of the notes may vary but may not exceed 397 days. The notes are sold under customary terms in the commercial paper market and are issued at a discount or par, or alternatively, sold at par and bear varying interest rates based on a fixed or floating rate basis. The interest rates vary based on market conditions and the ratings assigned to the notes by the credit rating agencies at the time of issuance. Subject to market conditions, the Company intends to utilize the Program as its primary short-term borrowing facility and does not intend to sell unsecured commercial paper notes in excess of the available amount under the revolving credit agreement discussed below. If, for any reason, the Company is unable to access the commercial paper market, the Company intends to use the revolving credit agreement to meet the Company's short-term liquidity needs. At April 1, 2018, the Company had no outstanding borrowings related to the Program.

The Company has a revolving credit agreement (the "Agreement"), which provides it with a $1,000.0 million committed borrowing facility. The Agreement contains certain financial covenants setting forth leverage and coverage requirements, and certain other limitations typical of an investment grade facility, including with respect to liens, mergers and incurrence of indebtedness. Prior to September 2017, the Agreement provided for a $700.0 million revolving credit facility. During the third quarter of 2017 and pursuant to the Agreement, the Company proposed and the Lenders agreed to increase the committed borrowing facility from $700.0 million to $1,000.0 million. The Company was in compliance with all covenants as of and for the quarter ended April 1, 2018. The Company had no borrowings outstanding under its committed revolving credit facility at April 1, 2018. However, the Company had letters of credit outstanding under this facility as of April 1, 2018 of approximately $1.1 million. Amounts available and unused under the committed line, less outstanding balances under the commercial paper program, as of April 1, 2018 were approximately $998.9 million. The Company also has other uncommitted lines from various banks, of which approximately $64.5 million was utilized at April 1, 2018, including $42.9 million of outstanding letters of credit and $21.6 million of outstanding borrowings.

The Company has principal amounts of long-term debt at April 1, 2018 of $1,709.9 million, due at varying times from 2021 through 2044. The Company also had letters of credit of approximately $43.5 million and purchase commitments of approximately $393.9 million outstanding at April 1, 2018.

Other contractual obligations and commercial commitments, as detailed in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, did not materially change outside of payments made in the normal course of business and as otherwise set forth in this report. The table of contractual obligations and commercial commitments, as detailed in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, does not include certain tax liabilities recorded related to uncertain tax positions. These liabilities were $77.6 million at April 1, 2018, and are included as a component of other liabilities in the accompanying consolidated balance sheets.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. As such, management is required to make certain estimates, judgments and assumptions that it believes are reasonable based on the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods presented. The significant accounting policies which management believes are the most critical to aid in fully understanding and evaluating the Company's reported financial results include recoverability of goodwill and income taxes. These critical accounting policies are the same as those detailed in the 2017 Form 10-K.

FINANCIAL RISK MANAGEMENT

The Company is exposed to market risks attributable to fluctuations in foreign currency exchange rates, primarily as the result of sourcing products priced in U.S. dollars, Hong Kong dollars and Euros while marketing those products in more than twenty currencies. Results of operations may be affected primarily by changes in the value of the U.S. dollar, Hong Kong dollar, Euro, British pound sterling, Brazilian real, Russian ruble and Mexican peso and, to a lesser extent, other currencies in Latin American and Asia Pacific countries.

To manage this exposure, the Company has hedged a portion of its forecasted foreign currency transactions for fiscal years 2018 through 2022 using foreign exchange forward contracts. The Company is also exposed to foreign currency risk with respect to its net cash and cash equivalents or short-term borrowing positions in currencies other than the U.S. dollar. The Company believes, however, that the on-going risk on the net exposure should not be material to its financial condition. In addition, the Company's revenues and costs have been, and will likely continue to be, affected by changes in foreign currency rates. A significant change in foreign exchange rates can materially impact the Company's revenues and earnings due to translation of foreign-denominated revenues and expenses. The Company does not hedge against translation impacts of foreign exchange. From time to time, affiliates of the Company may make or receive intercompany loans in currencies other than their functional currency. The Company manages this exposure at the time the loan is made by using foreign exchange contracts. Other than as set forth above, the Company does not hedge foreign currency exposures.

The Company reflects all forward contracts at their fair value as an asset or liability on the consolidated balance sheets. The Company does not speculate in foreign currency exchange contracts. At April 1, 2018, these contracts had net unrealized losses of $36.5 million, of which $0.1 million of unrealized gains are recorded in prepaid expenses and other current assets, $2.9 million of unrealized gains are recorded in other assets, $23.4 million of unrealized losses are recorded in accrued liabilities and $16.1 million of unrealized losses are recorded in other liabilities. Included in accumulated other comprehensive loss at April 1, 2018 are deferred losses, net of tax, of $36.0 million, related to these derivatives.

At April 1, 2018, the Company had fixed rate long-term debt of $1,709.9 million. Of this long-term debt, $600 million represents the aggregate issuance of long-term debt in May 2014 which consists of $300 million of 3.15% Notes Due 2021 and $300 million of 5.10% Notes Due 2044. Prior to the May 2014 debt issuance, the Company entered into forward-starting interest rate swap agreements with a total notional value of $500 million to hedge the anticipated underlying U.S. Treasury interest rate. These interest rate swaps were matched with this debt issuance and were designated and effective as hedges of the change in future interest payments. At the date of debt issuance, the Company terminated these interest rate swap agreements and their fair value at the date of issuance was recorded in accumulated other comprehensive loss and is being amortized through the consolidated statements of operations using an effective interest rate method over the life of the related debt. Included in accumulated other comprehensive loss at April 1, 2018 are deferred losses, net of tax, of $20.4 million related to these derivatives.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The information required by this item is included in Part I Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and is incorporated herein by reference.

Item 4. Controls and Procedures.

The Company maintains disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of April 1, 2018. Based on the evaluation of these disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

There were no changes in the Company's internal control over financial reporting, as defined in Rule 13a-15(f) promulgated under the Exchange Act, during the quarter ended April 1, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is currently party to certain legal proceedings, none of which it believes to be material to its business or financial condition.

Item 1A. Risk Factors.

This Quarterly Report on Form 10-Q contains "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, concerning management's expectations, goals, objectives, and similar matters. These forward-looking statements may include statements concerning the Company's product and entertainment plans, anticipated product and entertainment performance, business opportunities and strategies, financial and business goals, expectations for achieving the Company's goals and objectives, cost savings and efficiency enhancing initiatives and other objectives and anticipated uses of cash and 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" or any variations of words with similar meanings. These forward-looking statements are inherently subject to known and unknown risks and uncertainties.

The Company's actual results or experience may differ materially from those expected or anticipated in the forward-looking statements. The Company has included, under Item 1A. of its Annual Report on Form 10-K, for the year ended December 31, 2017 (the "Annual Report"), a discussion of factors which may impact these forward-looking statements. In furtherance, and not in limitation, of the more detailed discussion set forth in the Annual Report, specific factors that might cause such a difference include, but are not limited to:

- the Company’s ability to successfully grow its franchise and key partner brands, which constitute a substantial majority of the Company’s total revenues;
- the Company's ability to successfully re-imagine, re-invent and re-ignite its existing brands, products and product lines, including through the use of immersive entertainment experiences, to keep them fresh and relevant and to maintain and further their success;

- the Company's ability to successfully design, develop, produce, introduce, market and sell innovative new brands, products and product lines which achieve and sustain interest from retailers and consumers and keep pace with changes in consumer preferences and technology;
- the Company's ability to offer products that (i) expand consumer demand for its product offerings and do not significantly compete with the Company's other existing product offerings and (ii) consumers want to purchase and select over competitors' products;
- successful brand and/or product introductions from competitors that capture market share and sales from the Company;
- the Company's ability to source and ship products in a timely and cost-effective manner and customers' and consumers' acceptance and purchase of those products in quantities and at prices that will be sufficient to profitably recover the Company's costs for developing, marketing and selling those products;
- recessions, other economic downturns, challenging economic conditions or economic uncertainty affecting one or more of the Company's significant markets including, without limitation, the United Kingdom and Brazil, which can negatively impact the financial health of the Company's customers and consumers, and which can result in lower employment levels, lower consumer disposable income and lower consumer spending, including lower spending on purchases of the Company's products;
- currency fluctuations, including movements in foreign exchange rates, which can lower the Company's net revenues and earnings, and significantly impact the Company's costs;
- other economic and public health conditions or regulatory changes in the markets in which the Company and its customers and suppliers operate, which could create delays or increase the Company's costs, such as higher commodity prices, labor costs or higher transportation costs, or outbreaks of diseases;
- delays, increased costs, lack of consumer acceptance or other difficulties associated with the development and offering of our or our partners' entertainment and media initiatives related to products offered by the Company;
- the risk that the market appeal of the Company's licensed products will be less than expected or that sales revenue generated by these products will be insufficient to cover the minimum guaranteed royalties or other commitments;
- the concentration of the Company's retail customers, potentially increasing the negative impact to the Company of difficulties experienced by any of the Company's retail customers or changes in their purchasing or selling patterns;
- the impact of the bankruptcy filing by Toys “R” Us in the United States and Canada, and the subsequent liquidation of the Toys“R”Us business in the U.S., including lost sales and bad debt expense;
- the ability of Toys “R” Us to successfully re-emerge from bankruptcy in Canada;
- the liquidation of Toys“R”Us in the United Kingdom, including lost sales and bad debt expense;
- uncertainty as to the future of the Toys“R”Us business elsewhere in the world;
- the Company's ability to generate sales during the second half of the year, particularly during the relatively brief holiday shopping season, which is the period in which the Company derives a substantial portion of its revenues and earnings;
- the inventory policies of the Company's retail and e-commerce customers, including potential decisions to lower their inventories, even if it results in lost sales, as well as the concentration of the Company's revenues in the second half of the year, which coupled with reliance by retailers on quick response inventory management techniques, increases the risk of underproduction of popular items, overproduction of less popular items and failure to achieve compressed shipping schedules;
- work stoppages or disruptions which may impact the Company's ability to manufacture or deliver products in a timely and cost-effective manner;

- concentration of manufacturing of the substantial majority of the Company's products by third party vendors in the People's Republic of China and the associated impact to the Company of social, economic or public health conditions and other factors affecting China, the movement of people and products into and out of China, the cost of producing products in China and the cost of exporting them to the Company's other markets or affecting the exchange rates for the Chinese Renminbi, including, without limitation, the impact of tariffs or other trade restrictions being imposed upon goods manufactured in China and exported to other markets;
- consumer interest in and acceptance of programming and entertainment created by Hasbro Studios and/or Allspark Pictures, as well as products related to such programming and entertainment;
- the ability to develop and distribute compelling entertainment, including television, motion pictures and digital content, based on our brands, in a timely and financially profitable manner, and the success of that entertainment in driving consumer interest in and engagement with our brands;
- the ability of the Company to hire and retain key officers and employees who are critical to the Company's success;
- the costs of complying with product safety and consumer protection requirements worldwide, including the risk that greater regulation in the future may increase such costs, may require changes in the Company's products and/or may impact the Company's ability to sell some products in particular markets in the absence of making changes to such products;
- the risk that one of the Company's third-party manufacturers will not comply with applicable labor, consumer protection, product safety or other laws or regulations, or with aspects of the Company's Global Business Ethics Principles, and that such noncompliance will not be promptly detected, either of which could cause damage to the Company's reputation, harm sales of its products, result in product recalls and potentially create other liabilities for the Company;
- an adverse change in purchasing policies or promotional programs or the bankruptcy or other economic difficulties or lack of success of one or more of the Company's significant retailers comprising its relatively concentrated retail customer base, which could negatively impact the Company's revenues or bad debt exposure;
- the risk the Company will lose rights to a significant licensed property or properties, which will harm the Company's revenues and earnings;
- the risk that the Company may face product recalls or product liability suits relating to products it manufactures or distributes which may have significant direct costs to the Company and which may also harm the reputation of the Company and its products, potentially harming future product sales;
- the impact of competition on revenues, margins and other aspects of the Company's business, including the ability to offer Company products which consumers choose to buy instead of competitor’s products, the ability to secure, maintain and renew popular licenses and the ability to attract and retain employees;
- the risk that anticipated benefits of acquisitions or investments may not occur or be delayed or reduced in their realization;
- the risk that any litigation or arbitration disputes or government and regulatory investigations could entail significant resources and expense and result in significant fines or other harm to the Company's business or reputation;
- the Company's ability to maintain or obtain external financing on terms acceptable to it in order to meet working capital needs;
- the risk that one or more of the counterparties to the Company's financing arrangements may experience financial difficulties or otherwise be unable or unwilling to allow the Company to access financing under such arrangements;
- unforeseen circumstances, such as severe softness in or collapse of the retail and/or banking environment that may result in a significant decline in revenues and operating results of the Company, thereby causing the Company to be in non-compliance with its debt covenants and the Company being unable to utilize borrowings under its revolving credit facility, a circumstance likely to occur when operating shortfalls would result in the Company being in the greatest need of such supplementary borrowings;
- market conditions, third party actions or approvals, the impact of competition and other factors that could delay or increase the cost of implementation of the Company's programs, or alter the Company's actions and reduce actual results;

- the risk that the Company may be subject to governmental penalties, fines, sanctions or additional taxes for failure to comply with applicable laws or regulations in any of the markets in which it operates, or that governmental regulations or requirements will require changes in the manner in which the Company does business and/or increase the costs of doing business;
- failure to operate our information systems and implement new technology effectively, as well as maintain the systems and processes designed to protect our electronic data;
- the risk that the Company's reported goodwill may become impaired, requiring the Company to take a charge against its income;
- changes in foreign exchange rates and other potential regulations, increased costs and/or economic uncertainty associated with the United Kingdom (“UK”) vote to leave the European Union (“EU”), commonly referred to as Brexit, may harm our sales and the profitability of our business in the UK and the EU; or
- other risks and uncertainties as are or may be detailed from time to time in the Company's public announcements and filings with the SEC, such as filings on Forms 8-K, 10-Q and 10-K.

The Company undertakes no obligation to revise the forward-looking statements contained in this Quarterly Report on Form 10-Q to reflect events or circumstances occurring after the date of the filing of this report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Repurchases Made in the Quarter (in whole dollars and number of shares)

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 2018				
1/1/18 – 1/28/18	272,026	$ 91.88	272,026	$ 152,971,686
February 2018				
1/29/18 – 3/4/18	13,800	$ 95.02	13,800	$ 151,660,476
March 2018				
3/5/18 – 4/1/18	141,235	$ 88.34	141,235	$ 139,183,482
Total	427,061	$ 90.81	427,061	$ 139,183,482

In February 2015, the Company announced that its Board of Directors authorized the repurchase of an additional $500 million of common stock. Purchases of the Company's common stock may be made from time to time, subject to market conditions. These shares may be repurchased in the open market or through privately negotiated transactions. The Company has no obligation to repurchase shares under this authorization, and the timing, actual number, and value of the shares that are repurchased will depend on a number of factors, including the price of the Company's stock and the Company's generation of, and uses for, cash. The Company may suspend or discontinue the program at any time and there is no expiration date.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

3.1 Restated Articles of Incorporation of the Company. (Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)

3.2 Amendment to Articles of Incorporation, dated June 28, 2000. (Incorporated by reference to Exhibit 3.4 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)

3.3 Amendment to Articles of Incorporation, dated May 19, 2003. (Incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended June 29, 2003, File No. 1-6682.)

3.4 Amended and Restated Bylaws of the Company, as amended. (Incorporated by reference to Exhibit 3(d) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, File No. 1-6682.)

3.5 Amendment to Amended and Restated Bylaws of the Company, as amended. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated August 6, 2014, File No. 1-6682.)

3.6 Amendment to Amended and Restated Bylaws of the Company, as amended. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated October 5, 2015, File No. 1-6682.)

3.7 Amendment to Amended and Restated Bylaws of the Company, as amended. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated December 10, 2015, File No. 1-6682.)

3.8 Certificate of Designations of Series C Junior Participating Preference Stock of Hasbro, Inc. dated June 29, 1999. (Incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)

3.9 Certificate of Vote(s) authorizing a decrease of class or series of any class of shares. (Incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No 1-6682.)

4.1 Indenture, dated as of July 17, 1998, by and between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to Citibank, N.A. as Trustee. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 14, 1998, File No. 1-6682.)

4.2 Indenture, dated as of March 15, 2000, by and between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4(b)(i) to the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 1999, File No. 1-6682.)

4.3 First Supplemental Indenture, dated as of September 17, 2007, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 17, 2007, File No. 1-6682.)

4.4 Second Supplemental Indenture, dated as of May 13, 2009, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 13, 2009, File No. 1-6682.)

4.5 Third Supplemental Indenture, dated as of March 11, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 11, 2010, File No. 1-6682.)

4.6 Fourth Supplemental Indenture, dated May 13, 2014, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 13, 2014, file No. 1-6682.)

4.7 Fifth Supplemental Indenture, dated September 13, 2017, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 13, 2017, file No. 1-6682.)

10.1 Form of 2018 Stock Option Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan. (Applicable for John Frascotti, Deb Thomas, Steve Davis and Wiebe Tinga.)

10.2 Form of 2018 Stock Option Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan for Brian Goldner.

10.3 Form of 2018 Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan. (Applicable for John Frascotti, Deb Thomas, Steve Davis and Wiebe Tinga.)

10.4 Form of 2018 Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan for Brian Goldner.

10.5 Form of 2018 Restricted Stock Unit Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan. (Applicable for John Frascotti, Deb Thomas, Steve Davis and Wiebe Tinga.).

10.6 Form of 2018 Non-Competition, Non-Solicitation and Confidentiality Agreement. (Applicable for John Frascotti, Deb Thomas and Wiebe Tinga.)

31.1 Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.

31.2 Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.

32.1* Certification of the Chief Executive Officer Pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934.

32.2* Certification of the Chief Financial Officer Pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934.

101.INS XBRL Instance Document

101.SCH XBRL Taxonomy Extension Schema Document

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB XBRL Taxonomy Extension Labels Linkbase Document

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document

* Furnished herewith.

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: May 2, 2018

By: /s/ Deborah Thomas
Deborah Thomas

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

Exhibit 31.1

CERTIFICATION

I, Brian Goldner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hasbro, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2018

/s/ Brian Goldner
Brian Goldner
Chairman and Chief
Executive Officer

Exhibit 31.2

CERTIFICATION

I, Deborah Thomas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hasbro, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2018

/s/ Deborah Thomas
Deborah Thomas
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Executive Officer of Hasbro, Inc., a Rhode Island corporation (the “Company”), does hereby certify that to the best of the undersigned’s knowledge:

1) the Company’s Quarterly Report on Form 10-Q for the quarter ended April 1, 2018, as filed with the Securities and Exchange Commission (the “10-Q Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Company's 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brian Goldner
Brian Goldner
Chairman and Chief Executive Officer of Hasbro, Inc.

Dated: May 2, 2018

A signed original of this written statement required by Section 906 has been provided to Hasbro, Inc. and will be retained by Hasbro, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Financial Officer of Hasbro, Inc., a Rhode Island corporation (the “Company”), does hereby certify that to the best of the undersigned’s knowledge:

1) the Company’s Quarterly Report on Form 10-Q for the quarter ended April 1, 2018, as filed with the Securities and Exchange Commission (the “10-Q Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Company's 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Deborah Thomas
Deborah Thomas
Executive Vice President and Chief Financial Officer of Hasbro, Inc.

Dated: May 2, 2018

A signed original of this written statement required by Section 906 has been provided to Hasbro, Inc. and will be retained by Hasbro, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 10.1

HASBRO, INC.

RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN

STOCK OPTION AGREEMENT FOR EMPLOYEES

________________, 2018 GRANT

AGREEMENT, made effective as of ________, 2018, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated option grant recipient (the "Optionee").

WHEREAS, Optionee is an employee of the Company or of a direct or indirect subsidiary of the Company and is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, contingent upon and in consideration for the Optionee having executed and delivered to the Company's designated contact no later than ___________, 2018 a Non-Competition, Non-Solicitation and Confidentiality Agreement between the Optionee and the Company in the form provided to the Optionee by the Company, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") acting in accordance with the provisions of the Plan is granting to Optionee a non-qualified stock option to purchase the specified number of shares of Common Stock of the Company, par value $.50 per share (the "Common Stock"), at a price determined by said Committee to be not less than the fair market value of such Common Stock on the date of said grant, subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto agree as follows:

W I T N E S S E T H:

1. Contingent upon and in consideration for the Optionee having executed and delivered to the Company's designated contact no later than __________, 2018 a Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Non-Compete Agreement") between the Optionee and the Company in the form provided to the Optionee by the Company, the Company hereby grants to the Optionee effective on ___________, 2018, pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of

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which are incorporated herein as if set forth in full, a stock option to purchase all or any part of the number of shares of Common Stock (the "Shares"), described in Paragraph 3 below (the "Option"), subject to and upon the terms and conditions set forth in the Plan and the Non-Compete Agreement and the additional terms and conditions hereinafter set forth. The Option 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. For the avoidance of doubt, if the Optionee has not executed and delivered to the Company's designated contact the Non-Compete Agreement on or before ____________, 2018 the Option represented by this Agreement will never take effect and will be null and void. [**The form of agreement for Mr. Davis does not include the non-compete language, as he is based in California.]**

2. By accepting this award the Optionee hereby acknowledges and agrees that (i) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Option, which would not have been granted to the Optionee otherwise. Additionally, the Optionee acknowledges and agrees that if the Optionee is or becomes subject to the Hasbro, Inc. Executive Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this award and any shares that the Optionee may acquire in the future pursuant to this award, as well as any other equity-based incentive compensation the Optionee is granted after the Optionee becomes subject to the Stock Ownership Policy, the Optionee agrees that the Optionee will be subject to the terms of the Stock Ownership Policy, including without

limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Optionee’s applicable requirement levels are met.

3. This Agreement relates to an Option to purchase the specified number of shares which have been communicated to the Optionee at an exercise price of $[________] per share (the "Exercise Price Per Share"). (Hereinafter, the term "Exercise Price" shall mean the Exercise Price Per Share multiplied by the number of shares being exercised.) Subject to the provisions of the Plan and of this Agreement, the Optionee shall be entitled to exercise the Option on a cumulative basis until the day preceding the seventh anniversary of the date of the grant in accordance with the following schedule:

Period	Cumulative Percent of Option Exercisable
_________ ___, 2018 to _________ ___, 2019	0%
_________ ___, 2019 to _________ ___, 2020	33 1/3%
_________ ___, 2020 to _________ ___, 2021	66 2/3%
_________ ___, 2021 to _________ ___, 2025	100%

In determining the number of shares exercisable in accordance with the above table, fractional shares shall be disregarded.

4. In the event that Optionee wishes to purchase any of the shares then purchasable under the Option as provided in Paragraph 3 hereof, Optionee shall deliver or shall transmit to the Company or to the Company’s designee, in the manner designated by or on behalf of the Company, a notice in the form and/or in the manner designated by or on behalf of the Company or its designee, as the same may be amended or supplemented from time to time by or on behalf the Company, together with a check payable to Hasbro, Inc. or its designee, if applicable, (or accompanied by wire transfer to such account of the Company or its designee as the Company may designate) in United States dollars, in the aggregate amount of the Exercise Price, or shares of Common Stock held by the Optionee for at least six (6) months (duly endorsed to the Company or its designee, if applicable, or accompanied by an executed stock power, in each case with signatures guaranteed by a bank or broker if required by the Company or its designee) having a Fair Market Value (as defined in the Plan) equal to the Exercise Price,

or a combination of such shares having a Fair Market Value less than the Exercise Price and a check in United States dollars for the balance of the Exercise Price.

Unless an Optionee shall have made advance alternative arrangements satisfactory to the Company, or to the Company's designee, each Optionee shall deliver to the Company or its designee, together with the required notice of exercise and payment of the Exercise Price as aforesaid, a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee, if applicable, 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 such exercise. Each Optionee shall consult with the Company or the Company's designee in advance of the exercise so as to determine the amount of withholding taxes due. An Optionee may also elect to satisfy any withholding taxes payable as a result of such exercise (the "Taxes"), in whole or in part, either (i) by having the Company or its designee withhold from the shares of Common Stock to be issued upon exercise of the Option or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Optionee and held by the Optionee 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 or its designee), in each case in an amount whose Fair Market Value on the date of exercise is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of exercise.

In addition, the Optionee shall comply with such other requirements and provide such additional information and documentation as is reasonably required by the Company, or the Company's designee, to process any exercise of this option and resulting delivery of shares. As soon as practicable after receipt of the notice of exercise, Exercise Price, Taxes, and such other information and documentation as the Company or its designee shall require, the Company or its designee shall deliver or cause to be delivered to Optionee the shares in respect of which the Option was so exercised (less any shares deducted to pay Taxes in accordance with Optionee's election).

5. (a) If an Optionee who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at his or her Normal Retirement Date (as defined below), or an Optionee with at least one year of Credited Service of the Company suffers a permanent physical or mental disability (as defined below) or dies, in each case without the Optionee having fully exercised any Option granted to the Optionee, then the Optionee, the executor, administrator or trustee of the Optionee's estate, or the Optionee's legal representative, as the case may be, shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after such retirement, such disability, or in the case of death, the appointment and qualification of such executor, administrator or trustee (except that in no event other than death may such Option be exercised later than the day preceding the seventh anniversary of the date of the grant of such Option). In each such case, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such retirement, disability or death. Thereafter, such Option, to the extent not so exercised during such one-year period shall be deemed to have expired regardless of the expiration date otherwise specified in Section 2 hereof.

(b) If an Optionee who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at an Early Retirement Date (as defined below), without the Optionee having fully exercised any Option granted to him or her, the Optionee shall have the right to exercise the unexercised portion of any Option theretofore granted, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement, for a period of not more than three (3) months after the date of early retirement (but in no event shall the exercise period extend beyond the day preceding the seventh anniversary of the date of grant of the Option). Thereafter, the Option, to the extent not exercised during such three-month period shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

(c) If an Optionee ceases to be employed by the Company or by a direct or indirect subsidiary of the Company for any reason other than the reasons set forth in subsections (a), (b) and (d) of this Section 5, he or she shall have the right to exercise the unexercised portion of any Option theretofore granted to Optionee, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of termination, for a period of not more than three (3) months after any such termination (but not, in any event, later than the day preceding the seventh anniversary date of the grant of such Option). Thereafter, such Option, to the extent not so exercised during such three-month period, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

For purposes of subsections (a) and (b) above:

* A year of "Credited Service" shall mean a calendar year in which the Optionee is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a subsidiary of the Company. A Optionee does not need to be, or have been, a participant in the Hasbro Pension Plan.
* "Early Retirement Date" shall mean: the day on which an Optionee 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. An Optionee 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 Optionee at the Early Retirement Date.
* "Normal Retirement Date" shall mean: the day on which an Optionee who has attained age sixty-five (65) with five (5) or more years of Credited Service, retires. An Optionee is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Optionee'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 Optionee at the Normal Retirement Date.
* "permanent physical or mental disability" shall mean: an Optionee's inability to perform his or her job or any position which the Optionee 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.

(d) Notwithstanding the foregoing, the Optionee acknowledges and agrees that this Option, and any and all rights the Optionee may have hereunder, including any rights with respect to any portion of this Option which may have vested in accordance with the Schedule set forth in Section 3 above, shall terminate immediately upon a termination of the Optionee’s employment with the Company for cause or for any such other reason that casts such discredit on the Optionee as to make termination of the Option appropriate. Whether an Optionee has been terminated for cause or for such other reason that casts such discredit on the Optionee as to make termination of the Option appropriate will be determined by the Administrator in its sole discretion, and in making this determination the Administrator will not be limited by any definition of “Cause” which appears in the Plan. The Optionee’s agreement to the terms in this Section 5(d) are a material condition to the grant of this Option and this Option would not be granted to the Optionee if the Optionee did not agree to such terms.

6. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Option.

7. This Option shall not be transferable by the Optionee, in whole or in part, except in accordance with Section 7 of the Plan, and shall be exercisable only as hereinbefore provided. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Option 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 Option or any interest therein, shall be null and void and without effect.

8. 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 Optionee, Optionee's successors and permitted assigns, and the Company and its successors and assigns.

9. In connection with a Change in Control the Option will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company’s shareholders through the date of such Change in Control.

10. 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 Optionee have entered into this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company’s designee, the Optionee hereby agrees to the terms of this Agreement with the same effect as if the Optionee had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner
Brian Goldner
Chairman and Chief Executive Officer

By: ___________________________
Optionee

Exhibit 10.2

HASBRO, INC.

RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN

STOCK OPTION AGREEMENT FOR EMPLOYEES

FEBRUARY 20, 2018 GRANT

BRIAN GOLDNER

AGREEMENT, made effective as of ___________, 2018, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated option grant recipient (the "Optionee").

WHEREAS, Optionee is an employee of the Company or of a direct or indirect subsidiary of the Company and is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") acting in accordance with the provisions of the Plan is granting to Optionee a non-qualified stock option to purchase the specified number of shares of Common Stock of the Company, par value $.50 per share (the "Common Stock"), at a price determined by said Committee to be not less than the fair market value of such Common Stock on the date of said grant, subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth.

NOW, THEREFORE, in consideration of the 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 hereby grants to the Optionee effective on _____________, 2018, pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of which are incorporated herein as if set forth in full, a stock option to purchase all or any part of the number of shares of Common Stock (the "Shares"), described in Paragraph 3 below (the "Option"), subject to and upon the terms and conditions set forth in the Plan and the additional terms and conditions hereinafter set forth. The Option 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, provided that to the extent the provisions of the Plan or this Agreement are inconsistent with the terms of the Amended Employment

Agreement (as defined below), the provisions of the Amended Employment Agreement shall govern. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

2. By accepting this award the Optionee hereby acknowledges and agrees that (i) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Option, which would not have been granted to the Optionee otherwise. Additionally, the Optionee acknowledges and agrees that if the Optionee is or becomes subject to the Hasbro, Inc. Executive Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this award and any shares that the Optionee may acquire in the future pursuant to this award, as well as any other equity-based incentive compensation the Optionee is granted after the Optionee becomes subject to the Stock Ownership Policy, the Optionee agrees that the Optionee will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Optionee's applicable requirement levels are met.

3. This Agreement relates to an Option to purchase the specified number of shares which have been communicated to the Optionee at an exercise price of $_____ per share (the "Exercise Price Per Share"). (Hereinafter, the term "Exercise Price" shall mean the Exercise Price Per Share multiplied by the number of shares being exercised.) Subject to the provisions of the Plan and of this Agreement, the Optionee shall be entitled to exercise the Option on a

cumulative basis until the day preceding the seventh anniversary of the date of the grant in accordance with the following schedule:

Period	Cumulative Percent of Option Exercisable
________ ___ to ________ ___	0%
________ ___ to ________ ___	33 1/3%
________ ___ to ________ ___	66 2/3%
________ ___ to ________ ___	100%

In determining the number of shares exercisable in accordance with the above table, fractional shares shall be disregarded.

4. In the event that Optionee wishes to purchase any of the shares then purchasable under the Option as provided in Paragraph 3 hereof, Optionee shall deliver or shall transmit to the Company or to the Company's designee, in the manner designated by or on behalf of the Company, a notice in the form and/or in the manner designated by or on behalf of the Company or its designee, as the same may be amended or supplemented from time to time by or on behalf the Company, together with a check payable to Hasbro, Inc. or its designee, if applicable, (or accompanied by wire transfer to such account of the Company or its designee as the Company may designate) in United States dollars, in the aggregate amount of the Exercise Price, or shares of Common Stock held by the Optionee for at least six (6) months (duly endorsed to the Company or its designee, if applicable, or accompanied by an executed stock power, in each case with signatures guaranteed by a bank or broker if required by the Company or its designee) having a Fair Market Value (as defined in the Plan) equal to the Exercise Price, or a combination of such shares having a Fair Market Value less than the Exercise Price and a check in United States dollars for the balance of the Exercise Price.

Unless an Optionee shall have made advance alternative arrangements satisfactory to the Company, or to the Company's designee, each Optionee shall deliver to the Company or its designee, together with the required notice of exercise and payment of the Exercise Price as aforesaid, a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee, if applicable, 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 such exercise. Each Optionee shall consult with the Company or the Company's designee in advance of the exercise so as to determine the amount of withholding taxes due. An Optionee may also elect to satisfy any withholding taxes payable as a result of such exercise (the "Taxes"), in whole or in part, either (i) by having the Company or its designee withhold from the shares of Common Stock to be issued upon exercise of the Option or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Optionee and held by the Optionee 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 or its designee), in each case in an amount whose Fair Market Value on the date of exercise is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of exercise.

In addition, the Optionee shall comply with such other requirements and provide such additional information and documentation as is reasonably required by the Company, or the Company's designee, to process any exercise of this option and resulting delivery of shares. As soon as practicable after receipt of the notice of exercise, Exercise Price, Taxes, and such other information and documentation as the Company or its designee shall require, the Company or its designee shall deliver or cause to be delivered to Optionee the shares in respect of which the Option was so exercised (less any shares deducted to pay Taxes in accordance with Optionee's election).

5. (a) If the Optionee retires at his Normal Retirement Date (as defined below), or the Optionee suffers a Disability (as defined below) or dies, in each case without the Optionee having fully exercised the Option granted to the Optionee, then the Optionee, the executor, administrator or trustee of the Optionee's estate, or the Optionee's legal representative, as the case may be, shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after such retirement, such Disability, or in the case of death, the appointment and qualification of such executor, administrator or trustee (except that in no event other than death may such Option be exercised later than the day preceding the seventh anniversary of the

date of the grant of such Option). In each such case, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such retirement, Disability or death. Thereafter, such Option, to the extent not so exercised during such one-year period shall be deemed to have expired regardless of the expiration date otherwise specified in Section 2 hereof.

(b) If the Optionee's employment with the Company is either (i) terminated by the Optionee for Good Reason (as defined below), or (ii) terminated by the Company without Cause (as defined below), without the Optionee having fully exercised the Option granted to the Optionee, then, upon the Release becoming effective, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such termination of employment, and the Optionee shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after the date of such termination of employment (except that in no event may such Option be exercised later than the day preceding the seventh anniversary of the date of the grant of such Option). Thereafter, such Option, to the extent not so exercised during such one-year period, shall be deemed to have expired regardless of the expiration date otherwise specified in Section 3 hereof. For the avoidance of doubt, if the Optionee's employment with the Company is either (i) terminated by the Optionee for Good Reason, or (ii) terminated by the Company without Cause, without the Optionee having fully exercised the Option granted to the Optionee, and the Release does not become effective, then the Option will be treated in accordance with the provisions of Section 4(d) below.

(c) If the Optionee retires at an Early Retirement Date (as defined below), without the Optionee having fully exercised any Option granted to him, the Optionee shall have the right to exercise the unexercised portion of any Option theretofore granted, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement, for a period of not more than three (3) months after the date of early retirement (but in no event shall the exercise period extend beyond the day preceding the seventh anniversary of the date of grant of the Option). Thereafter, the Option, to the extent not exercised during such three-month period, or such longer period as may have been approved by the Committee, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

(d) If the Optionee ceases to be employed by the Company or by a direct or indirect subsidiary of the Company for any reason other than the reasons set forth in subsections (a), (b) and (c) of this Section 5, he shall have the right to exercise the unexercised portion of any Option theretofore granted to Optionee, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of termination, for a period of not more than three (3) months after any such termination, but not, in any event, later than the day preceding the seventh anniversary date of the grant of such Option. Thereafter, such Option, to the extent not so exercised during such three-month period, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

For purposes of subsections (a), (b) and (c) above:

* "Amended Employment Agreement" shall mean the Amended and Restated Employment Agreement between the Optionee and the Company, dated October 4, 2012, as such agreement may be amended from time to time.

* "Cause" shall have the meaning set forth in the Amended Employment Agreement.

* "Credited Service" shall mean a calendar year in which the Optionee is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or a subsidiary of the Company.

* "Disability" shall have the meaning set forth in the Amended Employment Agreement.

* “Early Retirement Date” shall mean: the day on which the Optionee retires after attaining age fifty-five (55), but not age sixty-five (65), with ten (l0) or more years of Credited Service. The Optionee 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 Optionee at the Early Retirement Date.

* “Good Reason” shall have the meaning set forth in the Amended Employment Agreement.

* “Normal Retirement Date“ shall mean: the day on which the Optionee retires after attaining age sixty-five (65) with five (5) or more years of Credited Service. The Optionee is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Optionee'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 Optionee at the Normal Retirement Date.

* “Release” shall have the meaning set forth in the Amended Employment Agreement.

6. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Option.

7. This Option shall not be transferable by the Optionee, in whole or in part, except in accordance with Section 7 of the Plan, and shall be exercisable only as hereinbefore provided. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Option 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 Option or any interest therein, shall be null and void and without effect.

8. 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 Optionee, Optionee's successors and permitted assigns, and the Company and its successors and assigns.

9. In connection with a Change in Control the Option will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company's shareholders through the date of such Change in Control.

10. 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 Optionee have entered into this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Optionee hereby agrees to the terms of this Agreement with the same effect as if the Optionee had signed this Agreement.

HASBRO, INC.

By: /s/Deborah Thomas
Deborah Thomas
Executive Vice President and
Chief Financial Officer

By: ___________________________
Brian D. Goldner

Exhibit 10.3

HASBRO, INC.

RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN

CONTINGENT STOCK PERFORMANCE AWARD

(THREE PERFORMANCE METRICS ______________)

___________, 2018 GRANT

AGREEMENT, made effective as of _____________, 2018, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated contingent stock performance award recipient (the "Participant").

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

WHEREAS, contingent upon and in consideration for the Participant having executed and delivered to the Company's designated contact no later than _____________, 2018 a Non-Competition, Non-Solicitation and Confidentiality Agreement between the Participant and the Company in the form provided to the Participant by the Company, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), acting in accordance with the provisions of the Plan, is granting to Participant a contingent stock performance award dated _____________, 2018 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"), cumulative net revenue ("Revenues") and average return on invested capital ("ROIC") performance targets over the period beginning on January 1, 2018 and ending on December 27, 2020 (the "Performance Period"), subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth. For purposes of this Agreement average ROIC shall be computed as Net Income divided by the sum of Short-Term Debt plus Long Term Debt plus Shareholder's Equity, averaged over the three fiscal years in the Performance Period.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the parties hereto agree as follows:

<u>W I T N E S S E T H</u>:

1. Contingent upon and in consideration for the Participant having executed and delivered to the Company's designated contact no later than _____________, 2018 a Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Non-Compete Agreement") between the Participant and the Company in the form provided to the Participant by the Company, the Company hereby grants to the Participant effective on ______________, 2018, and pursuant to the Plan, a copy of which is attached hereto as <u>Appendix A</u> and the provisions of which are incorporated herein as if set forth in full, a contingent stock performance award (the "Award") subject to and upon the terms and conditions set forth in the Plan and in the Non-Compete Agreement 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. For the avoidance of doubt, if the Participant has not executed and delivered to the Company's designated contact the Non-Compete Agreement on or before _____________, 2018, the Award represented by this Agreement will never take effect and will be null and void. [**Mr. Davis' grant agreement does not contain the language with respect to a non-compete, as he is based in California**.]

2. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been granted to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership

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Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the “Stock Ownership Policy”), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant’s applicable requirement levels are met.

3. 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 cumulative EPS and Revenues and average ROIC targets over the Performance Period. The cumulative EPS, cumulative Revenues and ROIC targets for the Performance Period are set forth below:

EPS	$[___________]
Revenues	$[___________]
Average ROIC	[___________]%

The threshold and maximum levels for cumulative EPS and Revenues and average ROIC contributing to shares being earned under this Award are set forth on Exhibit A to this Agreement. 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 cumulative EPS and Revenues and average ROIC over the Performance Period. The Committee will certify the Company’s cumulative EPS, Revenues and average ROIC 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.

4. For purposes of this Award, the Company’s EPS, Revenues and average ROIC 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) they 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, individually or in the aggregate, in any fiscal year during the Performance Period, (ii) they will exclude the impact of any acquisitions (whether paid for in cash, shares of the Company's stock, other property, or any combination thereof) or dispositions, including the impact of compensation expense associated with the transaction, consummated by the Company during the Performance Period which have, individually or in the aggregate, 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) they will be calculated excluding the impact of any major discrete restructuring activities, including pension termination or settlement, 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, individually, in any fiscal year during the Performance Period, (iv) they will be calculated excluding the impact of any payments made or entered into in connection with new license amendments or license extensions, or other contractual arrangements or contract amendments entered into after the date the goals are set, which were not contemplated in the Company's budget and operating plan used for purposes of determining the performance goals, and which individually exceed $50,000,000 during any plan year, (v) they will be calculated excluding the impact of any judgments, fines, penalties or expenses associated with litigations, arbitrations, or regulatory matters, or settlements of ongoing or potential disputes or regulatory matters, which individually exceed $50,000,000 in any given year, (vi) for EPS and Revenues, they will be calculated based on actual results translated at exchange rates established at the beginning of the Performance Period, (vii) ____, (viii) they will exclude unanticipated one-time operational or tax costs associated with any changes to the US tax code, including tax changes that became effective in December 2017 and for which guidance was not available or not clear at the time the performance metrics were established, that would impact cash flow, operating profit and/or tax expenses by more than $25,000,000, (ix) they will exclude the impact of any significant unanticipated payments outside of the normal course of business of $50,000,000 or more individually, related to repatriated international cash (i.e. major share repurchases, special dividends, etc.) and (x) ____________________________.

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5. 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 cumulative EPS and Revenue and average ROIC measures over the Performance Period is the specified number of shares communicated to the Participant (the "Target Shares"). The tables appearing on <u>Exhibit A</u> to this Agreement set 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, Revenues and average ROIC targets.

To compute the actual number of shares of Common Stock, if any, which may be earned by the Participant the respective cumulative EPS and Revenues and average ROIC performances of the Company, as certified by the Committee following completion of the Performance Period, are applied to the tables on <u>Exhibit A</u>. The appropriate boxes in the tables corresponding with the highest threshold achieved by the Company's actual cumulative EPS and Revenues and average ROIC 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 are earned by the Participant over the Performance Period due to the Company's performance in achieving those metrics. The Company's achievement against its EPS metric is weighted at 34% in determining the final shares earned by the Participant. The Company's achievement against its Revenues metric is weighted at 33%, and the Company's achievement against its average ROIC metric is also weighted at 33%.

By way of illustration, if the Company's cumulative Revenues over the Performance Period are at least $[___________] (but below $[___________]), the percentage of the Revenues target achieved is [___________]% and the percentage of the target number of contingent shares earned due to that performance is [___________]%. If the Company's cumulative EPS over the Performance Period is at least $[___________] (but less than $[___________]), the percentage of the EPS target achieved is [___________]%, and the percentage of the target number of contingent shares earned due to that EPS performance is [___________]%. If the Company's average ROIC over the Performance Period is at least [___________]% (but less than [___________]%), the percentage of the average ROIC target achieved is [___________]%, and the percentage of the target number of contingent shares earned due to that ROIC performance is [___________]%. In that case, the Participant would earn (.33*[___________]%) + (.34*[___________]%) + (.33*[___________]%), or [___________]% of the Target Shares of Common Stock subject to the Award. If the number of Target Shares of Common Stock subject to the Award was [___________] shares, the Participant would earn [___________] shares of Common Stock. If the number of shares earned is not a whole number, the Participant will earn the next highest whole number of shares.

6. Once the Company has determined the number of shares of Common Stock, if any, which have been earned by the Participant based on the cumulative EPS and Revenues and average ROIC performance of the Company, the Company or its designee will as promptly as possible thereafter, but in all events not later than the 15^{th} 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.

7. The Participant shall consult with the Company or its 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, and any such Participant's designation must be made by the Participant affirmatively to the Company, in the manner specified by the Company, and on or before the date selected by the Company. Each Participant who elects to pay withholding taxes in cash shall deliver to the Company or its designee, a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee, 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. Alternatively, a Participant may 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 or its designee 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 its designee 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 or its designee), 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 its designee, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of issuance. If the Participant fails to timely elect to pay the withholding taxes in some other manner pursuant to the preceding provisions, or otherwise does not timely remit payment of the required withholding taxes, then 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 or its designee 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 and any other materials or information reasonably required by the Company or its designee, the Company or its designee shall deliver or cause to be delivered to the Participant, using the method of delivery determined by the Company or its designee, the shares payable pursuant to the Award (less any shares deducted to pay Taxes).

8. 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.

9. (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 cumulative EPS and Revenues and average ROIC 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 Period. This pro-rated target award 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 or its designee 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 cumulative EPS and Revenues and average ROIC 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 became disabled and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares 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, 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 cumulative EPS and Revenues and average ROIC 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 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 9, including, without limitation, if the Participant's employment is terminated by the Company for cause or for such other reason that casts such discredit on the Participant as to make termination of the Participant's employment appropriate (cause or such other reasons being determined in the sole discretion of the Administrator and the Administrator not being limited to any definition of Cause in the Plan), 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:

* A year of "Credited Service" shall mean a calendar year in which the Participant is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a subsidiary of the Company. A Participant does not need to be, or have been, a participant in the Hasbro Pension 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.

10. 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 a termination of employment following a Change in

Control under the terms set forth in the Plan, (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 termination of employment following 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 termination of employment following a Change in Control.

11. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Award.

12. 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.

13. 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.

14. 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 entered this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: <u>/s/ Brian Goldner</u>

Brian Goldner
Chairman and Chief Executive Officer

By: _________________________
Participant

Exhibit 10.4

HASBRO, INC.

RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN

CONTINGENT STOCK PERFORMANCE AWARD

(THREE PERFORMANCE METRICS ____________________)

______________, 2018 GRANT

BRIAN GOLDNER

AGREEMENT, made effective as of ______________, 2018, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated contingent stock performance award recipient (the "Participant").

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

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), acting in accordance with the provisions of the Plan, is granting to Participant a contingent stock performance award dated ______________, 2018 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"), cumulative net revenue ("Revenues") and average return on invested capital ("ROIC") performance targets over the period beginning on January 1, 2018 and ending on December 27, 2020 (the "Performance Period"), subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth. For purposes of this Agreement average ROIC shall be computed as Net Income divided by the sum of Short-Term Debt plus Long Term Debt plus Shareholder's Equity, averaged over the three fiscal years in the Performance Period.

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 hereby grants to the Participant effective on ______________, 2018, and pursuant to the Plan, a copy of which is attached hereto as Appendix A and the

provisions of which are incorporated herein as if set forth in full, 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, provided that to the extent the provisions of the Plan or this Agreement are inconsistent with the terms of the Employment Agreement (as defined below), the provisions of the Employment Agreement shall govern. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

2. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been granted to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant's applicable requirement levels are met.

3. 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 cumulative EPS and Revenues and average ROIC targets over the Performance Period. The cumulative EPS, cumulative Revenues and ROIC targets for the Performance Period are set forth below:

EPS	$_____________
Revenues	$_____________
Average ROIC	_____________%

The threshold and maximum levels for cumulative EPS and Revenues and average ROIC contributing to shares being earned under this Award are set forth on Exhibit A to this Agreement. 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 cumulative EPS and Revenues and average ROIC over the Performance Period. The Committee will certify the Company’s cumulative EPS, Revenues and average ROIC 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.

4. For purposes of this Award, the Company’s EPS, Revenues and average ROIC 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) they 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, individually or in the aggregate, in any fiscal year during the Performance Period, (ii) they will exclude the impact of any acquisitions (whether paid for in cash, shares of the Company’s stock, other property, or any combination thereof) or dispositions, including the impact of compensation expense associated with the transaction, consummated by the Company during the Performance Period which have, individually or in the aggregate, 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) they will be

calculated excluding the impact of any major discrete restructuring activities, including pension termination or settlement, 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, individually, in any fiscal year during the Performance Period, (iv) they will be calculated excluding the impact of any payments made or entered into in connection with new license amendments or license extensions, or other contractual arrangements or contract amendments entered into after the date the goals are set, which were not contemplated in the Company's budget and operating plan used for purposes of determining the performance goals, and which individually exceed $50,000,000 during any plan year, (v) they will be calculated excluding the impact of any judgments, fines, penalties or expenses associated with litigations, arbitrations, or regulatory matters, or settlements of ongoing or potential disputes or regulatory matters, which individually exceed $50,000,000 in any given year, (vi) for EPS and Revenues, they will be calculated based on actual results translated at exchange rates established at the beginning of the Performance Period, (vii) ____, (viii) they will exclude unanticipated one-time operational or tax costs associated with any changes to the US tax code, including tax changes that became effective in December 2017 and for which guidance was not available or not clear at the time the performance metrics were established, that would impact cash flow, operating profit and/or tax expenses by more than $25,000,000, (ix) they will exclude the impact of any significant unanticipated payments outside of the normal course of business of $50,000,000 or more individually, related to repatriated international cash (i.e. major share repurchases, special dividends, etc.) and (x) _______________________________________.

5. 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 cumulative EPS and Revenue and average ROIC measures over the Performance Period is the specified number of shares communicated to the Participant (the "Target Shares"). The tables appearing on Exhibit A to this Agreement set 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, Revenues and average ROIC targets.

To compute the actual number of shares of Common Stock, if any, which may be earned by the Participant the respective cumulative EPS and Revenues and average ROIC performances of the Company, as certified by the Committee following completion of the Performance Period, are applied to the tables on Exhibit A. The appropriate boxes in the tables corresponding with the highest threshold achieved by the Company's actual cumulative EPS and Revenues and average ROIC 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 are earned by the Participant over the Performance Period due to the Company's performance in achieving those metrics. The Company's achievement against its EPS metric is weighted at 34% in determining the final shares earned by the Participant. The Company's achievement against its Revenues metric is weighted at 33%, and the Company's achievement against its average ROIC metric is also weighted at 33%. By way of illustration, if the Company's cumulative Revenues over the Performance Period are at least $______________ (but below $______________), the percentage of the Revenues target achieved is ______________% and the percentage of the target number of contingent shares earned due to that performance is ______________%. If the Company's cumulative EPS over the Performance Period is at least $______________ (but less than $______________), the percentage of the EPS target achieved is ______________%, and the percentage of the target number of contingent shares earned due to that EPS performance is ______________%. If the Company's average ROIC over the Performance Period is at least ______________% (but less than ______________%), the percentage of the average ROIC target achieved is ______________%, and the percentage of the target number of contingent shares earned due to that ROIC performance is ______________%. In that case, the Participant would earn (.33*______________%) + (.34*______________%) + (.33*______________%), or ______________% of the Target Shares of Common Stock subject to the Award. If the number of Target Shares of Common Stock subject to the Award was ______________ shares, the Participant would earn ______________ shares of Common Stock. If the number of shares earned is not a whole number, the Participant will earn the next highest whole number of shares.

6. Once the Company has determined the number of shares of Common Stock, if any, which have been earned by the Participant based on the cumulative EPS and Revenues and

average ROIC performance of the Company, the Company or its designee 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.

7. The Participant shall consult with the Company or its designee <u>in advance</u> 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, and any such Participant's designation must be made by the Participant affirmatively to the Company, in the manner specified by the Company, and on or before the date selected by the Company. Each Participant who elects to pay withholding taxes in cash shall deliver to the Company or its designee, a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee, 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. Alternatively, a Participant may 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 or its designee 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 its designee 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 or its designee), 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 its designee, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of

issuance. If the Participant fails to timely elect to pay the withholding taxes in some other manner pursuant to the preceding provisions, or otherwise does not timely remit payment of the required withholding taxes, then 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 or its designee 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 and any other materials or information reasonably required by the Company or its designee, the Company or its designee shall deliver or cause to be delivered to the Participant, using the method of delivery determined by the Company or its designee, the shares payable pursuant to the Award (less any shares deducted to pay Taxes).

8. 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.

9. (a) If the Participant's employment is terminated by death or because of Disability (as defined in the Amended and Restated Employment Agreement, dated October 4, 2012, between the Participant and the Company, as such agreement may be amended from time to time (hereafter referred to as the "Amended Employment Agreement")), 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 upon the Company's performance against its cumulative EPS and Revenues and average ROIC targets, all over the Performance Period. That actual number of shares of

Common Stock earned over the full Performance Period will then be issuable to the Participant in the same manner as shares are issued to other participants.

(b) If the Participant's employment is terminated at the election of the Company (or its successor, in the event there has been a Change in Control) without Cause or at the election of the Participant with Good Reason (as the terms Cause, Good Reason and Change in Control are defined in the Amended Employment Agreement, it being understood the Amended Employment Agreement provides different definitions of Cause and Good Reason based upon whether the termination occurs within three (3) years following a Change in Control, or occurs outside such a window), and provided Participant executes a full and complete Release (as defined in the Amended Employment Agreement) which becomes effective, all in accordance with the Amended Employment Agreement, 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 upon the Company's performance against its cumulative EPS and Revenues and average ROIC targets, all over the Performance Period. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period, if any, 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's employment was terminated and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other participants.

(c) If the Participant retires from employment with the Company 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 cumulative EPS and Revenues and average ROIC 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 will then be issuable to the Participant in the same manner as shares are issued to other Participants.

(d) If the Participant's employment is terminated by the Company for Cause (as defined in the Amended Employment Agreement), then the Award will be forfeited and become null and void and the Participant will not have any further rights under the Award, including, without limitation, any rights to receive shares of Common Stock.

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 entered this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Deborah Thomas
Deborah Thomas
Executive Vice President and
Chief Financial Officer

By: ___________________________
Brian D. Goldner

Exhibit 10.5

RESTRICTED STOCK UNIT AGREEMENT
(WITH NON-COMPETE)
_______________ GRANT

THIS AGREEMENT, entered into effective as of the Grant Date (as defined in paragraph 1), is made by and between the Participant (as defined in paragraph 1) and Hasbro, Inc. (the "Company").

WHEREAS, the Company maintains the Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), a copy of which is annexed hereto as Exhibit A and the provisions of which are incorporated herein as if set forth in full, and the Participant has been selected by the Compensation Committee of the Board of Directors of the Company (the "Committee"), which administers the Plan, to receive an award of restricted stock units under the Plan;

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. Terms of Award. The following terms used in this Agreement shall have the meanings set forth in this paragraph 1:

A. The "Participant" is the designated restricted stock unit award recipient.

B. The "Grant Date" is _____________, 2018.

C. The "Vesting Period" is the period beginning on the Grant Date and ending on _____________, with the Participant becoming vested, subject to the terms of this Agreement, in one-third (33 1/3%) of the Stock Units and the Stock Unit Account on each of _____________, _____________ and _____________ (each of such dates referred to hereafter as an "Annual Vesting Date").

D. Stock Units are notional shares of the Company's common stock, par value $.50 per share ("Common Stock") granted under this Agreement and subject to the terms of this Agreement and the Plan.

E. Contingent upon and in consideration for the Participant having executed and delivered to the Company's designated contact no later than _____________, 2018 a Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Non-Compete Agreement") between the Participant and the Company in the form provided to the Participant by the Company, the Company hereby grants to the Participant effective on the Grant Date, pursuant to the Plan, the Stock Units. For the avoidance of doubt, if the Participant has not executed and delivered to the Company's designated contact the Non-Compete Agreement on or before _____________, 2018, the grant of the Stock Units represented by this Agreement will never take effect and will be null and void. [**The grant agreement for Mr. Davis does not contain the non-compete language as he is based in California**.]

F. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, and any proceeds from selling any such shares of Common Stock, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Award, and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, and any proceeds from selling any such shares of Common Stock, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been made to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant's applicable requirement levels are met.

G. For record-keeping purposes only, the Company shall maintain an account with respect to this restricted stock unit award (a "Stock Unit Account") for the Participant where Stock Units related to this award shall be accumulated and accounted for by the Company. Without limiting the provisions of Section 8(b) of the Plan, in the event the Company pays a stock dividend or reclassifies or divides or combines its outstanding Common Stock then an appropriate adjustment shall be made in the number of Stock Units held in the Stock Unit Account. The Stock Unit Account will reflect notional fractional shares of Common Stock to the nearest hundredth of a share on a one Stock Unit for one share of Common Stock basis.

Other terms used in this Agreement are defined pursuant to paragraph 7 or elsewhere in this Agreement.

2. Award. The Participant is hereby granted the number of Stock Units set forth in paragraph 1.

3. No Dividends and No Voting Rights. The Participant shall not be entitled to any (i) dividends, other than stock dividends (which will be reflected in an adjustment to the number of Units), or (ii) voting rights with respect to the Stock Units or the Stock Unit Account.

4. Vesting and Forfeiture of Units. Subject to earlier vesting (either in whole or in part as applicable) only in the situations and under the terms which are explicitly provided for in the following paragraphs, on each Annual Vesting Date the Participant shall become vested in the

portion of the Stock Units and Stock Unit Account subject to this Agreement that is specified in Section 1.C. of this Agreement, provided that the Participant has remained employed and remains employed with the Company through and including the last day of the period ending on the applicable Annual Vesting Date.

A. If a Change in Control (as defined below), occurs prior to the end of the Vesting Period, then in connection with such Change in Control the Stock Units will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company's shareholders through the date of such Change in Control.

B. The Participant shall otherwise become vested in a pro-rata portion of any then unvested Stock Units and Stock Unit Account subject to this Agreement as of the Participant's Date of Termination prior to the end of the Vesting Period, but only if the Participant's Date of Termination occurs by reason of either (i) the Participant's retirement at his or her Normal Retirement Date (as defined below) or Early Retirement Date (as defined below), or (ii) for a Participant who has at least one year of Credited Service (as defined below), the Participant's death or Participant's suffering a Permanent Physical or Mental Disability (as defined below). In the case of a Termination of Employment covered by this paragraph 4.B., the Participant will become entitled, as of the date of the Termination of Employment, to a portion of any then unvested Stock Units and Stock Unit Account subject to this Agreement, which portion is computed by multiplying the full number of any then unvested Stock Units subject to this Agreement by a fraction, the numerator of which is the number of days in the remaining Vesting Period after the most recent Annual Vesting Date that has been achieved, if any (i.e. the number of days elapsed since the Grant Date or any later Annual Vesting Date that has occurred) which have already elapsed as of the day of the Participant's Termination of Employment, inclusive of the actual day on which there is a Termination of Employment, and the denominator of which is the total number of days in the Vesting Period remaining since either the Grant Date or any later Annual Vesting Date that has occurred. The Participant will forfeit that portion of the Stock Unit Account which has not vested in accordance with the foregoing provision.

C. If the Participant's Date of Termination occurs prior to the end of the Vesting Period for any reason other than the reasons set forth in the preceding Section 4.B., including, without limitation, if the Participant's employment is terminated by the Company for cause or for such other reason that casts such discredit on the Participant as to make termination of the Participant's employment appropriate (cause or such other reasons being determined in the sole discretion of the Administrator and the Administrator not being limited to any definition of Cause in the Plan), then the remaining award of Stock Units pursuant to this Agreement shall be forfeited and terminate effective as of such Date of Termination, and the Participant shall not be entitled to any further stock pursuant to this award or any other benefits of this award.

D. The Stock Units and the Stock Unit Account may not be sold, assigned, transferred, pledged or otherwise encumbered, except to the extent otherwise provided by either the terms of the Plan or by the Committee.

5. Settlement in Shares of Common Stock. Provided that a portion of the Participant's interest in the Stock Units and the Stock Unit Account has vested in accordance with the

provisions of Section 4 above, the Participant's Stock Unit Account, or applicable portion thereof, shall be converted into actual shares of Common Stock upon the date of such vesting. Such conversion: (i) if it occurs in connection with a termination of the Participant's employment following a Change in Control under the conditions set forth in the Plan, will occur upon the Date of Termination, (ii) will occur upon the Date of Termination, in the case that Section 4.B. is applicable, or (iii) will occur on the applicable Annual Vesting Date, in the case that the Participant has remained employed through the end of the applicable Annual Vesting Date. The conversion will occur on the basis of one share of Common Stock for every one Stock Unit which vests. Such shares of Common Stock shall be registered in the name of the Participant effective as of the date of conversion and delivered to the Participant within a reasonable time thereafter in the manner determined by the Company in the Company's election, which may be by electronic delivery of such shares of Common Stock to an account of the Participant or in such other manner as designated by the Company, subject to any different treatment called for or allowed by the terms of the Plan relating to a Change in Control. To the extent that there are notional fractional shares of Common Stock in a Stock Unit Account which have vested upon settlement, such notional fractional shares shall be rounded to the nearest whole share in determining the number of shares of Common Stock to be received upon conversion.

6. Income Taxes. The Participant shall pay to the Company promptly upon request, and in any event at the time the Participant recognizes taxable income in respect of the shares of Common Stock received by the Participant upon the conversion of all or a portion of the Participant's Stock Unit Account, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to such shares of Common Stock. Such payment shall be made in the form of cash, the delivery of shares of Common Stock already owned or by withholding such number of actual shares otherwise deliverable pursuant to this Agreement as is equal to the withholding tax due, or in a combination of such methods. In the event that the Participant does not affirmatively instruct the Company ahead of the applicable vesting date that he or she wishes to pay withholding taxes in another manner specified above, the Company shall withhold shares from the settlement of the Award.

7. Definitions. For purposes of this Agreement, the terms used in this Agreement shall be subject to the following:

A. Change in Control. The term "Change in Control" shall have the meaning ascribed to it in the Plan.

B. Credited Service. A year of "Credited Service" shall mean a calendar year in which the Participant is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a Subsidiary of the Company. A Participant does not need to be, or have been, a participant in the Hasbro Pension Plan.

C. Date of Termination. The Participant's "Date of Termination" shall be the first day occurring on or after the Grant Date on which the Participant is not employed (a "Termination of Employment") by the Company or any entity directly or indirectly controlled by the Company (a "Subsidiary"), regardless of the reason for the termination of employment; provided that a termination of employment shall not be deemed to occur by reason of a transfer of the Participant between the Company and a Subsidiary or between two Subsidiaries; and further provided that the Participant's employment shall not be considered terminated while the Participant is on a leave of absence from the Company or a Subsidiary approved by the Participant's employer. If, as a result of a sale or other transaction, the Participant's employer ceases to be a Subsidiary (and the Participant's employer is or becomes an entity that is separate from the Company), the occurrence of such transaction shall be treated as the Participant's Date of Termination caused by the Participant being discharged by the employer.

D. Early Retirement Date. The term "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.

E. Normal Retirement Date. The term "Normal Retirement Date" shall mean the day on which a Participant who has attained age sixty-five (65), with five (5) 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) years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Participant at the Normal Retirement Date.

F. Permanent Physical or Mental Disability. The term "Permanent Physical or Mental Disability" shall mean the Participant's inability to perform his or her job or any position which the Participant can 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.

G. Plan Definitions. Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.

8. Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, including upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business, and the Participant and the successors and permitted assigns of the Participant, including but not limited to, the estate of the Participant and the executor, administrator or trustee of such estate, and the guardian or legal representative of the Participant.

9. Administration. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Committee and any decision made by it with respect to the Agreement is final and binding.

10. Plan Governs. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan.

11. No Employment Contract. The Participant acknowledges that this Agreement does not constitute a contract for employment for any period of time and does not modify the at will nature of the Participant's employment with the Company, pursuant to which both the Company and the Participant may terminate the employment relationship at any time, for any or no reason, with or without notice.

12. Amendment. This Agreement may be amended by written Agreement of the Participant and the Company, without the consent of any other person.

13. Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect of the award contained herein and therein and supersede all prior communications, representations and negotiations in respect thereof.

14. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law and any court determining the unenforceability of any provisions shall have the power to reduce the scope or duration of such provision to render such provision enforceable.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Participant has executed this Agreement, and the Company has caused these presents to be executed in its name and on its behalf, all effective as of the Grant Date. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner
Name: Brian Goldner
Title: Chairman and Chief Executive Officer

Participant

____

Exhibit 10.6

Non-Competition, Non-Solicitation and Confidentiality Agreement

You have been granted a Contingent Stock Performance Award and a Non-Qualified Stock Option Grant, (collectively, the "Award") subject to the terms of the Company's Restated 2003 Stock Incentive Performance Plan (the "Plan") and Contingent Stock Performance Award Agreement and Stock Option Agreement for Employees between you and the Company. As the Award states, to be entitled to any payment under the Award, you must accept the Award and agree to comply with the terms and conditions of this Agreement.

1. Confidentiality.

You acknowledge that you have access to Confidential Information (as defined below) and that such Confidential Information is the property of Hasbro, Inc. (the "Company" or "Hasbro"), its Subsidiaries, and/or its or their licensors, suppliers or customers. You agree specifically as follows, whether during your employment or following the termination thereof:

(a) You will always preserve as confidential all Confidential Information, and will never use it for your own benefit or for the benefit of others.

(b) You will not disclose, divulge, or communicate Confidential Information to any unauthorized person, business or corporation during or after the termination of your employment with the Company. You will use your best efforts and exercise due diligence to protect, to not disclose and to keep as confidential all Confidential Information.

(c) You will abide by all applicable Company written policies and procedures regarding data or information security.

(d) Upon the earlier of request or termination of employment, you agree to return to the Company, or if so directed by the Company, destroy any and all copies of materials in your possession containing Confidential Information.

Confidential Information includes any information you learn in connection with your work at Hasbro which is not generally known to the general public. Confidential Information shall not include any information which is previously known to you without an obligation of confidence or is publicly disclosed either prior to or subsequent to your receipt of such information without breach of this Agreement, or is rightfully received by you from a third-party without obligation of confidence and other than in relation to your employment with the Company.

2. Non-Competition/Non-Solicitation.

(a) In consideration of the Award, you agree that while employed by Hasbro (including any of its affiliates) and for a period of one (1) year after your Date of Termination (as defined below) (including any of its affiliates), you will not, in the geographical area in which Hasbro or any of its affiliates does business or has done business, engage in any business or enterprise that would be competitive with any business of Hasbro in existence as of the Date of Termination. This obligation shall preclude any such involvement, whether on a direct or indirect basis, and whether as an owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than 1% of the outstanding stock of a publicly held company.

(b) The geographic area to which the restrictions of Section 2 (a) shall apply shall be limited to the geographic area in which the Company does business, has done business, or plans to do business as of your Date of Termination.

(c) You agree that while employed by the Company and for a period of one (1) year after your Date of Termination, you shall not directly or indirectly solicit, induce or attempt to induce (other than a general solicitation not directed at the employees of the Company) either alone or in association with others, any employee or independent contractor of the Company to terminate his or her employment or his, her or its relationship with the Company or in any way assist or enable another person or entity, directly or indirectly, to solicit, induce or attempt to induce any individual, employee or independent contractor of the Company to terminate his/her employment or his, her or its relationship with the Company.

(d) You agree that while employed by the Company and for a period of one (1) year after your Date of Termination, you shall not, directly or indirectly, acting alone or in association with others, solicit, divert or take away or attempt to solicit, divert or take away, the business of any current or prospective customers, accounts or business partners that were contacted, solicited or served by the Company while you were employed by the Company.

(e) You acknowledge that the restrictions set forth in this Section 2 are necessary for the protection of the business and goodwill of the Company and its Subsidiaries and are material and integral to the Award. You further acknowledge that the restrictions contained herein are reasonable for the protection of the business and good will of the Company and its Subsidiaries. You agree that any breach, or threatened breach, of this Agreement is likely to cause the Company substantial and irrevocable harm. In the event of any breach or threatened breach, you agree that the Company, in addition to such other remedies which may be available, shall be entitled to specific performance and other injunctive relief without posting a bond or other security. You also waive the adequacy of a remedy at law as a defense to such relief.

(f) You agree that if you violate any of the provisions of this Section 2, you shall continue to be bound by the restrictions set forth herein until a period of one (1) year has expired without any violation of this Section 2. You further agree that in the event you violate any of the provisions of this Section 2, and you are receiving any severance pay or benefits from the Company, the Company shall have no obligation to continue paying or providing to you any such severance pay or benefits and may recover from you the severance pay and benefits you previously received.

(g) If any restriction set forth in this Section 2 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

3. Date of Termination.

Your “Date of Termination” shall be the first day after you are not employed by the Company or any entities directly or indirectly controlled by the Company (a “Subsidiary” or “Subsidiaries”), regardless of the reason for the termination of your employment; provided that your employment shall not be considered terminated by reason of your transfer between the Company and a Subsidiary or between two Subsidiaries; and further provided that your employment shall not be considered terminated while you are on an approved leave of absence from the Company or a Subsidiary.

4. Disclosure of this Agreement.

You hereby authorize the Company to notify others, including but not limited to customers of the Company and any of your future employers or prospective business associates, of the terms and existence of this Agreement and your continuing obligations to the Company hereunder.

5. Not Employment Contract.

You acknowledge that this Agreement does not constitute a contract of employment for any period of time and does not modify the at-will nature of your employment with the Company, pursuant to which both the Company and you may terminate the employment relationship at any time, for any or no reason, with or without notice.

6. Entire Agreement.

This Agreement contains the entire Agreement and understanding of the parties hereto with respect to your obligations undertaken in consideration of the Award and does not supersede, but is in addition to, any obligations arising under any other agreements between you and the Company. You agree that any change or changes in your duties, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

7. Amendment.

This Agreement may be amended only by written agreement of you and the Company.

8. Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which, or into which, the Company may be merged or by which it may be acquired or which may succeed to the Company’s assets or business, provided, however, that your obligations are personal and shall not be assigned by you. You expressly consent to be bound by the provisions of this Agreement for the benefit of the Company and/or its Subsidiaries to which you may be transferred without the necessity that this Agreement be re-signed at the time of such transfer.

9. Severability.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the full extent permitted by law. Any court determining the unenforceability of any provision shall have the power to reduce the scope or duration of such provision to render such provision enforceable.

10. Waivers.

No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to the enforcement of or waiver of any right on any other occasion.

11. Choice of Law and Jurisdiction.

This Agreement shall be construed in accordance with the laws of the State of Rhode Island (without reference to the conflicts of laws provisions thereof). Any action, suit, or other legal proceeding which is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the State of Rhode Island (or, if appropriate, a federal court located within the State of Rhode Island), and the Company and you each consent to the jurisdiction of such a court. The Company and you each hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

12. Captions.

The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

THE EMPLOYEE ACKNOWLEDGES THAT HE/SHE HAS CAREFULLY READ THIS AGREEMENT AND UNDERSTANDS AND AGREES TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

HASBRO, INC.

Date: ______________________ By:____________________________

EMPLOYEE

Date:_______________________ ________________________________
Signature