

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): February 4, 1999

HASBRO, INC.

(Name of Registrant)

RHODE ISLAND

(State of
Incorporation)

1-6682

(Commission
File Number)

05-0155090

(IRS Employer
Identification No.)

1027 NEWPORT AVE., PAWTUCKET, RHODE ISLAND

(Address of Principal Executive Offices)

02861

(Zip Code)

(401) 431-8697

(Registrant's Telephone Number)

Item 5. Other Events

The February 4, 1999 Press Release of the Registrant attached
hereto as EXHIBIT 99 is incorporated herein by reference.

Item 7(c) Exhibits

99 Press Release, dated February 4, 1999, of Hasbro, Inc.

SIGNATURES

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

HASBRO, INC.

(Registrant)

Date: February 4, 1999

By: /s/ John T. O'Neill

John T. O'Neill

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

HASBRO, INC.
Current Report on Form 8-K
Dated February 4, 1999

Exhibit Index

Exhibit
No.

Exhibits

- - - - -

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99 Press Release dated February 4, 1999

For Immediate Release
February 4, 1999

Contact: John T. O'Neill
401-727-5600
Renita E. O'Connell
401-727-5401

HASBRO REPORTS RECORD FOURTH QUARTER AND
FULL YEAR 1998 RESULTS WHICH EXCEEDED EXPECTATIONS

OUTLOOK FOR 1999 IS VERY POSITIVE

Pawtucket, RI (February 4, 1999) - Hasbro, Inc. (ASE:HAS) today reported record fourth quarter sales and earnings, and full-year 1998 results which exceeded expectations. The Company remains committed to 15% earnings per share growth over the long-term, and expects to outperform that target in 1999.

Net revenues in the fourth quarter increased 15 percent to \$1.3 billion, compared to \$1.1 billion a year ago. Revenue growth was led by Tiger Electronics, which had the year's hottest toy - Furby(TM), and computer-based games from Hasbro Interactive and MicroProse. Net earnings for the fourth quarter increased 18% to \$131.8 million, compared to \$111.3 million a year ago. Diluted earnings per share increased 20% to \$0.98, compared to \$0.82 in 1997. Both 1997 amounts exclude \$140 million of one-time pre-tax charges (\$92.4 million after tax) to implement the Global Integration and Profit Enhancement Program.

"I am pleased to report another record fourth quarter" said Alan G. Hassenfeld, Chairman and Chief Executive Officer. "Hasbro's record fourth quarter performance is especially significant given the challenging industry and retail environment throughout 1998. In addition, 1998 was a pivotal year for Hasbro as we delivered on our other key goals to build for profitable growth into our new millennium," Hassenfeld added.

For the full year, net revenues increased 4% to \$3.3 billion compared to \$3.2 billion in 1997. Net earnings and diluted earnings per share were \$220.0 million and \$1.61, respectively, excluding the \$20.0 million third quarter charge (\$13.6 million after tax) to write-off acquired in-process research and development of MicroProse. Including this charge, 1998 reported net earnings and diluted earnings per share were \$206.4 million and \$1.51, respectively. In 1997, net earnings and diluted earnings per share were \$227.4 million and \$1.69, respectively, prior to the one-time charges. Reported net earnings and diluted earnings per share in 1997 were \$135.0 million and \$1.02, respectively.

Through year-end 1998, the Company invested approximately \$190 million to repurchase 5.3 million shares under the \$500 million repurchase authorization announced on December 9, 1997.

"We built significant momentum during the fourth quarter in several product lines and ended the year with very clean inventory levels at our major retail customers," said Alan G. Hassenfeld. "The enthusiastic response to Furby(TM) exceeded even our expectations, and other best-sellers included Teletubbies(TM), Chuck, My Talkin' Truck(TM), the Barney Song Magic Banjo(TM), Winner's Circle(R), Beast Wars(R) Transformers(TM), Bop It(R), and Hasbro Interactive's new Tonka Playset," Hassenfeld noted.

"For 1999, we welcome the first episode of the awesome new Star Wars(TM) trilogy - "The Phantom Menace" - with Hasbro and Galoob teaming up with the global Power of the Force. Other exciting new products in 1999 include an expanded range of Pokemon(TM) and Tiger Electronics products, Animorphs(TM), several new interactive games, and so very much more," noted Hassenfeld. "In addition, our strategy of extending our key brands into new entertainment formats with partners - such as the highly successful Monopoly(R) slot machines - will contribute directly to the bottom line. We are also on track to realize planned incremental cost savings from the Global Integration and Profit Enhancement Program, and our 1998 acquisitions are expected to be accretive to earnings, helping us deliver a very strong year. I am also thrilled to have added an executive of Herb Baum's caliber to our senior management team in the new position of President and Chief Operating Officer. Herb will help us find new ways to drive our unrivalled brands into the next millennium," Hassenfeld concluded.

Hasbro is a worldwide leader in the design, manufacture and marketing of toys, games, interactive software, puzzles and infant products. Both internationally and in the U.S., its Playskool(R), Kenner(R), Tonka(R), OddzOn(R), Super Soaker(R), Milton Bradley(R), Parker Brothers(R), Tiger(TM),

Hasbro Interactive(TM), and Galoob(R) products provide children and families with the highest quality and most recognizable toys and games in the world.

Certain statements contained in this release contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. The Company's actual actions or results may differ materially from those expected or anticipated in the forward-looking statements. Specific factors that might cause such a difference include, but are not limited to, the timely manufacture and shipping by the Company of new and continuing products and their acceptance by customers and consumers in a competitive product environment; economic conditions, currency fluctuations and government regulation and other actions in the various markets in which the Company operates throughout the world; the inventory policies of retailers, including the continuing trend of increased concentration of the Company's revenues in the second half and fourth quarter of the year, together with increased reliance by retailers on quick response inventory management techniques, which increases the risk of underproduction of popular items, overproduction of less popular items and failure to achieve tight and compressed shipping schedules; the impact of competition on revenues, margins and other aspects of the Company's business; third party actions or approvals that could delay, modify or increase the cost of implementation of, the Company's Global Integration and Profit Enhancement program; the Company's incurring higher than expected costs to achieve, or not achieving, "Year 2000" readiness with respect to the Company's systems, or the Company's customers, vendors or service providers failing to achieve such readiness; and the risk that anticipated benefits of acquisitions may not occur or be delayed or reduced in their realization. The Company undertakes no obligation to make any revisions to the forward-looking statements contained in this release or to update them to reflect events or circumstances occurring after the date of this release.

(Tables Attached)

HASBRO, INC.

CONSOLIDATED STATEMENTS OF EARNINGS

(Thousands of Dollars and Shares Except Per Share Data)

	Quarter Ended		Year Ended	
	Dec. 27, 1998	Dec. 28, 1997	Dec. 27, 1998	Dec. 28, 1997
Net Revenues	\$1,304,079	1,133,356	\$3,304,454	3,188,559
Cost of Sales	512,285	467,743	1,366,061	1,359,058
Gross Profit	791,794	665,613	1,938,393	1,829,501
Amortization	22,910	20,800	72,208	53,767
Royalties, Research and Development	161,453	132,573	424,673	386,912
Advertising	183,669	157,156	440,692	411,574
Selling, Distribution and Administration	216,505	183,855	655,938	617,140
Nonrecurring Charges	-	125,000	20,000	125,000
Operating Profit	207,257	46,229	324,882	235,108
Interest Expense	16,075	8,366	36,111	27,486
Other (Income) Expense, Net	(2,625)	9,209	(14,707)	3,097
Earnings Before Income Taxes	193,807	28,654	303,478	204,525
Income Taxes	62,018	9,743	97,113	69,539
Net Earnings	\$ 131,789	18,911	\$ 206,365	134,986
Per Common Share				
Net Earnings				
Basic	\$ 1.01	\$.14	\$ 1.56	\$ 1.05
Diluted	\$.98	\$.14	\$ 1.51	\$ 1.02
Cash Dividends Declared	\$.08	\$.08	\$.32	\$.32

	=====	=====	=====	=====
Weighted Average Number of Shares				
Basic	130,768	131,537	131,951	128,726
	=====	=====	=====	=====
Diluted	134,975	136,857	136,946	137,569
	=====	=====	=====	=====

HASBRO, INC.

CONSOLIDATED CONDENSED BALANCE SHEETS

(Thousands of Dollars)

	Dec. 27, 1998	Dec. 28, 1997
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Assets		
Cash and Temporary Investments	\$ 177,748	\$ 361,785
Accounts Receivable, Net	958,826	783,008
Inventories	334,801	242,702
Other	318,611	186,379
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Total Current Assets	1,789,986	1,573,874
Property, Plant and Equipment, Net	330,355	280,603
Other Assets	1,673,504	1,045,240
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Total Assets	\$3,793,845	\$2,899,717
	=====	=====
Liabilities and Shareholders' Equity		
Short-term Borrowings	\$ 372,509	\$ 122,024
Payables and Accrued Liabilities	993,791	881,522
	-----	-----
Total Current Liabilities	1,366,300	1,003,546
Long-term Debt	407,180	-
Deferred Liabilities	75,570	58,054
	-----	-----
Total Liabilities	1,849,050	1,061,600
Total Shareholders' Equity	1,944,795	1,838,117
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Total Liabilities and Shareholders' Equity	\$3,793,845	\$2,899,717
	=====	=====