

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(MARK ONE)

\X\ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000.

OR

\ \ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

COMMISSION FILE NUMBER 1-66852

A. FULL TITLE OF THE PLAN AND ADDRESS OF THE PLAN, IF DIFFERENT  
FROM THAT OF ISSUER NAMED BELOW:

HASBRO, INC. RETIREMENT SAVINGS PLAN

B. NAME OF ISSUER OF THE SECURITIES HELD PURSUANT TO THE PLAN AND  
THE ADDRESS OF ITS PRINCIPAL EXECUTIVE OFFICE:

HASBRO, INC.  
1027 NEWPORT AVENUE  
PAWTUCKET, RI 02860-1059

REQUIRED INFORMATION

I. FINANCIAL STATEMENTS

The following Plan financial statements and schedules prepared in accordance  
with the financial reporting requirements of the Employee Retirement Income  
Security Act of 1974 are filed herewith, as permitted by Item 4 of Form 11-K:

Independent Auditors' Report  
Statement of Net Assets Available for Plan Benefits as of  
December 31, 2000 and 1999.  
Statement of Changes in Net Assets Available for Plan Benefits for  
each of the years in the two-year period ended December 31, 2000.  
Notes to Financial Statements

Supplemental Schedule:  
Schedule H, Line 4i - Schedule of Assets Held for  
Investment Purposes at End of Year

Other schedules are omitted as the required information is not applicable.

II. EXHIBITS

23 Consent of Independent Auditors

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the  
Committee appointed by the Board of Directors of Hasbro, Inc. to administer  
the Plan has duly caused this Annual Report on Form 11-K to be signed by the  
undersigned hereunto duly authorized.

Date: June 29, 2001  
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/s/ DAVID D. R. HARGREAVES  
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David D. R. Hargreaves  
Senior Vice President and  
Chief Financial Officer  
(Principal Financial and  
Accounting Officer)

INDEPENDENT AUDITORS' REPORT

To the Plan Trustees

Hasbro, Inc. Retirement Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the Hasbro, Inc. Retirement Savings Plan (the "Plan") as of December 31, 2000 and 1999, and the related statement of changes in net assets available for benefits for the years ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with accounting principles generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2000 and 1999, and the changes in net assets available for benefits for the years ended December 31, 2000 and 1999 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes at end of year is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/S/ KPMG LLP

Providence, Rhode Island  
June 1, 2001

HASBRO, INC. RETIREMENT SAVINGS PLAN

Statements of Net Assets Available for Plan Benefits

December 31, 2000 and 1999

	2000 ----	1999 ----
Assets:		
Cash	\$ 5,547	601,141
Investments	274,436,298	275,898,165
	-----	-----
Total investments and cash (note 3)	274,441,845	276,499,306
Receivables:		
Employer contribution	109	-
Employer profit-sharing contribution	-	4,523,476
Loans to participants	4,607,496	3,917,985
Investment income	4,010	-
	-----	-----
Total receivables	4,611,615	8,441,461
	-----	-----
Total assets	279,053,460	284,940,767
Liabilities:		
Accounts payable	4,580	358
	-----	-----
Total liabilities	4,580	358
	-----	-----
Net assets available for plan benefits	\$ 279,048,880 =====	284,940,409 =====

See accompanying notes to financial statements.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Statements of Changes in Net Assets Available for Plan Benefits

Years ended December 31, 2000 and 1999

	2000 -----	1999 -----
Additions to net assets attributed to:		
Investment (loss) income:		
Net (depreciation) appreciation in fair value of investments	\$ (28,130,525)	44,363,252
Dividends and interest	18,463,614	6,370,839
	-----	-----
Total investment (loss) income (note 3)	(9,666,911)	50,734,091
	-----	-----
Contributions:		
Rollovers	1,567,853	574,980
Employee contributions	12,725,417	8,623,962
Employer matching contributions	8,800,361	1,649,858
Employer profit-sharing contribution	-	4,515,157
	-----	-----
Total contributions	23,093,631	15,363,957
	-----	-----
Transfer from Galoob Toys, Inc.		
Savings and Retirement Plan (note 1)	-	2,790,958
Transfer from MicroProse 401(k) Plan (note 1)	-	5,085,753
Transfer from Wizards of the Coast 401(k) Profit Sharing Plan and Trust (note 1)	16,078,101	-
	-----	-----
Total additions	29,504,821	73,974,759
	-----	-----
Termination, withdrawal and retirement payments directly to participants	35,165,096	22,047,056
Administrative expenses	231,254	260,472
	-----	-----
Net (decrease) increase	(5,891,529)	51,667,231
	-----	-----
Net assets available for plan benefits:		
Beginning of year	284,940,409	233,273,178
	-----	-----
End of year	\$ 279,048,880	284,940,409
	=====	=====

See accompanying notes to financial statements.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2000 and 1999

(1) Description of Plan

The following brief description of the Hasbro, Inc. Retirement Savings Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

(a) General

The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The 401(k) feature is available to substantially all domestic employees of Hasbro, Inc. (the Company). Participation in the Plan is voluntary and eligibility provisions apply.

Effective August 16, 2000, the Wizards of the Coast 401(k) Profit Sharing Plan and Trust (WOTC Plan) was merged into the Plan. On July 1, 2000, participants of the WOTC Plan were eligible to make contributions to the Plan. Effective December 30, 1999, the Galoob Toys, Inc. Savings Plan and the MicroProse 401(k) Plan were merged into the Plan.

(b) Contributions

Effective January 1, 2000, eligible employees may contribute up to 18% of their gross pay, limited to an annual maximum of \$10,500 in 2000. Contributions may be limited to less than 18% to enable the Company to meet IRS discrimination regulations. Prior to January 1, 2000, eligible employees could contribute 15% of their gross pay, limited to an annual maximum of \$10,000 in 1999. Effective January 1, 2000, the Company makes a matching contribution, except for Milton Bradley union employees, of 200% of the first 2% of participants' contributions, plus a 50% match of the next 4% of participants' contributions up to 6% of their gross pay. In 1999 the Company made a matching contribution of 25% of participants' contributions up to 6% of their gross pay. Effective January 31, 2000 for Milton Bradley union employees the Company makes a 25% matching contribution of the participants' contributions up to 6% of their gross pay. During 1999 and January 2000 for Milton Bradley union employees the Company made a matching contribution of 15% of participants' contributions up to 6% of their gross pay. Effective January 1, 2000, the discretionary profit-sharing feature was eliminated.

(c) Benefits

All participants currently employed by the Company own, or are vested in, 100% of the total value of their plan account, including the Company's 401(k) matching contribution to the Plan except for Milton Bradley union employees who become 100% vested in Company contributions on January 1 following one year of service. For those participants who retired or left the Company prior to January 1, 2000 (July 1, 2000 for Wizards of the Coast), vesting is determined by the Plan document in effect at that time. A participant's entire vested account will be paid upon retirement, disability, or termination of employment. The account balance will be paid to a beneficiary upon death of the participant.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2000 and 1999

Participants of the Plan have the option of receiving their account either in a lump sum or in periodic installments. Participants, except for terminated participants, may also make in-service withdrawals from their Pre-Tax Savings Contribution Account in the event a demonstrated severe financial hardship as defined by the IRS Safe Harbor rules. Participants who have reached age 59 1/2 may make in-service withdrawals from their vested accounts in the Plan for any reason.

(d) Participant Loans

The maximum loan available to each participants is the lesser of (1) \$50,000 reduced by the highest outstanding loan balance due from the participant during the preceding twelve months, or (2) 50% of the participant's vested account balance, reduced by the current outstanding loan balance due from the participant. The minimum loan amount available to participants is \$500. Each loan shall bear a fixed interest rate based on the prime rate published in the Wall Street Journal. Repayment of the loan must be made over a period not to exceed five years, unless it is for the purchase of a primary residence then the loan period cannot exceed ten years.

(2) Summary of Accounting Policies

(a) Basis of Accounting

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

The accompanying financial statements are presented on the accrual basis of accounting. Benefits payable at year end are not accrued for as they are considered to be a component of the net assets available

for plan benefits.

(b) Investments

Investments are stated at fair value. Company stock held in the Hasbro Stock Fund is valued at the composite closing price on the New York Stock Exchange. The fair value for all other investments is determined daily by the trustee on a per share basis using security prices quoted on national exchanges, and amortized cost in the case of any short-term and money market securities held. Participant notes receivable are valued at cost, which approximates fair value.

Security transactions received prior to 4:00 pm Eastern time by Fidelity are recognized on that business day. Transactions received after 4:00 pm Eastern time are valued as of the next business day. Interest income is recorded on the accrual basis and dividend income is recorded on the ex-dividend date.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2000 and 1999

Net appreciation (depreciation) in the fair value of investments includes both realized and unrealized gains and losses.

(c) Contributions

Contributions from employees are accounted for when such contributions are deducted from wages. The Company's matching contributions are accrued at the time the employee's contributions are deducted.

(d) Payments of Benefits

Benefits are recorded when paid.

(e) Administrative Expenses

The Plan bears all costs and general expenses incurred with regard to legal and communication fees, independent fund managers and the purchase and sale of investments. The Company bears the administrative expenses, principally payroll costs of Plan administration.

(3) Investment Information

Participants may elect to have their accounts invested in one or more of the investment funds offered by the Plan. Investment funds offered by the Plan include the following nationally traded mutual funds: the Fidelity Magellan Fund, Fidelity Freedom Income Fund, the Fidelity Equity Income Fund, the Fidelity Growth Fund, the Fidelity Freedom 2000, the Fidelity Freedom 2010, the Fidelity Freedom 2020, the Fidelity Freedom 2030, the Fidelity Freedom 2040, the Dreyfus Emerging Leaders Fund, the PIMCO Total Return Fund, the Spartan US Equity Index Fund, and the Fidelity Diversified International Fund.

Participants can elect to invest in the Hasbro Stock Fund which is a unitized company stock fund that invests in the stock of Hasbro, Inc. and some short term investments designed to allow participants to buy and sell without the usual trade settlement period for individual stock transactions. Ownership is measured in units of the fund instead of shares of stock.

Participants may also elect to invest their funds in the Fleet Stable Asset Fund. This fund is managed by Fleet Investment Advisors, Inc. and invests in fixed income contracts. This fund yielded approximately 6.5% and 6.1% for 2000 and 1999, respectively.

The Wizards of the Coast Stable Value Asset Fund was frozen on the Plan merger date. This fund was held by Fidelity at December 31, 2000.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2000 and 1999

Mellon Bank, N.A. (the Bank) was the Trustee of the Plan for the year ended December 31, 1999, except for the assets that were transferred on

December 30, 1999, from the Galoob Toys, Inc. Savings and Retirement Plan and the MicroProse 401(k) Plan which Fidelity Management Trust Company was the Trustee. On January 1, 2000, Fidelity Investments became the Trustee of the entire Plan.

During 2000 and 1999, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) (depreciated)/appreciated in value by \$(28,130,525) and \$44,363,252, respectively as follows:

	Year Ended December 31,	
	2000	1999
Shares in Registered Investment Companies	\$(28,132,624)	44,283,717
Hasbro, Inc. Common Stock Fund	2,099	-
Common/Collective Trusts	-	79,535
	-----	-----
	\$(28,130,525)	44,363,252
	=====	=====

(4) Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Fidelity Management and Research Company. Fidelity Management Trust Company is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest.

(5) Plan Termination

Upon termination of the Plan and Trust, each Participant shall be entitled to receive the vested amount standing to the credit of his account as of the final valuation date. The Trustee shall make payments of such amounts as directed by the Plan Administrator.

Although the Company has not expressed any intent to do so, it reserves the right to terminate the Plan at any time subject to ERISA provisions.

(6) Federal Income Taxes

The Internal Revenue Service issued a determination letter on August 17, 1995, which stated that the Plan and its underlying trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC), and therefore, are exempt from federal income taxes. The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Schedule 1

HASBRO, INC. RETIREMENT SAVINGS PLAN

Statements of Assets Held for Investment Purposes at End of Year

Years ended December 31, 2000 and 1999

Issuer	Investment Description	Current Value
-----	-----	-----
Fidelity Magellan Fund	Shares in registered investment company	\$ 84,514,342 **
Fidelity Equity Income Fund	Shares in registered investment company	42,781,191 **
Fidelity Growth Fund	Shares in registered investment company	66,752,421 **
Fleet Stable Asset Fund	Common/collective trusts	47,887,061 **
Fidelity Freedom Income Fund	Shares in registered investment company	482,806
Fidelity Freedom 2000	Shares in registered investment company	646,592
Fidelity Freedom 2010	Shares in registered investment company	12,159,099

Fidelity Freedom 2020	Shares in registered investment company	1,462,433
Fidelity Freedom 2030	Shares in registered investment company	2,141,670
Fidelity Freedom 2040	Shares in registered investment company	8,635
Dreyfus Emerging Leaders Fund	Shares in registered investment company	4,847,570
PIMCO Total Return Fund	Shares in registered investment company	1,088,818
Spartan US Equity Index Fund	Shares in registered investment company	3,901,368
Fidelity Diversified International Fund	Shares in registered investment company	5,095,912
WOTC Stable Asset Frozen Fund	Common/collective trusts	440,779
Hasbro Stock Fund	Common Stock of Hasbro, Inc.	225,601
Investments		----- \$274,436,298 =====
Loans to Participants	Interest rate 8.5% to 9.5%	\$ 4,607,496 *

\*Party-in-interest

\*\*Represents greater than 5% of Plan assets at December 31, 2000.

See accompanying independent auditors' report.

CONSENT OF INDEPENDENT AUDITORS

The Plan Trustees  
Hasbro, Inc. Retirement Savings Plan:

We consent to the incorporation by reference in registration statement No. 333-34282 on Form S-8 of the Hasbro, Inc. Retirement Savings Plan of our report dated June 1, 2001, relating to the statements of net assets available for plan benefits of the Hasbro, Inc. Retirement Savings Plan as of December 31, 2000 and 1999, and the related statements of changes in net assets available for plan benefits for the years then ended, and the related supplementary schedule, which report appears in the December 31, 2000 annual report on Form 11-K of the Hasbro, Inc. Retirement Savings Plan.

/s/ KPMG LLP

Providence, Rhode Island  
June 27, 2001