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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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SCHEDULE 14D-1  
(AMENDMENT NO. 2)  
TENDER OFFER STATEMENT  
PURSUANT TO SECTION 14(D)(1)  
OF THE SECURITIES EXCHANGE ACT OF 1934

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GALOOB TOYS, INC.  
(NAME OF SUBJECT COMPANY)

NEW HIAC II CORP.  
HASBRO, INC.  
(BIDDERS)

COMMON STOCK, PAR VALUE \$0.01 PER SHARE  
(TITLE OF CLASS OF SECURITIES)

364091 10 8  
(CUSIP NUMBER OF CLASS OF SECURITIES)

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PHILLIP H. WALDOKS, ESQ.  
SENIOR VICE PRESIDENT-CORPORATE LEGAL AFFAIRS AND SECRETARY  
HASBRO, INC.  
32 W. 23RD STREET  
NEW YORK, NY 10010  
TELEPHONE: (212) 645-2400  
FACSIMILE: (212) 741-0663  
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO  
RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

COPY TO:  
THOMAS H. KENNEDY, ESQ.  
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
919 THIRD AVENUE  
NEW YORK, NY 10022  
TELEPHONE: (212) 735-3000  
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CALCULATION OF FILING FEE  
TRANSACTION VALUATION\* \$230,086,776  
AMOUNT OF FILING FEE \$46,018

\* Estimated for purposes of calculating the amount of the filing fee only. The filing fee calculation assumes the purchase of 18,127,864 shares of common stock, \$0.01 par value per share (the "Shares"), of Galoob Toys, Inc. at a price of \$12.00 per Share in cash, without interest. The filing fee calculation is based on the 18,127,864 Shares outstanding as of September 27, 1998 and assumes the issuance prior to the consummation of the Offer (as defined in the Schedule 14D-1), of 1,046,034 Shares upon the exercise of outstanding options and other rights and securities exercisable into Shares that have an exercise price of less than \$12.00. The amount of the filing fee calculated in accordance with Regulation 240.0-11 of the Securities Exchange Act of 1934, as amended, equals 1/50th of one percent of the value of the transaction.

[ ] Check box if any part of the fee is offset as provided by Rule 0-11 (a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$46,018.  
Form or Registration No.: Schedule 14D-1.  
Filing Party: Hasbro, Inc. and New HIAC II Corp.  
Date Filed: October 2, 1998.

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TENDER OFFER

This Amendment No. 2 amends and supplements the Tender Offer Statement on Schedule 14D-1 filed on October 2, 1998 (as amended and supplemented the "Statement") relating to the offer by New HIAC II Corp., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Hasbro, Inc., a Rhode Island corporation ("Parent"), to purchase all of the outstanding

shares of common stock, par value \$0.01 per share (the "Common Stock") including the associated preferred stock purchase rights issued pursuant to the Rights Agreement, dated as of January 17, 1990, by and between the Company and Mellon Securities Trust Company as Rights Agent (the "Rights" and, together with the Common Stock, the "Shares"), of Galoob Toys, Inc., a Delaware corporation (the "Company"), at \$12.00 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 2, 1998 and the related Letter of Transmittal. Unless otherwise indicated, the capitalized terms used herein shall have the meanings specified in the Statement including the Offer to Purchase filed as Exhibit (a)(1) thereto.

ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.

On October 20, 1998, the Company notified holders of options to purchase its Common Stock (the "Options") that in connection with the termination of its Option Plans (as defined in Exhibit (c)(3) filed herewith), that each outstanding Option, whether or not then vested or exercisable would immediately prior to the Merger (as defined in Exhibit (c)(3) filed herewith), become automatically vested and exercisable and thereafter would be cancelled. The consideration to be received for each canceled Option is equal to the product of (A) the excess, if any, of (i) \$12.00, over (ii) the exercise price per share of Common Stock of each cancelled Option and (B) the number of shares of Common Stock subject to each such cancelled Option. Any consideration paid to holders of Options pursuant to this formula will be paid without interest and net of any withholding taxes. The text of this letter is set forth as Exhibit (c)(3) hereto and is incorporated by reference herein.

ITEM 10. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(b) The last sentence of the paragraph under Section 10 of the Offer to Purchase is hereby deleted in its entirety and replaced with the following sentence: "Parent will provide such funds through short term borrowings under its commercial paper program. It is anticipated that such commercial paper will be repaid in the fourth quarter of 1998 with the proceeds of receivables."

ITEM 11. MATERIALS TO BE FILED AS EXHIBITS.

(c)(3) Text of letter, dated October 20, 1998, from Galoob Toys, Inc. to holders of Options.

SIGNATURE

After due inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: October 22, 1998

New HIAC II Corp.

BY: /s/ Phillip H. Waldoks

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Name: Phillip H. Waldoks  
Title: Senior Vice President-Corporate Legal  
Affairs and Secretary

Hasbro, Inc.

BY: /s/ Phillip H. Waldoks

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Name: Phillip H. Waldoks  
Title: Senior Vice President-Corporate Legal  
Affairs and Secretary

INDEX TO EXHIBITS

(c)(3) Text of letter, dated October 20, 1998, from Galoob  
Toys, Inc. to holders of Options.

EXHIBIT (c)3

GALOOB

WILLIAM G. CATRON  
Executive Vice President,  
General Counsel,  
Chief Administrative Officer  
and Corporate Secretary

GALOOB TOYS, INC.  
500 Forbes Boulevard  
South San Francisco, CA 94080  
(650) 952-1678 Ext 2200  
Fax (650) 583-5572  
www.galooob.com

October 20, 1998

Dear Galoob Option Holder:

In connection with the Agreement and Plan of Merger, dated as of September 17, 1998, by and among Galoob Toys, Inc. ("Galoob"), Hasbro, Inc. ("Hasbro") and New HIAC II Corp. (the "Merger Agreement"), and Hasbro's related offer to purchase all outstanding shares of common stock, par value \$0.01 per share, of Galoob (the "Common Stock"), Galoob has agreed to terminate its existing 1996 Share Incentive Plan, 1995 Non-Employee Director Stock Option Plan, 1994 Senior Management Stock Option Plan and Amended and Restated 1984 Employee Stock Option Plan (collectively, the "Option Plans"). The Option Plans shall be terminated effective as of the effective date of the merger contemplated by the Merger Agreement (the "Merger").

In connection with the termination of the Option Plans, each outstanding option to purchase Common Stock (each, an "Option") held by you, whether or not then vested or exercisable, shall, immediately prior to the Merger, automatically become vested and exercisable and shall thereafter be cancelled. In exchange for the cancellation of Options held by you pursuant to which you hold the option to purchase shares of Common Stock for an amount which is less than \$12.00 per share, the Company shall pay to you, in cash, an amount which shall be determined pursuant to the formula set forth below (such amount, the "Cancellation Consideration"). In the event you hold an Option to purchase shares of Common Stock for an amount equal to or greater than \$12.00 per share of Common Stock, there shall be no payment made to you in exchange for the cancellation of such Option.

The Cancellation Consideration shall be for an amount equal to the product of (A) the excess, if any, of (i) \$12.00, over (ii) the exercise price per share of Common Stock subject to each cancelled Option and (B) the number of shares of Common Stock subject to each such cancelled Option. Any consideration you may be entitled to pursuant to this formula will be paid without interest and net of any withholding taxes.

Please return a signed copy of this letter to Kathleen R. McElwee to the address set forth above. No payment will be made unless a signed copy of this letter is received by Ms. McElwee by November 2, 1998. By signing this letter, you hereby acknowledge and agree to accept cash payment in accordance with the formula set forth above in consideration for the cancellation of your Options.

The cancellation of the Options and the payments, if any, pursuant to the description contained herein are contingent on the consummation of the transactions contemplated by the Merger Agreement. If the transactions contemplated by the Merger Agreement are not consummated, this notice shall be deemed null and void.

If you have any questions regarding the foregoing, please contact Kathleen R. McElwee at (650) 952-1678 (ext. 2210).

Very truly yours,

GALOOB TOYS, INC.

William G. Catron  
Executive Vice President  
General Counsel and

Chief Administrative Officer

Acknowledged as of this \_\_\_\_ day of \_\_\_\_\_, 1998

\_\_\_\_\_(sign here)

\_\_\_\_\_(print name here)