SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the period ended September 26, 1999 Commission file number 1-6682

HASBRO, INC.
(Name of Registrant)

Rhode Island	O5-0155090
(State of Incorporation)	(I.R.S. Employer Identification No.)

1027 Newport Avenue, Pawtucket, Rhode Island 02861
(Principal Executive Offices)

(401) 431-8697

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 or No

The number of shares of Common Stock, par value $.50 per share, outstanding as of November 5, 1999 was 193,764,320.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

(Thousands of Dollars Except Share Data)
(Unaudited)

Assets	Sep. 26, 1999	Sep. 27, 1998	Dec. 27, 1998
Current assets			
Cash and cash equivalents	$ 108,627	176,486	177,748
Accounts receivable, less allowance for doubtful accounts of $64,900, $56,900 and $64,400	1,167,660	1,030,751	958,826
Inventories:			
Finished products	366,811	328,757	283,160
Work in process	17,839	16,627	12,698
Raw materials	54,012	38,425	38,943
Total inventories	438,662	383,809	334,801
Deferred income taxes	108,930	92,748	100,332
Prepaid expenses	443,344	243,513	218,279
Total current assets	2,267,223	1,927,307	1,789,986
Property, plant and equipment, net	303,667	287,872	330,355
Other assets			
Cost in excess of acquired net assets,			

less accumulated amortization of $179,094 $144,503 and $152,008	687,848	643,136	704,282
Other intangibles, less accumulated amortization of $232,597, $187,554 and $192,268	800,514	716,123	837,899
Other	134,017	101,866	131,323
Total other assets	1,622,379	1,461,125	1,673,504
Total assets	$4,193,269	3,676,304	3,793,845

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets, continued

(Thousands of Dollars Except Share Data)
(Unaudited)

Liabilities and Shareholders' Equity	Sep. 26, 1999	Sep. 27, 1998	Dec. 27, 1998
Current liabilities			
Short-term borrowings	$ 889,405	507,596	372,249
Trade payables	140,845	152,350	209,119
Accrued liabilities	733,114	788,902	729,605
Income taxes	75,745	88,654	55,327
Total current liabilities	1,839,109	1,537,502	1,366,300
Long-term debt, excluding current installments	407,584	300,000	407,180
Deferred liabilities	82,451	80,010	75,570
Total liabilities	2,329,144	1,917,512	1,849,050
Shareholders' equity			
Preference stock of $2.50 par value. Authorized 5,000,000 shares; none issued	-	-	-
Common stock of $.50 par value. Authorized 300,000,000 shares; issued 209,694,630, 209,698,516 and 209,698,516	104,847	104,849	104,849
Additional paid-in capital	467,064	453,586	521,316
Retained earnings	1,717,972	1,500,478	1,621,799
Accumulated other comprehensive income	(27,470)	(5,216)	(9,625)
Treasury stock, at cost; 15,299,432, 13,664,769 and 13,523,983 shares	(398,288)	(294,905)	(293,544)
Total shareholders' equity	1,864,125	1,758,792	1,944,795
Total liabilities and shareholders' equity	$4,193,269	3,676,304	3,793,845

See accompanying condensed notes to consolidated financial statements.

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

	Quarter Ended		Nine Months Ended	
	Sep. 26, 1999	Sep. 27, 1998	Sep. 26, 1999	Sep. 27, 1998
Net Revenues	$ 1,098,179	945,498	2,641,151	2,000,375
Cost of Sales	444,013	402,369	1,045,556	853,776
Gross Profit	654,166	543,129	1,595,595	1,146,599
Expenses				
Amortization	31,130	19,275	88,974	49,298
Royalties, Research and Development	170,778	113,755	462,496	263,220
Advertising	117,567	128,053	299,925	257,023
Selling, Distribution and Administration	193,582	162,705	515,231	439,433
Acquired Research and Development	-	20,000	-	20,000
Total Expenses	513,057	443,788	1,366,626	1,028,974
Operating Profit	141,109	99,341	228,969	117,625
Nonoperating (income) expense				
Interest Expense	19,190	11,308	44,788	20,036
Other (Income) Expense, Net	(1,515)	(1,568)	(6,042)	(12,082)
Total nonoperating (income) expense	17,675	9,740	38,746	7,954
Earnings Before Income Taxes	123,434	89,601	190,223	109,671
Income Taxes	38,264	28,271	58,969	35,095
Net Earnings	$ 85,170	61,330	131,254	74,576
Per Common Share				
Net Earnings				
Basic	$ .44	.31	.67	.38
Diluted	$ .43	.30	.64	.36
Cash Dividends Declared	$ .06	.05	.18	.15

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Nine Months Ended September 26, 1999 and September 27, 1998
(Thousands of Dollars)
(Unaudited)

	1999	1998
Cash flows from operating activities		
Net earnings	$ 131,254	74,576
Adjustments to reconcile net earnings to net cash utilized by operating activities:		
Depreciation and amortization of plant and equipment	76,511	69,458
Other amortization	88,974	49,298
Deferred income taxes	(5,974)	(8,141)
Acquired research and development	-	20,000
Change in operating assets and liabilities (other than cash and cash equivalents):		
Increase in accounts receivable	(218,729)	(241,956)
Increase in inventories	(109,874)	(113,951)
Increase in prepaid expenses	(227,326)	(130,678)
(Decrease) increase in trade payables and accrued liabilities	(39,419)	59,184
Other	(1,081)	(1,613)
Net cash utilized by operating activities	(305,664)	(223,823)
Cash flows from investing activities		
Additions to property, plant and equipment	(66,897)	(87,543)
Purchase of product rights and licenses	(13,800)	-
Investments and acquisitions, net of cash acquired	(22,791)	(389,441)
Other	2,527	6,033
Net cash utilized by investing activities	(100,961)	(470,951)
Cash flows from financing activities		
Proceeds from borrowings with original maturities of more than three months	445,861	300,850
Repayments of borrowings with original maturities of more than three months	(90,760)	(25,775)
Net proceeds of other short-term borrowings	178,062	378,363
Purchase of common stock	(207,170)	(172,574)
Stock option transactions	48,172	51,579
Dividends paid	(33,879)	(31,817)
Net cash provided by financing activities	340,286	500,626
Effect of exchange rate changes on cash	(2,782)	8,849
Decrease in cash and cash equivalents	(69,121)	(185,299)
Cash and cash equivalents at beginning of year	177,748	361,785
Cash and cash equivalents at end of period	$108,627	176,486

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows (continued)
Nine Months Ended September 26, 1999 and September 27, 1998

(Thousands of Dollars)
(Unaudited)

	1999	1998
Supplemental information		
Cash paid during the period for:		
Interest	$ 40,952	14,931
Income taxes	$ 37,639	41,980

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Earnings

(Thousands of Dollars)
(Unaudited)

	Quarter Ended		Nine Months Ended	
	Sep. 26, 1999	Sep. 27, 1998	Sep. 26, 1999	Sep. 27, 1998
Net earnings	$ 85,170	61,330	131,254	74,576
Other comprehensive earnings (loss)	(1,461)	14,860	(17,845)	(1,313)
Total comprehensive earnings	$ 83,709	76,190	113,409	73,263

See accompanying condensed notes to consolidated financial statements.

(Thousands of Dollars and Shares Except Per share Data)
(Unaudited)

(1) In the opinion of management and subject to year-end audit, the accompanying unaudited interim financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position of the Company as of September 26, 1999 and September 27, 1998, and the results of operations and cash flows for the periods then ended.

The results of operations for the nine months ended September 26, 1999 are not necessarily indicative of results to be expected for the full year.

(2) All share and per share amounts have been adjusted to reflect the three-for-two stock split paid March 15, 1999.

(3) The Company's other comprehensive earnings (loss) primarily results from foreign currency translation adjustments.

(4) Hasbro is a worldwide marketer and distributor of children's and family entertainment products, principally engaged in the design, manufacture and marketing of games and toys ranging from traditional to high-tech. During the second quarter of 1999, the Company redefined its focus and method of managing its business into two major areas, Toys and Games. Following this organizational adjustment, within its two key areas, under the provisions of Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information, the Company's reportable segments are U.S. Toys, Games, International and Global Operations.

In the United States, the U.S. Toy segment includes the design, marketing and selling of boys action figures, vehicles and playsets, girls toys, preschool toys and infant products and creative play products. The Games segment includes the development, marketing and selling of traditional board games and puzzles, handheld electronic games, electronic plush, electronic learning aids and interactive software games based on the Company's owned and licensed brands. Within the International segment, the Company develops, markets and sells both toy and game products in non-U.S. markets. Global Operations manufactures and sources product for the majority of the Company's segments. The Company also has other segments which license certain toy properties and which develop and market non-traditional toy and game based product realizing more than half of their revenues and the majority of their operating profit in the first half of the year, which is contra-seasonal to the rest of the Company's business. These other segments do not meet the quantitative thresholds for reportable segments and have been combined for reporting purposes.

(Thousands of Dollars)
(Unaudited)

Segment performance is measured at the operating profit level. Included in Corporate and eliminations are general corporate expenses, the elimination of intersegment transactions and assets not identified with a specific segment. Intersegment sales and transfers are reflected in management reports at amounts approximating cost.

The accounting policies of the segments are the same as those described in note 1 to the Company's consolidated financial statements for the year ended December 27, 1998.

Amounts shown for the nine months of 1999 are not necessarily representative of those which may be expected for the full year 1999 nor were those of the nine months of 1998 representative of those actually experienced for the full year 1998. 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 three and nine months ended September 26, 1999 and September 27, 1998 are as follows.

	Three Months			
	1999		1998	
Net revenues	External	Affiliate	External	Affiliate
U.S. Toys	$ 309,670	-	272,377	-
Games	394,887	50,410	328,058	2,688
International	359,740	655	293,675	396
Global Operations (a)	8,591	293,612	1,884	288,072
Other segments	25,291	5,314	49,504	3,575
Corporate and eliminations	-	(349,991)	-	(294,731)
	$1,098,179	-	945,498	-

HASBRO, INC. AND SUBSIDIARIES
Condensed Notes to Consolidated Financial Statements (continued)

(Thousands of Dollars)
(Unaudited)

	Nine Months			
	1999		1998	
Net revenues	External	Affiliate	External	Affiliate
U.S. Toys	$ 839,194	-	603,389	61
Games	906,615	51,766	589,275	1,739
International	709,715	3,625	616,842	1,986
Global Operations (a)	17,216	752,206	2,757	662,040
Other segments	168,411	13,661	188,112	11,384
Corporate and eliminations	-	(821,258)	-	(677,210)
	$2,641,151	-	2,000,375	-

	Quarter ended		Nine Months ended	
	Sep. 26, 1999	Sep. 27, 1998	Sep. 26, 1999	Sep. 27, 1998
Operating profit				
U.S. Toys	$ 35,278	30,446	84,313	32,695
Games (c)	56,592	34,688	95,224	51,597
International	58,817	38,341	33,854	15,306
Global Operations (a)	(2,090)	(811)	(5,714)	(11,033)
Other segments	(8,572)	2,544	22,455	29,564
Corporate and eliminations	1,084	(5,867)	(1,163)	(504)
	$141,109	99,341	228,969	117,625
Depreciation				
U.S. Toys and Games (b)	$ 4,263	3,621	11,054	7,628
International	1,263	2,374	5,821	6,998
Global Operations	19,837	17,141	48,583	45,648
Other segments	597	322	2,771	2,013
Corporate and eliminations	2,114	2,143	8,282	7,171
	$ 28,074	25,601	76,511	69,458
Amortization of intangibles				
U.S. Toys and Games (b)	$ 21,295	10,798	57,293	25,925
International	6,039	3,731	18,083	11,218
Global Operations	916	-	1,931	-
Other segments	2,880	4,746	11,667	12,155
	$ 31,130	19,275	88,974	49,298

(Thousands of Dollars)
(Unaudited)

	Quarter ended Sep. 26, 1999	Quarter ended Sep. 27, 1998	Nine Months ended Sep. 26, 1999	Nine Months ended Sep. 27, 1998
Capital additions				
U.S. Toys and Games (b)	$ 2,694	2,071	7,874	4,961
International	2,676	3,262	4,705	18,495
Global Operations	19,591	27,743	47,850	46,999
Other segments	48	654	2,222	2,163
Corporate and eliminations	758	5,844	4,246	14,925
	$ 25,767	39,574	66,897	87,543

	Sep. 26, 1999	Sep. 27, 1998
Total assets		
U.S. Toys and Games (b)	$2,702,800	2,124,073
International	1,181,310	889,297
Global Operations	543,274	394,383
Other segments	289,524	331,646
Corporate and eliminations	(523,639)	(63,095)
	$4,193,269	3,676,304

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

(b) As a result of the complexity of the Company's organizational changes, it currently is unable to segregate assets and related expenses between the U.S. Toys and Games segments, and thus they are currently reported as one. It is anticipated that such items will be segregated in the future and will then be separately reported. Certain asset related expense items including depreciation and amortization of intangibles have been allocated to segments based upon estimates in order to arrive at segment operating profit.

(c) Included in the third quarter and nine months ended September 27, 1998 is a charge to write-off the $20,000 appraised value of acquired in-process research and development of MicroProse, Inc., which was acquired on September 14, 1998.

(Thousands of Dollars)
(Unaudited)

The following table presents consolidated net revenues by classes of principal products for the quarter and nine months ended September 26, 1999 and September 27, 1998.

	Quarter ended		Nine Months ended	
	Sep. 26, 1999	Sep. 27, 1998	Sep. 26, 1999	Sep. 27, 1998
Boys toys	$ 364,200	246,100	937,200	575,900
Games and puzzles	494,400	410,600	1,033,500	755,700
Interactive software games	34,000	23,500	111,700	58,200
Preschool toys	76,200	118,600	161,700	200,700
Other	129,379	146,698	397,051	409,875
Net revenues	$1,098,179	945,498	2,641,151	2,000,375

(Thousands of Dollars)
(Unaudited)

(5) Earnings per share data for the fiscal quarters and nine months ended September 26, 1999 and September 27, 1998 were computed as follows:

	1999		1998	
	Basic	Diluted	Basic	Diluted
Quarter				
Net earnings	$ 85,170	85,170	61,330	61,330
Average shares outstanding (in thousands)	194,612	194,612	197,053	197,053
Effect of dilutive securities; Options and warrants	-	5,732	-	7,509
Equivalent Shares	194,612	200,344	197,053	204,562
Earnings per share	$ .44	.43	.31	.30
Nine Months				
Net earnings	$131,254	131,254	74,576	74,576
Average shares outstanding (in thousands)	195,280	195,280	198,519	198,519
Effect of dilutive securities; Options and warrants	-	8,726	-	7,887
Equivalent Shares	195,280	204,006	198,519	206,406
Earnings per share	$ .67	.64	.38	.36

(Thousands of Dollars)
(Unaudited)

(6) The Company made three major acquisitions during 1998, having an aggregate purchase price of $669,737. On April 1, 1998, the Company acquired substantially all of the business and operating assets of Tiger Electronics, Inc. and certain affiliates (Tiger). On September 14, 1998, the Company acquired MicroProse, Inc. (MicroProse) through a cash tender offer of $6.00 for each outstanding share of MicroProse. Upon completion of a short-form merger, MicroProse became a wholly-owned subsidiary of the Company and each untendered share was converted into the right to receive $6.00 in cash. On October 30, 1998, the Company acquired Galoob Toys, Inc. (Galoob) through a cash tender offer of $12.00 for each outstanding share of Galoob. Upon completion of a short-form merger, Galoob became a wholly-owned subsidiary of the Company and each untendered Galoob share was converted into the right to receive $12.00 in cash.

These three acquisitions were accounted for using the purchase method, and accordingly, the net assets acquired have been recorded at their estimated fair value and the results of their operations included from the dates of acquisition. Based on estimates of fair market value, $90,494 has been allocated to net tangible assets, $306,710 to product rights, $252,827 to goodwill and $20,000 to acquired in-process research and development. The appraised fair value of this acquired in-process research and development (interactive game software projects under development at the date of acquisition) was determined using the discounted cash flow approach, considered the percentage of completion at the date of acquisition and was expensed at acquisition.

On a pro forma basis, reflecting these three acquisitions as if they had taken place at the beginning of the period, after giving effect to adjustments recording the acquisitions and excluding the charge for in-process research and development, unaudited net revenues, net earnings and basic and diluted earnings per share for the nine months ended September 28, 1998 would have been $2,211,900, $43,300, $.22 and $.21, respectively. These pro forma results are not indicative of either future performance or actual results which would have occurred had the acquisitions taken place at the beginning of the period.

HASBRO, INC. AND SUBSIDIARIES
Management's Discussion and Analysis of Financial
Condition and Results of Operations

(Thousands of dollars)

NET EARNINGS AND SEGMENT RESULTS
- - --------------------------------

Net earnings for the 1999 third quarter and nine months increased to $85,170 and $131,254, respectively, from 1998 levels of $61,330 and $74,576. Diluted earnings per share for the third quarter was $.43 in 1999 and $.30 in 1998. For the nine months ended September 1999, diluted earnings per share was $.64 and $.36 for the same period in 1998. Net revenues and operating profits of the U.S. Toy, Games and International segments increased in both the third quarter and nine months of 1999 over comparable 1998 levels. Impacting the Games segment operating profit in the third quarter and nine months of 1998 was a one-time pre-tax charge of $20,000 to write off the appraised value of acquired in-process research and development of MicroProse, Inc. (MicroProse), which was acquired on September 14, 1998. Operating profit of the Games segment was favorably impacted compared to the prior year periods, absent the effect of the above mentioned one-time charge, by 48% and 92% in the quarter and nine months, respectively, by increased revenues of interactive plush and handheld electronic game products of Tiger Electronics, Inc. (Tiger), which was acquired on April 1, 1998. The overall increase in operating profit of the Games segment was partially offset in the quarter and nine months by a decrease in operating profit compared to the prior year periods, absent the effect of the above mentioned one-time charge, of 56% and 45%, respectively, due to the unfavorable impact of increased costs incurred for the realized and anticipated expansion of the Company's offering of interactive game products. A more detailed discussion of items impacting consolidated net earnings and segment results follows.

NET REVENUES
- - ------------

Net revenues for the third quarter of 1999 increased approximately 16% to $1,098,179 from $945,498 in the third quarter of 1998. This revenue increase reflects the impact of increased shipments of STAR WARS product across all segments, FURBY and computer based games, and sales of POKEMON products across all segments, all partially offset by decreased shipments of U.S. Toys' Preschool products. Revenues were also adversely impacted by $13,800 from the stronger U.S. dollar. For the nine months, revenues were $2,641,151 and $2,000,375 in 1999 and 1998, respectively. In addition to the third quarter factors above, the 1999 nine month amounts reflect the impact of Tiger, the U.S. release of STAR WARS: EPISODE I: THE PHANTOM MENACE in May 1999 and a negative impact of approximately $21,500 from the strengthened U.S. dollar.

GROSS PROFIT
- - ------------

The Company's gross profit margins for the quarter and nine months of 1999 were 59.6% and 60.4%, respectively, compared to 1998 amounts of 57.4% and 57.3%. The improvement primarily reflects higher revenues generated from entertainment based properties and interactive game products, which carry higher gross margins. Secondarily, the removal of excess capacity in our Operations segment resulting from the closure of seven manufacturing facilities throughout 1998 has had a positive impact on gross profit margins.

EXPENSES

Amortization expense in both periods of 1999 was greater than in the comparable periods of 1998, reflecting the Company's 1998 acquisitions (see note 6).

Royalties, research and development expenses for the quarter and year to date increased in both amount and as a percentage of net revenues from comparable 1998 levels. The royalty component, which accounts for 67% of the combined increase, reflects increased volumes across all segments of STAR WARS and POKEMON product which began shipping in the fourth quarter of 1998, as well as Tiger game products. Revenues derived from entertainment based properties, such as STAR WARS and POKEMON, and resultant royalties, while continuous over the life of a contract, are generally higher in amount in the year a theatrical release takes place. It is anticipated that operating profit will also generally be higher in these years. The degree to which revenues, royalties and operating profits fluctuate is dependent not only on theatrical release dates, but video release dates as well. The Company believes the trend of increased royalty expense is likely to continue in line with the expected higher percentage of the Company's product arising from licensed product. Research and development, at $62,022 for the 1999 third quarter increased in both dollars and as a percentage of net revenues from the 1998 amount of $43,165. For the nine months ended September 1999, research and development expenses increased in dollars to $156,110 from the 1998 amount of $117,544 while remaining constant as a percentage of net revenues. The increases primarily reflect the Company's continuing effort to expand interactive game titles and its 1998 acquisitions.

Advertising expense in the third quarter of 1999 decreased in dollars to $117,567 from the 1998 amount of $128,053. For the nine months ended September 1999, advertising expense increased in dollars to $299,925 from $257,023 in the comparable period of 1998. In both the quarter and nine months, advertising decreased as a percentage of net revenues from 1998 amounts. The decrease in dollars in the third quarter and percent of net revenues in both periods reflects the mix of more entertainment based product shipped in 1999 than in the comparable period of 1998. Entertainment based product is not as extensively advertised as the Company's non-entertainment based products. The increase in dollars on a 1999 year to date basis reflects the inclusion of Tiger.

(Thousands of dollars)

Selling, distribution and administration expenses, which, with the exception of distribution costs, are largely fixed, increased in amount during each of the third quarter and nine months of 1999 from comparable 1998 levels. They increased marginally as a percentage of net revenues in the quarter while decreasing as a percentage of net revenues for the nine months. The increase in amount is due primarily to the effect of increased volumes on distribution costs, as well as the inclusion of Tiger and its increased volumes for the full nine months of 1999. The decrease in percentage in the nine month period reflects the increase in 1999 revenue.

During the third quarter of 1998, the Company incurred a one-time charge to write-off the $20,000 appraised value of acquired in-process research and development of MicroProse, which was acquired by the Games segment for approximately $70,000 on September 14, 1998 (see note 6).

NONOPERATING (INCOME) EXPENSE

Interest expense during the third quarter and nine months of 1999 was $19,190 and $44,788, respectively, compared with $11,308 and $20,036 in 1998. The increase reflects costs associated with debt issued to fund the Company's 1998 acquisitions, the continuation of the Company's share repurchase program and the higher level of business activities in 1999. While consistent with 1998 for the third quarter, the decrease in other nonoperating income, net, for the nine months of 1999 predominately reflects lower earnings from short-term investments than in 1998.

INCOME TAXES

Income tax expense for the quarter and nine months of 1999 was 31.0% of pre-tax income compared with 31.6% for the quarter and 32.0% for the nine months of 1998. The lower percentage versus the nine months of 1998 resulted primarily from the downward trend of the tax on international earnings due to the reorganization of the Company's global business.

OTHER INFORMATION

During the past several years the Company has experienced a shift in its revenue pattern wherein the second half of the year has grown in significance to its overall business and, within that half, the fourth quarter has become more prominent. Although the first half of 1999 may represent a greater proportion of full year revenues than the first half of 1998, principally because of the May 19, 1999 theatrical release of STAR WARS: EPISODE 1: THE PHANTOM MENACE, the Company expects that this trend generally will continue. This concentration increases the risk of (a) underproduction of popular items, (b) overproduction of less popular items and (c) failure to achieve tight and compressed shipping schedules. The business of the Company is characterized by

(Thousands of dollars)

customer order patterns which vary from year to year largely because of differences in the degree of consumer acceptance of a product line, product availability, marketing strategies, inventory levels, policies of retailers and differences in overall economic conditions. The trend of retailers over the past few years has been to purchase product within or close to the fourth quarter holiday consumer selling season, which includes Christmas. Quick response inventory management practices now being used result in fewer orders being placed in advance of shipment and more orders, when placed, for immediate delivery. As a result, unshipped orders on any date in a given year are not necessarily indicative of sales for the entire year. In addition, it is a general industry practice that orders are subject to amendment or cancellation by customers prior to shipment. At October 24, 1999 and October 25, 1998 the Company's unshipped orders were approximately $860,000 and $580,000, respectively.

Late in the fourth quarter of 1997, the Company announced a global integration and profit enhancement program which anticipated the redundancy of approximately 2,500 employees, principally in manufacturing, and provided for actions in three principal areas: a continued consolidation of the Company's manufacturing operations; the streamlining of marketing and sales, while exiting from certain underperforming markets and product lines; and the further leveraging of overheads. The program has been completed. The Company initially estimated its pretax cost savings from this initiative to be $40,000 in 1998 and $350,000 over the period 1998 through 2002. Because of the unanticipated shortfall in sales to Toys 'R Us during 1998 and changes in product mix, factory utilization rates were not as high as initially anticipated, which resulted in below target savings in 1998. The Company estimates that it realized pretax savings of approximately $30,000 for the full year 1998 and approximately $20,000 for the third quarter and $50,000 for the nine months of 1999. The positive cash flow impact from this program has and will occur largely in the form of reduced outflows for payment of costs associated with the manufacture and sourcing of products.

LIQUIDITY AND CAPITAL RESOURCES

The seasonality of the Company's business coupled with certain customer incentives, mainly in the form of extended payment terms, result in the interim cash flow statements not being representative of that which may be expected for the full year. Historically, the majority of the Company's cash collections occur late in the fourth quarter and early in the first quarter of the subsequent year. As receivables are collected, cash flow from operations becomes positive and is used to repay a significant portion of the short-term borrowings.

(Thousands of dollars)

As a result, 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 and the extended payment terms offered, management believes that a comparison to the comparable period in the prior year is generally more meaningful than a comparison to the prior year-end.

Receivables were $1,167,660 at the end of September 1999 compared to $1,030,751 at the end of September 1998. The increase reflects higher nine month revenues and the impact of 1998 acquisitions, offset by the increased impact of the Company's letter of credit business and entertainment based toy and game business, both of which have shorter payment terms. Inventories increased to $438,662, or 14.3%, from $383,809 in September 1998, reflecting the Company's 1998 acquisitions and build up for increased 1999 activity. Other current assets increased to $552,274 at September 1999 from $336,261 at September 1998. Of this increase, 70% reflects advance royalties under the STAR WARS license agreement and 13% reflects the impact of the MicroProse acquisition. Trade payables and accrued liabilities both decreased from the comparable 1998 levels, due primarily to the 1998 impact of unpaid balances relating to the Tiger acquisition. Included in trade payables at September 1999 is $3,749 of current installments of long-term debt of subsidiaries within the International segment. The 1999 impact of these changes are reflected in the $305,664 of net cash utilized by operating activities for the nine months.

Property, plant and equipment and other assets, as a group, increased from their September 1998 levels, reflecting the Company's August 13, 1999 acquisition of Europress, a veteran software publisher in the United Kingdom, the 1998 fourth quarter acquisition of Galoob as well as several acquisitions of product rights, licenses and investments during the most recent twelve months. This increase in non-current assets was partially offset by twelve additional months of depreciation and amortization expense. Net cash utilized by these investing activities for the nine months ended September 26, 1999 was $100,961.

Net borrowings (short and long-term borrowings less cash and cash equivalents) increased to $1,188,362 at September 26, 1999 from $631,110 at September 27, 1998. This reflects the use of approximately $516,000 of cash in the prior twelve months for investments and acquisitions and the Company's continued repurchase of its common stock, both of which are traditionally funded through a combination of cash provided by operating activities and short and long-term borrowings. During the second quarter of 1999, the Company accelerated a portion of its planned 1999 share buyback through the purchase of 3.1 million shares of its common stock (obtained through the exercise of a warrant) from DreamWorks LLC, at market price. The increase in net borrowings is also impacted by the advance royalty payments made in the fourth quarter of 1998 and second quarter of 1999 under the STAR WARS license agreement, discussed above. In November 1998, the Company issued $100,000 of 5.60% notes due November 1, 2005. At September 26, 1999, the Company had committed unsecured lines of credit totaling approximately $730,000 available to it. It also had available uncommitted lines approximating $660,000. The Company believes that these amounts are adequate for its needs. Of these available lines, approximately $930,000 was in use at September 26, 1999. Net cash provided by financing activities for the nine months of 1999 was $340,286.

YEAR 2000

The Company has developed plans that address its possible exposure from the impact of the Year 2000. A global cross-functional team of employees is managing this project. The team meets regularly and makes periodic reports on its progress to a management steering committee, the Audit Committee of the Board of Directors and the Board of Directors.

The Company has completed the awareness and assessment phases of this project through the inventorying and assessment of its critical financial, operational (including imbedded and non-information technology) and information systems. The remediation phase is substantially complete. Modifications or replacements of remaining non-critical, non-compliant systems are in progress. A planned global 'enterprise' system has become operational at several of the Company's major units, replacing a number of older non-compliant systems. The Company is now in the validation and implementation phases and believes that 100% of its mission critical systems are currently Year 2000 compliant. The Company believes that 100% of all systems will be compliant or operating under contingency plans, discussed below, by mid-December 1999. Excluding costs related to the enterprise system, the Company's out of pocket costs associated with becoming Year 2000 compliant are estimated to approximate $3,000. These costs are being expensed as incurred and approximately $2,000 of this amount has been spent to date.

The Company has completed its review of the Year 2000 readiness of its customers, vendors and service providers. This review process included both obtaining confirmation from these business partners of their readiness as well as reviews of such readiness at key vendors by independent third party consultants. The Company will continue to monitor its customers, vendors and service providers for Year 2000 compliance and progress made on any necessary remediation plans. Nothing has come to the attention of the Company that would lead it to believe that its material customers, vendors and service providers will not be Year 2000 ready.

(Thousands of dollars)

The Company's risk management program includes disaster recovery contingency plans that have been expanded to include Year 2000 issues. This includes a review of customer Year 2000 readiness and discontinuing credit or shortening payment terms accordingly, identification and selection of alternative Year 2000 ready suppliers and service providers and specific contingency plans for non-compliant systems where implementation of the global enterprise system may be delayed beyond the end of 1999, specifically legacy system updates and manual workarounds. In addition, the Company may carry a modest temporary increase in its inventory of certain items going into 2000 to guard against any disruption in supply.

Year 2000 readiness has been a senior management priority of the Company for some time and the Company believes that it is taking such reasonable and prudent steps as are necessary to mitigate its risks related to Year 2000. However, the effect, if any, on the Company's results of operations from Year 2000 if it, its customers, vendors or service providers are not fully Year 2000 compliant cannot be reasonably estimated. Notwithstanding the above, the most likely impact on the Company would be a reduced level of activity in the early part of the first quarter of the year 2000, a time at which, as a result of the seasonality of the Company's business, its activities in sales, manufacturing and sourcing are at a low point.

Certain statements contained in this discussion 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, delays in, or increases in the anticipated cost of, the implementation of planned actions as a result of unanticipated technical malfunctions or difficulties which would arise during the validation process or otherwise; the inherent risk that assurances, warranties, and specifications provided by third parties with respect to the Company's systems, or such third party's Year 2000 readiness, may prove to be inaccurate, despite the Company's review process; the continued availability of qualified persons to carry out the remaining anticipated phases; the risk that governments may not be Year 2000 ready, which could affect the commercial sector in trade, finance and other areas, notwithstanding private sector Year 2000 readiness; whether, despite a comprehensive review, the Company has successfully identified all Year 2000 issues and risks; and the risk that proposed actions and contingency plans of the Company and third parties with respect to Year 2000 issues may conflict or themselves give rise to additional issues.

RECENT INFORMATION

On September 30, 1999, the Company completed its previously announced acquisition of Wizards of the Coast, Inc., a privately held publisher of hobby games and fantasy and science fiction literature, for approximately $325,000, subject to post closing adjustment and certain contingent payment rights. To fund this transaction, the Company issued commercial paper supported by a short-term $350,000 credit agreement.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133). The effective date of this statement has been delayed to fiscal years beginning after June 15, 2000, requiring the Company to adopt the standard not later than the beginning of fiscal 2001. SFAS 133 will require that the Company record all derivatives, such as foreign exchange contracts, on the balance sheet at fair value. Changes in derivative fair values will either be recognized in earnings as an offset to the changes in the fair value of the related hedged assets, liabilities and firm commitments or, for forecasted transactions, deferred and recorded as a component of other shareholders' equity until the hedged transactions occur and are recognized in earnings. Any portion of a hedging derivative's change in fair value, which does not offset the change in fair value of the underlying exposure, will be immediately recognized in earnings. The Company does not believe adoption of SFAS 133 will have a material impact on either its financial condition or results of operations.

PART II. Other Information

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

11.1 Computation of Earnings Per Common Share - Nine Months Ended September 26, 1999 and September 27, 1998.

11.2 Computation of Earnings Per Common Share - Quarter Ended September 26, 1999 and September 27, 1998.

12 Computation of Ratio of Earnings to Fixed Charges - Nine Months and Quarter Ended September 26, 1999.

27 Article 5 Financial Data Schedule - Third Quarter 1999

(b) Reports on Form 8-K

A Current Report on Form 8-K, dated October 14, 1999, was filed by the Company and included the Press Release, dated October 14, 1999, announcing the Company's results for the current quarter. Consolidated Statements of Earnings (without notes) for the quarters and nine months ended September 26, 1999 and September 27, 1998 and Consolidated Condensed Balance Sheets (without notes) as of said dates were also filed.

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: November 10, 1999

By: /s/ Alfred J. Verrecchia

Alfred J. Verrecchia
Executive Vice President,
Global Operations and Chief
Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)

HASBRO, INC. AND SUBSIDIARIES
Quarterly Report on Form 10-Q
For the Period Ended September 26, 1999

Exhibit Index

Exhibit No.	Exhibits
11.1	Computation of Earnings Per Common Share - Nine Months Ended September 26, 1999 and September 27, 1998
11.2	Computation of Earnings Per Common Share - Quarter Ended September 26, 1999 and September 27, 1998
12	Computation of Ratio of Earnings to Fixed Charges - Nine Months and Quarter Ended September 26, 1999
27	Article 5 Financial Data Schedule - Third Quarter 1999

EXHIBIT 11.1

HASBRO, INC. AND SUBSIDIARIES
Computation of Earnings Per Common Share
Nine Months Ended September 26, 1999 and September 27, 1998

(Thousands of Dollars and Shares Except Per Share Data)

	1999		1998	
	Basic	Diluted	Basic	Diluted
Net earnings	$131,254	131,254	74,576	74,576
Weighted average number of shares outstanding:				
Outstanding at beginning of period	196,175	196,175	200,162	200,162
Exercise of stock options and warrants:				
Actual	2,641	2,641	1,858	1,858
Assumed	-	8,726	-	7,887
Purchase of common stock	(3,536)	(3,536)	(3,501)	(3,501)
Total	195,280	204,006	198,519	206,406
Per common share:				
Net earnings	$ .67	.64	.38	.36

EXHIBIT 11.2

HASBRO, INC. AND SUBSIDIARIES
Computation of Earnings Per Common Share
Quarter Ended September 26, 1999 and September 27, 1998

(Thousands of Dollars and Shares Except Per Share Data)

	1999		1998	
	Basic	Diluted	Basic	Diluted
Net earnings	$ 85,170	85,170	61,330	61,330
Weighted average number of shares outstanding:				
Outstanding at beginning of period	194,834	194,834	198,018	198,018
Exercise of stock options and warrants:				
Actual	131	131	497	497
Assumed	-	5,732	-	7,509
Purchase of common stock	(353)	(353)	(1,462)	(1,462)
Total	194,612	200,344	197,053	204,562
Per common share:				
Net earnings	$ .44	.43	.31	.30

EXHIBIT 12

HASBRO, INC. AND SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges
Nine Months and Quarter Ended September 26, 1999

(Thousands of Dollars)

	Nine Months	Quarter
Earnings available for fixed charges:		
Net earnings	$131,254	85,170
Add:		
Fixed charges	58,054	24,020
Income taxes	58,969	38,264
Total	$248,277	147,454
Fixed Charges:		
Interest on long-term debt	$ 18,716	6,067
Other interest charges	26,072	13,123
Amortization of debt expense	324	108
Rental expense representative of interest factor	12,942	4,722
Total	$ 58,054	24,020
Ratio of earnings to fixed charges	4.28	6.14

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SEP-26-1999
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.64