UNITED STATES
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 quarterly period ended September 26, 2010 Commission file number 1-6682

HASBRO, INC.
(Exact Name of Registrant, As Specified in its Charter)

Rhode Island
(State of Incorporation)

05-0155090
(I.R.S. Employer Identification No.)

1027 Newport Avenue, Pawtucket, Rhode Island 02862
(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 or 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 or No __

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting 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 __

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

The number of shares of Common Stock, par value $.50 per share, outstanding as of October 15, 2010 was 136,195,062.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

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

Assets		Sept. 26, 2010	Sept. 27, 2009	Dec. 27, 2009
Current assets				
Cash and cash equivalents	$	497,903	297,358	636,045
Accounts receivable, less allowance for doubtful accounts of $35,000, $35,400 and $32,800		1,210,460	1,116,033	1,038,802
Inventories		467,953	399,917	207,895
Prepaid expenses and other current assets		170,394	178,597	162,290
Total current assets		2,346,710	1,991,905	2,045,032
Property, plant and equipment, less accumulated depreciation of $450,700, $430,900 and $431,600		221,165	216,256	220,706
Other assets				
Goodwill		475,005	476,238	475,931
Other intangibles, less accumulated amortization of $574,900, $859,900 and $877,300		512,693	580,373	554,567
Other		660,044	596,555	600,656
Total other assets		1,647,742	1,653,166	1,631,154
Total assets	$	4,215,617	3,861,327	3,896,892

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

Liabilities and Shareholders' Equity	Sept. 26, 2010	Sept. 27, 2009	Dec. 27, 2009
Current liabilities			
Short-term borrowings	$ 103,625	33,062	14,113
Accounts payable	267,175	225,210	173,388
Accrued liabilities	607,686	628,843	628,387
Total current liabilities	978,486	887,115	815,888
Long-term debt	1,404,556	1,134,723	1,131,998
Other liabilities	345,264	351,557	354,234
Total liabilities	2,728,306	2,373,395	2,302,120
Shareholders' equity			
Preference stock of $2.50 par value. Authorized 5,000,000 shares; none issued	-	-	-
Common stock of $.50 par value. Authorized 600,000,000 shares; issued 209,694,630	104,847	104,847	104,847
Additional paid-in capital	606,984	457,824	467,183
Retained earnings	2,872,699	2,582,267	2,720,549
Accumulated other comprehensive earnings	23,121	42,589	58,631
Treasury stock, at cost; 73,350,366 shares at Sept. 26, 2010, 70,736,688 at Sept. 27, 2009 and 72,597,140 at Dec. 27, 2009	(2,120,340)	(1,699,595)	(1,756,438)
Total shareholders' equity	1,487,311	1,487,932	1,594,772
Total liabilities and shareholders' equity	$ 4,215,617	3,861,327	3,896,892

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		Nine Months Ended	
	Sept. 26, 2010	Sept. 27, 2009	Sept. 26, 2010	Sept. 27, 2009
Net revenues	$ 1,313,302	1,279,221	2,723,464	2,692,763
Costs and expenses				
Cost of sales	596,634	550,026	1,159,635	1,114,231
Royalties	75,620	99,725	169,454	228,004
Product development	51,618	43,870	139,408	124,530
Advertising	133,742	134,950	276,914	278,936
Amortization	15,611	20,955	38,310	59,634
Selling, distribution and administration	202,320	198,986	552,933	542,429
Total costs and expenses	1,075,545	1,048,512	2,336,654	2,347,764
Operating profit	237,757	230,709	386,810	344,999
Nonoperating (income) expense				
Interest expense	21,657	17,609	60,371	44,827
Interest income	(839)	(444)	(3,775)	(2,448)
Other (income) expense, net	(2,134)	(4,315)	(4,126)	(680)
Total nonoperating expense, net	18,684	12,850	52,470	41,699
Earnings before income taxes	219,073	217,859	334,340	303,300
Income taxes	63,909	67,497	76,602	93,933
Net earnings	$ 155,164	150,362	257,738	209,367
Net earnings per common share				
Basic	$ 1.12	1.08	1.84	1.50
Diluted	$ 1.09	0.99	1.76	1.39
Cash dividends declared per common share	$ 0.25	0.20	0.75	0.60

See accompanying condensed notes to consolidated financial statements.

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

	Nine Months Ended	
	Sept. 26, 2010	Sept. 27, 2009
Cash flows from operating activities		
Net earnings	$ 257,738	209,367
Adjustments to reconcile net earnings to net cash provided (utilized) by operating activities:		
Depreciation of plant and equipment	72,994	71,004
Amortization	38,310	59,634
Program production cost amortization	5,034	-
Deferred income taxes	12,770	5,069
Stock-based compensation	24,234	21,620
Change in operating assets and liabilities:		
Increase in accounts receivable	(167,979)	(501,321)
Increase in inventories	(252,418)	(89,033)
Decrease in prepaid expenses and other current assets	11,442	14,702
Program production costs	(31,024)	-
Increase in accounts payable and accrued liabilities	39,509	59,289
Other, including long-term portion of royalty advances	(4,844)	(60,862)
Net cash provided (utilized) by operating activities	5,766	(210,531)
Cash flows from investing activities		
Additions to property, plant and equipment	(75,852)	(73,711)
Investments and acquisitions, net of cash acquired	-	(371,482)
Purchases of short-term investments	-	(16,000)
Other	1,805	(2,792)
Net cash utilized by investing activities	(74,047)	(463,985)
Cash flows from financing activities		
Net proceeds from borrowings with original maturities of more than three months	492,528	421,309
Repayments of borrowings with original maturities of more than three months	(186)	-
Net proceeds from short-term borrowings	89,115	24,072
Purchases of common stock	(630,997)	(27,097)
Stock option transactions	65,634	4,517
Excess tax benefits from stock-based compensation	14,462	1,387
Dividends paid	(98,920)	(83,804)
Net cash (utilized) provided by financing activities	(68,364)	340,384
Effect of exchange rate changes on cash	(1,497)	1,100
Decrease in cash and cash equivalents	(138,142)	(333,032)
Cash and cash equivalents at beginning of year	636,045	630,390
Cash and cash equivalents at end of period	$ 497,903	297,358

See note 6 for disclosure of financing activities not affecting cash.

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

	Nine Months Ended	
	Sept. 26, 2010	Sept. 27, 2009
Supplemental information		
Cash paid during the period for:		
Interest	$ 59,412	37,703
Income taxes	$ 49,708	60,281

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	
	Sept. 26, 2010	Sept. 27, 2009	Sept. 26, 2010	Sept. 27, 2009
Net earnings	$ 155,164	150,362	257,738	209,367
Other comprehensive loss	(4,682)	(4,702)	(35,510)	(19,667)
Total comprehensive earnings	$ 150,482	145,660	222,228	189,700

See accompanying condensed notes to consolidated financial statements.

(1) Basis of Presentation

In the opinion of management, the accompanying unaudited interim financial statements contain all normal and recurring adjustments necessary to present fairly the financial position of Hasbro, Inc. and all majority-owned subsidiaries (“Hasbro” or the “Company”) as of September 26, 2010 and September 27, 2009, 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 quarterly and nine-month periods ended September 26, 2010 and September 27, 2009 are 13-week and 39-week periods, respectively.

The results of operations for the quarter and nine months ended September 26, 2010 are not necessarily indicative of results to be expected for the full year, nor were those of the comparable 2009 period representative of those actually experienced for the full year 2009.

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 year ended December 27, 2009 in its annual report on Form 10-K, which includes all such information and disclosures and, accordingly, should be read in conjunction with the financial information included herein.

The Company's accounting policies are the same as those described in Note 1 to the Company's consolidated financial statements for the fiscal year ended December 27, 2009.

Substantially all of the Company's inventories consist of finished goods. Cost of sales primarily consists of purchased materials, labor, manufacturing overheads and other inventory-related costs such as obsolescence. In addition, cost of sales during the quarter and nine months ended September 26, 2010 also includes amortization of program production costs.

(Thousands of Dollars and Shares Except Per Share Data)

(2) Earnings Per Share

Net earnings per share data for the quarters and nine months ended September 26, 2010 and September 27, 2009 were computed as follows:

	2010		2009	
Quarter	Basic	Diluted	Basic	Diluted
Net earnings	$155,164	155,164	150,362	150,362
Effect of dilutive securities:				
Interest expense on contingent convertible Debentures, net of tax	-	-	-	1,076
Adjusted net earnings	$155,164	155,164	150,362	151,438
Average shares outstanding	138,199	138,199	139,814	139,814
Effect of dilutive securities:				
Contingent convertible debentures	-	-	-	11,566
Options and other share-based awards	-	3,516	-	1,541
Equivalent shares	138,199	141,715	139,814	152,921
Net earnings per common share	$ 1.12	1.09	1.08	0.99

(Thousands of Dollars and Shares Except Per Share Data)

	2010		2009	
Nine Months	Basic	Diluted	Basic	Diluted
Net earnings	$257,738	257,738	209,367	209,367
Effect of dilutive securities:				
Interest expense on contingent convertible Debentures, net of tax	-	1,124	-	3,250
Adjusted net earnings	$257,738	258,862	209,367	212,617
Average shares outstanding	139,773	139,773	139,943	139,943
Effect of dilutive securities:				
Contingent convertible debentures	-	4,032	-	11,566
Options and other share-based awards	-	3,352	-	1,443
Equivalent shares	139,773	147,157	139,943	152,952
Net earnings per common share	$ 1.84	1.76	1.50	1.39

For the nine-month period ended September 26, 2010 and the quarterly and nine-month periods ended September 27, 2009, the effect of the Company's contingent convertible debentures was dilutive and, accordingly, for the diluted earnings per share calculation, the numerator includes an adjustment to earnings to exclude the interest expense incurred for these debentures and the denominator includes an adjustment to include the shares issuable upon conversion. During the first and second quarter of 2010, substantially all of these debentures were converted into shares of common stock. See Note 6 for additional information.

For the quarters ended September 26, 2010 and September 27, 2009, equity awards to acquire or issue shares totaling 931 and 7,854, respectively, were excluded from the calculation of diluted earnings per share because to include them would have been antidilutive. For the nine-month periods ended September 26, 2010 and September 27, 2009, equity awards to acquire or issue 1,322 and 7,093 shares, respectively, were excluded from the calculation of diluted earnings per share because to include them would have been antidilutive.

(Thousands of Dollars and Shares Except Per Share Data)

(3) Other Comprehensive Earnings

Other comprehensive loss for the quarters and nine-months ended September 26, 2010 and September 27, 2009 consist of the following:

	Quarter Ended		Nine Months Ended	
	Sept. 26, 2010	Sept. 27, 2009	Sept. 26, 2010	Sept. 27, 2009
Foreign currency translation adjustments	$ 36,331	13,614	(20,033)	25,153
Changes in value of available-for-sale securities, net of tax	-	(345)	-	504
Change in unrecognized pension and postretirement amounts, net of tax	-	2,520	-	1,949
Loss on cash flow hedging activities, net of tax	(34,933)	(17,168)	(4,502)	(29,152)
Reclassifications to earnings, net of tax:				
Net gains on cash flow hedging activities	(6,080)	(3,323)	(10,975)	(18,121)
Other comprehensive loss	$ (4,682)	(4,702)	(35,510)	(19,667)

At September 26, 2010, the Company had remaining net deferred gains on hedging instruments, net of tax, of $4,933 in accumulated other comprehensive earnings (“AOCE”). These instruments hedge certain anticipated inventory purchases and other cross-border transactions through 2013. These amounts will be reclassified into the consolidated statement of operations upon the sale of the related inventory or receipt or payment of the related royalties and expenses. Of the net deferred gains included in AOCE at September 26, 2010, the Company expects net deferred gains of approximately $9,681 to be reclassified to earnings within the next twelve months. However, the amount ultimately realized in earnings is dependent on the fair value of the contracts on the settlement dates.

(4) Equity Method Investment

In the second quarter of 2009, the Company acquired a 50% interest in a joint venture, Hub Television Networks LLC (“The HUB”, formerly known as DHJV Company LLC), with Discovery Communications, Inc. (“Discovery”). The HUB, formerly known as the Discovery Kids Network, was established to create a television network in the United States dedicated to high-quality children’s and family entertainment and educational programming. As of September 26, 2010, September 27, 2009 and December 27, 2009, the Company’s interest in the joint venture totaled $371,332, $370,482 and $371,783, respectively, and is a component of other assets. The Company’s share in the loss of The HUB for the quarter and nine months ended September 26, 2010 totaled $874 and $450, respectively, of expense and is included as a component of other (income) expense in the accompanying consolidated statement of op erations.

(Thousands of Dollars and Shares Except Per Share Data)

The Company’s share in the earnings of the joint venture for the quarter and nine months ended September 27, 2009 totaled $1,541 and $2,555, respectively, of income and is included as a component of other (income) expense in the accompanying consolidated statements of operations.

(5) Program Production Costs

The Company incurs certain costs in connection with the production of television programming. These costs are capitalized by the Company as they are incurred and amortized using the individual-film-forecast method, whereby these costs are amortized in the proportion that the current year’s revenues bear to management’s estimate of total ultimate revenues as of the beginning of such period related to the program. These capitalized costs are reported at the lower of cost, less accumulated amortization, or fair value, and reviewed for impairment when an event or change in circumstances occurs that indicates that impairment may exist. The fair value is determined using management’s revenue and cost estimates. At September 26, 2010, the Company had $31,427 of capitalized program production costs included in other assets on the consolidated balance sheet. During the nine months ended September 26, 2010, the Company has incurred and capitalized costs of $31,024. Amortization of program production costs, which is included in cost of sales on the consolidated statements of operations, was approximately $5,000 for the quarter and nine months ended September 26, 2010.

(6) Financial Instruments

Hasbro’s financial instruments include cash and cash equivalents, accounts receivable, marketable securities, short-term borrowings, accounts payable and accrued liabilities. At September 26, 2010, the carrying cost of these instruments approximated their fair value. The Company’s financial instruments at September 26, 2010 also include certain assets and liabilities measured at fair value (see Notes 8 and 10) as well as long-term borrowings. The carrying costs and fair values of the Company’s long-term borrowings as of September 26, 2010, September 27, 2009 and December 27, 2009 are as follows:

	Sept. 26, 2010		Sept. 27, 2009		Dec. 27, 2009	
	Carrying Cost	Fair Value	Carrying Cost	Fair Value	Carrying Cost	Fair Value
6.125% Notes Due 2014	$ 444,661	466,225	425,000	462,613	422,275	465,545
6.30% Notes Due 2017	350,000	388,290	350,000	366,520	350,000	375,585
2.75% Convertible Debentures Due 2021	-	-	249,828	326,463	249,828	373,515
6.60% Debentures Due 2028	109,895	114,148	109,895	110,741	109,895	110,697
6.35% Notes Due 2040	500,000	511,000	-	-	-	-
Total long-term debt	$1,404,556	1,479,663	1,134,723	1,266,337	1,131,998	1,325,342

The carrying cost of the 6.125% Notes Due 2014 includes principal amounts of $425,000 as well as fair value adjustments of $19,661, $0 and $(2,725) at September 26, 2010, September 27, 2009 and December 27, 2009, respectively, related to interest rate swaps. All other carrying costs represent principal amounts. Total principal amounts of long-term debt at September 26, 2010, September 27, 2009 and December 27, 2009 were $1,384,895, $1,134,723 and $1,134,723, respectively.

The fair value of the convertible debentures was based on an average of the prices of trades occurring around the balance sheet date. The fair values of the Company's other long-term borrowings are measured using a combination of broker quotations when available and discounted future cash flows. The fair value of the interest rate swaps is measured based on the present value of future cash flows using the swap curve as of the date of valuation.

In March 2010 the Company issued $500,000 of Notes that are due in 2040 (the "Notes"). The Notes bear interest at a rate of 6.35%. 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 discounted using the effective interest rate on applicable U.S. Treasury bills at the time of repurchase.

The Company is party to a series of interest rate swap agreements which effectively adjust the interest rates on a portion of the Company's long-term debt from fixed to variable. The interest rate swaps are matched with a portion of the 6.125% Notes Due 2014 and accounted for as fair value hedges of those notes. The interest rate swaps have a total notional amount of $400,000 with maturities in 2014 which match the maturity date of the related notes. In each of the contracts, the Company receives payments based upon a fixed interest rate of 6.125%, which matches the interest rate of the notes being hedged, and makes payments based upon a floating rate based on Libor. These contracts are designated and effective as hedges of the change in the fair value of the associated debt. At September 26, 2010, the fair value of these contracts was $19,661, which was recorded in other assets with a corresponding fair value adjustment to increase long-term debt. At December 27, 2009, the fair value of these contracts was $(2,725), which was recorded in other liabilities. The Company was not a party to any interest rate swap agreements at September 27, 2009. The Company recorded gains of $7,576 and $22,386 on these instruments in other (income) expense, net for the quarter and nine months ended September 26, 2010, respectively, relating to the change in fair value of such derivatives, wholly offsetting losses from the change in fair value of the associated long-term debt, also included in other (income) expense.

At December 27, 2009, the Company had $249,828 outstanding in principal amount of contingent convertible debentures due 2021. If the closing price of the Company's common stock exceeded $23.76 for at least 20 trading days, within the 30 consecutive trading day period ending on the last trading day of the calendar quarter, the holders had the right to convert the notes to shares of the Company's common stock at the initial conversion price of $21.60 in the next calendar quarter. During the first quarter of 2010, holders of these debentures converted $111,177 of these debentures which resulted in the issuance of 5,147 shares of common stock.

In addition, if the closing price of the Company's common stock exceeded $27.00 for at least 20 trading days in any thirty day period, the Company had the right to call the debentures by giving notice to the holders of the debentures. During a prescribed notice period following a call by the Company, the holders of the debentures had the right to convert their debentures in accordance with the conversion terms described above. On March 29, 2010, the Company gave notice of its election to redeem all of the outstanding debentures on April 29, 2010 at a redemption price to be paid in cash of $1,011.31 per $1,000 principal amount, which was equal to the par value thereof plus accrued and unpaid cash interest through April 29, 2010. During the notice period, $138,467 of the debentures were converted by the holders, resulting in the issuance of 6,410 shares of common stock. The remaining debentures were redeemed at a total cost of $186, whi ch included accrued interest through the redemption date.

(7) <u>Income Taxes</u>

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. The Company is no longer subject to U.S. federal income tax examinations for years before 2006. 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 2004.

The U.S. Internal Revenue Service has commenced an examination related to the 2006 and 2007 U.S. federal income tax returns. The Company is also under income tax examination in several U.S. state and local and non-U.S. jurisdictions. The U.S. Internal Revenue Service recently completed an examination related to 2004 and 2005, including review by the Joint Committee on Taxation. During the first quarter of 2010, as the result of the completion of this examination, the Company recognized $24,167 of previously accrued unrecognized tax benefits, including the reversal of related accrued interest, primarily related to the deductibility of certain expenses, as well as the tax treatment of certain subsidiary and other transactions. Of this amount, $7,032 was recorded as a reduction of deferred tax assets and the remainder as a reduction of income tax expense. The total income tax benefit resulting from the completion of the examination, incl uding other adjustments, totaled $21,243 during the first quarter of 2010.

In connection with the tax examinations in Mexico for the years 2000 to 2004, the Company has received tax assessments totaling approximately $141,830, which include interest, penalties and inflation updates, related to transfer pricing which the Company is vigorously defending. In order to continue the process of defending its position, the Company was required to guarantee the amount of the assessments for the years 2000 to 2003, as is usual and customary in Mexico with respect to these matters. Accordingly, as of September 26, 2010, bonds totaling approximately $114,890 (at September 26, 2010 exchange rates) have been provided to the Mexican government related to the 2000 to 2003 assessments, allowing the Company to defend its positions. The Company currently does not expect to be required to guarantee the amount of the 2004 assessment. The Company expects to be successful in sustaining its position with r espect to these assessments as well as similar positions that may be taken by the Mexican tax authorities for periods subsequent to 2004.

(Thousands of Dollars and Shares Except Per Share Data)

(8) Fair Value of Financial Instruments

The Company measures certain assets 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 September 26, 2010, September 27, 2009 and December 27, 2009, these investments totaled $21,354, $18,670 and $21,108 respectively, and are included in prepaid expenses and other current assets in the consolidated balance sheet. The Company recorded net gains of $416 and $799 on these investments in other (income) expense, net for the quarter and nine months ended September 26, 2010, respectively, related to the change in fair value of such investments. For the quarter and nine months ended September 27, 2009, the Company reco rded net gains of $310 and $475, respectively, on these investments in other (income) expense, net, related to the change in fair value of such investments.

At September 26, 2010, September 27, 2009 and December 27, 2009, the Company had the following assets measured at fair value in its consolidated balance sheets:

		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)
September 26, 2010				
Available-for-sale securities	$ 21,395	41	21,354	-
Derivatives	28,547	-	22,566	5,981
Total	$ 49,942	41	43,920	5,981

(Thousands of Dollars and Shares Except Per Share Data)

September 27, 2009				
Available-for-sale securities	$ 18,775	105	18,670	-
Derivatives	28,695	-	19,778	8,917
Total	$ 47,470	105	38,448	8,917
December 27, 2009				
Available-for-sale securities	$ 21,151	43	21,108	-
Derivatives	26,631	-	19,823	6,808
Total	$ 47,782	43	40,931	6,808

For a portion of the Company's available-for-sale securities, the Company is able to obtain quoted prices from stock exchanges to measure the fair value of these securities. Certain other available-for-sale securities held by the Company are valued at the net asset value which is quoted on a private market that is not active; however, the unit price is predominantly based on underlying investments which are traded on an active market. The Company's derivatives consist primarily of foreign currency forward contracts. The Company uses current forward rates of the respective foreign currencies to measure the fair value of these contracts. The Company's derivatives also include interest rate swaps used to effectively adjust the interest rates on a portion of the Company's long-term debt from fixed to variable. The fair values of the interest rate swaps are measured based on the present value of future cash flows using the swap curve as of the valuation date. The remaining derivative securities consist of warrants to purchase common stock. The Company uses the Black-Scholes model to value these warrants. One of the inputs used in the Black-Scholes model, historical volatility, 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. There were no changes in these valuation techniques during 2010.

The following is a reconciliation of the beginning and ending balances of the fair value measurements of the Company's warrants to purchase common stock that use significant unobservable inputs (Level 3):

	2010	2009
Balance at beginning of year	$6,808	4,591
(Loss) gain from change in fair value	(827)	1,333
Warrant modification	-	2,993
Balance at end of third quarter	$5,981	8,917

(Thousands of Dollars and Shares Except Per Share Data)

(9) Pension, Postretirement and Postemployment Benefits

The Company, except for certain international subsidiaries, has pension plans covering substantially all of its full-time employees. Substantially all United States employees are covered under at least one of several non-contributory defined benefit pension plans maintained by the Company. Benefits under the two major plans which principally cover non-union employees are based primarily on salary and years of service. One of these major plans is funded. Benefits under the remaining plans are based primarily on fixed amounts for specified years of service. Of these remaining plans, the plan covering union employees is also funded. Effective at the end of December 2007, the Company froze pension benefits being accrued for its non-union employees in the United States. Pension coverage for employees of Hasbro's international subsidiaries is provided, to the extent deemed appropriate, through separate defined benefit and defined contributi on plans.

The components of the net periodic cost of the Company's defined benefit pension and other postretirement plans for the quarters and nine months ended September 26, 2010 and September 27, 2009 are as follows:

	Quarter Ended			
	Pension		Postretirement	
	Sept. 26, 2010	Sept. 27, 2009	Sept. 26, 2010	Sept. 27, 2009
Service cost	$ 1,108	1,086	153	156
Interest cost	5,183	5,380	450	477
Expected return on assets	(6,112)	(5,435)	-	-
Net amortization and deferrals	1,074	1,431	-	3
Curtailment loss	-	4,000	-	-
Net periodic benefit cost	$ 1,253	6,462	603	636

	Nine Months Ended			
	Pension		Postretirement	
	Sept. 26, 2010	Sept. 27, 2009	Sept. 26, 2010	Sept. 27, 2009
Service cost	$ 3,235	3,185	458	469
Interest cost	15,590	16,009	1,350	1,429
Expected return on assets	(18,337)	(16,223)	-	-
Net amortization and deferrals	3,262	4,265	-	8
Curtailment loss	-	4,000	-	-
Net periodic benefit cost	$ 3,750	11,236	1,808	1,906

(Thousands of Dollars and Shares Except Per Share Data)

During the first three quarters of fiscal 2010, the Company made cash contributions to its defined benefit pension plans of approximately $4,800 in the aggregate. The Company expects to contribute approximately $1,700 during the remainder of fiscal 2010.

(10) 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 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, Euros and United Kingdom pound sterling and 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.

The Company also has warrants to purchase common stock that qualify as derivatives. For additional information related to these warrants see Note 8. In addition the Company is party to several interest rate swap agreements to effectively adjust the interest rates on a portion of the Company's long-term debt from fixed to variable. For additional information related to these interest rate swaps see Note 6.

Cash Flow Hedges

Hasbro 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 and other cross-border transactions in 2010 through 2013.

At September 26, 2010, September 27, 2009 and December 27, 2009, the notional amounts and fair values of the Company's foreign currency forward contracts designated as cash flow hedging instruments were as follows:

	Sept. 26, 2010		Sept. 27, 2009		Dec. 27, 2009	
Hedged transaction	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Inventory purchases	$ 705,906	(4)	416,568	12,503	380,661	16,715
Intercompany royalty transactions	233,358	2,867	173,491	5,731	135,921	7,007
Other	24,853	441	5,836	462	30,268	230
Total	$ 964,117	3,304	595,895	18,696	546,850	23,952

(Thousands of Dollars and Shares Except Per Share Data)

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 September 26, 2010, September 27, 2009 and December 27, 2009 as follows:

	Sept. 26, 2010	Sept. 27, 2009	Dec. 27, 2009
Prepaid expenses and other current assets			
Unrealized gains	$ 20,528	13,125	12,142
Unrealized losses	(11,779)	(6,280)	(1,899)
Net unrealized gain	8,749	6,845	10,243
Other assets			
Unrealized gains	7,501	13,482	13,709
Unrealized losses	(12,946)	(1,631)	-
Net unrealized (loss) gain	(5,445)	11,851	13,709
Total net unrealized gain	$ 3,304	18,696	23,952

During the quarter and nine months ended September 26, 2010, the Company reclassified net gains from other comprehensive earnings to net earnings of $6,930 and $12,786, respectively. Of the amount reclassified during the quarter ended September 26, 2010, $5,444 was reclassified to cost of sales and $1,504 was reclassified to royalty expense. Of the amount reclassified during the nine months ended September 26, 2010, $9,294 and $3,562 were reclassified to cost of sales and royalty expense, respectively. In addition, net losses of $18 and $70 were reclassified to earnings as a result of hedge ineffectiveness in the quarter and nine months ended September 26, 2010, respectively.

During the quarter and nine months ended September 27, 2009, the Company reclassified net gains from other comprehensive earnings to net earnings of $3,974 and $20,602 respectively. Of the amount reclassified during the quarter ended September 27, 2009, $2,491 was reclassified to cost of sales and $1,488 was reclassified to royalty expense. During the nine month period ended September 27, 2009, $16,148 was reclassified to cost of sales and $4,459 was reclassified to royalty expense. In addition, net losses of $5 in the quarter and nine months ended September 27, 2009 were reclassified to earnings as a result of hedge ineffectiveness.

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. Due to the short-term nature of the derivative contracts involved, the Company does not use hedge accounting for these contracts.

(Thousands of Dollars and Shares Except Per Share Data)

At September 26, 2010, September 27, 2009 and December 27, 2009, the total notional amounts of the Company's undesignated derivative instruments were $72,322, $132,678 and $94,926, respectively.

At September 26, 2010, September 27, 2009 and December 27, 2009, the fair values of the Company's undesignated derivative financial instruments were recorded in prepaid expenses and other current assets in the consolidated balance sheets as follows:

	Sept. 26, 2010	Sept. 27, 2009	Dec. 27, 2009
Unrealized gains	$ 32	2,513	747
Unrealized losses	(431)	(1,431)	(2,151)
Net unrealized (loss) gain	$ (399)	1,082	(1,404)

The Company recorded net gains (losses) of $693 and $(816) on these instruments to other (income) expense, net for the quarter and nine months ended September 26, 2010, respectively, and $1,032 and $3,070 on these instruments to other (income) expense, net for the quarter and nine months ended September 27, 2009 , 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 6 and 8.

(11) Segment Reporting

Hasbro is a worldwide leader in children's and family leisure time products and services, including toys, games and licensed products ranging from traditional to high-tech and digital. 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 boys' action figures, vehicles and playsets, girls' toys, electronic toys and games, plush products, preschool toys and infant products, electronic interactive products, toy-related specialty products, traditional board games and puzzles, DVD-based games and trading card and role-playing games within the United States and Canada. Within the International segment, the Company markets and sells both toy and certain game products in markets outside of the U.S. and Canada, primarily the European, Asia Pacific, and Latin and South American regions. The Company's Entertainment and Licensing segment includes the Company's lifestyle licensing, digital gaming, movie, television and online entertainment operations. The Global Operations segment is responsible for manufacturing and sourcing finished product for the Comp any's U.S. and Canada and International segments.

(Thousands of Dollars and Shares Except Per Share Data)

Segment performance is measured at the operating profit level. Included in Corporate and eliminations are certain corporate expenses, 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 product development and marketing expenses, are allocated to segments based upon foreign exchange rates fixed at the beginning of the year, with adjustments to actual 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 and nine months are not necessarily representative of those which may be expected for the full year 2010, nor were those of the comparable 2009 periods representative of those actually experienced for the full year 2009. 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 and nine months ended September 26, 2010 and September 27, 2009 are as follows.

	Quarter Ended			
	Sept. 26, 2010		Sept. 27, 2009	
	External	Affiliate	External	Affiliate
Net revenues				
U.S. and Canada	$ 825,483	5,942	791,896	3,211
International	458,917	29	444,105	21
Entertainment and Licensing	27,478	-	41,554	-
Global Operations (a)	1,424	667,017	1,666	575,868
Corporate and Eliminations	-	(672,988)	-	(579,100)
	$ 1,313,302	-	1,279,221	-

	Nine Months Ended			
	Sept. 26, 2010		Sept. 27, 2009	
	External	Affiliate	External	Affiliate
Net revenues				
U.S. and Canada	$ 1,694,713	12,256	1,687,275	8,393
International	942,047	59	909,528	70
Entertainment and Licensing	83,038	-	92,940	-
Global Operations (a)	3,666	1,294,972	3,020	1,135,610
Corporate and Eliminations	-	(1,307,287)	-	(1,144,073)
	$ 2,723,464	-	2,692,763	-

(Thousands of Dollars and Shares Except Per Share Data)

	Quarter Ended		Nine Months Ended	
	Sept. 26, 2010	Sept. 27, 2009	Sept. 26, 2010	Sept. 27, 2009
Operating profit (loss)				
U.S. and Canada	$ 158,763	129,092	278,635	226,960
International	70,818	64,147	79,984	66,126
Entertainment and Licensing	5,918	19,820	28,280	36,386
Global Operations (a)	25,298	18,787	25,215	14,124
Corporate and Eliminations (b)	(23,040)	(1,137)	(25,304)	1,403
	$ 237,757	230,709	386,810	344,999

	Sept. 26, 2010	Sept. 27, 2009	Dec. 27, 2009
Total assets			
U.S. and Canada	$ 4,335,848	3,580,899	3,901,598
International	1,610,002	1,459,236	1,519,542
Entertainment and Licensing	818,409	688,674	711,631
Global Operations	1,360,879	929,945	1,012,597
Corporate and Eliminations (b)	(3,909,521)	(2,797,427)	(3,248,476)
	$ 4,215,617	3,861,327	3,896,892

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

(b) Certain intangible assets, primarily goodwill, which benefit multiple operating segments are reflected as Corporate assets for segment reporting purposes. In accordance with accounting standards related to impairment testing, these amounts have been allocated to the reporting unit which benefits from their use. In addition, allocations of certain expenses related to these intangible assets to the individual operating segments are done at the beginning of the year based on budgeted amounts. Any difference between actual and budgeted amounts is reflected in Corporate and eliminations.

(Thousands of Dollars and Shares Except Per Share Data)

The following table presents consolidated net revenues by class of principal products for the quarters and nine months ended September 26, 2010 and September 27, 2009.

		Quarter Ended		Nine Months Ended	
		Sept. 26, 2010	Sept. 27, 2009	Sept. 26, 2010	Sept. 27, 2009
Boys	$	472,260	453,748	947,940	1,046,563
Games and puzzles		387,041	378,812	876,312	806,045
Girls		269,069	273,126	531,668	518,126
Preschool		184,699	169,051	367,115	314,341
Other		233	4,484	429	7,688
Net revenues	$	1,313,302	1,279,221	2,723,464	2,692,763

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

HASBRO, INC. AND SUBSIDIARIES
Management's Discussion and Analysis of Financial
Condition and Results of Operations
(Thousands of Dollars and Shares Except Per Share Data)

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 and strategies, financial goals and expectations for achieving the Company’s financial goals and other objectives. See Item 1A, in Part II of this report, 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.

EXECUTIVE SUMMARY

The Company earns revenue and generates cash primarily through the sale of a variety of toy and game products, as well as through the out-licensing of rights for use of its properties in connection with non-competing products, including digital games, offered by third-parties. The Company sells its products both within the United States and in a number of international markets. The Company's business is highly seasonal with a significant amount of revenues occurring in the second half of the year. In 2009, 2008 and 2007, the second half of the year accounted for 65%, 63% and 66% of the Company’s net revenues, respectively. While many of the Company's products are based on brands and technology the Company owns or controls, the Company also offers products which are licensed from outside inventors. In addition, the Company licenses rights to produce products based on movie, television, music and other entertainment properties owne d by third parties, such as the MARVEL and STAR WARS properties.

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 develops, markets and sells both toy and game products in the U.S. and Canada. The International segment consists of the Company's European, Asia Pacific and Latin and South American marketing and sales operations. The Company’s Entertainment and Licensing segment includes the Company’s lifestyle licensing, digital gaming, movie, television and online entertainment operations. In addition to these three primary segments, the Company's world-wide manufacturing and product sourcing operations are managed through its Global Operations segment.

The Company seeks to make its brands relevant in all areas important to its consumers. Brand awareness is amplified through immersive traditional play, digital applications, publishing and lifestyle licensing and entertainment experiences presented for consumers’ enjoyment. The Company’s focus remains on growing core owned and controlled brands, developing new and innovative products which respond to market insights, offering immersive entertainment experiences which allow consumers to experience the Company’s brands across multiple forms and formats, and optimizing efficiencies within the Company to reduce costs, increase operating profits and maintain a strong balance sheet. The Company's core brands represent Company-owned or Company-controlled brands, such as TRANSFORMERS, MY LITTLE PONY, LITTLEST PET SHOP, MONOPOLY, MAGIC: THE GATHERING, PLAYSKOOL, G.I. JOE and NERF, which have been successful over the long term. The Company has a large portfolio of owned and controlled brands, which can be introduced in new formats and platforms over time. These brands may also be further extended by pairing a licensed concept with a core brand. By focusing on core brands, the Company is working to maintain a more consistent revenue stream and basis for future growth, and to leverage profitability. During the first nine months of 2010 the Company had significant revenues from core brands, namely NERF, LITTLEST PET SHOP, TRANSFORMERS, PLAYSKOOL, MAGIC: THE GATHERING, PLAY-DOH and MONOPOLY. The Company's strategy of re-imagining, re-inventi ng and re-igniting its brands has been instrumental in achieving its overall long-term growth objectives.

The Company also seeks to drive product-related revenues by increasing the visibility of its core brands through entertainment. As an example of this, in June of 2009, the *TRANSFORMERS: REVENGE OF THE FALLEN* motion picture was released by Dreamworks, LLC and Paramount Pictures Corporation as a sequel to the 2007 motion picture *TRANSFORMERS*. In addition, in August 2009, the motion picture *G.I. JOE: THE RISE OF COBRA* was released by Paramount Pictures Corporation. The Company developed and marketed product lines based on these motion pictures. As a result of pairing these core brands with motion picture entertainment, both the movies and the product lines benefited. In addition, the Company has entered into a strategic relationship with Universal Pictures to produce at least three motion pictures based on certain of Hasbro's core brands, with the potential for production of two additio nal pictures. The first movie is expected to be released in 2012. As part of its strategy, in addition to using theatrical entertainment, the Company continues to seek opportunities to use other entertainment outlets and forms of entertainment as a way to build awareness of its brands.

The Company is a partner in a joint venture with Discovery Communications, Inc. ("Discovery") which runs a television network dedicated to high-quality children's and family entertainment and educational programming. Programming on the network includes content based on Hasbro's brands, Discovery's library of children's educational programming, as well as programming developed by third parties. The rebranded network, The HUB, debuted in October of 2010 and was available in approximately 60 million homes in the U.S. The Company believes that this effort will support its strategy of growing its core brands well beyond traditional toys and games and providing immersive entertainment experiences for consumers of all ages in any form or format. In connection with this initiative, the Company established Hasbro Studios, an internal creative group that is responsible for the creation and develop ment of television programming based primarily on Hasbro's brands. The Company incurred a certain level of investment spending leading up to the debut of The HUB, as well as costs in 2010 and expected in the future related to the production of television programming.

While the Company believes it has built a more sustainable revenue base by developing and maintaining its core brands and avoiding reliance on licensed entertainment properties, it continues to opportunistically enter into or leverage existing strategic licenses which complement its brands and key strengths. The Company’s primary licenses include its agreements with Marvel Characters B.V. (“Marvel”), for characters in the Marvel universe, including IRON MAN and SPIDER-MAN; Lucas Licensing, Ltd. (“Lucas”), related to the STAR WARS brand; and Sesame Workshop, related to the SESAME STREET brand of characters. The majority of product offerings under the Sesame Workshop license will commence in 2011. In the first three quarters of 2010 the Company had significant sales of products related to the movie release of *IRON MAN 2* in May 2010 as well as continued strong sales of STAR WARS products. During 2009 the C ompany had a high level of revenues from products related to television programming based on SPIDER-MAN and STAR WARS.

The Company’s long-term strategy also focuses on extending its brands further into the digital world. As part of this strategy, the Company is party to a multi-year strategic agreement with Electronic Arts Inc. (“EA”). The agreement gives EA the worldwide rights, subject to existing limitations on the Company’s rights and certain other exclusions, to create digital games for all platforms, such as mobile phones, gaming consoles and personal computers, based on a broad spectrum of the Company’s intellectual properties, including MONOPOLY, SCRABBLE, YAHTZEE, NERF, TONKA, G.I. JOE and LITTLEST PET SHOP.

The Company is investing to grow its business in emerging markets. During the last two years, the Company expanded its operations in China, Brazil, Russia, Korea, Romania and the Czech Republic. In addition, the Company is seeking to grow its business in entertainment and digital gaming, and will continue to evaluate strategic alliances and acquisitions which may complement its current product offerings, allow it entry into an area which is adjacent to or complementary to the toy and game business, or allow it to further develop awareness of its brands and expand the ability of consumers to experience its brands in different forms of media.

While the Company remains committed to investing in the growth of its business, it also continues to be focused on reducing fixed costs through efficiencies and on profit improvement. Over the last 7 years the Company has improved its full year operating margin from 7.8% in 2002 to 14.5% in 2009. The Company reviews its operations on an ongoing basis and seeks to reduce the cost structure of its underlying business and promote efficiency.

In recent years, the Company also returned excess cash to its shareholders through share repurchases and dividends. As part of this initiative, from 2004 to 2010, the Company’s Board of Directors (the “Board”) adopted five successive share repurchase authorizations with a cumulative authorized repurchase amount of $2,325,000. The fifth authorization was approved in April 2010 for $625,000. At September 26, 2010, the Company had $157,520 remaining under the April 2010 authorization. For the first nine months of 2010, the Company invested $629,226 in the repurchase of 15,596 shares of common stock in the open market. For the years ended 2009, 2008 and 2007, the Company spent $90,994, $357,589 and $587,004, respectively, to repurchase 3,172, 11,736 and 20,795 shares, respectively, in the open market.

(Thousands of Dollars and Shares Except Per Share Data)

The increased level of share repurchases in 2010 compared to 2009 partially reflects the Company's repurchase of an equivalent number of shares that were issued in 2010 in connection with the call and related conversion of its convertible debt. The Company intends to, at its discretion, opportunistically repurchase shares in the future subject to market conditions, the Company's other potential uses of cash and the Company's levels of cash generation.

SUMMARY OF FINANCIAL PERFORMANCE

The components of the results of operations, stated as a percent of net revenues, are illustrated below for the quarters and nine months ended September 26, 2010 and September 27, 2009.

	Quarter		Nine Months	
	2010	2009	2010	2009
Net revenues	100.0%	100.0%	100.0%	100.0%
Costs and expenses:				
Cost of sales	45.4	43.0	42.6	41.4
Royalties	5.8	7.8	6.2	8.5
Product development	3.9	3.4	5.1	4.6
Advertising	10.2	10.6	10.2	10.4
Amortization	1.2	1.6	1.4	2.2
Selling, distribution and administration	15.4	15.6	20.3	20.1
Operating profit	18.1	18.0	14.2	12.8
Interest expense	1.6	1.4	2.2	1.6
Interest income	(0.0)	(0.0)	(0.1)	(0.1)
Other (income) expense, net	(0.2)	(0.4)	(0.2)	0.0
Earnings before income taxes	16.7	17.0	12.3	11.3
Income taxes	4.9	5.2	2.8	3.5
Net earnings	11.8%	11.8%	9.5%	7.8%

RESULTS OF OPERATIONS

The quarters and nine months ended September 26, 2010 and September 27, 2009 were 13-week and 39-week periods, respectively. Net earnings for the quarter and nine months ended September 26, 2010 were $155,164 and $257,738, respectively, compared to net earnings of $150,362 and $209,367 for the respective periods of 2009. Basic earnings per share for the quarter and nine months ended September 26, 2010 were $1.12 and $1.84, respectively, compared to basic earnings per share of $1.08 and $1.50 for the respective periods of 2009. Diluted earnings per share were $1.09 and $1.76 for the quarter and nine months ended September 26, 2010, compared with diluted earnings per share of $0.99 and $1.39 for the respective periods in 2009.

(Thousands of Dollars and Shares Except Per Share Data)

Net earnings for the nine months ended September 26, 2010 include a favorable tax adjustment of approximately $21,200, or $0.14 per diluted share, related to the recognition of certain previously unrecognized tax benefits and reversal of related accrued interest due to the completion of a tax audit.

Consolidated net revenues for the quarter ended September 26, 2010 increased 3% to $1,313,302 compared to $1,279,221 for the quarter ended September 27, 2009. For the nine months ended September 26, 2010, consolidated net revenues were $2,723,464 compared to $2,692,763 for the nine months ended September 27, 2009. Consolidated net revenues were negatively impacted by foreign currency translation in the amount of approximately $16,200 for the quarter and positively impacted by $5,800 for the nine months ended September 26, 2010. Operating profit for the quarter ended September 26, 2010 was $237,757 compared to $230,709 for the quarter ended September 27, 2009. Operating profit for the 2010 nine-month period was $386,810 compared to an operating profit of $344,999 for the nine-month period of 2009.

Most of the Company's 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, which 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 and nine months ended September 26, 2010 and September 27, 2009.

	Quarter			Nine Months		
	2010	2009	% Change	2010	2009	% Change
Net Revenues						
U.S. and Canada segment	$825,483	791,896	4%	1,694,713	1,687,275	0%
International segment	458,917	444,105	3%	942,047	909,528	4%
Entertainment and Licensing segment	27,478	41,554	(34)%	83,038	92,940	(11)%
Operating Profit						
U.S. and Canada segment	$ 158,763	129,092	23%	278,635	226,960	23%
International segment	70,818	64,147	10%	79,984	66,126	21%
Entertainment and Licensing segment	5,918	19,820	(70)%	28,280	36,386	(22)%

U.S. AND CANADA SEGMENT

The U.S. and Canada segment’s net revenues for the quarter ended September 26, 2010 increased 4% to $825,483 from $791,896 for the quarter ended September 27, 2009. Net revenues for the nine months ended September 26, 2010 were $1,694,713 compared to $1,687,275 for the nine months ended September 27, 2009. For the quarter and nine months ended September 26, 2010, U.S. and Canada segment net revenues were positively impacted by currency translation of approximately $1,700 and $8,200, respectively, as a result of the weaker U.S. dollar in the first nine months of 2010.

The increase in the quarter was primarily due to increased revenues in the boys category as a result of higher sales of MARVEL products as well as increased sales of NERF and TONKA products. Sales for the quarter were also positively impacted by the sales of BEYBLADE product which were reintroduced in 2010. These increases more than offset the expected decrease in sales of TRANSFORMERS and GI JOE products due to the movie releases relating to these products in 2009. Revenues in the games and puzzles category for the quarter increased as a result of higher sales of MAGIC: THE GATHERING and SCRABBLE products. Revenues in the preschool category for the quarter also increased as the result of higher sales of PLAY DOH and TONKA products. The increased sales from these categories in the quarter more than offset decreased sales in the girls category during the quarter primarily as the result of lower sales of LITTLEST PET SHOP and to a lesser extent decreased sales of MY LITTLE PONY and i-DOG products. These decreases were partially offset by increased sales of FURREAL FRIENDS products. For the nine months ended September 26, 2010, the increase in revenues was primarily the result of higher sales in the games and puzzles and preschool categories partially offset by decreased revenues in the boys category. The increase in the games and puzzles category was primarily due to the increase in MAGIC: THE GATHERING products and the increase in the preschool category was primarily due to increased sales of PLAY DOH, PLAYSKOOL and TONKA products. The decrease in the boys category was due to the decreased sales of TRANSFORMERS and GI JOE products due to the movie releases relating to these products in 2009. These decreases were partially offset by higher sales of NERF and IRON MAN products as well as the impact of the reintroduction of BEYBLADE line of products in 2010.

U.S. and Canada segment operating profit increased to $158,763 for the quarter ended September 26, 2010 compared to $129,092 for the quarter ended September 27, 2009. For the nine months ended September 26, 2010 operating profit increased to $278,635 from $226,960 for the nine months ended September 27, 2009. The increase in operating profit for the quarter and nine months was driven by lower royalty expense as the result of decreased sales of entertainment-driven products, as well as decreased amortization expense, primarily as a result of the property rights related to the Wizards of the Coast acquisition becoming fully amortized in the fourth quarter of 2009, and decreased advertising expense. The increased operating profit for the quarter was, to a lesser extent, also the result of increased revenues.

INTERNATIONAL SEGMENT

International segment net revenues increased by 3% to $458,917 for the quarter ended September 26, 2010 from $444,105 for the quarter ended September 27, 2009. Net revenues for the nine months ended September 26, 2010 increased 4% to $942,047 from $909,528 for the nine months ended September 27, 2009. For the quarter ended September 26, 2010, International segment net revenues were negatively impacted by currency translation of approximately $17,800, or 4%. For the nine months ended September 26, 2010, International segment net revenues were negatively impacted by currency translation of approximately $2,300. For both the quarterly and nine month periods ended September 26, 2010, the increased revenues were primarily due to increased sales in the girls, game and puzzles and preschool categories partially offset by decreased sales in the boys category. The increase in the girls category was primarily due to increased sales from the FUR REAL FRIENDS line which more than offset decreased revenues from LITTLEST PET SHOP and MY LITTLE PONY products. The increase in the games and puzzles category was primarily due to increased sales of MAGIC: THE GATHERING products and, to a lesser extent, TOY STORY products.

The increase in the preschool category was primarily due to increased sales of PLAYSKOOL and PLAY-DOH products partially offset by decreased sales of IN THE NIGHT GARDEN products. Net revenues in the boys category decreased in the quarter and nine months primarily as a result of decreased sales of TRANSFORMERS and GI JOE products, partially offset by increased sales of NERF and MARVEL and the sales from BEY BLADES products which were reintroduced in the third quarter of 2010. Sales of MARVEL products increased in the quarter and nine months primarily as a result of the movie release of *IRON MAN 2* in May 2010.

International segment operating profit increased to $70,818 for the quarter ended September 26, 2010 from $64,147 for the quarter ended September 27, 2009. For the nine months ended September 26, 2010, operating profit increased to $79,984 from $66,126 for the nine months ended September 27, 2009. International segment operating profit for the quarter and nine months ended September 26, 2010 was negatively impacted by currency translation of approximately $3,000 and $4,700, respectively. The increase in operating profit for the quarter and nine months was primarily a result of higher revenues as well as decreased royalty and amortization expense.

ENTERTAINMENT AND LICENSING SEGMENT
Entertainment and Licensing segment net revenues for the quarter ended September 26, 2010 decreased 34% to $27,478 from $41,554 for the quarter ended September 27, 2009. Net revenues for the nine months ended September 26, 2010 decreased 11% to $83,038 from $92,940 for the nine months ended September 27, 2009. The decrease in both the quarter and nine months was primarily due to a decline in TRANSFORMERS and G.I. JOE movie-related revenues.

Entertainment and Licensing segment operating profit decreased to $5,918 for the quarter ended September 26, 2010 compared to $19,820 for the quarter ended September 27, 2009. For the nine months ended September 26, 2010 operating profit decreased to $28,280 from $36,386 for the nine months ended September 27, 2009. Operating profit for the quarter and nine months of 2010 decreased as a result of the lower revenues discussed above as well as costs associated with the startup of Hasbro Studios and amortization of program production costs. Amortization of these costs was approximately $5,000 for the quarter and nine months ended September 26, 2010, respectively. Selling, distribution and administrative expense in the nine months ended September 27, 2009 included $7,200 in acquisition costs related to the Company’s investment in The HUB. While The HUB is a component of our television operations, the Company 46;s 50% share in the earnings (loss) from the joint venture is included in other (income) expense and therefore is not a component of operating profit of the segment.

(Thousands of Dollars and Shares Except Per Share Data)

COSTS AND EXPENSES
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The Company's costs and expenses, stated as percentages of net revenues, are illustrated below for the quarters ended September 26, 2010 and September 27, 2009.

	Quarter		Nine Months	
	2010	2009	2010	2009
Cost of sales	45.4%	43.0%	42.6%	41.4%
Royalties	5.8	7.8	6.2	8.5
Product development	3.9	3.4	5.1	4.6
Advertising	10.2	10.6	10.2	10.4
Amortization	1.2	1.6	1.4	2.2
Selling, distribution and administration	15.4	15.6	20.3	20.1

Cost of sales increased in dollars and as a percentage of revenues to $596,634, or 45.4% of net revenues, for the quarter ended September 26, 2010 from $550,026 or 43.0% of net revenues for the quarter ended September 27, 2009. For the nine months ended September 26, 2010 cost of sales also increased in dollars and as a percentage of revenues to $1,159,635, or 42.6% of net revenues, compared to $1,114,231, or 41.4% of net revenues for the nine months ended September 27, 2009. The cost of sales for the quarter and nine months ended September 26, 2010 includes program production cost amortization of approximately $5,000. The remaining increase in dollars for the quarter and nine months primarily reflects the change in revenue mix for those periods, including the decline in Entertainment and Licensing revenues, and changes in foreign currency.

Royalty expense for the quarter ended September 26, 2010 decreased to $75,620 or 5.8% of net revenues from $99,725 or 7.8% of net revenues for the quarter ended September 27, 2009. Royalty expense for the nine months ended September 26, 2010 decreased to $169,454 or 6.2% of net revenues from $228,004 or 8.5% of net revenues for the comparable period of 2009. The decrease in the quarter and nine-month period is primarily the result of decreased sales of entertainment-driven products, including TRANSFORMERS, G.I. JOE and STAR WARS products. Royalty expense in the nine-month period ended September 27, 2009 also included an expense of approximately $10,000 associated with a royalty audit.

Product development expenses for the quarter ended September 26, 2010 increased to $51,618 or 3.9% of net revenues from $43,870 or 3.4% of net revenues for the quarter ended September 27, 2009. For the nine months ended September 26, 2010 product development expense increased to $139,408 or 5.1% of net revenues compared to $124,530 or 4.6% of net revenues for the comparable period of 2009. The increase in both the quarter and nine-month periods of 2010 primarily relates to major product initiatives planned for 2011.

Advertising expense for the quarter ended September 26, 2010 decreased to $133,742, or 10.2% of net revenues compared to $134,950, or 10.6% of net revenues for the quarter ended September 27, 2009. For the nine months ended September 26, 2010 advertising expense decreased to $276,914 or 10.2% of net revenues compared to $278,936 or 10.4% of net revenues for the comparable period of 2009.

Amortization expense decreased to $15,611 or 1.2% of net revenues in the third quarter of 2010 from $20,955 or 1.6% of net revenues in the third quarter of 2009. For the nine months ended September 26, 2010, amortization expense was $38,310 or 1.4% of net revenues compared to $59,634 or 2.2% of net revenues in the nine months ended September 27, 2009. The decrease in the quarter and nine months is primarily the result of the property rights related to the Wizards of the Coast and Larami acquisitions becoming fully amortized in the fourth quarter of 2009 and first quarter of 2010, respectively.

For the quarter ended September 26, 2010, the Company's selling, distribution and administration expenses increased in dollars but decreased as a percentage of net revenues to $202,320, or 15.4% of net revenues, from $198,986 or 15.6% of net revenues for the quarter ended September 27, 2009. For the nine months ended September 26, 2010, selling, distribution and administration expenses increased to $552,933 or 20.3% of net revenues, from $542,429 or 20.1% of net revenues, for the nine months ended September 27, 2009. The increase in dollars for the quarter and nine months reflects higher marketing and sales and administration expenses, partially offset by lower distribution costs. The increase in the nine months also reflects increases from currency translation. Both the quarter and nine-month periods in 2010 include additional marketing and sales and administration costs related to Hasbro Studios, as well as to support continued grow th in emerging markets, including Brazil and China. Administration expense in the nine-month period of 2009 included $7,200 in acquisition costs related to the Company’s purchase of its 50% interest in the joint venture with Discovery Communications.

NONOPERATING (INCOME) EXPENSE
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Interest expense for the third quarter of 2010 increased to $21,657 from $17,609 in the third quarter of 2009. For the nine months ended September 26, 2010 interest expense increased to $60,371 from $44,827 in 2009. Interest expense in the nine months of 2009 includes approximately $4,000 in costs related to a short-term borrowing facility commitment the Company entered into in April 2009 in connection with the Company’s investment in the joint venture with Discovery. Absent this charge, the increase in interest expense in the quarter and nine months primarily reflects higher outstanding borrowings as a result of the issuance of $425,000 in principal amount of Notes in May 2009 and $500,000 in principal amount of Notes in March 2010, partially offset by the conversion and redemption of the 2.75% contingent convertible debentures during March and April of 2010. The proceeds from the issuance of Notes in May 2009 were primarily use d to purchase a 50% interest in The HUB. The increase in interest expense is also due to higher average borrowing rates due to the issuance of Notes in March 2010, which bear interest at the rate of 6.35%, partially offset by the conversion and redemption of the contingent convertible debentures during March and April 2010, which bore interest at 2.75%.

Interest income for the quarter ended September 26, 2010 was $839 compared to $444 for the quarter ended September 27, 2009. Interest income for the nine months ended September 26, 2010 was $3,775 compared to $2,448 in 2009. The increase in interest income for the nine months was primarily the result of income received from the Internal Revenue Service related to a tax refund and to a lesser extent higher average invested cash balances, partially offset by lower returns on invested cash in the nine-month period.

Other (income) expense, net, was $(2,134) for the third quarter of 2010, compared to $(4,315) for the third quarter of 2009. Other (income) expense, net, for the nine months ended September 26, 2010 was $(4,126) compared to $(680) in 2009. Other (income) expense includes the Company’s 50% interest in the income (loss) of The HUB which was losses of $874 and $450, respectively, during the quarter and nine-month periods of 2010, compared to income of $1,541 and $2,555, respectively in the comparable periods in 2009.

INCOME TAXES
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Income taxes totaled 29.2% of pretax earnings in the third quarter of 2010 compared with 31.0% in the third quarter of 2009. For the nine-month periods, income taxes totaled 22.9% of pretax earnings in 2010 compared to 31.0% of pretax earnings in 2009. Income tax expense for the nine months ended September 26, 2010 includes a $21,243 tax benefit as a result of the settlement of the 2004 and 2005 IRS examination in the first quarter of 2010. In addition, both periods are impacted by certain other discrete tax events, including the accrual of potential interest and penalties on certain tax positions. Absent these items, the effective nine-month income tax rates for 2010 and 2009 were 28.8% and 29.7%, respectively. The decrease in the adjusted rate to 28.8% for the nine months ended September 26, 2010 from the full year 2009 adjusted rate of 29.0% is primarily due to a change in the mix of the tax jurisdictions where the Company ex pects to earn its profits.

OTHER INFORMATION

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. Although the Company expects that this concentration will continue, particularly as more of its business shifts to larger customers with order patterns concentrated in the second half of the year, this concentration may be less in years when the Company has products related to one or more major motion picture releases that occur in the first half of the year. In 2010 the Company had significant sales of products related to the movie release of *IRON MAN 2* in May 2010. In 2009 the Company had products related to the mid-year major motion picture releases of *TRANSFORMERS: REVENGE OF THE FALLEN*, *GI JOE: THE RISE OF COBRA* and *X-MEN ORIGINS: WOLVERINE*. The concentration of sales in the second half of the year increases the risk of (a) underproduction of popular item s, (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 we have product licenses, the timing of television entertainment and changes in overall economic conditions. As a result, comparisons of our unshipped orders on any date with those at the same date in a prior year are not necessarily indicative of our expected sales for that 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. Unshipped orders at September 26, 2010 and September 27, 2009 were approximately $597,951 and $465,100, respectively. It is a general industr y practice that orders are subject to amendment or cancellation by customers prior to shipment. The backlog of unshipped orders at any date in a given year can also be affected by programs that we may employ to incent customers to place orders and accept shipments early in the year. These programs follow general industry practices.

In June 2009 the Financial Accounting Standards Board ("FASB") revised accounting standards related to the transfer of financial assets. These revisions seek to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. These revisions also eliminate the concept of a qualifying special-purpose entity, and require such entities to be evaluated for consolidation in accordance with the applicable consolidation guidance. As a result of the adoption of these new accounting standards in 2010, the Company will account for any sales of accounts receivable under its securitization facility in 2010 as c ollateralized borrowings. The accounts receivable balances will remain on the Company's balance sheet and proceeds from the sales of the receivables will be recorded as short-term debt. The adoption of these standards did not have a material impact on the Company's consolidated balance sheet or statement of operations in 2010.

In January 2010 the FASB revised accounting standards related to fair value measurements to expand disclosure requirements to include significant transfers of assets and liabilities in and out of Level 1 and Level 2 fair value measurements and the reasons for those transfers, as well as a gross presentation of purchases, sales, issuances and settlements within the rollforward of changes in Level 3 assets and liabilities. The revised standards also provide clarification to existing fair value disclosure requirements related to the level of disaggregation and disclosure about inputs and valuation techniques. The majority of the requirements of these revised accounting standards were effective and adopted by the Company in the first quarter of 2010 and had no impact on the consolidated balance sheet or results of operations. Certain requirements related to the gross presentation of activity in the rollforward of changes in Level 3 assets and liabilities will become effective for fiscal years beginning after December 15, 2010 and for interim reporting periods within those fiscal years.

LIQUIDITY AND CAPITAL RESOURCES

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The Company has historically generated a significant amount of cash from operations. In 2009 the Company funded its operations and liquidity needs primarily through cash flows from operations, and, when needed, using borrowings under its available lines of credit and proceeds from its accounts receivable securitization program. During the first nine months of 2010, the Company has continued to fund its working capital needs primarily through cash flows from operations and, when needed, using borrowings under its available lines of credit. 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 accounts receivable securitization program are adequate to meet its working capital needs for the remainder of 2010. 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 re sources. In addition, significant disruptions to credit markets may also reduce or eliminate the availability of external financial resources. Although we believe the risk of nonperformance by the counterparties to our 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 us.

In March 2010 the Company issued $500,000 in aggregate principal amount of Notes that are due in 2040 (the "Notes"). The Notes bear interest at a rate of 6.35%. 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 discounted using the effective interest rate on applicable U.S. Treasury bills at the time of repurchase. The proceeds from the issuance of the Notes were primarily used to repurchase an equivalent number of shares resulting from the conversion of the Company’s contingent convertible debentures.

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.

Net cash provided by operating activities in the first nine months of 2010 was $5,766 compared to net cash utilized of $210,531 in the first nine months of 2009. Net cash provided in 2010 as compared to net cash utilized in 2009 primarily reflects increased collections of accounts receivable because the Company did not utilize the securitization program at December 27, 2009, compared to a utilization of $250,000 of the securitization program at December 28, 2008 and also as a result of higher sales in the fourth quarter of 2009 as compared to the fourth quarter of 2008. In addition, net cash utilized in the first nine months of 2009 includes a $50,000 guaranteed advance royalty payment to Marvel related to the extension of the current agreement and a $25,000 guaranteed royalty payment to the joint venture in the third quarter of 2010.

Accounts receivable increased to $1,210,460 at September 26, 2010 from $1,116,033 at September 27, 2009. The accounts receivable balance at September 26, 2010 includes a decrease of approximately $8,700 due to foreign currency translation. At September 26, 2010 and September 27, 2009, based on the Company’s cash position and liquidity needs, there was no utilization of the securitization program. Days sales outstanding were 83 days at September 26, 2010 compared to 79 days at September 27, 2009. The increase in days sales outstanding is primarily due to the timing of sales and collections during the 2010 quarter as compared to 2009, as well as the decline in Entertainment and Licensing segment net revenues in 2010 compared to 2009.

Inventories increased to $467,953 at September 26, 2010 from $399,917 at September 27, 2009. The inventory balance at September 26, 2010 includes a decrease of approximately $3,200 from foreign currency translation. The increase in inventory is primarily due to the Company’s decision to bring inventory into certain markets earlier to mitigate potential shipping container shortages that may occur during the fourth quarter of 2010.

Prepaid expenses and other current assets decreased to $170,394 at September 26, 2010 compared to $178,597 at September 27, 2009. The decrease primarily relates to lower prepaid royalties, primarily related to utilization of the MARVEL royalty advance, partially offset by increased deferred taxes.

Accounts payable and accrued expenses increased to $874,861 at September 26, 2010 from $854,053 at September 27, 2009. Increased accounts payable as a result of the higher inventory balances and higher level of expenses were partially offset by decreased accrued royalties, primarily resulting from decreased sales of TRANSFORMERS, G.I. JOE and STAR WARS products.

Collectively, property, plant and equipment and other assets at September 26, 2010 decreased by $515 from September 27, 2009. Decreases in intangible assets as a result of amortization were almost wholly offset by increases in other assets as the result of increased program production costs, an increase in the value of the Company’s interest rate swap agreements, and increased pension assets in 2010. The Company incurs certain costs in connection with the production of television programming which are capitalized by the Company as they are incurred and amortized based on the proportion of the revenues related to the program recognized for such period to the estimated remaining ultimate revenues related to the program. During 2010 the Company spent $31,024 in television program production costs. In the fourth quarter of 2009, the Company entered into a series of interest rate swap agreements to adjust the amount of debt subject to fixed interest rates. At September 26, 2010, these contracts had a fair value of $19,661, which was included in other assets. Increased pension assets of approximately $12,800 in 2010 compared to 2009 primarily reflects funding certain of the Company’s international defined benefit pension plans during the fourth quarter of 2009.

Net cash utilized by investing activities was $74,047 in the first nine months of 2010 compared to $463,985 in the first nine months of 2009. Additions to property, plant and equipment were $75,852 in 2010 compared to $73,711 in 2009. The 2009 utilization also includes the Company’s $300,000 payment to Discovery for its 50% interest in The HUB, a payment of $45,000 to Lucas to extend the term of the license agreement related to the STAR WARS brand and approximately $26,500 used to acquire certain other intellectual properties.

Net cash utilized by financing activities was $68,364 in the first nine months of 2010 compared to net cash provided of $340,384 in the first nine months of 2009. The 2010 cash utilized reflects net proceeds of $492,528 from the issuance of long-term notes in March 2010. The 2009 cash provided reflects net proceeds of $421,309 from the issuance of long-term notes in May 2009. Proceeds from stock option transactions increased to $65,634 in the nine months ended September 26, 2010 compared to $4,517 in the nine months ended September 27, 2009, reflecting increased stock option exercises attributed to the overall higher Company stock price during the first nine months of 2010 compared to the first nine months of 2009. Dividends paid were $98,920 in 2010 compared to $83,804 in 2009, reflecting the increase in the Company’s quarterly dividend rate to $0.25 per share from $0.20 per share partially offset by lower shares outstanding in 2010 as a result of the Company’s treasury share repurchase program. Cash payments related to purchases of the Company's common stock were $630,997 in the first nine months of 2010, compared to $27,097 in the first nine months of 2009. At September 26, 2010, the Company had $157,520 remaining available under its $625,000 share repurchase authorization.

The Company has a revolving credit agreement (the “Agreement”), which provides it with a $300,000 committed borrowing facility through June 2011. 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. The Company was in compliance with all covenants as of and for the quarter ended September 26, 2010. The Company had $90,000 of borrowings under its committed revolving credit facility at September 26, 2010. The Company also had letters of credit outstanding under this facility of approximately $1,353 at September 26, 2010. Amounts available and unused under the committed line at September 26, 2010 were approximately $208,647.

The Company also has other uncommitted lines from various banks, of which approximately $37,784 was utilized at September 26, 2010. Of the amount utilized under the uncommitted lines, approximately $11,733 and $26,051 represent outstanding borrowings and letters of credit, respectively.

The Company is party to an accounts receivable securitization program whereby the Company sells, on an ongoing basis, substantially all of its U.S. trade accounts receivable to a bankruptcy remote special purpose entity, Hasbro Receivables Funding, LLC ("HRF"). HRF is consolidated with the Company for financial reporting purposes. The securitization program then allows HRF to sell, on a revolving basis, an undivided fractional ownership interest of up to $250,000 in the eligible receivables it holds to certain bank conduits. The program provides the Company with a source of working capital. Based on the amount of eligible accounts receivable as of September 26, 2010, the Company had availability under this program to sell approximately $187,803, of which no amounts were utilized.

The Company has principal amounts of long-term debt at September 26, 2010 of $1,384,895 due at varying times from 2014 through 2040. The Company also had letters of credit and other similar instruments of approximately $142,294 and purchase commitments of $405,954 outstanding at September 26, 2010. Letters of credit and similar instruments include $114,890 related to the defense of tax assessments in Mexico. These assessments relate to transfer pricing that the Company is defending and expects to be successful in sustaining its position.

At December 27, 2009, the Company had outstanding $249,828 in principal amount of contingent convertible debentures due 2021. If the closing price of the Company's common stock exceeded $23.76 for at least 20 trading days within the 30 consecutive trading day period ending on the last trading day of the calendar quarter, or upon other specified events, the debentures were convertible at an initial conversion price of $21.60 in the next calendar quarter. At December 31, 2009 this conversion feature was met and the debentures were convertible during the first quarter of 2010. During the first quarter of 2010, holders of these debentures converted $111,177, in principal amount, of these debentures which resulted in the issuance of 5,147 shares. In addition, if the closing price of the Company's common stock exceeded $27.00 for at least 20 trading days in any 30 day period, the Company had the right to call the debentures by giving notice to the holders of the debentures. During a prescribed notice period, following a call by the Company the holders of the debentures had the right to convert their debentures in accordance with the conversion terms described above. As of March 28, 2010, the Company had the right to call the debentures. On March 29, 2010, as part of the Company’s overall debt management strategy and in furtherance of its capital structure goals, the Company gave notice of its election to redeem in cash all of the outstanding debentures on April 29, 2010 at a redemption price of $1,011.31 per $1,000 principal amount, which was equal to the par value thereof plus accrued and unpaid cash interest through April 29, 2010. During the notice period, $138,467, in principal amount, of the debentures were converted by the holders, resulting in the issuance of 6,410 shares of common stock. The remaining debentures were redeemed at a total cost of $186, which included accrued interest through the redemption date.

Other contractual obligations and commercial commitments, as detailed in the Company’s annual report on Form 10-K for the year ended December 27, 2009, did not materially change outside of payments made in the normal course of business and as otherwise set forth in this report, including the issuance of $500,000 of long-term notes in March 2010 and the conversion and redemption of the Company’s remaining contingent convertible debentures. 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 27, 2009, does not include certain tax liabilities recorded related to uncertain tax positions because the Company does not know the ultimate resolution of these liabilities and as such, does not know the ultimate timing of payments, if required, related to these liabilities. These liabilities were $96,577 and $104,271 at September 26, 201 0 and September 27, 2009, respectively, and are included as a component of other liabilities in the accompanying consolidated balance sheets.

The Company believes that cash from operations and, if necessary, its committed line of credit and other borrowing facilities as well as its securitization facility, will allow the Company to meet these and other obligations listed.

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 sales allowances, recoverability of goodwill and intangible assets, recoverability of royalty advances and commitments, pension costs and obligations, stock-based compensation and income taxes. These critical accounting policies are the same as those detailed in the Annual Report on Form 10-K for the year ended December 27, 2009.

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, Swiss franc, Australian dollar, Canadian dollar and Mexican peso and, to a lesser extent, 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 2010 through 2012 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-g oing 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 derivatives at their fair value as an asset or liability on the balance sheet. The Company does not speculate in foreign currency exchange contracts. At September 26, 2010, these contracts had unrealized gains (losses) of $2,905, of which $8,350 are recorded in prepaid expenses and other current assets and $(5,445) are recorded in other liabilities. Included in accumulated other comprehensive income at September 26, 2010 are deferred gains, net of tax, of $4,933, related to these derivatives.

At September 26, 2010, the Company had fixed rate long-term debt, excluding fair value adjustments, of $1,384,895. Also at September 26, 2010, the Company had fixed-for-floating interest rate swaps with notional amounts of $400,000. The interest rate swaps are designed to effectively adjust the interest rates on a portion of the Company's long-term debt from fixed to variable. The interest rate swaps are matched with specific long-term debt issues and are designated and effective as hedges of the change in the fair value of the associated debt. Changes in fair value of these contracts are wholly offset in earnings by changes in the fair value of the related long-term debt. At September 26, 2010, these contracts had a fair value of $19,661, which was included in other assets, with a corresponding fair value adjustment to increase long-term debt.

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 September 26, 2010. 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.

The Company is currently in the process of a multi-year global initiative to upgrade its existing SAP system and implement enhanced global business practices. During the quarter ended June 27, 2010, the SAP upgrade was completed for the U.S. and Canada operations. There were no significant changes in the Company's internal controls over financial reporting resulting from the completion of this phase of the project. The next phase of this project is the implementation of the SAP upgrade in Europe, currently scheduled in 2011, along with enhanced global business practices in the Company's European business, including consolidation of various activities to improve efficiency.

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 September 26, 2010, 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 has outstanding tax assessments from the Mexican tax authorities relating to the years 2000, 2001, 2002, 2003 and 2004. These tax assessments, which total approximately $142 million in aggregate (including interest, penalties, and inflation updates), are based on transfer pricing issues between the Company's subsidiaries with respect to the Company's operations in Mexico. The Company has filed suit in the Federal Tribunal of Fiscal and Administrative Justice in Mexico challenging the 2000 through 2003 assessments. The Company filed the suit related to the 2000 and 2001 assessments in May 2009; the 2002 assessment in June 2008; and the 2003 assessment in March 2009. The Company is challenging 2004 assessment through administrative appeals. The Company expects to be successful in sustaining its positions for all of these years. However, in order to challenge the outstanding tax assessments relate d to 2000 through 2003, as is usual and customary in Mexico in these matters, the Company was required to either make a deposit or post a bond in the full amount of the assessments. The Company elected to post bonds and accordingly, as of September 26, 2010, bonds totaling approximately $115 million (at September 26, 2010 exchange rates) have been posted related to the 2000, 2001, 2002 and 2003 assessments. These bonds guarantee the full amounts of the outstanding tax assessments in the event the Company is not successful in its challenge to them. The Company does not currently expect that it will be required to make a deposit or post a bond related to the 2004 assessment.

We are currently party to certain other legal proceedings, none of which we believe to be material to our 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 statements 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 27, 2009 (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 re-imagine, re-invent and re-ignite its existing brands, products and product lines, including through the use of immersive entertainment experiences, to maintain and further their success, and to successfully develop and introduce new brands, products and product lines which achieve and sustain interest from retailers and consumers;
- the Company's ability to manufacture, source and ship new and continuing products in a timely and cost-effective basis and customers' and consumers' acceptance and purchase of those products in quantities and at prices that will be sufficient to profitably recover development, manufacturing, marketing, royalty and other costs;
- recessions or other economic downturns which can negatively impact the retail and credit markets, and the financial health of the Company’s retail customers and consumers, and which can result in lower employment levels, less consumer disposable income, lower consumer confidence and, as a consequence, lower consumer spending, including lower spending on purchases of the Company’s products;
- other economic and public health conditions in the various markets in which the Company and its customers and suppliers operate throughout the world, which impact the Company's ability and cost to manufacture and deliver products, such as higher fuel and other commodity prices, higher labor costs, higher transportation costs, outbreaks of diseases which affect public health and the movement of people and goods, and other factors, including government regulations, which can create potential manufacturing and transportation delays or impact costs;
- 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;
- the concentration of the Company's customers;
- the Company's ability to generate sales during the fourth quarter, 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 customers, including the concentration of the Company's revenues in the second half and fourth quarter of the year, together with the 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 compressed shipping schedules;
- work stoppages, slowdowns or strikes, which may impact the Company's ability to manufacture or deliver product in a timely and cost-effective manner;
- concentration of manufacturing of many of the Company's products in the People's Republic of China and the associated impact to the Company of health conditions and other factors affecting social and economic activity in China, affecting the movement of people and products into and out of China, impacting 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;
- greater than expected costs, or unexpected delays or difficulties, associated with the Company’s investment in its joint venture with Discovery Communications, LLC, the rebranding of the joint venture network and the creation of new programming content to appear on the network and elsewhere, including greater than expected costs, or unexpected delays or difficulties, related to the development of Hasbro Studios LLC and Hasbro Studios’ efforts to produce programming, including programming to appear on the joint venture network;
- consumer interest in and acceptance of the joint venture network, the programming appearing on the network, products related to the network’s programming, and other factors impacting the financial performance of the joint venture;
- consumer interest in and acceptance of programming and entertainment created by Hasbro Studios, as well as products related to Hasbro Studios’ programming and entertainment;
- 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 and potentially create liability for the Company;

- an adverse change in purchasing policies or the bankruptcy or other 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 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;
- 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 secure, maintain and renew popular licenses and the ability to attract and retain employees in a competitive environment;
- the risk that anticipated benefits of acquisitions may not occur or be delayed or reduced in their realization;
- the Company's ability to obtain and enforce intellectual property rights both in the United States and other worldwide territories;
- the risk that any litigation or arbitration disputes or regulatory investigations could entail significant expense and result in significant fines or other harm to the Company's business;
- 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;
- the Company's ability to generate sufficient available cash flow to service its outstanding debt;
- restrictions that the Company is subject to under its credit agreement;
- unforeseen circumstances, such as severe softness in or collapse of the retail 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 sanctions for failure to comply with applicable regulations
- the risk that the Company's reported goodwill may become impaired, requiring the Company to take a charge against its income;
- 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
July 2010 6/28/10 - 7/25/10	1,578,200	$41.4484	1,578,200	$352,111,324
August 2010 7/26/10 - 8/29/10	4,072,400	$42.6519	4,072,400	$178,415,617
September 2010 8/30/10 – 9/26/10	483,400	$43.2264	483,400	$157,519,985
Total	6,134,000	$42.3875	6,134,000	$157,519,985

In April 2010 the Company's Board of Directors authorized the repurchase of up to $625 million in 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 the 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. 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. Submission of Matters to a Vote of Security Holders.

None.

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 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.)

3.6 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 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 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 Indenture, dated as of November 30, 2001, by and between the Company and The Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3, File No. 333-83250, filed February 22, 2002.)

4.4 First Supplemental Indenture, dated as of September 17, 2007, between the Company and 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.)

Item 6. Exhibits (continued)

4.5	Second Supplemental Indenture, dated as of May 13, 2009, between the Company and 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.)
4.6	Third Supplemental Indenture, dated as of March 11, 2010, between the Company and 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.)
4.7	Revolving Credit Agreement, dated as of June 23, 2006, by and among Hasbro, Inc., Hasbro SA, Bank of America, N.A., Citizens Bank of Massachusetts, Commerzbank AG, New York and Grand Cayman Branches, BNP Paribas, Banc of America Securities LLC and the other banks party thereto. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 23, 2006, File No. 1-6682.)
12	Computation of Ratio of Earnings to Fixed Charges Quarter Ended September 26, 2010.
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*	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended September 26, 2010, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statements of Comprehensive Earnings and (v) the Condensed Notes to Consolidated Financial Statements, tagged as blocks of text.

* 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: November 3, 2010

By: /s/ Deborah Thomas

Deborah Thomas

Senior Vice President 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, 2010

Exhibit Index

Exhibit No.	Exhibits
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* Furnished herewith.

EXHIBIT 12

HASBRO, INC. AND SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges
Nine Months and Quarter Ended September 26, 2010

(Thousands of Dollars)

	Nine Months	Quarter
Earnings available for fixed charges:		
Net earnings	$257,738	155,164
Add:		
Fixed charges	70,500	25,160
Income taxes	76,602	63,909
Total	$404,840	244,233
Fixed charges:		
Interest expense	$ 60,371	21,657
Rental expense representative of interest factor	10,129	3,503
Total	$ 70,500	25,160
Ratio of earnings to fixed charges	5.74	9.71

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: November 3, 2010

/s/ Brian Goldner

Brian Goldner
President 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: November 3, 2010

/s/ Deborah Thomas

Deborah Thomas
Senior 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 September 26, 2010, 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
President and Chief Executive Officer of Hasbro, Inc.

Dated: November 3, 2010

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 September 26, 2010, 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
Senior Vice President and Chief Financial Officer of Hasbro, Inc.

Dated: November 3, 2010

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.