

HASBRO INC  
Form 10-Q  
July 29, 2015  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

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FORM 10-Q

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(Mark One)

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

For the quarterly period ended June 28, 2015

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

Commission File Number 1-6682

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HASBRO, INC.  
(Exact name of registrant as specified in its charter)

Rhode Island                      05-0155090  
(State of Incorporation) (I.R.S. Employer Identification No.)

1027 Newport Avenue, Pawtucket, Rhode Island 02861  
(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 R 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 R 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	<input type="checkbox"/> R	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer (Do not check if a smaller reporting company)	<input type="checkbox"/>	Smaller reporting Company	<input type="checkbox"/>

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

The number of shares of Common Stock, par value \$.50 per share, outstanding as of July 20, 2015 was 124,902,730.

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements.

## HASBRO, INC. AND SUBSIDIARIES

## Consolidated Balance Sheets

(Thousands of Dollars Except Share Data)

(Unaudited)

	June 28, 2015	June 29, 2014	December 28, 2014
<b><u>ASSETS</u></b>			
Current assets			
Cash and cash equivalents	\$858,458	586,151	893,167
Accounts receivable, less allowance for doubtful accounts of \$16,300 \$20,700 and \$15,900	709,437	738,899	1,094,673
Inventories	403,789	492,822	339,572
Prepaid expenses and other current assets	434,145	386,333	391,688
Total current assets	2,405,829	2,204,205	2,719,100
Property, plant and equipment, less accumulated depreciation of \$359,300, \$512,200 and \$508,600	225,911	236,881	237,489
Other assets			
Goodwill	592,802	594,320	593,438
Other intangibles, net, accumulated amortization of \$823,800, \$770,100 and \$797,500	298,231	350,705	324,528
Other	708,334	752,484	657,587
Total other assets	1,599,367	1,697,509	1,575,553
Total assets	\$4,231,107	4,138,595	4,532,142

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

<u>LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY</u>	June 28, 2015	June 29, 2014	December 28, 2014
Current liabilities			
Short-term borrowings	\$ 167,877	9,188	252,481
Accounts payable	185,631	207,526	212,549
Accrued liabilities	452,395	507,978	609,904
Total current liabilities	805,903	724,692	1,074,934
Long-term debt	1,559,895	1,559,895	1,559,895
Other liabilities	395,417	357,766	388,919
Total liabilities	2,761,215	2,642,353	3,023,748
Redeemable noncontrolling interests	41,387	44,194	42,730
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	850,582	767,595	806,265
Retained earnings	3,583,803	3,387,006	3,630,072
Accumulated other comprehensive loss	(103,476 )	(51,784 )	(95,454 )
Treasury stock, at cost; 84,781,723 shares at June 28, 2015; 81,767,695 shares at June 29, 2014; and 85,168,478 shares at December 28, 2014	(3,007,251 )	(2,755,616 )	(2,980,066 )
Total shareholders' equity	1,428,505	1,452,048	1,465,664
Total liabilities, redeemable noncontrolling interests and shareholders' equity	\$4,231,107	4,138,595	4,532,142

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

Six Months Ended

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	June 28, 2015	June 29, 2014	June 28, 2015	June 29, 2014
Net revenues	\$797,658	829,262	1,511,158	1,508,715
Costs and expenses:				
Cost of sales	295,399	320,336	543,134	578,881
Royalties	57,069	70,533	116,158	120,114
Product development	57,609	51,707	109,506	98,964
Advertising	78,365	81,693	146,107	148,952
Amortization of intangibles	13,348	11,892	26,299	25,294
Program production cost amortization	7,220	6,710	18,316	11,368
Selling, distribution and administration	213,148	203,827	421,933	399,130
Total costs and expenses	722,158	746,698	1,381,453	1,382,703
Operating profit	75,500	82,564	129,705	126,012
Non-operating (income) expense:				
Interest expense	24,186	22,802	48,771	45,230
Interest income	(690 )	(1,165 )	(1,620 )	(2,491 )
Other income, net				