

HASBRO INC
Form 8-K
December 21, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 16, 2010**

Hasbro, Inc.

(Exact name of registrant as specified in its charter)

Rhode Island
(State or other jurisdiction
of incorporation)

1-6682
(Commission File Number)

05-0155090
(IRS Employer
Identification No.)

1027 Newport Ave., Pawtucket, Rhode Island
(Address of principal executive offices)

02862
(Zip Code)

Registrant's telephone number, including area code: **(401) 431-8697**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

.. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Edgar Filing: HASBRO INC - Form 8-K

- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On December 16, 2010, Hasbro, Inc. (the “Company”), and its subsidiary Hasbro SA (together the Borrowers), entered into a Revolving Credit Agreement (the Agreement) with: (i) Bank of America, N.A. (Bank of America), as Administrative Agent, Swing Line Lender, L/C Issuer and a Lender, (ii) Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc. and RBS Citizens, N.A., as joint lead arrangers and book runners, and (iii) the other financial institutions party thereto from time to time.

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement. A copy of the Agreement is filed as an exhibit to this Current Report on Form 8-K and the description set forth herein is qualified in its entirety by reference to the Agreement.

The Agreement provides the Borrowers with a \$500 million committed borrowing facility through December 16, 2014. The Agreement replaces the Company s Revolving Credit Agreement, dated June 23, 2006.

At the Borrowers election, the interest rates per annum applicable to Committed Loans under the Agreement will be computed either on a Base Rate or a Eurocurrency Rate, in each case with an applicable margin added to such underlying rate, the margin being based on the more favorable of the Company s debt rating and the ratio of the Company s Consolidated Total Funded Debt to Consolidated EBITDA.

The Base Rate is a fluctuating rate equal to the highest of (i) the Federal Funds Rate plus ½ of 1%, (ii) the rate of interest in effect by Bank of America as its prime rate and (iii) the Eurocurrency Rate for a one-month interest period plus 1.00%.

The Eurocurrency Rate is measured by reference to an adjusted London inter-bank offered rate, or LIBOR .

Based on the Company s current debt ratings of BBB by S&P, Baa2 by Moody s and BBB+ by Fitch, the current margin on Base Rate loans is 0.50% and on Eurocurrency Rate loans is 1.50% under the Agreement.

The Company pays a commitment fee on the available unused committed borrowing capacity under the facility. The fee is based on the more favorable of the Company s debt rating and the ratio of the Company s Consolidated Total Funded Debt to Consolidated EDITDA.

Edgar Filing: HASBRO INC - Form 8-K

The Agreement provides for Swing Line Borrowings of up to \$50 million and the issuance of letters of credit in aggregate combined amounts of up to \$100 million.

The Agreement contains affirmative and negative covenants typical of this type of facility, including: (i) restrictions on the Company's and its domestic subsidiaries' ability to allow liens on their assets, (ii) restrictions on the incurrence of indebtedness, (iii) restrictions on the Borrowers' and certain of their subsidiaries' ability to engage in mergers or engage in certain transactions with affiliates, (iv) the requirement that the Company maintain a Consolidated

Interest Coverage Ratio of no less than 3.50:1.00 as of the end of any fiscal quarter and (v) the requirement that the Company maintain a Consolidated Total Funded Debt to Consolidated EBITDA ratio of no more than 3.00:1.00 at the end of the first, second and fourth fiscal quarters, or 3.50:1.00 at the end of the third fiscal quarter.

The Company's obligations under the Agreement are guaranteed by certain of its domestic subsidiaries. Hasbro SA's obligations under the Agreement are guaranteed by the Company.

Item 9.01

Financial Statements and Exhibits

(c) Exhibits

10.1 Revolving Credit Agreement, dated as of December 16, 2010, by and among Hasbro, Inc., Hasbro SA, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., RBS Citizens, N.A. and the other banks party thereto.

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 hereunto duly authorized.

HASBRO, INC.

By: /s/ Deborah Thomas

Name: Deborah Thomas

Title: Senior Vice President and Chief Financial
Officer

(Duly Authorized Officer and Principal
Financial Officer)

Date: December 21, 2010

EXHIBIT INDEX

Exhibit No.	Description
10.1	Revolving Credit Agreement, dated as of December 16, 2010, by and among Hasbro, Inc., Hasbro SA, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., RBS Citizens, N.A. and the other banks party thereto.