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## Hasbro, Inc. Fall 2008 Analyst Event Transcript

### Question-and-Answer Session

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#### Question

Can you maybe just talk a little bit about the market opportunity in some of these emerging markets that you're getting into? What is the size of these markets, how could revenues grow over the next few years, as an example in Latin America, China, Russia and then the second question, maybe just break down a little bit of that sales growth, the 3 to 5%, is that 1 to 2% in the US and then 8 to 10% international or how do you look at that?

#### Brian Goldner

First let me start with about a week ago David and I just got back from Brazil where we were presenting G.I. Joe and Transformers and also seeing retailers and understanding that market. It is interesting to note that if you look at the US business, 0 to 14 year olds make up about 60 million. If you look at Brazil there are 50 million 0 to 14 year olds. So, think about the size of that market having just moved from a distributor model to our own company down there that represents significant opportunities for growth.

As we look at the kinds of markets that we're growing in we really have divided those markets up into three types. They are mature, they are underleveraged markets, mature underleveraged and then emerging. Clearly, if you think about those as a pyramid, the emerging markets should grow the fastest, the under leveraged markets, Mexico for example is an underleveraged market, significant opportunities for additional growth and then of course the mature markets will probably grow more slowly over time.

David, do you want to talk about the emerging?

#### David Hargreaves

No I think we certainly do see the emerging market opportunity as being very large. Some of the markets that are an established market, it is just that during the period of '01, '02, when we were margin in there balance sheet constrained we really didn't investment spend. So I think they are established markets, maybe competitive is doing a better job in those markets today and I think we've got an opportunity to play catch-up very quickly.

In terms of the 3 to 5%, clearly we are expecting in some of the emerging markets, because the signs are very low based, we are looking at 30 to 40% growth over the nearing years. But of course that is from a very low base.

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