



# DUELIST

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## Hasbro Buys Wizards of the Coast: The FAQ

*by Duelist Staff*

### Why is Wizards of the Coast being sold to Hasbro?

It represents a merger of two of world's greatest game companies. Both companies bring so much creative talent and intellectual property to the table, and the opportunities for future gaming initiatives are expanded greatly. This acquisition represents both growth opportunities and strategic synergies.

### What are these strategic synergies?

Hasbro is very interested in the electronic rights to WotC's intellectual properties, the management and R&D talent that we've demonstrated, our organized play capabilities, our distribution capabilities into the hobby game channel, and our e-commerce capabilities. Also, with Parker Brothers, Milton Bradley, Wizards of the Coast, and Hasbro Interactive all under the same roof, Hasbro will be the undisputed largest game company in the world. Finally, our dominance in the trading card game business gives Hasbro more to offer as a master game licensee with dealing with intellectual property owners.

### Isn't Hasbro just doing this to ride the Pokémon wave?

While Pokémon is big, Wizards of the Coast represents a lot more than Pokémon, including other trading card games like **Magic: The Gathering**, the all-time best selling trading card game, and role-playing games like **Dungeons & Dragons**, which has about 90% awareness worldwide. These are two areas which Hasbro is extremely interested in, but realized that the expertise in these categories lies in a company like Wizards of the Coast.

### When will the acquisition be completed?

It is anticipated that the transaction will be completed by the end of the September.

### How much was the company sold for and what sort of currency will be used?

The purchase price is approximately \$325 million, subject to adjustment based on the audited net assets of Wizards of the Coast at closing, and certain contingent payments rights.

### How will this acquisition affect the business of Wizards of the Coast?

R&D, marketing, sales, and other key businesses of the company are not expected to change. The businesses of our key brands, including **Magic: the Gathering**, **Pokémon**, **Dungeons & Dragons**, **Legend of the Five Rings** and others are not expected to change. They will still be managed by the same people here at Wizards of the Coast.

### Will there be product pricing changes?

There are no pricing changes anticipated at this time.

### Is the company moving?

NO. The company will remain in Renton.

**Will there be any consolidation?**

Very little, if any. Wizards of the Coast will be a division of Hasbro, not a department. A division is a business unit large enough to have its own legal, financial and HR departments.

**Is the company name changing?**

The company will continue to function as Wizards of the Coast.

**Will the Wizards of the Coast logo disappear?**

No, the Wizards of the Coast logo will still be utilized.

**Will Wizards of the Coast corporate culture be affected by this acquisition?**

It is not likely that the culture Wizards of the Coast is so famous for will change.

**Will any Wizards of the Coast employees lose their jobs?**

It is not anticipated. Hasbro is not looking at this acquisition as an opportunity to consolidate, but is interested in growth opportunities and strategic synergies. Some departments at Wizards of the Coast will be asked to report directly to Hasbro or have dotted line reports to Hasbro. We are not anticipating that anyone will be moving to Rhode Island, however.

**Is Peter Adkison staying with the company?**

YES. Peter and all key members of his management team are expected to stay with the company. Peter will report to Herb Baum, president and chief operating officer of Hasbro.

**Will I still have the same accessibility to the company as before or do I need to go through Hasbro?**

We are not anticipating any procedural changes at this time. You should contact the same people at Wizards of the Coast in the same way you have in the past.

**Are GameKeeper and Wizards of the Coast stores impacted by this acquisition?**

GameKeeper and Wizards of the Coast retail stores will continue to operate.

**Is Wizards of the Coast on-line store affected by this acquisition?**

The on-line store will continue to operate.

**Does this affect the Pokémon trading card game in any way?**

NO. Wizards of the Coast will continue to publish and manufacture the Pokémon TCG. Hasbro is the master toy licensee for Pokémon. There are some nice synergies created here. The business of other brands and products will continue to operate as they have in the past.

**How is Dungeons & Dragons affected? Is Hasbro even interested in D&D?**

Wizards of the Coast will continue to publish roleplaying products based on the **Dungeons & Dragons** intellectual property. Hasbro is extremely excited about potential electronic opportunities with **D&D**.

### **How will product sales be affected?**

Wizards of the Coast will continue to sell its product as it always has through distributors, premier retailers, our own retail stores and via e-commerce.

### **Will Hasbro have to approve everything now?**

Wizards of the Coast is being acquired by Hasbro. Naturally, there will be some coordination of efforts.

### **Where is Hasbro headquartered?**

Pawtucket, Rhode Island.

### **What other businesses and brands does Hasbro own?**

Playskool, Kenner, Tonka, Oddzoo, Super Soaker, Milton Bradley, Parker Brothers, Tiger, Hasbro Interactive and Galoob. Almost every "classic" game in the US market is a Hasbro game: Monopoly, Trivial Pursuit, Life, Chutes & Ladders, Axis and Allies, etc. The acquisition of Wizards of the Coast makes Hasbro a true supplier of games to the entire family by having a line of games targeted at the avid hobby game player.

### **Does Hasbro have a website?**

<[www.hasbro.com](http://www.hasbro.com)>

### **What happens to <www.wizards.com>?**

It will continue to function as it has for the time being. It has not yet been determined what changes or consolidations, if any, will be made.

### **Is Hasbro a public company?**

Yes. It's stock is traded on New York Stock Exchange (NYSE) under HAS.

### **Does Hasbro now own GenCon?**

Under the terms of the agreement, Hasbro owns all assets of Wizards of the Coast - including **GenCon**. Wizards of the Coast, however, will continue to run **GenCon** as it has in the past. If anything, we have opportunities to raise the level of awareness of **GenCon**.

### **Could the answers to any of the above questions change over time?**

This is always a possibility. These answers represent the current plan, but circumstances can always change. As long as Wizards of the Coast is successful it is not anticipated that Hasbro will request sweeping changes to our business.