

**Ambac**

Securitization Backed by Upcoming Film Slate and Intellectual Property Gives Marvel Financial Flexibility

\$465,000,000
MVL Film Finance
Film Rights Securitization

Captain America, Nick Fury and AntMan may have little trouble vanquishing villains in comic books and on the movie screen, but in seeking to tame the capital markets, they decided not to go it alone. Ambac, a superhero in the financial guarantee world, recently teamed up with Marvel Entertainment to provide a triple-A financial guarantee on a credit facility for Marvel backed by a slate of 10 films to be produced by Marvel Studios and intellectual property related to some of Marvel's most popular comic book characters.

The films will be based on 8 major SuperHeroes and 2 character group titles selected from Marvel Entertainment's library of over 5,000 characters. Marvel, which will now be producing its own films through Marvel Studios, sought to leverage their films' financial potential through an innovative securitization. The transaction involved the creation of a \$465 million senior film-backed revolving credit facility for MVL Film Finance, a bankruptcy-remote, wholly owned subsidiary of Marvel Entertainment. The film rights (including all sequel rights) to the 8 characters and 2 character group titles form the collateral supporting the transaction.

The facility will be used to partially finance Marvel Studios' production costs for the film slate and will function as a revolving credit facility over a seven-year period. Marvel has historically licensed out its characters to other film studios, but it has always maintained an integral part of the film production process, giving the organization the knowledge and experience to produce its own films. Rated triple-A by virtue of the Ambac guarantee, the facility will allow Marvel to self-produce films based on its characters and enable Marvel Studios' in-house production team to completely manage the development and production of films from script to release. Marvel has entered into a distribution agreement with Paramount for the films that it will produce. Significantly, Marvel will be able to maintain control of the film properties, including sequel and spin-off rights.

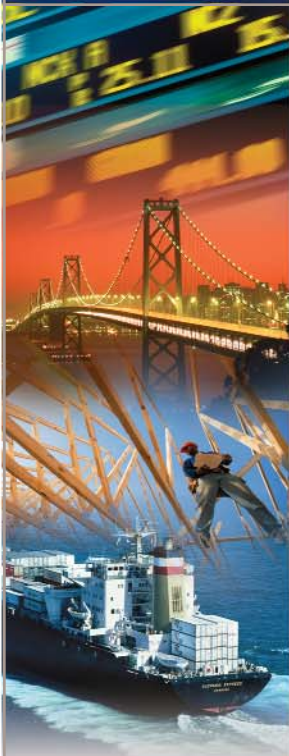
SuperHero(es) is a registered trademark co-owned by Marvel and DC Comics.

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