

Disney to buy Marvel in \$4bn deal

Entertainment giant Walt Disney is to buy Marvel Entertainment in a shares and cash deal valued at \$4bn (£2.5bn). The deal means Disney will take over ownership of 5,000 Marvel characters, such as Spider-Man and the X-Men.

Marvel shareholders will get \$30 per share in cash plus 0.745 Disney shares for every Marvel share owned. The boards of Disney and Marvel have both approved the deal, which now needs the backing of Marvel shareholders and competition authorities. Marvel shares were ahead \$9.68, or 25%, to \$48.33 in Monday trading while Disney shares fell 80 cents, or 3%, to \$26.04. 'Great assets' "We believe that adding Marvel to Disney's unique portfolio of brands provides significant opportunities for long-term growth and value creation," Disney president and chief executive Robert Iger said. "We are pleased to bring this talent and these great assets to Disney." Other Marvel's characters include Captain America, the Fantastic Four and Thor. "Disney is the perfect home for Marvel's fantastic library of characters given its proven ability to expand content creation and licensing businesses," said Marvel chief executive Ike Perlmutter. "This is an unparalleled opportunity for Marvel to build upon its vibrant brand and character properties by accessing Disney's tremendous global organization and infrastructure around the world," he added. 'Good deal' Arvind Bhatia, an analyst at Sterne, Agee and Leach, said that the deal appeared to be a "win-win situation for both companies". "They [Marvel shareholders] are getting a good deal in my opinion. The CEO of the company, Isaac Perlmutter, is also the largest shareholder of the company. "From that standpoint, we think the chances of this deal going through are pretty high." Last month, Walt Disney reported a fall in profits of more than a quarter as the downturn hit revenue at its film and theme park divisions. Net profit between April and June came in at \$954m (£579m), down 26% on the \$1.28bn the entertainment giant made in the same period last year. Revenues of \$8.6bn were down 7% from the \$9.2bn recorded a year before.