



Rating Action: **Royalty Pharma Finance Trust - Warehouse Facility**

MOODY'S RATES ROYALTY PHARMA PHARMACEUTICAL ROYALTY SECURITIZATION Aaa

Approximately \$225 Million of Asset-Backed Securities Rated Aaa.

New York, July 30, 2003 -- Moody's Investors Service has assigned a rating of Aaa to the \$225,000,000, Asset-Backed Note issued by Royalty Pharma Finance Trust (RPFT). The notes are backed initially by a pool of royalty interests and contingent pay rights in thirteen biopharmaceutical products. This is the first time Moody's has assigned a term rating to a transaction backed by biopharmaceutical royalty interests.

Moody's said the Aaa rating assigned to the notes is based primarily on the financial guaranty policy issued by MBIA Insurance Corporation (MBIA) guaranteeing timely payment of interest and ultimate repayment of principal. MBIA's financial strength is rating is Aaa.

Moody's underlying rating on the notes is based on: (i) the historical performance of royalties generated by the portfolio of royalty interests; (ii) the diversity in product applications and uses of the underlying collateral; (iii) the credit quality of various licensees responsible for paying royalties to the trust; (iv) the experience of Royalty Pharma Finance Trust as servicer; and (v) the strength of the transaction's structure.

The complete rating action was as follows:

Royalty Pharma Finance Trust \$225,000,000 Asset-Backed Notes rated Aaa

TRANSACTION ASSETS

The portfolio is composed of the rights to receive royalties in respect of thirteen biopharmaceutical products as well as the rights to additional royalty rights in the future. The portfolio includes major royalty rights with respect to the biopharmaceutical products of Rituxan, Neupogen/Neulasta, Thalomid, and Reopro, which are manufactured and sold by Genentech Inc., Amgen Inc. Celgene Corporation, and Centocor Inc., respectively.

TRANSACTION STRUCTURE

The transaction is structured with a 3-year revolving period and 7-year scheduled maturity. During the revolving period, additional royalty assets may be sold or contributed to the trust subject to certain limitations and approvals. The initial advance under the transaction is \$190 million.

The major risks to the transaction are the performance of the underlying drugs, their distribution channels, and changes within the medical regulatory environment. The future volatility in royalty payments may be affected by pricing concerns that are related to the enactment of government legislation, competition within the biopharmaceutical industry, and operational activities of product manufacturers.

CREDIT ENHANCEMENT

The trust will benefit from an insurance policy provided by MBIA, a dynamic borrowing base calculation, and various reserve accounts.

ROYALTY PHARMA FINANCE TRUST

RPFT acquires royalty interests in a variety of pharmaceutical and biotechnology products. The trust's portfolio mainly consists of biopharmaceutical products, whose primary uses are as treatment applications for serious or life-threatening diseases.

Credit Suisse First Boston structured and arranged the transaction.

For more information please see www.moody.com

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