

Rating Action: Mare Baltic PCC Limited

Moody's downgrades notes issued by Mare Baltic PCC Limited

DKK 728 million of debt securities affected

London, 23 March 2009 -- Moody's Investors Service announced today it has downgraded and left on review for further possible downgrade one class of notes issued by Mare Baltic PCC Limited, ScandiNotes II.

The transaction is a static cash CLO referencing 11 subordinated loans of Danish commercial savings banks.

Today's rating actions are the result of (i) credit deterioration in the underlying portfolio, which includes but is not limited to exposure to EBH Bank and Fionia Bank, whose subordinated debts are expected to experience a substantial loss following the decision not to transfer subordinated liabilities to the new bank under the government scheme and (ii) the application of revised and updated key modelling parameter assumptions that Moody's uses to rate and monitor ratings of collateralised loan obligations (CLOs). Moody's announced that changes to these assumptions in a press release titled "Moody's updates key assumptions for rating CLOs," published on 4 February 2009. The revisions affect default probability and correlation, which are key parameters underlying this rating.

Moody's initially analyzed and continues to monitor this transaction using primarily the methodology and its supplements for cash flow CLOs as described in Moody's Special Report below:

--Moody's Approach to Rating Collateralized Loan Obligations (December 2008)

This report can be found at www.moodys.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating this issue can also be found in the Credit Policy & Methodologies directory.

Today's rating action is as follows:

Mare Baltic PCC Limited:

(1) DKK 728,375,000 Class A 3% Limited Recourse Senior Secured Notes due 2012

Current Rating: B2, on review for possible downgrade

Prior Rating: Baa2, on review for possible downgrade

Prior Rating Date: 1 December 2008, downgraded to Baa2 from A2, on review for possible downgrade

London
Greg O'Reilly
Associate Analyst
Structured Finance Group
Moody's Investors Service Ltd.
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

London
Neelam S. Desai
VP - Senior Credit Officer
Structured Finance Group
Moody's Investors Service Ltd.
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

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