

Rating Action: Mare Baltic 2006-1

Moody's downgrades notes issued by Mare Baltic PCC Limited Series 2006-1

## Approx. EUR 170/DKK 878 million of debt securities affected

London, 23 March 2009 -- Moody's Investors Service announced today it has downgraded and placed under review for further possible downgrade two classes of notes issued by Mare Baltic PCC Limited Series 2006-1.

The transaction is a static cash CLO referencing 21 subordinated loans of Danish and 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 Roskilde Bank, 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) EUR 170,011,000 Class A Floating Rate Limited Recourse Secured Asset Backed Notes due 2014

Current Rating: Aa1, on review for downgrade

Prior Rating: Aaa

Prior Rating Date: 2 November 2006, assigned Aaa

(2) 878,012,000 DKK Class B Floating Rate Limited Recourse Secured Asset Backed Notes due 2014

Current Rating: Caa2, on review for possible downgrade

Prior Rating: Baa2, on review for possible downgrade

Prior Rating Date: 17 September 2008, Baa2 placed on review for downgrade

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