

Mare Baltic PCC Limited
Interim report

Announcement of results for the period
1 January to 30 June 2008
(Unaudited)

Index to the financial statements

Directors' report	4
Balance sheet – All cells aggregated (unaudited)	8
Income statement - All cells aggregated (unaudited)	9
Statement of changes in equity - All cells aggregated	10
Cash flow statement - All cells aggregated	11
Statement for Cell 1 – 2003 (unaudited)	12
Statement for Cell 1 – 2004 (unaudited)	17
Statement for Cell 1 – 2005 (unaudited)	22
Statement for Cell 1 – 2006 (unaudited)	27
Balance sheet – Non-cellular (unaudited)	32
Income statement – Non-cellular (unaudited)	33
Statement of changes in equity – Non-cellular	34
Cash flow statement – Non-cellular	35
Notes to the financial statements	36
1. General information	36
2. Summary of significant accounting policies	36
3. Loans receivable (at fair value)	39
4. Interest Rate Swap Agreement	40
5. Interest receivable	46
6. Cash and cash equivalents	47
7. Called up share capital	48
8. Notes issued	49
9. Accrued interest	52
10. Taxation	53
11. Parent Company	53
12. Financial instruments	53

Mare Baltic PCC Limited – 30 June 2008

Directors:

Keith Betts

Wayne Bulpitt

Michelle Brouard

David Gough

Secretary:

Newhaven Secretaries
(Channel Islands) Limited

Auditors:

KPMG Channel Islands Limited
Chartered Accountants
20 New Street
St. Peter Port
Guernsey
GY1 4AN

Registered office:

One Lefebvre Street
St Peter Port
Guernsey
GY1 4JE

Mare Baltic PCC Limited – 30 June 2008

Directors' report

The directors submit their interim report for the six months to 30th June 2008 (unaudited)

Incorporation

The Company was incorporated in Guernsey, Channel Islands on 31 January 2003.

Activities

The principal activity of the company is the issue of notes and investing in subordinated loans to Danish banks. The net proceeds from the issue of each series of notes are used to acquire subordinated loans. The market for these investments and hence the notes issued by the Company, is limited to sophisticated investors who understand the risks and rewards associated with the unpredictable cash flows arising there from. The Company's notes are listed on the Copenhagen Stock Exchange.

The first cell, Cell – 1 2003 (ScandiNotes® I), based on subordinated capital for Danish banks, launched the first issue under the Mare Baltic PCC Limited programme on July 4th, 2003. The issue was divided into two tranches a junior tranche of DKK 45,681,000 (approx. 10% of the issue) and a senior tranche of DKK 388,448,000 (approx. 90% of the issue).

The second cell, Cell – 1 2004 (ScandiNotes® II), likewise based on subordinated capital for Danish banks, was launched November 1st, 2004 under the Mare Baltic PCC Limited programme. This issue was like ScandiNotes® I divided into two tranches, a junior tranche of DKK 133,600,000 (approx. 15% of the issue) and a senior tranche of DKK 728,375,000 (approx. 85% of the issue). The senior tranche was rated by Moody's and achieved an "A2" long-term rating.

The third cell, Cell – 1 2005 (ScandiNotes® III), was as with ScandiNotes® I and ScandiNotes® II, based on subordinated debt for financial institutions, but for this issue to Nordic Financial institutions. The Issue was launched on November 1st, 2005. This Issue was divided into three tranches, a junior tranche of DKK 279,050,000, a mezzanine tranche of DKK 413.370.000 and a senior tranche of EUR 201,600,000. The mezzanine tranche was rated Baa2 by Moody's and the Senior tranche was rated Aa2 by Moody's.

The fourth cell, Cell – 1 2006 (ScandiNotes® IV), was as with ScandiNotes® I and ScandiNotes® II, based on subordinated debt for Danish financial institutions. The Issue was launched on November 17th, 2006. This Issue was divided into three tranches, a junior tranche of DKK 300,135,000, a mezzanine tranche of DKK 879,571,000 and a senior tranche of EUR 170,011,000. The mezzanine tranche was rated Baa2 by Moody's and the Senior tranche was rated AAA by Moody's.

All cash flows are secured and ring fenced by swaps, so surplus from loans versus coupon payments are expected to be sufficient to cover all expenses and create a steady income. This applies to all four cells.

Mare Baltic PCC Limited – 30 June 2008

Directors' report (continued)

Same procedure as used in ScandiNotes® I, II, and III were used in ScandiNotes® IV, where all the notes were sold immediately to HSH Nordbank AG, Copenhagen Branch, with the purpose of on-selling into the capital markets to eligible investors.

The Board of Mare Baltic PCC Limited has given consent to Hypoport AG and EuroABS to download information from the Mare Baltic and Scandinotes webpages for investor purposes.

Key value drivers have been identified as investor appetite plus quality and quantity of the cash flow from the underlying assets.

ScandiNotes® has been registered as a protected trade mark as can be seen from the ® after the ScandiNotes® name.

During the last year, an international credit crisis emerged. The crisis had its roots in the US mortgage market, or rather the US subprime market, which saw a large number of defaults. This further led to substantial losses in the CDO market, as subprime mortgages formed the underlying basis for a huge number of CDO transactions.

A general uncertainty spread across the financial industry, as many financial institutions have invested heavily in subprime based CDOs. The uncertainty led to a substantial reluctance in the interbank market and many banks found themselves - even in an environment of increasing short-term interest rates - working hard to obtain sufficient liquidity.

Very few Danish banks are believed to have invested in subprime based assets. Nonetheless the struggle for liquidity has also impacted the Danish financial industry. One bank participating in the Mare Baltic program, Bank Trelleborg, was merged with Sydbank, an Aa3-rated regional bank, in January 2008 as erroneous calculations of the bank's liquidity over a prolonged period of time led to a situation where severe measures were required. The merger with Sydbank has not lead to any losses for any of Bank Trelleborgs debtors since all of their obligations were taken over by Sydbank. The situation has however added to the nervousness in the banking market.

Roskilde Bank A/S and the Danish Central Bank have in press releases as of 24 August 2008 announced that an agreement has been made between the board of directors of Roskilde Bank A/S and a newly established bank, founded by the Danish Central Bank and the Private Contingency Association, that all of Roskilde Bank A/S assets and all debt and other liabilities, except for hybrid core capital and subordinated loan capital is taken over.

For further information about the background and reason for this restructuring please refer to the press releases mentioned above. The press releases can be found on www.roskildebank.dk and www.nationalbanken.dk.

Should Roskilde Bank A/S not be able to honour its obligations in relation to the underlying loan agreements and the relative ScandiNotes® issues, the owners of the ScandiNotes® bonds would be affected negatively, since a lack in servicing of its debt by Roskilde Bank A/S would mean that the note holders would receive a proportionally smaller interest payment and also lose a proportional part of the principal, unless sufficient profit to cover all of Roskilde Bank A/S debt and obligations are generated in the termination process as described above.

More specific details concerning the effects on the ScandiNotes® issues will be published on www.scandinotes.com when available.

Directors' report (continued)

Protected Cell Company

The Company is a Protected Cell Company in accordance with the provisions of the Protected Cell Companies Ordinance 1997 as amended. The assets of the Company can be either cellular assets or non-cellular assets. The assets attributable to a cell comprise assets represented by the proceeds of cell share capital, reserves and any other assets attributable to the cell. The non-cellular assets comprise the assets of the Company, which are not cellular assets. Where a liability arises from a transaction in respect of a particular cell, and there are insufficient assets within this cell, then there will be no recourse to the assets of any other cell, but there may, in certain circumstances, be access to the non-cellular assets.

During the period in question all known delegated responsibilities have been complied with and no events of default have occurred.

Results and dividends

The four issues, ScandiNotes® I and ScandiNotes® II, ScandiNotes® III and ScandiNotes® IV are running according to budget, being a key factor, due to the closed cash-flow circuit of the ring-fenced cells.

The results for the period are shown in the Income statement on page 9. The directors proposed and paid a dividend of TEUR 2 (2007: TEUR 0).

Directors

The directors who held office during the period and subsequently were:

Keith Betts	(appointed 30 June 2005)
Michelle Brouard	(appointed 30 June 2005)
Wayne Bulpitt	(appointed 31 January 2003)
David Gough	(appointed 22 July 2005)

Mare Baltic PCC Limited – 30 June 2008

Directors' report (continued)

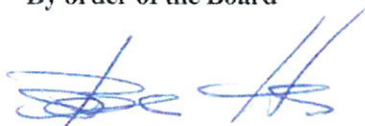
Statement of directors' responsibilities

The directors are responsible for preparing financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period and are in accordance with applicable laws. In preparing those financial statements the directors are required to:

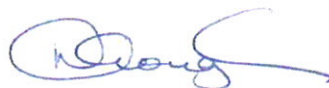
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



Keith Betts
Director



David Gough
Director

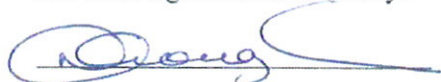
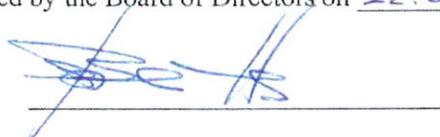
Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Balance sheet – All cells aggregated (unaudited)

	Note	As at 30.06.08	As at 31.12.07	As at 30.06.07
ASSETS				
Non-current assets				
Loans receivable		695,243	754,905	761,533
Swaps	4	6,029	6,259	1,990
Total non-current assets		701,272	761,164	763,523
Current assets				
Swaps	4	-	6,200	5,089
Interest receivable	5	15,650	11,166	14,726
Other receivable		32	25	140
Cash and cash equivalents	6	975	896	784
Total current assets		16,657	18,287	20,739
Total assets		717,929	779,451	784,262
EQUITY				
Called up share capital	7	14	14	14
Retained earnings		645	776	598
Total equity		659	790	613
LIABILITIES				
Non-current liabilities				
Notes issued	8	699,237	766,915	764,054
Swaps	4	2,220	548	4,655
Total non-current liabilities		701,457	767,463	768,709
Current liabilities				
Creditors		247	112	308
Accrued interest	9	15,566	11,086	14,632
Total current liabilities		15,813	11,198	14,940
Total liabilities		717,270	778,661	783,649
Total equity and liabilities		717,929	779,451	784,262

The financial statements on page 8-55 were approved by the Board of Directors on 22.08.08 and were signed on its behalf by:

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Income statement - All cells aggregated (unaudited)

	Half-year ended	YTD	Half-year ended
Note	30.06.08	31.12.07	30.06.07
Revenue			
Loan interest	22,321	40,376	19,156
	22,321	40,376	19,156
Expenditure			
Note interest	(14,792)	(27,857)	(13,319)
Swap interest	(7,184)	(11,743)	(5,418)
Operational expenses	(388)	(432)	(256)
	(22,364)	(40,032)	(18,993)
Operating surplus	(43)	344	163
Unrealized gain on loans	1,760	5,171	5,175
Unrealized gain on swaps	1,553	11,810	2,025
Unrealized gain on notes	10,947	5,192	3,359
Realized gain on swaps	1,059	-	-
Unrealized loss on loans	(10,376)	(6,775)	(4,022)
Unrealized loss on swaps	(3,465)	(4,490)	(5,520)
Unrealized loss on notes	(453)	(10,908)	(1,017)
Realized loss on notes	(1,111)	-	-
	(86)	-	-
Net result for the period/year	(129)	344	163

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Statement of changes in equity - All cells aggregated

	Share capital	Retained earnings	Total Share- holders equity
Balance at 1 January 2007	14	248	301
Profit for the period	-	163	163
Total recognised income for period to 30.06 2007	-	163	163
Issue of share capital	-	-	-
Dividend related to 2006	-	-	-
Balance at 30 June 2007	14	599	613
Balance at 1 January 2008	14	776	790
Profit for the period	-	(129)	(129)
Total recognised income for period to 30.06 2008	-	(129)	(129)
Issue of share capital	-	-	-
Dividend related to 2007	-	(2)	(2)
		(2)	(2)
Balance at 30 June 2008	14	645	659

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Cash flow statement - All cells aggregated

	Half-year ended	YTD	Half-year ended
Note	30.06.08	31.12.07	30.06.07
Cash flows from operating activities			
Operating profit for the year/period	(129)	344	163
Increase/decrease interest receivable	(4,484)	(1,526)	(5,086)
Increase/decrease other receivable	(7)	(17)	(133)
Increase/decrease accrued interest	4,480	1,514	5,060
Increase/decrease creditors	135	(64)	132
Net cash generated from operating activities	(5)	251	136
Cash flows from investing activities			
Loans advanced	59,662	1,657	(4,971)
Swaps advanced	8,102	(7,334)	2,154
Notes advanced	(67,678)	5,677	2,816
Net cash used in investing activities	86	-	(1)
Cash flows from financing activities			
Issue of loans	-	-	-
Issue of notes	-	-	-
Proceeds from the issue of ordinary share capital	-	-	-
Dividends paid	(2)	(4)	-
Net cash flows from financing activities	(2)	(4)	-
Net (decrease)/increase in cash and cash equivalents			
	79	247	135
Cash and cash equivalents at the beginning of the year/period	896	649	649
Cash and cash equivalents at the end of the period/year	975	896	784

The notes on pages 36 to 55 form an integral part of these financial statements.

Statement for Cell 1 – 2003 (unaudited)

Activities

The principal activity in the cell is the issue of notes and investing in subordinated loans to Danish banks. The net proceeds from the issue of each series of notes are used to acquire subordinated loans. The market for these investments and hence the notes issued by the cell, is limited to sophisticated investors who understand the risks and rewards associated with the unpredictable cash flows arising there from. The cell's notes are listed on the Copenhagen Stock Exchange.

The first cell ScandiNotes® I (Cell-1 2003), based on subordinated capital for Danish banks, launched the first issue under the Mare Baltic PCC Limited programme on July 4th, 2003. The issue was divided into two tranches a junior tranche of DKK 45,681,000 (approx. 10% of the issue) and a senior tranche of DKK 388,448,000 (approx. 90% of the issue).

During the period in question all known delegated responsibilities have been complied with and no events of default have occurred.

Both A and B tranches of ScandiNotes I were redeemed in total of DKK 434,129,000 on the 7th of June 2008 as expected, following the repayment of the underlying assets in full with the approval by the Danish Financial Supervisory Authority.

Winding up Cell I - 2003 will take effect after 7th of June 2009.

Results and dividends

The issue, Cell – 1 2003 (ScandiNotes® I) is running according to budget, being a key factor, due to the closed cash-flow circuit of the ring-fenced cells.

The results for the period are shown in the Income statement on page 14. The directors proposed and paid a dividend of TEUR 1 (2007: TEUR 0).

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Balance sheet – Cell 1 – 2003 (unaudited)

	Note	As at 30.06.08	As at 31.12.07	As at 30.06.07
ASSETS				
Non-current assets				
Loans receivable		-	50,996	51,711
Total non-current assets		-	50,996	51,711
Current assets				
Swaps	4	-	6,200	5,089
Interest receivable	5	-	928	317
Other receivables		12	8	132
Cash and cash equivalents	6	108	275	119
Total current assets		120	7,411	5,657
Total assets		120	58,407	57,368
EQUITY				
Called up share capital	7	1	1	1
Retained earnings		104	311	273
Total equity		105	312	274
LIABILITIES				
Non-current liabilities				
Notes issued	8	-	57,110	56,714
Swaps	4	-	-	-
Total non-current liabilities		-	57,110	56,714
Current liabilities				
Creditors		15	40	17
Accrued interest	9	-	945	363
Total current liabilities		15	985	380
Total liabilities		15	58,095	57,094
Total equity and liabilities		120	58,407	57,368

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Income statement – Cell 1 – 2003 (unaudited)

	Half-year ended	YTD	Half-year ended
Note	30.06.08	31.12.07	30.06.07
Revenue			
Loan interest	1,488	3,147	1,500
	1,488	3,147	1,500
Expenditure			
Note interest	(504)	(1,164)	(578)
Swap interest	(913)	(1,817)	(840)
Operational expenses	(191)	(84)	(42)
	(1,608)	(3,065)	(1,460)
Operating surplus	(120)	82	40
Unrealized gain on loans	-	-	-
Unrealized gain on swaps	-	1,929	771
Unrealized gain on notes	-	-	-
Realized gain on swaps	1,059	-	-
Unrealized loss on loans	(34)	(857)	(242)
Unrealized loss on swaps	-	(38)	-
Unrealized loss on notes	(1,111)	(1,034)	(529)
	(86)	-	-
Net result for the period/year	(206)	82	40

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Statement of changes in equity – Cell 1 – 2003

	Share capital	Retained earnings	Total Share- holders equity
Balance at 1 January 2007	1	233	234
Currency translation differences	-	-	-
Net income recognised directly in equity	-	-	-
Profit for the period	-	40	40
Total recognised income for the period to 30.06.2007	-	40	40
Issue of share capital	-	-	-
Dividend related to 2006	-	-	-
	-	-	-
Balance at 30 June 2007	1	273	274
Balance at 1 January 2008	1	311	312
Currency translation differences	-	-	-
Net income recognised directly in equity	-	-	-
Profit for the period	-	(206)	(206)
Total recognised income for the period to 30.06.2008	-	(206)	(206)
Issue of share capital	-	-	-
Dividend related to 2007	-	(1)	(1)
	-	(1)	(1)
Balance at 30 June 2008	1	(104)	(105)

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Cash flow statement – CELL 1 – 2003

	Half-year ended	YTD	Half-year ended
Note	30.06.08	31.12.07	30.06.07
Cash flows from operating activities			
Operating profit for the year/period	(206)	82	40
Increase/decrease interest receivable	928	(34)	577
Increase/decrease other receivable	(4)	(2)	(126)
Increase/decrease accrued interest	(945)	(22)	(604)
Increase/decrease creditors	(25)	3	(20)
Net cash generated from operating activities	(252)	27	(133)
Cash flows from investing activities			
Loans advanced	50,996	861	146
Swaps advanced	6,200	(1,890)	(779)
Notes advanced	(57,110)	1,030	634
Net cash used in investing activities	86	1	1
Cash flows from financing activities			
Issue of loans	-	-	-
Issue of notes	-	-	-
Proceeds from the issue of ordinary share capital	-	-	-
Dividends paid	(1)	(4)	-
Net cash flows from financing activities	(1)	(4)	-
Net (decrease)/increase in cash and cash equivalents			
	167	24	(132)
Cash and cash equivalents at the beginning of the year/period	275	251	251
Cash and cash equivalents at the end of the year/period	108	275	119

The notes on pages 36 to 55 form an integral part of these financial statements.

Statement for Cell 1 – 2004 (unaudited)

Activities

The principal activity in the cell is the issue of notes and investing in subordinated loans to Danish banks. The net proceeds from the issue of each series of notes are used to acquire subordinated loans. The market for these investments and hence the notes issued by the cell, is limited to sophisticated investors who understand the risks and rewards associated with the unpredictable cash flows arising there from. The cell's notes are listed on the Copenhagen Stock Exchange.

The second cell, Cell – 1 2004 (ScandiNotes® II), based on subordinated capital for Danish banks, was launched November 1st, 2004 under the Mare Baltic PCC Limited programme. This issue was like ScandiNotes® I divided into two tranches, a junior tranche of DKK 133,600,000 (approx. 15% of the issue) and a senior tranche of DKK 728,375,000 (approx. 85% of the issue). The senior tranche was rated by Moody's and achieved an "A2" long-term rating.

During the period in question all known delegated responsibilities have been complied with and no events of default have occurred.

Results and dividends

The issue Cell – 1 2004 (ScandiNotes® II) is running according to budget, being a key factor, due to the closed cash-flow circuit of the ring-fenced cells.

The results for the period are shown in the Income statement on page 19. The directors proposed and paid a dividend of TEUR 1 (2007: TEUR 0).

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Balance sheet – CELL 1 – 2004 (unaudited)

	Note	As at 30.06.08	As at 31.12.07	As at 30.06.07
ASSETS				
Non-current assets				
Loans receivable		108,371	108,292	109,203
Swaps	4	2,790	2,465	667
Total non-current assets		111,161	110,757	109,870
Current assets				
Interest receivable	5	3,494	1,738	3,329
Other receivable		6	6	0
Cash and cash equivalents	6	362	289	298
Total current assets		3,862	2,033	3,627
Total assets		115,023	112,790	113,497
EQUITY				
Called up share capital	7	1	1	1
Retained earnings		226	196	155
Total equity		227	197	156
LIABILITIES				
Non-current liabilities				
Notes issued	8	111,265	110,861	109,974
Total non-current liabilities		111,265	110,861	109,974
Current liabilities				
Creditors		64	22	65
Accrued interest	9	3,467	1,710	3,302
Total current liabilities		3,531	1,732	3,367
Total liabilities		114,796	112,593	113,341
Total equity and liabilities		115,023	112,790	113,497

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Income statement – CELL 1 – 2004 (unaudited)

	Half-year ended	YTD	Half-year ended
Note	30.06.08	31.12.07	30.06.07
Revenue			
Loan interest	3,427	6,124	2,903
	3,427	6,124	2,903
Expenditure			
Note interest	(1,723)	(3,468)	(1,721)
Swap interest	(1,623)	(2,493)	(1,101)
Operational expenses	(50)	(91)	(50)
	(3,396)	(6,052)	(2,872)
Operating surplus	31	72	31
Unrealized gain on loans	100	-	-
Unrealized gain on swaps	324	1,806	7
Unrealized gain on notes	-	1,347	1,125
Unrealized loss on loans	-	(1,541)	(740)
Unrealized loss on swaps	-	(301)	(302)
Unrealized loss on notes	(423)	(1,311)	(90)
	-	-	-
Net result for the period/year	31	72	31

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Statement of changes in equity – Cell 1 – 2004

	Share capital	Retained earnings	Total Share- holders equity
Balance at 1 January 2007	1	124	125
Profit for the period	-	31	31
Total recognised income for the period to 30.06.2007	-	31	31
Issue of share capital	-	-	-
Dividend related to 2006	-	-	-
Balance at 30 June 2007	1	155	156
Balance at 1 January 2008	1	196	197
Profit for the period	-	31	31
Total recognised income for the period to 30.06.2008	-	31	31
Issue of share capital	-	-	-
Dividend related to 2007	-	(1)	(1)
	-	(1)	(1)
Balance at 30 June 2008	1	226	227

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Cash flow statement – CELL 1 – 2004

Note	Half-year ended 30.06.08	YTD 31.12.07	Half-year ended 30.06.07
Cash flows from operating activities			
Operating profit for the year/period	31	72	31
Increase/decrease interest receivable	(1,756)	(205)	(1,796)
Increase/decrease other receivable	-	(5)	-
Increase/decrease accrued interest	1,757	205	1,797
Increase/decrease creditors	42	(48)	(4)
Net cash generated from operating activities	74	19	28
Cash flows from investing activities			
Loans advanced	(79)	1,550	639
Swaps advanced	(325)	(1,504)	294
Notes advanced	404	(46)	(933)
Net cash used in investing activities	-	-	-
Cash flows from financing activities			
Issue of loans	-	-	-
Issue of notes	-	-	-
Proceeds from the issue of ordinary share capital	-	-	-
Dividends paid	(1)	-	-
Net cash flows from financing activities	(1)	-	-
Net (decrease)/increase in cash and cash equivalents			
	73	19	28
Cash and cash equivalents at the beginning of the year/period	289	270	270
Cash and cash equivalents at the end of the period/year	362	289	298

The notes on pages 36 to 55 form an integral part of these financial statements.

Statement for Cell 1 – 2005 (unaudited)

Activities

The principal activity in the cell is the issue of notes and investing in subordinated loans to Danish banks. The net proceeds from the issue of each series of notes are used to acquire subordinated loans. The market for these investments and hence the notes issued by the cell, is limited to sophisticated investors who understand the risks and rewards associated with the unpredictable cash flows arising there from. The cells notes are listed on the Copenhagen Stock Exchange.

The third cell, Cell – 1 2005 (ScandiNotes® III), was as with ScandiNotes® I and ScandiNotes® II, based on subordinated debt for financial institutions, but for this issue to Nordic Financial institutions. The Issue was launched on November 1st, 2005. This Issue was divided into three tranches, a junior tranche of DKK 279,050,000, a mezzanine tranche of DKK 413.370.000 and a senior tranche of EUR 201,600,000. The mezzanine tranche was rated Baa2 by Moody's and the Senior tranche was rated Aa2 by Moody's.

Key value drivers have been identified as investor appetite plus quality and quantity of the cash flow from the underlying assets.

During the period in question all known delegated responsibilities have been complied with and no events of default have occurred.

Results and dividends

The issue, Cell – 1 2005, (ScandiNotes® III) is running according to budget, being a key factor, due to the closed cash-flow circuit of the ring-fenced cells.

The results for the period are shown in the Income statement on page 24. The directors proposed and paid a dividend of TEUR 0 (2007: TEUR 0).

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Balance sheet – CELL 1 – 2005 (unaudited)

	Note	As at 30.06.08	As at 31.12.07	As at 30.06.07
ASSETS				
Non-current assets				
Loans receivable		271,562	281,912	284,374
Swaps	4	3,198	2,674	1,323
Total non-current assets		274,760	284,586	285,697
Current assets				
Interest receivable	5	5,784	4,667	5,178
Other receivable		7	6	2
Cash and cash equivalents	6	234	167	191
Total current assets		6,025	4,840	5,371
Total assets		280,785	289,426	291,068
EQUITY				
Called up share capital	7	1	1	1
Retained earnings		141	144	118
Total equity		142	145	119
LIABILITIES				
Non-current liabilities				
Notes issued	8	274,605	284,600	284,592
Swaps	4	194	25	1,143
Total non-current liabilities		274,799	284,625	285,735
Current liabilities				
Creditors		87	27	118
Accrued interest	9	5,757	4,629	5,096
Total current liabilities		5,844	4,656	5,214
Total liabilities		280,643	289,281	290,949
Total equity and liabilities		280,785	289,426	291,068

The notes on pages 35 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Income statement – CELL 1 – 2005 (unaudited)

	Half-year ended	YTD	Half-year ended
Note	30.06.08	31.12.07	30.06.07
Revenue			
Loan interest	8,150	14,568	6,916
	8,150	14,568	6,916
Expenditure			
Note interest	(6,097)	(10,948)	(5,201)
Swap interest	(1,985)	(3,423)	(1,584)
Operational expenses	(71)	(118)	(78)
	(8,153)	(14,489)	(6,863)
Operating surplus	(3)	79	53
Unrealized gain on loans	-	224	224
Unrealized gain on swaps	720	3,453	998
Unrealized gain on notes	9,995	1,631	18
Unrealized loss on loans	(10,342)	(2,448)	-
Unrealized loss on swaps	(373)	(842)	(842)
Unrealized loss on notes	-	(2,018)	(398)
	-	-	-
Net result for the period/year	(3)	79	53

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Statement of changes in equity – Cell 1 – 2005

	Share capital	Retained earnings	Total Share- holders equity
Balance at 1 January 2007	1	65	66
Profit for the period	-	53	53
Total recognised income for the period to 30.06.2007	-	53	53
Issue of share capital	-	-	-
Dividend related to 2006	-	-	-
Balance at 30 June 2007	1	118	119
Balance at 1 January 2008	1	144	145
Profit for the period	-	(3)	(3)
Total recognised income for the period to 30.06.2008	-	(3)	(3)
Issue of share capital	-	-	-
Dividend related to 2007	-	-	-
Balance at 30 June 2008	1	141	142

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Cash flow statement – CELL 1 – 2005

Note	Half-year ended 30.06.08	YTD 31.12.07	Half-year ended 30.06.07
Cash flows from operating activities			
Operating profit for the year/period	(3)	79	53
Increase/decrease interest receivable	(1,117)	(725)	(1,236)
Increase/decrease other receivable	(1)	(5)	(1)
Increase/decrease accrued interest	1,128	726	1,194
Increase/decrease creditors	60	(26)	63
Net cash generated from operating activities	67	49	73
Cash flows from investing activities			
Loans advanced	10,350	2,238	(224)
Swaps advanced	(355)	(2,626)	(156)
Notes advanced	(9,995)	388	380
Net cash used in investing activities	-	-	-
Cash flows from financing activities			
Issue of loans	-	-	-
Issue of notes	-	-	-
Proceeds from the issue of ordinary share capital	-	-	-
Dividends paid	-	-	-
Net cash flows from financing activities	-	-	-
Net (decrease)/increase in cash and cash equivalents			
	67	49	73
Cash and cash equivalents at the beginning of the year/period	167	118	118
Cash and cash equivalents at the end of the period/year	234	167	191

The notes on pages 36 to 55 form an integral part of these financial statements.

Statement for Cell 1 – 2006 (unaudited)

Activities

The principal activity in the cell is the issue of notes and investing in subordinated loans to Danish banks. The net proceeds from the issue of each series of notes are used to acquire subordinated loans. The market for these investments and hence the notes issued by the cell, is limited to sophisticated investors who understand the risks and rewards associated with the unpredictable cash flows arising there from. The cells notes are listed on the Copenhagen Stock Exchange.

The fourth cell, Cell – 1 2006 (ScandiNotes® IV), was as with ScandiNotes® I and ScandiNotes® II, based on subordinated debt for Danish financial institutions. The Issue was launched on November 17th, 2006. This Issue was divided into three tranches, a junior tranche of DKK 300,135,000, a mezzanine tranche of DKK 879,571,000 and a senior tranche of EUR 170,011,000. The mezzanine tranche was rated Baa2 by Moody's and the Senior tranche was rated AAA by Moody's.

As with ScandiNotes® I, ScandiNotes® II and ScandiNotes® III all the Notes were immediately sold to the dealer on the programme, HSH Nordbank AG, Copenhagen Branch, with the purpose of on-selling in the Danish capital market.

For ScandiNotes® IV a number of bilateral meeting were held with institutional investors and other professional investors. The Senior tranche were primarily sold in Scandinavia and the Mezzanine and Junior tranche were sold in Denmark. As with the last three issues the Notes were very well received by the market and were supported by positive business newspaper articles and analysis in Denmark and the UK.

The Board of Mare Baltic PCC Limited has given consent to Hypoport and EuroABS to download information from the Mare Baltic and Scandinotes webpages for investor purposes.

Key value drivers have been identified as investor appetite, quality and quantity of the cash flow from the underlying assets, plus structuring creating a Aaa credit rating quality in the senior tranche.

During the period in question all known delegated responsibilities have been complied with and no events of default have occurred.

Results and dividends

The fourth issue, Cell – 1 2006, (ScandiNotes® IV) is running according to budget, being a key factor, due to the closed cash-flow circuit of the ring-fenced cells.

The results for the period are shown in the Income statement on page 29. The directors proposed and paid a dividend of TEUR 0 (2007: TEUR 0).

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Balance sheet – CELL 1 – 2006 (unaudited)

	Note	As at 30.06.08	As at 31.12.07	As at 30.06.07
ASSETS				
Non-current assets				
Loans receivable		315,310	313,705	316,245
Swaps	4	41	1,120	-
Total non-current assets		315,351	314,825	316,245
Current assets				
Interest receivable	5	6,372	3,833	5,902
Other receivable		7	5	6
Cash and cash equivalents	6	261	155	166
Total current assets		6,640	3,993	6,074
Total assets		321,991	318,818	322,319
EQUITY				
Called up share capital	7	1	1	1
Retained earnings		174	125	53
Total equity		175	126	54
LIABILITIES				
Non-current liabilities				
Notes issued	8	313,367	314,344	312,774
Swaps	4	2,026	523	3,512
Total non-current liabilities		315,393	314,867	316,286
Current liabilities				
Creditors		81	23	108
Accrued interest	9	6,342	3,802	5,871
Total current liabilities		6,423	3,825	5,979
Total liabilities		321,816	318,692	322,265
Total equity and liabilities		321,991	318,818	322,319

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Income statement – CELL 1 – 2006 (unaudited)

	Half-year ended	YTD	Half-year ended
Note	30.06.08	31.12.07	30.06.07
Revenue			
Loan interest	9,256	16,537	7,837
	9,256	16,537	7,837
Expenditure			
Note interest	(6,468)	(12,277)	(5,819)
Swap interest	(2,663)	(4,010)	(1,893)
Operational expenses	(76)	(139)	(86)
	(9,207)	(16,426)	7,798
Operating surplus	49	111	39
Unrealized gain on loans	1,660	4,947	4,951
Unrealized gain on swaps	510	4,622	249
Unrealized gain on notes	952	2,214	2,216
Unrealized loss on loans	-	(1,929)	(3,040)
Unrealized loss on swaps	(3,092)	(3,309)	(4,376)
Unrealized loss on notes	(30)	(6,545)	-
	-	-	-
Net result for the period/year	49	111	39

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Statement of changes in equity – Cell 1 – 2006

	Share capital	Retained earnings	Total Share- holders equity
Balance at 1 January 2007	1	14	15
Profit for the period	-	39	39
Total recognised income for the period to 30.06.2007	-	39	39
Issue of share capital	-	-	-
	-	-	-
Balance at 30 June 2007	1	53	54
Balance at 1 January 2008	1	125	126
Profit for the period	-	49	49
Total recognised income for the period to 30.06.2008	-	49	49
Issue of share capital	-	-	-
	-	-	-
Balance at 30 June 2008	1	174	175

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Cash flow statement – CELL 1 – 2006

Note	Half-year ended 30.06.08	YTD 31.12.07	Half-year ended 30.06.07
Cash flows from operating activities			
Operating profit for the year/period	49	111	39
Increase/decrease interest receivable	(2,539)	(562)	(2,631)
Increase/decrease other receivable	(2)	(5)	(6)
Increase/decrease accrued interest	2,540	605	2,674
Increase/decrease creditors	58	7	92
Net cash generated from operating activities	106	156	168
Cash flows from investing activities			
Loans advanced	(1,605)	(2,992)	(5,532)
Swaps advanced	2,582	(1,314)	2,795
Notes advanced	(977)	4,305	2,735
Net cash used in investing activities	-	(1)	(2)
Cash flows from financing activities			
Issue of loans	-	-	-
Issue of notes	-	-	-
Proceeds from the issue of ordinary share capital	-	-	-
Dividends paid	-	-	-
Net cash flows from financing activities	-	-	-
Net (decrease)/increase in cash and cash equivalents	106	155	166
Cash and cash equivalents at the beginning of the year/period	155	-	-
Cash and cash equivalents at the end of the period/year	261	155	166

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Balance sheet – Non-cellular (unaudited)

		As at 30.06.08	As at 31.12.07	As at 30.06.07
	Note			
ASSETS				
Non-current assets				
Loans receivable		-	-	-
Swaps	4	-	-	-
Total non-currents assets		-	-	-
Current assets				
Interest receivable	5	-	-	-
Other receivable		-	-	-
Cash and cash equivalents	6	10	10	10
Total current assets		10	10	10
Total assets		10	10	10
EQUITY				
Called up share capital	7	10	10	10
Retained earnings		-	-	-
Total equity		10	10	10
LIABILITIES				
Non-current liabilities				
Notes issued	8	-	-	-
Total non-current liabilities		-	-	-
Current liabilities				
Creditors		-	-	-
Accrued interest	9	-	-	-
Total current liabilities		-	-	-
Total liabilities		-	-	-
Total equity and liabilities		10	10	10

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Income statement – Non-cellular (unaudited)

	Half-year ended 30.06.08	YTD 31.12.07	Half-year ended 30.06.07
Note			
Revenue			
Loan interest	-	-	-
Deposit interest income	-	-	-
	-	-	-
Expenditure			
Note interest	-	-	-
Swap interest	-	-	-
Operational expenses	-	-	-
	-	-	-
Operating surplus	-	-	-
Unrealized gain on loans	-	-	-
Unrealized gain on swaps	-	-	-
Unrealized loss on notes	-	-	-
Currency rate exchange differences	-	-	-
	-	-	-
Net result for the period/year	-	-	-

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Statement of changes in equity – Non-cellular

	Share capital	Retained earnings	Total Share- holders equity
Balance at 1 January 2007	10	-	10
Profit for the period	-	-	-
Total recognised income for the period to 30.06 2007	-	-	-
Issue of share capital	-	-	-
Dividend related to 2006	-	-	-
Balance at 30 June 2007	10	-	10
Balance at 1 January 2008	10	-	10
Profit for the period	-	-	-
Total recognised income for the period to 30.06 2008	-	-	-
Issue of share capital	-	-	-
Dividend related to 2007	-	-	-
Balance at 30 June 2008	10	-	10

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Cash flow statement – Non-cellular

	Half-year ended 30.06.08	YTD 31.12.07	Half-year ended 30.06.07
Note			
Cash flows from operating activities			
Operating profit for the year/period	-	-	-
Increase/decrease interest receivable	-	-	-
Increase/decrease other receivable	-	-	-
Increase/decrease accrued interest	-	-	-
Increase/decrease creditors	-	-	-
Net cash generated from operating activities	-	-	-
Cash flows from investing activities			
Loans advanced	-	-	-
Swaps advanced	-	-	-
Notes advanced	-	-	-
Net cash used in investing activities	-	-	-
Cash flows from financing activities			
Issue of notes	-	-	-
Proceeds from the issue of ordinary share capital	-	-	-
Dividends paid	-	-	-
Net cash flows from financing activities	-	-	-
Net (decrease)/increase in cash and cash equivalents	-	-	-
Cash and cash equivalents at the beginning of the year/period	10	10	10
Cash and cash equivalents at the end of the period/year	10	10	10

The notes on pages 36 to 55 form an integral part of these financial statements.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements

1. General information

Mare Baltic PCC Limited (the Company) is a limited liability company incorporated and domiciled in Guernsey.

No review or audit has been carried out for the interim report period 1 January – 30 June 2008

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented. The policies are unchanged compared to last year with exception of implementation of IFRS 7 ('Financial Instruments Disclosures')

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by EU and interpretations issued by the International Financial Reporting Interpretations Committee. The more significant accounting policies used are set out below.

The Company's rights under the swaps are regarded as derivative financial instruments. Under IFRS a derivative financial instruments are classified as held for trading and thereby swaps automatically falls within the definition of a financial asset or financial liability at fair value through profit or loss.

In accordance with amendment to IAS 39 'Financial Instruments: Recognition and Measurement' in June 2005, the directors have designated the Company's investment in subordinated loans as a financial asset at fair value through profit or loss. Also, the directors have designated the Company's notes issued as financial liabilities at fair value through profit or loss. This is to eliminate the accounting mismatch which would otherwise exist between subordinated loans, notes issued and swap transactions which are entered into to eliminate the differences in currency and interest terms of the subordinated loans and notes issued.

The changes in the fair value due to changes in credit risk are considered to be immaterial.

No issued standards which are not implemented are assessed to have influence on future presentation of the annual accounts.

Notes to the financial statements (continued)

2.2 Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the year. Actual results could differ from those estimates.

In particular estimations are applied in the determination of fair values of loan and notes issued. As there may be periods with less market activity in particular tranches the valuation is subject to illiquidity.

2.3 Protected Cell Company

The Company is a Protected Cell Company in accordance with the provisions of the Protected Cell Companies Ordinance 1997 as amended. The assets of the Company can be either cellular assets or non-cellular assets. The assets attributable to a cell comprise assets represented by the proceeds of cell share capital, reserves and any other assets attributable to the cell. The non-cellular assets comprise the assets of the Company, which are not cellular assets. Where a liability arises from a transaction in respect of a particular cell, and there are insufficient assets within this cell, then there will be no recourse to the assets of any other cell, but there may, in certain circumstances, be access to the non-cellular assets.

2.4 Notes issued

Notes issued are initially recognized at their fair value on the date of issue. Subsequent to initial recognition the notes are measured at fair value which is based on their quoted market price where there is an active market in the notes. The scheduled redemption amounts of the notes at the scheduled maturity dates will be the nominal amounts.

2.5 Interest Rate Swap agreements (IRS's)

IRS's are stated at fair value, estimated using valuation methods with inputs based on current market data. Realized and unrealized gains and losses on the IRS's are recognized in the income statement.

Notes to the financial statements (continued)

2.6 Loans receivable

Loans receivable are classified as a financial asset at fair value through profit or loss. The loans are initially recognized at fair value on the date of purchase and subsequently at its estimated fair value.

The calculation of fair value of the loans has been based on relevant market input, particularly the development in the values of the issued notes which are quoted at the OMX Nordic Exchange Copenhagen.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

2.8 Functional and reporting currency

The functional currency is DKK for CELL 1-2003 and CELL 1-2004, EUR for CELL 1-2005 and DKK for CELL 1- 2006. The reporting currency of the Company is EUR.

2.9 Foreign currencies

Monetary assets and liabilities are translated into EUR at the rate of exchange ruling at the balance sheet date. Foreign currency transactions are translated into EUR at the rate of exchange ruling at the date of transaction. Exchange differences arising on the settlement or revaluation of monetary items, are recognized in the income statement in the year which they arise.

2.10 Interest income and expenses

Interest income and expenses are recognised on an accruals basis.

2.11 Agent fees

Agent fees are recognized on an accruals basis. The fees payable are amortized to the income statement over the service period, using the linear method.

2.12 Employees

The Company had no employees during the period ended 30 June 2008.

Notes to the financial statements (continued)

3. Loans receivable (at fair value)

The Company has invested the proceeds from the issue of notes in portfolios of subordinated loans to a number of small and medium sized banks. They pay interest to the Company sufficient to fund its obligations to the Note holders and obligations under the Swap Agreements.

The Company has entered into a Programme for the issue of limited recourse obligations (the "Programme") whereby the Company may issue notes in series and each such series is separately secured by a charge on assets acquired to fund the Company's payment obligations on each series (the "Collateral"). Therefore, the investments in loan portfolios above are separately pledged as security for the notes issued.

The Issuer relies on its Investment Advisor (HSH Nordbank AG) to risk rate the obligor banks and also monitor their external ratings, if any. Currently one of the banks has a public rating.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements (continued)

4. Interest Rate Swap Agreement

The IRS's are entered into to match the receivables of the company with the obligations under the note issue Programme. The interest received from the investments is exchanged with fixed rate interest matching the obligation on the notes.

Related risk position	Maturity date	Notional amount	Pay/receive	Interest %	Fair value 30 June 2008	Fair value 30 June 2007
Cell 1 - 2003						
DKK 388,448,000 Class A 2% Limited Recourse Secured Senior Noted due 2011	07.06. 2008	Fixed DKK 388,488,000	(receive)	2,000 %	-	4.262
DKK 45,681,000 Class B 2% Limited Recourse Secured Junior Noted due 2011	07.06. 2008	Fixed DKK 45,681,000	(receive)	2,000 %	-	740
DKK 50,000,000 Fixed Loan Swap	06.06. 2008	Floating DKK 50,000,000	(receive)	5,075 %	-	87
	06.06. 2008	Fixed DKK 50,000,000	(pay)			
					-	5,089
Current assets					-	5,089

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements (continued)

4. Interest Rate Swap Agreement (continued)

Related risk position	Maturity date	Notional amount	Pay/ receive	Inter-est %	Fair value 30 June 2008	Fair value 30 June 2007
<i>Cell 1 - 2004</i>						
DKK 728,375,000	01.11.2009	Fixed DKK 728,375,000	(receive)	3,000%	821	280
Class A 3% Limited Recourse Secured Senior Notes due 2012	29.10.2009	Floating DKK 680,000,000	(pay)			
DKK 133,600,000	01.11.2009	Fixed DKK 133,600,000	(receive)	3,000%	1,969	387
Class B 3% Limited Recourse Secured Junior Noted due 2012	29.10.2009	Floating DKK 120,000,000	(pay)			
					2,790	667
Non current assets					2,790	667

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements (continued)

4. Interest Rate Swap Agreement (continued)

Related risk position	Maturity date	Notional amount	Pay/receive	Interest %	Fair value 30 June 2008	Fair value 30 June 2007
Cell 1 - 2005						
EUR 201,600 Class A 2,753% Limited Recourse Secured Senior Notes due 2015	1/11 2010	Floating EUR 201,600	(receive)		89	42
DKK 279,050,000 Class C 2% Limited Recourse Secured Junior Noted due 2015	1/11 2010	Fixed DKK 279,050,000	(receive)	2,000 %	34,727	34,172
	31/10 2010	Floating EUR 28,000	(pay)		(31,618)	(32,891)
					3,109	1,281
					3,198	1,323
Non current assets					3,198	1,323

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements (continued)

4. Interest Rate Swap Agreement (continued)

Related risk position	Maturity date	Notional amount	Pay/receive	Interest %	Fair value 30 June 2008	Fair value 30 June 2007
Cell 1 – 2005						
DKK 413,370,000 Class B 2% Limited Recourse Secured Mezzanine Notes due 2015	1/11 2010	Fixed DKK 413,370,000	(receive)	2,000 %	51,442	50,620
	1/11 2010	Floating EUR 50,400	(pay)		(51,636)	(51,763)
					(194)	(1,143)
					(194)	(1,143)
Non current liabilities					(194)	(1,143)

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements (continued)

4. Interest Rate Swap Agreement (continued)

Related risk position	Maturity date	Notional amount	Pay/receive	Interest %	Fair value 30 June 2008	Fair value 30 June 2007
Cell 1 - 2006						
DKK 300,135,000	16/11 2011	Fixed DKK 300,135,000	(receive)	3,000 %	41	
Class C 3% Limited Recourse Secured Junior Noted due 2014	17/11 2011	Floating DKK 230,565,870	(pay)			(347)
					41	(347)
Non current assets					41	
Non current liabilities						(347)

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements (continued)

4. Interest Rate Swap Agreement (continued)

Related risk position	Maturity date	Notional amount	Pay/receive	Interest %	Fair value 30 June 2008	Fair value 30 June 2007
Cell 1 - 2006						
EUR 170,011,000 Class A 3,843% Limited Recourse Secured Senior Notes due 2014	17/11 2011	Floating EUR 170,011,000	(receive)		172,351	171,616
		Floating DKK 1,268,112,049	(pay)		(172,989)	(171,987)
					<hr/>	<hr/>
					(638)	(371)
DKK 879,571,000 Class B 3% Limited Recourse Secured Mezzanine Notes due 2014	16/11 2011	Fixed DKK 879,571,000	(receive)	3,000 %	1,081	42
		Floating DKK 806,980,545	(pay)		(2,469)	(2,836)
					<hr/>	<hr/>
					(1,388)	(2,794)
					<hr/>	<hr/>
					(2,026)	(3,165)
Non current liabilities					(2,026)	(3,165)

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements (continued)

5. Interest receivable

	As at 30.06.08	As at 31.12.07	As at 30.06.07
Cell 1 – 2003			
Interest receivable, loans	-	236	214
Interest receivable, swaps	-	691	103
	-	928	317
Cell 1 – 2004			
Interest receivable, loans	1,202	1,168	1,037
Interest receivable, swaps	2,292	570	2,292
	3,494	1,738	3,329
Cell 1 – 2005			
Interest receivable, loans	2,817	2,687	2,462
Interest receivable, swaps	2,967	1,980	2,716
	5,784	4,667	5,178
Cell 1 – 2006			
Interest receivable, loans	2,381	2,258	2,092
Interest receivable, swaps	3,991	1,575	3,810
	6,372	3,833	5,902
Non-cellular			
Interest receivable, loans	-	-	-
Interest receivable, swaps	-	-	-
	-	-	-
	15,650	11,166	14,726

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements (continued)

6. Cash and cash equivalents

	As at 30.06.08	As at 31.12.07	As at 30.06.07
Cell 1 – 2003			
Royal Bank of Scotland International Guernsey	1	1	1
HSH Nordbank – Denmark (current account)	107	274	118
	108	275	119
Cell 1 – 2004			
Royal Bank of Scotland International Guernsey	1	1	1
HSH Nordbank – Denmark (current account)	361	288	297
	362	289	298
Cell 1 – 2005			
Royal Bank of Scotland International Guernsey	1	1	1
HSH Nordbank – Denmark (current account)	233	166	190
	234	167	191
Cell 1 – 2006			
Royal Bank of Scotland International Guernsey	1	1	1
HSH Nordbank – Denmark (current account)	260	154	165
	261	155	166
Non-cellular			
Royal Bank of Scotland International Guernsey	10	10	10
HSH Nordbank – Denmark (current account)	-	-	-
	10	10	10
	975	896	784

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements (continued)

7. Called up share capital

	<u>As at 30.06.08</u>	<u>As at 31.12.07</u>	<u>As at 30.06.07</u>
Cell 1 – 2003			
1,000 ordinary shares of EUR 1 each	1	1	1
Cell 1 – 2004			
1,000 ordinary shares of EUR 1 each	1	1	1
Cell 1 – 2005			
1,000 ordinary shares of EUR 1 each	1	1	1
Cell 1 – 2006			
1,000 ordinary shares of EUR 1 each	1	1	1
Non-cellular			
10,000 ordinary shares of EUR 1 each	10	10	10
	<u>14</u>	<u>14</u>	<u>14</u>

The authorized share capital comprising 200,000 ordinary shares of EUR 1 each.
All shares belong to same class of shares and have the same rights.

Mare Baltic PCC Limited – 30 June 2008

All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements (continued)

8. Notes issued

	As at 30.06.08		As at 30.06.07	
	Issue proceeds/ Notional amount	Fair value	Issue proceeds/ Notional amount	Fair value
Cell 1 – 2003				
Series 2003-1 DKK				
388,448,000 Scandi Notes 1				
2% limited recourse secured				
asset backed notes due 2011				
(senior)				
	DKK '000		DKK '000	
	342,000	-	342,000	5,954
Series 2003-1 DKK				
45,681,000 Scandi Notes 1				
2% limited recourse secured				
asset backed notes due 2011				
(junior)				
	DKK '000		DKK '000	
	38,000	-	38,000	50,460
Total		-		56,714
Cell 1 – 2004				
Series 2004-1 DKK				
728,375,000 Scandi Notes 2				
3% limited recourse secured				
asset backed notes due 2012				
(senior)				
	DKK '000		DKK '000	
	680,774	17,018	680,774	17,083
Series 2004-1 DKK				
133,600,000 Scandi Notes 2				
3% limited recourse secured				
asset backed notes due 2012				
(junior)				
	DKK '000		DKK '000	
	120,000	94,247	120,000	92,891
Total		111,265		109,974

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

8. Notes issued (continued)

		As at 30.06.08		As at 30.06.07
	Issue proceeds/ Notional amount	Fair value	Issue proceeds/ Notional amount	Fair value
Cell 1 – 2005				
Series 2015-1 EUR				
201,600,000 Scandi Notes 3				
2,753 % limited recourse				
secured asset backed notes due				
	EUR '000		DKK '000	
2011 (senior)	201,600	32,646	209,248	33,183
Series 2015-1 DKK				
413,370,000 Scandi Notes 3				
2 % limited recourse secured				
asset backed notes due 2015				
	DKK '000		EUR '000	
(mezzanine)	376,110	191,520	201,600	201,197
Series 2015-1 DKK				
279,050,000 Scandi Notes 3				
2 % limited recourse secured				
asset backed notes due 2011				
	DKK '000		DKK '000	
(junior)	209,248	50,439	376,110	50,212
Total		274,605		284,592

Mare Baltic PCC Limited Cell - 1 2005 has entered into certain financial derivatives transactions. The purpose of these transactions is to mitigate the open market risk to the investors and the issuer (Mare Baltic) in the event that all loans are not repaid in 2010. The financial derivatives will only have a value to the investors and the issuer if any loans are not repaid in 2010 and as the financial derivatives are linked specifically to such outstanding loans the financial derivatives will have no value to others if sold in the market. For this reason these financial derivatives are neither part of the profit and loss calculation nor influencing the values of the assets and liabilities.

Mare Baltic PCC Limited – 30 June 2008

All amounts in EUR thousands unless otherwise stated)

8. Notes issued (continued)

	As at 30.06.08		As at 30.06.07	
	Issue proceeds/ Notional amount	Fair value	Issue proceeds/ Notional amount	Fair value
Cell 1 – 2006				
Series 2006-1 DKK				
300,135,000 Scandi Notes 4				
3 % limited recourse secured				
asset backed notes due 2014				
(junior)				
	DKK '000		DKK '000	
	230,566	36,622	230,566	35,489
Series 2006-1 DKK				
879,571,000 Scandi Notes 4				
3 % limited recourse secured				
asset backed notes due 2014				
(mezzanine)				
	DKK '000		DKK '000	
	806,981	106,734	806,981	106,959
Series 2006-1 EUR				
170,011,000 Scandi Notes 4				
3,843 % limited recourse				
secured asset backed notes due				
2014 (senior)				
	EUR '000		EUR '000	
	170,011	170,011	170,011	170,326
Total		313,367		312,774

Mare Baltic PCC Limited Cell - 1 2006 has entered into certain financial derivatives transactions. The purpose of these transactions is to mitigate the open market risk to the investors and the issuer (Mare Baltic) in the event that all loans are not repaid in 2011. The financial derivatives will only have a value to the investors and the issuer if any loans are not repaid in 2011. As the financial derivatives are linked specifically to such outstanding loans they will have no value to others if sold in the market. For this reason these financial derivatives are neither part of the profit and loss calculation nor influencing the values of the assets and liabilities.

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements (continued)

The Company has entered into a Secured Note Programme whereby the Company issues notes in series and each such series is secured by a charge on, or assignment of interests in, certain financial instruments or investments. The maximum aggregate principal amount of all Notes issued by the Company pursuant to the Programme shall not exceed EUR 1,000,000,000 or its equivalent in other currencies at the time of issue.

In connection with the notes issued under the Programme, the Company has agreed to an ISDA Master Agreement made between Mare Baltic PCC Limited and HSH Nordbank AG.

Under this Master Agreement a number of Swap Agreements have been entered into all for the purpose of exchanging interest received by the Company into fixed rate interest for servicing the notes. The recourse of holders of the notes against the Company is limited to amounts properly received from the portfolio.

The scheduled redemption amount per note in issue will be par face value at the scheduled redemption date of the notes; it will exactly match the redemption amount per note when the Swaps are terminated. The Company's notes are listed on the OMX Nordic Exchange Copenhagen.

9. Accrued interest

	<u>As at</u> <u>30.06.08</u>	<u>As at</u> <u>31.12.07</u>	<u>As at</u> <u>30.06.07</u>
Cell 1 – 2003			
Interest payable, notes	-	660	74
Interest payable, swaps	-	285	289
	-	945	363
Cell 1 – 2004			
Interest payable, notes	2,293	570	2,292
Interest payable, swaps	1,174	1,140	1,010
	3,467	1,710	3,302
Cell 1 – 2005			
Interest payable, notes	2,967	1,981	2,716
Interest payable, swaps	2,790	2,648	2,380
	5,757	4,629	5,096
Cell 1 – 2006			
Interest payable, notes	3,992	1,575	3,810
Interest payable, swaps	2,350	2,227	2,061
	6,342	3,802	5,871
Non-cellular			
Interest payable, notes	-	-	-
Interest payable, swaps	-	-	-
	-	-	-
	15,566	11,086	14,632

Mare Baltic PCC Limited – 30 June 2008

(All amounts in EUR thousands unless otherwise stated)

Notes to the financial statements (continued)

10. Taxation

The Company was granted exemption from tax under the Income tax (Exempt Bodies) (Guernsey) Ordinances 1989 and 1992 for the year ended 31 December 2007. With effect from 1 January 2008, Guernsey abolished the exempt company regime and the standard rate of income tax for companies has changed from 20% to 0%. Mare Baltic PCC Ltd will be taxed at the standard rate of 0% from 1 January 2008.

11. Parent Company

The Company is owned by the Mare Baltic Charitable Trust. In the opinion of the Directors there is no ultimate controlling party since the criteria contained within the definition of "control" in International Accounting Standard No 24 (reformatted 1994) Related Party Disclosures are not satisfied by any one party.

12. Financial instruments

As stated in the Directors' Report the principal activity of the Company is limited to the issue of collateralized notes in series. The proceeds from the issue of each series of notes are used to acquire interest carrying assets or similar investments. Therefore, the role of financial assets and financial liabilities is central to the activities of the Company, the issue of notes provided the funding to purchase the Company's financial assets. Financial assets and liabilities provide the majority of the assets and liabilities of the Company along with all of the income.

As well as the purchase of investments and the issue of notes, the Company has also entered into Swap Agreements, as detailed in note 3, to hedge the risk associated with the potential mismatch between the capital returns from the investments and the obligations under the notes.

The strategies used by the Company in achieving its objectives regarding the use of its financial assets and liabilities were set when the Company entered into the transactions. The Company has attempted to match the properties of its financial liabilities to its asset to avoid significant elements of risk generated by mismatches of investment performance against its obligations, together with any maturity or interest rate risk.

As disclosed in note 1, the Company's Swaps are regarded as held for trading and the investments and the notes in issue as at the balance sheet date have been designated as financial asset/liabilities at fair value through profit or loss.

Notes to the financial statements (continued)

12. Financial instruments (continued)

The Swap values are calculated on the basis of a model that takes into account, inter alia, the key input of yield curves. It should be noted that the value model is based on a number of subjective assumptions and that other market practitioners may determine different values.

The indicative swap market values are calculated on the basis of the unwinding of the principal protection option. Note values are determined in accordance with the early redemption provisions of the offering Memorandum. These calculations take into account the Swap values at the maturity dates of the notes.

The investments consist of four loan portfolios. One portfolio of total nominal amount DKK 380,000,000 purchased in 2003, one portfolio of DKK 800,000,000 purchased in 2004, one portfolio of a total nominal amount of EUR 280,000,000 purchased in 2005 and one portfolio of a total amount of DKK 2,305,000,000 purchased in 2006. In the first portfolio (DKK 380 mill.) there are 8 borrowers and the maturity of the loans is 6 June 2011, with an option for the borrowers for early redemption from 6 June 2008. In the second portfolio (DKK 800 mill.) there are 11 borrowers, the maturity date of the loans is 29 October 2012, with an option for the borrowers for early redemption from 29 October 2009. In the third portfolio (EUR 280 mill.) there are 22 borrowers, the maturity date of the loans is 31 October 2015, with an option for the borrowers for early redemption from 31 October 2010.

In the fourth portfolio (DKK 2,305 mill.) there are 21 borrowers, the maturity date of the loans is 17 November 2014 with an option for the borrowers for early redemption from 17 November 2011.

The notes issued include similar early redemption option.

12.1 Interest Rate risk

The Company primarily finances its operations through the issue of bonds upon which 2% and 3% coupons are payable. The directors believe that there is no net interest rate risk to the Company as the interest is fully hedged. To hedge the Cell1 - 2004 series and the Cell1 – 2006 series against a substantial drop in interest rates before maturity the company has purchased interest rate floors thus eliminating the risk of losses if interest rates drop to or below zero percent.

12.2 Currency risk

Virtually all of the Company's financial assets and liabilities are denominated in matching currencies. Any differences have been covered by derivatives contracts entered with third parties. Consequently, the Directors believe that there is no material currency risk to the Company.

Notes to the financial statements (continued)

12. Financial instruments (continued)

12.3 Credit risk and Counterparty risk

Credit risk is the risk of default by the loan debtors and swap counterparty. The terms of the notes allow a full offset of such losses. The directors believe that there is no net credit risk to the Company since its obligations to the note holders are limited to the amounts due and receivable from the investment and the Swap Agreement secured as Collateral for the notes. The Company therefore has no net exposure to any non-performing financial agreements.

13. Post balance sheet events

Events SINCE Posting of the HALF YEAR REPORT AS AT 30 JUNE 2008

Roskilde Bank A/S and the Danish Central Bank have in press releases as of 24 August 2008 announced that an agreement has been made between the board of directors of Roskilde Bank A/S and a newly established bank, founded by the Danish Central Bank and the Private Contingency Association, that all of Roskilde Bank A/S assets and all debt and other liabilities, except for hybrid core capital and subordinated loan capital is taken over.

For further information about the background and reason for this restructuring please refer to the press releases mentioned above. The press releases can be found on www.roskildebank.dk and www.nationalbanken.dk.

Should Roskilde Bank A/S not be able to honour its obligations in relation to the underlying loan agreements and the relative ScandiNotes® issues, the owners of the ScandiNotes® bonds would be affected negatively, since a lack in servicing of its debt by Roskilde Bank A/S would mean that the note holders would receive a proportionally smaller interest payment and also lose a proportional part of the principal, unless sufficient profit to cover all of Roskilde Bank A/S debt and obligations are generated in the termination process as described above.

More specific details concerning the effects on the ScandiNotes® issues will be published on www.scandinotes.com when available.