

December 19, 2008

## Ratings Raised On Mezzanine Notes In Two U.K. RMBS First Flexible Transactions

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LONDON (Standard & Poor's) Dec. 19, 2008--Standard & Poor's Ratings Services today raised and removed from CreditWatch positive its credit ratings on the mezzanine classes issued by two U.K. RMBS issuers: First Flexible No. 4 PLC (FF No. 4), and First Flexible No. 5 PLC (FF No. 5). We also affirmed and removed from CreditWatch positive the ratings on the class B notes issued in both deals, and affirmed the 'AAA' rating on the class A notes in both deals (see list below).

These rating actions follow a full credit and cash flow review of the most recent transaction information that we have received for each transaction. This analysis showed that the increased levels of credit enhancement available to the class M notes, along with underlying collateral that continues to perform well, has had a positive impact on their ratings. The credit enhancement for the class B notes is sufficient to affirm their current ratings in both deals.

The First Flexible portfolios predominately comprise buy-to-let loans. In both deals, we have seen a reduction to relatively low levels in the weighted-average loan-to-value (WA LTV) ratios, along with an increase in seasoning. For FF No. 4, the WA LTV ratio is currently 54.44%, with a seasoning of 87 months, whereas FF No. 5 has a WA LTV ratio of 53.15% and seasoning of 74 months.

The notes, issued between 1999 and 2002, are backed by portfolios of first-ranking residential mortgages secured over properties in the U.K. They

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were originated by Britannic Money PLC, which has subsequently been acquired by the Paragon Group of Companies PLC.

Further information on these transactions is available to subscribers of RatingsDirect, Standard & Poor's Web-based credit analysis system, at [www.ratingsdirect.com](http://www.ratingsdirect.com). Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4017.

RATINGS LIST

Class	To	From
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RATINGS RAISED AND REMOVED FROM CREDITWATCH POSITIVE

First Flexible No. 4 PLC  
£500 Million Mortgage-Backed Floating-Rate Notes

M	AA	AA-/Watch Pos
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First Flexible No. 5 PLC  
£500 Million Mortgage-Backed Floating-Rate Notes

M	AA	A+/Watch Pos
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RATINGS AFFIRMED AND REMOVED FROM CREDITWATCH POSITIVE

First Flexible No. 4 PLC  
£500 Million Mortgage-Backed Floating-Rate Notes

B	A-	A-/Watch Pos
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First Flexible No. 5 PLC  
£500 Million Mortgage-Backed Floating-Rate Notes

B	BBB+	BBB+/Watch Pos
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RATINGS AFFIRMED

First Flexible No. 4 PLC  
£500 Million Mortgage-Backed Floating-Rate Notes

A	AAA	
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First Flexible No. 5 PLC  
£500 Million Mortgage-Backed Floating-Rate Notes

A                    AAA

**Additional Contact:**

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