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Ratings On Junior Notes In Two U.K. RMBS First Flexible Transactions Put On Watch Positive

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LONDON (Standard & Poor's) July 25, 2008--Standard & Poor's Ratings Services said today that it has placed on CreditWatch with positive implications its credit ratings on the subordinate classes issued by First Flexible No. 4 PLC (FF No.4), and First Flexible No. 5 PLC (FF No.5) (see ratings list below). The senior class A notes in each transaction remain unaffected by these CreditWatch placements.

The CreditWatch placements follow an initial review of the most recent transaction information we have received for each transaction. This analysis showed that the likelihood of positive rating actions has increased for all classes listed below. This is because their levels of credit enhancement have improved and the underlying collateral continues to perform well.

The First Flexible portfolios predominately comprise buy-to-let borrowers. In both these transactions we have seen a decline to relatively low levels in the weighted-average loan-to-value ratio (WA LTV), along with an increase in seasoning. For FF No. 4, the WA LTV ratio is currently 55.18%, with seasoning of 85 months, whereas FF No. 5 has a WA LTV ratio of 54.08% and seasoning of 72 months.

We will now carry out a more detailed loan-level and cash flow analysis of these transactions to investigate whether any or all of these notes can attain a higher rating. The results of this review and any changes in the ratings are

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expected within three months of this release.

The notes, issued between 1999 and 2002, are backed by portfolios of first-ranking residential mortgages secured over properties in the U.K. They were originated by Britannic Money PLC, which was subsequently 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. Alternatively, call Client Support Europe on (44) 20-7176-7176. Members of the media may contact the Press Office Hotline on (44) 20-7176-3605 or via media_europe@standardandpoors.com. Local media contact numbers are: Paris (33) 1-4420-6657; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4017.

RATINGS LIST

Ratings Placed On CreditWatch Positive

Class	Rating To	From

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

M	AA-/Watch Pos	AA-
B	A-/Watch Pos	A-

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

M	A+/Watch Pos	A+
B	BBB+/Watch Pos	BBB+

Additional Contact:
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