



Press Release

## Standard & Poor's Takes Credit Watch Action On Five Australian CDOs

Melbourne, Sept. 9, 2005—Standard & Poor's Ratings Services today said it had taken rating action on the credit ratings of five synthetic portfolio CDOs (see list).

"The placement of four of these transactions on CreditWatch with Negative implications is primarily the result of negative rating migration of several corporate entities referenced in each of the underlying synthetic portfolios of these CDOs, during July and August 2005. The removal of the CreditWatch Negative from Bond i Trust 2003-1 Class B ratings, reflects Standard & Poor's expectations that the 'AA' rating would be affirmed within a period of 90 days or less, at the time the CreditWatch was assigned," Standard & Poor's Structured Finance Ratings credit analyst Rebecca Connor said today.

Four transactions have been placed on CreditWatch with negative implications because they are failing Standard & Poor's SROC (synthetic rated overcollateralization) measurements, with SROC metrics of less than 100%. When the CDO Evaluator is run 90 days forward on this transaction, SROC exceeds 100%. This suggests that in 90 days or less, if ratings in the reference pool remain static, the transaction will be removed from CreditWatch and the rating will be affirmed. If there is any further rating deterioration in the pool, the transactions could be downgraded.

When SROC is at 100%, credit enhancement provided is equal to the amount of support required by Standard & Poor's to maintain that rating. SROC is a comparable measure, expressed as a percentage, of the sensitivity of that tranche to future rating actions. SROC metrics are disseminated into the market through Standard & Poor's monthly publication, the *Synthetic ROC Report*. Please refer to *CDO Spotlight: Synthetic ROC and the Surveillance of Synthetic CDOs* for Standard & Poor's global policy on the surveillance of synthetic CDOs.

The *Synthetic ROC Report* is available to subscribers of RatingsDirect, Standard & Poor's Web-based credit analysis system, at [www.ratingsdirect.com](http://www.ratingsdirect.com). The report can also be found on Standard & Poor's Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Select "Credit Ratings", then find the article under "Commentary & News".

TRANSACTION	RATINGS	FROM:
Nexus Bonds Ltd. –Nexus3 Notes	TO: BBB/Watch Neg	BBB
Bond i Trust 2003 -1 Class B	AA	AA/Watch Neg
Security Holding Investment Entity Linking Deals Pty Ltd. Series 6	AA/Watch Neg	AA
Security Holding Investment Entity Linking Deals Pty Ltd. Series 12	AA/Watch Neg	AA
Security Holding Investment Entity Linking Deals Pty Ltd. Series 14	BBB-/Watch Neg	BBB-

### About Standard & Poor's

Standard & Poor's is the world's foremost provider of independent credit ratings, indices, risk evaluation, investment research, data, and valuations. With 6,700 employees located in 21 countries and markets, Standard & Poor's is an essential part of the world's financial infrastructure and provides investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. In Australia, we have been voted INSTO "Rating Agency of the Year" for the fifth year running. For more information, visit [www.standardandpoors.com.au](http://www.standardandpoors.com.au).

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