

Cairn Capital and Barclays Capital announce successful restructuring of Cairn High Grade Funding I SIV Lite Structure

Cairn Capital ("Cairn") and Barclays Capital today announce the successful restructuring of Cairn High Grade Funding I ("CHGF"). The restructuring was made necessary by the closure of the ABCP market on which CHGF had relied for funding.

The restructuring has eliminated market value triggers and the reliance of CHGF upon the ABCP market. CHGF has now been converted into a cash flow CDO. As a result, the full notional of outstanding ABCP will be redeemed as it matures and replaced by term funding.

Barclays Capital will provide the senior financing on the restructured transaction and has fully hedged its credit exposure from this financing. This restructuring has received all required investor consent. Investors have agreed to full participation in the costs of the restructuring.

Paul Campbell, CEO of Cairn said,

"Without the constructive engagement and intense focus of our investors and Barcap it would not have been possible to achieve this successful restructuring."

The restructured Tier 1 and Tier 2 notes are expected to obtain Principal Only ratings of "AAA" and "AA" respectively from S & P.

Ends

For further information, please contact Tim Frost at Cairn Capital on +44 (0)20 7259 4800 and Siobhan Loftus at Barclays Capital on +44 (0)20 7773 7371.

Notes to Editors:**About Barclays Capital**

Barclays Capital is the investment banking division of Barclays Bank PLC which has an AA long-term credit rating and a balance sheet of over £1.1 trillion. With a distinctive business model, Barclays Capital provides large corporate, government and institutional clients with solutions to their financing and risk management needs. Barclays Capital has offices in 26 countries, employs over 15,700 people and has the global reach and distribution power to meet the needs of issuers and investors worldwide.

For further information about Barclays Capital, please visit our website www.barclayscapital.com.

About Cairn Capital

Cairn Capital is a London based asset management company specialising in the credit markets. It manages portfolios in excess of \$30bn, employing \$9bn of investor capital.

For further information about Cairn Capital, please visit our website www.cairncapital.com