Baker & McKenzie LLP Advises National Australia Bank on the Establishment of CentreStar Bonds No.2 under its US$10 Billion Securities Arbitrage CP Conduit

London, 5 September 2006 - Baker & McKenzie London announced today that it has closed the transaction establishing a second special purpose securities arbitrage company, CentreStar Bonds No.2 Limited, funded by the National Australia Bank sponsored CentreStar US$10 Billion asset-backed commercial paper conduit.

Baker & McKenzie acted for and advised National Australia Bank in relation to the establishment of the second securities arbitrage special purpose vehicle funded by the conduit and the funding arrangements which will enable the programme to invest in debt securities. The structure also involves the use of a credit default swap providing credit enhancement.

The advice on CentreStar Bonds No.2 Limited follows the establishment of the CentreStar conduit and initial securities arbitrage company, CentreStar Bonds No.1 Limited, in July 2006. Baker & McKenzie's securitisation team also advised and acted for National Australia Bank in respect of that transaction.

The advice on CentreStar Bonds No.2 involved both the London and New York offices of Baker & McKenzie as both English law and New York law documentation was involved.

The CentreStar conduit is the first European commercial paper conduit to be sponsored by National Australia Bank and represents the bank's commitment to securitisation in Europe.

London-based Global Securitisation Co-Head Jonathan Walsh commented, "We are pleased to have been able to assist the bank in establishing a further securities arbitrage company for the CentreStar programme. The transaction was completed in an extremely tight timeframe, but involved the team which worked on the previous such transaction, so we were able to complete the necessary documentation within a month".

Baker & McKenzie fielded an international team to advise National Australia Bank, which included Global Securitisation Co-Head, Jonathan Walsh, and derivative partner, Bruce Somer, senior associate Rebecca Ford and associate Alyona Smith and tax partner James MacLachlan from London, with advice on New York law issues provided by US securitisation partner, Laurence Pettit.

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