

Magellan Mortgages No. 2 plc

Euro 930,000,000 Class A Mortgage Backed Floating Rate Notes due 2036
Euro 40,000,000 Class B Mortgage Backed Floating Rate Notes due 2036
Euro 25,000,000 Class C Mortgage Backed Floating Rate Notes due 2036
Euro 5,000,000 Class D Mortgage Backed Floating Rate Notes due 2036
Euro 14,000,000 Class E Mortgage Backed Notes due 2036

Investor Report January 2009



Banco Comercial Português, S.A
Transaction Manager, Custodian and Servicer

1. Security Level Information

Issuer Name	Magellan Mortgage No. 2 plc			
	Class A	Class B	Class C	Class D
Security Class Name	Class A	Class B	Class C	Class D
ISIN	XS0177944690	XS0177945077	XS0177945234	XS0177945408
Bloomberg Ticker	MAGEL 2 A	MAGEL 2 B	MAGEL 2 C	MAGEL 2 D
Issue Date	24 Oct 2003	24 Oct 2003	24 Oct 2003	24 Oct 2003
Maturity Date	18 Jul 2036	18 Jul 2036	18 Jul 2036	18 Jul 2036
Subordination Level	Senior	Subord. to Class A Notes	Subord. to Class B Notes	Subord. to Class C Notes
S&P Rating	AAA	AA	BBB+	BBB
Moodys Rating	Aaa	A1	Baa2	No rating
Fitch Rating	AAA	AA	A-	BBB
Currency	Euro	Euro	Euro	Euro
Total Original Balance	930,000,000.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Beginning Balance Prior to Distribution	377,082,450.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Ending Balance Subsequent to Distribution	359,531,490.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Principal Distribution	17,550,960.00	0.00	0.00	0.00
Pool Factor	38.659300%	100.000000%	100.000000%	100.000000%
Principal Deficiency Ledger	0.00	0.00	0.00	0.00
Total Interest Distributions	5,061,060.00	570,280.00	394,325.00	85,820.00
Payment Date	19/Jan/09	19/Jan/09	19/Jan/09	19/Jan/09
Quarterly Collection Date	31/Dec/08	31/Dec/08	31/Dec/08	31/Dec/08
Calculation Period	21	21	21	21
Accrual Beginning Date	20/Oct/08	20/Oct/08	20/Oct/08	20/Oct/08
Accrual Ending Date	19/Jan/09	19/Jan/09	19/Jan/09	19/Jan/09
Accrual Period	91 days	91 days	91 days	91 days
Accrual Rate	5.310 %	5.640 %	6.240 %	6.790 %
Euro Reference Rate	5.090 %	5.090 %	5.090 %	5.090 %
Spread (bps)	22	55	115	170
Denomination	4,054.65	10,000.00	10,000.00	10,000.00
Day Basis	Act/360	Act/360	Act/360	Act/360
Reset Rate Effective Date	15/Jan/09	15/Jan/09	15/Jan/09	15/Jan/09
New Denomination for the next period	3,865.93	10,000.00	10,000.00	10,000.00

(Amounts in Euro)

2. Collateral Level Information

CP ending 31 December 2008

Mortgage Asset Portfolio

	Amount	Nr of Loans
Beginning Principal Outstanding Balance	447,105,397.24	12,421
Principal Redemption	16,714,757.35	360
Scheduled Principal Redemption	4,937,439.67	
Prepayments	9,611,045.33	
Retired Mortgages Assets for non-permitted variations	2,166,272.35	
CPR	8.46%	
Deemed Principal Losses	928,481.50	
Principal Recoveries (to the extent of a debit balance recorded on the PDI)	482,660.73	
Principal Recoveries adjustment (to the extent of a debit balance recorded on the PDI's)*	-389,606.32	
Realised Losses	0.00	
Retired Mortgages Assets in excess of substitute loans	0.00	0
Principal Adjustments	0.00	0
Ending Principal Outstanding Balance	429,555,212.81	12,061

* an additional € 59,668.57 adjustment will be reported on the subsequent IPD.

Principal Outstanding Balance at the Closing Date	996,756,587.44	21,640
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	30 Sep 08	31 Dec 08
WA Interest Rate	6.19027 %	6.02473 %
Current LTV (Outstanding Loan Amount/Initial Valuation)	45.4%	45.1%
Original LTV (Initial Loan Amount/Initial Valuation)	58.6%	58.6%

Delinquent Mortgage Loans

	Amount	Nr of Loans
30 - 60 days	3,783,232.72	84
61 - 90 days	2,155,011.24	53
91 - 180 days	3,938,948.90	97
181 - 270 days	3,476,340.39	76
271 - 360 days	3,326,398.29	74
361 - 720 days	6,761,227.04	142
720 - 1080 days	3,162,556.18	68
> 1081 days	2,075,753.98	44
	<u>28,679,468.74</u>	<u>638</u>

Number of loans in Legal Proceedings (of which the mortgage loan is current*)	5,483,328.98	111
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* proceedings initiated by other creditors

Portfolio Trigger Event

Mortgage Loans in arrears (90 - 365 days)	10,741,687.58
Maximum	45,000,000.00
Result	Pass

Retired Mortgages Asset Pool (Current Period)

	Amount	Nr of Loans
Breach of Reps. & Warranties	0.00	0
Non Permitted Variations	2,166,272.35	43

Substitute Mortgage Asset Pool

	Amount	Trigger	Result
Current Period	0.00	n/a	n/a
Cumulative since Closing Date	99,933,359.41	100,002,785.26	Pass
Current WA Spread for the Pool	0.00%	1.27%	Default

Maturity of Loans	0.00	n/a	< 0,5%
	0.00	n/a	< 0,5%

Provisioning

	Loans in arrear	%	Amount
Principal Outstanding Balance to be provisioned (*)	n/a	n/a	928,481.50
Amount to be provisioned	> 12 months	25%	376,081.35
	> 24 months	50%	268,652.58
	> 36 months	100%	283,747.57

(*) after deducting € 152,837.08 of excess provisions in previous periods

(Amounts in Euro)

2. Collateral Level Information (Continued)

CP ending 31 December 2008

Cash Reserve Account

Initial Balance	9,000,000.00
Interest on Issuer Cash Reserve Account	68,641.29
Reserve Fund Drawing	68,641.29
Cash Reserve Account Required Reserve	9,000,000.00
Reserve Fund at end of CP	9,000,000.00

Liquidity Ledger

Liquidity Ledger opening balance	0.00
Additions to Liquidity Ledger	0.00
Deductions from Liquidity Ledger	0.00
Liquidity Ledger closing balance	0.00

Liquidity Facility Amount	21,476,574.50
Available Liquidity Facility	21,476,574.50

(Amounts in Euro)

3. Unit Waterfall

Unit Interest Waterfall	IPD
	19 Jan 09
Opening Balance	<u>0.00</u>
Additions to Interest Waterfall	
Interest Collections Proceeds	6,878,092.79
Interest on Fund Operating Account	<u>118,075.53</u>
	<u>6,996,168.32</u>
Deductions from Interest Waterfall	
Incorrect Payments to Originators	0.00
Fund Expenses (see detail below)	198,575.06
Unit Interest Distribution Amount	<u>6,797,593.26</u>
	<u>6,996,168.32</u>
Closing Balance	<u>0.00</u>
Unit Principal Waterfall	IPD
	19 Jan 09
Opening Balance	<u>0.00</u>
Additions to Principal Waterfall	
Principal Collections Proceeds	16,714,757.35
Consideration for retired mortgages assets	<u>0.00</u>
	<u>16,714,757.35</u>
Deductions from Principal Waterfall	
Unit Principal Distribution Amount	<u>16,714,757.35</u>
	<u>16,714,757.35</u>
Closing Balance	<u>0.00</u>
Fund Expenses:	
Supervision Fee due and payable by the Fund to the C.M.V.M.	9,357.19
Fund Manager's Fees and Liabilities	62,171.95
Custodian Fees and Liabilities	11,549.63
Servicer Fees and Expenses	<u>115,496.29</u>
	<u>198,575.06</u>

(Amounts in Euro)

4. Revenue Ledger	IPD
	<u>19 Jan 09</u>
Opening Balance	0.00
Additions to Revenue Ledger	
Unit Revenue Distributions	6,797,593.26
Principal Recoveries (to the extent of a debit balance recorded on the PDL)	482,660.73
Principal Recoveries adjustment (to the extent of a debit balance recorded on the PDL's)	-389,606.32
Receipts under Swap Agreement	110,757.95
Gains on Authorised Investments	0.00
Cash Reserve Account Balance	9,068,641.29
LF Revolving Drawing and Liquidity Revolving Drawing	0.00
Reserve Fund Release Amount	0.00
Interest Credited to the Issuer Account	9,704.46
Subordinated Loan proceeds to the extent not used to fund initial up-front transaction expenses	0.00
	<u>16,079,751.37</u>
Payments from Revenue Ledger	
(1st) Issuer's Liability to tax	0.00
(2nd) Trustee fees and Liabilities - Exchange rate adjustment	217.96
(3rd) Issuer Expenses (not exceeding the expenses cap - See detail below)	28,389.85
(4th) Interest and commitment fees related to the Liquidity Facility Agreement	11,177.06
(5th) Repayment of LF/Liquidity Revolving Drawing	0.00
(6th) Payments under Swap Agreement. (except for an Early Termination of Swap Agreement.)	0.00
(7th i) Class A Notes unpaid interest	5,061,060.00
(7th ii) Payments under Swap Agreement. (except for a default by the Swap Counterparty)	0.00
(8th) Class A Interest Addition Amount to the Principal Deficiency Ledger	0.00
(9th) Class B Notes unpaid interest	570,280.00
(10th) Class B Interest Addition Amount to the Principal Deficiency Ledger	0.00
(11th) Class C Notes unpaid interest	394,325.00
(12th) Class C Interest Addition Amount to the Principal Deficiency Ledger	0.00
(13th) Class D Notes unpaid interest	85,820.00
(14th) Class D Interest Addition Amount to the Principal Deficiency Ledger	928,481.50
(15th) Cash Reserve Account Required Reserve	9,000,000.00
(16th) Issuer Expenses (not paid above - See detail below)	0.00
(17th) Payments under Swap Agreement. (in case of default by Swap Count.)	0.00
(18th) Interest and commitment fees related to the Subordinated Loan Agreement	0.00
(19th) Subordinated Loan Facility principal repayment	0.00
(20th) Class E Notes Residual Entitlement Amount	0.00
(21th) Release of the Balance to the Issuer or to its order	0.00
	<u>16,079,751.37</u>
Closing Balance	<u>0.00</u>
Expenses to be deducted from Revenue Ledger:	
Agent Bank and Paying Agents	0.00
Transaction Manager fees and Liabilities	5,713.01
Account Bank fees	0.00
Corporate Services Provider fees and liabilities	9,734.34
Liquidity Facility Provider Fees	0.00
Subordinated Loan Facility Provider Fees	0.00
Rating Agencies Fees	7,500.00
Audit and taxation fees	5,442.50
Third Party Expenses	0.00
	<u>28,389.85</u>
Expenses Cap per annum (*)	214,765.75
Principal Amount Outstanding as at 18 January 2008	429,531,490.00
Acumulated Issuer Expenses in the 5th year:	28,389.85
1st Quarter (payable on 19 January 2009)	28,389.85
2nd Quarter (payable on 20 April 2009)	0.00
3rd Quarter (payable on 20 July 2009)	0.00
4th Quarter (payable on 19 October 2009)	0.00
Result	Pass
* Expenses Cap means, with respect to the Issuer Expenses, in any period of 12 months, an amount not exceeding the greater of (i) 0,05% of the Principal Amount Outstanding of the Notes on the earliest interest payment date falling in such periodf or (ii) EUR 200,000 per annum.	

(Amounts in Euro)

5. Principal Ledger	IPD
	<u>19 Jan 09</u>
Opening Balance	<u>788.89</u>
Additions to Principal Ledger	
Note Proceeds on the Closing Date	0.00
Class E Notes - Unit Purchase Amount	0.00
Subordinated Loan Facility - Unit Purchase Amount	0.00
Unit Principal Distribution	16,714,757.35
Interest Addition Amount	928,481.50
Proceeds of sale of Units	<u>0.00</u>
	<u>17,643,238.85</u>
Deductions from Principal Ledger	
Unit Purchase Price	0.00
Principal Addition Amount	0.00
Principal Recoveries (to the extent of a debit balance recorded on the PDL)	482,660.73
Principal Recoveries adjustment (to the extent of a debit balance recorded on the PDL's)	-389,606.32
Class A Notes Principal Payment	17,550,960.00
Class B Notes Principal Payment	0.00
Class C Notes Principal Payment	0.00
Class D Notes Principal Payment	0.00
Class E Notes Principal Payment	<u>0.00</u>
	<u>17,644,014.41</u>
Closing Balance	<u>13.32</u>
Principal Distribution	17,550,973.33
Number of outstanding Class A Notes	93,000
Class A Notes Principal Payment - per Note	188.72
Class A Notes Principal Payment	17,550,960.00

(Amounts in Euro)

6. Reserve Ledger	IPD
	19 Jan 09
Opening Balance	<u>9,000,000.00</u>
Additions to Cash Reserve Account Ledger	
Class E Notes Proceeds (excl. Unit Purchase Amount)	0.00
Cash Reserve Account Required Reserve	9,000,000.00
Interest on Issuer Cash Reserve Account	68,641.29
	<u>9,068,641.29</u>
Deductions from Cash Reserve Account Ledger	
Addition to the Interest Waterfall	9,068,641.29
	<u>9,068,641.29</u>
Closing Balance	<u>9,000,000.00</u>

Portfolio Trigger Event NO

(Amounts in Euro)

7. Contacts

Transaction Manager, Custodian and Servicer

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