Magellan Mortgages No. 3 plc

Euro 1,413,750,000 Class A Mortgage Backed Floating Rate Notes due 2058
Euro 33,750,000 Class B Mortgage Backed Floating Rate Notes due 2058
Euro 15,750,000 Class C Mortgage Backed Floating Rate Notes due 2058
Euro 36,750,000 Class D Mortgage Backed Floating Rate Notes due 2058
Euro 19,600,000 Class E Floating Rate Notes due 2058
Euro 250,000 Class F Notes due 2058

Investor Report May 2007

Millennium bcp

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

1. Security Level Information

Issuer Name			Magellan Mortgage No. 3 plc		
Security Class Name	Class A	Class B	Class C	Class D	Class E
ISIN	XS0222684655	XS0222691510	XS0222691940	XS0222698523	XS0222698952
Bloomberg Ticker	MAGEL 3 A	MAGEL 3 B	MAGEL 3 C	MAGEL 3 D	MAGEL 3 E
Issue Date	30 Jun 2005	30 Jun 2005	30 Jun 2005	30 Jun 2005	30 Jun 2005
Maturity Date	15 May 2058	15 May 2058	15 May 2058	15 May 2058	15 May 2058
Subordination Level	Senior	Subord. to Class A Notes	Subord. to Class B Notes	Subord. to Class C Notes	Subord. to Class D Notes
S&P Rating	AAA	AA	A	BBB	BB
Moodys Rating	Aaa	Aa2	A2	Baa2	Ba1
Currency	Euro	Euro	Euro	Euro	Euro
Total Original Balance	1,413,750,000.00	33,750,000.00	15,750,000.00	36,750,000.00	19,600,000.00
Total Beginning Balance Prior to Distribution	1,236,017,591.25	33,750,000.00	15,750,000.00	36,750,000.00	0.00
Total Ending Balance Subsequent to Distribution	1,202,398,616.25	33,750,000.00	15,750,000.00	36,750,000.00	0.00
Total Principal Distribution	33,618,975.00	0.00	0.00	0.00	0.00
Pool Factor	85.05030000%	100.00000000%	100.00000000%	100.00000000%	0.00000000%
Principal Deficiency Ledger	0.00	0.00	0.00	0.00	n/a
Total Interest Distributions	12,051,720.86	334,083.75	159,799.50	394,670.50	0.00
Payment Date	15/May/07	15/May/07	15/May/07	15/May/07	15/May/07
Quarterly Collection Date	30/Apr/07	30/Apr/07	30/Apr/07	30/Apr/07	30/Apr/07
Calculation Period	7	7	7	7	7
Accrual Beginning Date	15/Feb/07	15/Feb/07	15/Feb/07	15/Feb/07	15/Feb/07
Accrual Ending Date	15/May/07	15/May/07	15/May/07	15/May/07	15/May/07
Accrual Period	89 days	89 days	89 days	89 days	89 days
Accrual Rate	3.944 %	4.004 %	4.104 %	4.344 %	5.314 %
Euro Reference Rate	3.814 %	3.814 %	3.814 %	3.814 %	3.814 %
Spread (bps)	13	19	29	53	150
Denomination	8,742.83	10,000.00	10,000.00	10,000.00	0.00
Day Basis	Act/360	Act/360	Act/360	Act/360	Act/360
Reset Rate Effective Date	13/Feb/07	13/Feb/07	13/Feb/07	13/Feb/07	13/Feb/07
New Denomination for the next period	8,505.03	10,000.00	10,000.00	10,000.00	0.00

(Amounts in Euro)

2. Collateral Level Information

CP ending 30 Apr 07

Mortgage Asset Portfolio

	Amount	Nr of Loans
Beginning Principal Outstanding Balance	1,323,427,040.90	22,818
Beginning Principal Outstanding Balance (net of Deemed Losses)	1,322,920,636.66	
Principal Redemption	33,186,727.60	407
Scheduled Principal Redemption	6,638,994.51	
Prepayments	26,547,733.09	
CPR	7.82%	
Deemed Principal Losses	432,613.34	
Principal Recoveries (to the extent of a debit balance recorded on the PDL)	40,720.14	
Retired Mortgages Assets in excess of substitute loans	0.00	166
Principal Adjustments	265,623.54	0
Ending Principal Outstanding Balance	1,290,505,936.84	22,245
Ending Principal Outstanding Balance (net of Deemed Losses)	1,289,607,639.40	
Ending Principal Outstanding Balance at Closing Date	1,495,358,931.35	24,378

	39,113	**39,202**
WA Interest Rate	4.77469 %	4.93161 %
WA Current LTV (Outstanding Loan Amount/Initial Valuation)	6685.0%	6655.0%
WA Original LTV (Initial Loan Amount/Initial Valuation)	7187.0%	7182.0%
Average Loan Balance	57,999.19	58,013.17
Maximum Loan Balance	240,204.39	239,601.13
Minimum Loan Balance	46.57	46.33

Delinquent Mortgage Loans	**Amount**	**Nr of Loans**
30 - 59 days	9,026,146.70	174
60 - 89 days	6,291,700.39	108
90 - 179 days	9,005,425.74	174
180 - 269 days	4,730,206.86	82
270 - 365 days	3,255,322.80	58
> 365 days	3,590,489.95	60
	35,899,292.44	656

Number of loans in Legal Proceedings	14
(of which the mortgage loan is current*)	0

* proceedings initiated by other creditors

Retired Mortgages Asset Pool	**Amount**	**Nr of Loans**
Breach of Reps. & Waranties	0.00	0
Non Permitted Variations	35,594,520.53	567

Substitute Mortgage Asset Pool	**Amount**	**Trigger**	**Result**
Current Period	**35,860,144.07**		
Cumulative during 1 year from the Closing Date	43,660,447.24	75,000,001.60	Pass
Cumulative since Closing Date	125,648,249.91	150,000,003.19	Pass
Current WA Spread for the Pool	1.10%	1.00%	Pass

Permited Variations	**Amount**	**Trigger**	**Result**
Cumulative since Closing Date	138,052,013.90	300,000,006.38	Pass

Provisioning	**Loans in arrear**	**%**	**Amount**
Principal Oustanding Balance to be provisioned			**432,613.34**
Amount to be provisioned	>= 12 months	25%	432,613.34
	>= 24 months	50%	0.00
	>= 36 months	100%	0.00

(Amounts in Euro)

3. Triggers and Tests Determinations

Portfolio Trigger Event

Mortgage Loans in arrears (90 - 365 days)	16,990,955.40
Aggregate Principal Outstanding Balance of the Mortgage Loans on 21 June 2005 (CDD)	1,500,000,031.92
Ratio	1.13%
Trigger (maximum)	**4.50%**
Result	**PASS**

Net Cumulative Default Ratio

Aggregate Principal Outstanding Balance of the Defaulted Mortgage Assets net of collections + repurchase proceeds + recoveries in respect of defaulted mortgage assets	3,590,489.95
Aggregate Principal Outstanding Balance of the Mortgage Assets as at the CDD	1,500,000,031.92
Ratio	0.24%
Trigger (less than)	**15.00%**
Result	**PASS**

Pro-Rata Test	**FAIL**
(a) Principal Amount Outstanding of the Class A Notes	1,202,398,616.25
Principal Amount Outstanding of the Class A Notes as at the Closing Date	1,413,750,000.00
Ratio	85.05%
Trigger (less or equal)	**75.00%**
Result	FAIL
(b) Cash Reserve Account	13,500,000.00
Cash Reserve Account Required Balance	13,500,000.00
Result	PASS
(c) Principal Outstanding Balance of the Mortgage Loans in arrears (90-365 days)	16,990,955.40
Principal Outstanding Balance of the Mortgage Loans as at the CDD	1,500,000,031.92
Ratio	1.13%
Trigger (less)	**1.80%**
Result	PASS

Cash Reserve Release Test	**FAIL**
Contingent Liquidity Event	**NO**

(Amounts in Euro)

4. Unit Waterfall

Unit Interest Waterfall	**IPD 15 May 2007**
Opening Balance	0.00
Additions to Interest Waterfall	
Interest Collections Proceeds	15,787,697.34
Interest on Fund Account	247,344.68
	16,035,042.02
Deductions from Interest Waterfall	
Incorrect Payments to Originators	0.00
Fund Expenses (see detail below)	486,968.47
Unit Distribution - Interest Component	15,548,073.55
	16,035,042.02
Closing Balance	0.00

Unit Principal Waterfall	**IPD 15 May 2007**
Opening Balance	0.00
Additions to Principal Waterfall	
Principal Collections Proceeds	33,186,727.60
	33,186,727.60
Deductions from Principal Waterfall	
Unit Distribution - Principal Component	33,186,727.60
	33,186,727.60
Closing Balance	0.00

Fund Expenses:	
Supervision Fee due and payable by the Fund to the C.M.V.M.	26,939.21
Fund Manager Fees and Liabilities	100,130.63
Custodian Fees and Liabilities	32,718.06
Servicer Fees and Expenses	327,180.57
	486,968.47

(Amounts in Euro)

5. Interest Distribution | **IPD 15 May 2007**

		IPD 15 May 2007
Available Interest Distribution Amount		
	Unit Distributions - Interest Component	15,548,073.55
	Receipts under the Swap Agreement	872,581.54
	Receipts under the Interest Rate Cap Agreement	0.00
	Gains on Authorised Investments	0.00
	Cash Reserve Drawing	0.00
	Cash Reserve Account Release Amount	0.00
	Principal Draw Amount	0.00
	Contingent Liquidity Drawing	0.00
	Interest accrued and credited to the Issuer Account	9,964.98
	Interest accrued and credited to the Cash Reserve Account	122,619.75
	Class F proceeds to the extent not used to fund initial up-front transaction expenses	0.00
	Residual Interest Component re. previous period	0.00
	Total Available Interest Distribution Amount	**16,553,239.82**
Pre-Enforcement Interest Payment Priorities		
(1st)	Issuer's Liability to tax	0.00
(2nd)	Trustee fees and Liabilities	0.00
(3rd)	Issuer Expenses (See detail below)	35,972.79
(4th)	Amounts due and payable to the Contingent Liquidity Facility Provider	0.00
(5th i)	Payments under Swap Agreem. (except for an Early Termination of Swap Agreem.)	0.00
(5th ii)	Payments under Interest Rate Cap Agreem. (except for an Early Termination of Interest Rate Cap	0.00
(6th i)	Class A Notes unpaid interest	12,051,720.86
(6th ii)	Payments under Swap Agreem. (except for a default by the Swap Counterparty)	0.00
(6th iii)	Payments under Interest Rate Cap Agreem. (except for a default by the Interest Rate Cap Counterp	0.00
(7th)	Reduction of the debit balance on the Class A Principal Deficiency Ledger	0.00
(8th)	Class B Notes unpaid interest	334,083.75
(9th)	Reduction of the debit balance on the Class B Principal Deficiency Ledger	0.00
(10th)	Class C Notes unpaid interest	159,799.50
(11th)	Reduction of the debit balance on the Class C Principal Deficiency Ledger	0.00
(12th)	Class D Notes unpaid interest	394,670.50
(13th)	Reduction of the debit balance on the Class D Principal Deficiency Ledger	432,613.34
(14th)	Class E Notes unpaid interest	0.00
(15th)	Payment to the Cash Reserve Account	0.00
(16th i)	Payments under Swap Agreem. (in case of default by Swap Count.)	0.00
(16th ii)	Payments under Interest Rate Cap Agreem. (in case of default by Interest Rate Cap Count.)	0.00
(17th)	Payment of Principal Amount Outstanding on the Class E Notes (see detail below)	0.00
(18th)	Class F Notes Distribution Amount	3,144,379.08
(19th)	Release of the Balance (if any) to the Issuer	0.00
	Total Pre-Enforcement Interest Payment Priorities	**16,553,239.82**
Issuer Expenses		
	Agent Bank and Paying Agents fees and Liabilities (including Principal Paying Agent an	0.00
	Transaction Manager fees and Liabilities	16,347.79
	Corporate Services Provider fees and Liabilities	19,625.00
		35,972.79
Payment of Principal Amount Outstanding on the Class E Notes		
	Residual Available Interest Distribution Amount	0.00
	Number of outstanding Class E Notes	1,960
	Class E Notes Principal Payment - per Note	0.00
	Class E Notes Principal Payment	0.00
	Residual Interest Component due to rounding	0.00

(Amounts in Euro)

6. Principal Distribution

	IPD 15 May 2007
Available Principal Distribution Amounts	
Unit Distribution - Principal Component	33,186,727.60
Available Interest Distribution Amount used to reduce PDL's	432,613.34
Residual Principal Component re. previous period	34.82
Less, Principal Draw Amount	0.00
Total Available Principal Distribution Amount	**33,619,375.76**
Pre-Enforcement Principal Payment Priorities	
Pro-Rata Test Satisfied (TRUE/FALSE)	FALSE
Where the Pro-Rata Test has not been satisfied, payment of:	
Principal Amount Outstanding of Class A Notes (see detail below)	33,618,975.00
Principal Amount Outstanding of Class B Notes	0.00
Principal Amount Outstanding of Class C Notes	0.00
Principal Amount Outstanding of Class D Notes	0.00
Total Pre-Enforcement Principal Payment Priorities	**33,618,975.00**
Total Available Principal Distribution Amount	33,619,375.76
Number of outstanding Class A Notes	141,375
Class A Notes Principal Payment - per Note	237.80
Class A Notes Principal Payment	33,618,975.00
Residual Principal Component due to rounding	400.76

(Amounts in Euro)

7. Cash Reserve Account	IPD 15 May 2007
Opening Balance	13,500,000.00
Additions to Cash Reserve Account	
Class E Notes Proceeds (excl. Unit Purchase Amount)	0.00
Replenishment of the Cash Reserve Account	0.00
Interest accrued on Issuer Cash Reserve Account	122,619.75
	122,619.75
Deductions from Cash Reserve Account	
Cash Reserve Drawing	0.00
Cash Reserve Release Amount	0.00
Interest on Issuer Cash Reserve Account tansf. to Issuer Account	122,619.75
	122,619.75
Closing Balance	13,500,000.00
Cash Reserve Account Required Balance	**13,500,000.00**

(Amounts in Euro)

8. Contacts

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