



**10 July 2017**

**Lehman Brothers Limited – in Administration (“LBL”)**

**Update on proposed settlement of Waterfall III proceedings**

LBHI2 has today (10 July 2017) issued an announcement providing an update on the proposed settlement of the Waterfall III proceedings. A corresponding announcement from the Administrators of LBL follows.

On 29 March 2017, the Administrators reported that LBL, together with certain other Lehman UK affiliates, had been exploring commercial terms for the settlement of the Waterfall III litigation proceedings.

Following the Supreme Court judgment in the Waterfall I litigation proceedings, discussions between the parties have been ongoing. The Administrators are optimistic that a proposal will be agreed which will:

- Compromise the Waterfall III litigation proceedings.
- Enable LBL to make a substantial distribution to its existing creditors.

Having regard to all the circumstances, the Administrators have concluded that the prospect of (a) LBIE going into liquidation and (b) thereafter a contribution claim arising is highly unlikely in the near to mid term and that the interests of their present creditors are best served by making an interim distribution without making any such reserve. The LBL Administrators anticipate making an application to obtain the court’s blessing of any decision made to enter into the proposed agreement. Subject to the availability of court time, it is presently anticipated that any such application will be made in the week commencing 17 July 2017.

Should you have any queries regarding this update, please email [LBL.enquiries@uk.pwc.com](mailto:LBL.enquiries@uk.pwc.com) or telephone James Bolt on +44 (0)20 7213 5485.

*MJA Jervis and Z Hussain were appointed as Joint Administrators of Lehman Brothers Limited to manage its affairs, business and property as agents without personal liability. MJA Jervis and Z Hussain are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:*

*<https://www.gov.uk/government/publications/insolvencypractitioner-code-of-ethics>.*

*The Joint Administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Administration.*