
LB UK Financing Limited – In Administration

Joint Administrators' progress
report for the period 2 April 2010 to
1 October 2010

26 October 2010

Contents

<i>Section 1</i>	<i>Purpose of the Joint Administrators' progress report</i>	<i>3</i>
<i>Section 2</i>	<i>Joint Administrators' actions to date</i>	<i>4</i>
<i>Section 3</i>	<i>Statutory and other Information</i>	<i>5</i>
<i>Section 4</i>	<i>Financial Information</i>	<i>6</i>
<i>Section 5</i>	<i>Receipts and Payments Account</i>	<i>7</i>

Section 1 Purpose of the Joint Administrators' progress report

Introduction

This is the fourth progress report by the Joint Administrators of LB UK Financing Limited ("LBUKF" or the "Company").

This report provides an update on the work the Administrators have undertaken and the progress made since our appointment, with particular focus on the progress made in the six months to 1 October 2010.

Objectives of the Administration

The Administrators are pursuing the objective of achieving a better result for the creditors of the Company as a whole, than would be likely if the Company were wound up (without first being in Administration).

The specific aim of this Administration is to protect, control and realise the Company's investments in subsidiaries, for the benefit of the unsecured creditors of LBUKF.

Outcome for creditors

Owing to the complexity of the intercompany relationships and the impact of insolvency on the subsidiary, the Administrators remain uncertain of the timing or quantum of any dividend to unsecured creditors.

The Pensions Regulator listed LBUKF as one of the Lehman companies from which it was seeking a Financial Support Direction ("FSD") in relation to the Lehman Brothers Pension Scheme.

The Determinations Panel of the Pensions Regulator issued a Determination Notice on 13 September 2010 which stated that a Financial Support Direction should not be issued against LBUKF. However, as the FSD legal process has not yet been completed, the Administrators are not certain at this stage that LBUKF will not have liability under a FSD.

Extension of the administration

On the application of the Administrators, the High Court made an Order to further extend the period of the Administration to 30 November 2011.

Future reports

The Administrators will next report to creditors in approximately six months time or when the Administration comes to an end, whichever is sooner.

Signed:



DA Howell
Joint Administrator
LB UK Financing Limited

Section 2 Joint Administrators' actions to date

Overview

LBUKF acted as the holding company and funding vehicle for LB SF No 1 ("LBSF"). LBSF invested in subsidiaries involved in a variety of performing and non-performing loans.

Administrators' actions to date

The Administrators are monitoring the sole known asset of the Company, its investment in LBSF. The level of realisations within LBSF will determine the final level of realisations of LBUKF.

Section 3 Statutory and other Information

<i>Court details for the Administration:</i>	High Court of Justice, Chancery Division, Companies Court - case 8604 of 2008
<i>Full name:</i>	LB UK Financing Limited
<i>Trading name:</i>	LB UK Financing Limited
<i>Registered number:</i>	05729776
<i>Registered address:</i>	Level 23, 25 Canada Square, London E14 5LQ, United Kingdom
<i>Company directors:</i>	D Gibb (resigned 17/07/09), IM Jameson (resigned 17/07/09), AJ Rush (resigned 28/10/08)
<i>Company secretary:</i>	ESE Upton (resigned 25/01/10), P Dave (resigned 25/01/10)
<i>Shareholdings held by the directors and secretary:</i>	None of the directors own shares in the Company
<i>Date of the Administration appointment:</i>	2 October 2008
<i>Administrators' names and addresses:</i>	AV Lomas, SA Pearson, DY Schwarzmann, MJA Jervis and DA Howell, of PricewaterhouseCoopers LLP, Plumtree Court, London EC4A 4HT
<i>Appointer's name and address:</i>	The directors of the Company, 25 Bank Street, London E14 5LE
<i>Objective being pursued by the Administrators:</i>	Achieving a better result for creditors as a whole than would be likely if the Company was wound up (without first being in Administration).
<i>Division of the Administrators' responsibilities:</i>	In relation to paragraph 100(2) Sch.B1 IA86, during the period for which the Administration is in force, any act required or authorised under any enactment to be done by either or all of the Joint Administrators may be done by any one or more of the persons for the time being holding that office.
<i>Details of any extensions of the initial period of appointment:</i>	The Court has granted an extension of the Administration to 30 November 2011.
<i>Proposed end of the Administration:</i>	The Administrators are not yet in a position to determine the most likely exit route from the Administration and wish to retain the options available to them.
<i>Estimated dividend for unsecured creditors:</i>	It is too early to estimate the likely dividend for unsecured creditors
<i>Estimated values of the prescribed part and LBUKF's net property:</i>	There is no prescribed part
<i>Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:</i>	Not applicable
<i>The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):</i>	The European Regulation on Insolvency Proceedings does apply to this Administration and these are the main proceedings.

Section 4 Financial Information

Administrators' remuneration

No remuneration has been drawn to date as this may only be drawn when appropriate approval has been received. The Administrators do not propose to request such approval or draw remuneration until there are funds available to do so.

Receipts and payments account

Set out in Section 5 of this report is a receipts and payments account for LBUKF, for the period from 2 October 2009 to 1 October 2010. No transactions have occurred in the six month period to 1 October 2010.

Section 5 Receipts and Payments Account

	As at 1 October 2010 GBP (£)	Movements GBP (£)	As at 1 April 2010 GBP (£)
Receipts			
Loan from affiliate	1,123	-	1,123
Receipts Grand Totals	1,123	-	1,123
Payments			
Statutory advertising	967	-	967
VAT paid	156	-	156
Payments Grand Totals	1,123	-	1,123
Net position	-	-	-

