

Lehman Brothers International (Europe) (in administration)

**Lehman Brothers International
(Europe) (in administration)**
25 Canada Square
London
E14 5LQ

To all creditors who have proved their debt

Our reference: LBIE/PDC/EJM

21 November 2013

Dear Sirs

Lehman Brothers International (Europe) (in administration) ("LBIE") Notice of declaration of dividend – Rule 2.98 Insolvency Rules 1986

As you are aware, on 15 September 2008, Lehman Brothers International (Europe) ("LBIE") entered into administration by order of the High Court Chancery Division of England and Wales. On 15 September 2008, Anthony Victor Lomas and Steven Anthony Pearson were appointed as joint administrators of LBIE; on 2 November 2011 Paul David Copley and Russell Downs and on 22 March 2013 Julian Guy Parr were also appointed joint administrators (together the "Joint Administrators") of LBIE.

Third interim dividend to unsecured creditors

Notice is hereby given, pursuant to Rule 2.98 of the Insolvency Rules 1986 that the Joint Administrators are now in a position to declare a third and interim dividend of 23.7 pence in the pound to all unsecured creditors (the "Third Interim Dividend") whose claims have been admitted for dividend purposes. This brings the cumulative dividend to 92.2 pence in the pound with further dividend payments expected in the future, although both the timing and quantum of these remain uncertain.

In respect of the Third Interim Dividend, we confirm the total amount being distributed in relation to this dividend is c.£2.198bn (resulting in cumulative dividends of c.£8.552bn).

In determining this amount, we have made provisions totalling:

- c.£7.6bn for unsettled claims;
- c.£0.9bn in respect of priority claims, future costs and expenses of the Administration.

As at 14 November 2013, the total amount held in LBIE's House estate raised from the recovery or sale of assets was (before the payment of the Third Interim Dividend) c.£9.6bn, of which c.£0.1bn was being retained as a reserve to meet potential third party and proprietary claims which are yet to be resolved.

Payment of the Third Interim Dividend will be made on, or around, 29 November 2013 to creditors with admitted claims. Further details of your claim and dividend calculation, if applicable, can be obtained from 5pm GMT on 22 November 2013 by accessing your user account on the Client Information Portal. Payments will be made to creditors in sterling via the Standard Settlement Instructions provided through the Client Information Portal.

AV Lomas, SA Pearson, PD Copley, R Downs and JG Parr were appointed as Joint Administrators of Lehman Brothers International (Europe) to manage its affairs, business and property as agents without personal liability. AV Lomas, SA Pearson, PD Copley, R Downs and JG Parr are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

AV Lomas, SA Pearson, PD Copley, R Downs and JG Parr 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.

*Lehman Brothers International (Europe) registered in England and Wales with registered no. 02538254.
VAT registration no. 446 9315 28*

Lehman Brothers International (Europe) (in administration)

In the recent tenth progress report dated 11 October 2013, the Joint Administrators have included a cumulative receipts and payments account for the 5 year period to 14 September 2013 which provides details of the amounts realised from the sale of LBIE's assets, the principal payments made in the Administration and funds retained for third parties. Further details of receipts and payments are available from the accompanying notes to the receipts and payments accounts set out in the ten progress reports sent to creditors to date.

Please note that distributions may be categorised by the Joint Administrators to be payments of either principal or interest. In the absence of any such categorisation, distributions shall be payments first of principal and, to the extent that the principal has been paid in full, as payments of interest. LBIE may deduct income tax at source, or apply any other withholding, deduction, levy, impost or duty where such deduction of tax is required under prevailing law in relation to payments made to creditors.

For proved debts that have yet to be admitted, no Third Interim Dividend will be paid at this time, although the Joint Administrators have made a prudent reserve (as summarised above) for such unsettled claims both in respect of this and the earlier interim dividends declared. Any proved debts which are yet to be admitted, but which become admitted by the cut-off dates set out in Appendix C to the tenth progress report, will receive "catch up" dividends in accordance with the payment dates set out in Appendix C.

Rule 2.95(2)(c) of the Insolvency Rules 1986 requires the Joint Administrators to state in this notice the value of the prescribed part of LBIE's net floating charge realisations (if any) that may be available to unsecured creditors from charged funds. The value of the prescribed part of such floating charge realisations which may be available to unsecured creditors (that is, to increase the amount of funds available to unsecured creditors) remains uncertain, but could be up to the maximum prescribed by statute of £0.6million (i.e. £600,000).

Yours faithfully



A V Lomas

Joint Administrator

For and on behalf of Lehman Brothers International (Europe) (in administration), as its agent and without personal liability

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