

# 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/RD/EJM

23 April 2014

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.

### **Fourth 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 fourth and interim dividend of 7.8 pence in the pound to all unsecured creditors (the "Fourth Interim Dividend") whose claims have been admitted for dividend purposes. This brings the cumulative dividend to 100.0 pence in the pound with further dividend payments relating to statutory interest expected in the future, although the timing and quantum will be dependent on some of the issues concerning creditors' rights to the surplus beyond 100.0 pence in the pound being resolved.

In respect of the Fourth Interim Dividend, we confirm the total amount being distributed in relation to this dividend is c.£0.804bn (resulting in cumulative dividends of c.£10.788bn).

In determining this amount, we have made provisions totalling:

- c.£3.7bn for unsettled claims;
- c.£0.9bn in respect of priority claims, future costs and expenses of the Administration.

As at 14 April 2014, the total amount held in LBIE's House estate raised from the recovery or sale of assets was (before the payment of the Fourth Interim Dividend) c.£7.4bn, of which c.£1.0bn was being retained as a reserve to meet potential third party and proprietary claims which are yet to be resolved.

Payment of the Fourth Interim Dividend will be made on, or around, 30 April 2014 to creditors with admitted claims. Further details of your claim and dividend calculation, if applicable, are now available 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*

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In the recent eleventh progress report dated 11 April 2014, the Joint Administrators have included a cumulative receipts and payments account for the period from 15 September 2008 to 14 March 2014 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 eleven 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 Fourth 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 eleventh 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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