

## **Lehman Brothers Distributions**

### **The Securities**

The securities in respect of our Lehman affected Plans were issued by either **Lehman Brothers Securities N.V.** (“**LBS**”) or **Lehman Brothers Treasury B.V.** (“**LBT**”). In both cases, the guarantor of the obligations of LBT and LBS to meet the payments due from the Securities was **Lehman Brothers Holdings Inc.** (“**LBHI**”).

Individual Accounts held either LBS or LBT securities, never both

### **Who pays distributions?**

Meteor made claims to each of LBHI, LBT and LBS and, up to and including May 2015, received distributions from each of those Lehman entities.

Until that date, Accounts that held securities originally issued by LBS received distributions from LBHI and LBS, Accounts that held LBT securities received distributions from LBHI and LBT.

For Accounts that held LBS securities this changed from October 2015 as described in “Wind-Down of the LBS Estate” below.

### **Timing and Receipt of Distributions**

**LBHI Claim** - LBHI paid its first distribution under the Class 5 Guarantee Claim in April 2012 and, in accordance with its Chapter 11 Plan, has paid subsequent distributions at six monthly intervals thereafter. It paid its ninth in late March 2016.

At the same time it pays distribution from the Class 5 Guarantee Claim, LBHI now also pays distributions to Meteor in respect of that part of LBS’s claim to LBHI which was inherited by Meteor in the wind-down of the LBS estate - see “Wind-Down of the LBS Estate” below.

**LBT Claim** - LBT’s chief asset is its own claim against LBHI. At the same time that LBHI pays distributions to Meteor, it also makes distributions to LBT. LBT uses those distributions to pay its own distributions to its creditors. LBT made its first distribution in May 2013 and has subsequently made payments within a month of the LBHI distribution. Its most recent distribution was in April 2016.

**LBS Claim** – LBS’s chief asset had been its own claim against LBHI. From July 2013 it made distributions on a similar basis to LBT. LBS made a final distribution in May 2015 and transferred its claim against to LBHI to its creditors - see “Wind-Down of the LBS estate below

### **Wind-Down of the LBS Estate**

LBS made its final distribution in May 2015. In announcing the wind-down, LBS informed creditors that it would pass its own claim against LBHI to its creditors in proportion to the size of each creditor’s LBS claim. It called this an “In-Kind

Distribution”

The In-Kind Distribution passed ownership of LBS’s Class 4A LBHI Claim to LBS creditors in May 2015. The first distribution from the inherited Class 4A Claim was made by LBHI in October 2015.

The distribution rates for the inherited Class 4A claim are not the same as the rates payable in respect of the Class 5 Guarantee Claim.

As an alternative to the In-Kind Distribution, investors were able to sell their individual share of the inherited Class 4A claim to specialist third party investors and receive the proceeds in the form of a one-off Cash Distribution. A small number of Meteor investors chose this option and a Cash Distribution was received and paid to them in May 2015. Those investors continue to receive distributions for the Class 5 Guarantee Claim but will not receive distributions from the inherited Class 4A claim.

## **Calculation of Distributions**

Distribution amounts are/were expressed by each of LBHI, LBT and LBS as a percentage of their respective claim valuations. The claim amounts for LBHI, LBS and LBT are/were based on their individual valuations. The respective valuations are/were (i) different from one another, (ii) specific to each individual security (iii) are not based on the amounts invested and (iv) are expressed in currencies other than Sterling.

## **Currency Exchange**

LBHI and LBS claim valuations were calculated in US Dollars and all distributions are paid to us in US Dollars. The exchange rate between the US Dollar and Sterling applicable at the time a distribution is paid will affect the relative value of a distribution.

LBT’s claims are valued in Euros but distributions are paid to Meteor in Sterling. As its cash assets are principally held in US Dollars, the relative exchange rates between the three currencies affect the relative Sterling value of a distribution.

## **Payment of Distributions to Investors**

Distributions are processed and allocated to individual Accounts and, where we have received payment instructions, paid to investors as soon as possible after receipt.

Investors who have not provided payment instructions should contact us to arrange the receipt of any distributions that are still held on their Accounts.

## **How much has been received to date?**

The amounts vary quite markedly between each security because of the different variables involved – different claim valuations, exchange rates applicable at date of payment etc - but the total amount received ranges between 44% and 67% in respect of all but one security (which has received slightly more). The average amount paid is just over 55.6% of the amounts originally invested.

The figures above do not take account of Cash Distributions received under the LBS wind-down.

### **How much will be paid overall and when will the last distribution be made?**

It is not possible to give an indication of how much will be received. This depends principally on how much is raised by LBHI in the liquidation of its assets and, increasingly, on how successful it is in settling outstanding matters of dispute with third parties.

No specific date has been set for the conclusion of the liquidation processes. The current cash flow figures available on the LBHI website show figures projecting beyond 2018. However, this is no guarantee that the process will be completed by that date nor that it might be completed sooner. <http://dm.epiq11.com/LBH/Project#>

### **Statements**

Statements detailing the distributions received and paid to date are sent as soon as possible after the receipt of the LBT distributions. Copies of statements are also sent to customers' advisers. If a customer holds Lehman securities through a pension arrangement, wrap or other platform, the statement will have been sent to the pension/wrap/platform provider and the beneficial owner is advised to liaise with that provider and their adviser for further information.

If a statement shows an outstanding cash balance, customers should contact us to arrange for the payment of that balance.

This information was updated on 29<sup>th</sup> April 2016.