
***LB UK RE Holdings
Limited –
In Administration***

Joint Administrators' progress
report for the period 15 March 2013
to 14 September 2013

9 October 2013

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Section 1 Purpose of the Joint Administrators' progress report

Introduction

This is the tenth progress report by the Joint Administrators of LB UK RE Holdings Limited ("LB UK RE" or the "Company").

Creditors should have received the Joint Administrators' (the "Administrators") proposals dated 4 November 2008, which were approved at a meeting of creditors held on 20 November 2008 and the Administrators' nine previous progress reports. If any creditor requires copies of these reports, please contact Stephen Ingle at PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT, alternatively these are also available on the Administrators' website <http://www.pwc.co.uk/business-recovery/administrations/lehman/lb-uk-re-holdings-limited-in-administration.jhtml>.

This report provides an update on the work that the Administrators have undertaken and the progress made since our appointment, with particular focus on the progress made in the six months to 14 September 2013 (the "Period").

Business activities

The principal activity of LB UK RE was the management of investments in portfolios of sub-performing, non-performing and performing loans and in real estate.

LB UK RE utilised employees from Lehman Brothers Limited (in Administration) and operated from the Lehman Group's former premises at 25 Bank Street, London, E14 5LE.

Objective of the Administration

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

The specific aims of the Administration are to:

- Protect and manage LB UK RE's portfolio of assets; and
- Realise these assets on a managed basis.

Creditors' Committee

A Creditors' Committee (the "Committee") was formally constituted on 29 January 2009 and has the following members:

1. Lehman Brothers Holdings Inc ("LBHI"), formerly in Chapter 11 Bankruptcy proceedings in the US;
2. Reed Smith Richards Butler LLP;
3. Eldon Street Holdings Limited (in Administration);
4. Lehman Brothers Europe Limited (in Administration); and
5. Lehman Brothers Limited (in Administration).

The Administrators will continue to manage the Administration in accordance with the proposals approved by creditors and in consultation with the Committee. The Administrators have met with the Committee six times, the latest meeting having been held on 11 September 2013.

LBHI proposal

As previously reported, LBHI had indicated a desire to use a company voluntary arrangement ("CVA") process to compromise the liabilities and assume control of LB UK RE.

A revised CVA proposal from LBHI was circulated to creditors for their consideration in March 2013. The CVA proposal gave creditors the choice between taking an up front cash payment in full and final settlement of their unsecured claims or, alternatively, equity in LB UK RE.

During the Period the Administrators have liaised extensively with LBHI in connection with the CVA proposal. Substantial progress has been made but certain issues, including pensions, tax and accounts, need to be resolved before the CVA can proceed. At present there is no definite timetable for the implementation of the CVA.

Interim distribution

On 2 September 2013 the Administrators paid a second interim dividend of 10 pence in the pound to creditors with agreed claims. The total paid out by way of dividend was £125.9m. This takes the total dividend to 40 pence in the pound and aggregate payments to £475m.

Amendment of the Administrators' Proposals

Since the Administrators obtained Court approval to make distributions from the Administration they have been required, in accordance with the Insolvency Rules, to convert all claims into Sterling. Consequently, and as advised to the Committee, the Administrators have had to deviate from the original proposals which indicated that the functional currency of the Administration would be US Dollars. The Administrators have therefore noted an amendment to the proposals to make clear that the functional currency is now Sterling and creditors are hereby notified of this amendment.

Future reports

The Administrators will next report to creditors in approximately six months. The Administrators will contact creditors before this with any material developments regarding the LBHI proposal.

Signed:



D Y Schwarzmann
Joint Administrator
LB UK RE Holdings Limited

DY Schwarzmann, AV Lomas, SA Pearson, and JG Parr have been appointed as Joint Administrators of LB UK RE Holdings Limited. The Joint Administrators were appointed to manage the Company's affairs, business and property as agents without personal liability.

DY Schwarzmann, AV Lomas, SA Pearson, and JG Parr 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 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.

Section 2 Joint Administrators' actions to date

Progress to date

The Administrators have continued with the strategy set out in their proposals as approved by creditors on 20 November 2008.

The following sections summarise the work that has been carried out by the Administrators and their staff in respect of LB UK RE's most significant assets and other key issues.

2.1 Loan portfolios

Introduction

LB UK RE invested in portfolios of sub-performing, non-performing and performing loans (“SNPLs”) throughout the world. These SNPL portfolios comprise a mixture of unsecured loans and loans secured on (mainly residential) property assets. In the case of Portugal, the loan servicer is a wholly owned subsidiary of LB UK RE.

Strategy

The strategy adopted by the Administrators is to:

- Develop and implement bespoke strategies to optimise recoveries from each of LB UK RE’s SNPL portfolios;
- Maintain and refine the necessary processes and resources to manage the SNPL portfolios on a day-to-day basis; and
- Support and develop the Portuguese servicer with a view to maintaining and enhancing its capability and value.

Progress to date

The Administrators have:

- Pro-actively managed the SNPL portfolios, working closely with, and directing the activities of, servicers and other relevant parties, to ensure that collections are made in a timely and cost efficient manner, in the face of challenging market conditions;
- Maintained reporting frameworks to manage and monitor SNPL portfolio collections; and
- Secured collections from the SNPL portfolios during the Period of £12.6m. This brings the cumulative SNPL portfolio collections during the Administration to £280.8m.

A summary, by country, is given below of the work undertaken on the portfolios with particular emphasis on the work undertaken during the Period.

Portugal

The Administrators have:

- Actively directed, managed and monitored local and UK management in order to oversee the orderly run-off of the portfolio, including:

- The reviewing and monitoring of collection targets and expense budgets for the assets and entities under management;
- Attending board meetings of the local servicer, providing input and guidance where appropriate; and
- Responding to ad-hoc issues and providing advice and support in relation to any significant challenges facing the local servicer in managing the business.

- Maintained satisfactory portfolio cash collections given the continuing poor economic environment;
- Continued to support initiatives aimed at improving the performance of the local servicer;
- Continued to work alongside the local servicer in developing its strategy and supporting its business offering to the Portuguese market with the aim of enhancing its value, including:
 - Assessing a specific outsourcing deal that has enabled the local servicer to expand into the primary servicing market and broaden its non-performing loan asset base; and
 - Reviewing the local servicer’s financial projections including its working capital position and, as a result, providing a short-term facility.
- Continued to press for the release of historic pledges over property assets under management in order that these assets may be sold and value realised;
- Overseen the monthly financial reporting process; and
- Analysed options for the ultimate disposal of the assets and sale of the local servicer.

Germany

Following agreement of the trust asset claim with Lehman Brothers International (Europe) (in Administration) (“LBIE”), LB UK RE now receives recoveries from this portfolio through LBIE on a regular basis.

The Administrators have:

- Actively directed, managed and monitored the

collection activities of the local servicer, which is responsible on a day-to-day basis for seeking recoveries from the portfolio of residential mortgage assets;

- Maintained collections at the forecast level;
- Renegotiated the servicing agreement and extended its term to ensure the local servicer remains appropriately incentivised to maximise collections, including in relation to the planned implementation of the exit strategy; and
- Initiated a final portfolio sale of all remaining assets in close liaison with the local servicer, with final bids expected to be received and considered during the fourth quarter of 2013.

Poland

The Administrators have:

- Actively directed, managed and monitored the collection activities of the local servicer, which is dealing with secured and unsecured corporate debtors. Less than 75 debtors now account for the vast majority of the remaining value;
- Maintained collections in line with forecasts for the Period;
- Conducted an in-depth review of the portfolio to ensure that optimal work-out strategies continue to be pursued; and
- Continued to consider the optimal timing and potential closure options for the Polish SNPL portfolio, taking into account the local regulatory constraints and relatively illiquid secondary market.

Other portfolios

- Spanish portfolio – the Administrators have sold the residual loans to the incumbent servicer under a profit share agreement and are now in the process of dissolving the SPV structure;
- Belgian portfolio – the Administrators have continued to oversee and monitor the local servicer's attempts to make recoveries on a small number of residual assets where it is cost effective to do so; and
- Argentinian portfolio – a small portfolio of loans is currently being serviced in Argentina and steady progress is being made in relation to collections. The Administrators have reviewed the available options for the repatriation of funds and are pursuing the preferred method.

Future strategy

The Administrators will continue to:

- Pro-actively monitor SNPL portfolio performance for the Portuguese, German, Polish, Belgian and Argentinian portfolios;
- Periodically review SNPL portfolio strategies in the light of collections performance and local developments in each case, particularly as the tail of individual portfolios is reached; and
- Develop and implement final closure strategies and plans, where appropriate.

2.2 Real estate investments

Introduction

LB UK RE was the principal vehicle through which the Lehman Group's European real estate investments were made.

These investments were principally in the form of debt/equity positions in approximately 50 joint venture property holding companies ("JVs") with around 40 different partners.

Strategy

In view of the market conditions at the date of the Administration and the nature of the investments, quick distressed sales would not have realised optimal value. As such, since their appointment, the Administrators have had the objective of stabilising the real estate investments such that:

- LB UK RE's equity is not diluted or extinguished by partners' or lenders' actions;
- Senior and mezzanine lenders do not enforce any event of default;
- Terms of property fundings are negotiated to achieve optimal positions;
- JV partners and local asset managers are incentivised to manage the investments and underlying properties actively; and
- Performance of the underlying properties is improved by increasing occupancy and rents and reducing costs.

Once the investments have been stabilised they can be managed at the same time as actively identifying, negotiating and completing either individual property or portfolio sales to achieve optimum value for the Administration.

Progress in the Period

In summary, the Administrators continue to implement the strategy by:

- Building on the comprehensive understanding of LB UK RE's real estate investment portfolio with the assistance of Lehman Group employees and JV partners;
- Updating and adjusting a detailed strategy for each investment with a view to maximising realisations;
- Engaging with JV partners and senior lenders to implement the strategy;
- Defending or pursuing legal actions to protect ownership and/or value of the real estate investments;
- Selling investments or enforcing the repayment of loans when it is deemed that the optimal value can be realised; and
- Refining the necessary processes and resources to manage the real estate investment portfolio on a day-to-day basis.

The Administrators have:

- Realised £160m to date, from the sale of individual properties within portfolios to prepay senior lenders and release cash to assist in servicing the remaining assets in the portfolios;
- Realised £22.0m in the Period in subsidiaries from the sale of investments, redemption and partial repayment of loans which cannot be distributed to LB UK RE at present;
- Realised £32.8m to date, of which £0.7m was realised during the Period, from the sale of investments, redemption and partial repayment of loans, as well as distributions from subsidiaries;
- Worked with and managed JV partners, local asset managers and letting agents to formulate property development, improvements and letting strategies;
- Developed a programme of key site visits to inspect properties and property developments;
- Negotiated with and taken legal steps against buyers of assets for non-payment of deferred consideration for completed asset sales;
- Negotiated with various JV partners, senior lenders and suppliers and taken further actions in order to maintain the investments and their value, including:
 - Securing payment of long-standing unpaid interest on outstanding loans;
 - Waiving LB UK RE's and its subsidiaries' insolvency event of default;
 - Agreeing loan standstills as both borrower

- and lender as a precursor to loan restructuring agreements;
- Negotiating and agreeing senior loan term extensions;
 - Negotiating consensual sales with discounted pay-offs to the senior lender or a sales fee to avoid distressed liquidation sales;
 - Brokering loan restructures between equity and senior lenders where LB UK RE has an interest in the mezzanine debt;
 - Negotiating and varying shareholder agreements;
 - Reducing the level of suppliers' fees;
 - Renegotiating loan service contracts in order to reduce servicing fees;
 - Managing and streamlining the group structures in which property investments are held in order to save costs;
 - Organising and agreeing distributions from solvent subsidiaries;
 - Agreeing with JV partners to test the market with some assets to determine whether optimal value can be achieved;
 - Negotiating and agreeing inter-company loan balances between LB UK RE's subsidiaries and non-UK administration companies;
 - Negotiating and agreeing a debt for equity swap;
 - Submitting an interest rate swap mis-selling claim against a senior lender;
 - Issuing a notice to increase the interest rate ahead of an interest reset date to encourage refinancing the senior lender loan;
 - Coordinating with a JV partner to agree a potential sale of private hospital facilities, (including facilities where Lehman does not have an interest) to make the investment more attractive to institutional investors;
 - Negotiating with tenants to remove lease break clauses;
 - Managing development remedial works to meet warranties provided as part of the sale;
 - Negotiating with Lehman Brothers Bankhaus AG ("Bankhaus") to release a land charge for a senior loan repaid in full;
 - Agreeing the reimbursement of legal fees incurred; and
 - Agreeing share sales to JV partners.
 - Won a court case against tenants who claimed that their pre-emption right to acquire their homes was still valid when the properties were sold;
 - Identified and discussed with parties interested in acquiring an Italian SPV with a banking regulatory licence;
 - Researched the charges registered as "outstanding" on the LB UK RE's charges register at Companies House and identified how these could be released; and
 - Pursued, and agreed to, the appointment of an employee to the Asset Management Oversight Committee for assets held by a securitisation vehicle where LB UK RE is entitled to a Deferred Purchase Price in excess of the value of the bonds repaid.
 - Following extensive negotiations, negotiated the transfer of a further £1m cash held by Bankhaus to LB UK RE's subsidiaries in the Period;
 - Instigated and managed solvent subsidiary liquidations resulting in distributions of trapped cash;
 - Responded to the Pension Regulator with regard to the Financial Support Direction ("FSD") warning notices served on LB UK RE's solvent real estate subsidiaries, including liaison with other Lehman companies in a similar situation; and
- Worked with local Italian tax advisers in respect of the new 5% tax payable by holders of interests in Italian real estate funds by overseas investors (Quota Holder of Italian Real Estate Funds Decree).

Future strategy

The Administrators will continue to:

- Work with and manage JV partners, local asset managers and letting agents to improve the performance and value of the assets;
- Actively manage the remaining investments;

-
- Monitor the market to understand whether changes in conditions indicate that a sales strategy is now appropriate for certain assets; and
 - Actively identify, negotiate and complete realisation opportunities where appropriate.

2.3 Principal investments

Introduction

In addition to the SNPL portfolios and real estate investments, LB UK RE has other investments which include:

- Seed capital investments in Lehman Group funds;
- External hedge fund investments;
- Listed company investments; and
- Minority shareholdings.

Strategy

The Administrators initially worked closely with Lehman Group employees to:

- Understand the legal and beneficial ownership structures of these investments; and
- Formulate strategies for each investment, mindful of the prevailing market conditions.

Progress to date

The Administrators have made significant realisations across all categories of principal investments, having realised almost all of those that are within their control. Total realisations for all principal investments to date are £363.7m.

In the Period good progress has been made towards returning funds to the largest remaining external hedge fund. These funds are currently “trapped” in the Lehman affiliate that acted as custodian prior to the Administration. The three remaining hedge fund investments continue to be monitored but their realisations are not within LB UK RE’s direct control.

The Administrators are continuing to pursue a hold strategy in relation to two remaining small stakes in illiquid companies, and dividends totalling €26k were received in the Period.

Future strategy

The Administrators will continue to:

- Retain control of and manage the investments; and
- Realise the few remaining investments when appropriate.

2.4 Inter-company claims

Introduction

LB UK RE had over 60 inter-company debtor and creditor balances, representing \$600m of debtors and \$2.4bn of creditors at book values as at 12 September 2008.

Strategy

Since their appointment the Administrators have:

- Submitted claims in the estates of other Lehman entities by any relevant bar dates; and
- Continued the detailed process of reviewing the complex underlying detail behind each inter-company relationship for both debtors and creditors.

Progress to date

The Administrators have:

- Filed claims with a total value of \$1.08bn against affiliates. These include trust asset claims, guarantee claims and general inter-company claims;
- Pursuant to the settlement agreement executed in 2011 by LBHI and certain US debtor affiliates and by LB UK RE and certain UK affiliates, LB UK RE has received four dividends from LBHI and its US debtor affiliates totalling \$3.8m, of which the latest was received in October 2013. The quantum and timing of additional future dividends are uncertain;
- Received £18.7m in the Period from LBIE as a second dividend payment on the unsecured claim of £43.2m bringing the total recovered to £29.6m;

As previously reported, the trust asset claim against LBIE was successfully concluded in August 2012 resulting in recoveries totalling £199.1m; and

- Following the claims agreement process in 2012, agreed all but one of the inter-company creditor balances.

Future Strategy

The Administrators will continue to:

- Progress resolution of the creditor claim submitted but not yet agreed; and
- Submit claims to meet future bar dates.

2.5 Other issues

Pension issues

We explained in our previous report that the Upper Tribunal's decision not to grant the strike-out application brought by LB UK RE and 36 other entities was being appealed. The Court of Appeal issued its judgement on 21 June 2013, dismissing the appeal. Accordingly, the risk that we have explained previously of a FSD being imposed on LB UK RE remains.

The Supreme Court issued its judgment on 24 July 2013 in a case brought by certain other Lehman entities, whereby it held that liability derived from a FSD would constitute a provable debt in an administration. This has enabled the Administrators to change the basis of reserving for any possible FSD liability, to allow for a potential additional unsecured debt rather than an administration expense.

During the Period LB UK RE joined with the other 36 entities to establish a collective reserve for the possible FSD liability. However, it was not possible to reach agreement with the pension scheme trustees on the operation of this reserve and it was therefore not brought into full effect.

The Administrators continue to monitor the pensions issues closely.

Tax issues

The corporation tax computations and returns up to the year ended 14 September 2011 have been submitted to HM Revenue and Customs ("HMRC"). The corporation tax computations for the year ended 14 September 2012 have been drafted and will be submitted shortly. Tax computations have been agreed for all periods up to 14 September 2010, with substantial losses being carried forward to set off against future profits.

A total of £6.1m and £5.2m have been recovered to date in respect of corporation tax repayments and group relief respectively, of which £0.1m was received in the Period. Further recoveries for group relief for subsequent periods may be available, but these have yet to be finalised.

Significant amounts of work have been undertaken in the Period in respect of the potential tax issues arising from the proposed exit options. In particular, work on the proposed CVA has included regular meetings with LBHI and correspondence with HMRC to gain clarity on the tax implications of the potential debt waivers.

A further Value Added Tax ("VAT") repayment of £0.7m has been received in the Period in respect of VAT returns for the periods ended May and August 2012. The VAT returns for periods ended 30 November 2012, 28 February 2012 and 31 May 2013 have been submitted and are awaiting HMRC agreement. The Administrators are expecting a £0.7m repayment in relation to these returns.

The Administrators continue to take steps to ensure that tax efficiency is maintained. As such, the tax grouping has been maintained in order that any tax losses suitable for group relief are potentially available to other group companies (being both the LB UK RE sub-group and the wider administration group) to shelter profits.

Section 3 Statutory and other information

<i>Court details for the Administration:</i>	High Court of Justice, Chancery Division, Companies Court - case 7944 of 2008.
<i>Full name:</i>	LB UK RE Holdings Limited
<i>Trading name:</i>	LB UK RE Holdings Limited
<i>Registered number:</i>	05347966
<i>Registered address:</i>	Level 23, 25 Canada Square, London E14 5LQ, United Kingdom
<i>Date of the Administration appointment:</i>	15 September 2008
<i>Administrators' names and addresses:</i>	DY Schwarzmann, AV Lomas, SA Pearson, and JG Parr, of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT.
<i>Appointer's name and address:</i>	High Court of Justice, Chancery Division, Companies Court.
<i>Objective being pursued by the Administrators:</i>	Achieving a better result for LB UK RE's creditors as a whole than would be likely if LB UK RE were wound up (without first being in Administration).
<i>Division of the Administrators' responsibilities:</i>	In relation to paragraph 100(2) Sch.B1 of The Insolvency Act 1986, during the period for which the Administration is in force, any act required or authorised under any enactment to be done by any or all of the Joint Administrators may be done by any or 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 2016.
<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>	The Administrators estimate a dividend range of 55 to 64 pence in the pound to creditors (including the 40 pence already paid) however this is subject to a number of uncertainties and assumes no pension liability arises through any future FSD.
<i>Estimated values of LB UK RE's net property and the prescribed part</i>	In the absence of qualifying floating charges, The Insolvency Act 1986 (Prescribed Part) Order 2003 does not apply to these proceedings.
<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 applies to this Administration and the proceedings are the main proceedings.

Section 4 Financial information

Administrators' remuneration

On 29 January 2009 the Committee was formed, whose duties include approving the basis and quantum of the Administrators' remuneration.

The Committee resolved that the basis of the Administrators' remuneration be fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration, and accordingly the Committee has been provided with an account of the time spent and the relevant charge-out rates, together with additional information setting out the approach to the project and key milestones.

Pursuant to the resolution agreed by the Committee in February 2012, the Joint Administrators have drawn remuneration equal to 75% of their time costs on account of £0.3m plus VAT for the period from 1 July 2013 to 31 July 2013.

At the meeting of the Committee held on 11 September 2013 the Committee approved Administrators' remuneration based upon time costs for the period 1 July 2012 to 30 June 2013 totalling £5.0m plus VAT and category 2 disbursements of £2k plus VAT.

The Administrators have drawn remuneration of £40.6m plus VAT in total since the commencement of the Administration.

Additional analysis of Administrators' remuneration

The table below provides an analysis of the total hours and cost by grade in respect of the period 1 January 2013 to 30 June 2013:

Grade	Hours	Costs (£)
Partner	161.9	139,533
Director	511.6	371,078
Senior Manager	1,283.8	746,876
Manager	886.8	370,060
Senior Associate	1,956.5	626,267
Associate	822.5	167,122
Total	5,623.1	2,420,936

The following table provides a further analysis of the total hours and costs incurred by activity:

Activity	Hours	Costs (£)
Working assets/realisations	2,025.3	987,784
Strategy, administration, planning and compliance	1,534.0	618,282
Tax and VAT	568.1	349,275
Creditors, intercompany and LB UK RE group companies	451.8	172,468
Treasury	626.4	169,871
Central services	417.5	123,256
Total	5,623.1	2,420,936

In addition, LB UK RE has incurred time costs in relation to the recovery of corporation tax and VAT. Time costs are initially borne on a group level basis for the Lehman Group of companies and apportioned to individual estates based on the level of individual recovery. The share of Administrators' time costs allocated to LB UK RE will fluctuate when any entity within the Group makes a recovery or a payment. A full breakdown of these time costs will be submitted once all entities within the Group have collected all expected recoveries.

Receipts and payments account

An account of the receipts and payments in the Administration for the six months to 14 September 2013, and a cumulative total since commencement of the Administration, is set out in Section 5 of this report.

Significant receipts in the Period include:

- £19.4m in respect of distributions received;
- £12.6m in respect of principal and interest income from the SNPL portfolios;
- £0.7m in respect of income from and the sale of real estate investments; and
- £0.7m in respect of VAT repayments.

Significant payments in the Period are:

- £125.9m in respect of the second dividend payment to creditors;
- £2.0m (including VAT) in respect of Administrators' remuneration; and
- £1.4m in respect of a Portuguese tax liability.

Cash held as at 14 September 2013 totals £137.3m (GBP equivalent).

Section 5 Receipts and payments

	As at 14 September 2013			As at 14 September 2013	Movements from 15 March 2013 to 14 September 2013	As at 14 March 2013 (GBP equivalent) RESTATED	As at 14 March 2013 (GBP equivalent)
	GBP (£)	US (\$)	EUR (€)	TOTAL (GBP equivalent) GBP (£)	(GBP equivalent) GBP (£)	at 14 September 2013 exchange rate GBP (£)	at 14 September 2013 exchange rate GBP (£)
RECEIPTS							
	mil	mil	mil	mil	mil	mil	mil
SNPL recoveries	4.3	58.0	286.9	280.8	12.6	268.2	277.5
Real Estate recoveries	7.7	0.1	29.8	32.8	0.7	32.1	32.9
Principal investments	60.3	229.2	190.2	363.7	-	363.7	376.8
Other recoveries	1.5	-	-	1.5	-	1.5	1.5
Distributions received	29.6	2.9	-	31.4	19.4	12.0	12.1
Internal currency transfer	476.4	2.6	1.7	479.6	22.9	456.7	456.9
Corporation Tax repayments	11.3	-	-	11.3	0.1	11.2	11.2
VAT repayments	4.6	-	-	4.6	0.7	3.9	3.9
Interest	0.4	1.0	2.7	3.3	0.1	3.2	3.3
Receipts Grand Totals	596.1	293.8	511.3	1,209.0	56.5	1,152.5	1,176.1
PAYMENTS							
Building and occupancy costs	5.5	-	-	5.6	0.1	5.5	5.6
Payroll and employee costs	16.2	-	2.9	18.5	0.8	17.7	17.8
Legal fees	14.1	-	0.8	14.8	0.6	14.2	14.2
Insurance premiums	2.0	-	0.2	2.3	-	2.3	2.3
Principal investments	-	0.3	-	0.2	-	0.2	0.2
Acquisition of Portuguese loan portfolio	-	-	7.3	6.1	-	6.1	6.3
Office holders' remuneration	47.4	-	-	47.4	2.0	45.4	45.4
Office holders' disbursements	0.3	-	-	0.3	-	0.3	0.3
Other professional fees	1.5	-	1.6	3.1	0.3	2.8	2.8
Distribution to unsecured creditors	475.0	-	-	475.0	125.9	349.1	349.1
Real Estate valuation costs	0.2	-	-	0.2	-	0.2	0.2
Firstcity credit facility	-	-	1.5	1.3	-	1.3	1.3
Portuguese tax liability	-	-	1.7	1.4	1.4	-	-
Whitestar working capital facility	-	-	0.7	0.5	0.5	-	-
Internal currency transfer	3.2	125.3	494.0	495.0	22.1	472.9	489.7
Payments Grand Totals	565.4	125.6	510.7	1,071.7	153.7	918.0	935.2
NET POSITION	30.7	168.2	0.6	137.3	(97.2)	234.5	240.9
CASH BALANCES							
HSBC	2.5	0.1	0.6	3.1	-	-	-
Bank of New York	4.2	-	-	4.2	-	-	-
Money markets	24.0	168.1	-	130.0	-	-	-
Total Cash	30.7	168.2	0.6	137.3			
Exchange rates as at 14 March 2013:							
US\$ 1 : GBP	0.6643						
EURO €1 : GBP	0.8624						
Exchange rates as at 14 September 2013:							
US\$ 1 : GBP	0.6303						
EURO €1 : GBP	0.8357						
Amounts include VAT where applicable							

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