



LB UK RE Holdings Limited – In Administration (the “Company”)

Notice accompanying the first dividend to creditors

Joint Administrators’ receipts and payments from the commencement of the administration on 15 September 2008 to 14 September 2012 is attached in Appendix A.

Further information pursuant to Rule 2.98 of the Insolvency Rules 1986

The first dividend to unsecured creditors of 30p in the pound has been declared. The amount of the dividend was set pursuant to an Order of the High Court of Justice, dated 14 June 2012.

A total of £377,296,499.74 is being paid by way of dividend. There is no prescribed part.

The balance of the funds is being retained in order to provide for further costs and potential claims in the estate including:

- pension liability approximately of £124 million;
- future Administration costs; and
- a first dividend of £4,800,340.82 in respect of claims yet to be finalised.

Payment will be made by a bank transfer on 27 September 2012. The Joint Administrators are not yet in a position to estimate the likely timing or quantum of any future dividends.

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AV Lomas, SA Pearson, DY Schwarzmann, MJA Jervis and DA Howell were appointed as Joint Administrators of LB UK RE Holdings Limited to manage its affairs, business and property as agents without personal liability. AV Lomas, SA Pearson, DY Schwarzmann, MJA Jervis and DA Howell 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, DY Schwarzmann, MJA Jervis and DA Howell 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 administrations.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Services Authority for designated investment business.

APPENDIX A

	As at 14 September 2012			As at 14 September 2012			Movements from 15 March 2012 to 14 September 2012			As at 14 March 2012 (GBP equivalent) RESTATED at 14 September 2012 exchange rate			As at 14 March 2012 (GBP equivalent)		
	GBP (£)	US (\$)	EUR (€)	GBP (£)	US (\$)	EUR (€)	GBP (£)	US (\$)	EUR (€)	GBP (£)	US (\$)	EUR (€)	GBP (£)	US (\$)	EUR (€)
RECEIPTS															
SNPI recoveries	3.3	57.9	248.2	239.9	94.3	145.6	150.7	150.7	29.4	30.1	30.1	30.1	150.7	150.7	29.4
Real Estate recoveries	7.6	0.1	28.5	30.7	1.3	29.4	30.1	30.1	242.8	1.3	242.8	1.3	30.1	30.1	242.8
Principal investments	60.0	227.0	190.0	353.3	119.1	234.2	242.8	242.8	1.3	1.3	1.3	1.3	242.8	242.8	1.3
Other recoveries	1.4	1.0	-	2.0	0.7	-	1.3	1.3	68.1	0.4	68.2	0.4	1.3	1.3	68.2
Internal currency transfer	443.3	2.6	-	444.9	376.8	-	68.1	68.2	0.4	0.4	68.2	0.4	68.2	68.2	0.4
Corporation Tax repayments	10.0	-	-	10.0	9.6	-	0.4	0.4	2.8	2.8	2.8	2.8	0.4	0.4	2.8
VAT repayments	2.8	-	-	2.8	0.0	-	2.8	2.8	2.2	2.2	2.2	2.2	2.8	2.8	2.2
Interest	0.1	0.8	2.7	2.8	0.6	-	2.2	2.2	2.7	2.7	2.7	2.7	2.8	2.8	2.7
Receipts Grand Totals	528.4	289.4	469.4	1,086.4	602.4	484.0	499.0	499.0	499.0	499.0	499.0	499.0	499.0	499.0	499.0
PAYMENTS															
Building and occupancy costs	5.5	-	-	5.5	0.4	5.1	5.1	5.1	15.3	5.1	15.4	5.1	5.1	5.1	15.4
Payroll and employee costs	14.2	-	2.2	16.0	0.7	15.3	15.3	15.3	12.4	12.4	12.3	12.3	15.4	15.4	12.3
Legal fees	12.1	-	0.9	12.8	0.4	12.4	12.4	12.4	2.1	2.1	2.1	2.1	12.3	12.3	2.1
Insurance premiums	2.1	-	0.2	2.2	0.1	2.1	2.1	2.1	0.2	0.2	0.2	0.2	2.1	2.1	0.2
Principal investments	-	0.3	-	0.2	-	-	0.2	0.2	5.9	5.9	6.1	6.1	0.2	0.2	5.9
Acquisition of Portuguese loan portfolio	-	-	-	5.9	-	-	5.9	5.9	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Office holders' remuneration	39.9	-	7.3	39.9	6.3	33.6	33.6	33.6	0.1	0.1	0.1	0.1	33.6	33.6	0.1
Office holders' disbursements	0.2	-	-	0.2	0.1	0.1	0.1	0.1	2.4	2.4	2.5	2.5	0.1	0.1	2.5
Other professional fees	1.4	-	1.3	2.5	0.1	2.4	2.4	2.4	0.2	0.2	0.2	0.2	2.5	2.5	0.2
Real Estate valuation costs	0.2	-	-	0.2	-	-	0.2	0.2	1.2	1.2	1.3	1.3	0.2	0.2	1.3
Flexicity credit facility	-	-	1.5	1.2	-	-	1.2	1.2	64.6	64.6	66.9	66.9	1.3	1.3	66.9
Internal currency transfer	1.7	125.3	455.3	447.4	382.8	1.2	1.2	1.2	143.1	143.1	145.8	145.8	1.3	1.3	145.8
Payments Grand Totals	77.3	129.6	468.7	534.0	390.9	143.1	145.8	145.8	143.1	143.1	145.8	145.8	145.8	145.8	145.8
NET POSITION															
CASH BALANCES															
Bank of England	451.1	163.8	0.7	552.4	211.5	340.9	340.9	340.9	353.2	353.2	353.2	353.2	340.9	340.9	353.2
HSBC	-	0.7	0.1	0.5	-	-	-	-	-	-	-	-	-	-	-
Bank of New York	2.7	0.3	0.6	3.3	-	-	-	-	-	-	-	-	-	-	-
Money markets	3.3	-	-	3.3	-	-	-	-	-	-	-	-	-	-	-
Total Cash	445.1	162.8	-	545.3	-	-	-	-	-	-	-	-	-	-	-
	451.1	163.8	0.7	552.4	211.5	340.9	340.9	340.9	353.2	353.2	353.2	353.2	340.9	340.9	353.2

Exchange rates as at 14 March 2012:

US\$ 1 : GBP 0.6376
 EURO €1 : GBP 0.8304

Exchange rates as at 14 September 2012:

US\$ 1 : GBP 0.6155
 EURO €1 : GBP 0.8093

Amounts include VAT where applicable