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

Joint Administrators' progress
report for the period 15 September
2011 to 14 March 2012

12 April 2012

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Section 1 Purpose of the Joint Administrators' progress report

Introduction

This is the seventh 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' previous progress reports.

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 March 2012 ("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 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 this 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 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 ("LBL").

The Administrators will continue to manage the Administration in accordance with the proposals approved by creditors and in consultation with the Creditors' Committee. The Administrators have met with the Creditors' Committee four times, the latest meeting having been held on 31 January 2011.

Outcome for creditors

As previously reported, at the last Creditors' Committee meeting on 31 January 2011, the Administrators met LBHI and other members of the Creditors' Committee and requested details from LBHI of their latest proposal to use a company voluntary arrangement process to compromise liabilities and to allow LBHI to assume control of LB UK RE. In particular, the Administrators queried how the proposal would work from a legal and operational perspective, and requested an illustration of risk and return for creditors.

In January 2012 LBHI made a further proposal. However, whilst the Administrators continue to engage in dialogue with them in order to seek the best result for creditors as a whole, LBHI have still not provided the information requested.

The position regarding dividend prospects has become clearer since the previous progress report but is still not yet sufficiently certain for the Administrators to provide an estimate of the likely dividend to creditors. However, the Administrators hope to be able to provide more information as regards dividend prospects at the next Creditors' Committee meeting before making this information generally available.

If you have not already submitted your claim to the Administrators, please do so by completing and returning the attached statement of claim form.

Extension of the Administration and proposal for making distributions

The previous extension to the Administration came to an end on 30 November 2011. An application was therefore made to the High Court to further extend the Administration and by an order dated 23 November 2011 the Administration was extended by a further five years to 30 November 2016.

The Administrators are currently of the view that it is in the best interests of LB UK RE's creditors as a whole for distributions to unsecured creditors to be made through the Administration and this view was expressed to the High Court in the application to extend the Administration. It is the intention of the Administrators to commence the process of making an application to the High Court to convert to a distributing administration shortly.

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 distribution process or the LBHI proposal.

Signed:



D Y Schwarzmann
Joint Administrator
LB UK RE Holdings Limited

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;
- Maintained reporting frameworks to manage and monitor SNPL portfolio collections; and
- Secured collections from the SNPL portfolios during the Period of £18.3m, bringing the cumulative collections during the Administration to £150.7m.

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 portfolio cash collections in line with original projections;
- Supported initiatives aimed at improving the performance of the local servicer;
- Continued to work alongside the local servicer in understanding its strategy and supporting its business offering to the Portuguese market with the aim of enhancing its value, including the provision of assistance in relation to:
 - Completion of the securitisation of a portfolio of non-performing loans; and
 - Evaluation of a number of third party servicing mandates and securitisations, including the acquisition of three new servicing mandates.
- Supported the local servicer in the continuing development of its governance and control function, which plays a key role in the continued growth and value of the business;
- 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; and
- Overseen the monthly financial reporting process.

Germany

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, the outstanding number of which has now reduced to approximately 1,000;
- Finalised the renegotiation of the terms of the

servicing agreement to reflect the maturity of the portfolio and to ensure the servicer remains incentivised;

- Conducted an updated review of the most valuable loans in the portfolio to ensure that the exit strategies selected by the servicer are appropriate and future collections are optimised;
- Assisted in maintaining collections at forecast level despite the increasing challenges as the portfolio approaches its maturity; and
- Commenced the sale of a sub portfolio of approximately 300 assets with final bids expected to be received and considered during the second quarter of 2012.

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, the outstanding number of which has now reduced to below 800, although the top 90 debtors account for the vast majority of the remaining value;
- Assisted in maintaining collection levels in line with expectations; and
- Conducted, with the assistance of local property experts, an updated review of the largest loans in the portfolio to ensure that appropriate and optimal work-out strategies continue to be pursued by the local servicer.

Other portfolios

- Spanish portfolio – the Administrators have continued to manage, control and monitor the performance of the local servicer and have recently recovered €1.7m from a 100% owned SPV;
- Belgian portfolio – the Administrators have actively participated in ongoing and long-running settlement discussions with the main stakeholders in relation to the only remaining asset with potentially significant value in this portfolio. It is currently anticipated that this recovery will be completed during the course of 2012; 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 also investigated various options for the repatriation

of funds and are currently in the process of determining the most appropriate course of action.

Future strategy

The Administrators will continue to:

- Pro-actively monitor SNPL portfolio performance for the Portuguese, German, Polish, Spanish, Belgian and Argentinian portfolios; and
- 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.

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 approximately 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 actively manage the investments and underlying properties; 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 to date

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;
- Refining the necessary processes and resources to manage the real estate investment portfolio on a day-to-day basis;
- 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; and
- Selling investments or forcing repayment of loans when it is deemed that the optimal value can be realised.

The Administrators have:

- Worked with and managed JV partners, local asset managers and letting agents to formulate property development, improvements and letting strategies;
- Actively managed the 31 remaining investments;
- Realised £30.1m to date, of which £6.1m was realised during the Period, from the sale of investments, redemption and partial repayment of loans, as well as distributions from subsidiaries;
- Realised £24.9m 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;
- Negotiated with various JV partners, senior lenders and suppliers in order to maintain the investments and their value, including:
 - Securing payment of long-standing unpaid interest on outstanding loans;
 - Negotiating with senior lenders for early discounted pay-offs ("DPO");
 - Serving a default note on a JV partner with the view of terminating the joint venture agreement;
 - 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 a DPO to the senior lender or for 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;
 - Converting development loans into term loans;
 - Negotiating compensation for loss of ratchet rights;
 - Defending early prepayment of the mezzanine loan to maintain the value of investments;
 - Negotiating on varying shareholder agreements;
 - Reducing the level of suppliers' 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;
 - Selling an Italian shell vehicle with a banking licence;
 - Exchanging parental company guarantees for individual assets;
 - 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; and
 - Agreeing ownership of issued bonds in an Italian SNPL securitisation and extracting information from the Italian loan servicer to assist with agreeing a new SNPL strategy with the servicer.
- Negotiated the transfer of: (1) €43.7m cash; and (2) €1.1m of a €2m cash reserve held by Lehman Brothers Bankhaus AG following extensive negotiations;
 - Instigated and managed solvent subsidiary liquidations resulting in distributions of trapped cash;
 - Reinstated a company in order to benefit from a liquidation distribution;
 - Responded to the pension regulator with regard to the financial support direction warning notices served to LB UK RE's solvent real estate subsidiaries;
 - Responded to Department of Energy and Climate Change requests for information to prove that none of LB UK RE's real estate subsidiaries have obligations to carbon tax;
 - 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);
 - Recruited a consultant in Italy to support the management and realisation of the investments in Italy;
 - Pursued and agreed to the appointment to the Asset Management Oversight Committee for assets held by a securitisation vehicle where LB UK RE is entitled to a Deferred Purchase Price (DPP) relating to any value realised in excess of the value of the bonds repaid;
 - Instructed and managed external lawyers to defend a compulsory winding-up order issued by a creditor; and
 - Formulated, updated and refined exit strategies for real estate investments in order to optimise realisations over a period of years.

Future strategy

The Administrators will continue to:

- Work with and manage JV partners, local asset managers and letting agents to improve the performance of the assets;
- Negotiate with JV partners, senior lenders and suppliers to stabilise the investments and their value;
- Monitor the market to understand whether changes in market 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 such investments that are within their control. Total realisations for all principal investments to date are £242.8m.

One minority stake in an unlisted company has been sold during the period, realising \$3.7m and a hold strategy is being continued in relation to two remaining small stakes in illiquid companies.

Approximately £0.1m has been received from redemptions made by the Bluebay Multi Strategy Fund in the Period, which has now been placed in members' voluntary liquidation with a final dividend expected shortly.

Further progress has been made in relation to the trust asset claim in respect of a number of assets held by Lehman Brothers International (Europe) ("LBIE"). Work has been carried out in the Period to investigate and resolve the final population of assets subject to the claim, and the Administrators expect to reach final agreement with LBIE shortly as to the assets (or proceeds) which LBIE holds on LB UK RE's behalf. Certain of these assets have already been realised and the proceeds of sale are being held by LBIE in escrow pending resolution of

the trust asset claims. The one remaining significant principal investment in this category is LB UK RE's seed capital investment in certain hedge funds managed by TOBAM (previously Lehman Brothers Asset Management (France)). Realisations from these funds commenced in March 2012 and should be complete by July 2012.

The improved prospects of a dividend being paid by LBIE have also enabled the Administrators to examine a number of proposals for the sale of some of LB UK RE's investments in entities that have claims against LBIE.

Future strategy

The Administrators will continue to:

- Retain control of and manage the investments;
- Realise the remaining small minority investments when possible;
- Press to conclude ownership and custodian issues on investments held directly through LBIE and realise remaining investments; and
- Continue to pursue alternative strategies for the more rapid monetisation of the investments held in certain third party funds.

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:

- Worked with the Lehman inter-company workstream to ensure that claims were submitted 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 \$996m against affiliates. These include trust asset claims, guarantee claims and general inter-company claims;
- In conjunction with other UK affiliates, reached agreement in principle with LBHI and its US debtor affiliates in Chapter 11 to settle all claims between them. The agreement was executed on 24th October 2011 by LBHI and certain US debtor affiliates and by LB UK RE and certain UK affiliates. The settlement agreement was disclosed within the plan supplement filed by the Chapter 11 entities on 25 October 2011, which formed part of the plan confirmed by the US Bankruptcy Court on 6 December 2011.

The settlement agreement became fully binding and operational when the plan became effective on 6th March 2012.

- Continued the ongoing process of investigating inter-company balances and, as part of this, work was completed in terms of supporting balances in connection with a significant unsecured debtor claim against LBIE.

As referred to in Section 2.3, further work has been undertaken to determine the final population of assets subject to the material

trust asset claim against LBIE, which if successful would involve a return of assets to LB UK RE. A number of inter-company debtor positions, relating to SNPLs and real estate investments, are ongoing and being actively managed by the Administrators.

Future Strategy

The Administrators will continue to:

- Take all necessary steps to progress agreement of the trust asset claim against LBIE;
- Progress the claims that have been submitted to ensure these are being driven towards agreement;
- Actively look to reach provisional agreement on key affiliate creditor balances not yet submitted; and
- Work with the Lehman inter-company workstream to continue evidencing and submitting claims to meet future bar dates.

2.5 Other issues

Pension issues

Another Lehman entity, LBL, operated the Lehman Brothers Pension Scheme (“Scheme”), which had a deficit on the relevant actuarial basis as at September 2008.

The Pensions Regulator has the power to issue Financial Support Directions (“FSDs”). The impact of a FSD is to require target companies within a group to provide financial support to a pension scheme. A FSD can lead to a Contribution Notice, which creates a debt due from the target company to the pension scheme.

In June 2010 LB UK RE was issued with a warning notice that it could be issued with a FSD in relation to the Scheme.

In September 2010 the Pensions Regulator’s Determinations Panel decided that a FSD should be issued against each of six Lehman Group entities. LB UK RE was among 38 companies that the Panel decided should not be issued with a FSD.

The Panel’s decision has been referred to the Upper Tribunal, with the Scheme Trustees asking the Upper Tribunal to overturn the Panel’s decision and rule that the 38 companies (including LB UK RE) should also be subject to a FSD. This means that LB UK RE is still at risk from this potential liability.

LB UK RE (together with 36 other affected entities) applied to the Upper Tribunal, seeking an order that the Trustees’ referral to the Upper Tribunal should be struck out on the grounds that it is no longer possible for the Pensions Regulator to impose a FSD against LB UK RE. The Trustees and the Pensions Regulator opposed the strike-out application, and the hearing took place from 12 to 15 March 2012. Judgment was reserved and has not yet been handed down.

Tax issues

The Administrators have agreed with HM Revenue and Customs the corporation tax affairs of LB UK RE for accounting periods up to the date of Administration. LB UK RE has also entered into a group relief agreement with certain other Lehman Group entities.

A total of £0.4m has been recovered to date. Further recoveries of £5.6m plus interest in respect of a corporation tax repayment, and approximately £3.9m in respect of group relief are expected in 2012.

The Administrators continue to take steps to ensure that tax efficiency is maintained. LB UK RE continues to trade for tax purposes and 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 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, MJA Jervis and DA Howell, 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 IA86, 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>	It is too early to estimate the likely dividend for unsecured creditors.
<i>Estimated values of LB UK RE's net property and the prescribed part</i>	The estimated value of LB UK RE's net property remains uncertain but the prescribed part will be £600,000, the maximum available.
<i>Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:</i>	Such an application is considered unlikely.
<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 a Creditors' Committee was formed, whose duties include approving the basis and quantum of the Administrators' remuneration.

The Creditors' 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 Creditors' 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.

As mentioned in our previous Progress Report, the Creditors' Committee has approved remuneration in respect of time costs incurred to 28 February 2011 of £28.5m plus VAT.

In addition a further £0.5m inclusive of VAT has also been drawn on account of the Court application (detailed below), bringing total remuneration paid to the administrators to £28.9m plus VAT.

The fee analysis for the period from 1 March 2011 to 30 June 2011 has been submitted to the Creditors' Committee. Fees for this period total £1,993k, which represents 5,312 hours at an average hourly rate of £375, excluding VAT and is currently under the Committee's review.

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 March 2011 to 30 June 2011:

Grade	Hours	Costs (£'000)
Partner	154	118
Director	285	169
Senior Manager	1,299	669
Manager	1,534	551
Senior Associate	1,352	364
Associate	688	122
Total	5,312	1,993

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

Activity	Hours	Costs (£'000)
Working assets/realisations	1,837	820
Strategy, administration, planning and compliance	1,095	405
Tax and VAT	234	119
Creditors, intercompany and LB UK RE group companies	625	230
Treasury	445	136
Central services	1,076	283
Total	5,312	1,993

Resolution of the Creditors' Committee

In February 2012 the Creditors' Committee agreed to allow the Administrators to draw 75 % of their time costs on account of their remuneration. The fees drawn on account plus the balance of 25% will require subsequent approval by the Creditors' Committee.

Court application with regard to Administrators' time costs

Whilst further discussions have been held with the Creditors' Committee and progress has been made, the process for the approval of these fees (in respect of an aborted sale of a portfolio of SNPL assets in 2009) has not been concluded.

Receipts and payments account

An account of the receipts and payments in the Administration for the six months to 14 March 2012, and a cumulative total since commencement of the Administration, is set out in section 5 of this report.

Significant receipts in the Period include:

- £18.3m in respect of principal and interest income from the SNPL portfolios;
- £6.1m in respect of income from and the sale of real estate investments;
- £2.6m in respect of realisation from principal investments; and
- £2.8m in respect of VAT repayments.

Significant payments include:

- Office holders' remuneration of £10.8m; and
- Payroll and employee costs of £1.5m.

Cash held as at 14 March 2012 totals £353.2m.

Section 5 Receipts and payments

	As at 14 March 2012			As at 14 March 2012 TOTAL GBP equivalent	Movements from 15 September 2011 to 14 March 2012 (GBP equivalent)	As at 14 September 2011 (GBP equivalent) RESTATED at 14 March 2012 exchange rates	As at 14 September 2011 (GBP equivalent)
	GBP (£) mil	US (\$) mil	EUR (€) mil	GBP (£) mil	GBP (£) mil	GBP (£) mil	GBP (£) mil
RECEIPTS							
SNPL recoveries	2.9	57.9	132.3	150.7	18.3	132.4	135.7
Real Estate recoveries	7.6	0.1	26.9	30.1	6.1	24.0	24.6
Principal investments	0.2	181.0	151.5	242.8	2.6	240.2	244.3
Other recoveries	1.3	-	-	1.3	0.5	0.8	0.8
Internal currency transfer	66.5	2.6	-	68.2	8.0	60.2	60.2
Corporation Tax repayments	0.4	-	-	0.4	-	0.4	0.4
VAT repayments	2.8	-	-	2.8	2.8	-	-
Interest	-	0.8	2.6	2.7	0.5	2.2	2.3
Receipts Grand Totals	81.7	242.4	313.3	499.0	38.8	460.2	468.3
PAYMENTS							
Building and occupancy costs	5.1	-	-	5.1	0.5	4.6	4.6
Payroll and employee costs	13.7	-	2.0	15.4	1.5	13.9	13.9
Legal fees	11.6	-	0.9	12.3	0.6	11.7	11.7
Insurance premiums	2.0	-	0.2	2.1	0.2	1.9	1.9
Principal investments	-	0.3	-	0.2	-	0.2	0.2
Acquisition of Portuguese loan portfolio	-	-	7.3	6.1	-	6.1	6.4
Office holders' remuneration	33.6	-	-	33.6	10.8	22.8	22.8
Office holders' disbursements	0.1	-	-	0.1	-	0.1	0.1
Other professional fees	1.4	-	1.2	2.5	0.2	2.3	2.3
Real Estate valuation costs	0.2	-	-	0.2	-	0.2	0.2
Firstcity credit facility	-	-	1.5	1.3	0.5	0.8	0.9
Internal currency transfer	1.7	79.9	16.9	66.9	7.7	59.2	59.2
Payments Grand Totals	69.4	80.2	30.0	145.8	22.0	123.8	124.2
NET POSITION	12.3	162.2	283.3	353.2	16.8	336.4	344.1
CASH BALANCES							
Bank of England	-	0.7	0.1	0.5			
HSBC	2.7	0.1	0.6	3.3			
Bank of New York	2.9	-	-	2.9			
Money markets	6.7	161.4	282.6	346.5			
Total Cash	12.3	162.2	283.3	353.2			

Exchange rates as at 14 September 2011:

US\$ 1 : GBP 0.6354
EURO €1 : GBP 0.8688

Exchange rates as at 14 March 2012:

US\$ 1 : GBP 0.6387
EURO €1 : GBP 0.8377

Amounts include VAT where applicable



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