



Client Advisory

Update: Lehman Brothers International (Europe) (in Administration)

10 November 2008

All known creditors of Lehman Brothers International (Europe) (in Administration) (“LBIE”) have been invited to attend a creditors’ meeting to be held at 11 am GMT on Friday, 14 November 2008 at Indigo2, Peninsular Square, London SE10 0DX.

PricewaterhouseCoopers LLP (“PwC”), joint-administrators of LBIE, will present their proposals for the ongoing administration of LBIE to LBIE’s creditors for approval in accordance with the UK Insolvency Act 1986 (as amended) (the “Act”). All creditors will be bound by the Administrators’ proposals if they are approved at the creditors’ meeting by a majority of 50% or more in value.

The proposals have been sent to all known creditors and published on PwC’s website at: www.pwc.co.uk/pdf/LBIE_Proposals_28_Oct_2008.pdf. A list of counterparties PwC is aware of can be found at: www.pwc.co.uk/pdf/LBIE_All_known_counterparties_addresses.pdf.

Amendments

LBIE creditors may suggest amendments to be considered for incorporation into the PwC proposals either before or at the meeting.

Creditors’ Committee

At the meeting, it is expected that a creditors’ committee will be formed. PwC have stated that a maximum of five members can be appointed to the committee. PwC have requested that any nominations for the creditors’ committee are received by **5 pm GMT, 11 November 2008**. Such nominations may be made by completing the appropriate part of the proxy form (Form 8.2) found at: www.pwc.co.uk/pdf/LBIE_-_counterparty_-_final_version_-_cover_letter.pdf. All proxies may be returned by fax to +44 (0)20 7212 6598.

PwC do not expect to be able to determine the result of the voting for the membership of the creditors’ committee on the day of the creditors’ meeting, but creditors will be notified of the result in writing soon afterwards.

Attendance

All LBIE creditors can attend either in person or by submitting a proxy. In order to vote (either in person or by proxy), written details of the creditors’ claim must be submitted by no later than **midnight GMT, 12 November 2008** via the LBIE creditors’ website (dm.pwc.com/LBIECreditors). Registration for attendees will begin at 10 am on the day of the meeting and the meeting will start promptly at 11 am.

Creditors are not obliged to attend the meeting or to submit a proxy if they do not wish to vote. Nonattendance will not prejudice a creditor’s claim or entitlement to any dividend, if there is one. Any financial information that is provided at the meeting will be immediately posted on the PwC website (<http://www.pwc.co.uk>) afterwards.

Submitting a Claim

In order to vote at the creditors’ meeting, all creditors must have submitted a claim on the LBIE creditors’ secure website (<https://dm.pwc.com/LBIECreditors>). Instructions are available on the PwC website (www.pwc.co.uk/pdf/LBIE_institutional_clients_confirmation_of_balances_request.pdf).

Submitting an unsecured claim on the website is for voting purposes at the creditors' meeting only. All claims should be in US dollars and valued at 07:56 am GMT, 15 September 2008.

PwC accept that some creditors may not know their net position at this stage. Therefore, PwC have requested that claims submitted for voting purposes are based on the information that is available and that any assumptions are listed. All creditors will have a further opportunity to review their claims in due course.

Creditors should also submit confirmation of their positions as previously requested by PwC on 8 October 2008 (www.pwc.co.uk/pdf/LBIE_institutional_clients_confirmation_of_balances_request.pdf).

Action Required

If you wish to attend the creditors' meeting on Friday 14 November, 2008, you must submit a claim to PwC via the LBIE creditors' website. This **MUST BE DONE BY MIDNIGHT, WEDNESDAY, 12 NOVEMBER 2008**. All voting at the meeting will be based upon the value of the total claims notified to PwC.

If you wish to appoint a proxy or nominate a creditor for the proposed creditors' committee, your proxy must be received by PwC no later than **5 PM GMT, TUESDAY, 11 NOVEMBER 2008**. We would be happy to act as a proxy if you so require.

For further information, please contact:

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