

LIQUIDATION REPORT

report number 2 of the liquidators of

Lehman Brothers Treasury Co. B.V. in liquidation ("LBT")

20 February 2014

The Liquidators communicate in two ways with holders of notes and certificates issued by LBT (jointly: "Noteholders"): (i) important information with respect to the distributions made by LBT will be provided in "Notices to Noteholders". The Liquidators will also send these notices through the electronic communication channels of the clearing systems; (ii) information about the progress of the liquidation will be made public by the Liquidators by issuing liquidation reports. Both the notices and the liquidation reports are available on www.lehmanbrotherstreasury.com (the "LBT Website").

Key items:

- As per 3 April 2013 the Composition Plan has become effective (the "**Effective Date**"). As a result, the bankruptcy of LBT ended. On the Effective Date, LBT was put in voluntary liquidation. The former bankruptcy trustees of LBT were appointed as liquidators of LBT (the "**Liquidators**").
- On 3 October 2013, LBT received a fourth distribution of LBHI of USD 1,611,299,027 on its allowed claim against LBHI.
- Starting on 24 October 2013, LBT made a second distribution under the Composition Plan on the Outstanding Series of Notes and on Acknowledged Other Ordinary Claims. The distribution percentage was 4.74% and the total amount paid USD 1.606,337,822.

Nothing in this report should be deemed or construed as an admission of liability or claims, or as a waiver of any rights, claims or defenses.

Company details	:	Lehman Brothers Treasury Co. B.V. in liquidation
Bankruptcy number	:	F. 13/08/494
Date of court decision	:	(Provisional suspension of payments: 19 September 2008) Bankruptcy: 8 October 2008
Effective Date Composition Plan	:	3 April 2013 (end of bankruptcy: 2 April 2013)
Liquidators	:	Rutger J. Schimmelpenninck and Frédéric Verhoeven
Period under review	:	1 September 2013 – 31 January 2014
Hours spent in period under review	:	
1 September 2013 – 31 January 2014:	:	993.6
Hours spent since Effective Date	:	2,324.7

0. Preliminary comments

- 0.1 This is the second report of the Liquidators and should be read in conjunction with the previous bankruptcy reports and the previous liquidation report (the "**Previous Reports**"). This report covers the period from 1 September 2013 through 31 January 2014. Definitions and abbreviations in this report are used in the same manner as in the Previous Reports and in the Composition Plan.
- 0.2 On 3 April 2013 the Composition Plan became effective. As a result, LBT emerged from bankruptcy and was put in voluntary liquidation (*vereffening*). The (former) bankruptcy trustees of LBT were appointed as liquidators of LBT by Stichting Lehman Brothers Treasury Co. ("**Stichting**").

1. Statement of affairs

1.1. Management and organisation

LBT was a wholly-owned subsidiary of Lehman Brothers UK Holdings (Delaware) Inc, an entity fully owned by Lehman Brothers Holdings Inc. ("**LBHI**"), the holding company of the worldwide operating Lehman Brothers group of companies (the "**Lehman Brothers Group**"). Since 28 February 2012, Stichting is the sole shareholder of LBT. As per 3 April 2013, the board of Stichting consists of Mr H.P. de Haan, Mr. J.L.R.A. Huydecoper and Mr. M.H. Reuchlin.

1.2. Activities LBT

LBT was incorporated for the financing of the business activities of the Lehman Brothers Group by issuing financial instruments, in particular "**(structured) Notes**" to institutional and retail investors.

1.3. Financial information

Current state of affairs

The Liquidators refer to the financial report attached to this report as Annex I. This report contains an overview of all receipts and payments received or made by LBT from 1 July 2013 up to 31 December 2013.

1.4 Lehman Brothers cross-border insolvency protocol

In the past period no formal meetings of the protocol members took place. The protocol members continue to keep each other informed on important matters, such as the status of the extended lien procedures (see also paragraph 4.2).

2. Assets

2.1. Assets

LBT's main asset is an allowed class 4A claim against LBHI of USD 34,548,000,000. To date, LBT received four distributions from LBHI totalling USD 5,642,381,703.

The date of the fifth distribution of LBHI is set on 3 April 2014.

2.2. Estate accounts and cash-management

The Liquidators refer to the financial report attached to this liquidation report as Annex I.

3. Debtors

3.1. U.S. Debtors

The Bankruptcy Trustees refer to the Previous Reports and to the Settlement Agreement executed with the U.S. Debtors (Annex I to the tenth bankruptcy report and available on the LBT Website).

As stated in the Previous Reports, Rutger J. Schimmelpenninck was appointed member of the Plan Trust. The Plan Trust has certain rights and duties under the Plan of reorganisation of LBHI. The Plan Trust meets at least twice a year with the LBHI board.

4. LBT Distributions

4.1. Distributions LBT

On 24 October 2013, LBT commenced to make a second distribution on the Outstanding Series of Notes and on Acknowledged Other Ordinary Claims of 4.74% (total amount USD 1,606,337,822). Reference is made to the ISIN-by-ISIN distribution report available on the LBT Website.¹ This report states the distribution amount paid on each ISIN as well as on each Other Ordinary Claim.

With respect to US52521XAB47, distributions were previously withheld due to operational review. This operational review was needed because a difference existed between the outstanding positions in the books of LBT and the outstanding positions in the books of the relevant ICSD. After finalising the operational review, LBT made an interim distribution on US52521XAB47 of USD 4,789,993 on 23 January 2014.

4.2. Extended Liens / Hong Kong proceedings

Reference is made to the Previous Reports. The Hong Kong Court ordered a hearing at 21 January 2014 on the merits of the amended application in which the liquidators of Lehman Brothers Securities Asia Limited *in liquidation* ("**LBSAL**") expressed their views on the enforceability and scope of the extended liens, also known as TPSI-clauses (third party security interests).

Prior to the hearing, the liquidators of LBSAL requested all the Lehman Brothers entities who reserved their rights regarding the TPSI-clauses to withdraw their

¹ <http://www.lehmanbrotherstreasury.com/pdf/english/Overview%20Distribution%202.0%20per%20series%20of%20Notes%20for%20LBT%20Website.PDF>

reservation of rights. After careful deliberation, the Liquidators withdrew their reservation of rights. Based on the current information available to the Liquidators, no claims of LBT exist to the extent such TPSI-clauses would legally be enforceable.

5. Provisions of information

This report as well as the Previous Reports are available on the LBT Website.

Amsterdam, 20 February 2014

Rutger J. Schimmelpenninck
liquidator

Frédéric Verhoeven
liquidator