INTERIM REPORT

Interim report number 11 of the Bankruptcy Trustees of

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

January 23, 2012

*The Bankruptcy Trustees communicate in two ways with holders of notes and certificates issued by LBT ("**Noteholders**"): (i) information the Bankruptcy Trustees are obliged to provide to Noteholders pursuant to the Dutch Bankruptcy Act, e.g. about the filing of claims, the date of creditors' meetings and any distribution, is also provided in "Notices to Noteholders". The Bankruptcy Trustees will also send these notices through the electronic communication channels of the clearing systems; (ii) information about the progress of the bankruptcy will be made public by the Bankruptcy Trustees by issuing public reports. Both the notices and the public reports are available on the LBT website **www.lehmanbrotherstreasury.com**.*

Key items:

- Definitions and abbreviations in this interim report are used in the same manner as in the previous reports;
- Following the publication of the Valuation Principles in the tenth public report of November 11, 2011, questions were raised by Noteholders. The Bankruptcy Trustees have compiled the main questions and their answers in a frequently asked question list, attached to this report (the "**FAQ**"). The FAQ is also available on the website of the Bankruptcy Trustees (www.lehmanbrotherstreasury.com);
- **The Bankruptcy Trustees furthermore inform that the Acceleration Bar Date (as further defined in the tenth public report) has been extended from February 1, 2012 to February 28, 2012. After this date, Qualifying Acceleration Notices will no longer be taken into account**;
- The Bankruptcy Trustees expect to publish the first batch of LBT Note Valuations on the website by the end of this month.

LEHMAN BROTHERS TREASURY CO. B.V. (IN BANKRUPTCY)("**LBT**")

FAQ

With respect to the Valuation Principles stated in the 10th public report of November 11, 2011

This document contains Q & A's with respect to the Valuation Principles described in paragraph 6 of the 10th report in the bankruptcy of LBT and should be read in conjunction with the 10th report. This bankruptcy report, as well as the previous reports and other information with respect to the bankruptcy of LBT, can be found on www.lehmanbrotherstreasury.com. Nothing in this document should be deemed or construed as an admission of liability or claims, or as a waiver of any rights, claims or defenses by the LBT Estate.

Contents

Questions related to Annex II of the 10th public report

1. How are the adjustment for the funding spread and the loading factor in steps 1 and 3 respectively of Annex II of the Tenth Bankruptcy Report calculated?

The commentary below should be read in conjunction with Annex II of the Tenth Bankruptcy Report.

Calculations of the adjustment for the funding spread and the loading factor are set forth below. All swap rates and funding spreads used in the Annexes to the Tenth Bankruptcy Report are for illustrative purposes only, and do not purport to reflect historic market data or real values for actual Notes.

Questions 2 and 3 below provide further details on actual funding spreads and swap rates.

Step 1 adjustment for funding spread

The step 1 adjustment for the funding spread is calculated as follows:

Adjustment for funding spread = present value of (1% hypothetical funding spread * Specified Denomination) at the hypothetical USD swap rate of 4% over the expected life of 10 years.

Given the Specified Denomination of USD 1,000, the 1% hypothetical funding spread in the example gives rise to an annual hypothetical funding spread amount of USD 10 for each year of the Note's expected life of 10 years. The total present value of these funding spread amounts of USD 81.11 is derived as follows:

	Year									
	1	2	3	4	5	6	7	8	9	10
Hypothetical funding spread amount in US Dollars	10	10	10	10	10	10	10	10	10	10
Discount factor	0.962	0.925	0.889	0.855	0.822	0.790	0.760	0.731	0.703	0.676
Present value of hypothetical funding spread amount	9.615	9.246	8.890	8.548	8.219	7.903	7.599	7.307	7.026	6.756

Total present value **81.11**

Step 3 loading factor

The step 3 loading factor is calculated by considering a plain vanilla fixed rate bond with a coupon of 4.205% per annum (as derived in Step 2), a term to maturity of 10 years, and a Redemption Amount equal to $FV_{restated}$. The present value of this fixed rate bond is first calculated using discount factors based on the hypothetical US Dollar swap rate of 4% used in the example, and secondly using the same US Dollar swap rate increased by the implied spread of 2%[1].

The present values of this fixed rate bond of USD 1,450.68 and USD 1,238.43, discounted at 4% and 6% respectively, are derived as follows:

US Dollar hypothetical swap rate	4.000%	Year										
Redemption amount	1426.99	1	2	3	4	5	6	7	8	9	10	10
Weighted Average Coupon Rate	4.205%	60	60	60	60	60	60	60	60	60	60	1427
		0.96	0.92	0.89	0.85	0.82	0.79	0.76	0.73	0.70	0.68	0.68
		57.69	55.47	53.34	51.29	49.32	47.42	45.60	43.84	42.16	40.53	964.02
Total present value	**1450.68**											

US Dollar hypothetical swap rate increased by implied spread	6.000%	Year										
Redemption amount	1426.99	1	2	3	4	5	6	7	8	9	10	10
Weighted Average Coupon Rate	4.205%	60	60	60	60	60	60	60	60	60	60	1427
		0.94	0.89	0.84	0.79	0.75	0.70	0.67	0.63	0.59	0.56	0.56
		56.60	53.40	50.38	47.53	44.84	42.30	39.90	37.64	35.51	33.50	796.82
Total present value	**1238.43**											
Loading Factor	**0.854**											

Where the loading factor is equal to 1238.43/1450.68 = 0.854.

2. Do all Notes have a 1% funding spread? Where can funding spreads and expected lives with respect to each Series be found?

All swap rates and funding spreads used in the Annexes to the Tenth Bankruptcy Report are for illustrative purposes only, and do not purport to reflect historic market data or real values for actual Notes. In particular, the funding spread obtained from Lehman varies from one Note to another, and in some cases is negative, which in such cases means that $FV_{restated}$ is less than the Fair Value of the Note. Thus if any Notes actually have a 1% funding spread this will be purely coincidental.

[1] The implied spread of 2% over the applicable swap rate is derived from the LBT Credit Spread of 2.5% such that: risk-free rate + LBT Credit Spread = swap rate + implied spread.

Later in January 2012, the Bankruptcy Trustees plan to publish funding spreads and expected redemption dates for all LBT Notes on an ISIN by ISIN basis according to LBT's accounting records[2]. The Bankruptcy Trustees will use this data to calculate the Deemed Contractual Amount for undetermined Notes in accordance with Annex II.

3. How is the Fair Value derived from the LBHI Valuation Statement published on the EPIC website (www.lehman-docket.com)?

The Fair Value of an ISIN is the sum of column A and column B as reported in the LBHI Valuation Statement (as updated by LBHI from time-to-time).

The following extract from the most recent version of the LBHI Valuation Statement[3] shows the Fair Value for a number of Notes as calculated by the Bankruptcy Trustees.

		A	B	C	D	E	F	
ISIN / Cusip	Valuation Category	FV with CVA	CVA Add-Back	FVA Add-Back	Accrued Interest	Foreign Exchange Adjustment	Allowed Claim $	**Fair Value**
CH0027120770	Fair Market Value	12.561.733	1.224.757	0	N/A	266.065	14.052.556	13.786.491
CH0027120853	Fair Market Value	4.278.064	373.164	0	N/A	80.909	4.732.137	4.651.228
CH0027120945	Fair Market Value	3.220.137	288.259	0	N/A	61.029	3.569.425	3.508.396
CH0036891080	Fair Market Value	1.384.888	88.779	0	N/A	25.635	1.499.301	1.473.666
CH0036891106	Fair Market Value	866.552	19.159	0	N/A	15.407	901.118	885.711
CH0036891114	Fair Market Value	816.178	18.065	0	N/A	14.512	848.754	834.243
CH0036891122	Fair Market Value	2.768.591	58.524	0	N/A	49.178	2.876.293	2.827.115
CH0036891239	Fair Market Value	2.559.692	175.592	0	N/A	47.581	2.782.865	2.735.284
CH0039308652	Fair Market Value	6.840.263	238.746	0	N/A	123.141	7.202.150	7.079.009
CH0039308660	Fair Market Value	712.353	2.042	0	N/A	12.427	726.822	714.395
CH0039308686	Fair Market Value	22.001.865	(1.865)	0	N/A	0	22.000.000	22.000.000

Source: LBHI Valuation Statement

Where:

Column F is Column A+B+C+D+E

[2] The funding spreads and expected redemption dates are derived from Lehman's internal accounting records and will be used on an "as is" basis, and as such the Bankruptcy Trustees assume no responsibility for these numbers.
[3] The initial 8K filing as of October 29, 2010 is no longer available to Noteholders; the format presented in this Q&A is taken from the most recent version (as of 22 November 2011) available on http://dm.epiq11.com/LBH/document/GetDocument.aspx?DocumentId=1453079

And the Fair Value as used by LBT is Column A+B

4. What swap curve will be used in the application of the LBT Credit Spread to any undetermined Notes?

Swap curves by major currency as of September 12, 2008 as are publicly available from data providers such as Bloomberg and Reuters, will be used. The spot rate (derived from these curves) commensurate with the expected term to maturity of each Note (as determined by Lehman) will then be used. In other words, all discounting calculations in steps 1 and 3 of Annex II will be made using a single, spot swap rate commensurate with the expected term to maturity of the Note[4].

Where necessary, swap rates will be calculated by using linear interpolation.

Accelerations and Annex III

5. What discount rate is used in connection with an accelerated Note that references fair value as the basis for the estimation of the Early Redemption Amount?

The Early Redemption Amount related to certain accelerated Notes may not be determined if the relevant clauses in the Conditions on the Early Redemption Amount simply reference the fair value of the Note (as of the Early Redemption Date). This means that the Early Redemption Amount of such Notes needs to be estimated as the fair value of such a Note as of the Early Redemption Date.

The Bankruptcy Trustees will establish the Deemed Contractual Amount of such accelerated Notes in accordance with Annex III of the Tenth Bankruptcy Report. In accordance with Annex III, the Deemed Contractual Amount will be the present value of such future cash flows as of the acceleration date, discounted using the applicable risk-free rate at the date of acceleration increased by the LBT Credit Spread. The Bankruptcy Trustees will use risk free rates as are publicly available from data providers such as Bloomberg and Reuters (which is also the source of the risk free rates as of September 12, 2008 published by the Bankruptcy Trustees in the Fourth Bankruptcy Report).

[4] In theory, multiple discount rates could be used for a single Note commensurate with the timing of each cash flow.

6. How will unwind costs be treated in the calculation of Admissible Amounts for accelerated Notes?

The Conditions of certain Notes state that the calculation of the Early Redemption Amount needs to take into account the deduction of unwind costs to be determined by the calculation agent.

Since it is unclear whether the claims of the swap counterparties could (on a pro rata basis) qualify as "unwind costs" (and it is not practicable to reconcile each unwound swap to each Note), the Bankruptcy Trustees will ignore such unwind costs in the calculation of the Admissible Amount of validly accelerated Notes.

General Issues

7. What date will be used to establish whether a Note falls into Category III or Category IV?

In principle, Category III is comprised of claims that become due and payable later than one year after the Bankruptcy Date but before the Claims Filing Date; and Category IV is comprised of claims that become due and payable after the Claims Filing Date.

In order to ensure that the Admissible Amounts for all Notes are available well in advance of any proceedings at the District Court to consider the composition plan presently contemplated by the Bankruptcy Trustees, the Bankruptcy Trustees have provisionally decided to apply April 30, 2012 as the Note Cut-Off Date. This means that any Note that matures before and including the Note Cut-Off Date will be treated as a Category III Note; and any Note that matures after the Note Cut-Off Date will be treated as a Category IV Note.

8. How will discount factors be established for terms not published by the Bankruptcy Trustees in the fourth Bankruptcy Report?

Cash flows that arise after BD+1 on determined Notes that fall into Category III or Category IV are discounted to BD+1 using the implied forward rate for the term to maturity that corresponds to the period between BD+1 and the date upon which the Contractual Amount concerned becomes due and payable. This implied forward rate is derived from the risk-free rates as published by the Bankruptcy Trustees in the 4th Report (where necessary, using linear interpolation or extrapolation) increased by the LBT Credit Spread of 2.5%.

The calculation of this implied forward rate is arithmetically equivalent to discounting determined cash flows that arise after BD+1 back to BD and then rolling their present value forward to BD+1 at the applicable one-year discount rates (which is the one-year risk-free interest rate for the currency in question increased by the LBT Credit Spread).

For example, consider a Note with a cash flow of USD 1,000 on April 8, 2010.

The cash flow falls 1.5 years after BD and thus 0.5 years after BD+1. As of September 12, 2008, the 1-year (zero coupon) US Treasury rate was 1.9648% and the 2-year rate was 2.2099%. Therefore, we discount the payment of USD 1,000 over 1.5 years at a discount rate of 4.58735%, which is based on the linearly interpolated risk-free interest rate of 2.08735% increased by the LBT Credit Spread of 2.5%. The resulting present value of USD 934.9347 is then rolled forward at the 1-year rate of 4.4648% (being 1.9648% increased by the 2.5% LBT Credit Spread), which gives an amount equal to USD 976.6776.

The above calculations are equivalent to discounting the cash flow of USD 1,000 over 0.5 years at an implied forward interest rate of 4.8329%.

9. Why can the Admissible Amount under the LBT Valuation Principles differ (upwards or downwards) from LBHI's valuation of LBT Note claims?

The Admissible Amount of certain Notes might differ significantly from the values allocated to such Notes under LBHI's valuations. There are several reasons for this.

One of the main reasons is that the values attributed by LBHI to the Notes are based on the fair values of the Notes as of September 15, 2008, whilst the LBT Valuation Principles are based on the actual Maturity Dates of Notes.

The values of the underlying elements of a Note will in most cases have moved either downward or upward from September 15, 2008 to the actual Maturity Date of a specific Note. For example, the values of certain U.S. equities have gone down in the first months after September 15, 2008, whilst the values of certain commodities have gone up in the same period. This will have an effect on the valuation of Notes whose performance is linked to such underlyings.

Another reason for differences in values is that LBT recognises accelerations with respect to certain Notes, whilst LBHI does not take acceleration notices into consideration in its valuation of such Notes.

10. Why was an Acceleration Bar Date set?

Since the Terms of Notes do not provide for a final date on which Notes can be accelerated and since 45% of the Notes is still outstanding, a distinction needs to be made between accelerated and non-accelerated Notes in order for the LBT Estate to value all Notes before the Claims Admission Meeting.