
Announcement in respect of the unwind of Minibond Series 5 to 7 and 9

On 20 December 2010, HSBC Bank USA, National Association, the trustee of Minibond series 5 to 7 and 9, appointed Ted Osborn, Anthony Boswell and Marie Rowbotham from PricewaterhouseCoopers as receivers (the "Receivers") of the collateral underlying Minibond series 5 to 7 and 9 (the "Minibond Collateral").

Since their appointment, the Receivers' role has been to consider various options to unwind the complex Minibond structure and find a solution to the competing claims on the Minibond Collateral in order to preserve and recover value for the Minibond investors in series 5 to 7 and 9. The Receivers announce today the steps required to complete an unwind of series 5 to 7 and 9. For the avoidance of doubt, this does not relate to Minibond series 10 to 12, 15 to 23 and 25 to 36, where final recoveries were distributed to investors in 2011.

Noteholders will be asked to vote on extraordinary resolutions at meetings of Noteholders in order that the unwind of series 5 to 7 and 9 can proceed. In addition, to facilitate the unwind of series 9, the Receivers have reached a conditional agreement in respect of a swap agreement within that structure to release all claims that Lehman Brothers Special Financing Inc. has as swap counterparty. This is a key step in the unwind of series 9. The agreement is conditional on Noteholder approval in series 9 only.

Noteholder meetings in respect of the unwind will be held for each of series 5, 6, 7 and 9 in July. A majority of Noteholders consisting of 75% or more of the votes cast at each meeting of series 5 to 7 and 9 must vote in favour in order for the extraordinary resolutions to be passed. Notices of the meetings for each of series 5 to 7 and 9 have been sent through the clearing systems to Minibond investors who are eligible to attend and vote. Investors who continue to own notes in Minibond series 5 to 7 and 9 are encouraged to attend the meetings.

Current preliminary estimates of the amount which will be realised from the Minibond Collateral is in the region of 30% of principal value of the notes. Minibond investors' individual recovery will be subject to their participation in the Repurchase Scheme and any other settlement they may have reached with the Distributor Bank from whom they purchased their investment. Minibond investors will receive a separate communication directly from the Distributor Bank from whom they purchased their investment.

Information in connection with the Noteholder meetings will be placed on the Receivers' Website: http://www.pwchk.com/home/eng/minibonds_2.html

Further information including ***Frequently Asked Questions*** in connection with the series 9 agreement and the meetings can be found on the Receivers' website: http://www.pwchk.com/home/eng/minibonds_2.html

The Receivers and PwC cannot and do not offer any form of financial or legal advice to Minibond investors and nothing herein should be construed as such. Minibond investors should seek independent professional advice with respect to their own legal and financial positions.

4 June 2012