



KPMG LLP
Restructuring
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Tel +44 (0) 207 311 1000
Fax +44 (0) 207 311 3311

To: **All known creditors and clients**

To: **Financial Conduct Authority**

Our ref RS/4/63238.0003/2X

Contact mfglobalclaims@kpmg.co.uk

2 September 2013

Dear Sirs,

MF Global UK Limited (in special administration) ("MFGUK")

Notice of proposed distribution – Rule 175 of The Investment Bank Special Administration (England and Wales) Rules 2011

Second Interim Distribution

As you are aware, Richard Heis, Michael Pink and Richard Fleming were appointed as the administrators of MFGUK (the "**Administrators**") on 31 October 2011.

As set out at page 13 of the Administrators' Illustrative Financial Outcome dated 5 August 2013 (available at www.kpmg.co.uk/mfglobaluk), in determining the amount available for the first interim distribution to unsecured creditors which was declared on 22 August 2013 (the "**First Interim Distribution**"), the Administrators reserved for approximately £757 million in order to provide for the possible outcome of the Administrators' Shortfall Application. As you may be aware, the Court handed down judgment on the Shortfall Application on 16 August 2013. Copies of the judgment and order, together with worked examples, are available from the website above. As a result, a substantial part of the £757 million reserve can now be released, thereby increasing the amount available for distribution.

Accordingly, notice is hereby given pursuant to Rule 175 of The Investment Bank Special Administration (England and Wales) Rules 2011 (the "**Rules**"), that the Administrators intend to make a distribution to creditors by way of a second interim dividend to MFGUK's preferential creditors (if any) and unsecured creditors (the "**Second Interim Distribution**").

The Administrators intend to make a distribution to creditors within the period of two months from 30 September 2013. The Administrators will notify all creditors of the level of the Second Interim Distribution in due course.

If you wish to take part in the upcoming Second Interim Distribution:

1. If you have already filed your creditor claim form with the Administrators and signed and returned your creditor claim settlement agreement to the Administrators, you do not need to take any steps in relation to your creditor claim.
2. If you have already filed your creditor claim form with the Administrators, but have not already signed and returned your creditor claim settlement agreement to the Administrators, please return signed originals of the following to the Administrators as soon as possible (and in any event **before 30 September 2013**, being the last date for proving):
 - (i) the creditor claim settlement agreement;
 - (ii) the bank account confirmation form; and
 - (iii) where relevant, the new bank details form.
3. If you have not yet submitted a creditor claim form in the special administration, creditor claim forms may be lodged with the Administrators at any point **up to and including 30 September 2013**, that date being the last date for proving. However, creditors are requested to lodge their creditor claim forms at the earliest possible opportunity. Claim forms can be downloaded from the “Creditors and Clients” section of Administrators’ website (www.kpmg.co.uk/mfglobaluk). Creditors are also encouraged to submit supporting evidence with their creditor claim form and may be requested to provide such further details or produce additional documentation or other evidence as the Administrators may request.
4. Clients who have “shortfall claims” or “parallel claims” following the judgment on the Shortfall Application do not need to submit creditor claim forms for those claims. As the Administrators continue to work through the implications of the judgment on the Shortfall Application, it is unlikely that the Administrators will be able to quantify and pay out on “shortfall claims” or “parallel claims” as part of the Second Interim Distribution. The Administrators will however calculate those claims by reference to admitted client money claims and will notify clients of the value of those claims in due course.

To submit your claim form or return signed originals of the documents set out at paragraph 2 above, please send a copy by email to mfglobalclaims@kpmg.co.uk with a hard copy delivered for the attention of the Administrators to: MF Global UK Limited (in special administration), MF Global Claims, 5 Churchill Place, Canary Wharf, London, E14 5HU, United Kingdom.

Creditors who have not returned their creditor claim forms or the documents set out in paragraph 2 above, to the Administrators by 30 September 2013 will not be entitled to share in the proposed Second Interim Distribution. (If these documents are received after the last date

for proving, the Administrators are likely to wait until after the dividend has been declared before dealing with them. You may then be paid a 'catch up' dividend, to the extent there are funds available for distribution before any further dividends are paid to other creditors.)

Pursuant to Rule 179(2)(c) of the Rules, the Administrators must state in this notice the value of the prescribed part. The prescribed part, being a sum which the Administrators are required to set aside from the realisation of assets which are subject to a floating charge, does not apply in this special administration as no sums were due to secured creditors on appointment. As such, the value of the prescribed part is zero.

Should you have any questions in relation to this notice or require a hard copy of any of the documents described above, please contact the Administrators' staff using the details set out below:

Email: mfglobalclaims@kpmg.co.uk

Telephone Number: +44 207 785 0308

Address: MF Global UK Limited (in special administration)
MF Global Claims
5 Churchill Place, Canary Wharf
London, E14 5HU
United Kingdom

Please see the Administrators' website (www.kpmg.co.uk/mfglobaluk) for further updates in relation to the anticipated second interim distribution to MFGUK's general unsecured creditors.

Yours faithfully,



Richard Heis

Joint Administrator of MF Global UK Limited (in special administration)

Richard Heis, Michael Robert Pink and Richard Dixon Fleming were appointed as administrators of MF Global UK Limited (in special administration).

The affairs, business and property of MF Global UK Limited are being managed by the administrators who contract as agents of MF Global UK Limited (in special administration) without personal liability.

Richard Heis and Michael Robert Pink are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Richard Dixon Fleming is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.