



London
STOCK EXCHANGE

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**For the attention of the
chairman/senior partner/compliance officer,
all member firms**

N16/08

STOCK EXCHANGE NOTICE

LEHMAN BROTHERS INTERNATIONAL (EUROPE) – CLARIFICATION ON SETTLEMENT OF ON EXCHANGE TRANSACTIONS IN CREST

1. The Exchange wishes to provide clarification on the information provided by Euroclear UK and Ireland (“EUI”)’s Operational Bulletin issued on 18 September 2008, in relation to unsettled instructions currently in CREST regarding transactions with Lehman Brothers International (Europe) (“Lehman”).
2. At the present time member firms can have no certainty that all the transactions they undertook with Lehman that are flagged in CREST with a Trade System of Origin of “S” (London Stock Exchange) are covered by the Exchange’s default rules. The Exchange is currently undertaking a reconciliation process by which it will identify which transactions are subject to the Exchange’s default procedures and rules and will communicate to member firms once this is complete.
3. Further instructions will be provided to member firms on the actions that they need to carry out across all Central Securities Depositories (“CSDs”) in due course.
4. Any queries on this Notice should be addressed to:

Rachael Hanley, Trading Services, telephone +44 20 7797 4214 (STX 34214)
email: ghanley@londonstockexchange.com

Nick Bayley
Head of Trading Services

This Stock Exchange Notice will be available on the website at
<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnotices/stockexchangenotices2008.htm>

Calls to London Stock Exchange plc may be recorded to enable the Exchange to carry out its regulatory responsibilities.