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To: **All creditors who have proved their debts**

To: **Financial Conduct Authority**
25 The North Colonnade
Canary Wharf
London E14 5HS

Our ref TC/JC/PBB01F5305/2X

Contact mfglobalclaims@kpmg.co.uk

22 August 2013

Dear Sir,

MF Global UK Limited (in special administration) (“MFGUK”)
Notice of declaration of a dividend – Rule 179 of The Investment Bank Special Administration (England and Wales) Rules 2011

As you are aware, Richard Heis, Michael Pink and Richard Fleming were appointed as the “Administrators” of MFGUK on 31 October 2011.

Pursuant to Rule 179 of The Investment Bank Special Administration (England and Wales) Rules 2011 (the “Rules”), notice is hereby given that the Administrators declare a first interim dividend of 43 pence in the pound to all unsecured creditors whose claims have been admitted for dividend purposes.

Payment of the first interim dividend will be made on or about 22 August 2013 to all unsecured creditors whose claims have been admitted for dividend purposes.

As set out at page 13 of the Administrators’ Illustrative Financial Outcome dated 5 August 2013 (available at www.kpmg.co.uk/mfglobaluk):

- the total amount being made available for distribution in relation to this first interim dividend is £800m;
- the total amount currently under the control of the Administrators in MFGUK’s estate which has been raised from the recovery or sale of MFGUK assets is £1,055 million; and
- in determining that amount available for distribution, the Administrators have made the following provisions:
 - approximately £40 million in relation to amounts due to the client money pool pursuant to the terms of the settlement agreements entered into by MFGUK and certain claimants;
 - approximately £17 million for certain “holdbacks” required by agreements entered into with financial institutions from which cash has been recovered;
 - approximately £128 million in relation to amounts due to MF Global Inc. and MF Global Holdings Limited pursuant to the terms of the settlement agreements entered into by MFGUK and these two entities;



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- approximately £69 million for potential claims arising from disputed client money claims and a general contingency for unexpected events; and
- approximately £100 million for claims which have not yet been agreed by the Administrators.

In each of the 6 monthly progress reports the Administrators have included receipts and payments account for that respective period. These, along with the various notes thereto, provide details of the costs of the special administration and all principal payments made by the Administrators in the special administration. Copies of the 6 monthly reports are available at www.kpmg.co.uk/mfglobaluk.

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. All funds, net of costs, are available to meet the approved claims of unsecured creditors.

There will be further dividend payments in due course, however both the timing and quantum of those dividends are uncertain. Please refer to the Administrators website (www.kpmg.co.uk/mfglobaluk) for further updates in this regard.

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

Yours faithfully,

Michael Pink

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.