



## **MEDIA RELEASE**

15 September 2008

### **Lehman Brothers Australia – ASX Market Participant Status Suspended**

The Australian Securities Exchange (ASX) has been advised today that third-party clearers have terminated their clearing services for Lehman Brothers Australia Limited.

Consequently, in the absence of clearing arrangements, Lehman Brothers Australia has had its status as an ASX Market Participant suspended immediately, under the terms of ASX's Operating Rules.

The third-party clearers – Citi Securities Clearing Australia and Berndale Securities – have committed to meet obligations on behalf of Lehman Brothers Australia for all unsettled, novated transactions.

Lehman Brothers Australia is not a Trading Participant on the SFE market or a Clearing Participant on either of ASX's two central counterparty clearing houses – ACH (cash) and SFECC (futures). Consequently, neither ACH nor SFECC has any direct exposure to Lehman Brothers Australia or to the wider Lehman Brothers group. In addition, Lehman Brothers Australia is not an ASTC Settlement Participant and does not directly participate in ASX's daily batch settlement process.

All on-market trades, regardless of the broker that transacted them, are novated by ASX's clearing houses, guaranteeing the performance of the trades.

ASX's clearing houses continue to monitor the clearing exposures and related risk management activities of their Clearing Participants to ensure the ongoing compliance of Participants with their obligations.

Settlement completed as normal for the whole market today.

Attached is the ASX Circular sent to Participants.

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**ASX Circular**

**Date:** 15 September 2008

**Key topics**

1. Lehman Brothers Australia Limited – Suspension.

**Reading List**

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No responsibility is accepted for any inaccuracies contained in the matter published.

## LEHMAN BROTHERS AUSTRALIA LIMITED - SUSPENSION

Lehman Brothers Australia Limited (formerly Grange Securities Limited) ("Lehman Brothers Australia") is an ASX Market Participant. Lehman Brothers Australia is not an ACH Clearing Participant. Lehman Brothers Australia is not an ASTC Settlement Participant and does not directly participate in ASX's daily batch settlement process.

Today Australian Clearing House ("ACH") was advised by each of Berndale Securities Limited ("Berndale") and Citigroup Securities Clearing Australia Limited ("Citigroup Securities") that each company has terminated its arrangements with Lehman Brothers Australia, pursuant to which Lehman Brothers Australia's on-market (novated) trades are cleared and settled through Berndale or through Citigroup Securities as Third Party Clearers for Lehman Brothers Australia. Under these third party clearing arrangements, either Berndale or Citigroup Securities acts as the ACH counterparty for each novated trade executed by Lehman Brothers Australia on ASX's market.

Pursuant to ASX Market Rule 28.4.4, ASX has suspended Lehman Brothers Australia's admission as an ASX Market Participant with immediate effect.

The initial period of suspension pursuant to the ASX Market Rules will be for one month or such shorter period as ASX may determine. ASX may extend the period of suspension for additional periods if ASX reasonably believes an extension is necessary or desirable.

Berndale and Citigroup Securities have confirmed they stand ready to meet obligations on behalf of Lehman Brothers Australia for all unsettled novated trades.