

MF GLOBAL SINGAPORE PTE. LIMITED  
Company Registration No. 198403253G  
(Provisional Liquidators Appointed)  
c/o KPMG Services Pte. Ltd.  
16 Raffles Quay #22-00  
Singapore 048581

**FOR IMMEDIATE RELEASE**

16 December 2011

**UPDATE ON COLLECTION AND PARTIAL PAYMENT OF CUSTOMERS' SEGREGATED FUNDS OF MF GLOBAL SINGAPORE PTE. LIMITED (PROVISIONAL LIQUIDATORS APPOINTED) (THE "COMPANY")**Customers' Segregated Funds

On 1 December 2011, the Provisional Liquidators announced they had taken control of an estimated US\$322 million of customers' segregated funds, which represented approximately 68% of customers' segregated funds since the appointment of the Provisional Liquidators on 1 November 2011. The Provisional Liquidators have since made good progress and have to-date collected a total sum of approximately US\$392 million, representing some 83% of customers' segregated funds, belonging to some 4,500 customers.

The remaining uncollected customers' segregated funds are, for now, largely held in customer segregated accounts maintained by counter-parties to and correspondent brokers of the Company, including MF Global Affiliates and funds held in the Taiwan Branch of the Company.

The Provisional Liquidators are making every effort to continue their pursuit for the return of all the remaining customers' segregated funds.

Proposed Release of Customers' Segregated Funds

As announced on 1 December 2011, the Provisional Liquidators are looking at effecting a partial release of collected customers' segregated funds. In line with that, and given the substantial progress in the collection of such funds, the Provisional Liquidators propose to release a large portion of the recovered funds to customers having legitimate proprietary interests in and to such funds. The proposed partial release is also made possible in view of the progress achieved in the verification and reconciliation of the books and records of the Company in relation to the customers' balances and segregated accounts, and the verification of customers' ownership to the monies and assets in such accounts.

With some 17% of the customer funds yet to be received and significant challenges remaining with the reconciliation and accurate assessment of customer positions, the Provisional

Liquidators must however act with prudence and retain an adequate reserve of the balance customer funds collected thus far. This is in the interests of ensuring that the proposed distribution is fair and equitable to all relevant customers of the Company and consistent with applicable laws and regulations and the respective reasonable expectations of all customers with regard to their respective proprietary/ownership rights to the specific funds recovered into or otherwise held in Singapore. Significant information including close-out prices of previously outstanding derivatives contract positions, remain outstanding from overseas counterparties and brokers. Accordingly, the completion of the above-mentioned reconciliations and verifications process will necessarily take some time.

The Provisional Liquidators will, as advised by their legal counsel, effect the partial release of the said funds collected by an application to the Singapore High Court for sanction of such partial payment.

The court process would be an open and efficient forum to allow all relevant parties, including customers, to raise any views they may have in relation to the proposed interim distribution, and for the court to give clear directions in that regard, particularly with respect to any potential issues (including legal issues) which may arise in effecting an interim distribution of collected customer segregated funds whilst full repatriation of such funds have yet to be achieved,

#### Court Sanction Process

In the court application, the Provisional Liquidators will set out the proposed distribution mechanics and criteria (together with the legal basis) to sanction such distribution, subject to such revision and/or directions as the court may deem appropriate to order. Once the application is filed in court, the Provisional Liquidators will notify all customers accordingly. Customers will be given the opportunity to consider the court application and raise their views. Once the application is filed, the Provisional Liquidators will notify all customers to provide them with further information on the court application, the avenues to raise their views and the claims process.

Subject to the court process and approval, the Provisional Liquidators hope to be able to and will work towards making the partial release sometime in February 2012.

#### Estimated timelines

The Provisional Liquidators are working towards achieving the following timelines:

- 1) The application to court will be made as soon as possible with a view to having the court hearing take place in January 2012.
- 2) All customers will be notified of the court application. The Provisional Liquidators will provide further information on the court application, the avenues to raise their views and the claims process, once the court application has been filed. No further action is required from the customers for now until notification by the Provisional Liquidators.
- 3) Subject to the court schedule, it is expected that the court hearing will take place in mid January 2012.
- 4) On the assumption that the court sanctions the proposed interim distribution in mid to late January 2012, the Provisional Liquidators will work towards releasing the funds to

customers sometime in February 2012. This is again subject to any direction or order which may be given by the court.

Messrs Peter Chay Fook Yuen, Bob Yap Cheng Ghee and Roger Tay Puay Cheng  
For and on behalf of  
MF Global Singapore Pte. Limited  
(Provisional Liquidators Appointed)

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