### MF Global Trustees and Administrators Announce Agreements

MF Global Inc., MF Global UK Ltd. and MF Global Holdings Ltd. Reach Agreements to Resolve All Claims Among The Estates

December 22, 2012 - New York/London - James W. Giddens, Trustee for the Securities Investor Protection Act (SIPA) liquidation of MF Global Inc. (MFGI), and Richard Heis, a Joint Administrator of MF Global UK Ltd. (MFGUK), today jointly announced that they have reached an agreement to resolve all claims between the two entities, including the 30.7 client assets and repo to maturity valuation disputes currently before the High Court of England. Mr. Giddens has filed a motion with the United States Bankruptcy Court for the Southern District of New York, the Honorable Judge Martin Glenn presiding, seeking entry of an order approving the agreement.

Simultaneously, Mr. Giddens and the Chapter 11 Trustee for MF Global Holdings Ltd., et al, (MFGH), Louis J. Freeh, have agreed to resolve all claims between their respective estates. Further, MFGH and MFGUK have agreed to resolve the claims between their respective estates and the litigation commenced by MFGH against MFGUK, subject to the satisfaction of certain conditions.

Combined, the agreements are expected to benefit customers and creditors of the primary MF Global insolvency estates worldwide: MF Global Inc., MF Global UK Ltd. and MF Global Holdings Ltd. The agreements, which are subject to certain conditions being satisfied before they become effective, put in place the key conditions needed for these estates to make significant distributions by avoiding lengthy and costly litigation, providing additional certainty on the total value of claims against the estates and reducing required reserves held against such claims.

"These agreements are in the best interests of former customers and other creditors and allow us to request court approval for significant additional distributions for securities and commodities customers," said Giddens. "Resolving complex issues with these entities marks a critical milestone in administering the MF Global Inc. estate. The agreements could not have come about without cooperation from all parties and the involvement of the Securities Investor Protection Corporation, the Commodity Futures Trading Commission and the Securities and Exchange Commission. We are now focused on court approval, satisfying the conditions to the agreements and making additional distributions."

"Our agreement with MF Global Inc. will clear important obstacles and allow us to significantly reduce reserves that have blocked us from additional distributions to the former customers and creditors of MF Global UK," Heis said. "Mainly as a result of litigation, we have been able to distribute only some 10 percent of the approximately US\$2.5 billion that we have collected. This

settlement, if concluded, will allow a major escalation in this, and we will move quickly to get money in agreed claimants' pockets at the earliest opportunity."

### MF Global Inc. and MF Global UK Ltd. Agreement

As a result of the agreement between MFGI and MFGUK, it is estimated that between US\$500 million and US\$600 million would be ultimately returned to the MFGI estate, depending on final payout rates from the MFGUK client money and general creditor estates. Mr. Giddens anticipates the possibility of 100 percent satisfaction of allowed securities customers' claims and significant additional distributions to commodities customers who traded on US exchanges (4d funds) and commodities customers who traded on non-US exchanges (30.7 funds). Mr. Giddens has filed an application for additional distributions with the Bankruptcy Court.

The Joint Special Administrators will early in January produce a further updated estimated outcome statement showing the projected position of MFGUK post-settlement and an estimate of the increase in the client money distribution percentage and the amount of an initial dividend. The Joint Special Administrators will seek to pay as soon as possible after the settlement becomes effective.

The Joint Special Administrators approached Mr. Giddens and his team with substantial relevant information developed by KPMG and the management and staff of MFGUK concerning the financial position of the MFGUK estate. This allowed Mr. Giddens to conduct a detailed review, which determined there is reasonable basis for the projected payments from MFGUK to MFGI, although the ultimate amounts recovered are not guaranteed.

The parties are grateful for the cross-border cooperation between the staffs of Mr. Giddens and the Joint Special Administrators at KPMG. The Joint Special Administrators also have welcomed the assistance the Financial Services Authority has provided throughout the special administration.

All currently pending litigation between MFGI and MFGUK will be temporarily suspended to allow for completion of the agreement. The agreement is not an admission of liability in relation to 30.7 issues before the High Court of England, or any comment upon the merits of the 30.7 litigation or the legal issues that arise in relation to it or in relation to the effect of Rule 30.7 of the United States Commodity Futures Trading Commission.

Conditions that must be completed before the agreement becomes effective include the Bankruptcy Court making an order that (i) approves the settlement, (ii) prohibits MFGI 30.7 customers from making or continuing claims against MFGUK that are duplicative of claims made by MFGI, and (iii) requires 30.7 customers with allowed claims with a value of greater

than \$12,000 to give a release in favor of MFGUK in respect of any duplicative claims as a condition to receiving further payment from MFGI. The agreement is also conditional upon MFGH withdrawing its litigation against MFGUK.

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