

*Announcement to investors in products backed by Lehman Brothers.*

Arc Capital and Income plc (in administration) ("ACI")

**What this means for investors with Lehman backed plans?**

Robin Davis, Melvyn Carter and John Alexander of Carter Backer Winter LLP ("CBW") were appointed Joint Administrators of Arc Capital and Income plc (in administration) ("ACI") on 26 October 2009.

Following their appointment, the business has effectively been suspended.

Therefore, customers who have invested in Lehman-backed products with ACI may be entitled to compensation from the Financial Services Compensation Scheme (FSCS).

This communication relates to the following plans:

- Arc Fixed Income Plan 6
- Arc Stepped Kick Out Plan 5
- Arc Bull and Bear Enhanced Investment Plan 3

All investors will be contacted shortly by the Joint Administrators. Investors do not need to take any action at this stage.

The Joint Administrators are reviewing the financial position of ACI and will provide updates on the website <http://www.cbw.co.uk/arc.html> when there is new information to report. This also includes a "Frequently Asked Questions" section.