



27 October 2008

To: The holders of the Notes

Dear Sir or Madam

Constellation Investment Ltd. (the "Issuer")
Structured Retail Notes Series 75
SGD Callable Credit-Linked Notes due 2012 (ISIN : XS0301679295) (the "Notes")

We would like to inform you that the Notes will be early redeemed on the credit event redemption date (expected to be on or about 3 November 2008) at the credit event redemption amount in accordance with the terms and conditions of the Notes. The credit event redemption amount for the Notes has been calculated to be zero, and therefore no amounts are due and payable to the holders of the Notes on the credit event redemption date. For the avoidance of doubt, no further payments will be made on the Notes after they have been redeemed.

To assist you with understanding how the credit event redemption amount was calculated, we enclose a copy of the notice from the Issuer setting out the calculation of the credit event redemption amount (the "**Issuer Notice**").

The credit event redemption amount was calculated by **multiplying** the "USD principal amount" per Note (which means the amount in USD which the Issuer received as the "Party A Initial Exchange Amount" under the swap agreement on the date the Notes were issued) by the market value of the reference obligation, then **deducting** the depreciation on the collateral and **deducting** the costs and expenses associated with the termination of the swap agreement, and **multiplying** the resulting figure by the exchange rate of USD/SGD on the date the credit event redemption amount was calculated. The major factor that contributed to the reduction to zero was the substantial notional loss on the reference obligation resulting from the substantial drop in the price of the reference obligation. The bankruptcy of Lehman Brothers Holdings Inc. has caused the reference obligation to trade at values close to zero. In addition, although there were no costs and expenses associated with the termination of the swap agreement, the collateral being a collateralised debt obligation (a "**CDO**"), has depreciated due to adverse market conditions that have affected all CDOs alike.

A brief description of the determination of the market value of the reference obligation, the depreciation on the collateral and the costs and expenses associated with the termination of the swap agreement is set out below:

Market value of the reference obligation (referred to as the Final Price in the Issuer Notice)

- The reference obligation is the Lehman Brothers Holdings Inc. \$1,250,000,000 5.75% Subordinated Notes due 2017 (ISIN number: US524908UB47).
- On 24 October 2008, five dealers that are independent from us were asked to bid for the reference obligation.
- Based on the bid prices expressed as a percentage of the face value of the reference obligation) that were provided by such dealers, the market value of the reference obligation was determined in accordance with the terms and conditions of the Notes.



Depreciation on the collateral (referred to as the Charged Assets Adjustment Amount in the Issuer Notice)

- The depreciation on the collateral is the shortfall between the market value of the collateral compared to the principal amount of the collateral.
- This was determined by DBS Bank Ltd as Calculation Agent in good faith and in a reasonable manner.

Costs and expenses associated with the termination of the swap agreement (referred to as the Hedging Costs in the Issuer Notice)

- The costs and expenses were determined in accordance with the terms of the swap agreement. It was determined that there were no such costs or expenses.

Yours faithfully

DBS Bank Ltd

Constellation Investment Ltd.

**USD \$5,000,000,000 Limited Recourse Secured Note Programme
Structured Retail Notes Series 75
SGD Callable Credit-Linked Notes due 2012 (ISIN : XS0301679295) (the "Notes")**

NOTICE

To: the holders of the Notes (the "Noteholders")

Capitalized terms used and not otherwise defined in this notice shall have the meanings given to them in the terms and conditions of the Notes.

We, Constellation Investment Ltd., refer to our notice to the Noteholders dated 16 September 2008 in respect of the Notes (the "Settlement Notice"). Under the third paragraph of the Settlement Notice, it is stated that we will redeem each Note at the Credit Event Redemption Amount on the Credit Event Redemption Date (being the 30th Business Day following the Credit Event Determination Date, and therefore expected to be on or about 3 November 2008).

We hereby notify the Noteholders that DBS Bank Ltd, as Calculation Agent in respect of the Notes, has determined:


- (i) the Aggregate USD Principal Amount of the Notes to be USD 3,283.21 per Note (being the amount in United States dollars which the Issuer receives on the Issue Date from the Swap Counterparty as "Party A Initial Exchange Amount" under the Charged Agreements, such amount expressed as an amount per Note); and
- (ii) the Final Price to be 0.005% (being the price of the Reference Obligation of Lehman Brothers Holdings Inc. expressed as a percentage, determined in accordance with the Valuation Method); and
- (iii) the Charged Assets Adjustment Amount (expressed as an amount per Note) to be USD 2,358.99 per Note; and
- (iv) the Hedging Costs (expressed as an amount per Note) to be USD 0 per Note; and
- (v) the Prevailing Exchange Rate to be 1.5067 (being the exchange rate of United States dollars/Singapore dollars on the Valuation Date, calculated as the rate of exchange of the number of Singapore dollars for which one United States dollar can be exchanged on the Valuation Date).

As a result, we hereby also notify the Noteholders that the Credit Event Redemption Amount is SGD 0 per Note which is calculated as follows:

multiplied by	USD 3,283.21 0.005%	Aggregate USD Principal Amount of the Notes per Note Final Price
minus	USD 0.16	
minus	USD 2,358.99	Charged Assets Adjustment Amount per Note
minus	USD 0	Hedging Costs per Note
	USD 0 *	
multiplied by	1.5067	Prevailing Exchange Rate
	SGD 0	

* The Credit Event Redemption Amount is subject to a minimum amount of zero.

SIGNED for and on behalf of **CONSTELLATION**)
INVESTMENT LTD. by:)



Duly Authorised Signatory

) Name: Alan Corkish

) Title: Director

Dated: 26 October 2008