





27 October 2008

To: The holders of the Notes

Dear Sir or Madam

**Constellation Investment Ltd. (the "Issuer")**

**Structured Retail Notes Series 76**

**USD Callable Credit-Linked Notes due 2012 (ISIN : XS0301679709) (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 principal amount of the Notes 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. 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 76**  
**USD Callable Credit-Linked Notes due 2012 (ISIN : XS0301679709) (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 30<sup>th</sup> 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 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
- (ii) the Charged Assets Adjustment Amount (expressed as an amount per Note) to be USD 3,592.50 per Note; and
- (iii) the Hedging Costs (expressed as an amount per Note) to be USD 0 per Note.

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

	USD 5,000	principal amount of each Note
multiplied by	0.005%	Final Price
	USD 0.25	
minus	USD 3,592.50	Charged Assets Adjustment Amount per Note
minus	USD 0	Hedging Costs per Note
	USD 0 *	

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

**SIGNED** for and on behalf of )  
**CONSTELLATION INVESTMENT LTD.** by: )  
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 Duly Authorised Signatory  
 Name: Alan Corkish  
 Title: Director

Dated: 26 October 2008