

Constellation Investment Ltd.

USD \$5,000,000,000 Limited Recourse Secured Note Programme

Structured Retail Notes Series 78, 79, 80 and 81

USD Callable Credit-Linked Notes due 2014 (ISIN : XS0311775372)

HKD Callable Credit-Linked Notes due 2014 (ISIN : XS0311775455)

USD Callable Credit-Linked Notes due 2012 (ISIN : XS0311775539)

HKD Callable Credit-Linked Notes due 2012 (ISIN : XS0311775612)

(together, the "Notes")

NOTICE

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

Capitalised terms used and not otherwise defined in this notice shall have the meanings given to them in Appendix 1 and Appendix 2 of the issue prospectus dated 18 June 2007 in respect of the Notes (the "**Issue Prospectus**").

On 16 September 2008, we, Constellation Investment Ltd., as issuer of the Notes, received from DBS Bank Ltd, as calculation agent in respect of the Notes, a notice (as contemplated on page 10 of the Issue Prospectus) that a credit event had happened with respect to one of the reference entities, Lehman Brothers Holdings Inc., on or about 15 September 2008, when Lehman Brothers Holdings Inc. filed a Voluntary Petition under Chapter 11 of the U.S. Bankruptcy Code, which pursuant to the terms of the Notes constitutes a Bankruptcy Credit Event within the meaning of paragraph (iv) of the definition of "Bankruptcy". Such notice consisted of a Credit Event Notice and a Notice of Publicly Available Information, and its form has been attached as Appendix 1 hereto. The Notes are linked to the reference entities on a first-to-default basis.

As set out on page 10 of the Issue Prospectus, we hereby notify Noteholders of the same.

In addition, under the terms of the Notes:

- (i) the Credit Event Determination Date (being the date on which the Credit Event Notice and Notice of Publicly Available Information were effectively given) is 16 September 2008; and
- (ii) accordingly, 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 31 October 2008).

Under the terms of the Notes, the Valuation Date is expected to be on or about 24 October 2008.

This notice constitutes a Settlement Notice under the terms of the Notes.

SIGNED for and on behalf of)

CONSTELLATION INVESTMENT LTD.)

by :)



Duly Authorised Signatory

Name: Alan Corkish

Title: Director

Dated: 16 September 2008

Appendix 1

Constellation Investment Ltd.

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(together, the "Notes")

CREDIT EVENT NOTICE and NOTICE OF PUBLICLY AVAILABLE INFORMATION

To: Constellation Investment Ltd.

Capitalised terms used and not otherwise defined in this notice shall have the meanings given to them in Appendix 1 and Appendix 2 of the Issue Prospectus dated 18 June 2007 in respect of the Notes (the "**Issue Prospectus**").

This notice is our irrevocable Credit Event Notice to you that a Credit Event has occurred with respect to Lehman Brothers Holdings Inc. (being one of the Reference Entities with respect to the Notes) on or about 15 September 2008 when Lehman Brothers Holdings Inc. filed a Voluntary Petition under Chapter 11 of the U.S. Bankruptcy Code, which pursuant to the terms of the Notes constitutes a Bankruptcy Credit Event within the meaning of paragraph (iv) of the definition of "Bankruptcy".

This notice also comprises our Notice of Publicly Available Information with respect to this Credit Event. Accordingly, we provide the Publicly Available Information from two Public Sources attached hereto.

Pursuant to the terms of the Notes the date hereof shall constitute the Credit Event Determination Date.

The Notes are linked to the Reference Entities on a first-to-default basis.

DBS Bank Ltd

16 September 2008

PUBLICLY AVAILABLE INFORMATION

Financial Times, 15 September 2008

FT.com IN DEPTH
FINANCIAL TIMES

Lehman Brothers files for bankruptcy

Print

By FT reporters

Published: September 15 2008 06:04 | Last updated: September 15 2008 11:47

Lehman Brothers Holdings on Sunday filed for bankruptcy protection as it emerged that Japanese banks were the US group's top unsecured lenders and authorities in Tokyo have ordered Lehman's Japanese subsidiary to retain assets in the country.

The collapse of the 158-year-old Wall Street institution will cause thousands of job losses among the investment bank's 25,000-strong staff.



00:00 00:00

UK Daily View

The petition for bankruptcy protection does not include Lehman's broker-dealer operations and other divisions, including Neuberger Berman, the asset manager.

This signals that the bank is either in talks to find buyers for the operations or is planning to unwind the businesses gradually.

The Chapter 11 filing reveals that Japan's Aozora is owed \$463m in unsecured bank loans, more so than any other banks, while Mizuho is in second place with \$289m owed.

Aozora is controlled by the US private equity group Cerberus. In August, it had to revise its profit downward to take into account a loss from its investment in GMAC, the US financial services group.

The Financial Services Agency in Japan issued the order to Lehman on Monday. A spokesman told Bloomberg: "We are in contact and co-operation with overseas regulators including those in the US ... We are currently gathering information and working to understand the situation."

Citibank and The Bank of New York Mellon Corporation are the largest unsecured bondholders in their roles as trustees, with a combined exposure of around \$138bn.

PricewaterhouseCoopers has begun the process of winding down Lehman's European units on Monday morning.

Counterparty risk *

	Q2 2008 (€ m)	2007 (€ m)
Société Générale	473,329	487,959
Credit Agricole	383,995	364,178

BNP Paribas	NA	597,578
Natixis	NA	202,928
Barclays	460,423	352,133
Deutsche Bank	1,138,090	1,193,131
Credit Suisse	277,362	331,807
UBS	652,972	757,271
* European banks - outstanding trading positions with Lehman Source: JPMorgan estimates, Company data		

The London Financial Services Authority said in a statement: "Lehman Brothers is a US institution regulated by the [Securities and Exchange Commission], so the FSA is working closely with the US authorities to ensure an orderly wind down of its principal UK trading subsidiary, Lehman Brothers International (Europe), which was placed into administration earlier this morning."

"The FSA is working with market practitioners, including the London Clearing House, to ensure the process connected with the winding down of this wholesale business is completed in an orderly manner to minimise any market disruption."

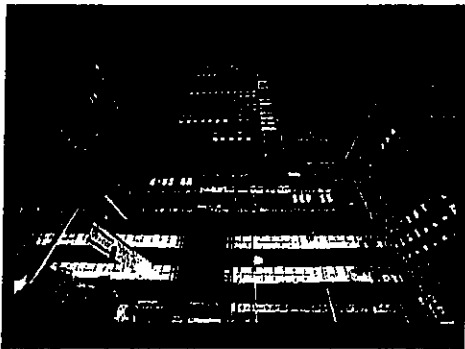
Germany's regulator BaFin imposed a so-called moratorium on Lehman's unit in the country, an order aimed at preserving its remaining assets.

Bloomberg.com



Lehman Files Biggest Bankruptcy Case as Suitors Balk (Update4)

By Yalman Onaran and Christopher Scinta



[More Photos/Details](#)

Sept. 15 (Bloomberg) -- Lehman Brothers Holdings Inc., the fourth-largest U.S. investment bank, succumbed to the subprime mortgage crisis it helped create in the biggest bankruptcy filing in history.

The 158-year-old firm, which survived railroad bankruptcies of the 1800s, the Great Depression in the 1930s and the collapse of Long-Term Capital Management a decade ago, filed a Chapter 11 petition with U.S. Bankruptcy Court in Manhattan today. The collapse of Lehman, which listed more than \$613 billion of debt, dwarfs WorldCom Inc.'s insolvency in 2002 and Drexel Burnham Lambert's failure in 1990.

Lehman was forced into bankruptcy after Barclays Plc and Bank of America Corp. abandoned takeover talks yesterday and the company lost 94 percent of its market value this year. Chief Executive Officer Richard Fuld, who turned the New York-based firm into the biggest underwriter of mortgage-backed securities at the top of the U.S. real estate market, joins his counterparts at Bear Stearns Cos., Merrill Lynch & Co. and more than 10 banks that couldn't survive this year's credit crunch.

“There is likely to be a domino effect as other firms and individuals who relied on Lehman for financing feel the effects of its meltdown,” said Charles “Chuck” Tatelbaum, a bankruptcy lawyer with Adorno & Yoss in Florida and former editor of the American Bankruptcy Institute Journal. “The whole thing is frankly frightening for the U.S. economy.”