LEHMAN BROTHER HOLDING INC

	S&P	MOODY'S	CITI ORR	
Agency Ratings:	A /Negative	A1 / NEGATIVE	ORR 3	Classification: 1A

Total Assets	$786BN	
Total Equity	$21.8BN	
Total LT Debt	$128.3BN	
Commercial Paper	$7.8BN	
Other unsecured Sht term borrowings including MTN's & Bank loans:	$26.7BN	
Holding Company Liquidity Pool:	$35.0BN	
Net income 11/30/07 (12 mos.) / 1Q08	$4.2BN	$489BN
Net income 11/30/06 (12 mos.) / 1Q07	$4.0BN	$1,129BN
Mkt Cap	$19.4BN	

Coverage officers:

Risk: Thomas Fontana /Melissa Torres/Andrew A

IRM: Greg Frenzel / Sugam Methta

RM: Michael Mauerstein

GTS Risk:

GTS Product: Katherine Lukas

($MM)	Total	Direct	CTG	PSLE	CMT
Facilities	6,053.00	1,047.70	912.80	3,481.60	610.90
OSUC	3,057.02	191.90	82.63	2,172.62	609.9
CDS	390.00				
Net OSUC	2,667.02				

Significant outstanding exposure details (MMs) - as of 5/31/08

COUNTERPARTY	COMMITTED LOANS	OTHER DIRECT	CONTINGENT	PSLE	DESCRIPTION / Tenor	CLEARING (1)
LEHMAN BROTHERS SPECIAL FINANCING INCORPORATED	0.00	0.00	0.00	1,656.51	DX line for CDS, Docs Held $0 threshold $1mm MTA, 30 year tenor	0.00
LEHMAN BROTHERS COMMERCIAL CORPORATION ASIA LTD	274.88	0.00	0.00	0.00	Bilateral loan fully guaranteed by Lehman Brothers Holdings Inc. (must maintian min TNW > $7bn) that is fully used.	0.00
LEHMAN BROTHERS BANKHAUS AG-HEAD OFFICE	175.00	0.00	0.00	0.00	$175mm Citi hold in committed revolver that is currently fully used	200.00
LEHMAN BROTHERS FINANCE AG	0.00	0.00	0.00	163.70	DX line for CDS, Docs Held $0 threshold $1mm MTA, 8 year tenor	0.00
LEHMAN BROTHERS INTERNATIONAL (EUROPE)-LONDON	0.00	80.56	51.81	177.48	DX line, Docs Held $0 threshold $1mm MTA, 8 year tenor / CTG for GTS As Agent Sec Lending / Int'l Stock Loan	1,976.00
LEHMAN BROTHERS INCORPORATED	0.00	0.00	0.00	119.27	Global FX / Options Exposure, 5 year tenor. Fixed Income (SAFE) trading	13,973.68
LEHMAN BROTHERS HOLDINGS INCORPORATED	160.00	3.86	0.00	0.00	$160mm Citi hold in committed revolver that is currently unused	3,015.32
LEHMAN BROTHERS COMMODITY SERVICES INCORPORATED	0.00	0.00	0.00	53.91	DX line for Commodities, Docs Held $0 threshold 0.51mm MTA, 10 year tenor	0.00
LEHMAN BROTHERS SECURITIES ASIA LIMITED	0.00	46.92	0.00	0.00	Overnight temporary overdraft	0.00
LEHMAN BROTHERS AUSTRALIA LIMITED	0.00	44.96	0.00	0.00	Overnight temporary overdraft	0.00
LB UK RE HOLDINGS LIMITED	0.00	0.00	18.75	0.00	2 year performance bond fully guaranteed by Lehman Brothers Holdings Inc. in Turkey	0.00
LEHMAN BROTHERS JAPAN INCORPORATED	0.00	0.00	0.00	0.00		1,016.12
LEHMAN BROTHERS INTERNATIONAL (EUROPE)-SEOUL	0.00	0.00	0.00	0.00		50.00
NEUBERGER BERMAN LLC	0.00	0.00	0.00	0.00		101.00
LEHMAN BROTHERS FINANCIAL PRODUCTS INCORPORATED	0.00	0.00	0.00	0.00		25.00
LEHMAN BROTHERS (TAIWAN) LIMITED-TAIPEI BRANCH	0.00	0.00	0.00	0.00		28.08
CAISTOR TRADING BV	0.00	0.00	0.00	0.00		70.00
LEHMAN BROTHERS AUSTRALIA SECURITIES PTY LIMITED	0.00	0.00	0.02	0.00		20.00
ALL OTHER OBLIGORS	0.00	15.59	12.06	1.74		15.00
Totals - Risk Type	609.88	191.90	82.63	2,172.62		20,490.21
Grand Total OSUC (before CDS)	3,057.02					

(1) Approximately $3bn of $20.5bn in total clearing limits is allocated to CLS business and an additional $3.1bn is available for GTS multi day securities clearing (including on-exchange) in the CCS Countries. Lehman is a 3rd party CLS client and their cash clearing lines are heavily utilized. Clearing lines support GTS's Securities and Cash Clearing business and we extending lines in 26 countries including: U.K. ($6.3bn), U.S. ($5.9bn), Italy ($3.1bn), Japan ($1.8bn), Canada, ($0.5bn) and Mexico ($0.5bn). Approximately, 75 of the limits are approved for Cash Clearing and 25% for securities clearing.

Committed Facilities - Obligor:	Our Participation (mm's)	Outstanding (mm's)	CDS Purchased ~	Net Exposure	Total Deal Size	Lead / Admin Agent	Secured
LEHMAN BROTHERS HOLDINGS INC	160	-		-	2,000	JPMCase/Citi	unsecured
LEHMAN BROTHERS BANKHAUS	175	-		-	2,500	Citi	unsecured
LEHMAN BROTHERS COMMERCIAL CORP ASIA LTD	275	274	-		275	Citi - Bilateral	unsecured
TOTAL	610	274	390	-			
Net Unused Commitments	336						

~ CDS Purchased thru: JP Morgan Chase: $65mm, Barclays: $55mm, UBS: $50mm, Dutsche $45mm, Morgan Stanley: $40mm, Goldman: $20mm and RBS: $15mm among others emone

SETTLEMENT
200.00
30.00
70.00
40.00
555.00
1,995.10
450.00
0.00
0.00
0.00
0.00
80.00
0.00
21.50
0.00
5.00
0.00
0.00
35.00
3,481.60

Expiration
Feb 2011
April 2010
Aug 2009

3) **Liquidity Accumulation:** Under Lehman's Cash Capital model, distressed and non-liquid assets are funded by capital rather than by short term borrowings. Therefore, much of the cash generated from the sale of such assets has been retained as working capital. Lehman will report cash in its holding company liquidity pool of $45 billion at Q2 5/31/08 compared to $34 billion at Q1 2/28/08. The $45B is $14B in excess of what Lehman calculates the firm will need to fund itself through a severe liquidity crisis.

   Also, to reduce the risk of counterparties pulling funding via their repo book, they have increased their over-funding from $15Bn to $20Bn. In other words, they are holding onto more excess collateral received from their counterparties (rev repo) and not re-pledging all of it creating excess capacity of $30Bn as of 5/22/08. They have also increased the average tenor of reverse repo positions from 25 to 35 days (and closer to 40 days on non-Central Bank eligible collateral).

4) **Capital Raise:** After raising $1.9 billion preferred stock in February 2008, during Q2 Lehman raised $4 billion of convertibles in April and $2 billion of subordinated debt in May. Coupled with the 20% reduction in its balance sheet, Lehman reduced its net leverage to 12.1x at Q2 5/29/08 from 15.4x at Q1 2/28/08. Lehman advised us that they are negotiating with a group of investors to raise $5 billion of equity, with target closing prior to Lehman's Q2 earnings announcement during the week of June 16. Such capital raise will offset the $2.6 billion quarter loss and further reduce the company's leverage.

Lehman pointed to the strength of its core client businesses, highlighting the company's revenue generation capacity after giving effect to headcount and expense reductions already taken. Lehman reported strong performance and market share gains in equities, investment banking, asset management and high net worth brokerage.

Lehman contrasted its balance sheet metrics with those of Bear Stearns at Q1 2/28/08:

	Lehman	Bear Stearns
Net balance sheet	$ 397 Bn	$ 254 Bn
Net Leverage	15.4x	22.6x
Holding Company Cash Cash Liquidity Pool	$ 34 B	$ 17B
Short term debt (due within one year)	16 B	16 B
CPLT debt	19 B	10 B
Ratio Cash Coverage of Short Term Debt	1.0 x	0.65 x
Unencumbered Assets at H/C	$ 161 B	$ 14 B
Free Credit Balances	$ 13 B	$ 43 B
(FCB associated with PB clients)	$ 4 Bn	