

Bank Profile

Relationship Tier	Committed Credit	Total Cash Cap	Projected Fees 08	Long Term Debt Ratings	Financial Last 12 Months				Market Cap 06/16/2008
					Assets	Net Inc	ROE	Tier 1	
1	\$545M	\$545M	\$40M	Aa3/AA-/AA	\$2187B	\$3.6B	-5.75%	7.12%	\$100B

Treasury Relationship Priorities

Lehman	Citigroup
<ol style="list-style-type: none"> Determine Citi's concern about Lehman intraday credit exposure and its subsequent tightening of limits. Raise opportunistic funding for Lehman by tapping Citigroup's distribution channels for fixed income, local currency syndications and structured notes. Retain Citigroup's commitments in the US and European flagship facilities and cash capital in Asia. Tap Citigroup to meet Lehman's less liquid regional funding requirements in Asia, Latin America and CEE. Identify opportunities for Citigroup to meet Lehman's growing infrastructure needs globally. Increase AUM in Lehman liquidity funds to support the Firm's IMD strategy. 	<ol style="list-style-type: none"> Increase total relationship fees by 15% by winning new operating business mandates globally or by increasing volumes. Identify other structured product and added value opportunities, e.g. local currency debt raising, conduit financing. Act as co-manager on Lehman debt/preferred issuances, bookrunner on LBBAG and joint bookrunner on LBHI flagship. Increase corporate trust fees by directing investments to Lehman's liquidity funds.

Bank Overview

Relationship History	<ul style="list-style-type: none"> Although a competitor in capital markets and M & A, Citigroup is among the Firm's largest providers of credit and operating services globally. Citigroup supports Lehman through its significant international branch network, which Lehman has been able to leverage as we expand in emerging markets. Citigroup provides well-coordinated and relationship driven global coverage from New York, London, and Hong Kong. Citi RM's and Senior Management feel they have excellent access to all levels of Lehman's Treasury team. Michael Maurestein is the Global RM based in New York. Chris Fostkett is Global Head of Financial Institutions. Citi's RM's have a strong understanding and sophistication, across all operating, financial and capital market products. Early in 2008, the reporting lines for the relationship teams in London and Asia was moved back from Investment Banking to Global Transaction Services. Michael Mauerstein, who has credit experience, continues to report to the Investment Bank.
Reliability /Credit Incident Update	<ul style="list-style-type: none"> Until June 12, 2008, Citi has consistently been Lehman's strongest provider of credit. However, due to a substantial increase in novation requests from counterparties, Citi requested that we collateralize \$3-\$5 B in intraday exposure. Lehman declined, but did agree to a \$2B term deposit, callable daily. Meeting scheduled with CRO on June 17, 2008. In 2007, Citigroup increased its cash capital unsecured commitments to Lehman from \$120M

	<p>to \$545 M. It is important to point out that Citi extended a \$300 M, three year unsecured facility in Asia during the height of the market turmoil in August. Citi has also committed \$200M as joint book runner on the renewal of the LBHI flagship facility in 2008 (allocated \$175 M). Citi is joint arranger of the LBBAG flagship. (\$175M allocated). Citi routinely provides LC's /guarantees and short term loans in local currencies.</p> <ul style="list-style-type: none"> As a result of Citi's financial performance, Citi' RM's have been informed that they cannot add any additional risk assets to their portfolio unless offset by a correspondingly decrease to another borrower.
Market Update/News	<ul style="list-style-type: none"> On December 11, 2007, Citi Board named Vikram Pandit CEO and Sir Win Bischoff Chairman. Brian Leach has been hired as Chief Risk Officer.
Bank Profile	<ul style="list-style-type: none"> Citigroup ranks among the five largest bank in the world with total assets of \$2.2 Trillion. With total market cap of \$100B, Citi has dropped to the 3rd largest U.S. bank. Citi is a diversified financial institution with three major business groups, Global Consumer, Institutional Client Group and Global Wealth Management. Citi has over 200 Million customer accounts in more than 100 countries. Through the market disruption, Citi has continued to be a major partner of Lehman based on its balance sheet capacity, capital strength, product capabilities and geographic reach. However today, it is important to stay on top of any changes in Lehman credit appetite resulting from its recent financial hits. Citi's June 12 request to Lehman may also be a result of its internal concerns on limiting potential losses.
Lehman Research	1-Overweight

Bank's Credit Environment

Credit Appetite	<ul style="list-style-type: none"> Citi is committed to the broker dealer industry, particularly since it is a major provider of operating services to the industry in the US and globally. Citi ranks among the top providers of unsecured cash capital facilities to the firm totaling \$500 M+. Citi also consistently provides credit in illiquid markets on a timely basis both for LC's, guarantees and short term borrowings. Citi ranks 3rd in total uncommitted and gross intraday liquidity with \$20B provided to the firm. As of June 12, Citi is limiting net exposures for the US to \$3B. CLS exposure limit is \$3 B and Asia exposure limit is \$1.2 B.
Bank Return Hurdles	<ul style="list-style-type: none"> Citi's pricing levels take into consideration the relationship revenues which for Lehman is driven by the approximately \$30+M in fees directed in operating services.
Estimated Max Lending Limit	<ul style="list-style-type: none"> Citi manages credit on a portfolio basis and will use CDS to hedge exposure above its desired hold level. Citi's max limit for Lehman is \$2.47B, exclusive of trading lines and daylight.
Competition for Credit	<ul style="list-style-type: none"> Historically, Lehman credit was managed without constraints from the combined broker-dealer portfolio. However, due to recent write-offs, this is expected to become more of an issue internally at Citi.

Treasury and Business Funding Relationship Summary

Credit Lines

Flagship Facilities	<ul style="list-style-type: none"> LBHI (03/08): Committed \$200m, allocated \$160m as co-arranger. LBBAG (04/07): Joint book runner; committed \$225m, allocated \$175m
Uncommitted Facilities	<ul style="list-style-type: none"> Citi provides over \$20bn in gross uncommitted and intraday lines to Lehman in the US, Europe, Asia and Latam for operating liquidity. Citi consistently steps up to provide credit to support Lehman business, particularly in emerging market countries.
Non-recourse Facilities	<ul style="list-style-type: none"> Citi commits \$25 mm to the \$150 mm, 364 day redemption facility for Neuberger Berman.
Other Committed Cash Capital	<ul style="list-style-type: none"> LBCCA (08/07): HKD 2.34 B (\$300M)2 year bilateral facility

Other Treasury

Lehman Debt Issuance	Citi was awarded co-lead of Lehman's \$2B 8.75% non-cumulative mandatory convertible preferred stock issuance in March, 2008. Citi ranks #1 among all bank in all other co-manager fees directed.
Operating Services	Citigroup is a major operating bank for Lehman providing cash and clearing services globally with largest fees earned in Australia, Korea, Turkey, Switzerland, UK, and Japan. Other major markets with fees > \$1 M include China, Hungary, Poland, Russian Federation, and Mexico. 20% of total fees are generated in the US from cash management and issuing and paying services. In 2007, operating fees increased 21%.

Sum of USD Equivalent Limit (MM)											
Status	Product Type	Recourse	Entity	Region	Secured / Unsecured	Committed / Uncommitted	Tenor Bucket	Tenor Details	Pricing Base	Total	
Completed	Cash Cap	Recourse	TL II Asset	Asia	Unsecured	Uncommitted	<=1 YR	18 mo perpetual	Taiwan Sec	23	
	Committed Facility	Recourse	LBBAG	Europe	Unsecured	Committed	>1 YR	3yr	1 ML	175	
			LBCCA	Asia	Unsecured	Committed	>1 YR	(blank)	1 ML	301	
			LBHI	US	Unsecured	Committed	>1 YR	3 year	1 ML	160	
	Dayloan	Recourse	LBI	US	Unsecured	Uncommitted	<=1 YR	intraday	N A	2,000	
	Intraday	Recourse	LBI	US	Unsecured	Uncommitted	<=1 YR	intraday	N A	3,100	
								Intraday - CLS	N A	2,000	
								(blank)	1 ML	267	
								(blank)	N A	0	
				LBIE	Europe	Unsecured	Uncommitted	<=1 YR	(blank)	N A	11,600
				LBIE Seoul	Asia	Unsecured	Uncommitted	<=1 YR	(blank)	N A	180
				LBJI	Asia	Unsecured	Uncommitted	<=1 YR	(blank)	N A	562
	LC	Recourse	LB Pte	Asia	Unsecured	Uncommitted	<=1 YR	(blank)	N A	2	
			LBCCA	Asia	Unsecured	Uncommitted	<=1 YR	(blank)	N A	21	
			LBSF	US	Unsecured	Uncommitted	<=1 YR	(blank)	N A	70	
	Loan	Recourse	Finance Am	US	Unsecured	Committed	<=1 YR	(blank)	N A	1	
			LBIE Seoul	Asia	Unsecured	Uncommitted	<=1 YR	(blank)	3M Korean	30	
			LBJI	Asia	Unsecured	Uncommitted	<=1 YR	30 days	1 ML	25	
			LBSA	Asia	Unsecured	Uncommitted	<=1 YR	7 days	N A	20	
Lehman Br			US	Unsecured	Uncommitted	<=1 YR	(blank)	Libor	100		
RTGS	Recourse	LBJI	Asia	Unsecured	Uncommitted	<=1 YR	intraday	N A	504		

Global Treasury Fees Paid Regional
Break Down

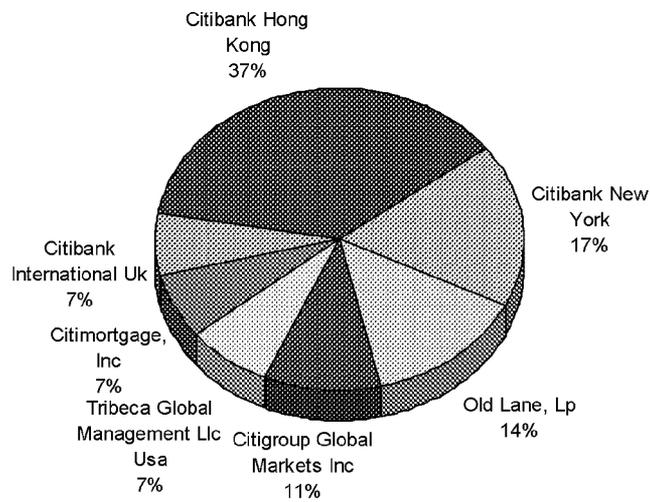
Region	2005	2006	2007	Q1 2008
Americas	16,489,905	13,901,097	16,448,235	1,073,302
Asia	847,655	3,537,339	5,613,948	42,779
Europe	5,285,568	6,994,064	6,839,231	1,167,142
Multi	38,500	108,750	617,125	
Grand Total	22,661,628	24,541,250	29,518,539	2,283,223

Global Treasury Fees Paid Category
Break Down

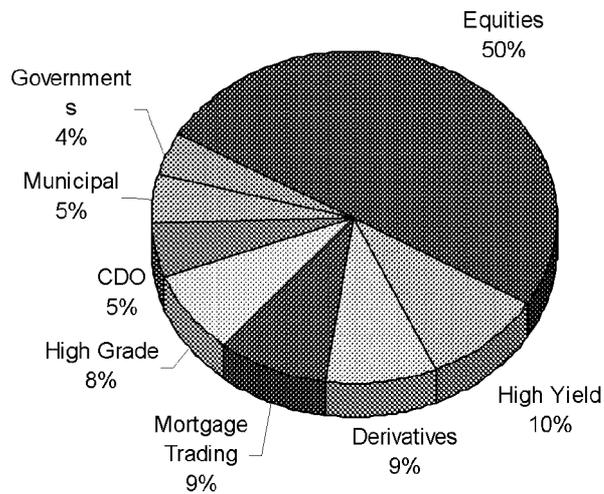
Category	2005	2006	2007	Q1 2008
Capital Markets Activity	10,370,276	6,601,390	4,334,316	
Financing Lines Spread	375,968	718,628	626,876	44,848
Liquidity Placed	1,133,949	1,921,006	6,100,236	1,185,268
Operating Services	9,810,069	14,430,086	17,971,986	1,044,282
Trustee Services and Administration	971,365	870,140	485,125	8,825
Grand Total	22,661,628	24,541,250	29,518,539	2,283,223

GSS Data

By Entity



By Product



With total GSS of \$127M, Citi ranks #2 after JPMorgan among all US banks.

Business Highlights (Top 3)

Product	Contact	Status
IBD		No coverage.
IMD	Nick Hoar, MD	Lehman's Liquidity Funds added to Citi's cash management and corporate trust platforms in 2007.
DCM	Jim Merli, MD	Citi named Co-lead on HK 559M, 10year debt issuance for Lehman, the largest offering for a broker dealer in Hong Kong. Citi named co-lead on Lehman's \$2 B preferred issuance. (Fees = 12m+)
FID Sales & Trading	Lehman Asia	#1 counterparty for structured equity - linked notes in Asia accessing Citi's Private Bank and Retail banks. In 2007, total fees increased to \$30.4M from \$ 6.2MM in 2006.

IBD Report

IBD Report as of February 29, 2008 for CITIGROUP INC.

Client	Transaction Type	2004 Total	2005 Total	2006 Total	2007 Total	Grand Total
CITIBANK, N.A.	Asset Backed Securities					2,972,468
	US Corporate Bonds	44,267				44,267
Grand Total		1,121,902	7,512,254	610,726	(61,924)	15,250,496

Lehman Stock and Debt

Stock

*report taken as of 4 March 08

Investor Name	Position 03/04/08	Position 12/17/07	Position 12/31/06	Position 12/31/05	Position 12/31/04
Citi Investment Research (US)	3,417,683	3,687,447	2,775,772	0	0
Citibank (Switzerland)	569	1,536			

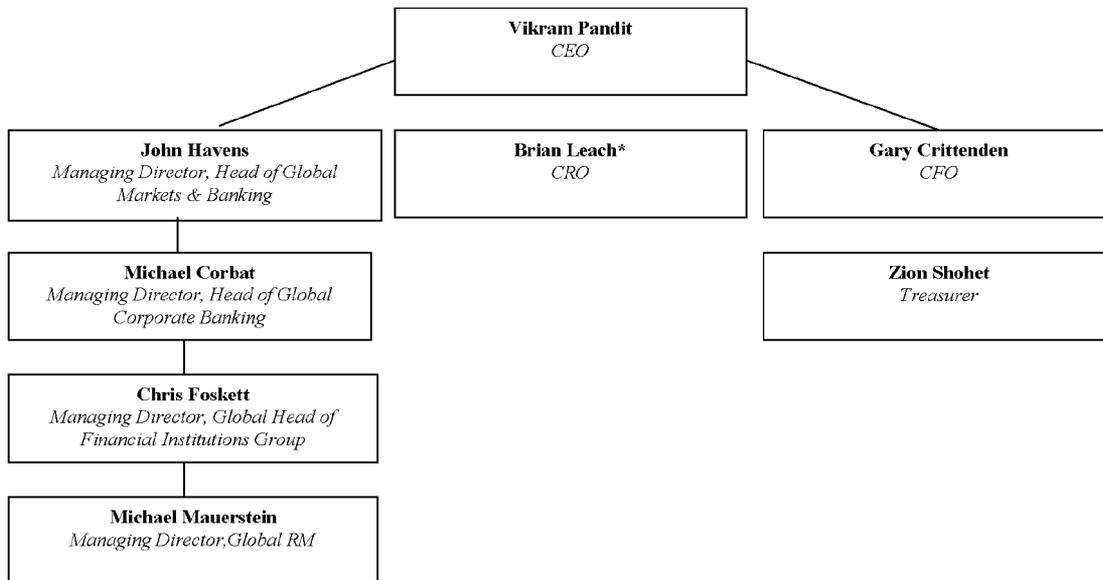
Debt

2008: Americas Debt Purchased

\$USD

Investor	Total
Sum of Amount Invested	
CITIBANK	15,000,000
Grand Total	15,000,000

Organizational Chart



* Pat Ryan reports indirectly to Brian Leach.

Global Bank Meeting History

Meeting Date	Region	Bank Participants	LB Participants	Subject/Purpose
June, 2008	US	Chris Foskett Tom Fontana	Chris O'Leary, Paolo Tonucci	Credit Meeting
March 27, 2008	Asia	Dave Phillips, Global Head Broker Dealers, Financial Institutions Paul Egan, Asian Head Broker Dealers, Financial Institutions Asia Pacific Kathy Ong, Regional Relationship Manager, Financial Institutions Asia Pacific	Herbert Moos, Rowena Caroon, Nigel Watters, Areen Phang	Introductory meeting for Rowena / Relationship Review
March 13, 2008	Europe	Reto Faber - Head of Broker Dealers EMEA Savinder Singh - Head of Direct Clearing and Custody EMEA Paul Salariya - GRM Andrew Gelb - Global Head of Direct Clearing and Custody	Alastair Blackwell Simon Gaston, Carlo Pellerani, Geoff Spindler	Citibank Senior Management meeting
March 12, 2008	Europe	Reto Faber	Huw Rees, Joe Igoe	Discuss senior level meeting taking place Thursday and Citibank's desire to engage us in a strategic dialogue
March 5, 2008	Europe	(blank) Paul Salariya - GRM Rowena Romula - EMEA head of client services Cluster Heads	Joe Igoe NWM Ops	Event Service Review
March 3, 2008	Asia	Cunsel Topbas Joe Mernagh Derek Stalley	Steve Durrant Sarah Mahvis Stefano Dallafina Sey Ozbasli Maris Barro Andrew Cochrane	To discuss the implementation of Cit's Account Operator services in Turkey
March 3, 2008	Asia New York	Yo Naito Hiroko Sakaguchi Kate Lucas, Adrian Garza Cadena, Pedro Guerra, Raul Paterno, Edmundo Fajardo, Antonia Diazquez, Mauricio Schwartmann, Oscar Pagani, Manles Dellin	Tatsumi Kishimoto Keiko Nishida Maria Chalco, Emily Critchett, Bill Gallagher, Anthony Ghisese, Shaun Lawrence, Jacky Loung-David, Paul Rainon	FX settlement Annual Citibank event to obtain market information on LATAM
February 27, 2008	Asia	Kathy Ong, Regional Relationship Manager, Financial Institutions Asia Alfonso Martin, Direct Custody and Clearing Sales, HK Lyle Williams, Head of Direct Custody and Clearing Product Development, Asia Ada Chan, Product Manager, HK	Nigel Watters Shaun Bromham Ben Oldham Jamie Kwok Jesse Kavanagh Susan Lam	Update on HK third party clearing, with specific mention of stamp duty processes
February 25, 2008	Europe	David Levy (SCM) Paul Salariya - Relationship Manager	Steve Durrant Katie Gillingham Barry Faltrick	Israel RP - Citibank
February 25, 2008	Europe	Rob Penn - GRM Paul Salariya - GRM	Jon Seeranj Geoff Spindler	Catch up
February 13, 2008	Europe	Rob Penn - GRM Paul Salariya - new GRM Joe Mernagh - Product Manager	John Wren Jon Gardner Maris Barro Lesley Hughes Kris Parry Irina Volkova Ekaterina Saredinskaya	Russia local branch followup meeting
February 4, 2008	Europe	Rob Penn - GRM Paul Salariya - new GRM	Huw Rees Steve Durrant Jon Seeranj Sara Mahoney Joe Igoe Geoff Spindler	Introduction
February 4, 2008	Europe	TBC	Steve Durrant	Account Operator Services in Turkey
January 28, 2008	Europe	Rob Penn - GRM	Geoff Spindler	To discuss bid plan for 2008
January 21, 2008	Europe	Rob Penn - GRM Derek Stalley - Assistant GRM	Steve Durrant Sara Mahoney Jon Seeranj Geoff Spindler	To discuss progress on tasklist
January 21, 2008	Europe	Rob Penn (GRM) Derek Stalley (RM) Cristian Agalopol (Local RM)	Huw Rees Joe Igoe Jon Seeranj	Romania Market Update
January 18, 2008	Asia	(blank)	Miyuki Ebara, SVP, Head of Ops Tatsushi Kishimoto, VP, Treasury	Citibank New Year Reception
January 18, 2008	New York	Chris Foskett, MD, Global Head of Financial Institutions Michael Mauerstein, MD, Global RM	Erin Callan Julie Boyle Janet Birney- (depends on agenda) Emil Cornejo	Sr Mgmt Calling Plan Luncheon