

From: McGarvey, Michael <mmcgarve@lehman.com>
Sent: Monday, January 28, 2008 11:03 PM (GMT)
To: Bernard, Clement <clement.bernard@lehman.com>
Subject: RE: January 2008 Balance Sheet Projection as of January 24, 2008 - Revised

Clement,

The outcome was Alex and Andy acknowledged that 13bn over target was an unacceptable number. Alex was going to have a conversation with Kauhsik about potentially coming in under their target for balance sheet if need be. Everyone agreed to reconvene in the first week of February and monitor the situation closely.

Follow ups from the meeting:

- 1). The B/S presentation will be updated and reviewed again the first week of February.
- 2). A meeting has been set up for Wednesday with Myself, Sigrid and Mark Cosaitis to review the next steps for Repo 105 for the Q1 (It would be helpful to know if Gerry has a view on what the maximum tolerable level of repo 105 is for the firm).
- 3). We have set up a meeting with Paul Mitrokostas to review FID's long dated aged positions (one year and over) for possible saves.
- 4). We are working on an analysis of the largest derivative mtm receivables that are uncollaterized to identify potential saves.

Thanks,
Mike

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> From: Bernard, Clement
> Sent: Sunday, January 27, 2008 1:59 PM
> To: McGarvey, Michael
> Subject: FW: January 2008 Balance Sheet Projection as of January
> 24, 2008 - Revised

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> Could you summarize what was the outcome of the Friday meeting in
> terms of where we are going to be and who is suppose to do what.

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> Thanks

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> From: Chang, Alan
> Sent: Friday, January 25, 2008 10:44 PM
> To: Global Balance Sheet Projection
> Subject: January 2008 Balance Sheet Projection as of January 24,
> 2008 - Revised

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>
> Target Projection vs
> Jan-08 Jan-08 Target
> Gross Leverage 32.4 34.8
> 2.4
> Net Leverage 17.1 17.5
> 0.5
>

| GROSS | | NET | |
|----------|-----------|------------|--------------|
| Region | Target | Projection | Over/(Under) |
| Region | Target | Projection | Over/(Under) |
| Americas | 506.5 | 543.2 | 36.6 |
| Americas | 263.8 | 278.1 | |
| | 14.3 | | |
| Europe | 167.5 | 182.2 | 14.7 |
| Europe | 97.9 | 93.0 | |
| | (4.8) | | |
| Asia | 74.5 | 78.3 | |
| 3.8 | Asia 45.7 | 47.1 | |
| | 1.4 | | |
| TOTAL | 748.6 | 803.7 | 55.1 |
| TOTAL | 407.3 | 418.2 | |
| | 10.9 | | |

> << OLE Object: Picture (Metafile) >>

> << File: January 2008 Projection as of 1.24.08.zip >>

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