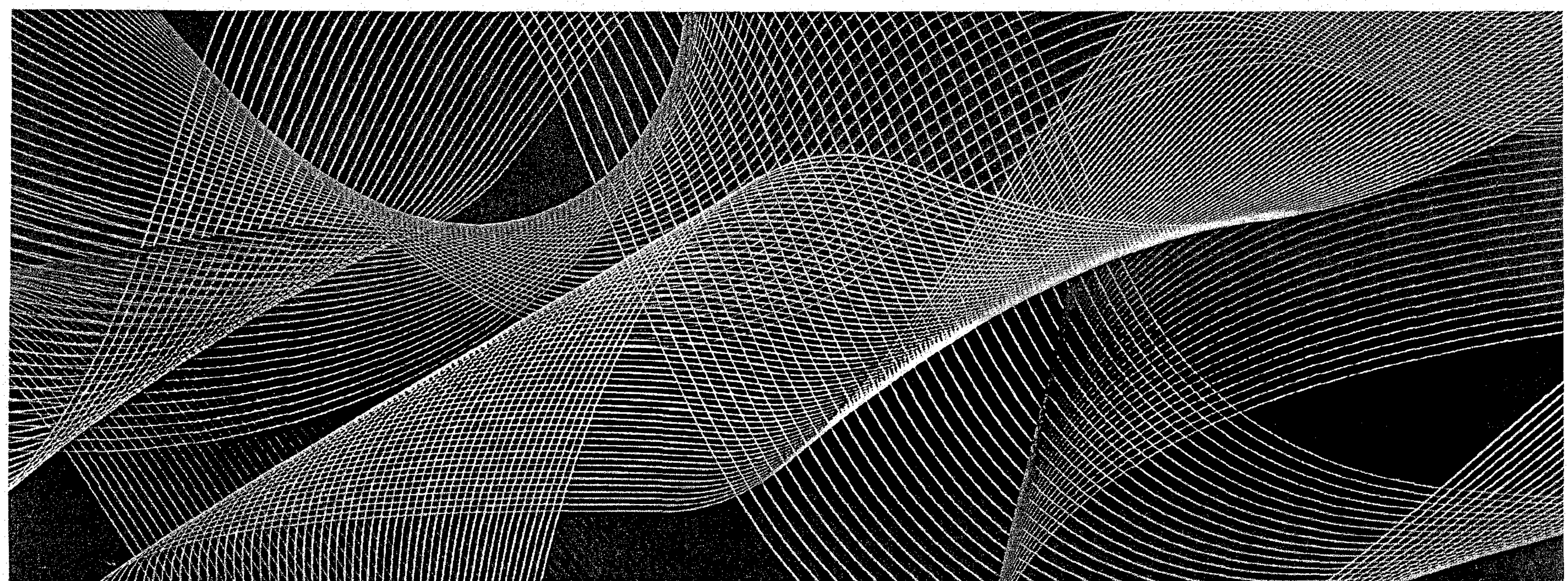
Confidential

LEHMAN BROTHERS

September 11, 2008

Liquidity Update



Confidential Presentation

Change in Holdings' Liquidity Pool

- Estimated reportable liquidity of $34.0 billion - down $3.6 billion DOD

– Start of day liquidity pool	37.6
– CP	0.2
• Morley ECP : ($0.1 bn)	
• ADIA overnight CP: $0.3 bn	
– LBSF	(0.8)
• Norinchukin: $0.2 bn	
• Deutsche Bank: $0.2 bn	
• Swap payments: $0.2 bn	
– LBIE shortfall	(1.2)
– Other	(1.8)
• Stony Point: $1.6 bn	
– End of day liquidity Pool	34.0

CONFIDENTIAL TREATMENT REQUESTED BY LEHMAN BROTHERS HOLDINGS, INC.

Confidential

Holdings' Liquidity Pool Composition

Ability to Monetize	Collateral Type	Pledge Value	Comment
High	UK Deposit	210	
	US Deposit	5,730	Citi, JPM (on top of prefunding)
	UK Money Funds	-	
	US Money Funds	318	
	Boxed assets	783	Boxed Inventory in LBIE
Total		**7,041**	
Mid	US CLO	734	Spruce - PDCF Eligible
	US Money Funds	200	LOTC upstreamable bal.
Total		**934**	
Low	US CLO	3,260	Sasco, Pine, Kingfisher, Verano
	UK Bond Funds	526	Pioneer
	US Deposit	4,400	Citi, BOA, JPM
	UK Deposit	750	HSBC, etc
	UK Money Funds	912	JPM
	US Money Funds	750	JPM, Dreyfus
	US Trust Investment	500	JPM
	Cash at Banks	360	various entities in Asia
	Boxed assets	4,579	LBI box lock up
	Boxed assets	9,991	LBIE box lock up
Total		**26,028**	
Total Liquidity Pool		**34,003**	

Secured Funding

- LBI : $4 billion gain in liquidity primarily due to repo optimization (collateral switch) and reduction in collateral to be funded
  - Reduction in collateral to be funded
    - Investment grade corporates: $940 million
    - High yield corporates: $822 million
    - CP: $2.7 billion
  - Repo optimization
    - State Street: $1.0 billion investment grade corporates (from CMO)
    - State Street: $1.0 billion CP (from CMO)
    - Dresdner: $785 million investment grade corporates (from CP)
  - Lost repo capacity
    - Wells Fargo: $1.15 billion CP
    - CSFB: $40 million CP
    - BGI: $112 million high yield corporates

- LBIE
  - State Street rolled EUR 350m trade spot, switching to open (against Investment Grade collateral.)
  - Citi agreed not to impose below referenced 30 day price age limit on ABS for now, which will keep the $500m funded.
  - RZB EUR 100m repo trade matured spot, releases E3 and C2 grade collateral.
  - RBC Dominion EUR 300m repo trade matured spot, releasing Investment Grade collateral.
  - Haircut widening on govie upgrade proposed by Robeco from 5 to 15%.

CONFIDENTIAL TREATMENT REQUESTED BY
LEHMAN BROTHERS HOLDINGS, INC.

Confidential

LBIE Repo Projections For September 12

Client	Value Date	Currency	Amount	Amount USDmm	Impact by Asset Category IG E1, E2, K1	HY E3, C2	Impact	Details
Deka	12-Sep	EUR	222	312	156	156		NewMoney
NewMoney Impact				312	156	156		
Rabo	12-Sep	USD	(200)	(200)	(200)		Overfunding reduction	Maturing repo
RZB	**12-Sep**	**EUR**	**(150)**	**(211)**		**(211)**	**Box**	**Maturing repo**
Dresdner	12-Sep	EUR	(200)	(281)	(281)		Overfunding reduction	Maturing repo
Maturing repo Impact				(692)	(481)	(211)		
Rabo	12-Sep	USD	(550)	(550)	(550)		Overfunding reduction	Govie upgrade
RZB	12-Sep	USD	(700)	(700)	(700)		Overfunding reduction	Govie upgrade
Kas	12-Sep	USD	(400)	(400)	(400)		Overfunding reduction	Govie upgrade
Sumitomo	12-Sep	USd	(50)	(50)	(50)		Overfunding reduction	Govie upgrade
Upgrade Impact				(1,700)	(1,700)	-		
Total Impact for 12/Sep				(2,080)	(2,025)	(55)		

LBEX-WGM 784547

Overfunding Update

Global Over / (Under) Funding Summary

Principal in $Bn's

Region	Shell Booked Summary	Principal
ASIA	EQUITIES	1.6
ASIA Total		1.6
EUROPE	ASSET BACKS - INVESTMENT GRADE	15.6
	ASSET BACKS - NON-INVESTMENT GRADE	0.0
	C1 - INVESTMENT GRADE CONVERTIBLES	0.3
	C2 - NON-INVESTMENT GRADE CONVERTIBLES	0.9
	CORPORATES - INVESTMENT GRADE	5.8
	CORPORATES - NON-INVESTMENT GRADE	7.1
	EMG	5.0
	EQUITIES	11.0
	MONEY MARKETS	0.0
EUROPE Total		45.8
U.S.	ASSET BACKS - INVESTMENT GRADE	6.8
	ASSET BACKS - NON-INVESTMENT GRADE	1.8
	CORPORATES - INVESTMENT GRADE	2.7
	CORPORATES - NON-INVESTMENT GRADE	5.5
	EQUITIES	8.4
	MONEY MARKETS	7.3
	MUNI	3.4
	PRIVATE LABELS - HIGH YIELD	0.6
	PRIVATE LABELS - INVESTMENT GRADE	17.3
	WHOLELOAN RESIDENTIAL	0.3
U.S. Total		54.1
Grand Total		101.5

Region	Collateral Allocated Summary	Principal	10-Sep Over / (Under) Funding	11-Sep Pro Forma Over / (Under) Funding
ASIA	EQUITIES	1.6	0.0	0.0
	EMG	0.0	(0.0)	(0.0)
ASIA Total		1.6	-	-
EUROPE	ASSET BACKS - INVESTMENT GRADE	14.4	1.2	1.2
	ASSET BACKS - NON-INVESTMENT GRADE	0.0	(0.0)	(0.0)
	C1 - INVESTMENT GRADE CONVERTIBLES	0.3	(0.0)	(0.0)
	C2 - NON-INVESTMENT GRADE CONVERTIBLES	0.8	0.1	0.1
	CORPORATES - INVESTMENT GRADE	7.4	(1.6)	(1.6)
	CORPORATES - NON-INVESTMENT GRADE	2.4	4.7	4.7
	EMG	8.3	(3.3)	(3.3)
	EQUITIES	12.1	(1.1)	(1.1)
	MONEY MARKETS	0.1	(0.1)	(0.1)
	PRIVATE LABELS - HIGH YIELD	0.0	(0.0)	(0.0)
	PRIVATE LABELS - INVESTMENT GRADE	0.0	(0.0)	(0.0)
EUROPE Total		45.9	(0.1)	(0.1)
U.S.	ASSET BACKS - INVESTMENT GRADE	2.5	4.3	4.3
	ASSET BACKS - NON-INVESTMENT GRADE	1.4	0.4	0.4
	C1 - INVESTMENT GRADE CONVERTIBLES	0.4	(0.4)	(0.4)
	C2 - NON-INVESTMENT GRADE CONVERTIBLES	0.3	(0.3)	(0.3)
	CORPORATES - INVESTMENT GRADE	5.9	(3.3)	(3.3)
	CORPORATES - NON-INVESTMENT GRADE	2.7	2.8	2.8
	EQUITIES	7.8	0.6	0.6
	MONEY MARKETS	6.6	0.7	(0.2)
	MUNI	3.5	(0.1)	(0.1)
	PRIVATE LABELS - HIGH YIELD	1.7	(1.1)	(1.1)
	PRIVATE LABELS - INVESTMENT GRADE	6.1	11.2	11.2
	WHOLELOAN RESIDENTIAL	0.5	(0.2)	(0.2)
U.S. Total		39.5	14.6	13.7
Grand Total		87.0		

	10-Sep	11-Sep Pro Forma
Ticket Overfunding	14.6	13.6
Global Equity Excess Collateral Reversed In	6.6	6.2
European FID Excess Collateral Reversed In	3.5	3.3
Total Overfunding	24.7	23.1

LBI Box

LBI Box in MV

Asset Type	9-Sep	10-Sep	Daily Change	9/10 Box Fed Elig	Non Fed Elig	11-Sep Pro Forma
Agency	90	2	(89)	0	2	2
Asset Backs - Investment Grade	32	376	344	40	336	376
Asset Backs - Non Investment Grade	30	65	34	-	65	65
CMO Agencies	0	0	-	-	0	0
Convertibles	17	420	403	-	420	420
Corporate - (A1, A2, A3)	11	11	-	-	11	11
Corporate - Investment Grade	171	2,855	2,685	2,539	316	2,530
Corporate - Non Investment Grade	310	916	605	0	916	916
Equity	1,194	2,556	1,362	-	2,556	2,556
Governments - Investment Grade	45	0	(45)	-	0	0
Governments - Non Investment Grade	3	4	2	-	4	4
MBS	0	223	223	223	0	223
Money Markets - (A1, A2, A3)	0	426	426	-	426	426
Money Markets - Investment Grade	-	12	12	12	-	12
Muni - (A1, A2, A3)	6	23	17	-	23	23
Muni - Investment Grade	55	99	44	1	98	99
Preferreds	45	51	7	-	51	51
Private Label - Investment Grade	40	349	309	135	214	349
Sovereigns - Eurobonds	3	22	19	16	6	22
Strips	59	0	(59)	0	-	0
Treasuries	602	1,273	670	1,273	-	1,273
Warrants	4	4	0	-	4	4
	2,716	**9,686**	**6,970**	**4,238**	**5,448**	**9,361**

Increase in LBI Haircuts

Counterparty	Asset Class	Principal ($Bn's)	HC Widening	Impact	Box Increase	Net Impact
Northern	HY Corporate	2.0	10%	0.2	0.6	-
	Money Markets	1.0	10%	0.1	0.4	-
State Street	Muni	1.8	2%	0.0	0.1	-
Fidelity	Equities	1.7	15%	0.3	1.4	-
	HY ABS/PL	1.5	32%	0.5	0.0	0.4
Total		**8.0**		**1.1**	**2.5**	**0.4**

Liquidity Projections

	11-Sep	12-Sep	15-Sep	16-Sep	17-Sep	18-Sep	19-Sep	22-Sep	23-Sep	24-Sep	25-Sep	26-Sep	29-Sep
BOD LBHI Liquidity Pool Position	**37.6**	**34.0**	**33.2**	**31.3**	**30.9**	**30.9**	**30.8**	**30.3**	**29.8**	**29.6**	**29.4**	**29.4**	**28.7**
Unsecured Facilities:													
Chase	-	-	-	-	-	-	-	-	-	-	-	-	-
European	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured Facilities:													
Fidelity	-	-	-	-	-	-	-	-	-	-	-	-	-
Swedbank	-	-	-	-	-	-	(0.4)	-	-	-	-	-	-
Danske	-	-	-	-	-	-	-	-	-	-	-	-	-
LTD Settlements	-	0.0	-	-	-	-	0.0	0.0	-	-	-	0.0	-
LTD Maturities	(0.0)	(0.0)	(0.1)	(0.4)	(0.0)	(0.0)	(0.0)	(0.1)	(0.2)	(0.1)	(0.0)	(0.8)	(0.0)
CP Issuance	0.3	-	-	-	-	-	-	-	-	-	-	-	-
Bank Loan drawdown	-	-	-	-	-	-	-	-	-	-	-	-	-
STD Maturities:													
Short-Term BV notes	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	-	-	(0.0)	(0.0)	(0.0)	(0.0)
CP	(0.1)	(0.3)	(0.6)	-	-	-	(0.1)	(0.5)	-	(0.0)	-	-	-
Bank Loans	(0.0)	-	(1.2)	-	-	-	-	-	-	-	-	-	-
Letters of Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Requirements:													
Loan Funding	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Syndication/Securitization	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives	(0.9)	(0.2)	-	-	-	-	-	-	-	-	-	-	-
Intercompany funding	(1.1)	-	-	-	-	-	-	-	-	-	-	-	-
Capital Injection/Repatriation	-	-	-	-	-	-	-	-	-	-	-	-	-
Lux Certificate Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-
Hot Money	-	-	-	-	-	-	-	-	-	-	-	-	-
ABCP Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(1.7)	(0.2)	-	-	-	-	-	-	-	-	-	-	(0.3)
EOD LBHI Liquidity Pool Position	**34.0**	**33.2**	**31.3**	**30.9**	**30.9**	**30.8**	**30.3**	**29.8**	**29.6**	**29.4**	**29.4**	**28.7**	**28.3**
Outstanding CP balance	**2.6**	**2.3**	**1.7**	**1.7**	**1.7**	**1.7**	**1.6**	**1.1**	**1.1**	**1.1**	**1.1**	**1.1**	**1.1**

Note: The projection assumes no rollover of CP, Banklines and LC and no downgrade

Bankhaus Deposit Maturity Schedule

Date	EUR	USD	Total per month
12-Sep-08	19,000,000	26,410,000	
15-Sep-08	169,700,000	235,883,000	
16-Sep-08	11,300,000	15,707,000	
17-Sep-08	5,400,000	7,506,000	
18-Sep-08	18,000,000	25,020,000	
19-Sep-08	25,000,000	34,750,000	
22-Sep-08	45,000,000	62,550,000	
23-Sep-08	20,000,000	27,800,000	
24-Sep-08	12,000,000	16,680,000	
25-Sep-08	19,500,000	27,105,000	
26-Sep-08	62,800,000	87,292,000	
29-Sep-08	45,000,000	62,550,000	
30-Sep-08	145,000,000	201,550,000	**830,803,000**