

From: Callan, Erin [ecallan@lehman.com].

Sent: 3/15/2008 2:08 PM.

To: Lynch, Philip [London] [PLynch@lehman.com]; Isaacs, Jeremy [jisaacs@lehman.com]; Savoret, Benoit [London] [BSavoret@lehman.com]; Lowitt, Ian T [ilowitt@lehman.com].

Cc: .

Bcc: .

Subject: RE: .

We don't need equity capital but next week liquidity will become more precious...that is the key focus ...we should discuss creative liquidity arrangements for some of \$63 bn of unencumbered assets as an option

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-----Original Message-----

From: Lynch, Philip [London]
Sent: Saturday, March 15, 2008 11:09 AM
To: Isaacs, Jeremy; Savoret, Benoit [London]; Callan, Erin; Lowitt, Ian
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Subject:

We have been working with Investment Corporation of Dubai (ICD) on a potential financing plus derivative overlay on a \$1bn stake they are considering acquiring. Given the overall environment, I have told our client that we are unlikely to be able to provide the financing although we are still pursuing the derivative. In a conversation earlier today, Faisal (ex LB, current head of M&A at ICD) told me that ICD believes in our business mix and management and would be interested in making a capital investment preferably in equity although they would consider other securities. ICD is the largest and most influential Dubai SWF and the only one to have the Emir Sheikh Mohammed as Chairman. Of course, I reiterated that the Firm's capital and liquidity positions are very strong and as such we are not engaged in any extraordinary discussions. Faisal understands but asked that if we do consider any fund raising that ICD be the 'first call in the Middle East'. I wanted to make sure you are aware. Regards,

Philip