

Breakeven Comparison between Spin Off and Writedown

(\$ in billions, shares in millions)

	CRE Spin-off + Investor Capital	Writedown CRE 29% + Investor Capital
Common Equity		
4Q08 Standalone	\$20.5	\$20.5
Adjustments for CRE Spin-off	(9.4)	0.0
Additional Writedowns (ATX)	0.0	(6.6)
New Capital	5.0	5.0
Pro Forma	\$16.1	\$18.8
Capital Raise		
Book Value / Share pre-Capital Raise	\$15.54	\$19.39
Capital Raise Multiple	1.50 x	1.50 x
Capital Raise Price	\$23.32	\$29.09
Book Value Shares		
4Q08 Standalone	712.3	712.3
New Capital Shares	214.4	171.9
Pro Forma	926.7	884.1
~% Owned by New Investor	23.1 %	19.4 %
Book Value / Share		
RemainderCo	\$17.34	\$21.28
Spin-Co	11.80	-
Valuation		
RemainderCo Book Multiple	1.50 x	1.50 x
Spin-Co Book Multiple	0.50	-
RemainderCo Implied Price	\$26.01	\$31.92
Spin-Co Implied Price	5.90	-
Total	\$31.92	\$31.92

LEHMAN BROTHERS