

**Confidential**

**Summary of material developments since last Exec Comm meeting (November)**

- Tiger reported ~\$15B write down in Q4 – significantly higher than the ~\$6B market participants were anticipating in November
- Tiger disclosed significantly greater exposure to high risk assets than previously reported
  - \$85B exposure to CDO, Sub-prime, Lev'd Loans, CRE vs ~\$35B in CDO-related exposure reported at end of Q3
- Market conditions have continued to deteriorate such that market participants anticipate \$10B in further write downs during 2008

# Project Tiger

*February 2008*

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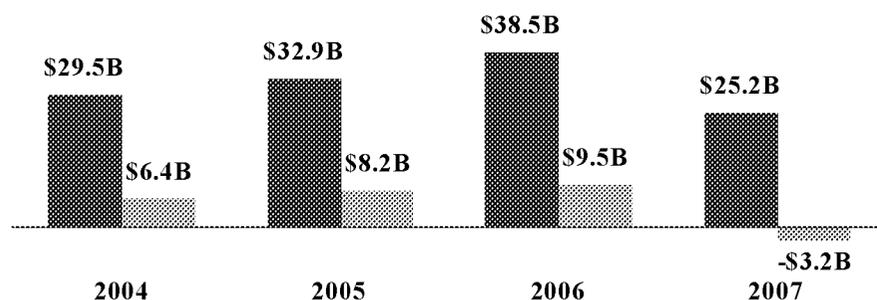
# Parent Company Overview

## Overview

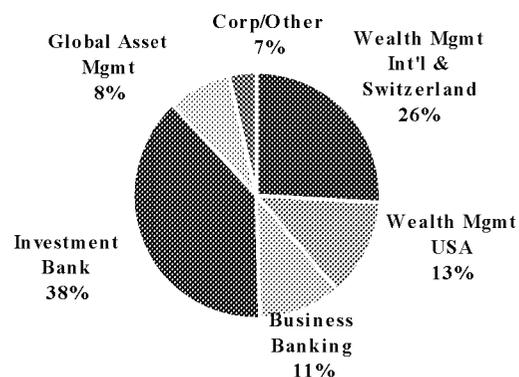
Market Value:	\$63.6B	Moody's / S&P	Aaa / AA
Price / 2008E:	7.5x	Total Employees	83,560
Price / Book:	2.0x	Investment Bank Employees	21,932
Price / Tangible Book:	3.5x	Assets	\$2.0T
		Equity	\$31.4B

## Revenue & Net Income

■ Revenue ■ Net Income



## Revenue by Product <sup>(3)</sup>

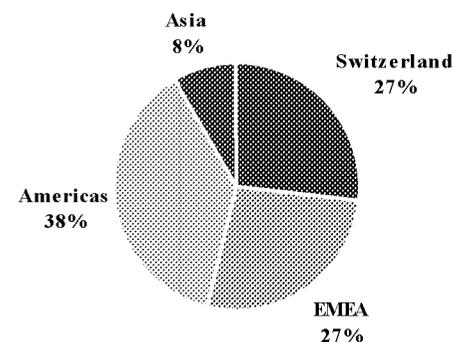


## P&L

(\$ in millions)

	2004	2005	2006	2007
Investment Bank	\$12,958	\$14,053	\$17,397	(\$465) <sup>(1)</sup>
Wealth Mgmt. (Int'l & SW)	6,204	7,253	8,645	10,753
Wealth Mgmt. (USA)	3,820	4,146	4,682	5,556
Business Banking	4,060	4,076	4,208	4,409
Asset Management	1,629	1,999	2,571	3,414
Corporate & Other	827	1,359	1,028	1,560 <sup>(2)</sup>
<b>Total Revenue</b>	<b>\$29,498</b>	<b>\$32,885</b>	<b>\$38,531</b>	<b>\$25,228</b>
<b>Pre-tax Income</b>	<b>\$8,091</b>	<b>\$10,189</b>	<b>\$11,711</b>	<b>(\$3,962) <sup>(2)</sup></b>
<i>% Margin</i>	<i>27%</i>	<i>31%</i>	<i>30%</i>	<i>NM</i>
<b>Net Income</b>	<b>\$6,354</b>	<b>\$8,203</b>	<b>\$9,487</b>	<b>(\$3,209)</b>
ROE	25.8%	39.7%	28.2%	NM
Tier 1 Ratio	11.8%	12.8%	11.9%	8.8%
Tang. Equity / Tang. Assets	1.3%	1.5%	1.5%	0.9%

## Revenue by Geography <sup>(4)</sup>



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1. IB revenue for FY 2007 includes \$19.5B of write-down.
2. Excludes CHF 1,950M pre-tax gain on sale of 20.7% Julius Baer stake.
3. 2007 normalized revenue, excludes \$19.5B write-down in IB.
4. Based on 2006 revenue.

# Major Business Lines

## Company Overview

	Wealth Management SW & Int'l	Wealth Management USA	Business & Consumer Banking	Asset Management	Investment Bank
2007					
<b>Revenues</b>	<b>\$10,753</b>	<b>\$5,556</b>	<b>\$4,409</b>	<b>\$3,414</b>	<b>(\$465)</b>
Pre-Tax Income	\$5,259	\$599	\$2,052	\$1,097	(\$12,948)
<b>PreTax Margin</b>	<b>49%</b>	<b>11%</b>	<b>47%</b>	<b>32%</b>	<b>NM</b>
Allocated Tang. Reg Cap.	\$5,576	\$1,655	\$7,754	\$334	\$16,849
Employees	15,811	19,347	15,932	3,625	21,932
<b>Rev Growth Rate</b>	<b>24%</b>	<b>19%</b>	<b>5%</b>	<b>33%</b>	<b>NM</b>
<b>Business unit description</b>	#1 private bank globally	#4 U.S. retail brokerage	Leading Swiss comm. + retail bank	Top 15 asset mgr globally	#7 global IB by revs
	5,600 private bankers	8,200 financial advisors	Union Bank of Switz. + Swiss Bank	\$787B assets under mgt	~21,900 people
	\$1.5T in client assets	\$810B in client assets	\$140B in BS assets	60% instit;l 40% w'sale intermediary	Strong EU, Asia, EQ

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# Q4 Status Update

## Business Unit Performance

(\$ in millions)

	Q4'07			Y-O-Y Revenue Growth
	Revenue	Pre-Tax Income	Margin	
Wealth Mgt (Intl & SW)	\$2,746	\$1,373	50%	17%
Wealth Mgt U.S.	\$1,400	\$171	12%	6%
Business Banking SW	\$1,129	\$550	49%	7%
Global Asset Mgt	\$898	\$397	44%	14%
Investment Bank	(\$9,677)	(\$12,894)	NM	NM
Total Tiger	(\$3,473)	(\$10,616)	NM	(134%)

## Impact on Capital

(\$ in millions)

	Q1 '06	Q4 '06	Q1 '07	Q2 '07	Q3 '07	Q4 '07
Tier 1 Capital	\$30.9	\$33.2	\$34.1	\$38.2	\$35.6	\$28.1
Tier 1 Ratio	12.9%	11.9%	11.7%	12.3%	10.6%	8.8%
Surplus Tier 1 Capital at 10% Target	\$7.0	\$5.3	\$4.9	\$7.1	\$2.0	(\$3.8)

## Write-Downs

(\$ in billions)

	Net Write-down		
	3Q07	4Q07	FY2007
Super Senior	(\$1.6)	(\$7.8)	(\$9.4)
Subprime RMBS	(1.3)	(0.7)	(2.0)
CDO warehouse/retained	(1.5)	(1.1)	(2.6)
Total Subprime	(\$4.4)	(\$9.6)	(\$14.0)
Alt-A	-	(2.0)	(2.0)
Reference Linked Notes - Subprime	-	(1.2)	(1.2)
Leveraged Loans	(0.4)	(0.5)	(0.9)
Monoline	-	(0.9)	(0.9)
Commercial Real Estate	-	(0.5)	(0.5)
<b>Total</b>	<b>(\$4.8)</b>	<b>(\$14.7)</b>	<b>(\$19.5)</b>

## Actions Taken

### Management

- Replaced parent company CEO
- Replaced Investment Bank CEO
- Replaced Heads of FICC, Lev Fin, CDO

### Layoffs

- 1,500 employees, mostly FIRC

### Comp

- Significantly increased stock component
- Max cash of \$750K per person
- Creates ~\$900M pre-tax overhang

### Balance sheet

- Plan to shrink by a further 15% by year end 2008

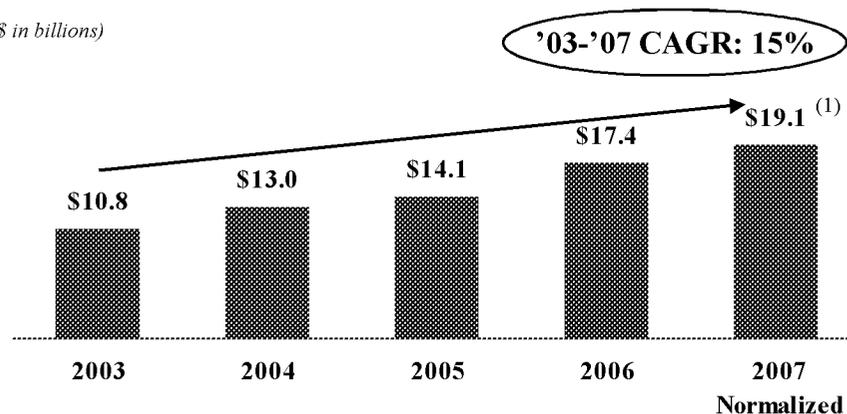
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**Investment Bank**

# Investment Bank – Overview

## Revenue Growth

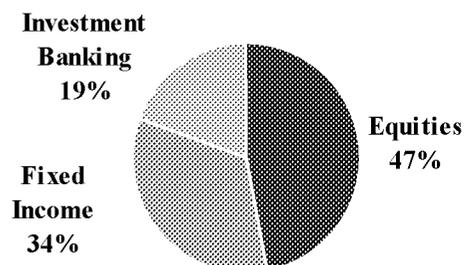
(\$ in billions)



## Rank<sup>(2)</sup>

	Americas	Europe	Asia
Fixed Income	10	3	9
Equities - Cash	~ 4	1	3
Equities - Derivatives	10	5	9
Investment Banking	8	5	1

## Product Mix<sup>(3)</sup>



## Financial Summary

(\$ in millions)

	2004A	2005A	2006A	2007A
Fixed Income	6,662	6,399	7,503	(13,078)
Equities	4,758	5,610	7,231	8,843
Investment Banking <sup>(4)</sup>	1,543	2,014	2,613	3,786
Loss Provisions	(6)	29	49	(16)
<b>Total Revenue</b>	<b>\$12,958</b>	<b>\$14,053</b>	<b>\$17,397</b>	<b>(\$465)</b>
<i>yoy growth</i>	20%	8%	24%	NM
PE	6,568	7,442	9,065	8,688
<i>PE Ratio</i>	51%	53%	52%	NM
NPE	2,676	2,447	3,586	3,796
<i>NPE Ratio</i>	21%	17%	21%	NM
<b>Pre-tax Income</b>	<b>\$3,714</b>	<b>\$4,164</b>	<b>\$4,745</b>	<b>(\$12,948)</b>
<i>% Margin</i>	29%	30%	27%	NM
<b>Net Income<sup>(5)</sup></b>	<b>\$2,414</b>	<b>\$2,707</b>	<b>\$3,085</b>	<b>(\$8,416)</b>
<i>yoy growth</i>		12%	14%	NM
Allocated Capital	\$13,394	\$14,750	\$18,780	\$21,531
Tangible Capital	\$10,246	\$11,481	\$14,303	\$16,849
ROE	18.0%	18.4%	16.4%	NA
Employees	17,000	18,200	21,900	21,932

Includes \$19.5B write-down

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1. Represents normalized 2007 revenue, excluding \$19.5B of write-down.
2. See pages 5 through 7 for further details.
3. Divisional product mix based on Q1-Q3 '07 reported result, excluding \$4.8B write-off.
4. Excludes origination revenues transferred to FID and Equities.
5. ROE and net income assume 35% tax rate.

# Investment Banking – Fee Share Rank

	Lion					Tiger					Pro Forma <sup>(1)</sup>				
	Origination					Origination					Origination				
	M&A	Equity	Debt	High Yield	Total	M&A	Equity	Debt	High Yield	Total	M&A	Equity	Debt	High Yield	Total
<b>Americas</b>															
U.S.	4	5	6	8	6	8	7	10	12	8	2	1	3	4	2
Brazil	NA	NA	NA	NA	NA	4	1	2	NA	1	4	1	2	NA	1
<b>Total Americas</b>	<b>5</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>3</b>	<b>10</b>	<b>11</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>2</b>
<b>Europe</b>															
U.K.	22	21	12	6	14	1	9	8	NA	1	1	9	6	6	1
Germany	25	13	17	NA	21	5	8	3	NA	5	5	7	2	NA	5
France	7	8	11	NA	7	11	6	12	8	8	4	5	8	8	4
Italy	20	11	8	NA	18	10	18	6	3	12	10	10	3	3	11
<b>Total Europe</b>	<b>12</b>	<b>10</b>	<b>12</b>	<b>9</b>	<b>10</b>	<b>2</b>	<b>8</b>	<b>3</b>	<b>13</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>2</b>	<b>8</b>	<b>1</b>
<b>Asia</b>															
Australia	NA	50	NA	NA	85	2	1	3	NA	1	2	1	3	NA	1
China/HK	27	15	NA	NA	15	2	2	5	NA	2	1	1	5	NA	1
India	NA	12	NA	NA	16	1	6	NA	NA	3	1	6	NA	NA	2
Japan	12	15	17	NA	14	10	10	13	NA	10	8	10	11	NA	9
Korea	6	12	NA	NA	13	1	NA	12	NA	6	1	12	12	NA	5
<b>Total Asia</b>	<b>19</b>	<b>20</b>	<b>42</b>	<b>10</b>	<b>19</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>NA</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>10</b>	<b>1</b>
<b>Global</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>7</b>	<b>9</b>	<b>3</b>	<b>1</b>	<b>8</b>	<b>10</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>1</b>

Source: Lion fee share model.

Note: Rank based on fee share YTD September 2007.

1. Pro forma market share after dis-synergies of 50% of smaller player market share in each product.

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# Fixed Income – Greenwich Market Share Rank

Americas Rank <sup>(1)</sup>			
	Lion	Tiger	Pro Forma <sup>(2)</sup>
Treasuries /Agencies	1	9	1
Short-Term	3	10	1
High Grade Corporates	1	9	1
High Yield Corporates	2	10	2
Distressed	3	11	3
ABS	1	11	1
MBS	1	7	1
CMBS	3	11	2
EM (U.S.)	8	5	3
EM (Latin America)	8	5	5
Interest Rate Derivatives (Financials)	2	10	1
Interest Rate Derivatives (Corporates)	7	7	5
High-Grade Flow Credit Derivatives	2	7	1
High-Yield Flow Credit Derivatives	1	11	1
Leveraged Loans	8	11	8
CDOs	7	8	6
FX	9	3	2
<b>Overall (Incl. Derivatives)</b>	<b>1</b>	<b>10</b>	<b>1</b>
Overall (Excl. Derivatives)	2	10	1

Europe Rank <sup>(1)</sup>			
	Lion	Tiger	Pro Forma <sup>(2)</sup>
Governments (4/06)	8	3	2
Agencies (4/06)	5	2	2
High Grade Corporates (4/06)	8	4	4
High Yield Corporates (4/06)	9	7	6
ABS (4/06)	2	5	1
MBS (4/04)	9	2	2
Emerging Markets (4/06)	7	1	1
Int. Rate Derivs (Financials, 4/06)	8	3	3
Int. Rate Derivs (Corporates, 4/05)	10	5	4
Credit Derivatives (4/05)	9	7	5
High-Grade Flow Credit Derivs (4/06)	7	7	5
High-Yield Flow Credit Derivs (4/06)	10	6	6
CDOs (4/06)	5	9	4
FX (4/05)	9	2	1
<b>Overall (Incl. Derivatives, 4/06)</b>	<b>8</b>	<b>3</b>	<b>3</b>
Overall (Excl. Derivatives, 4/06)	8	3	3

Asia Rank <sup>(1)</sup>			
	Lion	Tiger	Pro Forma <sup>(2)</sup>
Government Bonds (4/05)	6	9	4
Agency Bonds (4/05)	8	9	5
High Grade Corporates (4/05)	8	3	2
Int. Rate Deriv. (Financials, 4/05)	7	4	3
Int. Rate Deriv. (Corporates, 4/05)	10	7	7
Interest Rate Derivatives (4/06)	7	6	2
CDOs (4/06)	6	9	6
FX (4/05)	10	4	4
<b>Overall (Excl. Derivatives, 4/06)</b>	<b>4</b>	<b>9</b>	<b>3</b>

Source: Greenwich market share results.

1. Rank based on volume market share for LTM April 2007 for US and for the period indicated for other regions.

2. Pro forma market share after dis-synergies of 50% of smaller player market share in each product.

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# Equities – Volume & Greenwich Rank

## Americas

	Tiger	Lion	Pro Forma
<b>Cash</b> (Volume)			
NASDAQ	1	4	1
NYSE	6	4	2

### Derivatives (Greenwich)

Overall	10	3	NA
Flow	11	3	NA
Structured	11	3	NA

## Europe

	Tiger	Lion	Pro Forma
<b>Cash</b> (Greenwich)			
Overall Europe	1	8	NA
UK	1	8	NA
Cont'l Europe	1	7	NA
Electronic	3	7	NA
Portfolio	1	4	NA

### Derivatives (Greenwich)

Overall	5	5	NA
Flow	5	6	NA
Structured	7	4	NA

## Asia - Japan

	Tiger	Lion	Pro Forma
<b>Cash</b> (Greenwich)			
Japan Overall	3	13	NA
Japan Portfolio	6	11	NA
Japan Research	3	13	NA

### Derivatives (Greenwich)

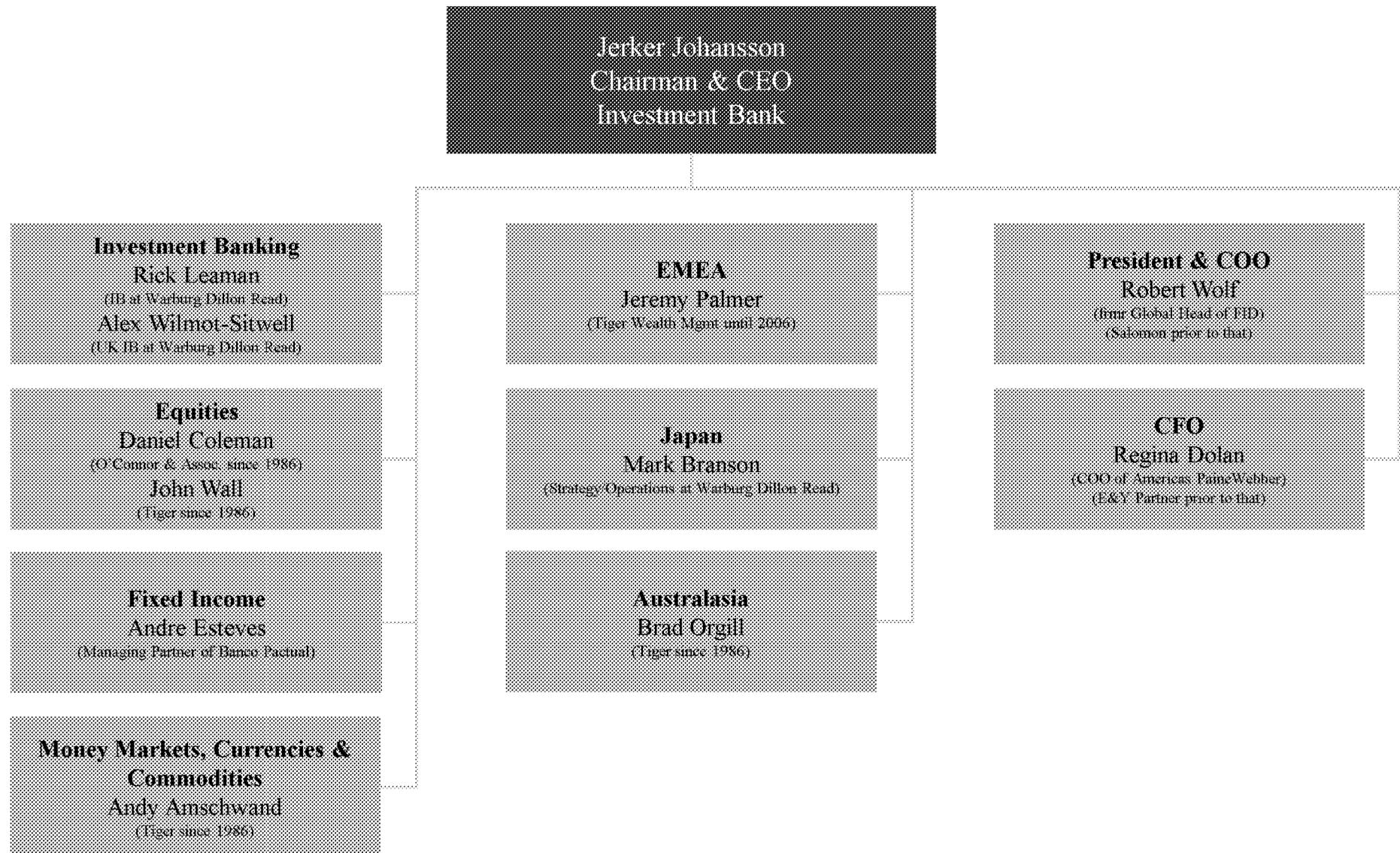
Overall Japan	9	14	NA
Flow Japan	8	13	NA
Structured Japan	5	10	NA

*Note: US Cash rank based on 2007 YTD volume share. Other ranks based on client penetration or "share points" reported in most recent Greenwich Associates survey.*

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# Organizational Structure



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# Recent Management Changes

## Departures

Date	Title	Name
3/16/07	Co-Head of Global Investment Banking	Jeff McDermott
3/19/07	President - Investment Bank	Ken Mochis
4/5/07	Deputy Head of US Equity Capital Markets	Adam Frieman
5/21/07	Vice Chairman of Investment Banking	Hartmuth Jung
5/25/07	Joint Global Head of Leveraged Finance	Steve Conway
5/25/07	Joint Global Head of Leveraged Finance	Adam Reeder
5/30/07	Global M&A Co-Head	Jeff Raich
6/21/07	COO - Americas Equities	Lawrence Leibowitz
7/5/07	Chief Executive Officer - Group	Peter Wuffli
8/3/07	Head of Fixed Income	Simon Bunce
8/8/07	Head of China Equity Research & Strategy	Henry Ho
8/16/07	Head of High-Yield Capital Markets	Robert Crowley
9/6/07	Chairman of Investment Banking - EMEA	Ken Costa
10/1/07	Chairman & CEO - Investment Bank	Huw Jenkins <sup>(1)</sup>
10/11/07	Head of Interest-Rate Trading	David Martin
10/11/07	Head of CDOs	James Stehli
10/16/07	Head of Equity Capital Markets and Execution	James Geary

## Assignments

Date	Title	Name
5/25/07	Joint Global Head of Leveraged Finance	Steve Smith
5/25/07	Joint Global Head of Leveraged Finance	John Sinik
5/30/07	Co-Head of LA Office	James Steward
5/30/07	Co-Head of LA Office	John Joliet
6/26/07	Vice Chairman of Investment Banking	Walter Hulse
7/5/07	Chief Executive Officer - Tiger Group & IB	Marcel Rohner

## Hires

Date	Title	Name
4/10/07	Co-Head of Japanese Investment Banking	Yasuki Matsui
6/19/07	COO - Financial Institutions Group of the Americas	William Houlihan
6/21/07	Global Head of Communications and Marketing	Matthew Hickerson
6/26/07	Global Head of Power Banking	James Metcalfe
8/3/07	Global Head of Fixed Income	Andre Esteves
9/24/07	Joint Head of Mergers & Underwriting - EMEA	Hermann Prella
9/24/07	Joint Head of Mergers & Underwriting - EMEA	Simon Warshaw
2/13/08	Chairman & CEO - Investment Bank	Jerker Johansson

1. *Huw Jenkins stepped down on October 1, 2007 and currently serves as senior advisor to Marcel Rohner.*

# Outstanding Risk Exposures

(\$ in billions)

Total Exposure	
(\$ in billions)	
	Net Balance 12/31/07
High Grade CDO	\$2.8
Mezz. CDO w/ 12% first loss protection	2.0
Mezz. CDO w/ lower first loss protection	8.3
CDO Squared / Other Retained	0.2
Super Senior	\$13.3
Subprime RMBS	14.2
CDO warehouse/retained	0.1
<b>Total Subprime</b>	<b>\$27.6</b>
RMBS, AAA rated, 1st lien	21.2
Other Alt-A	5.4
<b>Alt-A</b>	<b>\$26.6</b>
<b>Leveraged Loans</b>	<b>\$11.4</b>
RLN Subprime Related	3.8
RLN - CMBS	3.0
RLN - Other ABS & Corporate	4.4
<b>Reference Linked Notes</b>	<b>\$11.2</b>
US Trading Book Assets	3.6
US CRE Loans	4.1
<b>Commercial Real Estate</b>	<b>\$7.7</b>
<b>Total</b>	<b>\$84.5</b>

2008 Forecasted Write-offs		
Research Analyst	\$(B)	Date
Deutsche	7.5	2/14/08
Merrill	11.7	2/14/08
Citigroup	14.5	2/15/08
Lehman	9.0	2/15/08
Morgan Stanley	11.0	2/15/08
Bear Stearns	8.2	2/18/08
<b>Mean</b>	<b>\$10.3</b>	
<b>Median</b>	<b>\$10.0</b>	

# Brazil – Banco Pactual

## Company Overview

- ◆ Largest Standalone Brazilian Investment Bank
- ◆ Founded 1983
- ◆ ~500 employees
- ◆ 33 partners

## Investment Banking

- ◆ Investment Banking
  - DCM: #1 primary gov't bond dealer (35% share)
  - DCM: #4 corporate bond issuance (8% share)
  - ECM: #2 origination volume (19% share)
  - M&A: #4
- ◆ Fixed Income
  - 20% share in gov't bond secondary trading
- ◆ Equities
  - #7 in 2ndary trading vol. (5% share)

## Asset Management

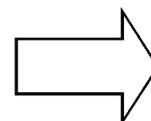
- ◆ Largest independent AM in Brazil
- ◆ \$19B AUM, incl. \$5B fund of funds

## Wealth Management

- ◆ \$5B assets under management
- ◆ Focus on HNW households
- ◆ 27 employees (12 IRs)

## Acquisition Summary

- ◆ Acquired May 2006
- ◆ ~\$2.6B in cash
  - \$1B upfront payment made at close
  - \$1.6B additional consideration paid over 5 years
- ◆ \$500M retention in Tiger stock for Pactual and Tiger Brazil employees



11-14x forward earnings (including future payments)

# China: ~\$800M Revenues in 2007

Tiger Securities	Tiger SDIC	Tiger HK & ROW	Tiger Beijing Bank Branch	Bank of China
<ul style="list-style-type: none"> <li>Fully licensed domestic securities co                             <ul style="list-style-type: none"> <li>– 280 employees</li> <li>– ~27 locations</li> </ul> </li> <li>Broadest possible business scope:                             <ul style="list-style-type: none"> <li>– Inv Banking, incl A-share brokerage, not just U/Writing</li> <li>– Wealth Mgt</li> <li>– Asset Mgt</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>JV with State Development Investment Corporation</li> <li>Focus on asset mgt. origination + real estate</li> </ul>	<ul style="list-style-type: none"> <li>Chinese off-shore operations for all Tiger parent co businesses</li> <li>QFII</li> <li>QDII</li> <li>Largest QFII quota                             <ul style="list-style-type: none"> <li>– Lets Tiger trade domestic equities / bonds on behalf of non-Chinese clients</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Tiger’s local China bank branch</li> <li>Focused on Fixed Income / FX, Cash, Collateral Trading + Wealth Mgt</li> </ul>	<ul style="list-style-type: none"> <li>Minority stake investment in leading Chinese bank</li> <li>Commercial co-operation in IB&amp;S and Asset Mgt                             <ul style="list-style-type: none"> <li>– Case by case basis</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>Ownership                             <ul style="list-style-type: none"> <li>– Tiger: 20%</li> <li>– Domestic consortium: 42%</li> <li>– Beijing city: 33%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Ownership                             <ul style="list-style-type: none"> <li>– Tiger: 49%</li> <li>– SDIC: 51%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Ownership                             <ul style="list-style-type: none"> <li>– Tiger: 100%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Ownership                             <ul style="list-style-type: none"> <li>– Tiger: 100%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Ownership                             <ul style="list-style-type: none"> <li>– 1.6% stake (~\$500M)</li> <li>– Acquired 2006</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>Mgt control – appoints                             <ul style="list-style-type: none"> <li>– Board Chairman</li> <li>– 4 of 11 directors</li> <li>– CEO / Sr Mgt.</li> </ul> </li> <li>Right to buy shares from partners as regulations permit</li> </ul>	<ul style="list-style-type: none"> <li>No mgt control</li> </ul>	<ul style="list-style-type: none"> <li>Mgt control</li> </ul>	<ul style="list-style-type: none"> <li>Mgt control</li> </ul>	<ul style="list-style-type: none"> <li>No control</li> <li>Joint book-runner role on Bank of China IPO</li> </ul>

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## Transaction Economics

# Summary Economics

## Purchase Price Assumptions

- ◆ **\$16.8B purchase price**
  - 1.0x P/TB; implied 7.5x '08 P/E
  - Tiger owns 36% of combined entity
- ◆ **Assumes Tiger assets are marked to market and balance sheet transferred to Lion is sufficiently capitalized prior to sale**

## Other Transaction Assumptions

- ◆ **~\$4.0B revenue dis-synergy**
  - 50% of smaller firm (each product / region)
    - ⇒ client revenues only
    - ⇒ ~21% of Lion revs
    - ⇒ compares to ~67% revenue loss in DLJ/CSFB
  - 50% marginal comp ratio
- ◆ **\$2.2B equity release from balance sheet reduction**
  - ⇒ 10% net asset reduction
- ◆ **\$1.9B pre-tax comp + NPE savings**
  - 50% of Lion Corporate
- ◆ **\$300M pretax funding dis-synergy**
- ◆ **\$2.5B retention**
  - ~25% of Lion P/E
  - \$500M / yr over 5 years

## Lion 2009 EPS Accretion / Dilution

Purchase Price	P/TB	'08 P/E	Revenue Dis-Synergy (% of smaller player client revenues)			
			40%	50%	60%	75%
			\$3.2B 17% of LB	\$4.0B 21% of LB	\$4.8B 25% of LB	\$6.0B 31% of LB
<b>\$14.5B</b>	0.9x	6.5x	7.8%	4.5%	1.2%	(3.9%)
<b>\$16.8B</b>	1.0x	7.5x	2.6%	<b>(0.6%)</b>	<b>(3.8%)</b>	<b>(8.7%)</b>
<b>\$18.4B</b>	1.1x	8.2x	(0.9%)	(4.0%)	(7.1%)	(11.9%)
<b>\$20.1B</b>	1.2x	9.0x	(4.3%)	(7.4%)	(10.4%)	(15.1%)

*Note: Historical data converted to USD using exchange rates based on daily average for the each earnings period and period-end rates for balance sheet items. Current and projected data converted to USD based on most recent USD/CHF exchange rate of 0.914x.*

# Detailed Transaction Economics

Transaction Valuation		
	Tiger-IB	Lion
Standalone 2008E Net Income	\$2.2B	\$3.6B
1-yr forward Equity Val/Net Income	7.5x	8.2x
<b>Valuation</b>	<b>\$16.8B</b>	<b>\$30.1B</b>
Book Value	\$21.5B	\$21.4B
Price / Book	0.8x	1.4x
Price / Tangible Book	1.0x	1.7x

Transaction Assumptions <sup>(1)</sup>		
Common Equity, net of capital release	100%	\$14.6B
Goodwill and Intangibles Created		\$0M
% Amortized		15%
Amortization Period		10 years
<b>Cost Savings</b>		\$1.9B
% of Lion Total PE		13%
% of Lion Total NPE		26%
<b>Retention Payments</b>		
Total Retention Payments (o/ 5 years)		\$2.5B
Transaction Close		12/31/08

Lion EPS Impact				
<i>(\$ in millions, except per share data)</i>				
	2007A	2008E	2009E	2010E
Lion Standalone Net Income	\$4,126	\$3,645	\$4,348	\$4,892
Plus: Tiger Net Income	3,701	2,234	2,572	2,952
Net Transaction Adjustments			(610)	(690)
<b>Lion Pro Forma Net Income</b>			<b>\$6,310</b>	<b>\$7,153</b>
<i>yoy growth</i>			-	13%
<b>Acc/Dil (\$/ Shr.)</b>			<b>(\$0.04)</b>	<b>(\$0.04)</b>
<i>Acc/Dil %</i>			(0.6%)	(0.5%)
Incremental Net Inc. to Breakeven			\$36	\$34
Pre-tax Income to Breakeven			\$55	\$53

Sensitivity – 2009 EPS Accretion / Dilution						
			Revenue Dis-Synergy (% of smaller player client revenues)			
			40%	50%	60%	75%
<b>Purchase Price</b>	<b>P/TB</b>	<b>'08 P/E</b>	\$3.2B	\$4.0B	\$4.8B	\$6.0B
			17% of LB	21% of LB	25% of LB	31% of LB
<b>\$14.5B</b>	0.9x	6.5x	7.8%	4.5%	1.2%	(3.9%)
<b>\$16.8B</b>	1.0x	7.5x	2.6%	<b>(0.6%)</b>	(3.8%)	(8.7%)
<b>\$18.4B</b>	1.1x	8.2x	(0.9%)	(4.0%)	(7.1%)	(11.9%)
<b>\$20.1B</b>	1.2x	9.0x	(4.3%)	(7.4%)	(10.4%)	(15.1%)

Note: Historical data converted to USD using exchange rates based on daily average for the each earnings period and period-end rates for balance sheet items. Current and projected data converted to USD based on most recent USD/CHF exchange rate of 0.914x.

1. Assumes 100% impact of synergies and dissynergies in year 1. Excludes transaction expenses and one-time charges.

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## Key Issues

# Key Issues

Business Overview	Capital / Balance Sheet	People
<ul style="list-style-type: none"><li>◆ Management P&amp;L for '06 – '08</li><li>◆ P&amp;L by business + region, accordance with U.S. GAAP<ul style="list-style-type: none"><li>– Prop vs client revenues, comp, NPE, pretax, tax rate, net inc</li><li>– Run rate economics</li><li>– Planned / required investments</li><li>– Balance sheet + risk metrics</li></ul></li><li>◆ Number of people, by division</li><li>◆ Clients relationships<ul style="list-style-type: none"><li>– Largest accounts, each business</li><li>– Type + amount of business done</li></ul></li><li>◆ Market position<ul style="list-style-type: none"><li>– By product and region</li></ul></li><li>◆ Country presence / licenses / buss plan<ul style="list-style-type: none"><li>– Strategy + headcount</li><li>– New Investment plan for '08</li></ul></li></ul>	<ul style="list-style-type: none"><li>◆ Positions / mark-to-market<ul style="list-style-type: none"><li>– By product / region</li><li>– Focus: CDOs, sub-prime, leverage loans, SIVs, principal, other L3</li><li>– Sensitivities</li><li>– Inventory aging</li></ul></li><li>◆ Capital adequacy</li><li>◆ Commitments to clients</li><li>◆ Liquidity and funding plan<ul style="list-style-type: none"><li>– Impact of separation from parent</li><li>– Cost of funds</li><li>– All lines and facilities</li></ul></li></ul>	<ul style="list-style-type: none"><li>◆ Most important producers / business heads</li><li>◆ Retention already in place (e.g., stock)<ul style="list-style-type: none"><li>– Ability to retain retention incentives post deal</li></ul></li><li>◆ Additional required retention</li><li>◆ Guarantees<ul style="list-style-type: none"><li>– Recipients</li><li>– Magnitude</li></ul></li></ul>

# Key Issues (con't)

Linkages to Parent	Infrastructure	Legal Liabilities
<ul style="list-style-type: none"><li>◆ Dependencies on businesses retained (e.g., priv bank, Paine Webber) for:<ul style="list-style-type: none"><li>– Flow / business volume</li><li>– Client access / relationships</li><li>– Balance sheet</li></ul></li> <li>◆ Key issues<ul style="list-style-type: none"><li>– Revenue at risk</li><li>– Shared infrastructure (operational and technology platforms)</li><li>– How to manage going forward (shared services, transfer pricing)?</li></ul></li></ul>	<ul style="list-style-type: none"><li>◆ Real estate<ul style="list-style-type: none"><li>– Office capacity + quality by region</li><li>– Occupancy</li><li>– Overlap with Lion</li></ul></li> <li>◆ Technology / communications infrastructure<ul style="list-style-type: none"><li>– Data centers</li><li>– BCP facilities</li></ul></li> <li>◆ Global utilities<ul style="list-style-type: none"><li>– India</li></ul></li></ul>	<ul style="list-style-type: none"><li>◆ Outstanding claims</li></ul>

# Key Issues (con't)

Synergies & Dis-Synergies	What To Do in Key Countries	Deal Structure
<ul style="list-style-type: none"><li>◆ Revenue<ul style="list-style-type: none"><li>– Dis-synergies due to:<ul style="list-style-type: none"><li>• Client overlap</li><li>• Producer / account attrition</li></ul></li></ul></li><li>◆ Expenses<ul style="list-style-type: none"><li>– Overlapping Corporate functions (IT) + real estate</li><li>– NPE / scale efficiencies</li><li>– Offset by severance / shut down costs</li></ul></li><li>◆ Funding<ul style="list-style-type: none"><li>– CoF increase for Tiger vs current level</li></ul></li></ul>	<ul style="list-style-type: none"><li>◆ Brazil</li><li>◆ Switzerland</li><li>◆ China</li></ul>	<ul style="list-style-type: none"><li>◆ Price<ul style="list-style-type: none"><li>– True book value</li><li>– Value of platform, if any</li></ul></li><li>◆ Consideration<ul style="list-style-type: none"><li>– Key issue: mix, driven by:<ul style="list-style-type: none"><li>• How much equity is required to support combined BS</li><li>• Tiger ownership of combined entity<ul style="list-style-type: none"><li>- Desire for equity method accounting vs MTM</li><li>- Desire to avoid consolidation</li></ul></li></ul></li></ul></li></ul>

# Non-Negotiables (Preliminary)

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## Non-Negotiables

- ◆ Value of assets
  - Lion sign-off on MTM taken prior to transaction
  - Ability to leave behind assets where Lion cannot determine mark
- ◆ Control
  - Lion mgt controls combined entity
  - Tiger receives max [2] seats on Lion board (add new seats)
- ◆ Tiger ownership
  - Standstill on Tiger ownership in Lion
  - [Five] year lockup
  - Lion has right to force liquidation upon change of control of Tiger
- ◆ Commercial agreements
  - Pre-agreed upon commercial agreement for key interlinked businesses,
    - Including access to client relationships
  - Pre-agreed upon transfer pricing for services provided by Tiger to Lion
- ◆ Non-compete
  - Extends [three] years beyond date Tiger sells stock
- ◆ Audit
  - Comprehensive accountants report on acquired businesses
- ◆ Reps, warranties and indemnifications

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## Appendix

# Board of Directors

<u>Name</u>	<u>Age</u>	<u>Company</u>	<u>Title</u>
Marcel Ospel (Chairman)	57	Tiger	Former CEO
Stephan Haeringer (Exec. Vice Chair)	60	Tiger	Former CEO, Tiger Switzerland
Sergio Marchionne (Non-Exec. Vice Chair)	55	Fiat S.p.A., Turin, and Fiat Group Automobiles	CEO
Ernesto Bertarelli	42	Serono International SA	CEO
Gabrielle Kaufmann-Kohler	54	Schellenberg Wittmer Law Firm / University of Geneva	Partner / Professor
Rolf A. Meyer	64	Ciba Specialty Chemicals	Former Chairman / CEO
Helmut Panke	61	BMW AG	Retired Chairman
Peter Spuhler	48	Stadler Rail AG	Owner
Peter Voser	49	Royal Dutch Shell	CFO
Lawrence A. Weinbach	67	Yankee Hill Capital Management LLC	Partner
Joerg Wolle	50	DKSH Holding Ltd.	President / CEO