

NET ASSET AND FUNDING ESTIMATES

	Long	Short	Net	Finance Rate	16-Sep Finance Amount	Net to Finance
Matched Repo Book	10	10	0	0%	0.0	0.0
CD and Money Market	1	0	1	50%	0.5	0.5
Derivative Positions	4	4	0	0%	0.0	0.0
Corporate Obligations	5.4	2	3.4	50%	1.7	1.7
Corporate Equities	8.5	6.9	1.6	25%	0.4	1.2
Gov and Agencies	39	35	4	100%	4.0	0.0
Mortgages	4.5	0	4.5	29%	1.3	3.2
	72.4	57.9	14.5		7.9	6.6
LESS: negotiated discount	-5					
TOTAL (\$ bn) *	67.4	57.9	9.5			

* NOTE: these are the values at which the assets would come on to the balance sheet

Varley, John : Group Exec

From: Diamond, Bob : Barclays Capital
Sent: 16 September 2008 07:16
To: Turner, Cathy : Human Resources; Varley, John : Group Exec; Lucas, Chris : Group Exec; Cox, Archie : ; Harding, Mark : Legal; Ricci, Rich : Barclays Capital
Cc: Bruce, Leigh : ; Merson, Mark : Investor Relations
Subject: Re: RNS messaging - IR/PR -URGENT

Too narrow on product and geography, no need to limit right now? Worry tone is a bit negative. Call if you need to talk.

From: Turner, Cathy: Barclays PLC
To: Varley, John: Barclays PLC; Lucas, Chris: Barclays PLC; Diamond, Bob: Barclays Capital; Cox, Archie: Barclays Capital (NYK); Harding, Mark: Barclays PLC; Ricci, Rich: Barclays Capital
Cc: Bruce, Leigh: Corporate Comms (LDN); Merson, Mark: Barclays PLC
Sent: Tue Sep 16 07:06:45 2008
Subject: RNS messaging - IR/PR -URGENT

Below are messages for use with analysts and media once RNS up.

Comments/additions/approvals needed urgently.

1. Lehman approached us about acquiring some of the assets specifically the broker-dealer.*
2. Any potential deal would need to meet our strict financial tests and be in the interests of shareholders.
3. Which means that it makes sense from a pricing, capital and risk perspective.
4. We are principally looking at the US businesses.
5. Which would include people, infrastructure, licences etc.
6. Any assets in a potential deal would not include any of Lehman's troubled assets – which means, for example, no additional exposure to US sub prime.
7. This is a rare opportunity for Barclays to accelerate its stated strategy by expanding its operations in the US through the acquisition of a high quality business with high margin potential.
8. It would further diversify our earnings stream by product and by geography.
9. We are discussing what is a complex transaction with tight deadlines.
10. Nothing has been finalised and may or may not lead to a deal.

*Fixed income, equities, Investment Banking (including M&A franchise).

Thx

Cathy Turner

Barclays HR Director

16/09/2008

Varley, John : Group Exec

From: Turner, Cathy : Human Resources
Sent: 16 September 2008 07:32
To: Varley, John : Group Exec; Lucas, Chris : Group Exec; Diamond, Bob : Barclays Capital; Harding, Mark : Legal; Ricci, Rich : Barclays Capital
Cc: Bruce, Leigh : ; Merson, Mark : Investor Relations; Haworth, Richard :

We are up. Messaging below being used. Incorporates changes following RED feedback.

1. Lehman approached us about acquiring some of its businesses.
2. Any potential deal would need to meet our strict financial tests and be in the interests of shareholders.
3. Which means that it makes sense from a pricing, capital and risk perspective.
4. We are considering acquiring the broker-dealer businesses.
5. Which would include people, infrastructure, licences etc.
6. Any businesses in a potential deal would not include any of Lehman's troubled assets – which means, for example, no additional exposure to US sub prime.
7. This is a rare opportunity for Barclays to accelerate its stated strategy by expanding its operations in the US through the acquisition of a high quality business with high margin potential.
8. It would further diversify our earnings stream by product and by geography.
9. We are discussing what is a complex transaction with tight deadlines.
10. Nothing has been finalised and may or may not lead to a deal.

Cathy Turner
Barclays HR Director
Tel: +44 (0)20 7116 2933
Mobile:- +44 (0)7775 541 591
PA: Jo Barry

Company Confidential

Deans, June : Group Exec

From: Lucas, Chris : Group Exec
Sent: 23 September 2008 08:08
To: Varley, John : Group Exec
Cc: Harding, Mark : Legal
Subject: FW: PIM bullets v2

I think we can just about conclude we do not need to announce this separately -- but it is a close call

Am keen not to have a steady drip into the market but we will need to reconsider whether we need to say something as the numbers firm up

John

From: Merson, Mark : Investor Relations
Sent: 22 September 2008 18:40
To: Lucas, Chris : Group Exec
Cc: Harding, Mark : Legal; Shepherd, Judith : Legal
Subject: FW: PIM bullets v2

FYI

Are we happy that we did not need to disclose these offices, staff, representatives and client AuM?

Best regards

Mark Merson
Director, Investor Relations
Tel. +44 20 7116 5752
Mob. +44 7770 748771
Email : mark.merson@barclays.com

From: Bruce, Leigh :
Sent: 22 September 2008 18:32
To: Merson, Mark : Investor Relations
Subject: FW: PIM bullets v2

From: Haworth, Richard: Barclays Capital (LDN)
Sent: 22 September 2008 18:25
To: Bruce, Leigh: Corporate Comms (LDN); Eaton, Simon: Corporate Comms (LDN)
Subject: FW: PIM bullets v2

PIM bullets on facts

PIM

- As part of the acquisition of the Lehman Brothers assets and operations in the US, Barclays Wealth has acquired the Lehman Brothers Private Investment Management (PIM) business
- The PIM business consists of c.\$50bn in client assets; 266 Investment Representatives (Brokers); and c.850 staff
- PIM has a footprint of 12 offices in the US and South America (NY, Boston, Philadelphia, Atlanta, Palm Beach, Miami, Houston, Dallas, LA, San Francisco, Chicago, Buenos Aires)
- The PIM business will now have access to the Aa1 rated balance sheet, global capital markets capability and leading product platform of Barclays in addition to all of its current product
- The PIM business gives us the opportunity to leverage the market leading structured products capability we have in the US, as well as the asset management and alpha generation of BGI, for distribution to HNW clients

Don't know if these bullets are for Barclays staff or Lehman - or both - so here are a few facts about the combined

entity

- As many of you know we were already working on this
- The acquisition of the PIM business will accelerate Barclays Wealth's strategy of entering the world's biggest wealth market, from a standing start, to a significant presence in very short space of time
- The combined business will have global reach with 103 offices in 26 countries and assets of c.\$300bn
- High quality, highly sophisticated investment representatives - already well integrated into the capital markets business of Lehman - naturally connect into the strengths of the combined entity

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