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Subject: Analyst Reports Summary Following Pre-Earnings and Stock Offering Announcements
Attach: Analyst Reports.pdf

Analyst Reports Summary Following Pre-Earnings and Stock Offering Announcements

Below are Analyst Report highlights post the June 9th Press Releases. Full reports are attached.

Pre-announces Expected Loss and Capital Raise
(9:48 a.m. - Sandler O'Neill Partners, Jeff Harte)

- * LEH pre-announced a 2Q08 loss of \$5.14 per share. This compares with [our] estimated losses of \$0.26...
- * It is hard to see the positives in a \$2.9 billion loss and a \$6 billion, dilutive capital raise. The modest silver lining is that LEH was able to reduce gross assets by \$130 billion...
- * Key topics for the conference call include: Why are this quarter's mark-downs so much larger than in previous quarters? How much confidence can investors have in currently reported book value?

Pre-Announcement & \$6 Bn Capital Raise
(9:34 a.m. - UBS, Glenn Schorr)

- * We see the raise as 25+% dilutive and both were larger than even recent expectations.
- * Timing & magnitude put credibility in question & some will likely remain skeptical on adequacy of marks... remaining exposures ...and opacity of a few key exposures...
- * [Will] be back post call to address estimates and our price target

Wider-Than-Expected Q2 Loss and Capital Raise, But Question Marks Remain
(9:15 a.m. - Bank of America, Michael Hecht)

- * LEH this morning pre-announced a wider than expected loss of \$2.8B (or \$5.14 per share) vs. our expectation of a loss of \$276 million (or \$0.50 per share).
- * We await more details on total remaining troubled assets in aggregate as well as a L-III or illiquid asset update to help answer the question of whether \$6B in incremental capital raise is sufficient.
- * Details to follow post conference call.

LEH to raise \$6 billion of capital, preannounces 2Q2008 results
(8:37 a.m. - Goldman Sachs, William F. Tanona)

- * We anticipate the stock's initial reaction will be negative given the size of the loss and the book value deterioration... we would

expect the stock to move higher throughout the day [with] investors covering their short positions.

* Our estimates and price target are under review.

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