

Talking Points (FID, Equities, General) & FAQs
For internal use only

Fixed Income TPs

- Share some significant management changes
- **Mike Gelband** is leaving the Firm to pursue other interests
- He will be succeeded by **Roger Nagioff**, who has been Firm's chief operating officer of Europe and a member of the Firm's Executive Committee since 2004
- This change is not related to a problem in Fixed Income or the division's quarterly performance
 - Dick and Joe and Mike had philosophical differences about how to grow the franchise in the future
 - They were hoping Mike would stay at the Firm in a different role; however, Mike decided that he wanted to pursue other opportunities
- As global head of Fixed Income, Roger will continue to be based in London.
- Roger plans to spend a lot of time in New York and Asia, and will be taking a residence in New York.
- Roger's appointment is a reflection of the truly global nature of our businesses, and it marks the first time a sole global head of one of our business segments has been based in London
- **Benoit Savoret**, who has led European Equities for the past three years, has been named COO of Europe
- Firm will be appointing a new head of European Equities in the coming weeks. Benoit will be acting head of European Equities until then
- Changes are effective immediately
- Mike will be available in a transition until mid-June and then will be considering options
- Bit of background on Roger:
 - Joined the Firm in 1997 as head of European Equity Trading. Served as co-head of Global Equities from 2000 until 2004
 - When he first became COO of Europe, he focused on Fixed Income, spending a lot of time with Andy Morton and Tarun Jotwani, working with them on the strategic direction and organizational platform of FID Europe

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Fixed Income TPs continued

- Roger is here this week and over the next few weeks will be holding U.S. Fixed Income meetings in the next few weeks in order to introduce himself and will follow up with a visit to Asia
- Firm will distribute a Dear Colleague letter and publish a press release on these changes later today
- Happy to answer any questions I can
- Please **do not share this information until Dear Colleague and Press Release have been issued**, to be fair to our colleagues, who should learn of the changes from their managers
- All press calls to **Kerrie Cohen** in New York(212) 526-4092, and **Patrick Meyer** in London (011-44 207) 102-2752

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Equities TP

- Share some significant management changes
- **Firm** has named **Benoit Savoret** the new chief operating officer of Europe
- Benoit is succeeding **Roger Nagioff**, who has agreed to become global head of Fixed Income, based in London
- The role was previously held by **Mike Gelband**, who is leaving the Firm to pursue other interests
- As most of you know, Roger has been the Firm's chief operating officer of Europe and a member of the Firm's Executive Committee since 2004
- Roger's appointment is a reflection of the truly global nature of our businesses, and it marks the first time a sole global head of one of our business segments has been located outside the U.S., but will spend a significant amount of time in New York and Asia.
- Jeremy, Bart and Benoit will be appointing a new head of European Equities in the coming weeks; until then, Benoit will be acting head
- Changes are effective immediately; Mike will be available in a transition until mid-June
- This change in Fixed Income leadership is not related to a problem in Fixed Income or the division's quarterly performance
 - Dick and Joe and Mike had philosophical differences about how to grow the franchise in the future
 - They were hoping Mike would stay at the Firm in a different role; however, Mike decided that he wanted to pursue other opportunities
- Firm will distribute a Dear Colleague and publish a press release on these changes later today
- Happy to answer any questions I can
- Please **do not share this information until Dear Colleague and Press Release have been issued**, to be fair to our colleagues, who should learn of the changes from their managers
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General TPs

- Share some significant management changes
- **Mike Gelband** is leaving the Firm to pursue other interests
- He will be succeeded by **Roger Nagioff**, who has been Firm's chief operating officer of Europe and a member of the Firm's Executive Committee since 2004
- As global head of Fixed Income, Roger will continue to be based in London but will spend a lot of time in New York and Asia
- Roger's appointment is a reflection of the truly global nature of our businesses
- It marks the first time a sole global head of one of our business segments has been located outside the U.S.
- **Benoit Savoret**, who has led European Equities for the past three years, is succeeding Roger as COO of Europe
- Firm will be appointing a new head of European Equities in the coming weeks. Benoit will be acting head of European Equities until then
- The change in Fixed Income is not related to a problem in the division or its quarterly performance, but to philosophical differences about how to grow the franchise in the future
- Changes are effective immediately; Mike will be available in a transition until mid-June
- Firm will distribute a Dear Colleague letter and publish a press release on these changes later today
- Happy to answer any questions I can
- Please **do not share this information until Dear Colleague and Press Release have been issued**, to be fair to our colleagues, who should learn of the changes from their managers
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FAQs:

FIXED INCOME

- 1. Why is Mike leaving? Is it related to FID's performance or some major issue, like the mortgage business? Was he asked to leave?**
 - No. The Firm understands the cyclical nature of businesses. The change is not related to a problem or quarterly performance. Dick and Joe and Mike had philosophical differences about how to grow the franchise
 - Dick and Joe were hoping Mike would stay. However, Mike decided that he wanted to pursue other opportunities

- 2. What are Mike's plans?**
 - He has a lot of options to consider

- 3. Why did the Firm choose Roger Nagioff to run Fixed Income?**
 - As COO of Europe over the past three years, Roger has helped drive our European franchise in a way that exemplifies both our One Firm culture and how we deliver the whole platform of the Firm to clients
 - He has a broad set of experiences in capital markets and is excellent with capital markets clients
 - In addition, Roger has experience running one of our global businesses as he spent four years (2000-2004) as co-head of the Firm's global Equities business
 - The Firm's businesses are truly global, and Roger's appointment is a reflection of that

- 4. What experience has Roger had in Fixed Income?**
 - When he first became COO of Europe, he focused on Fixed Income, spending a lot of time with Andy Morton and Tarun Jotwani, working with them on the strategic direction and organizational platform of FID Europe

- 5. What is Roger's background?**
 - Roger joined Lehman Brothers in 1997 as head of European Equity Trading. He was appointed head of European Equities in 1999. He served as co-head of Global Equities from 2000 until 2004, when he became COO of Europe
 - Roger is a lawyer by training and graduated from The City University of London. Prior to joining the Firm he worked at NatWest and BZW

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- As global head of Fixed Income, Roger will spend a great deal of time in all of our major Fixed Income locations in the U.S. and Asia as well as Europe
- He has taken a residence in New York

7. What does this mean for U.S. Fixed Income and the global heads based in New York? Will Roger name a regional U.S. head of FID?

- Over time, Roger will establish a structure that best serves the Division and the Firm
- He plans to spend a great deal of time in both the U.S. and Asia. He has taken a residence in New York

8. Will other global, division or business heads be transferred to London?

- There are currently no such plans

EQUITIES/EUROPE**9. Why did the Firm choose Benoit Savoret to succeed Roger Nagioff as COO of Europe?**

- Under Benoit's leadership, European Equities has created one of the Firm's strongest franchises
- By focusing successfully on high margin products, he has created a very profitable business in a market where commoditization and margin compression trends have been accelerating
- He is also an excellent builder of teams, consistently attracting and retaining top talent

10. What is Benoit's background?

- Benoit joined Lehman Brothers in 1997 as a senior equity derivatives trader covering France and Italy. He was appointed global head of trading for the Firm's options business in 1999, CEO of Asia Equities in 2000, and head of European Equity Trading and European Equity Derivatives in 2002. He has led European Equities since 2004.
- Prior to joining the Firm, Benoit worked for Société Générale in the U.S., U.K. and Asia.
- Benoit graduated as a Civil Engineer from École Centrale Paris. He also attended a two-year program at The Institute of Political Sciences of Paris

11. Who will be the next head of European Equities?

Jeremy, Bart and Benoit will be naming new leadership for European Equities shortly

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12. Will Benoit also be on the Firm's Executive Committee with Dick, Joe, Jeremy, Roger and the other global divisional leaders?

There are no changes to the Executive Committee at this time