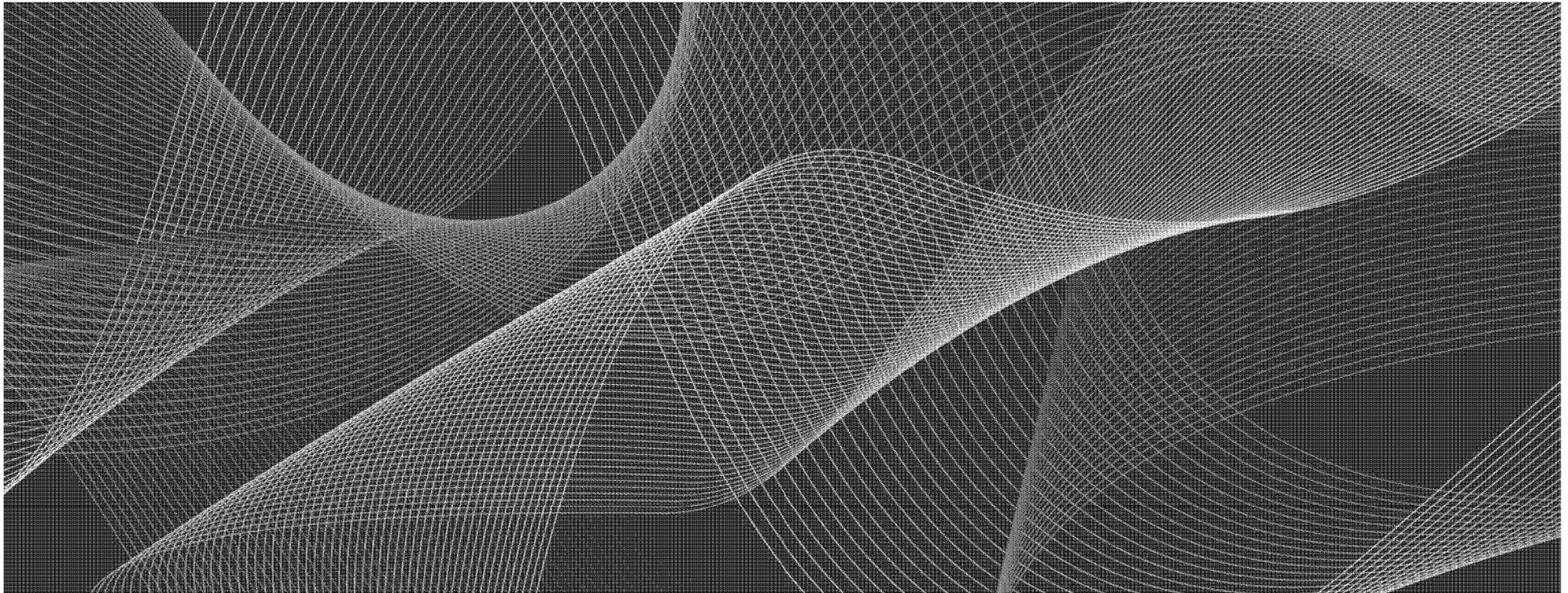


# Balance Sheet and Key Disclosures

## *2008 3Q Targets*



Confidential Presentation

# Balance Sheet Target <sup>(1)</sup>

\$ billions

## Net Balance Sheet

	Q1 2008	Final 2Q 2008	Target Q2 2008	Variance	Target Q3 2008
FID	249	213	220	(7)	236
Equities	49	39	40	(1)	40
CMPS	49	30	40	(10)	40
IMD	14	10	10	(0)	9
Principal	15	10	10	(0)	10
Non Core	22	26	22	4	25
<b>Total Assets</b>	<b>397</b>	<b>327</b>	<b>342</b>	<b>(15)</b>	<b>360</b>
<b>Americas <sup>(3)</sup></b>	<b>259</b>	<b>214</b>	<b>223</b>	<b>(9)</b>	<b>242</b>
<b>Europe</b>	<b>90</b>	<b>77</b>	<b>79</b>	<b>(2)</b>	<b>79</b>
<b>Asia</b>	<b>48</b>	<b>36</b>	<b>40</b>	<b>(4)</b>	<b>39</b>
<b>Equity <sup>(2)</sup></b>	<b>25.7</b>	<b>27.2</b>	<b>27.2</b>		<b>33.2</b>
<b>Leverage Ratio</b>	<b>15.4</b>	<b>12.0</b>	<b>12.6</b>		<b>10.8</b>

## Gross Balance Sheet

	Q1 2008	Final 2Q 2008	Target Q2 2008	Variance	Target Q3 2008
	368	281	321	(40)	303
	60	50	52	(2)	50
	261	209	230	(21)	225
	17	13	13	(0)	13
	17	14	12	2	14
	64	71	57	14	70
<b>Total Assets</b>	<b>786</b>	<b>638</b>	<b>685</b>	<b>(47)</b>	<b>675</b>
<b>Americas <sup>(3)</sup></b>	<b>526</b>	<b>434</b>	<b>475</b>	<b>(41)</b>	<b>472</b>
<b>Europe</b>	<b>193</b>	<b>149</b>	<b>144</b>	<b>5</b>	<b>137</b>
<b>Asia</b>	<b>67</b>	<b>55</b>	<b>66</b>	<b>(11)</b>	<b>66</b>
<b>Equity <sup>(2)</sup></b>	<b>24.8</b>	<b>26.3</b>	<b>26.3</b>		<b>32.3</b>
<b>Leverage Ratio</b>	<b>31.7</b>	<b>24.3</b>	<b>26.1</b>		<b>20.9</b>

(1) Q2 is final.

(2) Calculations use Leverage Equity for Net Leverage Ratio and Reported Stock Holders Equity for Gross Leverage Ratio. Q3 equity numbers assume 0 net income and Goodwill/Intangibles unchanged at \$4.1B.

(3) Regional targets are prelim.

LEHMAN BROTHERS

# Key Disclosure Targets

*in \$ Billions*

## Mortgage and asset-backed securities

	Q4'07	Q1'08	Q2'08 Final	Q3'08 Target
Residential:	\$32.1	\$31.8	\$24.9	\$22.0
Commercial:	\$38.9	\$36.1	\$29.4	\$25.0
Other asset-backed securities	\$6.2	\$6.5	\$6.5	\$4.0
<b>MBS Inventory</b>	<b>\$77.2</b>	<b>\$74.4</b>	<b>\$60.8</b>	<b>\$51.0</b>
Real estate-related investments	\$12.8	\$12.9	\$10.4	\$9.0
<b>Total Mortgage Related Inventory</b>	<b>\$90.0</b>	<b>\$87.3</b>	<b>\$71.2</b>	<b>\$60.0</b>

## High yield instruments

In billions	Q4'2007	Q1'2008	Q2'08 Final	Q3'08 Target
High yield instruments	\$33.8	\$30.9	\$23.9	\$19.0

## Acquisition finance facilities

	Q4'2007	Q1'2008	Q2'08 Final	Q3'08 Target
High grade:				
Contingent	\$10.2	\$7.2	\$1.7	
Unfunded	\$0.0	\$0.8	\$1.1	
Funded	\$1.7	\$2.9	\$3.7	
	<b>\$11.9</b>	<b>\$11.0</b>	<b>\$6.5</b>	<b>\$6.0</b>
High yield:				
Contingent	\$9.7	\$3.7	\$0.4	
Unfunded	\$2.7	\$2.2	\$2.1	
Funded	\$11.5	\$11.9	\$9.0	\$8.0
	<b>\$23.9</b>	<b>\$17.8</b>	<b>\$11.5</b>	<b>\$11.0</b>

# Other Targets

*in \$ Billions*

## Repo 105

	Q4'07	Q1'08	Q2'08	Q3'08 Target
FID Core	\$29.7	\$42.0	\$44.4	\$21.0
Equities Core	\$1.5	\$1.1	\$1.4	\$1.0
Prime Services	\$7.4	\$6.0	\$4.5	\$3.0
<b>Total</b>	<b>\$38.6</b>	<b>\$49.1</b>	<b>\$50.3</b>	<b>\$25.0</b>

## Level III

	Q4'07	Q1'08	Q2'08	Q3'08 Target
Level III Net	\$38.9	\$40.2	\$37.8	\$36.0

## Other Targets

	Q3'08 Target
<b>Month End Intra Quarter Balance Sheet</b>	
Gross Balance Sheet	\$815
Net Balance Sheet	\$420
<b>Muni TOB Inventory</b>	\$3