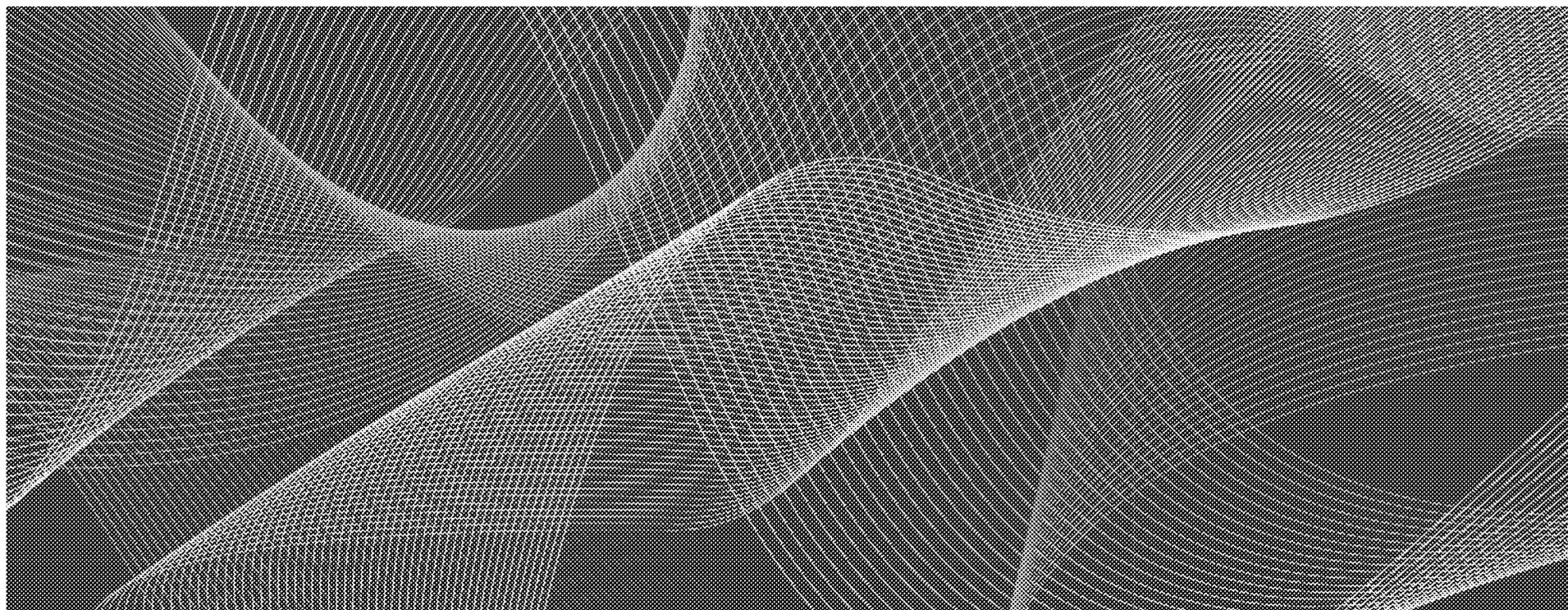


DRAFT

Balance Sheet and Key Disclosures

2008 3Q Targets



Confidential Presentation

Balance Sheet Target ⁽¹⁾

\$ billions

Net Balance Sheet

	Q1 2008	Final 2Q 2008	Target Q2 2008	Variance	Target Q3 2008
FID	249	213	220	(7)	213
Equities	49	39	40	(1)	40
CMPS	49	30	40	(10)	35
IMD	14	10	10	(0)	9
Principal	15	10	10	(0)	10
Non Core	22	26	22	4	25
Total Assets	397	327	342	(15)	332
Americas	259	214	223	(9)	214
Europe	90	77	79	(2)	79
Asia	48	36	40	(4)	39
Equity ⁽²⁾	25.7	27.2	27.2		33.2
Leverage Ratio	15.4	12.0	12.6		10.0

Gross Balance Sheet

	Q1 2008	Final 2Q 2008	Target Q2 2008	Variance	Target Q3 2008
FID	368	281	321	(40)	280
Equities	60	50	52	(2)	50
CMPS	261	209	230	(21)	220
IMD	17	13	13	(0)	13
Principal	17	14	12	2	14
Non Core	64	71	57	14	70
Total Assets	786	638	685	(47)	647
Americas	526	434	475	(41)	444
Europe	193	149	144	5	137
Asia	67	55	66	(11)	66
Equity ⁽²⁾	24.8	26.3	26.3		32.3
Leverage Ratio	31.7	24.3	26.1		20.0

(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.

LEHMAN BROTHERS

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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
MBS Inventory	\$77.2	\$74.4	\$60.8	\$51.0
Real estate-related investments	\$12.8	\$12.9	\$10.4	\$7.5
Total Mortgage Related Inventory	\$90.0	\$87.3	\$71.2	\$58.5

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	
	\$11.9	\$11.0	\$6.5	\$6.0
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
	\$23.9	\$17.8	\$11.5	\$11.0

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
Total	\$38.6	\$49.1	\$50.3	\$25.0

Level III

	Q4'07	Q1'08	Q2'08	Q3'08 Target
Level III Net	\$38.9	\$40.2	\$37.8	\$35.0

Other Targets

	Q3'08 Target
Month End Intra Quarter Balance Sheet	
Gross Balance Sheet	\$815
Net Balance Sheet	\$420
Muni TOB Inventory	\$3
FAS Gross Up Limit	TBD