

From: Whitman, Brad [bwhitman@lehman.com]
Sent: Tuesday, August 5, 2008 9:22 PM (GMT)
To: McGee III, Hugh E [hmcgee@lehman.com]
Subject: RE: SpinCo Model'g Update

\$5B raise at 1.5x book would be 26%
19.9% at 1.5x book would be \$3.6B

We are working the model to generate a table

I spoke to Larry re the other spinco deliverables

-----Original Message-----

From: McGee III, Hugh E
Sent: Tuesday, August 05, 2008 4:43 PM
To: Whitman, Brad
Subject: Re: SpinCo Model'g Update

Need
What pct is 5b at bookx1.5?
How much is 19.9?
Need a spreadsheet laying all this out. Etc

----- Original Message -----

From: Whitman, Brad
To: McGee III, Hugh E
Sent: Tue Aug 05 14:55:15 2008
Subject: SpinCo Model'g Update

Model suggesting that maintaining 12x leverage would require about \$7B in capital in clean RemainderCo. Ian thinks that we should be targeting higher leverage ratio (because have gotten rid of higher risk weighted assets). Which is to say, he's thinking capital of some number north of \$5B.

Currently in the process of linking our model to the treasury model and running more ratios to fine tune our results and views.