

Confidential

ALCO

Summary Package

September 17, 2007

LEHMAN BROTHERS

Additional Slides In Progress

- ◆ Box Trend by Asset Category/Regulated Entities
- ◆ Top Increases/Decreases of Secured Funding Volumes by Counterparty
- ◆ Prime Broker Margin Trend
- ◆ Matched Book Term/Principal Funding Gap
- ◆ Trend in High Grade and High Yield Commitment Draws of Existing Revolving Facilities
- ◆ Bank Funding Costs and Potential Sources of Additional Funding
- ◆ Framework for Assessing New Deals and Funding

Agenda:

- ◆ Liquidity Update: (slides 3 - 5)

- Liquidity Pool as of September 14 was \$31.5 billion, \$1.3 billion decrease from the previous day mainly due to \$2.5 billion repayment of European Facility offset by \$1.2 billion cash generation in LBSF collateral margin and Reg-T margin.

- Cash Capital Surplus:

<i>\$billions</i>	7/31 (actual)	8/31 (actual)	9/30 (est.)	10/31 (est.)	11/30 (est.)
CC Surplus	5.2	8.1	(3.5)	(6.9)	(3.8)

- ◆ Money Market Repos Status: (slide 6)

- ◆ Secured Funding Status: (slides 7)

- ◆ Actionable Box Trend: (slide 8)

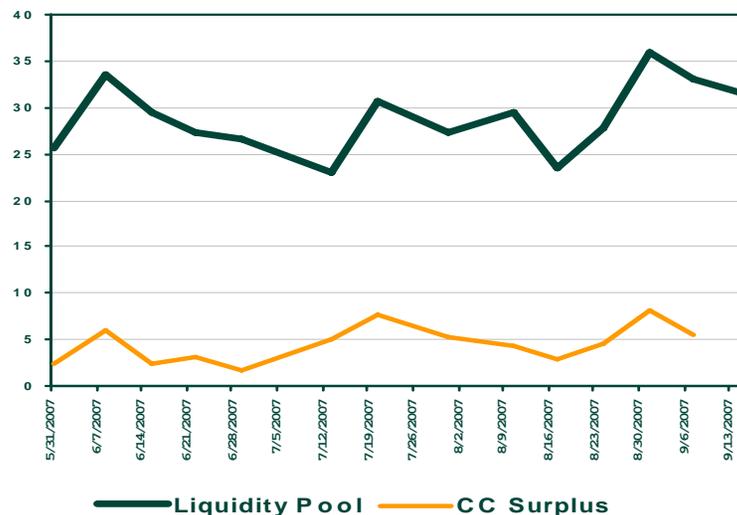
- ◆ Business Changes from Previous Status: (slides 9 - 12)

- ◆ Market Updates: (slide 13)

Liquidity and Cash Capital

- ◆ Liquidity Pool as of September 14 was \$31.5 billion, \$1.3 billion decrease from the previous day mainly due to \$2.5 billion repayment of European Facility offset by \$1.2 billion cash generation in LBSF collateral margin and Reg-T margin.
- ◆ Q3 Cash Capital surplus was \$8.1 billion. This includes the repayment of \$2 billion US committed facility and \$2.5 billion full draw of the European facility.

QTD Liquidity Pool and Cash Capital Surplus



Cash Capital Projection

CC as of 8/31 (Q3)		8.1
Change in Liabilities		
Projected Structured Issuance	1.0	
LTD Retirement	(1.5)	
Cash Capital Facilities (Chase \$2Bn, Racers \$1Bn, Dresdner \$1Bn, CGD \$0.1Bn)	4.1	
ANZ facility paydown	(0.3)	
BGI Secured Facility roll off	(1.0)	
Roll into Current Portion	(2.7)	
Equity	0.2	
		(0.2)
Change in Business Usage		
HY/HG		
- Loan Funding	(5.6)	
- Syndication/Selldown	0.4	
Total HY/HG	(5.2)	
Real Estate		
- Loan Funding	(4.4)	
- Securitization/Syndication/Selldown	1.1	
Total Real Estate	(3.3)	
Other	(2.8)	
		(11.3)
CC Projection for the month ending 9/30		(3.5)
Change in Liabilities		
Projected Structured Issuance	1.3	
Public Debt Issuance	1.5	
Metlife Cash Capital Facility	1.0	
Roll into Current Portion	(1.0)	
Equity	0.2	
		2.9
Change in Business Usage		
HY/HG		
- Loan Funding	(3.9)	
- Syndication/Selldown	1.0	
Total HY/HG	(2.9)	
Real Estate		
- Archstone Equity Funding	(2.4)	
- Loan Funding	(3.2)	
- Securitization/Syndication/Selldown	1.8	
Total Real Estate	(3.8)	
Other	0.4	
		(6.3)
CC Projection for the month ending 10/31		(6.9)
Change in Liabilities		
Projected Structured Issuance	1.0	
Roll into Current Portion	(1.6)	
Equity	0.2	
		(0.4)
Change in Business Usage		
HY/HG		
- Loan Funding	(3.9)	
- Syndication/Selldown	1.0	
Total HY/HG	(2.9)	
Real Estate		
- Loan Funding	(1.7)	
- Securitization/Syndication/Selldown	8.1	
Total Real Estate	6.4	
Other	0.0	
		3.5
CC Projection for the month ending 11/30		(3.8)

Q4 Liquidity Pool Projection

- ◆ Liquidity Pool at the end of Q4 is projected to be \$26.9 billion.
- ◆ There are \$8.1 billion of loans in the pipeline for banks in Q4.

Liquidity Pool vs. Maximum Cumulative Outflow

<i>\$Billions</i>	Q3 (Est.)		Q4 (Est.)	
	31-Aug	30-Sep	31-Oct	30-Nov
Liquidity Pool	36.0	27.1	23.4	26.9 *
Pending LTD Settlements	0.5	0.5	0.5	0.5 **
Pending STD Settlements	0.1	-	-	-
Pending Other Settlements	1.0	-	-	-
Total Liquidity (A)	37.7	27.7	24.0	27.4
LTD Maturity	15.6	17.3	17.5	18.6
STD Maturity	9.6	9.5	9.0	8.2
Contingent Commitment (Prefunding)	2.9	3.0	3.0	3.0
Derivatives Uncollateralized Payables/Overcollateralization	1.6	1.6	1.6	1.6
Debt and Equity Buyback	2.0	0.5	0.5	0.5 ***
Letters of Credit	0.4	0.4	0.4	0.4
UK Unapplied Cash	0.3	0.3	0.3	0.3
Contingent Collateralization on Derivatives	0.1	0.1	0.1	0.1
LB Lux Certificates	0.1	0.2	0.2	0.2
Total Outflow (B)	32.7	32.8	32.5	32.8
MCO 1 year forward position (A-B)	5.0	(5.1)	(8.5)	(5.4)

* Liquidity Pool includes \$2.3 billion AEGIS Investments

** \$0.5 billion LTD issuance projected as pending settlement

*** \$1.5 billion LTD retirement projected in September

September Cash Capital Projections

September Cash Capital Projections

CC as of 8/31 (Q3) **8.1**

Change in Liabilities		
Projected Structured Issuance	0.3	
Hudson Castle MMP paydown	(0.7)	
ANZ facility paydown	(0.3)	
Roll into Current Portion	(0.5)	
<i>Total Change in Liabilities</i>	<u>(1.2)</u>	
Change in Business Usage		Bank Funding
Funding of Project Calvino	(0.5)	-
Funding of misc. loans	(0.2)	-
Funding of Project Teodora	(0.1)	-
<i>Total Fundings</i>	<u>(0.8)</u>	<u>-</u>
LJAC 5 CMBS	0.5	
Syndication of Rembrandt/Delek	0.1	
<i>Total Syndications</i>	<u>0.6</u>	
<i>Total Change in Business Usage</i>	<u>(0.2)</u>	
Funding of Golden Gate notes purchase	(0.6)	
Intercompany funding	(0.6)	

CC as of 9/7 **5.5**

Change in Liabilities		
Projected Structured Issuance	0.3	
European CC Facility Paydown	(2.5)	
Hudson Castle MMP drawdown	0.1	
Roll into Current Portion (\$670M extendible)	(0.8)	
<i>Total Change in Liabilities</i>	<u>(2.9)</u>	
Change in Business Usage		Bank Funding
Funding of GM Building	-	(0.5)
Funding of misc. loans	(0.2)	-
<i>Total Fundings</i>	<u>(0.2)</u>	<u>(0.5)</u>
<i>Total Syndications</i>	<u>-</u>	
<i>Total Change in Business Usage</i>	<u>(0.2)</u>	
Intercompany funding	0.5	

CC Projection for the week ending 9/14 **2.9**

Change in Liabilities		
Projected Structured Issuance	0.3	
Roll into Current Portion	(0.0)	
<i>Total Change in Liabilities</i>	<u>0.2</u>	
Change in Business Usage		Bank Funding
Funding of ACTS (Air Canada)	(0.5)	(0.1)
<i>Total Fundings</i>	<u>(0.5)</u>	<u>(0.1)</u>
<i>Total Syndications</i>	<u>-</u>	
<i>Total Change in Business Usage</i>	<u>(0.5)</u>	

CC Projection for the week ending 9/21 **2.6**

CC Projection for the week ending 9/21 **2.6**

Change in Liabilities		
Projected Structured Issuance	0.3	
Debt Retirement	(1.5)	
Hudson Castle MMP drawdown	0.5	
BGI Secured Facility roll off	(1.0)	
CGD CC Facility	0.1	
Racers CC Facility	1.0	
Dresdner CC Facility	1.0	
Chase CC Facility	2.0	
European CC Facility	2.5	
Roll into Current Portion	(1.4)	
<i>Total Change in Liabilities</i>	<u>3.5</u>	

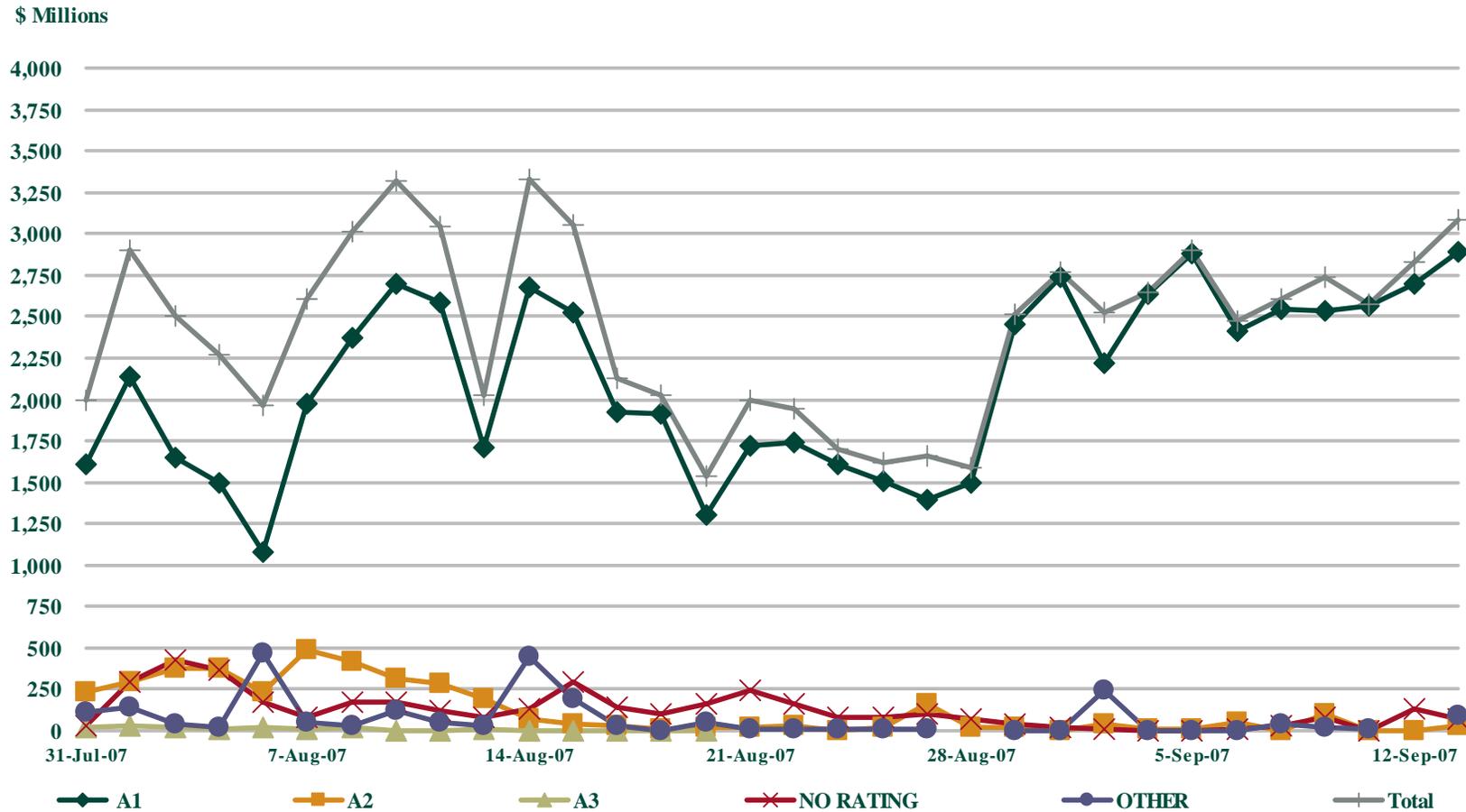
Change in Business Usage		Bank Funding
Funding of First Data	(2.8)	(0.1)
Funding of Applebees/IHOP	(1.7)	(0.4)
Funding of CDW	(1.0)	(0.4)
Funding of misc. Asia Real Estate loans	(0.8)	-
Funding of Akasaka Kokusai	(0.7)	-
Funding of PHH Corp	(0.6)	(0.6)
Funding of Gospel	(0.6)	-
Funding of misc. European Real Estate loans	(0.5)	-
Funding of Conduit/PTG loans	(0.3)	(0.3)
Funding of 230 Park Ave	(0.3)	-
Funding of Star Capital	(0.2)	-
Funding of misc. Asia HY/HG loans	(0.2)	-
Funding of misc. US Real Estate loans	(0.1)	(0.1)
Funding of Friars Square	(0.1)	-
Funding of THSRC drawdown in Taiwan	(0.1)	-
Funding of Grand Asset	(0.1)	-
Funding of Protego	(0.1)	-
Funding of Biomet	(0.1)	-
Funding of Beef Island Resort	(0.1)	-
<i>Total Fundings</i>	<u>(10.3)</u>	<u>(1.9)</u>
Syndication of Floater B note and Mezz	0.4	
Transfer of PHS to Bankhaus	0.3	
Syndication of Drapers Gardens	0.1	
Syndication of misc. Asia Real Estate loans	0.1	
<i>Total Syndications</i>	<u>0.9</u>	
<i>Total Change in Business Usage</i>	<u>(9.4)</u>	

Requirement in IMD (0.3)
 Requirement in Global Special Opportunities Group (0.1)
 Equity update 0.2

CC Projection for the month ending 9/30 **(3.5)**

Money Market Repos

Money Market Repos



1. Excludes assets funded in Bankhaus, which was \$1.3bn as of Sept. 13th, 2007.

Secured Funding Status

- ◆ Highlights TBD

Secured Funding Volumes

Collateral Allocated Summary	Principal (\$Bn)	Avg Tenor (Days)
Asset Backs - Investment Grade	11.2	17
Asset Backs - Non-Investment Grade	2.3	22
C1 - Investment Grade Convertibles	2.6	25
C2 - Non-Investment Grade Convertibles	2.7	32
Corporates - Investment Grade	13.7	21
Corporates - Non-Investment Grade	10.7	18
E1 - Major Index Equities	7.3	11
E2 - Non-Major Index Equities	9.2	75
E3 - Non-Major Index Equities (<\$5)	3.8	51
EMG	10.4	54
Fund Units	0.4	86
Money Markets (A1)	3.9	13
Money Markets (A2, A3, Other)	0.2	1
Muni	1.8	1
Other	0.0	3
Preferreds	0.8	2
Private Labels - High Yield	2.7	18
Private Labels - Investment Grade	17.2	17
Wholeloan Residential	2.7	22
Grand Total	103.6	28

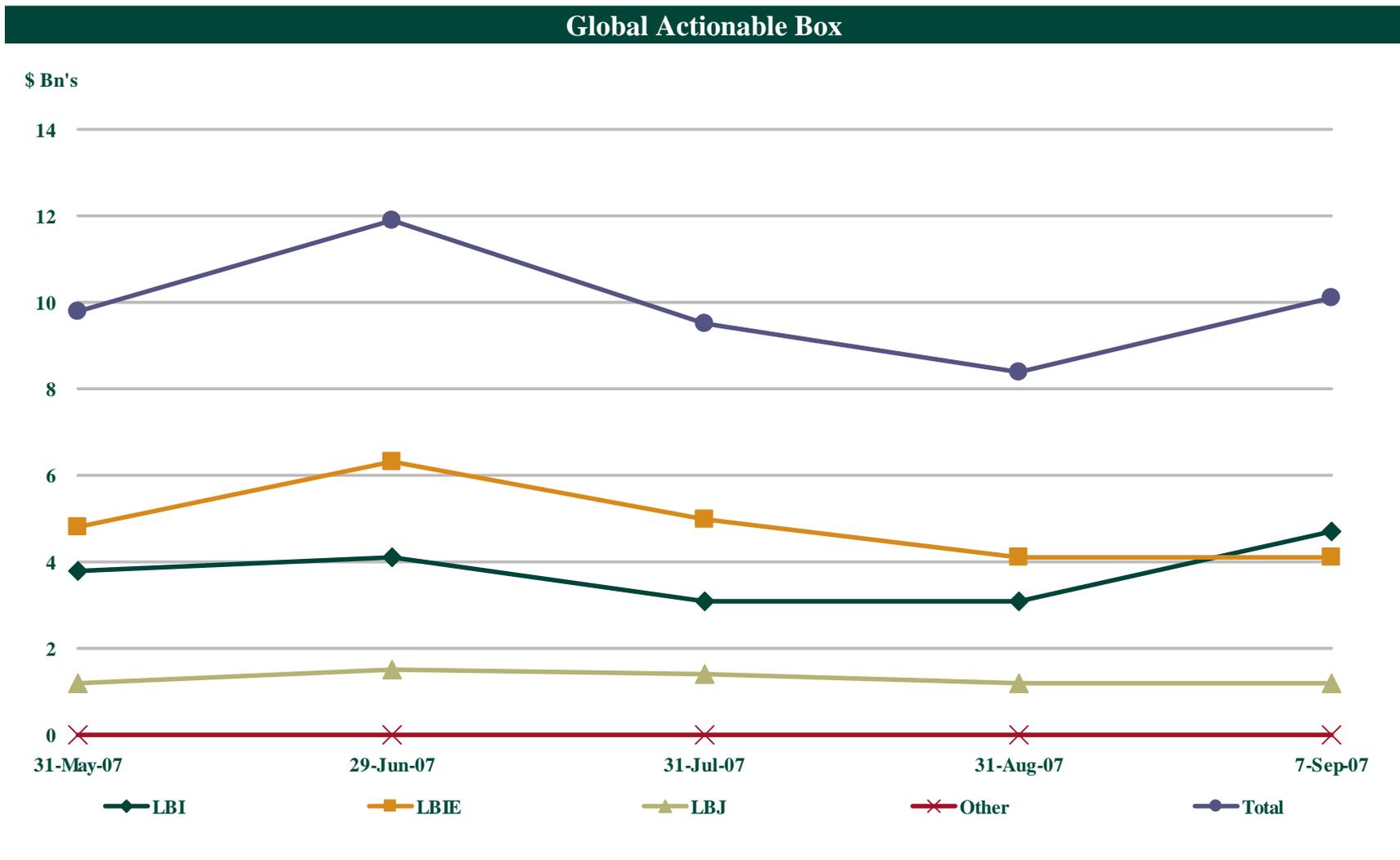
Top 25 Counterparties

Counterparty Group	Principal (\$Bn)	Avg Tenor (Days)
State Street	14.9	32
FIDELITY	7.5	19
DRESDNER	7.0	43
BANKHAUS	6.2	64
JP MORGAN CHASE	6.0	25
RBC	5.9	11
FORTIS	3.1	40
DANSKE BANK	2.9	10
RACERS	2.8	167
CITIBANK	2.6	14
LANDESBANK	2.2	7
ABN AMRO	2.0	54
DWIGHT A.M.	2.0	23
DEKABANK	1.9	12
UBS	1.8	1
MELLON	1.8	25
BARCLAYS	1.7	10
KEYBANK	1.6	28
HSBC	1.5	5
LCH	1.5	6
NOMURA	1.4	8
BANK OF NEW YORK	1.3	13
COUNTRYWIDE BANK	1.3	4
CALYON	1.3	5
MORGAN STANLEY	1.1	1
Other (60 Counterparties)	20.1	16
Grand Total	103.6	28

1. The above is based on global cash repo trades and Government Upgrade Collateral Swaps (CPT Trades) as of September 13th, 2007, excluding products traded special, Governments, Treasuries, Government/MBS Agencies, Sovereigns, and Commercial Wholeloans. Note: \$800 of Racers will mature on Jan. 22, 2008.

LEHMAN BROTHERS

Actionable Box Trend by Legal Entity



HY/HG – Loan Funding & Syndication Pipeline

- ◆ Total Funding: \$13.3 Bn
- ◆ Total Syndication: \$2.4 Bn
- ◆ Amounts in post-LLF, post-banks

Timeline	Funding	Bank Funding	Syndication
Closed	-	-	0.1 Syndication of Rembrandt/Delek
Projected	13.3	3.1	2.3
Sep	5.6	1.3	0.3
	2.8 Funding of First Data	0.1	0.3 Transfer of PHS to Bankhaus
	1.0 Funding of CDW	0.4	
	0.6 Funding of PHH Corp	0.6	
	0.5 Funding of ACTS (Air Canada)	0.1	
	0.4 Funding of misc. US HY/HG loans	-	
	0.2 Funding of misc. Asia HY/HG loans	-	
	0.1 Funding of Biomet	-	
Oct	3.9	0.8	1.0
	1.9 Funding of TXU	0.1	1.0 Projected Loan Syndication
	0.6 Funding of Sequa	0.1	
	0.2 Funding of Lloyds	0.3	
	0.4 Funding of LKQ	0.1	
	0.3 Funding of MacArthur	-	
	0.2 Funding of ARINC	0.1	
	0.2 Funding of Varel Holdings	-	
Nov	3.9	1.1	1.0
	1.1 Funding of Alliance Data	0.1	1.0 Projected Loan Syndication
	1.0 Funding of Harman International	0.1	
	0.5 Funding of TRW Automotive	0.1	
	0.5 Funding of United Rentals	0.4	
	0.4 Funding of McJunkin	0.1	
	0.2 Funding of Hawaiian Telecom	0.3	
	0.1 Funding of Plains Exploration & Production Co	-	
	0.1 Funding of PQ Corp	-	
Total HY/HG	13.3	3.1	2.4
	Total Funding in Q4		Total Syndication in Q4

Real Estate – Loan Funding & Syndication Pipeline

- ◆ Total Funding: \$11.8 Bn
- ◆ Total Syndication: \$11.0 Bn
- ◆ Amounts in post-LLF, post-banks

Timeline	Funding	Bank Funding	Syndication/Securitization
Closed	0.6		0.5
	0.5 Funding of Project Calvino		LJAC 5 CMBS
	0.1 Funding of Project Teodora		
Projected	11.2	3.4	10.5
Sep	3.8	1.1	0.6
	0.8 Funding of misc. Asia Real Estate loans	-	0.4 Syndication of Floater B note and Mezz
	0.7 Funding of Akasaka Kokusai	-	0.1 Syndication of Drapers Gardens
	0.6 Funding of Gospel	-	0.1 Syndication of misc. Asia Real Estate loans
	0.5 Funding of misc. European Real Estate loans	0.3	
	0.3 Funding of Conduit/PTG loans	0.3	
	0.3 Funding of 230 Park Ave	-	
	0.2 Funding of Star Capital	-	
	0.1 Funding of Friars Square	-	
	0.1 Funding of misc. US Real Estate loans	0.1	
	0.1 Funding of Grande Asset	-	
	0.1 Funding of Protego	-	
	0.1 Funding of Beef Island Resort	-	
	- Funding of GM Building	0.5	
Oct	5.6	1.5	1.8
	2.4 Funding of Archstone	-	0.6 Securitization of Green (repo)
	1.0 Funding of Hilton	0.6	0.2 Securitization of Green (sold)
	0.6 Funding of Legacy Loan	-	0.3 Project Pearl securitization (repo)
	0.6 Funding of misc. Asia Real Estate loans	-	0.2 Project Pearl securitization (sold)
	0.4 Funding of misc. European Real Estate loans	0.3	0.5 Syndication of Floater B note and Mezz
	0.3 Funding of Conduit/PTG loans	0.4	
	0.3 Funding of misc. US Real Estate loans	0.3	
	0.1 Funding of Protego	-	
Nov	1.7	0.9	8.1
	0.6 Funding of misc. Asia Real Estate loans	-	2.0 Gospel Securitisation (repo)
	0.4 Funding of misc. European Real Estate loans	0.3	1.2 Gospel Securitisation (sold)
	0.3 Funding of Conduit/PTG loans	0.4	1.5 Windermere 14 securitization (repo)
	0.3 Funding of misc. US Real Estate loans	0.3	1.2 USCWL C-7 securitization (repo)
	0.1 Funding of Protego	-	0.9 LJAC 6 CMBS
			0.4 Syndication of Clover
			0.3 Syndication of Floater B note and Mezz
			0.3 Syndication of Ryowa
			0.2 Syndication of Kenedix
			0.1 Syndication of West 44th St
Total RE	11.8 Total Funding in Q4	3.4	11.0 Total Syndication/Securitization in Q4

Archstone-Smith

	Projected Commitment					Projected Commitment with Asset Sales and Fannie Mae				
	Lehman 47.3%	Barclays 25%	B of A 27.7%	Tishman	Total	Lehman 47.3%	Barclays 25%	B of A 27.7%	Tishman	Total
Fixed Rate Loan	2,859	1,511	1,674		6,045	-	-	-		-
Floating Rate Loan	1,481	783	868		3,132	865	457	506		1,828
Term Loan	2,199	1,163	1,288		4,650	1,544	816	904		3,265
Mezzanine	431	228	252		911	431	228	252		911
Development Loan	237	125	139		500	237	125	139		500
Existing Debt Assumed	609	322	356		1,287	609	322	356		1,287
Preferred Units Issued	634	335	371		1,340	634	335	371		1,340
Total Debt	8,450	4,466	4,949	-	17,865	4,319	2,283	2,529	-	9,131
Bridge Equity	2,176	1,150	1,274		4,600	2,176	1,150	1,274		4,600
Permanent Equity*	250			250	500	250			250	500
Total	10,876	5,616	6,223	250	22,965	6,745	3,433	3,803	250	14,231

* Private Equity

- Lehman's current commitment (excluding Fannie Mae and asset sales) is \$10.9bn, comprised of: \$8.5bn of debt; \$2.2bn of bridge equity and \$250mm of permanent equity.
- Fannie Mae has signed up for \$7.35bn of the total debt subject to a 30 day due diligence period.
- In addition an asset sale agreement has been signed for the San Diego Properties which will close simultaneous to the overall closing on 10/5. Proceeds will be used to reduce the term loan
- A further \$1.8 billion of floating rate loan is currently being looked at by Freddie Mac.
- The term loan is currently being marketed to investors.

Securitized Products – Loan Funding & Syndication Pipeline

- ◆ Total Funding: \$2.1 Bn
- ◆ Total Syndication: \$0.0 Bn
- ◆ Amounts in post-LLF, post-banks

Timeline	Funding		Bank Funding	Syndication/Securitization	
<u>Closed</u>	-		-	-	
<u>Projected</u>	<u>2.1</u>		<u>0.4</u>	-	
Sep	1.8		0.4	-	
	1.7	Funding of Applebees/IHOP	0.4		
	0.1	Funding of THSRC drawdown in Taiwan			
Oct	0.1		-	-	
	0.1	Funding of THSRC drawdown in Taiwan			
Nov	0.2		-	-	
	0.2	Funding of THSRC drawdown in Taiwan			
Total STF	2.1	Total Funding in Q4	0.4	-	Total Syndication/Securitization in Q4

Market Update

- ◆ Despite European stocks being down (specifically UK stocks led by Northern Rock), it seems like a relatively quiet open in NY in what should be a very interesting week with brokerage earnings (LEH-9/18, MS-9/19, BSC & GS-9/20) and the FOMC meeting (9-18) on the calendar. In addition, we'll also get PPI on Tues, CPI & Housing Starts on Wed and the Philadelphia Fed survey on Thurs. CDS and cash have both opened right on top of where they closed on Friday.

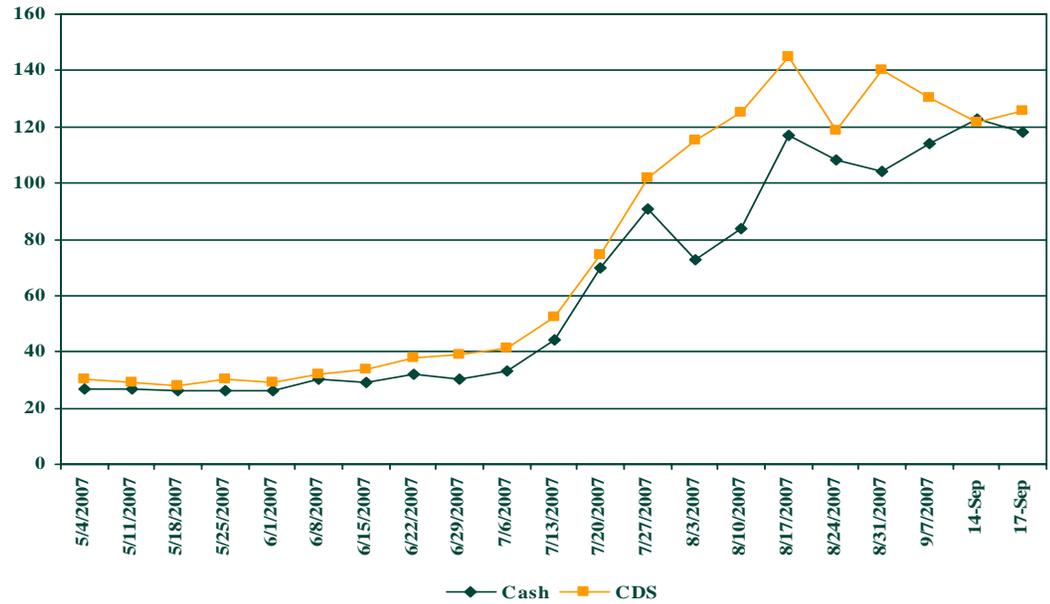
5 Year Lehman Spreads – Cash vs CDS

CDS:

BSC	127/133
GS	61/65
MER	66/71
MS	61/65
LEH	123/128

Cash:

5yr	L + 118
10y	L + 150
30y	L + 184



Appendices

HG & HY Credit LBO Update

- Funding in Q4 for High Grade and High Yield is predicted to be \$20.1bn pre banks and \$15.2bn post banks, of this \$8.5bn pre banks, \$6.5bn post banks is in September

High Yield Bond and Leveraged Loan Bridge Book

U.S. Deals

Deal	Closing Date	Funding Date	Total Commitment	Additional Bridge Equity	Gross				Net of banks, sales & syndications			
					Sep	Oct	Nov	Dec	Sep	Oct	Nov	Dec
TXU Corp	10/10/07	10/10/07	\$4,737	\$500	\$0	\$3,562	\$3,562	\$3,562	\$0	\$3,437	\$3,437	\$3,437
First Data Corporation	09/28/07	09/28/07	\$2,895	\$250	\$2,723	\$2,723	\$2,723	\$2,723	\$2,598	\$2,598	\$2,598	\$2,598
Riverdeep Group/Houghton-Mifflin/Harcourt Education	1Q08	1Q08	\$2,398		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Applebee's International, Inc/HOP Corp	09/30/07	09/30/07	\$2,139		\$2,039	\$2,039	\$2,039	\$2,039	\$1,664	\$1,664	\$1,664	\$1,664
PHH Corporation	09/28/07	09/28/07	\$1,703		\$1,210	\$1,210	\$1,210	\$1,210	\$585	\$585	\$585	\$585
CDW Corporation	09/28/07	09/28/07	\$1,464		\$1,374	\$1,374	\$1,374	\$1,374	\$999	\$999	\$999	\$999
Alliance Data	11/01/07	11/01/07	\$1,322		\$0	\$1,222	\$1,222	\$1,222	\$0	\$0	\$1,097	\$1,097
Harman International Industries	11/01/07	11/01/07	\$1,146	\$350	\$0	\$0	\$1,025	\$1,025	\$0	\$0	\$650	\$650
United Rentals (North America), Inc.	11/01/07	11/01/07	\$975		\$0	\$0	\$833	\$833	\$0	\$0	\$458	\$458
FairPoint Communications	01/31/08	01/31/08	\$832		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sequa Corp	10/01/07	10/01/07	\$820		\$0	\$760	\$760	\$760	\$0	\$635	\$635	\$635
ACTS (Air Canada)	09/21/07	09/21/07	\$689		\$642	\$642	\$642	\$642	\$517	\$517	\$517	\$517
TRW Automotive Inc.	11/30/07	11/30/07	\$650		\$0	\$0	\$600	\$600	\$0	\$0	\$475	\$475
McJunkin	11/30/07	11/30/07	\$569		\$0	\$0	\$499	\$499	\$0	\$0	\$374	\$374
LKQ	10/01/07	10/01/07	\$545		\$0	\$495	\$495	\$495	\$0	\$370	\$370	\$370
Hawaiian Telecom Yellow Pages	11/01/07	11/01/07	\$455		\$0	\$0	\$450	\$450	\$0	\$0	\$200	\$200
Metavante Corporation	10/31/07	10/31/07	\$400		\$0	\$350	\$350	\$350	\$0	\$0	\$0	\$0
Biomet, Inc.	09/28/07	09/28/07	\$389		\$71	\$71	\$71	\$71	\$71	\$71	\$71	\$71
ARINC Incorporated	10/15/07	10/15/07	\$365		\$0	\$328	\$328	\$328	\$0	\$203	\$203	\$203
Plains Exploration & Production Company	11/30/07	11/30/07	\$280		\$0	\$0	\$145	\$145	\$0	\$0	\$145	\$145
Varel Holdings, Inc.	10/31/07	10/31/07	\$230		\$0	\$215	\$215	\$215	\$0	\$215	\$215	\$215
Tenaska	09/28/07	09/28/07	\$146		\$146	\$146	\$146	\$146	\$0	\$0	\$0	\$0
PQ Corporation (CPQ Holdings LLC)	11/15/07	11/15/07	\$145		\$0	\$0	\$145	\$145	\$0	\$0	\$145	\$145
A&P	09/14/07	09/14/07	\$118		\$0	\$0	\$118	\$118	\$0	\$0	\$0	\$0
Chronic Care Solutions Holding Inc. (CCS Medical) (FRL)	10/16/07	10/16/07	\$86		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
American Standard (ASD Acquisition Corp.)	10/15/07	10/15/07	\$75		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Windstream Regatta	09/28/07	09/28/07	\$59		\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55
Tribune Company	11/01/07	11/01/07	\$52		\$0	\$0	\$32	\$32	\$0	\$0	\$32	\$32
Pregis Corporation	10/01/07	10/01/07	\$20		\$0	\$20	\$20	\$20	\$0	\$20	\$20	\$20
Alliance Resource Operating Partners (FRL)	09/18/07	09/18/07	\$8		\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8
Total Americas			\$25,712	\$1,100	\$8,268	\$13,997	\$19,064	\$19,064	\$6,497	\$11,376	\$14,950	\$14,950

Europe/Asia Deals

Deal	Commitment	Sep	Oct	Nov	Dec	Sep	Oct	Nov	Dec
Lloyds	\$452	\$0	\$452	\$452	\$452	\$0	\$202	\$202	\$202
Consolidated Minerals / Territory Resources	\$265	\$0	\$265	\$265	\$265	\$0	\$15	\$15	\$15
Total Europe/Asia	\$717	\$0	\$717	\$717	\$717	\$0	\$217	\$217	\$217

TOTAL HY

High Grade

Deal	Commitment	Sep	Oct	Nov	Dec	Sep	Oct	Nov	Dec
Imperial Tobacco	\$3,528	\$0	\$0	\$0	\$2,711	\$0	\$0	\$0	\$2,461
Transocean	\$1,667	\$0	\$0	\$0	\$1,667	\$0	\$0	\$0	\$1,042
ITC Holdings	\$350	\$0	\$0	\$0	\$350	\$0	\$0	\$0	\$0
City of Vernon Power Portfolio	\$203	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Best Buy Co., Inc.	\$180	\$113	\$113	\$113	\$113	\$0	\$0	\$0	\$0
Alcoa Inc.	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ConocoPhillips	\$150	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Mills, Inc.	\$150	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Saad Investments Company Limited (3)	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
United States Steel Corporation	\$96	\$96	\$96	\$96	\$96	\$0	\$0	\$0	\$0
GLG Partners LP (FA Sub 3 Limited)	\$75	\$0	\$0	\$75	\$75	\$0	\$0	\$0	\$0
Buckeye Partners	\$65	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Darden Restaurants, Inc.	\$50	\$0	\$24	\$24	\$24	\$0	\$0	\$0	\$0
Magellan Midstream Partners, LP	\$45	\$14	\$14	\$14	\$14	\$0	\$0	\$0	\$0
SABMiller plc	\$44	\$0	\$44	\$44	\$44	\$0	\$0	\$0	\$0
PEMEX Project Funding Master Trust	\$40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL HG	\$6,917	\$222	\$289	\$364	\$5,092	\$0	\$0	\$0	\$1,042
TOTAL HY & HG	\$33,347	\$8,490	\$15,003	\$20,146	\$24,874	\$6,497	\$11,593	\$15,167	\$16,209
Incremental funding		\$8,490	\$6,514	\$5,142	\$4,728	\$6,497	\$5,097	\$3,574	\$1,042

- All numbers are pre-LLF.
- Additional Bridge Equity is not included in funding requirement amounts
- Archstone (\$5.4bn commitment) and Hilton (\$1.6bn commitment) are not included in this report

LEHMAN BROTHERS

Funding Plan by Banks as of August 31, 2007

Plan: \$8.1bn of loans to go into the banks by year end

- ◆ There are \$8.1bn of loans in the pipeline for banks for Q4, split \$4.2bn HG/HY and \$3.9bn real estate

	Sep	Oct	Nov	Total Q4
High Grade/High Yield				
Bankhaus	\$896	\$475	\$750	\$2,121
LBCB	\$625	\$500	\$750	\$1,875
LBB	\$250	\$0	\$0	\$250
	<u>\$1,771</u>	<u>\$975</u>	<u>\$1,500</u>	<u>\$4,246</u>
Real Estate				
Bankhaus	\$158	\$225	\$1,263	\$1,646
LBCB	\$250	\$250	\$250	\$750
LBB	\$500	\$500	\$500	\$1,500
	<u>\$908</u>	<u>\$975</u>	<u>\$2,013</u>	<u>\$3,896</u>
Total	\$2,679	\$1,950	\$3,513	\$8,142

\$0.6bn of commitments (\$0.6bn funded) moved into the banks this month

Date	HG/HY/CRE	Loan Name	Commitment	Funded Amount	Entity
09/12/2007	CRE	GM Building	\$218,500,000	\$218,500,000	LBB
09/05/2007	CRE	Crossroads Plaza	\$75,000,000	\$75,000,000	LBB
Various	CRE	Sub \$50mm pieces	\$46,680,000	\$46,680,000	LBB
Various	HG	Sub \$50mm pieces	\$0	\$0	LBB
		LBB Total	\$340,180,000	\$340,180,000	
09/12/2007	CRE	GM Building	\$100,000,000	\$100,000,000	LBCB
09/07/2007	CRE/PTG	Moonlight Basin	\$100,000,000	\$100,000,000	LBCB
09/05/2007	CRE	Southwest Corporate Center	\$57,600,000	\$48,598,176	LBCB
09/05/2007	CRE	Paradise Boutique Hotel	\$66,000,000	\$51,618,000	LBCB
Various	GPS	Sub \$50mm pieces	\$3,000,000	\$3,000,000	LBCB
Various	HG	Sub \$50mm pieces	\$0	\$0	LBCB
Various	HY	Sub \$50mm pieces	\$0	\$0	LBCB
		LBCB Total	\$326,600,000	\$303,216,176	
		Bankhaus Total	\$0	\$0	
		Total All Banks	\$666,780,000	\$643,396,176	

Contingent Liquidity Facilities Update

Lehman Loan Funding (LLF)

Current Loan Designations & Prefundings

	Designation Capacity	Funding Capacity	Prefunded Amount	Lehman Purchased	Actual Prefunded
Lehman Loan Fund (LLF)	7,500	7,500	-	-	-
Loan	Designated	Funded			
TXU	2,000	-			
SANTA FE	1,000	-			
IMPERIAL	310	-			
IBM	408	408	408	-	408
Total	3,718	408	408	-	408
Remaining Capacity	3,782	7,092	408	-	408

Commentary

- ◆ Overview: Lehman Loan Funding (LLF) is a conduit affiliate of Lehman which was set up to fund designated acquisition loans. LLF is 75% owned by Hudson Castle, and is funded by secured liquidity notes issued to investors.

Aegis

Current Loan Designations & Prefundings

	Designation Capacity	Funding Capacity	Prefunded Amount	Lehman Purchased	Actual Prefunded
Aegis	6,000	2,437	2,281	(1,572)	709
Loan*	Designated	Funded			
GENERAL ELECTRIC CAPITAL CORP	750	-			
IBM	225	-			
THE THOMSON CORP.	201	-			
RESIDENTIAL CAPITAL LLC	150	-			
CISCO SYSTEMS INC.	100	-			
THE HARTFORD FIN SERVICES GRP	100	-			
TIME WARNER INC.	100	47			
SUB \$100MM LOANS	683	16			
Total	2,308	63			
Remaining Capacity	3,692	2,374	2,281	(1,572)	709

*Only loans greater than \$100mm shown

Commentary

- ◆ Overview: The Aegis conduit was set up to fund unfunded high grade loan commitments. Aegis is backed by Lloyds Bank and is funded through CP issuances.

SLN Maturity Profile

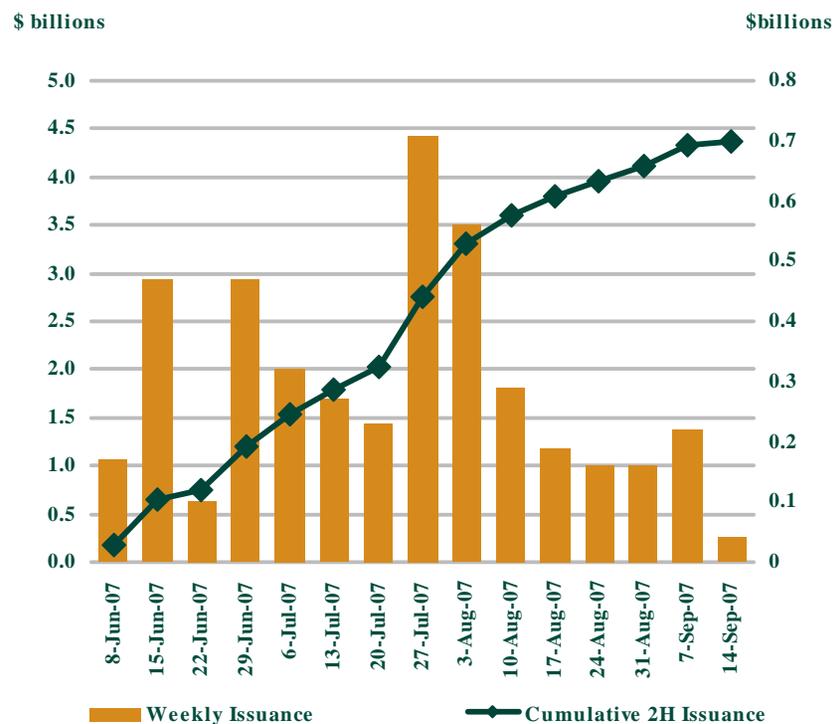
Maturity	Amount (\$mm)
Week of Sep 17	1,572
Week of Sep 24	-
Month of Oct	80
Month of Nov	700
	2,352

- ◆ Home Depot \$250mm commitment came off as of September 11th

Structured Cash Capital Issuance

- ◆ QTD Structured CC Issuance = \$4.37bn on 521 total trades
- ◆ QTD Average Structured CC Issuance per Week ~ \$291mm

2H Issuance Summary



2H Issuance by Currency (\$ millions)

	AUD	CHF	CZK	EUR	GBP	HKD	HUF	JPY	KRW	NZD	SEK	USD	Total
6/8/2007	14	-	-	38	2	-	-	17	-	-	34	63	167
6/15/2007	7	13	-	201	-	12	-	13	-	-	9	218	473
6/22/2007	2	-	-	33	-	-	-	17	-	-	-	53	104
6/29/2007	16	5	2	264	6	-	-	15	52	-	-	109	470
7/6/2007	6	6	-	223	-	-	-	5	-	7	-	70	317
7/13/2007	12	1	-	157	-	-	-	32	-	6	-	65	273
7/20/2007	12	-	-	110	-	-	-	13	12	-	2	79	230
7/27/2007	7	6	-	104	5	-	-	13	-	-	-	578	714
8/3/2007	1	-	-	484	6	-	2	13	-	-	-	50	556
8/10/2007	13	5	3	116	10	-	-	21	-	-	-	124	292
8/17/2007	-	10	-	125	2	-	-	13	-	-	-	38	188
8/24/2007	2	12	-	124	-	-	6	12	-	-	-	5	161
8/31/2007	19	-	2	18	10	-	-	11	33	-	-	70	161
9/7/2007	17	-	-	201	-	-	-	4	-	-	-	-	222
9/14/2007	6	-	-	27	-	3	-	1	-	-	-	4	41

2H Issuance by Tenor (\$ millions)

	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years	Total
6/8/2007	-	14	35	41	-	76	167
6/15/2007	-	91	31	41	16	294	473
6/22/2007	-	15	23	3	36	27	104
6/29/2007	-	183	61	85	59	82	470
7/6/2007	-	62	21	108	-	126	317
7/13/2007	-	153	31	14	11	65	273
7/20/2007	-	69	32	51	12	65	230
7/27/2007	-	472	35	119	57	32	714
8/3/2007	-	34	22	36	14	451	556
8/10/2007	-	75	51	50	42	74	292
8/17/2007	-	19	29	29	3	108	188
8/24/2007	-	22	3	32	3	102	161
8/31/2007	-	83	6	17	25	30	161
9/7/2007	-	18	15	14	-	175	222
9/14/2007	-	9	3	2	-	26	41

LBHI Facilities Pipeline

Included in Q4 Projections

Bank Name	Sec/Unsec	Tenor	Currency	New Credit (\$mm)	Owner / Contact
Dresdner*	Secured	5yr financing	USD	1,000	Jennifer F/ Amberish R.
MetLife				1,000	
Racers				1,000	
CGD	Unsecured	18 month extendible	USD	100	Karen v Ruffer
Total Included in Q4 Projections				3,100	

*Additional \$1bn reflected in Q3

Remaining Pipeline (sorted by Probability of Success)

Bank Name	Sec/Unsec	Tenor	Currency	New Credit (\$mm)	Owner / Contact
ING	Unsecured	2yr bullet	PHP	25	Nigel Watters
Commonwealth Bank of Australia	Unsecured	13 month extendible	AUD	170	Nigel Watters
AIG	Secured	5yr	USD	3,000	Amberish R
BNPP	Secured	13 months extendible	USD	200	Karen v Ruffer
BTMU	Unsecured	24 month extendible	JPY	164	Kishimoto
Chuo Mitsui Trust	Unsecured	24-21-24	JPY	41	Kishimoto
DnB Nor	Unsecured	3 year bullet or extendible	Multi	25	Amberish Ratanghaya
HSBC	Unsecured	24 month extendible	HKD/JPY/SGD	300	Siddharth Sharad
MetLife	Secured	18-15-18	USD	2,000	Jennifer F
Mizuho	Secured	18-15-18	JPY/USD	1,000	Kishimoto
TOTAL High/Mediums				6,925	

ABN	Secured	18 month extendible	USD	200	Karen v Ruffer
BBVA	Unsecured	18 month extendible	USD	250	Amberish Ratanghaya
BPI	Unsecured	30-18-30	PHP	40	Nigel Watters
BTMU (via Victory)	Secured	3yrs renewable annually	JPY	1,000	Emil Cornejo/ Keith Kennerly
BTMU (NY)	Secured	19-18-19	USD	500	Emil Cornejo/ Keith Kennerly
Caylon	Unsecured	18 month extendible	USD	250	Amberish Ratanghaya
Danske	Secured	13-12-13	USD	500	Amberish R /Huw Rees
DB	Unsecured	24 month extendible	HKD/JPY/SGD	200	Siddharth Sharad
JPMorgan Chase	Unsecured	24-21-24	JPY	82	Kishimoto
SMBC (Domestic syndicated loan)	Unsecured	5yr	JPY	250	Kishimoto
Banco MPS (Asia)	Unsecured	24 month bullet	HKD	TBD	Aireen Phang
Charles Schwabb	Secured	13-12-13	USD	250	Steven Becker / Keith Kennerly
Fidelity	Secured	13 month extendible	USD	0	Steven Becker / Keith Kennerly
HSH Nordbank	Secured	15 months extendible	USD	1,000	Karen v Ruffer
Hypo Public Finance	Secured	13 month rolled monthly	USD	1,000	Emil Cornejo
Oppenheimer Funds	Secured	13-12-13	USD	200	Steven Becker / Keith Kennerly
State Street	Secured	13-12-13	EUR	400	Steven Becker / Keith Kennerly
Unicredit Americas	Secured	18 months extendible	USD	1,000	Karen v Ruffer
TOTAL Low/Very low				7,122	

TOTAL Remaining Pipeline				14,047	
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Lehman Extendible Bonds

Sec	Coupons	Effective 1ml Level	SettleDate	Extension	Notice Period	Next		Final MD	Ccy	Notional (USD)
						Extension Date	Current MD			
MTNH109	1mL -1,+0,+1,+2,+3	1	5/24/2006	13-12-13	up until election date	8/14/2007	8/14/2008	6/14/2011	USD	500,000,000
MTNI224A	3ml -1, 0, +1, +2, +3, +3	2	6/5/2007	13-12-13	up until election date	8/27/2007	8/27/2008	6/27/2013	USD	2,250,000,000
MTNG105	1ml 0, +3, +6, +8, +8 thereafter	5	1/26/2004	13-12-13	up until election date	8/22/2007	8/22/2008	2/22/2009	USD	745,000,000
MTNI21	FF+12, +12, +13, +14 +15, +16 thereafter	4	8/24/2006	24-21-24	from 10 to 2 days prior	8/22/2007	5/1/2009	8/22/2016	USD	300,000,000
MTN7061	1m euribor +3, +4, +5, +6, +7	3	5/10/2007	13-12-13	from 8 to 3 days prior	9/10/2007	8/10/2008	5/10/2012	EUR	258,092,000

LEHMAN EXTENDIBLE INVESTOR BASE

Sec	Investor	Size	Election Date	Status as of 8/31	COUP	Action	Cash Cap a/o 08/31/07	Cash Cap a/o 09/30/07	
MTNH109	Columbia	\$400	8/14/2007	Extended	n/a	Not extended as of 9/14/2007	400	0	
	BONY	\$100	8/14/2007	RE-ISSUED		Will Not Extend, agreed to 13mo @ +3bps premium	100	0	
	Total	\$500					500	0	
MTNI224A	FRANK RUSSELL COMPANY	\$300	8/27/2007	RE-ISSUED	3ml flat	Will Not Extend, countered 220mm 13mo at L flat and 80mm retirement, we accepted	220	0	
	EVERGREEN INVESTMENT MGMT CO LLC NORTH CAROLINA	\$300	8/27/2007	RE-ISSUED	3ml + 2	Will Not Extend, agreed to 13mo @ +3bps premium	300	0	
	FLORIDA STATE BOARD OF ADMINISTRATION	\$300	8/27/2007	RE-ISSUED	+4 Ext	Will issue new extendible at +4 prem to each existing coup	300	300	
	WELLS CAPITAL MANAGEMENT CALIFORNIA	\$250	8/27/2007	RE-ISSUED	+4 Ext	Did Extend (accidentally), but agreed new extendible at +4 prem to each existing coup	250	250	
	DREYFUS CORPORATION	\$165	8/27/2007	Extended	n/a	Extended	165	165	
	NORTHERN TRUST COMPANY	\$150	8/27/2007	RE-ISSUED	3ml + 3	Will Not Extend, agreed to 13mo @ +4bps premium	150	0	
	GOLDMAN SACHS ASSET MGMT NY	\$140	8/27/2007	RE-ISSUED	3ml + 2	Will Not Extend, agreed to 13mo @ +3bps premium	140	0	
	TD ASSET MANAGEMENT USA INC.	\$125	8/27/2007	Not Extended	no ext	Will Not Extend, did not accept offer	0	0	
	AMERIPRISE FINANCIAL INC	\$100	8/27/2007	RE-ISSUED	3ml + 2	Did Extend (accidentally), but agreed to 13mo bullet @ +3bps premium	100	0	
	MARSHALL & ILSLEY BANK/PORT WISCONSIN	\$100	8/27/2007	Not Extended	??	Will Not Extend, did not accept offer	0	0	
	TRUSCO CAPITAL MANAGEMENT INC	\$100	8/27/2007	RE-ISSUED	3ml + 3	Will Not Extend, they countered 13mo + 5bps, we ultimately agreed to +4bps premium	100	0	
	T ROWE PRICE MARYLAND	\$50	8/27/2007	RE-ISSUED	3ml + 2	Will Not Extend, agreed to 13mo @ +3bps premium	50	0	
	SEI INVESTMENTS MANAGEMENT CORP	\$45	8/27/2007	Extended	n/a	Extended	45	45	
	PUTNAM INVESTMENTS USA	\$45	8/27/2007	Not Extended	n/a	Will Not Extend, did not accept offer	0	0	
	HARRIS INVESTMENT MANAGEMENT ILLINOIS	\$30	8/27/2007	RE-ISSUED	+4 Ext	Did Extend (accidentally), but agreed new extendible at +4 prem to each existing coup	30	30	
	HARTFORD INVESTMENT MANAGEMENT CONNECTICUT	\$25	8/27/2007	Not Extended	n/a	Will Not Extend, did not accept offer	0	0	
	PRINCIPAL LIFE INSURANCE COMPANY	\$20	8/27/2007	Extended	n/a	Extended	20	20	
	WILLIAMS CAPITAL GROUP LP	\$5	8/27/2007	Not Extended	??	Will Not Extend, did not accept offer	0	0	
	Total		\$2,250				1,870	810	
MTNG105	BONY	\$175	8/22/2007	RE-ISSUED	3ml + 11	Will Not Extend, agreed to 13mo @ +3bps premium	175	0	
	JPMorgan	\$250	8/22/2007	Not Extended	n/a	Will Not Extend, did not accept offer	0	0	
	Merril	\$150	8/22/2007	Extended	n/a	Extended	150	150	
	??	\$170	8/22/2007	Not Extended		Will not extend, do not know investors	0	0	
	Total		\$745				325	150	
MTNI21	JP MORGAN CHASE BANK NA	\$300	8/22/2007	Not Extended		Will Not Extend, now 21 month bullet	300	300	
	Total	\$300					300	300	
MTN7061	State Street - Denom in EUR	\$270	9/10/2007	Not Extended		Will Not Extend, did not accept offer	270	0	
	Total	\$270					270	0	
Total Extendible Notional		\$4,065					Total Current Cash Cap Position	\$3,265	\$1,260
							Confirmed Cash Capital Loss	\$800	\$2,805

Top 5 Money Market Repos (9/7 – 9/13)

Date	Product	Rating	Amount (\$Millions)
09/07/2007	C/P AEGIS FINANCE LLC 3(C)(7) RESALE TO QP ONLY	A1	1,300
	RESTRUCTURED ASSET SECURITIES	A1	1,191
	C/P ING (US) FUNDING LLC	OTHER	39
	C/P EUREKA SECURITIZATION INC 4.2	A1	21
	C/P BARTON CAPITAL CORP 4.2	A1	21
	Remaining		36
	Grand Total		2,608
09/10/2007	C/P AEGIS FINANCE LLC 3(C)(7) RESALE TO QP ONLY	A1	1,225
	RESTRUCTURED ASSET SECURITIES	A1	1,107
	C/P ROCKIES EXPRESS PIPELINE LLC	A2	66
	DANAHE ECP-DISC 10SEP7-24SEP7	NO RATING	54
	C/P WINDSOR FUNDING TRUST 3(C)(7) RESALE TO QP ONLY	A1	49
	Remaining		232
	Grand Total		2,733
09/11/2007	C/P AEGIS FINANCE LLC 3(C)(7) RESALE TO QP ONLY	A1	1,390
	RESTRUCTURED ASSET SECURITIES	A1	999
	C/P BARTON CAPITAL CORP 4.2	A1	153
	C/P UBS FINANCE DELAWARE INC	OTHER	12
	C/P RABOBANK US FINANCIAL CORP	A1	12
	Remaining		11
	Grand Total		2,577
09/12/2007	C/P AEGIS FINANCE LLC 3(C)(7) RESALE TO QP ONLY	A1	1,532
	RESTRUCTURED ASSET SECURITIES	A1	1,005
	DANAHE ECP-DISC 12SEP7-26SEP7	NO RATING	115
	C/P NOVARTIS FINANCE CRP 4.2	A1	77
	C/P CHESHAM4 7 3(C)(7) RESALE TO QP ONLY	A1	34
	Remaining		69
	Grand Total		2,832
09/13/2007	C/P AEGIS FINANCE LLC 3(C)(7) RESALE TO QP ONLY	A1	1,532
	RESTRUCTURED ASSET SECURITIES	A1	1,061
	C/P UBS FINANCE DELAWARE INC	A1	51
	C/P UBS FINANCE DELAWARE INC	OTHER	87
	C/P CLASSIC LLC 3(C)(7) RESALE TO QP ONLY	A1	98
	TULIP ECP-DISC 13SEP7-15OCT7	NO RATING	71
Remaining		185	
	Grand Total		3,085

1. Excludes assets funded in Bankhaus, which was \$1.3bn as of Sept. 13th, 2007.

Conduits

Lehman Brothers Funding (Lehman Brothers Provides Backstop)

Fenway Pay-Down Schedule (as of each end of day calendar date listed below)

	Fenway Paydowns	Fenway Total Remaining	LLF Total Remaining	LLF Funded Assets (IBM)	LLF Eligible Investments	LLF Transfers to MMP-3	MMP-3 Total Remaining (Unsecured)	MMP-3 Treasury Loan	Treasury Cash Capital Funding	Treasury Cash Capital Gain (Loss)
09/17/2007	(776,000,000)	2,888,095,000	408,115,942	408,115,942	-	-	2,479,979,058	2,479,979,058	2,888,095,000	(776,000,000)
09/24/2007	(313,000,000)	2,575,095,000	408,115,942	408,115,942	-	-	2,166,979,058	2,166,979,058	2,575,095,000	(313,000,000)
10/01/2007	(75,000,000)	2,500,095,000	408,115,942	408,115,942	-	-	2,091,979,058	2,091,979,058	2,500,095,000	(75,000,000)
10/09/2007	(95,000)	2,500,000,000	2,500,000,000	408,115,942	2,091,884,058	-	-	-	408,115,942	(2,091,979,058)
10/15/2007	-	2,500,000,000	2,500,000,000	408,115,942	2,091,884,058	-	-	-	408,115,942	-
10/22/2007	-	2,500,000,000	2,500,000,000	408,115,942	2,091,884,058	-	-	-	408,115,942	-
10/30/2007	-	2,500,000,000	2,500,000,000	408,115,942	2,091,884,058	-	-	-	408,115,942	-
11/05/2007	-	2,500,000,000	2,500,000,000	408,115,942	2,091,884,058	-	-	-	408,115,942	-
11/13/2007	-	2,500,000,000	2,500,000,000	408,115,942	2,091,884,058	-	-	-	408,115,942	-
11/23/2007	-	2,500,000,000	2,500,000,000	408,115,942	2,091,884,058	-	-	-	408,115,942	-
11/27/2007	-	2,500,000,000	2,500,000,000	408,115,942	2,091,884,058	-	-	-	408,115,942	-
12/03/2007	-	2,500,000,000	2,500,000,000	408,115,942	2,091,884,058	-	-	-	408,115,942	-
12/10/2007	-	2,500,000,000	2,500,000,000	408,115,942	2,091,884,058	-	-	-	408,115,942	-
01/15/2008	-	2,500,000,000	2,500,000,000	408,115,942	2,091,884,058	-	-	-	408,115,942	-
02/05/2008	-	2,500,000,000	2,500,000,000	408,115,942	2,091,884,058	-	-	-	408,115,942	-
02/12/2008	-	2,500,000,000	2,588,095,000	408,115,942	2,179,979,058	-	-	-	408,115,942	-
02/22/2008	-	2,500,000,000	2,908,115,942	408,115,942	2,500,000,000	-	-	-	408,115,942	-

Aegis SLN Paydown Schedule

Maturity Date	Maturing SLNs	SLN Balance	LBI Purchased and Repo'd	SLNs Financed by Street	Cash Capital Funded Assets
09/14/2007	-	2,352,000,000	1,571,731,450	780,268,550	62,862,000
09/17/2007	(1,572,000,000)	780,000,000			
10/30/2007	(80,000,000)	700,000,000			
11/06/2007	(350,000,000)	350,000,000			
11/09/2007	(350,000,000)	-			

Hudson Castle - Belmont

Asset	Commitment	Funded
Cap One (Belmont)	250,000,000	103,233,000
Americredit (Belmont)	255,000,000	78,016,000
Total Outstanding	505,000,000	181,249,000

Liberty Hampshire Roll Schedule

Date	Roll Amt.
09/11/2007	158,682,000
09/12/2007	226,908,000
09/14/2007	122,090,000
09/17/2007	14,000,000
09/19/2007	47,440,000
09/20/2007	36,533,000
10/18/2007	15,393,000
10/22/2007	34,508,000
10/24/2007	87,116,000
11/06/2007	44,780,000
11/08/2007	95,668,000
11/16/2007	124,844,000
Total Outstanding	1,007,962,000

Client Funding (Lehman Brothers Provides Backstop)

MICA

Asset	Commitment	Funded
Sonic	100,000,000	45,250,000
Dominos	90,000,000	-
Hertz	50,000,000	21,333,000
Dunkin Brands	55,167,000	-
Total Outstanding	295,167,000	66,583,000

Firm Relationship Conduits

Conduit Name	Program Size	Asset	Commitment	Funded
Transamerica Asset Funding	1,700,000,000	Aegon	100,000,000	-
New Center Asset Trust	12,000,000,000	GMAC	325,000,000	-
FCAR Owner Trust	18,011,000,000	Ford	238,000,000	-
Landale Asset Purchasing	2,244,000,000	HBOS	207,233,400	194,981,126
Axon Financial Funding Ltd	20,000,000,000	n/a	50,000,000	-
Total Outstanding	53,955,000,000		920,233,400	194,981,126

Secured Financing Haircut Widening

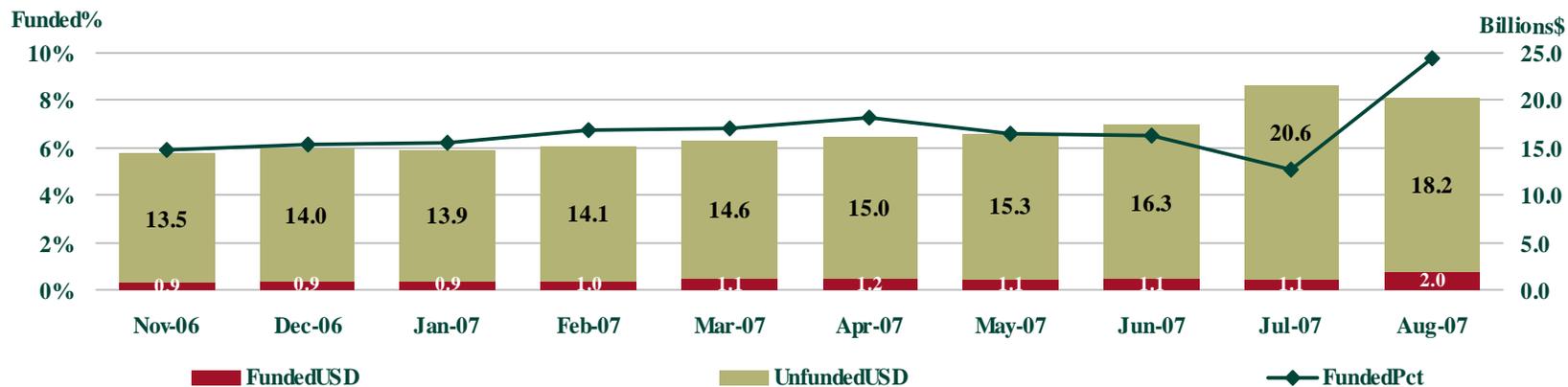
August 28, 2007
(In Billions)

<u>Counterparty</u>	<u>Amount Funded</u>	<u>Balance with Haircut Changes</u>	<u>Haircut Widening</u>	<u>Additional Collateral Required</u>	<u>Asset Class</u>
State Street	15.20	5.10	3% - 8%	0.24	(U.S.) ABS, Private Label Mortgages
Fidelity	7.40	0.00	None	0.00	None
JP Morgan Chase	6.50	0.00	None	0.00	None
Dresdner	6.20	3.97	2% - 3%	0.11	(U.S.) ABS, Private Label Mortgages, HY Corporates
RBC	6.10	4.00	5% - 8%	0.25	Equities
Top 5 Counterparties	<u>41.40</u>	<u>13.07</u>		<u>0.60</u>	
All Other Counterparties	64.00	5.80		0.21	
Total¹	<u>105.40</u>	<u>18.87</u>		<u>0.81</u>	

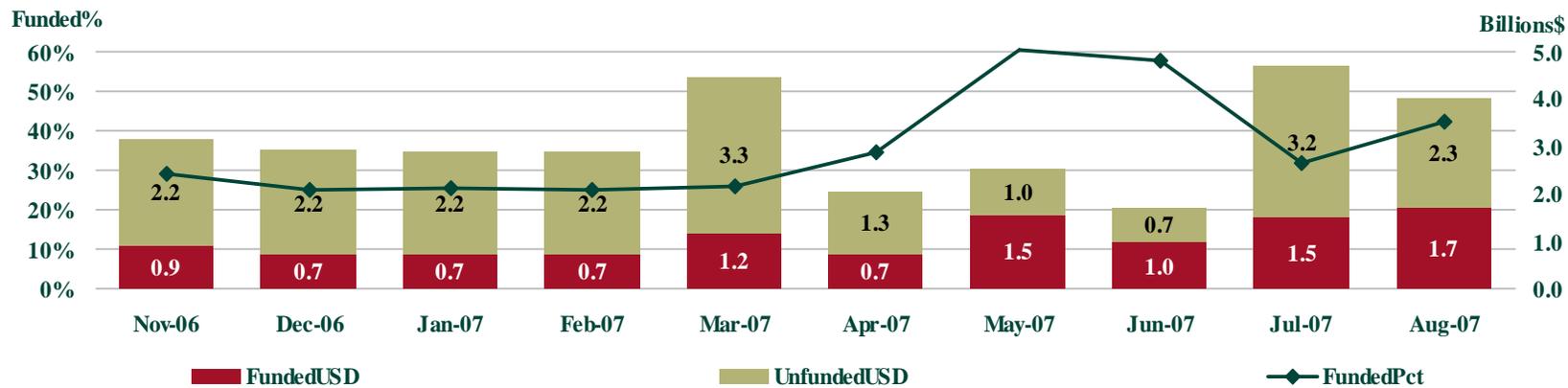
¹ The above is based on global cash repo trades, excluding products trading special, Governments, MBS Agencies, Sovereigns and Commercial Whole Loans

High Grade Commitments

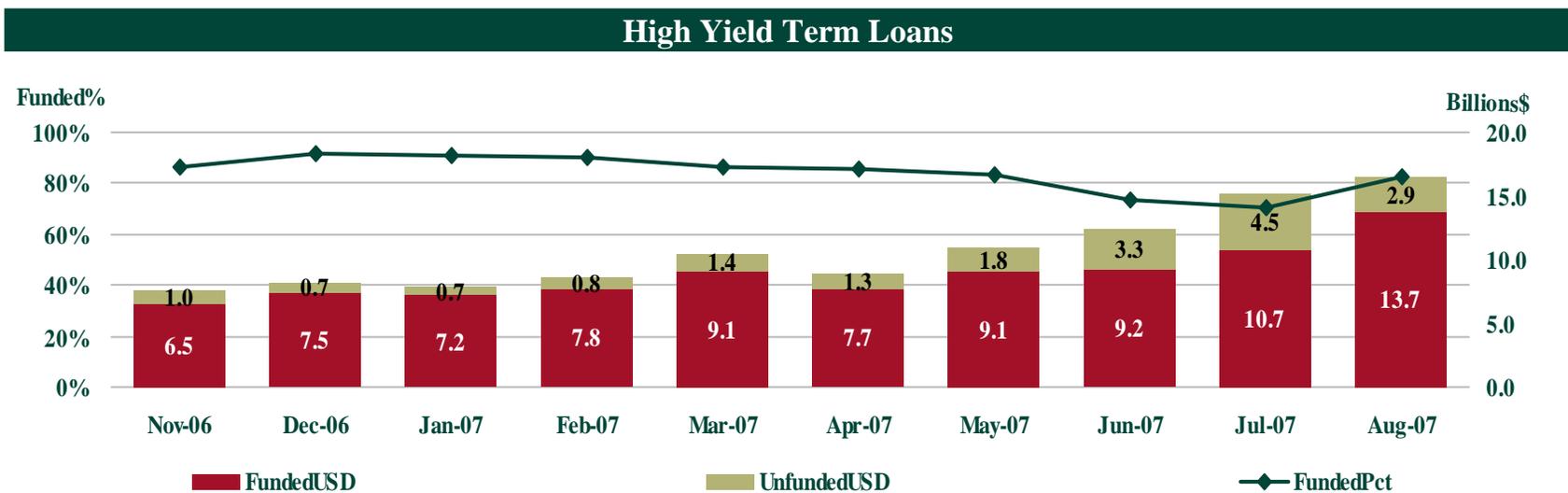
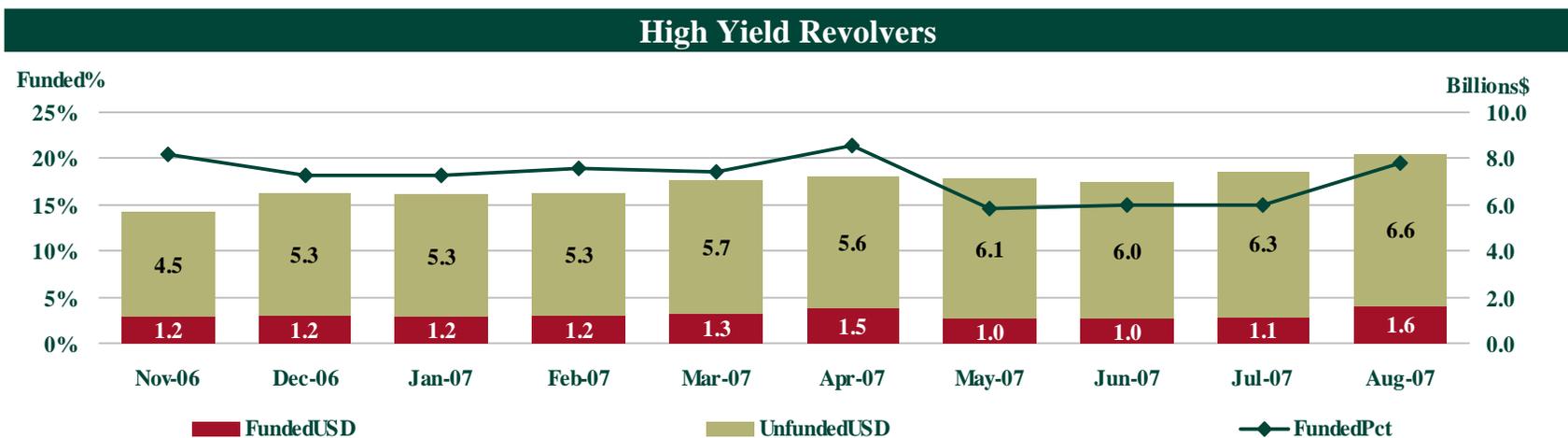
High Grade Revolvers



High Grade Term Loans



High Yield Commitments



Change In Secured Funding Volumes by Counterparty

Principal in \$Bn's

Top 10 Decreases (7/31 – 8/31/07)

Counterparty Group	31-Jul-07	31-Aug-07	Variance
RABOBANK	4.6	1.6	(3.0)
IXIS	2.9	0.5	(2.4)
WEST LB	1.9	0.2	(1.7)
CALYON	2.7	1.1	(1.6)
DRESDNER	7.3	5.8	(1.5)
Key Bank	1.5	-	(1.5)
DEXIA	2.0	0.9	(1.0)
BARCLAYS	2.7	1.7	(1.0)
ING	1.8	1.0	(0.8)
OLD MUTUAL	1.0	0.3	(0.7)
Other (65 Counterparties)	30.6	23.1	(7.5)
Grand Total	59.1	36.2	(22.9)

Top 10 Decreases (8/31 – 9/07/07)

Counterparty Group	31-Aug-07	7-Sep-07	Variance
KEY TRUST	1.8	0.9	(1.0)
BGI	1.5	0.8	(0.7)
MIZUHO	2.8	2.3	(0.6)
IXIS	0.5	-	(0.5)
BANK AUSTRIA	1.5	1.1	(0.5)
CALYON	1.1	0.8	(0.3)
MITSUBISHI SEC LENDING	0.9	0.6	(0.3)
FIDELITY	7.9	7.6	(0.3)
DREYFUS	0.6	0.3	(0.3)
KBC	0.6	0.4	(0.2)
Other (34 Counterparties)	27.9	26.1	(1.8)
Grand Total	47.2	40.8	(6.4)

Top 10 Increases (7/31 – 8/31/07)

Counterparty Group	31-Jul-07	31-Aug-07	Variance
DEKABANK	0.3	1.8	1.5
KEY TRUST	0.7	1.8	1.2
FORTIS	1.0	1.9	0.9
NORWEST	0.2	1.0	0.8
FIDELITY	7.1	7.9	0.7
BANCO SANTANDER	0.6	1.3	0.7
CITIBANK	1.1	1.8	0.7
NOMURA	0.7	1.4	0.7
HSBC	0.9	1.5	0.6
DREYFUS	0.0	0.6	0.6
Other (36 Counterparties)	41.0	46.7	5.6
Grand Total	53.7	67.7	14.0

Top 10 Increases (8/31 – 9/07/07)

Counterparty Group	31-Aug-07	7-Sep-07	Variance
DRESDNER	5.8	7.1	1.3
KEYBANK	-	1.1	1.1
UBS	1.3	2.3	1.0
LCH	0.5	1.3	0.8
US CENTRAL CREDIT UNION	-	0.5	0.5
STATE STREET	14.0	14.4	0.4
FORTIS	1.9	2.4	0.4
DWIGHT A.M.	1.5	1.8	0.4
RBC	5.8	6.1	0.3
CITIBANK	1.8	2.1	0.3
Other (42 Counterparties)	24.2	26.1	1.9
Grand Total	56.7	65.2	8.5

Net **112.8** **103.9** **(8.9)**

Net **103.9** **106.0** **2.1**

Government Agency Potential Funding

The Firm can draw from the FHLB, Fed, and ECB through its banks

	FHLB	Fed Discount Window	ECB
Eligible Lehman bank	<ul style="list-style-type: none"> ◆ LBB and LBCB 	<ul style="list-style-type: none"> ◆ LBCB 	<ul style="list-style-type: none"> ◆ LB Bankhaus
Costs and Term	<ul style="list-style-type: none"> ◆ 30 or 90 day term: 5.0% fixed ◆ 1 year term: 5.10% fixed or 1 Mo Libor +17 ◆ 2 year term: 4.90% fixed or 1 Mo Libor +14 	<ul style="list-style-type: none"> ◆ Fed Fund + 50 bps up to 30 days with ability to roll 	<ul style="list-style-type: none"> ◆ Marginal Lending Facilities at Euro base rate + 100 bps O/N. Refinancing operations at approximately Libor flat for 1 week
Main Collateral Eligibility Criteria	<ul style="list-style-type: none"> ◆ Corporate and residential real estate mortgages 	<ul style="list-style-type: none"> ◆ Various from consumer loans to Treasuries. CRE/HG&HY loans typically 75% to 80%. 	<ul style="list-style-type: none"> ◆ A rated, Euro denominated, must be senior debt
Current Borrowing	<ul style="list-style-type: none"> ◆ LBB: \$1,250m as of Sep 7 	<ul style="list-style-type: none"> ◆ None 	<ul style="list-style-type: none"> ◆ 300m Euros as of Sep 11
Main Hurdle to More Borrowing	<ul style="list-style-type: none"> ◆ For LBCB, additional eligible collateral needs to be pledged. Currently only \$74mm is pledged. 	<ul style="list-style-type: none"> ◆ None other than Firm decision to tap window. 	<ul style="list-style-type: none"> ◆ Eligible assets to pledge. There is only 800m Euros pledgeable at the Firm.
Q4 Plan	<ul style="list-style-type: none"> ◆ TBD. LBB borrowing has been upwards of \$5,000m in the past. 	<ul style="list-style-type: none"> ◆ TBD. LBCB not cash cap constrained at this time. ◆ Eligible loans as of Aug 31 were \$2.2bb (at 75% advance is \$1.6bb in available funding) 	<ul style="list-style-type: none"> ◆ Plan in the works to increase eligible assets and borrow up to 3,200m Euros by year end.