

Product: Beste Koers Notes

Uitgevende instelling: Lehman Brothers Treasury Co. B.V.

SECURITIES NOTE dated 1 May 2007

LEHMAN BROTHERS TREASURY CO. B.V.

(incorporated with limited liability in The Netherlands and having its statutory domicile in Amsterdam)

**Issue of up to EUR 20,000,000 Lookback Notes, due June 2013
linked to the Dow Jones EURO STOXX 50® Index**

unconditionally and irrevocably guaranteed by

LEHMAN BROTHERS HOLDINGS INC.

(incorporated in the State of Delaware)

This document constitutes a securities note (the "**Securities Note**") drawn up for the purpose of providing information concerning the above-mentioned notes (the "**Notes**") described herein for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**"). Together the Securities Note, the summary note dated 1 May 2007 (the "**Summary Note**") and the registration document dated 9 August 2006 (the "**Registration Document**") constitute a prospectus for the purposes of Article 5.3 of the Prospectus Directive in respect of the Notes described herein.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Registration Document (including all information incorporated by reference therein), this Securities Note (including all information incorporated by reference herein) and the Summary Note. The Registration Document, the Securities Note and the Summary Note will be available without charge (i) from the specified office of any Paying Agent; (ii) at the registered office of the Issuer at Atrium Strawinskylaan 3105, 1077 ZX Amsterdam, The Netherlands; and (iii) on the website of the *Irish Financial Services Regulatory Authority* (the "**IFSRA**") (www.ifsra.ie).

THE NOTES ARE NOT A PRINCIPAL-PROTECTED INVESTMENT AND, ACCORDINGLY, INVESTORS MAY LOSE UP TO THEIR ENTIRE INVESTED AMOUNT.

Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. No assurances can be given that such application for listing and admission to trading will be granted (or, if granted, will be granted by the Issue Date).

Application has been made to the IFSRA, which is the Irish competent authority for the purpose of the Prospectus Directive and relevant implementing legislation in Ireland, for approval of this Securities Note and the Summary Note. This Securities Note, the Registration Document, the documents incorporated herein and the Summary Note together constitute the prospectus (the "**Prospectus**") issued in compliance with the Prospectus Directive and relevant implementing legislation in Ireland for the purpose of giving information with regard to the issue of the Notes. In addition, the IFSRA, in its capacity as competent authority in Ireland for the purposes of the Prospectus Directive, has been requested to provide the "Netherlands Authority for the Financial Markets" (Autoriteit Financiële Markten, the AFM), which is the competent authority in The Netherlands and the Banking, Finance and Insurance Commission (BFIC) (*Commissie voor het Bank-, Financier-, en Assurantiewezen*) which is the competent authority in Belgium, for the purposes of permitting an offer of Notes to the public in

The Netherlands and Belgium, respectively, in accordance with the Prospectus Directive, with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

The Notes are eligible for an offer to the public in Ireland, The Netherlands and Belgium in accordance with the Prospectus Directive, subject to compliance with any other applicable requirements. However, none of the Issuer, the Guarantor or the Dealer has or will take any action in any country or jurisdiction (other than Ireland, The Netherlands and Belgium) that would permit a public offering of the Notes or possession or distribution of any offering material in relation to a public offering in any country or jurisdiction where action for that purpose is required. Each investor must comply with the restrictions set out in the "Subscription and Sale" section of the Base Prospectus in relation to each country or jurisdiction in or from which the investor purchases, offers, sells or delivers the Notes or has in the investor's possession or distributes the Prospectus.

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Risk Factors

Prospective investors of Notes should carefully consider the following information in conjunction with other information contained in this Securities Note and in the Registration Document before purchasing the Notes. Prospective investors must have regard to the section in the Base Prospectus headed "Risk Factors" incorporated by reference herein.

This Securities Note however cannot disclose all of the risks and other significant aspects of the Notes and investment decisions should not be made solely on the basis of these risk factors since the information contained herein cannot serve as a substitute for independent individual advice which is tailored to the requirements, investment objectives, experience, knowledge and circumstances of a prospective investor.

Each prospective investor of Notes should consider carefully whether the Notes are suitable for it in the light of its circumstances and financial position and in view of the complexity and risks inherent in the Notes. Prospective investors of Notes should be experienced with respect to derivatives, particularly options and option transactions. Furthermore, prospective investors of Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after careful consideration of the suitability of the Notes in light of their particular financial circumstances and after consultation with their own legal, tax, accountancy and other professional advisers. No person should deal in the Notes unless that person understands fully the nature of the relevant transaction.

Terms not defined herein have the same meaning as set out in the Annex A to the section of this Securities Note entitled the "Terms and Conditions of the Notes".

Factors affecting the Index and the redemption amount under the Notes

Prospective investors of Notes should be familiar with investments in the global capital market and with derivatives and the shares underlying the Dow Jones EURO STOXX 50[®] Index (defined as the "**Index**" below) (each a "**Component Security**") and the Index generally. The value of the Notes can be volatile. Changes in the level of the Index may result in sudden and large fluctuations in the value of the Notes. The level of the Index may vary over time and may increase or decrease by reference to a variety of factors, which may include, but are not limited to, corporate actions and macro economic factors.

The Final Redemption Amount is variable and dependent upon the performance of the Index. Prospective investors of Notes should understand that in certain circumstances, investors may lose up to their entire initial investment. Investors should be aware that repayment of any amount at maturity depends on the creditworthiness of the Issuer and the Guarantor.

Investing in the Notes is not the same as investing in a Component Security

Prospective investors should be aware that the market value of the Notes may not have a direct relationship with the prevailing level of the Index or price of the Component Securities, in that changes in the prevailing level of the Index or price of the Component Securities will not necessarily result in a comparable change in the market value of the Notes.

Investment in the Notes does not take into account dividends payable on the Component Securities of the Index

Prospective investors should note that dividends payable to a holder of the Component Securities underlying the Index will not be paid to the Issuer or to the Noteholders. The return on the Notes will thus not reflect any dividends that would be paid to investors that have made a direct investment in the Component Securities. Consequently, the return on the Notes may be less than the return from a direct investment in the Component Securities.

Issue Price

The Issue Price in respect of the Notes may not be an accurate reflection of the market value of such Notes as at the Issue Date. The price at which the Notes may be sold in secondary market transactions may be lower than the Issue Price. In particular, the Issue Price in respect of the Notes takes into account, among other things, the fees payable to any appointed third party in connection with the offer and sale of the Notes.

Secondary market and liquidity for the Notes

There can be no assurance as to how any Notes will trade in the secondary market, whether there will be a secondary market or, if a secondary market exists, whether such market will be sustainable or liquid or illiquid. If the Notes are not listed or traded on any stock exchange, pricing information for such Notes may be more difficult to obtain, and the liquidity and market prices of such Notes may be adversely affected.

The liquidity of the Notes may also be affected by restrictions, if any, on offers and sales of the Notes in some jurisdictions. In any case, due to the relative complexity and lower liquidity of the Notes when compared to more conventional financial instruments such as shares, comparatively larger spreads between bid and ask quotes should be expected.

The Notes may be redeemed prior to maturity

In an event of default or in the event that the Issuer or the Guarantor would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or the USA, as the case may be, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In the event of early redemption, a holder of Notes (a "Noteholder") may not be able to reinvest the redemption proceeds in a comparable security and receive a return on investment which is as high as that of the Notes. Neither the Issuer nor the Guarantor will be liable for any disadvantage a Noteholder may incur in respect of the new investment or non-investment of its capital.

Early Redemption Amount

In the event of an early redemption for taxation reasons or in an event of default (as described in Item 23 of Part A of the Terms and Conditions of the Notes), the Issuer may cancel the Notes and, if permitted by applicable law, pay the holder of each Note the Early Redemption Amount. The amount payable will be calculated by reference to the fair market value of the Notes as determined by the Calculation Agent in its sole and absolute discretion and will be reduced by an amount referable to the cost to the Issuer of unwinding any related hedging arrangements as determined by the Calculation

Agent. Noteholders should understand that such Early Redemption Amount may be less than the Issue Price of the Notes or the amount the Noteholder has paid for the Notes.

Potential conflicts of interest

The Issuer, the Guarantor, the Dealer, the Calculation Agent and/or their respective subsidiaries may, from time to time, engage in purchase, sale or other transactions involving the Component Securities of the Index or related derivatives for their proprietary accounts and/or for accounts under their management and/or for clients. Such transactions may have a positive or negative effect on the Index and consequently on the value of the Notes. In addition, the Issuer, the Guarantor, the Dealer, the Calculation Agent and/or their respective subsidiaries may, from time to time, act in other capacities with regard to the Notes (such as in an agency capacity and/or as the calculation agent) and may issue or participate in the issue of other competing financial instruments in respect of the Component Securities of the Index or similar securities or assets in similar sectors or markets and the introduction of such competing financial instruments may affect the value of the Notes. Such activities could present certain conflicts of interest with the interest of Noteholders and may affect the value of the Notes. The Issuer, the Guarantor, the Dealer, the Calculation Agent and/or their respective subsidiaries owe no duty or responsibility to any Noteholder (or any other party) to avoid such conflicts.

In connection with the offering of the Notes, the Issuer, the Guarantor, the Dealer, the Calculation Agent and/or their respective subsidiaries may enter into one or more hedging transactions with respect to any of the Component Securities of the Index or related derivatives. In connection with such hedging or with respect to proprietary or other trading activities by the Issuer, the Guarantor, the Dealer, the Calculation Agent and/or their respective subsidiaries, the Issuer, the Guarantor, the Dealer, the Calculation Agent and/or their respective subsidiaries may enter into transactions in any of the Component Securities of the Index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the relevant Noteholders.

Such transactions could present certain conflicts of interest with the interest of Noteholders and may affect the value of the Notes. The Issuer, the Guarantor, the Dealer, the Calculation Agent and/or their respective subsidiaries owe no duty or responsibility to any Noteholder (or any other party) to avoid such conflicts.

Risk-excluding or risk-limiting transactions

Prospective investors may not rely upon being able to enter into transactions, which may exclude or limit loss exposure to the Notes during the term of the Notes. The possibility of entering into risk-excluding or risk-limiting transactions depends in particular on market conditions and the relevant underlying circumstances. Noteholders may be able to enter into such transactions only at an unfavourable market price resulting in an additional loss for such Noteholders.

Prospective investors intending to purchase Notes to hedge the market risk associated with investing in the Component Securities of the Index should be aware of the difficulties associated therewith. For example, the value of the Notes may not correlate with the value of the Component Securities of the Index.

Determinations by the Calculation Agent

The Calculation Agent has certain discretions to determine whether certain events as further set out in Annex A have occurred. Prospective investors should be aware that any determination made by the Calculation Agent may have an adverse effect on the value of the Notes. For example, the Calculation

Agent may determine that a Market Disruption Event has occurred or exists at a relevant time which may affect the determination of the level of the Index on a relevant Scheduled Trading Day and/or may delay settlement in respect of the Notes. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest error) shall be binding.

Index Adjustment Events

If the Calculation Agent determines that an Index Adjustment Event has a material effect on the Notes, it shall make its determinations for the purposes of calculating the Early Redemption Amount (if applicable) or the Final Redemption Amount using, in lieu of a published level for the Index, the level for the Index as at the relevant date and as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised the Index immediately prior to that Index Adjustment Event.

Creditworthiness of the Issuer and Guarantor

Any person who purchases the Notes is relying upon the creditworthiness of the Issuer and the Guarantor and has no rights against any other person. The Notes constitute general, unsecured, unsubordinated, contractual obligations of the Issuer and of no other person. The Notes rank *pari passu* among themselves.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the Notes but will have to rely upon their rights under the deed of covenant dated 9 August 2006 (as amended, supplemented or replaced from time to time), executed by Lehman Brothers Holdings Inc. ("**LBHI**"), Lehman Brothers Treasury Co. B.V. ("**LBTCBV**") and Lehman Brothers Bankhaus AG ("**LBB**").

Transparency Directive

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities

are admitted to trading on an EEA Regulated Market and amending Directive 2001/34/EC (the "**Transparency Directive**") entered into force on 20 January 2005. It requires member states to take measures necessary to comply with the Transparency Directive by 20 January 2007. If, as a result of the Transparency Directive or any legislation implementing the Transparency Directive, LBHI could be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which are materially different from the accounting principles which it would otherwise use to prepare its published financial information, LBHI may seek an alternative admission to listing, trading and/or quotation for the Notes on such other listing authority, stock exchange and/or quotation system inside or outside the European Union as it may (with the approval of the Lehman Brothers International (Europe) (the "**Dealer**") decide.

Important Notices

In this Securities Note, references to the "**Group**" are to LBHI and its direct and indirect subsidiaries (which include LBTCBV and LBB).

Neither the Dealer nor the Guarantor has independently verified the information contained in this Securities Note. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility or liability is accepted by the Dealer or the Guarantor as to the accuracy or completeness at any time of this Securities Note or any supplement hereto.

No person is authorised to give any information or to make any representations other than those contained in this Securities Note in connection with the offering or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Guarantor or the Dealer. None of this Securities Note, the Prospectus, any supplement, any other financial statements or any further information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or a statement of opinion, or a report of either of those things, by the Issuer, the Guarantor or the Dealer that any recipient of this Securities Note, the Prospectus, any supplement, any other financial statements or any further information supplied in connection with the Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of, the Issuer, the Guarantor and the Group. None of this Securities Note, the Prospectus, any supplement, any other financial statements or any further information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of any of the Issuer, the Guarantor or the Dealer to any person to subscribe for, or to purchase, any of the Notes.

The delivery of the Securities Note does not at any time imply that the information contained herein or in the Registration Document concerning the Issuer, the Guarantor or the Group is correct at any time subsequent to the date hereof or that any supplement, any other financial statements or any further information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealer expressly does not undertake to review the financial condition or affairs of the Issuer, the Guarantor or the Group during the life of the Notes. Investors should review, *inter alia*, the most recent consolidated financial statements of the Guarantor and the unconsolidated financial statements of the Issuer when deciding whether or not to purchase the Notes.

The distribution of this Securities Note and/or the Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Securities Note and/or the Prospectus comes are required by the Issuer, the Guarantor and the Dealer to inform themselves about and to observe those restrictions. See "Subscription and Sale" of the Base Prospectus (as defined below) issued in connection with the U.S.\$ 60,000,000,000 Euro Medium-Term Note Program (the "**Program**") of LBHI, LBTCBV and LBB, incorporated by reference in this Securities Note.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OF U.S. PERSONS (AS DEFINED IN EITHER REGULATION S UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED).

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER, THE GUARANTOR AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE NOTES HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The Notes are one of a series to be issued pursuant to the Amended and Restated Fiscal Agency Agreement dated 9 August 2006 (as amended, supplemented or replaced from time to time) between, amongst others, LBHI, LBTCBV, LBB and JPMorgan Chase Bank, N.A. as fiscal agent, as registrar and as principal paying agent. The Notes have the benefit of a deed of covenant dated 9 August 2006 (as amended, supplemented or replaced from time to time), executed by LBHI, LBTCBV and LBB and a guarantee agreement dated 9 August 2006 (as amended, supplemented or replaced from time to time) of the Guarantor as to, *inter alia*, the payment of principal and interest, if any, in respect thereof.

The Issuer does not assume responsibility for any deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed other than in respect of taxes in The Netherlands to the extent, and subject to the exclusions, set out in Condition 9 (*Payment of Additional Amounts; Tax Redemption*) of the Terms and Conditions of the Notes.

The Guarantor does not assume responsibility for any deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed other than in respect of taxes in the United States to the extent, and subject to the exclusions, set out in Condition 9 (*Payment of Additional Amounts; Tax Redemption*) of the Terms and Conditions of the Notes.

Information incorporated by reference

Terms used herein but not otherwise defined shall have the meanings given to them in the Base Prospectus dated 9 August 2006 (as supplemented by supplements dated 29 August 2006, 6 September 2006, 26 September 2006, 16 October 2006, 19 December 2006, four supplements dated 6 February 2007, and supplements dated 14 February 2007, 16 March 2007 and 17 April 2007) published in connection with the Program (the "**Base Prospectus**"). Any references to "Final Terms" in the sections of the Base Prospectus that are incorporated by reference herein are deemed to be references to this "Securities Note".

The following information has been filed with the Irish Stock Exchange and shall be deemed to be incorporated by reference into the Prospectus in its entirety:

- The quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended August 31, 2006 of LBHI filed with the United States Securities and Exchange Commission ("**SEC**") on Form 10-Q including the consolidated interim quarterly financial statements of LBHI in respect of the three months ended August 31, 2006 (set out on pages 3 to 41).
- The current report of LBHI dated 14 December 2006 pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, filed with the SEC on Form 8-K exhibiting LBHI's press release with respect to its earnings for its most recently completed fiscal quarter and related attachments.
- The annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended November 30, 2006 of LBHI filed with the SEC on Form 10-K including the consolidated financial statements of LBHI and the notes thereto in respect of the year ended November 30, 2006 (set out on pages 71 to 120).
- The quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended February 28, 2007 of LBHI filed with the SEC on Form 10-Q including the consolidated interim quarterly financial statements of LBHI in respect of the three months ended February 28, 2007 (set out on pages 3 to 40).

The following information contained in the Base Prospectus shall be deemed to be incorporated into and form part of this Securities Note. Page references are to pages in the Base Prospectus.

	Page Reference
The section entitled "Risk Factors"	14 to 25
The section entitled "Terms and Conditions of the Notes"	54 to 95
The section entitled "United States Taxation"	112 to 124
The section entitled "Netherlands Taxation"	124 to 125
The section entitled "Subscription and Sale"	132 to 140

The section entitled "General Information"

141 to 143

The documents which are incorporated herein by reference will be available without charge (i) from the specified office of any Paying Agent in respect of the Notes; and (ii) at the registered office of the Issuer at Atrium Strawinskylaan 3105, 1077 ZX Amsterdam, The Netherlands.

Any information contained in the documents incorporated by reference other than information listed above is either not relevant for investors or covered elsewhere in the Prospectus.

Irish Taxation

The following is a summary based on the laws and practices currently in force in Ireland of certain matters regarding the tax position of investors who are the absolute beneficial owners of their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes including dealers in securities and trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Withholding Tax

Tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold tax from payments of interest and premium on the Notes so long as such payments do not constitute Irish source income. Interest and premium paid on the Notes should not be treated as having an Irish source unless:

- (a) The Issuer is resident in Ireland for tax purposes; or
- (b) The Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland or (if the Notes are in bearer form) the Notes are physically held in Ireland.

The Issuer confirms that it is not and will not be resident in Ireland for tax purposes and that it will not bring bearer Notes into Ireland nor maintain a register of any registered Notes in Ireland.

If interest or premium on the Notes were to have an Irish source, the Issuer can still pay interest or premium on the Notes in the ordinary course of its business or trade free of withholding tax provided the interest or premium is paid to a company resident in a "relevant territory" (i.e. a member state of the European Union (other than Ireland) or a country with which Ireland has a double taxation agreement). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest or premium is paid to a company in connection with a trade or business carried on by it through a permanent establishment, branch or agency located in Ireland.

If neither of the above apply for any reason, interest may be paid free of withholding tax if the Noteholder is resident in a country with which Ireland has a double taxation treaty, if under the provisions of the relevant treaty such Noteholder is exempt from Irish tax on the interest and clearance in the prescribed form has been received by the Issuer before the interest is paid.

Taxation of Receipts

Notwithstanding that a Noteholder may receive payments of interest, premium or discount on the Notes free of Irish withholding tax, the Noteholder may still be liable to pay Irish income or corporation tax on such interest if such interest has an Irish source, the Noteholder is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes or the Notes are attributed to a branch or agency in Ireland. Ireland operates a self-assessment system in respect of income and corporation tax, and each person must assess its own liability to Irish tax.

Relief from Irish income tax may also be available under the specific provisions of a double taxation agreement between Ireland and the country of residence of the recipient.

Interest, premium or discount on the Notes which has an Irish source and does not fall within the above exemptions may be within the charge to Irish tax. However, it is understood that there is an unpublished practice of the Irish Revenue Commissioners whereby no action will be taken to pursue any liability to Irish tax in respect of persons who are regarded as not being resident in Ireland, except where such persons have a taxable presence in Ireland or claim any repayment, credit or relief in respect of Irish tax, or use an Irish Paying Agent. There can be no assurance that the Irish Revenue Commissioners will apply this practice in the case of the Noteholders.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from any interest paid on Notes issued by a company not resident in Ireland, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder who is Irish resident.

Encashment tax does not apply where the Noteholder is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

Capital Gains Tax

A Noteholder will be subject to Irish tax on capital gains on a disposal of Notes unless such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade or business in Ireland through a permanent establishment, branch or agency in respect of which the Notes are or were held.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs is currently levied at 20 per cent.) if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland or (ii) if the Notes are regarded as property situate in Ireland. A foreign domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual (i) has been resident in Ireland for the five consecutive tax years preceding that date, and (ii) is either resident or ordinarily resident in Ireland on that date.

Bearer notes are generally regarded as situated where they are physically located at any particular time. Notes in registered form are property situate in Ireland if the register is in Ireland. The Notes may, however, be regarded as situated in Ireland regardless of their physical location if they secure a debt due by an Irish resident debtor and/or are secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponent or the donee/successor.

Stamp duty

Stamp duty will not arise on a document effecting a transfer of the Notes so long as the Issuer is not registered in Ireland and the Notes do not relate to:

- (a) any immovable property in Ireland; or
- (b) stocks or marketable securities of a company registered in Ireland.

Netherlands Taxation

General

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of the Notes. This summary is intended for general purposes only and does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Notes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This summary is based on the tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this supplement, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

This summary only addresses the Netherlands tax consequences of holders of Notes, who are resident or deemed to be resident of the Netherlands for Netherlands tax purposes. This summary does not address the Netherlands tax consequences of a holder of Notes who holds a substantial interest (*aanmerkelijk belang*) in the Issuer. Generally speaking, a holder of Notes holds a substantial interest in the Issuer, if such holder of Notes, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 percent or more of the total issued capital of the Issuer or of 5 percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer.

Withholding tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for, or on account of, any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Corporate and individual income tax for residents of the Netherlands

If a corporate holder is subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax for part of its business and the Notes are attributable to this part of its business, income derived from the Notes and capital gains in respect of the Notes are generally taxable in the Netherlands.

If an individual holder is resident or deemed to be resident of the Netherlands for Netherlands tax purposes (including the individual holder who has opted to be taxed as a resident of the Netherlands), the income derived from the Notes and the capital gains in respect of the Notes realised upon the redemption or disposal of the Notes are taxable at the progressive rates of the Income Tax Act 2001, if inter alia:

- (i) the holder has an enterprise or an interest in an enterprise, to which enterprise the Notes are attributable; or
- (ii) such income or capital gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed "regular, active portfolio management" (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income (such as payments with regard to the Notes) actually received or capital gains realised. At present, this deemed return on income from savings and investments has been fixed at a flat rate of 4% of the average of the individual's yield basis (*rendementsgrondslag*). The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by 2, insofar as the average exceeds a certain threshold. The fair market value of the Securities will be included as an asset in the individual's yield basis. The deemed return on income from savings and investments of 4% will be taxed at a flat rate of 30 per cent.

Gift and Inheritance taxes

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a holder who is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

A holder of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax only if he or she has been a resident in the Netherlands for Netherlands tax purposes at any time during the twelve months preceding the time of the gift. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands

Value added tax

In general, no Netherlands value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of the cash payment made under the Notes, or in respect of a transfer of Notes.

Other taxes and duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty other than court fees, will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Also with effect from 1 July 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a

person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Belgian Taxation

a. General Information

The following is intended as a general guideline and is only a summary of the issuer's understanding of current Belgian tax law and practice applied to the taxation of the Notes. It is stressed that the text is not to be read as extending by implication to matters not specifically discussed therein. The text does not take into account or discuss tax laws of any country other than Belgium and is subject to changes in Belgian law, including changes that could have retro-active effect. Investors should seek advice from their own tax advisors with respect to the taxation in Belgium of proceeds received in respect of the Notes.

b. Taxation of a Belgian tax resident private investor or Belgian legal entities

Payments at or before Maturity Date:

Under Belgian tax law, the income resulting from the difference between the Final Redemption Amount at Maturity Date and the Issue Price or the difference between the Early Redemption Amount and the Issue Price is characterized as interest pursuant to article 19, §1, 1° of the Belgian Income Tax Code.

Interest earned on the Notes and paid or attributed via a Belgian paying agent is in principle subject to a Belgian withholding tax of 15 per cent., and possibly subject to exemptions under Belgian law.

For individuals (Belgian residents) holding the Notes as a private investment, the 15 per cent. withholding tax on interest constitutes the final Belgian income tax. The Belgian resident is not required to report the interest in his income tax return. In case the individual has received the interest outside Belgium and no Belgian withholding tax was applied, he must report this interest in his annual tax return and it will be subject to taxation at a rate of 15 per cent. (plus local surcharges).

For Belgian legal entities subject to the Belgian legal entities tax, the 15 per cent. withholding tax levied on the interest also constitutes the final Belgian income tax. The interest must not need to be reported in the annual income tax return. In case the legal entity has received the interest outside Belgium and no Belgian withholding tax was applied, it must pay the withholding tax itself and report the interest in its annual tax return.

Sale of the Notes prior to Maturity Date:

The capital gain realised upon transfer to third parties prior to the Maturity Date of the Notes (i.e. the difference between the transfer price and the Issue Price of the Notes), is characterized as interest. Individuals (Belgian residents) holding the Notes as a private investment will be subject to tax at a rate of 15 per cent. on such difference.

The same rule applies *mutatis mutandis* to Belgian legal entities subject to the Belgian legal entities tax.

c. Taxation of Belgian resident companies and Belgian resident individuals who have invested the Notes in a business

The income resulting from (i) the difference between the Final Redemption Amount at Maturity Date and the Issue Price, (ii) the difference between the Early Redemption Amount and the Issue Price in

the event of an early redemption for taxation reasons or in an event of default and (iii) in case of transfer to a third party prior to the Maturity Date, the difference between the transfer price and the Issue Price of the Notes will be taxable for Belgian resident companies and Belgian resident individuals who have invested the Notes in their business activity.

Income realised by Belgian resident companies is taxed at the rate of 33.99 per cent. while Belgian resident individuals who invested the Notes in their business activity are taxable at the progressive individual income tax rates. Any Belgian withholding tax applied may be credited in the calculation of the final tax liability and any excess is reimbursed. Under certain conditions, a tax credit is granted in respect of taxes paid abroad.

d. Taxation of non-Belgian resident investors

Non-Belgian resident investors are only taxed on Belgian source income.

Because the Notes are issued by a non-Belgian resident company, the non-Belgian resident investors will, as a matter of principle, not be subject to taxation in Belgium at Maturity Date.

However, the interest received at or prior to Maturity Date by non-Belgian resident investors could be subject to taxation in Belgium if this interest is paid in Belgium, i.e. through a Belgian paying agent.

Non-resident investors (individuals, companies and legal entities) will normally be subject to a withholding tax of 15 per cent. on the interest paid by a Belgian paying agent. Exemptions or reductions may apply pursuant to Belgian domestic tax law, tax treaties or European Directives.

Pursuant to Belgian tax law (as modified in order to implement into national law the provisions of Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments) savings income in the form of interest payments paid or credited by a Belgian paying agent to a beneficial owner who is an individual resident for tax purposes in another Member State, may, in addition to the said withholding tax of 15 per cent., be subject to a specific (additional) withholding tax ("*Prélèvement pour l'Etat de résidence / Woonstaatheffing*") if no exception applies. As a result, Belgium could, under certain circumstances, apply this specific (additional) withholding tax on the income paid to a non-resident investor.

e. Responsibility for the withholding of tax

If the interest earned on the Notes is paid or attributed to investors via a Belgian paying agent, the obligation to withhold Belgian interest withholding tax –if and when no exemption applies– is the sole responsibility of the Belgian paying agent. Under Belgian tax law the Issuer does not assume any responsibility in this respect.

f. Stock exchange tax (or stamp duties)

In certain events, a Belgian stock exchange tax will be due.

The Belgian stock exchange tax is normally due on a certain number of transactions agreed or executed in Belgium, including each transfer for consideration in Belgium of the Notes through a financial intermediary (art. 120 Code of Miscellaneous Taxes and Duties ("CMTD")). No tax is payable by non-residents acting for their own account, provided they deliver an affidavit to a financial intermediary in Belgium confirming their non-resident status, nor by certain other investors acting for their own account, such as professional intermediaries, insurance companies, pension funds etc. as listed in art. 126 CMTD.

The tax amounts to 0.17% of the sale/purchase price of the Notes for each secondary sale and for each secondary purchase (art. 121, §1, 2° and 122, §1 CMTD). The tax due on each of the above mentioned transactions is capped at EUR 500 (art. 124 CMTD).

g. Tax on the delivery of bearer securities

A tax of 0.60% on the price to be paid by the purchaser or acquirer is levied on the delivery of the Notes (art. 160 CMTD) and it is not capped.

The delivery of bearer securities means the physical delivery of the bearer securities that takes place after the acquisition for consideration (purchase on the secondary market) or withdrawal of the securities that are deposited on a short deposit account. Delivery to Belgian professional intermediaries falls outside the scope of the tax (art. 159 CMTD). If no physical delivery of the bearer securities takes place, the tax will not be due.

The following transactions are exempt from the tax: deliveries made after the acquisition for consideration without the intervention of a professional intermediary, and deliveries of foreign securities deposited on a short deposit account, when the recipient is a non-resident (art. 163 CMTD).

Terms and Conditions of the Notes

The terms and conditions of the Notes (the "**Terms and Conditions**") are the "Terms and Conditions of the Notes" as set out on pages 54 to 95 of the Base Prospectus, which are hereby incorporated by reference into, and form part of, this Securities Note, as supplemented, amended, varied and/or replaced as specified below. Terms used herein shall be deemed to be defined as such for the purposes of the "Terms and Conditions" set forth on pages 54 to 95 of the Base Prospectus provided, however, that relevant references to "Final Terms" in the Terms and Conditions shall be deemed to be references to this Securities Note and construed accordingly.

PART A – CONTRACTUAL TERMS

1. (i) Issuer: Lehman Brothers Treasury Co. B.V.
- (ii) Guarantor: Lehman Brothers Holdings Inc.
2. (i) Series Number: 6897
- (ii) Tranche Number: 1
3. Specified Currency or Currencies: Euro ("**EUR**")
4. Aggregate Nominal Amount:
 - (i) Series: Up to a maximum of EUR 20,000,000 as set out in "Offer Period and Issue Size" below
 - (ii) Tranche: Up to a maximum of EUR 20,000,000 as set out in "Offer Period and Issue Size" below
5. Issue Price: 100.00 per cent. of the Specified Denomination

The above Issue Price may be more or less than the market value of each Note as at the Issue Date.

In connection with the offer and sale of the Notes, the Dealer (as defined in Item 34 hereof) has appointed a third party in connection with the marketing of the Notes. The Issue Price in respect of the Notes takes into account among other things the fees and expenses payable to a third party in connection with the offer and sale of the Notes. The Dealer and the Issuer understand that each such third party has entered or may enter into contractual arrangements with its customers, and may assist its customers, with respect to their purchases of Notes. The Dealer and the Issuer understand that each such third party may charge its customers fees with respect to its contractual arrangements with, and assistance provided by it to, its customers,

including an initial fee of up to 1.25 per cent. of the Aggregate Nominal Amount. Neither the Dealer nor the Issuer has any further information with respect to the contractual or financial arrangements between each third party's customers and the third party or whether and, if so on what terms each third party is willing to assist its customers or potential customers. Any person seeking further information with respect to such matters should refer to the relevant third party. Neither the Dealer nor the Issuer is responsible for any information so provided or for whether or not each such third party provides such information.

6.	Specified Denomination(s):	EUR 1,000
7.	Issue Date:	5 June 2007
8.	Maturity Date:	Three Business Days following the Valuation Date (which date is scheduled to fall on 10 June 2013, subject to extension of the Valuation Date in accordance with the terms hereof and/or extension for non-Business Days)
9.	Interest Basis:	Non interest bearing. There shall be no amount of interest payable on account of interest under the Notes
10.	Redemption/Payment Basis:	See Annex A
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	(i) Status of the Notes:	Senior Notes
	(ii) Status of the Guarantee	Senior Guarantee
14.	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions	Not Applicable
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Index-Linked Interest Note/Other	Not Applicable

Variable-Linked Interest Note Provisions.

19. **Dual Currency Note Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. **Call Option** Not Applicable

21. **Put Option** Not Applicable

22. **Final Redemption Amount of each Note:** As specified in Annex A

23. **Early Redemption Amount of each Note:**

Early Redemption Amounts(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

In respect of each Note, an amount in the Specified Currency equal to the fair market value of such Note (disregarding credit risk of the Issuer) (which value shall be less the proportion attributable to that Note of the reasonable costs to the Issuer of unwinding any relating hedging arrangements) on such day as is selected by the Calculation Agent in its sole and absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. **Form of Notes:** Bearer form. Interests in a temporary global Note will be exchangeable for interests in a permanent global Note in bearer form. Interests in a permanent global Note will be exchangeable for definitive Notes in bearer form in the limited circumstances described in the permanent global Note.
25. **Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):** Not Applicable
26. **Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:** Not Applicable
27. **Details relating to Instalment Notes: Instalment Amounts and Instalment Dates:** Not Applicable

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| 28. | Details relating to Extendible Notes: | Not Applicable |
| 29. | Details relating to Renewable Notes: | Not Applicable |
| 30. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 31. | Consolidation provisions: | The provisions in Condition 18 (<i>Further Issues of Notes</i>) apply |
| 32. | Other final terms: | As described in Annex A hereto |

DISTRIBUTION

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| 33. | (i) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| | (ii) Date of Subscription Agreement: | Not Applicable |
| | (iii) Stabilizing Manager(s) (if any): | Not Applicable |
| 34. | If non-syndicated, name and address of Dealer: | Lehman Brothers International (Europe)
25 Bank Street
London E14 5LE |
| 35. | Total commission and concession: | Not Applicable |
| 36. | Selling restrictions: | |
| | (i) Additional Selling Restrictions: | <i>Irish Selling Restrictions:</i>

Each Dealer has agreed that: |
| | (a) | it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including, without limitation, Sections 9 and 23 thereof and any codes of conduct rules made under Section 37 thereof and the provisions of the Investor Compensation Act 1998; |
| | (b) | it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 1999 (as amended) and any codes of conduct rules made under Section 117(1) thereof; |
| | (c) | it will not underwrite the issue of, place |

or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by IFSRA pursuant thereto; and

- (d) in respect of a local offer (within the meaning of Section 38(1) of the Investment Funds, Companies and Miscellaneous Provisions Act 2005) it has complied with and will comply with Section 49 thereof.

Belgian Selling Restrictions:

Each Dealer has agreed that:

it will not underwrite the issue of, or place the Notes, otherwise than in full compliance with the relevant provisions of the Law of 16 June 2006 regarding the public offering of investment instruments and the admission of investment instruments to regulated markets, and in particular (but without prejudice to the generality of the foregoing), in full compliance with article 36 and *seq.* thereof (but subject to the exemptions provided for by article 18 thereof).

OFFER PERIOD AND ISSUE SIZE

The offer of the Notes will commence in Ireland on 12 May 2007 at 09:00 (C.E.T.) and end on 22 May 2007 at 21:00 (C.E.T.).

The offer of the Notes will commence in The Netherlands on 12 May 2007 at 09:00 (C.E.T.) and end on 22 May 2007 at 21:00 (C.E.T.).

The offer of the Notes will commence in Belgium on 12 May 2007 at 09:00 (C.E.T.) and end on 22 May 2007 at 21:00 (C.E.T.).

The applicable offer period in Ireland, The Netherlands and/or Belgium may end at such time on such earlier date as the Dealer may decide in its absolute discretion if it receives commitments to purchase EUR 20,000,000 of Notes or in light of prevailing market conditions. The minimum subscription amount is EUR 1,000.

The Issuer may issue an Aggregate Nominal Amount of Notes up to a maximum of EUR 20,000,000. The final Aggregate Nominal Amount of the Notes will be determined by the Issuer by the Issue Date and may be higher than the maximum amount stated above. The final Aggregate Nominal Amount will be determined based on market demand for the Notes and performance of the Index during the

subscription period. The Issuer will publish notice of the definitive Aggregate Nominal Amount, in accordance with the Prospectus Directive and file such notice with the Irish Stock Exchange and IFSRA by the Issue Date (and for the avoidance of doubt no supplement to this Securities Note will be published in relation thereto). The notice will also be published/made available at the registered office of the Issuer at Atrium Strawinskyiaan 3105, 1077 ZX Amsterdam, The Netherlands and at the specified office of any Paying Agent in respect of the Notes. Dealings in the Notes shall not begin prior to the publication of such notice.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Securities Note and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information.

The information relating to the Index has been extracted from information published by the Exchange. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the Exchange, no facts have been omitted which would render the reproduced information inaccurate or misleading.

LISTING, PUBLIC OFFER AND APPROVAL

Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. No assurances can be given that such application for listing and admission to trading will be granted (or, if granted, will be granted by the Issue Date).

Application has been made to the *Irish Financial Services Regulatory Authority* (the "**IFSRA**"), which is the Irish competent authority for the purpose of the Prospectus Directive and relevant implementing legislation in Ireland, for approval of this Securities Note and the Summary Note. This Securities Note, the Registration Document and the Summary Note together constitute the Prospectus (the "**Prospectus**") issued in compliance with the Prospectus Directive and relevant implementing legislation in Ireland for the purpose of giving information with regard to the issue of the Notes. In addition, the IFSRA, in its capacity as competent authority in Ireland for the purposes of the Prospectus Directive, has been requested to provide the "Netherlands Authority for the Financial Markets" (Autoriteit Financiële Markten, the AFM), which is the competent authority in The Netherlands and the Banking, Finance and Insurance Commission (BFIC) (*Commissie voor het Bank-, Financier-, en Assurantiewezen*) which is the competent authority in Belgium, for the purposes of permitting an offer of Notes to the public in The Netherlands and Belgium, respectively, in accordance with the Prospectus Directive, with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

The Notes are eligible for an offer to the public in Ireland, The Netherlands and Belgium in accordance with the Prospectus Directive, subject to compliance with any other applicable requirements. However, none of the Issuer, the Guarantor or the Dealer has or will take any action in any country or jurisdiction (other than Ireland, The Netherlands and Belgium) that would permit a public offering of the Notes or possession or distribution of any offering material in relation to a public offering in any country or jurisdiction where action for that purpose is required. Each investor must comply with the restrictions set out in the "Subscription and Sale" section of the Base Prospectus in relation to each country or jurisdiction in or from which the investor purchases, offers, sells or delivers the Notes or has in the investor's possession or distributes the Prospectus.

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List. No assurances can be given that such application for listing will be granted (or, if granted, will be granted by the Issue Date).
- (ii) Admission to trading: Application will be made to the Irish Stock Exchange for the Notes to be admitted to the trading on its regulated market. No assurances can be given that such application for admission to trading will be granted (or, if granted, will be granted by the Issue Date).
- (iii) Cost of admission to trading: Not Applicable

2. RATINGS

The Notes to be issued have not been rated.

3. NOTIFICATION

The IFSRA has been requested to provide the "Netherlands Authority for the Financial Markets" (Autoriteit Financiële Markten, the AFM), which is the competent authority in The Netherlands and the Banking, Finance and Insurance Commission (BFIC) (*Commissie voor het Bank-, Financie-, en Assurantiewezen*) which is the competent authority in Belgium with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save as discussed in the "Subscription and Sale" section in the Base Prospectus and as disclosed in paragraph 5 of Part A above, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: Not Applicable
- (ii) Estimated net proceeds: Not Applicable
- (iii) Estimated total expenses: Not Applicable

6. HISTORIC INTEREST RATES

Not Applicable.

7. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Details on the past and future performance as well as the volatility of the Index can be obtained from the website www.djindexes.com and Bloomberg®.

The Final Redemption Amount and the value of the Notes will depend on the performance of the Index during the Observation Period and on the Valuation Date.

If, on the Valuation Date, the Index Final is either (i) less than or equal to 70 per cent. of the Index Initial or (ii) equal to or greater than the Index Initial, then the investor will receive a return per Note on the Maturity Date equal to the Specified Denomination multiplied by the performance of the Index (being its Closing Index Level on the Valuation Date divided by its lowest Closing Index Level observed in respect of each day during the Observation Period).

If, on the Valuation Date, the Index Final is greater than 70 per cent. of the Index Initial but less than the Index Initial, then the investor will receive a return per Note on the Maturity Date equal to the Specified Denomination.

Accordingly, where the Index Final is less than or equal to 70 per cent. of the Index Initial or equal to or greater than the Index Initial, investors may lose some or all of their investment.

Details of the Final Redemption Amount are set out in section 1 of Annex A below. Noteholders must refer to Annex A for further information.

The Issuer does not intend to provide post issuance information regarding the Index or the Notes, unless it is required to do so by applicable laws and regulations.

8. **PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Not Applicable

9. **OPERATIONAL INFORMATION**

ISIN Code:	XS0295760093
Common Code:	29576009
New Global Note intended to be held in a manner which would allow Eurosystem eligibility:	Not Applicable
Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Valoren: 3046441
Delivery:	Delivery against payment
The Aggregate Nominal Amount of Notes issued has been translated into U.S. Dollars at the rate of (U.S.\$ 1.00 = EUR 0.74924) producing a sum of (for Notes not denominated in U.S. Dollars):	Up to a maximum of U.S.\$ 26,693,716.30
Names and addresses of Additional Paying Agent(s) (if any):	Not Applicable

Annex A

1. Final Redemption Amount

Unless previously redeemed, or purchased and cancelled in accordance with the Terms and Conditions (as supplemented and amended herein), each Note will be redeemed by the Issuer on the Maturity Date and the Final Redemption Amount in respect of each Note (of the Specified Denomination) shall be an amount in the Specified Currency determined by the Calculation Agent in accordance with paragraphs (a) or (b) below, as applicable:

- (a) If the Calculation Agent determines that Index Final is either (i) less than or equal to the Barrier Level or (ii) equal to or greater than Index Initial, then the Final Redemption Amount in respect of each Note shall be an amount in the Specified Currency determined by the Calculation Agent in accordance with the following formula:

$$SD \times \left(\frac{\text{Index Final}}{\text{Index Initial}} \right)$$

- (b) If the Calculation Agent determines that Index Final is greater than the Barrier Level but less than Index Initial, then the Final Redemption Amount in respect of each Note shall be the Specified Denomination.

Where:

"Index Final" means the Closing Index Level on the Valuation Date, as determined by the Calculation Agent;

"Index Initial" means the lowest of the Closing Index Levels in respect of each Observation Day during the Observation Period, as determined by the Calculation Agent; and

"SD" means, in respect of each Note, the Specified Denomination (being EUR 1,000), or, if less, its outstanding nominal amount.

2. Definitions

The following expressions have the following meanings:

"Barrier Level" means 70 per cent. of Index Initial, as determined by the Calculation Agent;

"Calculation Agent" means Lehman Brothers International (Europe) of 25 Bank Street London E14 5LE;

"Closing Index Level" means, in relation to any Scheduled Trading Day, the official level of the Index, as calculated and announced by the Index Sponsor at the Valuation Time on such Scheduled Trading Day;

"Disrupted Day" means any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (b) the Related Exchange fails to open for trading during its regular trading session, or (c) a Market Disruption Event has occurred;

"Early Closure" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security, or the Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day, and (ii) the submission deadline for orders to be entered onto such Exchange or Related Exchange system for execution as at the Valuation Time on such Exchange Business Day;

"Exchange" means, in relation to each security comprised in the Index (a **"Component Security"**), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent, or, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the Component Securities underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity to Component Securities or securities underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means any Scheduled Trading Day on which (a) the Index Sponsor calculates and publishes the level of the Index, and (b) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) any Component Security on the Exchange in respect of such Component Security, or (b) futures or options contracts relating to the Index on the Related Exchange;

"Final Observation Date" means 5 June 2008, provided that if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day shall be the Final Observation Date;

"Index" means the Dow Jones EURO STOXX 50[®] Index (*Bloomberg Code: SX5E <INDEX>*) currently sponsored by the Index Sponsor;

"Index Sponsor" means STOXX Limited, and/or, as the context requires or permits, any successor sponsor accepted by the Calculation Agent pursuant to section 4 (*Adjustments to the Index*) below;

"Initial Observation Date" means 5 June 2007, provided that if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day shall be the Initial Observation Date;

"Market Disruption Event" means:

- (a) EITHER:
- (I) (A) the occurrence or existence, in respect of any Component Security, of:
 - (1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (3) an Early Closure in respect of such Component Security; and
 - (B) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR
- (b) the occurrence or existence, in each case in respect of futures or options contracts relating to the Index, of (a) a Trading Disruption, or (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange, or (c) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists at any time, if an Early Closure, an Exchange Disruption or a Trading Disruption occurs in respect of a Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security and (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data" immediately before the occurrence of such Early Closure, Exchange Disruption or Trading Disruption, as the case may be, in respect of such Component Security;

"Observation Day" means each Scheduled Trading Day during the Observation Period, provided that if any such day is a Disrupted Day, such day shall not be an Observation Day;

"Observation Period" means the period from and including the Initial Observation Date to, and including, the Final Observation Date;

"Related Exchange" means EUREX, or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange);

"Scheduled Closing Time" means, in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

"Scheduled Trading Day" means any day on which (a) the Index Sponsor is scheduled to publish the level of the Index, and (b) the Related Exchange is scheduled to be open for trading for its regular trading session;

"Trading Disruption" means, any suspension or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (a) relating to any Component Security on the Exchange in respect of such Component Security, or (b) in futures or options contracts relating to the Index on the Related Exchange;

"Valuation Date" means 5 June 2013 (the **"Scheduled Valuation Date"**), subject to adjustment in accordance with section 3 below (*Disrupted Days*); and

"Valuation Time" means (a) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security (provided that, if the Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or future contracts on the Index, the close of trading on the Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

3. **Disrupted Days**

If the Scheduled Valuation Date is not a Scheduled Trading Day or is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, provided that:

- (i) the Valuation Date shall be no later than and be deemed to be the eighth Scheduled Trading Day immediately following the Scheduled Valuation Date notwithstanding the fact that such day is a Disrupted Day, and

- (ii) the Calculation Agent shall determine its good faith estimate of the level of the Index as of the Valuation Time on such eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on such day of each Component Security or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Component Security on such day, its good faith estimate of the value for the relevant Component Security as of the Valuation Time on such day.

4. **Adjustments to the Index**

- 4.1 **Successor Index:** If the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.
- 4.2 **Index Adjustment Event:** If (i) on or prior to the Valuation Date, an Index Sponsor announces that it will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalization and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**") or (ii) on any Observation Day or the Valuation Date, the Index Sponsor fails to calculate and announce the Index (an "**Index Disruption**" (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day) and together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall make its determination for the purposes of calculating the Final Redemption Amount using, in lieu of a published level for the Index, the level for the Index as at the relevant Observation Day or the Valuation Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised the Index immediately prior to that Index Adjustment Event.

5. **Correction of Index**

In the event that any Closing Index Level used for any calculation or determination on any Observation Day or on the Valuation Date is subsequently corrected and the correction is published by the Exchange or Index Sponsor within one Settlement Cycle after the original publication, the Calculation Agent will determine the amount that is payable as a result of that correction, and, to the extent necessary, will adjust the provisions of this Securities Note or the Conditions to account for such correction.

For the purposes of this section 5, the following terms shall have the following respective meanings:

"Clearance System" means, in respect of the Index at any time, the domestic clearance system customarily used for settling trades in the securities comprised in the Index at that time;

"Clearance System Business Day" means, in respect of a Clearance System, any day on which such Clearance System is (or but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions;

"Settlement Cycle" means the period of Clearance System Business Days following a trade in the securities comprised in the Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or if there are multiple Exchanges, the longest such period); and

"Settlement Disruption Event" means an event beyond the control of the Issuer as a result of which the Clearing System cannot clear the transfer of securities comprised in the Index.

6. **Notification of Final Redemption Amount and Disrupted Days**

6.1 **Notice to Issuer:** As soon as reasonably practicable after calculating or otherwise determining the Final Redemption Amount, as the case may be, the Calculation Agent shall give notice of the relevant amount to the Issuer.

6.2 **Notice of Disrupted Day:** The Calculation Agent shall as soon as reasonably practicable notify the Issuer of the existence or occurrence of a Disrupted Day on any day which but for such Disrupted Day would have been the Valuation Date.

6.3 **Notice to Noteholders:** Adjustments in accordance with the foregoing sections shall be calculated by the Calculation Agent, shall be notified to the Noteholders in accordance with Condition 15 (Notices) and shall be (in the absence of manifest error) binding on all parties concerned. However, Noteholders should be aware that there may be, necessarily, some delay between the time at which any of the above events occur and the time at which it is reported to Noteholders.

7. **The Calculation Agent**

The Calculation Agent shall act independently and not as an agent of the Issuer, the Guarantor or the Noteholders. All determinations made by the Calculation Agent hereunder shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive, and the Calculation Agent shall have no liability to the Issuer, the Guarantor, the Noteholders or any third party in relation to such determinations except in the case of its wilful default, or bad faith.

Nothing contained herein shall prevent the Calculation Agent from dealing in the Notes or from entering into any related transaction, including without limitation any swap or hedging transactions with the Issuer, the Guarantor (or any of their respective affiliates) or any holder of the Notes (or any of its affiliates).

8. **Index Disclaimer**

8.1 Each of the Issuer and the Noteholders agrees and acknowledges, in respect of the Index, that the Notes are not sponsored, endorsed, sold or promoted by the Index or the Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. The Issuer, the Guarantor and the Calculation Agent shall have no liability to the Noteholders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date specified in the applicable Final Terms or Securities Note, as the case may be, neither the Issuer nor the Guarantor nor either of their affiliates has any affiliation with or control over any Index or Index Sponsor or any control over the computation, composition or dissemination of any Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer or the Guarantor, or either of their affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning any Index.

8.2 *In respect of the Dow Jones EURO STOXX 50[®] Index:*

STOXX AND DOW JONES HAVE NO RELATIONSHIP TO LEHMAN BROTHERS, OTHER THAN THE LICENSING OF THE DOW JONES EURO STOXX 50 AND THE RELATED TRADE MARKS FOR USE IN CONNECTION WITH THE NOTES.

STOXX and Dow Jones do not:

- sponsor, endorse, sell or promote the Notes;
- recommend that any person invest in the Notes or any other securities;
- have any responsibility or liability for or make any decisions about the timing, amount or pricing of Notes;
- have any responsibility or liability for the administration, management or marketing of the Notes;
- consider the needs of the Notes or the owners of the Notes in determining, composing or calculating the Dow Jones EURO STOXX 50 or have any obligation to do so.

STOXX and Dow Jones will not have any liability in connection with the Notes. Specifically,

- **STOXX and Dow Jones do not make any warranty, express or implied and disclaim any and all warranty about:**

- **the results to be obtained by the Notes, the owner of the Notes or any other person in connection with the use of the Dow Jones EURO STOXX 50 and the data included in the Dow Jones EURO STOXX 50;**
- **the accuracy or completeness of the Dow Jones EURO STOXX 50 and its data;**
- **the merchantability and the fitness for a particular purpose or use of the Dow Jones EURO STOXX 50 and its data;**
- **STOXX and Dow Jones will have no liability for any errors, omissions or interruptions in the Dow Jones EURO STOXX 50 or its data;**
- **under no circumstances will STOXX or Dow Jones be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or Dow Jones knows that they might occur.**

The licensing agreement between the Issuer and STOXX is solely for their benefit and not for the benefit of the owners of the Notes or any other third parties.

Annex B

INFORMATION RELATING TO THE UNDERLYING

The information included herein with respect to the Underlying consists only of extracts from, or summaries of, publicly available information. The Issuer accepts responsibility that such information has been correctly extracted or summarised. No further or other responsibility in respect of such information is accepted by the Issuer or the Guarantor and no responsibility whatsoever is accepted by Lehman Brothers International (Europe) ("LBIE"). In particular, neither the Issuer, the Guarantor or LBIE accepts responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Underlying or that there has not occurred any event which would affect the accuracy or completeness of such information.

The levels of the Underlying shown in the tables below show the high and low levels of the Underlying for the periods indicated. While the tables below provide some historical data regarding the risks of investing in the Underlying, past results are not necessarily indicative of future performance. Prospective purchasers of the Relevant Securities are advised to consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the Relevant Securities for them as an investment. Each prospective purchaser of the Relevant Securities should be fully aware of and understand the complexity and risks inherent in the Relevant Securities before it makes its investment decision in accordance with the objectives of its business.

For the purposes of this Annex B:

"**Underlying**" means the Index (as defined in Annex A above).

"**Relevant Securities**" means the Notes (as described in Annex A above).

Annex B

INFORMATION RELATING TO THE DOW JONES EURO STOXX 50[®] INDEX

(for the purposes of this Annex B, the "Index")

General Description of the Index

The Dow Jones EURO STOXX 50[®] (Price) Index (Bloomberg: SX5E <Index>) is a capitalization-weighted index of 50 European blue-chip stocks from those countries participating in the European Monetary Union. The Index is currently compiled and calculated by STOXX Limited.

The following table sets out the high and low official closing levels for the Index for the periods indicated. The historical performance of the Index should not be taken as an indication of future performance.

Year ended 31 December	High	Low
2004	2959.71	2580.04
2005	3616.33	2924.01
2006	4140.66	3408.02

12 Months to April 2007	High	Low
May 2006	3890.94	3539.77
June 2006	3648.92	3408.02
July 2006	3710.6	3492.11
August 2006	3817.86	3640.6
September 2006	3899.41	3739.7
October 2006	4027.29	3880.14
November 2006	4109.81	3987.23
December 2006	4140.66	3932.09
January 2007	4195.22	4090.88
February 2007	4272.32	4087.12
March 2007	4191.58	3906.15
April 2007	4,416.79	4,189.55

Source: Bloomberg[®] (3 May 2007)

The official closing level of the Index on 30 April 2007 was 4,392.34.

Source: Bloomberg[®] (3 May 2007)

PRINCIPAL PLACE OF BUSINESS OF LBHI

Lehman Brothers Holdings Inc.
745 Seventh Avenue
New York, New York 10019

REGISTERED OFFICE OF LBTCBV

Lehman Brothers Treasury Co. B.V.
Atrium Strawinskyiaan 3105
1077 ZX Amsterdam
The Netherlands

DEALER

Lehman Brothers
International (Europe)
25 Bank Street
London E14 5LE

FISCAL AGENT AND PRINCIPAL PAYING AGENT

JPMorgan Chase Bank, N.A.
Trinity Tower
9 Thomas More Street
London E1W 1YT

IRISH PAYING AGENT

AIB/BNY Fund Management (Ireland) Limited

Guild House, Guild Street
Dublin 1
Ireland

IRISH LISTING AGENT

Arthur Cox Listing Services Limited

Earlsfort Centre
Earlsfort Terrace
Dublin 2

SUMMARY NOTE dated 1 May 2007

LEHMAN BROTHERS TREASURY CO. B.V.
*(incorporated with limited liability in The Netherlands and
having its statutory domicile in Amsterdam)*

Issue of up to EUR 20,000,000
Lookback Notes, due June 2013
linked to the Dow Jones EURO STOXX 50® Index
unconditionally and irrevocably guaranteed by
LEHMAN BROTHERS HOLDINGS INC.
(incorporated in the State of Delaware)

This document constitutes a summary note (the “**Summary Note**”) drawn up for the purpose of providing information concerning the Notes described herein for the purposes of Article 5.3 of Directive 2003/71/EC (the “**Prospectus Directive**”). Together the Summary Note, the securities note dated 1 May 2007 and prepared by the Issuer in connection with such Notes (the “**Securities Note**”) and the registration document dated 9 August 2006 (the “**Registration Document**”) constitute a prospectus (the “**Prospectus**”) for the purposes of Article 5.3 of the Prospectus Directive in respect of the Notes described herein.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Registration Document (including all information incorporated by reference therein), the Securities Note (including all information incorporated by reference therein) and the Summary Note. The Registration Document, the Securities Note and the Summary Note will be available without charge (i) from the specified office of any Paying Agent in respect of the Notes; (ii) at the registered office of the Issuer at Atrium Strawinskyalaan 3105, 1077 ZX Amsterdam, The Netherlands; and (iii) on the website of the *Irish Financial Services Regulatory Authority* (the “**IFSRA**”) (www.ifsra.ie).

THIS SUMMARY MUST BE READ AS AN INTRODUCTION TO THE PROSPECTUS AND ANY DECISION TO INVEST IN THE NOTES SHOULD BE BASED ON A CONSIDERATION OF THE PROSPECTUS AS A WHOLE. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the responsible persons in any such Member State solely on the basis of the summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus. Where a claim relating to the information contained in the Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

THE NOTES ARE NOT A PRINCIPAL-PROTECTED INVESTMENT AND, ACCORDINGLY, INVESTORS MAY LOSE UP TO THEIR ENTIRE INVESTED AMOUNT.

Issuer: Lehman Brothers Treasury Co. B.V. (“**LBTCBV**”)

LBTCBV was incorporated in The Netherlands and it acts principally as a Netherlands finance company supporting the working capital needs of various, principally European, subsidiaries of Lehman Brothers Holdings Inc.

Guarantor: Lehman Brothers Holdings Inc. (“**LBHI**”) pursuant to a guarantee agreement dated 9 August 2006 between the Issuer and the Guarantor (as amended, restated or supplemented from time to time, the “**Guarantee**”). LBHI, a Delaware corporation, is the ultimate parent company of the Lehman Brothers group. Lehman Brothers’ principal business activities are investment banking, capital markets and investment management.

Its global headquarters in New York and regional headquarters in London and Tokyo are complemented by offices in additional locations in North America, Europe, the Middle East, Latin America and the Asia Pacific region. Lehman Brothers, through predecessor entities, was founded in 1850.

Under the Guarantee, LBHI will unconditionally and irrevocably guarantee all amounts of principal and premium and interest (if any) on the Notes so that should LBTCBV fail to perform or procure the performance of any obligation under the Terms and Conditions of the Notes, upon written demand by the Holders, the Guarantor shall be liable to pay such amounts.

Notes: Up to EUR 20,000,000 Lookback Notes, due June 2013 linked to the Dow Jones EURO STOXX 50[®] Index (*Bloomberg Code: SX5E <INDEX>*) (the “**Index**”).

The Index is a capitalization-weighted index of 50 European blue-chip stocks from those countries participating in the European Monetary Union. The Index is currently compiled and calculated by STOXX Limited. Details on the past and future performance as well as the volatility of the Index can be obtained from the website www.djindexes.com and Bloomberg[®]. Additional information relating to the Index is also set out in Annex B to the Securities Note.

The Notes are issued on an unsyndicated basis and each Note will have a denomination of EUR 1,000 (the “**Specified Denomination**”).

The Final Redemption Amount and the value of the Notes will depend on the level of the Index during the Observation Period and on the Valuation Date.

If, on the Valuation Date, the Index Final is either (i) less than or equal to 70 per cent. of the Index Initial or (ii) equal to or greater than the

Index Initial, then the investor will receive a return per Note on the Maturity Date equal to the Specified Denomination multiplied by the performance of the Index (being its Closing Index Level on the Valuation Date divided by its lowest Closing Index Level observed in respect of each day during the Observation Period).

If, on the Valuation Date, the Index Final is greater than 70 per cent. of the Index Initial but less than the Index Initial, then the investor will receive a return per Note on the Maturity Date equal to the Specified Denomination.

Accordingly, where the Index Final is less than or equal to 70 per cent. of the Index Initial or equal to or greater than the Index Initial, investors may lose some or all of their investment.

“**Index Final**” means the Closing Index Level on the Valuation Date, as determined by the Calculation Agent;

“**Index Initial**” means the lowest of the Closing Index Levels on each Observation Day, as determined by the Calculation Agent;

“**Observation Day**” means each Scheduled Trading Day during the Observation Period, provided that if any such day is a Disrupted Day (as defined in the Securities Note) such day shall not be an Observation Day;

“**Observation Period**” means the period from, and including, the Initial Observation Date (scheduled for 5 June 2007) to, and including, the Final Observation Date (scheduled for 5 June 2008); and

“**Valuation Date**” means 5 June 2013 (the “**Scheduled Valuation Date**”), subject to adjustment in accordance with section 3 (*Disrupted Days*) of the Securities Note).

Repayment of any amount at maturity depends on the creditworthiness of the Issuer and the Guarantor.

Issue Date: 5 June 2007.

Issue Price: The Notes are issued at an issue price of 100.00 per cent. the Specified Denomination.

The above Issue Price may be more or less than the market value of each Note as at the Issue Date.

The Issue Price takes into account, among other things, a fee payable to a third party in connection with the offer and sale of the Notes.

Prospectus Approval: Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. No assurances can be given that such application for listing and admission to trading will be granted (or, if granted, will be granted by

the Issue Date).

Application has been made to the Irish Financial Services Regulatory Authority (the “**IFSRA**”), which is the Irish competent authority for the purpose of the Prospectus Directive, for approval of this document and the Securities Note in connection with an offer of Notes to the public in Ireland.

In addition, the IFSRA, in its capacity as competent authority in Ireland for the purposes of the Prospectus Directive, has been requested to provide the "Netherlands Authority for the Financial Markets" (Autoriteit Financiële Marketen, the AFM), which is the competent authority in The Netherlands and the Banking, Finance and Insurance Commission (BFIC) (*Commissie voor het Bank-, Financie-, en Assurantiewezen*), which is the competent authority in Belgium, for the purposes of permitting an offer of Notes to the public in The Netherlands and Belgium, respectively, in accordance with the Prospectus Directive, with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive. The Summary Note will be translated into Dutch and filed with the IFSRA.

The Notes will be offered for sale to the public in Ireland, the Netherlands and/or Belgium during a subscription period from (and including) 12 May 2007 to (and including) 22 May 2007.

Taxation:

Payment of principal, and premium, if any, on the Notes will be made without deduction for or on account of withholding taxes in The Netherlands, in the case of payments by the Issuer, or the United States, in the case of payments by the Guarantor, subject to certain exceptions as further discussed in the Terms and Conditions of the Notes.

On the basis that neither LBTCBV nor LBHI is resident in Ireland for tax purposes, payments of principal, interest and premium, if any, on the Notes will be made free of withholding or deduction for, or on account of withholding taxes in Ireland.

All payments made by the Issuer under the Notes may be made free of withholding or deduction for, or on account of, any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein. A holder of Notes that derives income from the Notes and/or realises a gain upon the redemption or disposal of the Notes is not subject to Dutch taxation unless the holder is, or is deemed to be, a resident of the Netherlands or the holder is subject to Dutch taxation on the basis of specific provisions taxing non-residents on their Dutch source income. The Issuer will assume no responsibility for the

withholding of Netherlands taxes at source.

Under Belgian tax law, the income resulting from the difference between the Final Redemption Amount at Maturity Date and the Issue Price is characterized as interest and is subject to withholding tax at the rate of 15% which constitutes the final Belgian income tax for Belgian tax resident private individuals and legal entities. For companies that are subject to Belgian (resident or non-resident) corporate tax, this withholding tax is creditable against the 33.99% corporate tax due on the interest. A stock exchange tax of 0.17% is due for each secondary market transaction (capped to EUR 500 per party and per transaction), subject to certain exceptions as further discussed in the Securities Note. A tax of 0.6% on the delivery of bearer securities is due on the physical delivery of the Notes in Belgium.

Status of the Notes and Guarantee;
Negative Pledge: The Notes and the Guarantee will constitute direct, unconditional and unsecured obligations of the Issuer and the Guarantor, respectively, and will rank *pari passu* in right of payment among themselves, and equally with all other unsecured and unsubordinated obligations of the Issuer and the Guarantor, respectively.

The Notes and the Guarantee will have the benefit of a negative pledge.

Terms and Conditions The terms and conditions applicable to the Notes will be the "Terms and Conditions of the Notes" set out in the Base Prospectus dated 9 August 2006 (the "**Base Prospectus**") issued in connection with the U.S.\$ 60,000,000,000 Euro Medium-Term Note Program of LBHI, LBTCBV and Lehman Brothers Bankhaus AG, which are incorporated by reference in the Securities Note, as supplemented, amended and/or replaced as specified in the Securities Note (the "**Terms and Conditions**").

Disruptions Detailed provisions specifying the adjustments to be made to the terms and conditions of the Notes upon the occurrence of a market disruption event, potential adjustment event, and/or such other similar adjustment or extraordinary event in relation to the Index are contained in the Securities Note. Such events may result in postponement of and/or alternative provisions for valuation and may have an adverse effect on the value of the Notes.

Selling Restrictions: As specified in the Securities Note relating to the Notes and as further set out in the section headed "Subscription and Sale" on pages 132-140 of the Base Prospectus which contains a summary of certain selling restrictions in the United States, the European Economic Area, the United Kingdom, Japan, The Netherlands, Italy, Australia and Singapore and which section is incorporated by reference in the

Securities Note.

Save for the application for approval and the request made to the IFSRA referred to above to enable a public offering of the Notes in Ireland, The Netherlands and Belgium no action has been or will be taken in any other country or jurisdiction by the Issuer, the Guarantor or Lehman Brothers International (Europe) (the “**Dealer**”) that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

The Dealer and each purchaser of Notes must observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Notes or distribute the Prospectus or any offering material in relation to Notes.

Governing Law: The Notes will be governed by English law. The Guarantee will be governed by the laws of the State of New York.

Risk Factors: There are certain risks relating to the Issuer, the Guarantor and the Notes including but not limited to:

The risks relating to the Issuer and the Guarantor include the fact that the Issuer’s and the Guarantor’s financial condition and results of operations may be affected by uncertain or unfavourable economic, market, legal and other conditions. These conditions include but are not limited to market and competitive risk, changes in investor sentiment, liquidity risk, changes to credit ratings, credit exposure and operational risk and legal regulatory risk. These risks relating to the Issuer and the Guarantor are set out more fully in the Registration Document.

The risks relating to the Notes include the fact that the Notes can be volatile instruments, that the Issue Price of the Notes may not accurately reflect their market value and the Final Redemption Amount on the Notes will be determined by reference to the performance of the Index. Furthermore, if the Notes are redeemed prior to maturity pursuant to Condition 8(c) (Redemption for Tax Reasons) and Conditions 9 (Payment of Additional Amounts; Tax Redemption) and 10 (Events of Default), the Early Redemption Amount may be less than the amount that the investor has paid for the Notes. In addition, there can be no assurance whether there will be a secondary market for the Notes and if there is such market, no assurance about the liquidity for the Notes.

The Final Redemption Amount is variable and dependent upon the performance of the Index. Prospective investors of Notes should understand that in certain circumstances, investors may lose their

entire initial investment.

Additionally, in respect of the Valuation Date, where the Calculation Agent determines that a Market Disruption Event has occurred (as more particularly described in the Securities Note), any consequential postponement of or any alternative provisions for valuation as provided in the Securities Note may have an adverse effect on the value of such Notes.

The Issuer, the Guarantor, the Dealer, the Calculation Agent and/or their respective Subsidiaries may have interests that conflict with the interests of the holders of the Notes. Prospective investors may not rely on being able to enter into risk-limiting or risk-excluding transactions to limit exposure to the Notes and should be aware of the effect of the relevant calculation agent making possible adjustments and calculations. Finally, investors will have to rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer. These risks are set out in more detail in "Risk Factors" in the Securities Note.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Summary Note and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Summary Note is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information.

LEHMAN BROTHERS TREASURY CO. B.V.
*(opgericht met beperkte aansprakelijkheid in Nederland en
statutair gevestigd te Amsterdam)*

**Uitgifte tot EUR 20.000.000 Lookback Notes
met einddatum juni 2013
gekoppeld aan de Dow Jones EURO STOXX 50® Index**

onvoorwaardelijk en onherroepelijk gegarandeerd door
LEHMAN BROTHERS HOLDINGS INC.
(opgericht in de Staat Delaware)

Dit document is een samenvattingsnota (de “**Samenvattingsnota**”) die is opgesteld om informatie te verstrekken over de hierin beschreven Notes voor de doeleinden van artikel 5.3 van Richtlijn 2003/71/EC (de “**Prospectusrichtlijn**”). De Samenvattingsnota, de effectennota van **1 mei** 2007 die door de Emittent is opgesteld in verband met dergelijke Notes (de “**Effectennota**”) en het registratiedocument d.d. 9 augustus 2006 (het “**Registratiedocument**”) vormen gezamenlijk een prospectus (het “**Prospectus**”) voor de doeleinden van artikel 5.3 van de Prospectusrichtlijn met betrekking tot de hierin beschreven Notes.

Volledige informatie over de Emittent en de aanbieding van de Notes is uitsluitend beschikbaar op basis van de combinatie van het Registratiedocument (waaronder alle informatie die daarin bij verwijzing is opgenomen), de Effectennota (waaronder alle informatie die daarin bij verwijzing is opgenomen) en de Samenvattingsnota. Het Registratiedocument, de Effectennota en de Samenvattingsnota kunnen gratis verkregen worden (i) in het gespecificeerd kantoor van elke Betaalagent met betrekking tot de Notes; (ii) op de maatschappelijke zetel van de Emittent in het Atrium, Strawinskylaan 3105, 1077 ZX Amsterdam, Nederland en (iii) op de website van de *Irish Financial Services Regulatory Authority* (de “**IFSRA**”) (www.ifsra.ie).

DEZE SAMENVATTING MOET GELEZEN WORDEN ALS EEN INLEIDING OP HET PROSPECTUS EN ELKE BESLISSING OM TE INVESTEREN IN DE NOTES DIENT GEBASEERD TE ZIJN OP EEN OVERWEGING VAN DEZE PROSPECTUS IN ZIJN GEHEEL. *Na de implementatie van de relevante bepalingen van de Prospectusrichtlijn in elke Lidstaat van de Europese Economische Ruimte, zal geen enkele verantwoordelijke in één van dergelijke Lidstaten burgerlijk aansprakelijk kunnen worden gesteld, enkel en alleen op basis van de samenvatting, met inbegrip van enige vertaling ervan, tenzij deze misleidend, onjuist of inconsistent is bij lezing met andere delen van het Prospectus. Wanneer een vordering met betrekking tot de informatie in het Prospectus bij een rechterlijke instantie van een Lidstaat van de Europese Economische Ruimte aanhangig wordt gemaakt, de eiser eventueel volgens de nationale wetgeving van de respectieve EU Lidstaat de kosten voor de vertaling van het Prospectus moet dragen voordat de rechtsvordering wordt ingesteld. DE NOTES VORMEN GEEN HOOFDSOM BESCHERMDE BELEGGING EN BELEGGERS KUNNEN BIJGEVOLG TOT HET VOLLEDIGE BEDRAG VAN HUN INVESTERING VERLIEZEN.*

- Emittent: Lehman Brothers Treasury Co. B.V. (“**LBTCBV**”)
- LBTCBV werd opgericht in Nederland en heeft hoofdzakelijk de hoedanigheid van een Nederlandse financieringsmaatschappij die de bedrijfskapitaalbehoeften ondersteunt van verschillende, hoofdzakelijk Europese, dochterondernemingen van Lehman Brothers Holdings Inc.
- Garant: Lehman Brothers Holdings Inc. (“**LBHI**”) overeenkomstig een garantieovereenkomst gedateerd 9 augustus 2006 tussen de Emittent en de Garant (zoals van tijd tot tijd gewijzigd, geherformuleerd of aangevuld, de “**Garantie**”). LBHI, een naamloze vennootschap naar het recht van de staat Delaware, is de senior moedermaatschappij van de Lehman Brothers groep. De belangrijkste bedrijfsactiviteiten van Lehman Brothers zijn investeringsbankieren, kapitaalmarkten en investeringsbeheer.
- De algemene hoofdzetel in New York en plaatselijke hoofdzetels in Londen en Tokio zijn aangevuld met kantoren in bijkomende locaties in Noord-Amerika, Europa, het Midden-Oosten, Latijns-Amerika en de Aziatische Pacific regio. Lehman Brothers werd, op basis van vooraf bestaande entiteiten, opgericht in 1850.
- Onder de Garantie, zal LBHI onvoorwaardelijk en onherroepelijk borg staan voor alle bedragen van hoofdsom en premium en interest (in voorkomend geval) van de Notes zodat, mocht LBTCBV bij de uitvoering of het behalen van een verplichting onder de Voorwaarden en Verplichtingen van de Notes in gebreke blijven, de Garant aansprakelijk zal gesteld worden tot het betalen van die bedragen, na schriftelijke aanmaning van de Houders.
- Notes: Tot EUR 20.000.000 Lookback Notes met einddatum juni 2013 gekoppeld aan de Dow Jones EURO STOXX 50[®] Index (*Bloomberg Code: SX5E <INDEX>*) (de “**Index**”).
- De Index is een kapitalisatie gewogen index van 50 Europese blue-chip stocks van de landen die deelnemen aan de Europese Monetaire Unie. De index is momenteel samengesteld en berekend door STOXX Limited. Bijzonderheden over eerdere en toekomstige resultaten en volatiliteit van de Index kan bekomen worden van de website www.djindexes.com en Bloomberg[®]. Bijkomende informatie met betrekking tot de Index is eveneens uiteengezet in bijlage B tot de Effectennota.
- De Notes worden uitgegeven op niet-gesyndiceerde basis en elke Note zal een nominale waarde van elk EUR 1.000 hebben (de “**Gespecificeerde Waarde**”).
- Het Definitieve Aflossingsbedrag en de waarde van de Notes zal afhangen van het niveau van de Index tijdens de Observatieperiode en op de Waarderingsdatum.

Indien, op de Waarderingsdatum, de Eindindex ofwel (i) lager of gelijk is aan 70% van de Beginindex, ofwel (ii) gelijk of hoger is dan de Beginindex, zal de belegger op de Expiratiedatum een terugbetaling krijgen per Note gelijk aan de Gespecificeerde Waarde vermenigvuldigd met de prestatie van de Index (zijnde zijn Sluitingsindexniveau op de Waarderingsdatum gedeeld door zijn laagste Sluitingsindexniveau die met betrekking tot elke dag tijdens de Observatieperiode werd waargenomen).

Indien op de Waarderingsdatum de Eindindex hoger is dan 70% van de Beginindex, maar lager dan de Beginindex, zal de belegger op de Expiratiedatum een terugbetaling krijgen per Note gelijk aan de Gespecificeerde Waarde.

Bijgevolg bestaat de kans dat beleggers, indien de Eindindex lager is dan of gelijk is aan 70% van de Beginindex of gelijk is aan of groter is dan de Beginindex, hun investering geheel of gedeeltelijk verliezen.

“**Eindindex**” betekent het laagste Sluitingsindexniveau van alle Observatiedagen, zoals bepaald door de Berekeningsagent;

“**Beginindex**” betekent het Sluitingsindexniveau op de datum van de bepaling van de Strike, zoals bepaald door de Berekeningsagent;

“**Observatiedag**” betekent elke Geplande Verhandelingsdag tijdens de Observatieperiode, met dien verstande dat een Verstoorde Dag (zoals gedefinieerd in de Effectennota) niet beschouwd wordt als een Observatiedag;

“**Observatieperiode**” betekent de periode van, en met inbegrip van, de Begin-Observatiedatum (gepland voor 5 juni 2007) tot en met de Eind-Observatiedatum (gepland voor 5 juni 2008); en

“**Waarderingsdatum**” betekent 5 juni 2013 (de “**Geplande Waarderingsdatum**”), onder voorbehoud van aanpassing in overeenstemming met sectie drie (Verstoorde Dagen) van de Effectennota.

Terugbetaling van enig bedrag op vervaldatum is afhankelijk van de kredietwaardigheid van de Emittent en de Garant.

Uitgiftedatum: 5 juni 2007.

Uitgifteprijs: De Notes worden uitgegeven met een uitgifteprijs van 100,00 procent. (de “**Gespecificeerde Waarde**”).

De bovenvermelde Uitgifteprijs kan hoger of lager zijn dan marktwaarde van elke Note zoals op de Uitgiftedatum .

De Uitgifteprijs neemt, onder andere, een vergoeding betaalbaar aan een derde met betrekking tot het aanbod en de verkoop van de Notes in aanmerking.

Goedkeuring van Een aanvraag zal worden ingediend bij de Irish Stock Exchange om de

Prospectus

Notes toe te laten tot de Officiële Lijst en verhandeling op haar gereguleerde markt. Geen garanties kunnen worden gegeven dat dergelijke aanvraag voor notering en toelating tot verhandeling zullen bekomen worden (of, indien bekomen, bekomen zullen worden tegen de Uitgiftedatum).

Er werd een verzoek ingediend bij de Irish Financial Services Regulatory Authority (de “**IFSRA**”), dewelke het Ierse bevoegde orgaan is in het kader van de Prospectusrichtlijn, om goedkeuring te verlenen voor dit document en de Effectennota in verband met een aanbieding van Notes aan het publiek in Ierland.

Daarnaast heeft de IFSRA, in haar hoedanigheid van bevoegd orgaan in Ierland in het kader van de Prospectusrichtlijn, het verzoek ontvangen om de Nederlandse Autoriteit Financiële Markten (AFM), dewelke het bevoegde orgaan in Nederland is, en de Commissie voor het Bank-, Financie-, en Assurantiewezen (CBFA), dewelke het bevoegde orgaan in België is, in het kader van een toelating voor een aanbieding van Notes aan het publiek in Nederland en België, respectievelijk, overeenkomstig de Prospectusrichtlijn, een goedkeuringscertificaat te verstrekken die vermeldt dat het Prospectus opgesteld is overeenkomstig de Prospectusrichtlijn. De Samenvatting zal in het Nederlands vertaald worden en zal geregistreerd worden bij de IFSRA.

De Notes zullen voor verkoop aan het publiek in Ierland, Nederland en/of België worden aangeboden gedurende een inschrijvingsperiode van (en met inbegrip van) 12 mei 2007 tot (en met inbegrip van) 22 mei 2007.

Belastingen:

De betaling van de hoofdsom, en desgevallend de premies, op de Notes zal gebeuren zonder aftrek van of omwille van bronheffingen in Nederland, in geval van betalingen door de Emittent, of de Verenigde Staten, in geval van betalingen door de Garant, onderhevig aan bepaalde uitzonderingen die verder beschreven worden in de Voorwaarden en Conditie van de Notes.

Gezien noch LBTCBV noch LBHI inwoner van Ierland is voor belastingsdoeleinden, zullen betalingen van de hoofdsom, interest en desgevallend premies op de Notes, gebeuren zonder enige aftrek van of omwille van bronheffingen in Ierland.

Alle betalingen gedaan door de Emittent onder de Notes kunnen worden vrijgesteld van aftrek of inhouding voor, of ter wille van, belastingen van welke aard ook, die worden geheven, gevorderd, ingehouden of aangeslagen door Nederland of een politieke sub-divisie of belastingautoriteit daarvan of daarbinnen. Een houder van Notes die inkomsten geniet van de Notes en/of winst realiseert op de aflossing of overdracht van de Notes, is niet onderworpen aan Nederlandse belasting tenzij de houder een Nederlands inwoner is of

geacht wordt te zijn, of tenzij de houder onderworpen is aan Nederlandse belasting op basis van een specifieke bepaling die niet-inwoners belast op hun inkomsten van Nederlandse origine. De Emittent zal geen verantwoording opnemen voor de aftrek van Nederlandse bronheffingen.

Volgens de Belgische belastingwet wordt het inkomen afkomstig van het verschil tussen het Definitieve Aflossingsbedrag op de Vervaldatum en de Uitgifteprijs beschouwd als interest en is het onderhevig aan bronheffingen van 15% die de definitieve Belgische inkomstenbelasting vormt voor Belgische belastingplichtige privépersonen en juridische entiteiten. Voor vennootschappen die onderworpen zijn aan Belgische (inwoners of niet-inwoners) vennootschapsbelasting is deze bronheffing verrekenbaar met 33,9% vennootschapsbelasting verschuldigd op interest. Een beurstaks van 0,17% (gelimiteerd tot € 500 per partij en per transactie) is verschuldigd voor elke secundaire markttransactie, onderworpen aan bepaalde uitzonderingen zoals verder besproken in de Effectennota. Een taks van 0,6 procent op de levering van effecten aan toonder is verschuldigd op de fysieke levering van de Notes in België.

Status van de Notes en Garantie, Negatief Pand De Notes en de Garantie zullen rechtstreekse, onvoorwaardelijke en ongedekte verplichtingen vormen van respectievelijk de Emittent en de Garant, en zullen *pari passu* geklasseerd worden uit hoofde van het recht tot betaling onderling, en zullen op gelijke rang staan met alle andere ongedekte en niet-achtergestelde verplichtingen van respectievelijk de Emittent en de Garant.

De Notes en de Garantie zullen het voordeel hebben van een negatief pand.

Voorwaarden en Conditie: De voorwaarden en condities die van toepassing zijn op de Notes staan in de “Voorwaarden en Conditie van de Notes” beschreven in de Basisprospectus gedateerd 9 augustus 2006 (de “**Basisprospectus**”) uitgegeven met betrekking tot het U.S.\$60.000.000.000 Euro Medium-Term Note Program van LBHI, LBTCBV en Lehman Brothers Bankhaus AG, die door verwijzing samengebracht zijn in de Effectennota, zoals aangevuld, gewijzigd en/of vervangen zoals beschreven in de Effectennota (de “**Voorwaarden en Conditie**”).

Verstoringen: Gedetailleerde bepalingen die de aan te brengen wijzigingen aan de voorwaarden en condities van de Notes bepalen in geval van een marktversturende gebeurtenis, potentiële aanpassingsgebeurtenis, en/of andere gelijkaardige aanpassing of buitengewone gebeurtenis met betrekking tot de Index staan in de Effectennota. Dergelijke gebeurtenissen kunnen leiden tot de opschorting van en/of alternatieve bepalingen voor de waardering en kunnen een nadelig effect hebben op de waarde van de Notes.

Verkoopsbeperkingen: Zoals bepaald in de Effectennota met betrekking tot de Notes en zoals verder beschreven in het deel “Inschrijving en Verkoop” op pag. 132-140 van de Basisprospectus die een samenvatting bevat van bepaalde verkoopsbeperkingen in de Verenigde Staten, de Europese Economische Ruimte, het Verenigde Koninkrijk, Japan, Nederland, Italië, Australië en Singapore en waarnaar verwezen wordt in de Effectennota.

Met uitzondering van de aanvraag tot goedkeuring en de bovenvermelde aanvraag ingediend bij de IFSRA om de Notes te kunnen aanbieden aan het publiek in Ierland, Nederland en België werd of zal er geen actie worden ondernomen in enig ander land of rechtsgebied door de Emittent, de Garant of Lehman Brothers International (Europa) (de “**Dealer**”) die het aanbieden van de Notes aan het publiek zou toelaten, of het bezit of de verdeling van enige aanbiedingsmateriaal hieromtrent, in enig land of rechtsgebied waar actie voor dat doel vereist is.

De Dealer en elke koper van Notes moeten alle wetten en reglementeringen respecteren die gelden in het rechtsgebied waar hij Notes aanbiedt, verkoopt of levert of waar hij de Prospectus en enige aanbiedingsmateriaal met betrekking tot de Notes verspreidt.

Toepasselijk recht: De Notes zijn onderworpen aan het Engelse recht. De Garantie is onderworpen aan de wetten van de staat New York.

Risicofactoren: Er zijn bepaalde risico’s die verbonden zijn aan de Emittent, de Garant en de Notes waaronder, maar niet limitatief:

De risico’s met betrekking tot de Emittent en de Garant omvatten het feit dat de kredietwaardigheid en de operationele resultaten van de Emittent en de Garant beïnvloed kunnen worden door onzekere en ongunstige economische, markt-, juridisch en andere omstandigheden. Deze omstandigheden omvatten onder andere markt- en concurrentierisico’s, veranderingen in het investeringsklimaat, liquiditeitsrisico, veranderingen in de kredietratings, kredietblootstelling, en operationele risico’s en veranderingen in de wetgeving. Deze risico’s met betrekking tot de Emittent en de Garant worden volledig beschreven in het Registratiedocument.

De risico’s met betrekking tot de Notes omvatten het feit dat de Notes volatiele instrumenten kunnen zijn, dat de Uitgifteprijs van de Notes mogelijks hun marktwaarde niet juist weergeeft en het Definitieve aflossingsbedrag op de Notes bepaald zal worden met verwijzing naar de prestatie van de Index. Als de Notes bovendien terugbetaald worden voor de vervaldatum ingevolge Bepaling 8(c) (Aflossing om Fiscale Redenen) en Bepalingen 9 (Betaling van Aanvullende Bedragen; Belastingsterugbetaling) en 10 (Wanprestaties) kan het Vroegtijdige Aflossingsbedrag lager zijn dan het bedrag dat de belegger betaald heeft voor de Notes. Bovendien kan niet

gegarandeerd worden dat er een secundaire markt zal zijn voor de Notes en ingeval er een dergelijke markt is, kan de liquiditeit voor de Notes niet gegarandeerd worden.

Het Definitieve Aflossingsbedrag is variabel en afhankelijk van de prestatie van de index. Aanstaaende beleggers van Notes dienen te begrijpen dat, in bepaalde gevallen, beleggers hun volledige oorspronkelijke belegging kunnen verliezen.

Bovendien kan, met betrekking tot de Waarderingsdatum, waarop de Berekeningsagent bepaalt of er een Marktversturende Gebeurtenis plaatsgevonden heeft (zoals meer bepaald beschreven in de Effectennota), een daaruit voortvloeiende opschorting van of enige alternatieve bepaling voor de waardering zoals beschreven in de Effectennota, een negatieve invloed hebben op de waarde van deze Notes.

De Emittent, de Garant, de Dealer, de Berekeningsagent en/of hun respectieve Bijkantoren kunnen mogelijk belangen hebben die in strijd zijn met de belangen van de houders van de Notes. Potentiële beleggers mogen niet vertrouwen op de mogelijkheid om tot risicobeperkende of risicovrije transacties te kunnen overgaan teneinde blootstelling van de Notes te beperken en dienen rekening te houden met de gevolgen van de mogelijke aanpassingen en berekeningen die de desbetreffende Berekeningsagent maakt. Ten slotte zullen beleggers dienen te vertrouwen op de procedures van Euroclear en Clearstream, Luxemburg, voor de overdracht, betaling en communicatie met de Emittent. Op deze risico's wordt dieper ingegaan in de paragraaf "Risicofactoren" in de Effectennota.

VERANTWOORDELIJKHEID

De Emittent is aansprakelijk voor de informatie in deze Samenvatting en verklaart dat, na de nodige voorzorgen te hebben genomen, de informatie in deze Samenvatting naar best vermogen overeenstemt met de feiten en geen weglating bevat die de pertinentie van die informatie in het gedrang brengt.

