

SECURITIES NOTE dated 12 April 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 Dutch Power Notes VIII due 2013
relating to a Basket of Shares

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 12 April 2007 (the "**Summary 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), 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; and (ii) at the registered office of the Issuer at Atrium Strawinskylaan 3105, 1077 ZX Amsterdam, The Netherlands.

The Notes will not be listed on any regulated market within the meaning of Directive 93/22/EEC. No application for admission to trading is or will be made in Ireland or elsewhere.

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-, 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 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 or 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 should consider the section of 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 to the section of this Securities Note entitled the "Terms and Conditions of the Notes".

Factors affecting the Shares and the redemption amounts under the Notes

Prospective investors in the Notes should be familiar with investments in the global capital market and with derivatives and the Shares generally. The Notes can be volatile instruments. Changes in the price or market value of Shares and/or changes in the circumstances of any Share Issuer may result in sudden and large fluctuations in the value of the Notes. The value of the Shares 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 Notes are not capital protected. The Mandatory Early Redemption Amount and Final Redemption Amount are variable and dependent on the Closing Price on the relevant Observation Date relative to the Initial Closing Price. Prospective investors of Notes should understand that in certain circumstances the Final Redemption Amount will be less than 100 per cent. of the Specified Denomination of each Note and may even be zero. Investors should also be aware that repayment of any amount at maturity depends on the credit worthiness of the Issuer and the Guarantor.

The Notes may be redeemed prior to maturity

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 or the Guarantor may redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, the Notes will also be automatically redeemed prior to the Maturity Date if a Mandatory Early Redemption Event occurs.

In the event of early redemption or a Mandatory Early Redemption Event, 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, and may even be zero.

Investment in the Notes does not take into account dividends payable on the Shares

Prospective investors should note that dividends payable to a holder of the Shares 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 Shares. Consequently, the return on the Notes may be less than the return from a direct investment in the Shares.

Maturity Date

The Maturity Date is subject to extension. The Maturity Date is defined as the third Business Day following the Latest Valuation Date, and is therefore subject to extension if the Latest Valuation Date for one or more of the shares has been postponed beyond the Scheduled Valuation Date.

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.

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 Shares 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 each Share 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 Shares 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 Shares 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 Shares 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.

Investing in the Notes is not the same as investing in the Shares

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

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 Shares should be aware of the difficulties associated therewith. For example, the value of the Notes may not exactly correlate with the value of the Shares.

Determinations by the Calculation Agent

The Calculation Agent has certain discretions to determine whether certain events as further set out in the Annex 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 price of the Share 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.

Adjustments

The Calculation Agent may adjust the terms of the Notes in the case of a Potential Adjustment Event, Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting pursuant to terms as set out in the Annex to this Securities Note. Such adjustment may have an adverse impact on the value 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.

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**")

Important Notices

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

The Dealer has not 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 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 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 published in connection with the Program (the "**Base Prospectus**").

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 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 Securities and Exchange Commission (the "**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 United States Securities and Exchange Commission on Form 8-K exhibiting the LBHI's press release with respects to its earnings for its most recently completed fiscal quarter (ended November 2006) 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 Securities and Exchange Commission (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 documents which are incorporated herein by reference will be available without charge (i) from the specified office of any Paying Agent; and (ii) at the registered office of the Issuer at Atrium Strawinskylaan 3105, 1077 ZX Amsterdam, The Netherlands.

Any information not listed in the cross-reference table above but included in the documents incorporated by reference is either not relevant for the investor or covered elsewhere in the Prospectus.

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%, and possibly subject to exemptions under Belgian law.

For individuals (Belgian residents) holding the Notes as a private investment, the 15% 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 without Belgian withholding tax, he must report this interest in his individual tax return, which will be subject to taxation at a rate of 15% (plus local surcharges).

For Belgian legal entities subject to the Belgian legal entities tax, the 15% withholding tax levied on the interest also constitutes the final Belgian income tax. The interest does not need to be reported in the annual income tax return. In case the legal entity has received the interest outside Belgium without Belgian withholding tax, it must pay the withholding tax itself and report the interest in its annual return.

Sale of the Notes prior to Maturity Date:

The capital gain realized 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% on the aforementioned difference.

The same applies *mutatis mutandis* for 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 realized by Belgian resident companies is taxed at the rate of 33.99% while Belgian resident individuals who have invested the Notes in their business activity are taxable at the progressive individual income tax rates. Any Belgian withholding tax may be credited in the calculation of the final tax liability and any excess will be 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% on the interest paid by a Belgian paying agent. Exemptions or reductions may apply pursuant to Belgian national 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 aforementioned withholding tax of 15%, 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 the aforementioned specific (additional) withholding tax on the income paid to a non-resident investor.

e. Responsibility for the withholding of tax

Because 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 Taxes assimilated to Stamp Duties ("CTSD")¹). 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 CTSD.

¹ Please note that as of January 1, 2007, the Code of Taxes assimilated to Stamp Duties is replaced by the Code of Miscellaneous Taxes and Duties. The provisions of the Code of Taxes assimilated to Stamp Duties relating to the stock exchange tax and the tax on the delivery of bearer securities are transposed into the new Code of Miscellaneous Taxes and Duties without being amended. However, the numbering of the new provisions is not determined yet. Hence the Prospectus refers to the numbering of the articles of the Code of Taxes assimilated to Stamp Duties.

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 CTSD). The tax due on each of the above mentioned transactions is capped at EUR 500 (art. 124 CTSD).

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 CTSD) and it is not capped.

The delivery of bearer securities means the physical delivery of the bearer securities that takes place after the subscription, acquisition for consideration 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 CTSD). 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 CTDS).

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 proceeding 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.

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: 6916
- (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 Aggregate Nominal Amount

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 a fee 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 per cent. per annum 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.

Further information shall be available from the distributor on request.

6.	Specified Denominations:	EUR 1,000
7.	Issue Date:	2 May 2007
8.	Maturity Date:	The third Business Day following the Latest Valuation Date (as defined in the Annex)
9.	Interest Basis:	Non-interest bearing. No amount shall be payable in respect of interest under the Notes.
10.	Redemption/Payment Basis:	See the Annex
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 Variable-Linked Interest Note Provisions.	Not Applicable
19.	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Call Option	Not Applicable
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21.	Put Option	Not Applicable
22.	Final Redemption Amount of each Note:	As described in the Annex
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):	No
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
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 the Annex hereto

DISTRIBUTION

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) Netherlands Selling Restrictions: Not Applicable
- (ii) Additional Selling Restrictions: 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.

OFFER PERIOD AND ISSUE SIZE

The offer of the Notes will commence in Ireland on 14 April 2007 at 09:00 (I.S.T.) and end on 30 April 2007 at 21:00 (I.S.T.).

The offer of the Notes will commence in The Netherlands on 14 April 2007 at 09:00 (C.E.T.) and end on 30 April 2007 at 21:00 (C.E.T.).

The offer of the Notes will commence in Belgium on 14 April 2007 at 09:00 (C.E.T.) and end on 30 April 2007 at 21:00 (C.E.T.).

The applicable offer period in any of 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 "**Offer Period**"). The minimum subscription amount is EUR 10,000.

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 30 April 2007. The Issuer will publish a notice of the definitive Aggregate Nominal Amount, the results of the offer in accordance with the Prospectus Directive and file such notice with the Irish Stock Exchange by the Issue Date. The notice will also be published/made available at the registered office of the Issuer at Atrium Strawinskyalaan 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 each Share has been extracted from information published by Euronext Amsterdam. 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

The Notes will not be listed on any regulated market within the meaning of the Prospectus Directive. No application for admission to trading is or will be made in Ireland or elsewhere.

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-, 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 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 or 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: | The Notes will not be listed on any regulated markets within the meaning of Directive 93/22/EEC. No application for admission to trading is or will be made in Ireland or elsewhere. |
| (ii) Admission to trading: | Not Applicable |
| (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 Item 5 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. YIELD (Fixed Rate Notes Only)

Not Applicable

7. HISTORIC INTEREST RATES

Not Applicable

8. 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 Shares can be found on the website of the relevant Exchange: www.euronext.com. Further information on the Shares is also set out in Schedule 2 to the Annex hereto.

The Notes will redeem early if, on any semi-annual Observation Date, the Closing Price of each Share in the Basket is greater than or equal to 90 per cent. of the Initial Closing Price of such Share. The Mandatory Early Redemption Amount in respect of each Note (of the Specified Denomination) will then be more than the Specified Denomination, depending on which Observation Date the Mandatory Early Redemption Event occurs, such that, for example, if the Mandatory Early Redemption Event occurs on the first Observation Date, the Mandatory Early Redemption Amount will be 109 per cent. of the Specified Denomination, and if the Mandatory Early Redemption Event occurs on the Observation Date scheduled to fall on 2 November 2012, the Mandatory Early Redemption Amount will be 199 per cent. of the Specified Denomination. Details of the Mandatory Early Redemption Amount in respect of each Scheduled Observation Date are set out in Section 1 of the Annex hereto.

If a Mandatory Early Redemption Event does not occur, then, on the Valuation Date, if the Closing Price of each Share in the Basket is greater than or equal to 90 per cent. of the Initial Closing Price of such Share, the Final Redemption Amount for each Note (of the Specified Denomination) will be 208 per cent. of the Specified Denomination. If the Closing Price of any Share is less than 90 per cent. of the Initial Closing Price of such Share, but the Straggler Average Performance (as defined in the Annex) is greater than or equal to 75 per cent., then each Note will redeem at par. However, if the Straggler Average Performance is less than 75 per cent., the Final Redemption Amount for each Note (of the Specified Denomination) will be calculated as the product of the Specified Denomination and the Straggler Average Performance. If the Straggler Average Performance is zero, then each Noteholder will suffer a total loss of the amount invested in each Note. Noteholders should refer to the Annex for further information.

The Issuer does not intend to provide post issuance information regarding the Shares of any Share Issuer, unless it is required to do so by applicable laws and regulations.

9. PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Not Applicable

10. OPERATIONAL INFORMATION

ISIN Code:	XS0296281735
Common Code:	029628173
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: 3051240
Delivery:	Delivery against payment
The Aggregate Nominal Amount of Notes issued has been translated into U.S. Dollars at the rate of (€0.7481= \$1.00) producing a sum of (for Notes not denominated in U.S. Dollars):	Up to a maximum of \$26,734,393.80
Names and addresses of Additional Paying Agent(s) (if any):	Not Applicable

Annex

1. **Mandatory Early Redemption Amount**

Unless previously redeemed, or purchased and cancelled in accordance with the Conditions (as supplemented and amended herein), if on any Observation Date, the Calculation Agent determines that the Closing Price of each Share in the Basket on such Observation Date is equal to or greater than 90 per cent. of the respective Initial Closing Price of such Share (such an event being a "**Mandatory Early Redemption Event**"), the Issuer shall redeem all (and not some only) of the Notes on the Mandatory Early Redemption Date corresponding to such Observation Date, and, in such case, each Note (of the Specified Denomination) shall be redeemed by payment on such Mandatory Early Redemption Date of an amount in the Specified Currency (such amount being the "**Mandatory Early Redemption Amount**") calculated by the Calculation Agent in accordance with the formula appearing in the following table (the "**Mandatory Early Redemption Table**") in the column entitled "Mandatory Early Redemption Amount" corresponding to the Scheduled Observation Date related to the Observation Date on which the Calculation Agent determines that a Mandatory Early Redemption Event has occurred:

Scheduled Observation Date	Mandatory Early Redemption Amount
2 November 2007	SD × 109 per cent.
2 May 2008	SD × 118 per cent.
3 November 2008	SD × 127 per cent.
4 May 2009	SD × 136 per cent.
2 November 2009	SD × 145 per cent.
3 May 2010	SD × 154 per cent.
2 November 2010	SD × 163 per cent.
2 May 2011	SD × 172 per cent.
2 November 2011	SD × 181 per cent.
2 May 2012	SD × 190 per cent.
2 November 2012	SD × 199 per cent.

2. **Final Redemption Amount**

Unless previously redeemed, or purchased and cancelled in accordance with the Conditions (as supplemented and amended herein), each Note will be redeemed by the Issuer on the Maturity Date at its Final Redemption Amount, 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 (i), (ii) or (iii) below, as is applicable:

- (i) if on the Valuation Date, the Calculation Agent determines that the Closing Price of each Share in the Basket is equal to or greater than 90 per cent. of the respective Initial Closing Price of such Share, then the Final Redemption Amount per Note shall be calculated in accordance with the following formula:

$$SD \times 208 \text{ per cent.}$$

- (ii) if on the Valuation Date, the Calculation Agent determines that the Closing Price of any Share in the Basket is less than 90 per cent. of the respective Initial Closing Price of such Share, but the Straggler Average Performance is greater than or equal to 75 per cent., then the Final Redemption Amount per Note shall be SD; or
- (iii) if on the Valuation Date, the Calculation Agent determines that the Straggler Average Performance is less than 75 per cent., then the Final Redemption Amount per Note shall be calculated in accordance with the following formula:

$$SD \times \text{Straggler Average Performance.}$$

3. Definitions

The following expressions have the following meanings:

"Basket" means the basket of equally weighted, ordinary shares (each a **"Share"** and collectively the **"Shares"** which shall refer to any one or more of the shares included in the Basket, as the context requires) of the companies described in Schedule 1 to this Annex (or any Replacement Share Issuer (as defined below) selected by the Calculation Agent in accordance with the terms of this Annex) (each a **"Share Issuer"**);

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

"Cancellation Amount" means an amount in the Specified Currency:

- (i) determined by the Calculation Agent in its sole and absolute discretion acting in good faith and using Commercially Reasonable Procedures in order to produce a commercially reasonable result and determined as of the date that the Notes are cancelled or, if that would not be commercially reasonable, as of such date following the date that the Notes are cancelled as would be commercially reasonable;
- (ii) to be paid to the Noteholders following a cancellation, being the economic equivalent of (a) the material terms of the Notes, including the payments in respect of the Notes that would, but for the cancellation, have been required on or after the date that the Notes are, or are deemed to have been, cancelled (assuming satisfaction of any applicable conditions precedent with respect to the Notes) and (b) any option rights of the Noteholders in respect of the relevant Notes as the Calculation Agent may consider to be relevant; and (c) less any reasonable costs to the Issuer of unwinding any related hedging arrangements,

and where, in determining such amount, the Calculation Agent may in its sole and absolute discretion, consider any relevant information, including, without limitation, one or more of the following types of information:

- (a) quotations (either firm or indicative) supplied by one or more third parties that may take into account the current creditworthiness of the Calculation Agent at the time the quotation is provided and the terms of any relevant documentation, including credit support documentation, between the Calculation Agent and the third party providing the quotation;
- (b) information consisting of relevant market data in the relevant markets supplied by one or more third parties including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads correlation or other relevant market data in the relevant market; or
- (c) information of the types described in (a) or (b) above from internal sources (including any affiliates of the Calculation Agent) if that information is of the same type used by the Calculation Agent in the regular course of its business for the valuation of similar transactions;

"Closing Price" means, in respect of a Share and any particular date, (subject to the provisions of section 4 below (*Disrupted Days*)) the official closing price per such Share on the relevant Exchange as of the Valuation Time on the relevant date, or if there is no official closing price, the mid-market price per such Share on the relevant Exchange at the Valuation Time on such date, all as determined by the Calculation Agent, provided that in the event that any price published on the relevant Exchange and which is utilised for any calculation or determination in respect of the Notes is subsequently corrected and the correction is published by the relevant Exchange on or before the next following Correction Cut-off Date, such corrected price;

"Commercially Reasonable Procedures" means procedures which may include the following:

- (a) application of relevant market data from third parties or information from internal sources of pricing or other valuation models that are, at the time of determination of the Cancellation Amount, used by the Calculation Agent in the regular course of its business in pricing or valuing transactions between the Calculation Agent and unrelated third parties that are similar to the Notes; and
- (b) application of such valuation methods as is appropriate to the type, complexity or size of the transaction;

"Correction Cut-off Date" means, in respect of (i) the Strike Date, the third weekday (meaning any day of the week except Saturday and Sunday) before the first Mandatory Early Redemption Date, (ii) each Observation Date, the third weekday (meaning any day of the week except Saturday and Sunday) before the Mandatory Early Redemption Date in respect of such Observation Date, and (iii) the Valuation Date, the third weekday (meaning any day of the week except Saturday and Sunday) before the Maturity Date;

"Disrupted Day" means, in respect of a Share, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"Early Closure" means, in respect of a Share, the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange 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(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"Exchange" means, in respect of a Share, Euronext Amsterdam, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means, in respect of a Share, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

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

"Initial Closing Price" means, in respect of a Share, the Closing Price of such Share in respect of the Strike Date, as determined by the Calculation Agent;

"Latest Observation Date" means, in respect of each Observation Date (being the **"Relevant Observation Date"**), the date which is a Relevant Observation Date for one or more Shares (the **"Relevant Share(s)"**), where such date occurs after the date that is the corresponding Relevant Observation Date for one or more other Shares (owing to adjustment of the Relevant Observation Date for the Relevant Share(s) pursuant to the provisions of section 4 below (*Disrupted Days*)), provided that if a Relevant Observation Date following all such adjustments (if any) were to fall on the same day for all the Shares, then such day shall be deemed to be the Latest Observation Date for such Observation Date;

"Latest Valuation Date" means, in respect of the Valuation Date, the date which is the Valuation Date for one or more Shares (the **"Relevant Share(s)"**), where such date occurs after the date that is the Valuation Date for one or more other Shares (owing to adjustment of the Valuation Date for the Relevant Share(s) pursuant to the provisions of section 4 below (*Disrupted Days*)), provided that if the Valuation Date following all such adjustments (if any) were to fall on the same day for all the Shares, then such day shall be deemed to be the Latest Valuation Date;

"Mandatory Early Redemption Date" means, in respect of an Observation Date, the third Business Day after the Latest Observation Date corresponding to such Observation Date;

"Market Disruption Event" means, in respect of a Share, the occurrence or existence of (i) a Trading Disruption, (ii) 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 relevant Valuation Time, or (iii) an Early Closure;

"Observation Dates" means each of the dates (each, a **"Scheduled Observation Date"**) specified in the column titled "Scheduled Observation Date" in the Mandatory Early Redemption Table appearing in section 1 (*Mandatory Early Redemption Amount*), subject to adjustment in accordance with section 4 below (*Disrupted Days*) (and each such date shall be an **"Observation Date"**);

"Performance" means, in relation to each Share and the Valuation Date, a ratio calculated by the Calculation Agent as the quotient of (i) the Closing Price of such Share on the Valuation Date, and (ii) the Initial Closing Price of such Share;

"Related Exchange" means, in respect of a Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share, 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 such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share 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, in respect of a Share, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions;

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

"Share Ranking" means, in respect of each Share in the Basket and the Valuation Date, the unique ranking of such Share for the Valuation Date assigned by the Calculation Agent amongst all the Shares, where such ranking is assigned by reference to the Performance of each Share for the Valuation Date sequentially from the highest to the lowest, such that, for the avoidance of doubt, the Share with the Performance with the highest value shall have the highest ranking and the Share with the Performance with the lowest value shall have the lowest ranking, provided that, if two or more such Shares have the same Performance for the Valuation Date, as determined by the Calculation Agent (all such Shares, if any, being **"Equal Performance Shares"**, and each being an **"Equal Performance Share"**) then:

- (i) any Share, if any, with a higher Performance for the Valuation Date than any such Equal Performance Share, shall have a higher Share Ranking than any such Equal Performance Share;
- (ii) any Share, if any, with a lower Performance for the Valuation Date than any such Equal Performance Share, shall have a lower Share Ranking than any such Equal Performance Share; and
- (iii) subject to paragraphs (i) and (ii) above, as amongst themselves, all such Equal Performance Shares shall be assigned such Share Ranking as the Calculation Agent may determine in its sole and absolute discretion;

"**Straggler Average Performance**" means, in respect of the Valuation Date, an amount, as determined by the Calculation Agent, as the arithmetic average of the Performance of the two Straggler Shares;

"**Straggler Shares**" means, in respect of the Valuation Date, the two Shares with the worst and second worst Share Ranking;

"**Strike Date**" means 2 May 2007 (the "**Scheduled Strike Date**"), subject to adjustment in accordance with section 4 below (*Disrupted Days*);

"**Trading Disruption**" means, in respect of a Share, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Share on the Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange;

"**Valuation Date**" means 2 May 2013 (the "**Scheduled Valuation Date**") subject to adjustment in accordance with section 4 below (*Disrupted Days*); and

"**Valuation Time**" means, in respect of a Share and any relevant day, the Scheduled Closing Time on the relevant Exchange on the relevant day in relation to such Share. If the relevant Exchange closes prior to its Scheduled Closing Time and the Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

4. **Disrupted Days**

If, in respect of one or more Shares comprised in the Basket, the Scheduled Valuation Date, any Scheduled Observation Date or the Scheduled Strike Date is not a Scheduled Trading Day or is a Disrupted Day, then the Valuation Date, the relevant Observation Date or the Strike Date (as the case may be) for each Share not affected by the occurrence of a Disrupted Day or non-Scheduled Trading Day shall be the Scheduled Valuation Date, the relevant Scheduled Observation Date or the Scheduled Strike Date (as the case may be) and the Valuation Date, the relevant Observation Date or the Strike Date (as the case may be) for each Share comprised in the Basket, if the Scheduled Valuation Date, the relevant Scheduled Observation Date or the Scheduled Strike Date is not a Scheduled Trading Day or is affected by the occurrence of a Disrupted Day, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Share, unless the Calculation Agent determines that each of the five Scheduled Trading Days immediately following the Scheduled Valuation Date, the relevant Scheduled Observation Date or the Scheduled Strike Date (as the case may be) is a Disrupted Day relating to that Share. In that case (i) that fifth Scheduled Trading Day shall be deemed to be the Valuation Date, the relevant Observation Date or the Strike Date (as the case may be) for the relevant Share notwithstanding the fact that such day is a Disrupted Day and/or is not a Scheduled Trading Day (as the case may be), and (ii) the Calculation Agent shall determine its good faith estimate of the value for that Share as of the Valuation Time on such day.

5. **Potential Adjustment Events and Extraordinary Event**

(A) **Definitions:** In this provision, the following terms will have the following meaning:

- (i) **"Delisting"** means that the relevant Exchange announces that pursuant to the rules of such Exchange, the Shares of a Share Issuer cease (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted (i) in relation to any Share which relevant Exchange is located in the United States of America, on the New York Stock Exchange, the American Stock Exchange or the NASDAQ NMS, (ii) in relation to any Share whose relevant Exchange is located in the European Union, on the London, Paris, Frankfurt, Milan, Amsterdam, Madrid, Copenhagen, Helsinki, Stockholm, Luxembourg, Vienna or Irish Stock Exchanges and (iii) in relation to any Share whose relevant Exchange is located elsewhere, on an exchange or quotation system located in the same country as that relevant Exchange;
- (ii) **"Extraordinary Event"** means a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting, as the case may be;
- (iii) **"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceedings affecting a Share Issuer (i) all the Shares of a Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of a Share Issuer, become legally prohibited from transferring them;
- (iv) **"Merger Date"** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent;
- (v) **"Merger Event"** means, as determined by the Calculation Agent in its sole discretion in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Valuation Date;

- (vi) "**Nationalisation**" means that all the Shares or all or substantially all the assets of a Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (vii) "**Potential Adjustment Event**" means any of the following:
 - (1) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or, a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
 - (2) a distribution, issue or dividend to existing holders of the relevant Shares of (a) such Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of a Share Issuer equally or proportionately with such payments to holders of such Shares or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;
 - (3) an extraordinary dividend, as determined by the Calculation Agent;
 - (4) a call by a Share Issuer in respect of the relevant Shares that are not fully paid;
 - (5) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (6) in respect of a Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
 - (7) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares or of the composition of the Basket.
- (viii) "**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of a Share Issuer, as determined by the Calculation Agent, based

upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

(ix) "**Tender Offer Date**" means, in respect of a Tender Offer, the date on which voting shares of a Share Issuer in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

(B) **Potential Adjustment Events**: Following the declaration by a Share Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares or on the composition of the Basket and, if so, the Calculation Agent in its sole and absolute discretion will determine the corresponding adjustment(s), if any, to be made to the Mandatory Early Redemption Amount, the Final Redemption Amount and/or any of the other terms of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and determine the effective date(s) of that adjustment(s) (including, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Shares traded on such options exchange.

(C) **Merger Event or Tender Offer**: In respect of each Merger Event or Tender Offer, the following terms have the meanings given below:

"**Share-for-Share**" means, (i) in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists (or, at the option of the holder of such Shares, will consist) solely of New Shares and (ii) a Reverse Merger;

"**Share-for-Other**" means, in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists solely of Other Consideration;

"**Share-for-Combined**" means, in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists of Combined Consideration;

"**New Shares**" means ordinary or common shares, whether of the entity or person (other than the Share Issuer) involved in the Merger Event or the making of the Tender Offer or a third party, that are, or that as of the Merger Date or Tender Offer Date are promptly scheduled to be, (A) publicly quoted, traded or listed (i) in relation to any Share which relevant Exchange is located in the United States of America, on the New York Stock Exchange, the American Stock Exchange or the NASDAQ NMS, (ii) in relation to any Share which relevant Exchange is located in the European Union, on the London, Paris, Frankfurt, Milan, Amsterdam, Madrid, Copenhagen, Helsinki, Stockholm, Luxembourg, Vienna or Irish Stock Exchanges and (iii) in relation to any Share which relevant Exchange is located elsewhere, on an exchange or quotation system located in the same country as that relevant Exchange and (B) not subject to any currency exchange controls, trading restrictions or other trading limitations;

"Other Consideration" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the Share Issuer) involved in the Merger Event or the making of a Tender Offer or a third party); and

"Combined Consideration" means New Shares in combination with Other Consideration.

If a Merger Event or Tender Offer occurs, the Calculation Agent will in its sole and absolute discretion take any of the actions described in (1) (2) (3) and/or (4) below, as applicable:

- (1) (a) in respect of each Share-for-Share Merger Event or, as the case may be, each share-for-share Tender Offer, on or after the relevant Merger Date or, as the case may be, relevant Tender Offer Date make such adjustment(s) the Calculation Agent acting in its sole discretion considers appropriate to reflect the number of New Shares to which a holder of one relevant Share immediately prior to the occurrence of the Merger Event or, as the case may be, Tender Offer would be entitled upon consummation of the Merger Event or, as the case may be, Tender Offer and the New Shares will be deemed to be the relevant Shares and the issuer thereof will be deemed the Share Issuer, respectively, and, if necessary, the Calculation Agent will adjust any other relevant terms (including, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares);
- (b) in respect of each Share-for-Other Merger Event or, as the case may be, each share-for-Other Tender Offer, on or after the relevant Merger Date or, as the case may be, relevant Tender Offer Date, the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of one relevant Share would be entitled upon consummation of the Merger Event or, as the case may be, Tender Offer will be applied by the Calculation Agent to determine such adjustment(s) as it acting in its sole discretion considers appropriate in respect of such Share, and, if necessary, the Calculation Agent will adjust any other relevant terms (including, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares); or
- (c) in respect of each Share-for-Combined Merger Event or, as the case may be, each share-for-Combined Tender Offer, on or after the relevant Merger Date or, as the case may be, relevant Tender Offer Date, the number of New Shares and the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of one of the relevant Shares would be entitled upon consummation of the Merger Event or, as the case may be, Tender Offer will be applied by the Calculation Agent to determine such adjustment(s) as it acting in its sole discretion considers appropriate with respect to the affected Shares and the Issuer of such New Shares and, if necessary, the Calculation Agent will adjust any other

relevant terms (including, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares);

- (2) if at any time the Calculation Agent determines that a Merger Event or, as the case may be, a Tender Offer has led, or would lead, to the merger, consolidation or any other combination of the Shares of two or more Share Issuers (a "**Share Issuer Merger**"), the Calculation Agent will determine which original Share Issuer or Share Issuers should cease to be treated as a Share Issuer or Share Issuers for the purpose of these Conditions (each a "**Replaced Share Issuer**") and shall be entitled to select one or more new entities (as the case may be) (each a "**Replacement Share Issuer**") to be a Share Issuer in place of the Replaced Share Issuer or Share Issuers as of a date determined by the Calculation Agent (a "**Replacement Date**"). Any Replacement Share Issuer will, to the extent practicable, be selected from the same industry, have shares denominated in the same currency and have a similar market capitalisation to the relevant Replaced Share Issuer;
- (3) on or after the relevant Merger Date or, as the case may be, relevant Tender Offer Date (A) make such adjustment(s) to the exercise, interest, payment or any other terms of the Notes as the Calculation Agent determines appropriate to account for the economic effect of such Merger Event or, as the case may be, Tender Offer (provided in the case of a Tender Offer, the Shares will not change) and (including, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event or, as the case may be, Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and (B) determine the effective date(s) of such adjustment(s); and/or
- (4) either:
 - (a) cancel the Notes in whole only and pay the Cancellation Amount (if any); or
 - (b) determine which original Share Issuer or Share Issuers should cease to be treated as a Share Issuer or Share Issuers for the purpose of these Conditions and pay the Cancellation Amount (if any).

If a Merger Date or, as the case may be, Tender Offer Date is scheduled to be after the Valuation Date, the Calculation Agent will determine, with respect to the theoretical value of the Notes, the economic effect of the announcement of a potential Merger Event or, as the case may be, potential Tender Offer Event (including, without limitation, any change in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares) from the announcement date to such Valuation Date, as applicable. If such economic effect is material, the Calculation Agent shall (acting in its sole and absolute discretion) adjust the terms of the Conditions to reflect such economic effect.

- (D) ***Nationalisation, Delisting and Insolvency:*** If a Nationalisation, Delisting or Insolvency occurs, the Calculation Agent shall, in its sole and absolute discretion take any of the actions described in (1), (2), (3) and/or (4) below:
- (1) treat the affected Share Issuer as a Replaced Share Issuer and select a Replacement Share Issuer in the manner specified in paragraph (C) (2) above;
 - (2) request the Issuer to cancel the Notes in whole only and pay the Cancellation Amount (if any);
 - (3) determine which original Share Issuer or Share Issuers should cease to be treated as a Share Issuer or Share Issuers for the purpose of these Conditions and request the Issuer to pay the Cancellation Amount (if any); and/or
 - (4) make such other adjustment(s) to the terms of the Conditions or such determination as the Calculation Agent, acting in its sole and absolute discretion, considers appropriate to account for the Nationalisation, Delisting and Insolvency.
- (E) ***Valuation of Shares of Replacement Share Issuers:*** In calculating the Early Redemption Amount, Mandatory Early Redemption Amount or Final Redemption Amount, as the case may be, the Initial Closing Price for the Replacement Share Issuer Share shall be deemed to be the product of (a) the Closing Price of the Replacement Share Issuer Share on the relevant Replacement Date, and (b) the quotient of the relevant Initial Closing Price for the Replaced Share Issuer Share and the Closing Price for the Replaced Share Issuer Share on the relevant Replacement Date (as adjusted by the Calculation Agent in its discretion to reflect the cost to the Issuer or any affiliate of replacing the affected Share and adjusting any associated hedging arrangements).

6. **Notification of Mandatory Early Redemption Amount, Early Redemption Amount, Final Redemption Amount, Disrupted Days, Potential Adjustment Events and Extraordinary Events**

- (a) As soon as reasonably practicable after calculating or otherwise determining the Mandatory Early Redemption Amount, any Early Redemption Amount or the Final Redemption Amount, as the case may be, the Calculation Agent shall give notice of the relevant amount to the Issuer.
- (b) 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 an Observation Date or the Valuation Date.
- (c) Upon the occurrence of a Potential Adjustment Event or Extraordinary Event, the Calculation Agent shall give notice as soon as practicable to the Issuer stating the occurrence of the Potential Adjustment Event, or Extraordinary Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.
- (d) 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 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).

Schedule 1

Share	Bloomberg Code	Weighting
Koninklijke KPN N.V.	KPN NA	25%
Fortis	FORA NA	25%
Royal Dutch Shell Plc	RDSA NA	25%
Unilever N.V.	UNA NA	25%

Schedule 2

INFORMATION RELATING TO THE SHARES

The information included herein with respect to the Shares 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 Shares or that there has not occurred any event which would affect the accuracy or completeness of such information.

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

Schedule 2

Part 1

INFORMATION RELATING TO UNILEVER N.V. (for the purposes of this Part 1 of Schedule 2, the "Company")

Description of Company

Unilever NV manufactures foods and home and personal care products. The Company produces Ben & Jerry's and Breyers ice cream, AdeS soy drinks, Brunch, Boursin, and Creme Bonjour dairy spreads, Bertolli olive oil, Five Brothers pasta sauce, Lipton tea drinks, Knorr soups, Hellmann's mayonnaise, Lawry's marinades, Dove soap, Comfort fabric softener, and Axe and Rexona deodorants.

Source: Bloomberg® (27 March 2007)

Historical Information

The following table shows the high and low prices of the shares of the Company for each of the periods indicated. The historical performance of the shares of the Company should not be taken as an indication of the future performance.

Year ended 31 December	High (EUR)	Low (EUR)
2004	19.917	14.803
2005	20.267	16.13
2006	20.84	16.53
12 months ended February 2007	High (EUR)	Low (EUR)
March 2006	19.633	18.883
April 2006	19.233	18.65
May 2006	19.267	17.317
June 2006	17.73	16.53
July 2006	18.7	17.26
August 2006	19.07	17.78
September 2006	19.59	18.56
October 2006	19.69	19.22
November 2006	20.62	19.22
December 2006	20.84	19.67
January 2007	21.04	20.29
February 2007	20.96	19.59

Source: Bloomberg® (27 March 2007)

Schedule 2

Part 2

INFORMATION RELATING TO ROYAL DUTCH SHELL PLC (for the purposes of this Part 2 of Schedule 2, the "Company")

Description of Company

Royal Dutch Shell PLC, through subsidiaries, explores for, produces, and refines petroleum. The Company produces fuels, chemicals, and lubricants. Shell owns and operates gasoline filling stations worldwide.

Source: Bloomberg® (27 March 2007)

Historical Information

The following table shows the high and low prices of the shares of the Company for each of the periods indicated. The historical performance of the shares of the Company should not be taken as an indication of the future performance.

Year ended 31 December	High (EUR)	Low (EUR)
2004	21.84	18.38
2005	28.20	20.99
2006	28.26	24.48
12 months ended February 2007	High (EUR)	Low (EUR)
March 2006	26.12	25.18
April 2006	28.26	25.91
May 2006	27.59	25.09
June 2006	26.30	24.48
July 2006	28.03	26.37
August 2006	27.96	26.99
September 2006	27.08	25.29
October 2006	27.31	25.46
November 2006	27.86	26.66
December 2006	27.18	26.40
January 2007	26.54	25.51
February 2007	26.5	24.61

Source: Bloomberg® (27 March 2007)

Schedule 2

Part 3

INFORMATION RELATING TO FORTIS (for the purposes of this Part 3 of Schedule 2, the "Company")

Description of Company

Fortis offers banking and insurance services. The Company offers retail, private, and investment banking services, asset management, mortgages, asset management, lease financing, factoring, and investment funds, and advises on mergers and acquisitions. Fortis also offers life and non-life, disability, and medical insurance to individuals and groups.

Source: Bloomberg® (27 March 2007)

Historical Information

The following table shows the high and low prices of the shares of the Company for each of the periods indicated. The historical performance of the shares of the Company should not be taken as an indication of the future performance.

Year ended 31 December	High (EUR)	Low (EUR)
2004	20.65	16.9
2005	27.14	20.54
2006	33.5	25.15
12 months ended February 2007	High (EUR)	Low (EUR)
March 2006	30	28.48
April 2006	30.09	28.51
May 2006	29.92	26.83
June 2006	28.52	25.15
July 2006	27.92	25.93
August 2006	30.38	27.6
September 2006	32	29.67
October 2006	33.5	32.09
November 2006	33.27	30.78
December 2006	32.68	30.55
January 2007	32.84	31.73
February 2007	34.51	32.52

Source: Bloomberg® (27 March 2007)

Schedule 2

Part 4

INFORMATION RELATING TO KONINKLIJKE KPN N.V. (for the purposes of this Part 4 of Schedule 2, the "Company")

Description of Company

Koninklijke (Royal) KPN NV provides telecommunications services throughout the Netherlands. The Company provides local, long distance, international, and mobile telecommunications services, voice-mail, call forwarding, ISDN Internet lines, faxing, and communications services for businesses and individuals. KPN offers mobile telecommunications through E-Plus in Germany and BASE in Belgium.

Source: Bloomberg® (27 March 2007)

Historical Information

The following table shows the high and low prices of the shares of the Company for each of the periods indicated. The historical performance of the shares of the Company should not be taken as an indication of the future performance.

Year ended 31 December	High (EUR)	Low (EUR)
2004	7.07	5.8
2005	8.56	6.39
2006	10.94	7.72
12 months ended February 2007	High (EUR)	Low (EUR)
March 2006	9.44	8.72
April 2006	9.86	9.12
May 2006	9.62	8.72
June 2006	9.17	8.59
July 2006	8.98	8.5
August 2006	9.71	9.21
September 2006	10.1	9.59
October 2006	10.76	10.01
November 2006	10.8	10.35
December 2006	10.94	10.36
January 2007	11.69	11.05
February 2007	12.08	10.89

Source: Bloomberg® (27 March 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 Strawinskylaan 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

LISTING AGENT

Arthur Cox Listing Services Limited
Earlsfort Centre
Earlsfort Terrace
Dublin 2

SUMMARY NOTE dated 12 April 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 Dutch Power Notes VIII due 2013
relating to a Basket of Shares**

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 12 April 2007 and prepared by the Issuer in connection with the 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 this 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; and (ii) at the registered office of the Issuer at Atrium Strawinskylaan 3105, 1077 ZX Amsterdam, The Netherlands.

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 this Summary Note, including any translation hereof, 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.

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 Dutch Power Notes VIII due 2013 relating to a Basket of the following Shares:

- 1 Koninklijke KPN N.V. (*Bloomberg Code: KPN NA*)
- 2 Fortis (*Bloomberg Code: FORA NA*)
- 3 Royal Dutch Shell Plc (*Bloomberg Code: RDSA NA*)
- 4 Unilever N.V. (*Bloomberg Code: UNA NA*)

(together, the "**Shares**" and each a "**Share**")

The Notes are issued on an unsyndicated basis with an issue price of 100.00 per cent. of a denomination of EUR 1,000 each (the "**Specified Denomination**").

The Notes will be redeemed prior to their scheduled date for redemption (the "**Maturity Date**") at the relevant amount (the "**Mandatory Early Redemption Amount**") as set out in the Securities Note if, on any observation date, the closing price of each

Share is equal to or greater than 90 per cent. of the respective closing price on the strike date. The final redemption amount payable on the Maturity Date is dependent on the closing price of each Share on the valuation date. In certain circumstances the final redemption amount may be less than the invested amount and may even be zero

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

Prospectus Approval
and Listing and
Admission to Trading:

The Notes will not be listed on any regulated markets within the meaning of Directive 93/22/EEC.

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 the 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 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, 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.

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.

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.

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.

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**").

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 Registration Document.

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

The Netherlands, Belgium and Ireland, 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, that the final redemption amount of the Notes will be determined by reference to the performance of the Shares. 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 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.

SAMENVATTINGSNOTA d.d. 12 april 2007

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

**Uitgifte tot EUR 20.000.000 Dutch Power Notes VIII, met einddatum 2013
Gekoppeld aan een Aandelenkorf**

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 12 april 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 en (ii) op de maatschappelijke zetel van de Emittent in het Atrium, Strawinskylaan 3105, 1077 ZX Amsterdam, Nederland.

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 dit Samenvattingsnota, 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.*

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 Dutch Power Notes VIII met einddatum 2013 gekoppeld aan een korf bestaande uit de volgende aandelen:

1. Koninklijke KPN N.V. (*Bloomberg Code: KPN NA*)
2. Fortis (*Bloomberg Code: FORA NA*)
3. Royal Dutch Shell Plc (*Bloomberg Code: RDSA NA*)
4. Unilever N.V. (*Bloomberg Code: UNA NA*)

(gezamenlijk, de “**Aandelen**” en elk een “**Aandeel**”).

De Notes worden uitgegeven op niet-gesyndiceerde basis met een uitgifteprijs van 100,00 procent met een nominale waarde van elk EUR 1.000 (de “**Gespecificeerde Waarde**”).

De Notes zullen teruggekocht worden voorafgaand aan hun geplande datum voor terugkoop (de “**Vervaldatum**”) aan het relevant bedrag (het “**Verplicht Vroegtijdig Aflossingsbedrag**”) zoals uiteengezet in de Effectennota indien, op enige observatiedatum, de slotprijs van elk

Aandeel gelijk is aan of groter is dan 90 procent van de respectievelijke slotprijs op de stakingsdatum. Het definitief aflossingsbedrag betaalbaar op de Vervaldatum is afhankelijk van de slotprijs van elk Aandeel op de observatiedatum. In bepaalde gevallen zal het definitief aflossingsbedrag minder zijn dan het belegd bedrag en zelfs gelijk zijn aan nul.

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

Goedkeuring van De Notes zullen niet genoteerd worden op de geregleerde markten als Prospectus en bedoeld in de Richtlijn 93/22/EEC.
Notering en
Toelating tot Handel 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 de aanbidding 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 Autoriteit Financiële Markten (AFM), dewelke het bevoegde orgaan in Nederland is en de Commissie voor het Bank-, Financie-, en Assurantie- en Verzekeringswezen (CBFA), dewelke het bevoegde orgaan in België is, in het kader van een toelating voor een aanbidding van Notes aan het publiek in België 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 geregistreerd worden bij de IFSRA.

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 Condities van de Notes.

Volgens Belgisch fiscaal recht wordt het inkomen voortvloeiend uit het verschil tussen het Definitief Terugkoopbedrag op Vervaldatum en de Uitgifteprijs gekwalificeerd als interest en is het bijgevolg onderhevig aan een bronheffing van 15%, dewelke de definitieve Belgische inkomstenbelasting vormt voor Belgische belastingplichtige privépersonen en juridische entiteiten. Voor vennootschappen die onderworpen zijn aan de Belgische (inwoner of niet-inwoner) vennootschapsbelasting, is deze bronheffing verrekenbaar met de vennootschapsbelasting van 33,99% verschuldigd op de interest. Een beurstaks van 0,17% (gelimiteerd tot € 500 per partij en per transactie) is verschuldigd voor elke transactie op de secundaire markt, onder voorbehoud van de uitzonderingen beschreven in de Effectennota. Een

belasting van 0,60% op de levering van effecten aan toonder is verschuldigd op de fysieke levering van de Notes in België.

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 vrijgesteld worden van bronheffingen of aftrek van, of omwille van andere belastingen van welke aard dan ook, geheven, gevorderd, afgehouden of opgelegd door Nederland of enige politiek onderafdeling of belastingsautoriteit daarvan of daarin. De houder van de Notes die inkomsten verwerft van de Notes en/of een winst realiseert op de terugkoop of de plaatsing van de Notes is niet onderhevig aan Nederlandse belastingen tenzij de houder een inwoner van Nederland is of geacht wordt te zijn of indien de houder onderworpen is aan Nederlandse belastingen op basis van specifieke bepalingen dewelke niet-inwoners belasten op hun Nederlandse broninkomsten. De Emittent zal geen verantwoording opnemen voor de aftrek van Nederlandse bronheffingen.

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**").

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 het Registratiedocument.

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 Nederland, België en Ierland, 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 dat het Definitief Aflossingsbedrag op de Notes bepaald zal worden met verwijzing naar de prestatie van de Aandelen. 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.

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.