

Final Terms dated as of 30 September 2005

**LEHMAN BROTHERS SECURITIES N.V**  
**Warrant and Certificate Programme**

**Guaranteed by**  
**LEHMAN BROTHERS HOLDINGS INC.**

**Up to 100,000 Certificates on the PHLX Housing Sector Index**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 30 August 2005 which constitutes a prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus.

Save as disclosed herein, neither the Issuer nor the Guarantor is involved in any litigation or arbitration proceedings which the Issuer or the Guarantor (as the case may be) believes would have a material adverse effect on the financial position of the Issuer or the Guarantor (as the case may be) nor is the Issuer or the Guarantor aware of any such proceedings pending or threatened.

The Issuer accept responsibility for the information contained in this Securities Note and declare 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 their knowledge, in accordance with the facts and contains no omission likely to affect its import.

The information contained herein with regard to the underlying asset (or basket of assets), Commodity (or Basket of Commodities), Currency (or Basket of Currencies), Debt Instrument (or Basket of Debt Instruments), Depositary Receipt (or Basket of Depositary Receipts), Index (or Basket of Indices) or Share (or Basket of Shares) (as all such terms are defined in the Terms and Conditions) or other item(s) (the "**Underlying**") to which the Securities relate consists of extracts from or summaries of information that are publicly available. Except as mentioned herein, the Issuer accepts responsibility for accurately reproducing and/or summarising the information relating to the Underlying to which the Securities relate, which information is more particularly described in these Final Terms. The Issuer accepts no further or other responsibility in respect of such information.

**IN WITNESS WHEREOF, LEHMAN BROTHERS SECURITIES N.V.** has caused these Final Terms to be executed by a duly authorised officer or director.

Dated: 30 September 2005

Executed by

**LEHMAN BROTHERS SECURITIES N.V.**

and signed and delivered on its behalf

By: \_\_\_\_\_

Name: Jonathan Knapp

Title: Authorised Signatory

## Part A

### Information about the Securities

#### General

- |  |  |
|--|--|
| 1. Issuer:   | Lehman Brothers Securities N.V.  |
| 2. Guarantor:  | Lehman Brothers Holdings Inc.  |
| 3. Description of the Securities:  |  |
| (a) Warrants or Certificates:  | The Securities are Certificates  |
| (b) Type of Securities:  | The Securities are Index Securities  |
| 4. Form of the Securities:   | Bearer: Global Security  |
| 5. Description of the Underlying:  | As described in Items 48 and 69  |
| 6. If Warrants, American Style Warrants, European Style Warrants or other: | Not Applicable   |
| 7. If Warrants, Call Warrants, Put Warrants or other:                      | Not Applicable   |
| 8. Number of Securities being issued:                                      | Up to 100,000  |
| 9. (a) Series Number:  | L-05/17  |
| (b) Tranche Number:  | 1  |
| 10. Issue Date:  | 30 September 2005  |
| 11. Issue Price(s):  | United States Dollar ("USD") 1,000.00 per Security   |
|  | Each Dealer reserves the right, in its sole discretion, at any time and from time to time, to offer and sell the Securities at one or more prices that differ from the Issue Price |
| 12. Minimum initial purchase of the Securities:                            | One Security   |
| 13. Minimum transferable number (for the purposes of Condition 1(c)):      | One Security   |
| 14. Last Trading Day (for the purposes of Conditions 1(c) and 9(c)):       | Three Business Days prior to the Valuation Date  |

**Warrants - Provisions relating to exercise**

- |   |                |
|---|----------------|
| 15. If American Style Warrants, the Exercise Period:  | Not Applicable |
| 16. If European Style Warrants, the Expiration Date:  | Not Applicable |
| 17. Exercise Notice Deposit Time(s) (for the purposes of Condition 5(a)):   | Not Applicable |
| 18. Minimum Exercise Number (for the purposes of Condition 5(b)):   | Not Applicable |
| 19. Integral multiple of Minimum Exercise Number (for the purposes of Condition 5(b)):  | Not Applicable |
| 20. If Physical Delivery Warrants, any modification of minimum Board Lot requirement in relation to exercise (for the purpose of Condition 9(h)): | Not Applicable |
| 21. If American Style Warrants, the Maximum Exercise Number (for the purposes of Condition 5(b)):   | Not Applicable |
| 22. Automatic Exercise in respect of Cash Settled Warrants (for the purposes of Condition 4(a)):  | Not Applicable |

**Certificates - Provisions relating to interest**

- |   |                |
|---|----------------|
| 23. Interest Payment Dates:   | Not Applicable |
| 24. Notional Amount per Certificate (for the purposes of Condition 6):                            | Not Applicable |
| 25. Interest Rate (for the purposes of Condition 6):  | Not Applicable |
| 26. Interest Rate Day Count Fraction (for the purposes of Condition 6):                           | Not Applicable |
| 27. Other terms relating to the method of calculating interest (for the purposes of Condition 6): | Not Applicable |

**Provisions relating to settlement and redemption**

28.	Form of Settlement (for the purposes of Condition 1(a)):	Cash Settled Securities
29.	Issuer's option to vary settlement in respect of the Securities (for the purposes of Conditions 1(a) and 10(c)):	Not Applicable
30.	Valuation Date:	16 September 2008
31.	Averaging Dates:	Not Applicable
32.	Consequence of Averaging Date Disruption (for the purposes of Condition 13(b)):	Not Applicable
33.	Valuation Time:	Official close of trading on the Exchange
34.	If Warrants, the Settlement Date:	Not Applicable
35.	If Certificates, the Certificate Settlement Notice Period:	The period of three Business Days ending on and including the Valuation Date
36.	If Certificates, the Redemption Date:	30 September 2008
37.	Business Day Centre(s):	London and New York
38.	Exchange Rate, including details of when such rate is to be ascertained:	Not Applicable
39.	If Cash Settled Securities, Settlement Currency for the payment of the Cash Settlement Amount and/or Alternative Cash Settlement Amount:	USD
40.	If Cash Settled Securities, Cash Settlement Amount or method of calculation of the Cash Settlement Amount (for the purposes of Condition 4(b) or Condition 7, as applicable):	<p>For each Certificate held, the Cash Settlement Amount shall be determined by the Calculation Agent in accordance with the following:</p> <p>(1) If the Final Level is lower than or equal to the Strike Level</p> $\text{Issue Price} \times \left[ 1 + \left( 1.25 \times \left( 1 - \frac{\text{FL}}{\text{IL}} \right) \right) \right]$ <p>(2) If the Final Level is higher than the Strike Level and a Trigger Event has</p>

occurred or is deemed to have occurred, as determined by the Calculation Agent:

$$\text{Issue Price} \times \text{Max} \left[ 0; \left( 2 - \frac{\text{FL}}{\text{IL}} \right) \right]$$

- (2) If the Final Level is higher than the Strike Level and a Trigger Event has not occurred or is not deemed to have occurred, as determined by the Calculation Agent:

$$\text{Issue Price} \times 100\%$$

*Where:*

“**Barrier Level**” means 808.44 (being equal to product of (i) 1.5 and (ii) Initial Level);

“**Disruption**” means 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;

“**Final Level**” or “**FL**” means the level of the Index on the Exchange at the Valuation Time on the Valuation Date as determined by the Calculation Agent;

“**Initial Level**” or “**IL**” means 538.96;

“**Max**” followed by a series of numbers inside brackets means whichever is the greater of the numbers separated by a “;” inside those brackets;

“**Observation Period**” means the period from and including the Trade Date to and including the Valuation Date;

“**Trade Date**” means 16 September 2005;

“**Trigger Date**” means each Scheduled Trading Day during the Observation Period *provided that* if at any time on any

such Scheduled Trading Day there is a Disruption, as determined by the Calculation Agent in its sole and absolute discretion, then notwithstanding the fact that there is a Disruption on such Trigger Date, the Calculation Agent shall determine in good faith and in a commercially reasonable manner whether a Trigger Event has occurred during such Disruption;

“**Trigger Event**” means the determination by the Calculation Agent that at any time during the regular trading session hours on any Trigger Date the level the Index is equal to or higher than the Barrier Level

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|---|----------------|
| 41. If Physical Delivery Warrants, the Strike Price(s):   | Not Applicable |
| 42. If Physical Delivery Securities:  |                |
| (a) the Relevant Asset(s) (for the purposes of the definition in Condition 28):   | Not Applicable |
| (b) method of delivery of the Physical Settlement Amount (for the purposes of Condition 10(b)(i) or (ii)):  | Not Applicable |
| (c) method of evidencing the Physical Delivery Amount (for the purposes of Condition 10(b)(i) or (ii)):   | Not Applicable |
| (d) treatment of dividends payable on the Relevant Assets(s) (for the purposes of Condition 10(b)(iii)):  | Not Applicable |
| 43. If Physical Delivery Certificates, any modification of minimum Board Lot requirement in relation to settlement (for the purpose of Condition 9(h)): | Not Applicable |
| 44. Other circumstances where Holder will receive the Alternative Settlement Amount (for the purposes of Condition 10(c)):                              | Not Applicable |

45. Other additional conditions to settlement (for the purposes of Condition 10(a)(i), 10(a)(ii), 10(b)(i) and 10(b)(ii)): Not Applicable

**Other specified terms and modifications to the Conditions**

46. If Currency Securities, details of the Relevant Screen Page, the Base Currency and the relevant Subject Currency or Subject Currencies: Not Applicable
47. If Commodity Securities, provisions for calculations: Not Applicable
48. If Index Securities:
- (a) Index or Indices: PHLX Housing Sector Index
  - (b) Exchange: New York Stock Exchange
  - (c) Related Exchange: Chicago Board of Exchange (CBOE)
  - (d) Consequences of Index Adjustment Event (for the purposes of Condition 14(a)(ii)):
    - (i) Index Modification: Calculation Agent Adjustment
    - (ii) Index Cancellation: Calculation Agent Adjustment
    - (iii) Index Disruption: Calculation Agent Adjustment
49. If Share Securities: Not Applicable
- (a) Share(s): Not Applicable
  - (b) Exchange: Not Applicable
  - (c) Related Exchange: Not Applicable
  - (d) Method of Adjustment (for the purposes of Condition 14(b)): Not Applicable
  - (e) Consequences of Merger Events (for the purposes of Condition 15(a)): Not Applicable
    - (i) Share-for-Share: Not Applicable
    - (ii) Share-for-Combined: Not Applicable
    - (iii) Share-for-Other: Not Applicable

- |                                   |  |   |
|-----------------------------------|--|---|
| (f)                               | Consequences of Tender Offers (for the purposes of Condition 15(b))  | Not Applicable  |
| (i)                               | Share-for-Share:   | Not Applicable  |
| (ii)                              | Share-for Combined:  | Not Applicable  |
| (iii)                             | Share-for-Other:   | Not Applicable  |
| (g)                               | Options Exchange (for the purposes of Condition 14(b)(i), Condition 15(a)(iii) or Condition 15(b)(ii), where applicable)   | Not Applicable  |
| 50. Additional Disruption Events: |  |   |
| (a)                               | Applicable Additional Disruption Events:   | None  |
| (b)                               | Consequences of Additional Disruption Event:   | Not Applicable  |
| 51. Further adjustments:          |  |   |
| (a)                               | whether provisions for market disruption apply other than as provided for in Condition 13:   | Not applicable  |
| (b)                               | in relation to Debt Instrument Securities, provisions dealing with the situation where one or more of the relevant Debt Instruments is redeemed (or otherwise ceases to exist before expiration of the relevant Securities): | Not Applicable  |
| (c)                               | any supplemental adjustment provisions:  | Not Applicable  |
| 52.                               | Other special conditions and any modification to the Terms and Conditions of the Securities:   | <p>For the purposes of these Final Terms, the definition of "Market Disruption Event" contained in Condition 28 shall be replaced and superseded by the following:</p> <p><b>"Market Disruption Event"</b> means, in respect of the Index;</p> <p>(A) the occurrence or existence at any time of:</p> |

- (1) any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (x) on any relevant Exchange(s) relating to securities or other property that comprise 20 per cent. or more of the level of the Index or (y) in futures or options contracts relating to the Index on the Related Exchange; or
- (2) any event (other than an event described in (B) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions in, or obtain market values, on any relevant Exchange(s) in securities or other property that comprise 20 per cent. or more of the level of the relevant Index or (y) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange,

which in either case the Calculation Agent determines is material and, where the level of the Index is to be determined at the Valuation Time, occurs at any time during the one hour period that ends at the Valuation Time; or

- (B) the closure of the Exchange relating to securities or other property that comprise 20 per cent. or more of the

level of the relevant Index or the Related Exchange prior to its Scheduled Closing Time unless, where the level of the Index is to be determined at the Valuation Time, such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on the Exchange or Related Exchange on such Exchange Business Day and (2) 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.

For the purposes of determining whether a Market Disruption Event in respect of the Index exists at any time, if a Market Disruption Event occurs in respect of any security or other property included in the Index at any time, then the relevant percentage contribution of that security or property to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security or property and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.””

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|---|---|
| 53. Relevant Clearing System(s) (for the purposes of the definition in Condition 28): | Euroclear<br>Clearstream, Luxembourg<br><br>The Bank of New York, Brussels shall act as common depositary for Euroclear and Clearstream, Luxembourg |
| 54. Calculation Agent if not the Issuer:  | Lehman Brothers International (Europe)  |
| 55. Rule 144A eligibility:  | No  |
| 56. Eligibility for private placement to other  | No  |

“accredited investors” in the United States:

57. US Selling Restrictions and additional selling restrictions:

- |     |   |                |
|-----|---|----------------|
| (a) | details of the applicable type of US Selling Restrictions including in respect of the relevant US Selling Restrictions certification required for the purposes of exercise or redemption: | Type 2A        |
| (b) | details of any additional selling restrictions (for the purposes of Condition 9(e)):  | Not Applicable |

**Part B**

**Other Information**

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|--|---|
| 1. (a) Listing:  | None  |
| (b) Admission to Trading:  | Not Applicable  |
| 2. Notification  | Not Applicable  |
| 3. Interests of Natural and Legal Persons Involved in The Issue/Offer  | Not Applicable  |
| 4. Method of distribution of the Securities:   | Non-syndicated  |
| Names of the Dealer(s):  | Lehman Brothers International (Europe)  |
| 5. ISIN:   | ANN521331184  |
| 6. Common Code:  | 022851675   |
| 7. CUSIP:  | Not Applicable  |
| 8. Telekurs number and, where any additional or alternative Clearing System(s) has/have been specified in paragraph 39(b) above, any other relevant security code: | CH2257128   |
| 9. Principal Securities Agent:   | Belgian Securities Agent  |
| 10. Whether Definitive Security Certificates may be issued as well as/instead of a Global Security:  | The Securities will be at all times represented by a Global Security  |
| 11. Reasons for the Offer:   | Not Applicable  |
| 12. Performance of the Index/Formula/other variable:   | Details on historical levels of the Index can be found on Bloomberg Page "HGX".<br><br>The Issuer does not intend to provide post issuance information.<br><br>"PHLX Housing Sector <sup>SM</sup> " and "HGX <sup>SM</sup> " are service marks of the Philadelphia Stock Exchange, Inc. and have been licensed for use by the Issuer and the Dealer (collectively the "Licensee") |

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# LEHMAN BROTHERS

**Date:** 27<sup>th</sup> September, 2005

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**Company:** The Bank of New York  
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**Cc:** Kelly Cheng  
**Facsimile:** 44-207-067-9717

**From:** Jonathan Knapp  
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**Number of pages (including cover): 16**

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THE ABOVE NUMBER IMMEDIATELY FOR RETRANSMISSION***

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Please find attached the Final Version relating to the Certificate on PHLX Housing Sector Index to be issued 30<sup>th</sup> September, 2005. If you would be so kind as to confirm receipt via my e-mail address of [jknapp@lehman.com](mailto:jknapp@lehman.com) I would be very grateful.

The original documents have been sent via courier, marked for your attention. Should you have any queries, please do not hesitate to contact me.

Kind regards,



Jonathan Knapp

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