

FINAL TERMS dated as of 15 June 2006

LEHMAN BROTHERS SECURITIES N.V.

Warrant and Certificate Programme

**Guaranteed by
LEHMAN BROTHERS HOLDINGS INC.**

Up to 250,000 Certificates on the Dow Jones Euro STOXX 50 Total Return

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. This document constitutes the Final Terms of the Certificates described herein and must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Offering Circular.

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 accepts responsibility for the information contained in these Final Terms and declares that, having taken all reasonable care to ensure that such is the case the information contained in these Final Terms is, to the best of its 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: 15 June 2006

Executed by

LEHMAN BROTHERS SECURITIES N.V.
and signed and delivered on its behalf

By: _____
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 Item 48 below
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 250,000 Securities
9. (a) Series Number: L-06/42
(b) Tranche Number: 1
10. Issue Date: 15 June 2006
11. Issue Price(s): Euro ("EUR") 1,000 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: 1 Certificate
13. Minimum transferable number (for the purposes of Condition 1(c)): 1 Certificate
14. Last Trading Day (for the Three Business Days prior to the Valuation Date

purposes of Conditions 1(c) and 9(c):

Warrants - Provisions relating to exercise

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| 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

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| 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:	5 December 2008
31. Averaging Dates:	Not Applicable
32. Consequence of Averaging Date Disruption (for the purposes of Condition 13(b)):	Not Applicable
33. Valuation Time:	Condition 28 applies
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:	Three Business Days immediately following the Valuation Date
37. Business Day Centre(s):	London and TARGET
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	EUR

Settlement Amount:

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):

For each Certificate held, the Cash Settlement Amount (“CSA”) shall be determined in accordance with the following, as determined by the Calculation Agent:

- If a Trigger Event has occurred or is deemed to have occurred:

$$\text{CSA} = 1,000 \times \text{Max}[0; (2 - (\text{FL}/\text{IL}))]$$

- If a Trigger Event has not occurred or is not deemed to have occurred:

$$\text{CSA} = \text{Max}[1,250; 1,000 \times [1 + (1 - \text{FL}/\text{IL})]]$$

Where:

“**Barrier Level**” means 6,986.43;

“**Disruption**” means any Scheduled Trading Day on which the Exchange or the 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 official closing 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 5,194.37;

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

“**Trade Date**” means 1 June 2006;

“**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; and

“**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 of the Index, as quoted by the Exchange, is equal to or greater than the Barrier Level, as determined by the Calculation Agent

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| 41. If Physical Delivery Warrants, the Strike Price(s): | Not Applicable |
| 42. If Physical Delivery Securities: | 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

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| 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: | Dow Jones Euro STOXX 50 Total Return (Bloomberg: SX5T) |
| (b) Exchange: | In respect of each component security of the Index (each, a “Component Security”), the principal stock exchange on which such Component Security is principally traded, |

as determined by the Calculation Agent

- (c) Related Exchange: EUREX
- (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
- 50. Additional Disruption Events: Not Applicable
- 51. Further adjustments: Not Applicable
- 52. Other special conditions and any modification to the Terms and Conditions of the Securities: 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:

“**Market Disruption Event**” means, in respect of an Index;

 - (A) the occurrence or existence at any time of:
 - (1) 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 (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 relevant 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 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 on any Exchange Business Day of any relevant Exchange(s) relating to securities or other property that comprise 20 per cent. or more of the level of the Index or any 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 relevant 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.”

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| 53. Relevant Clearing System(s) (for the purposes of the definition in Condition 28): | Euroclear
Clearstream, Luxembourg
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 “accredited investors” in the United States: | No |
| 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. | (a) Method of distribution of the Securities: | Non-syndicated |
| | (b) Names of the Dealer(s): | Lehman Brothers International (Europe) |
| 5. | ISIN: | ANN521335714 |
| 6. | Common Code: | 025744519 |
| 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: | CH2586965 |
| 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 index/formula/ other variable, explanation of effect on value of investment and associated risks and other information concerning the Underlying: | Details on historical levels of the Index can be found on www.stoxx.com

The Issuer does not intend to provide post issuance information regarding the Index |

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

STOXX and Dow Jones do not:

- Sponsor, endorse, sell or promote the Notes.
- Recommend that any person invest in the Notes or any other securities.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of Notes.
- Have any responsibility or liability for the administration, management or marketing of the Notes.
- Consider the needs of the Notes or the owners of the Notes in determining, composing or calculating the Dow Jones Euro STOXX 50 Total Return or have any obligation to do so.

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

- **STOXX and Dow Jones do not make any warranty, express or implied and disclaim any and all warranty about:**
- **The results to be obtained by the Notes, the owner of the Notes or any other person in connection with the use of the Dow Jones Euro STOXX 50 Total Return and the data included in the Dow Jones Euro STOXX 50 Total Return;**
- **The accuracy or completeness of the Dow Jones Euro STOXX 50 Total Return and its data;**
- **The merchantability and the fitness for a particular purpose or use of the Dow Jones Euro STOXX 50 Total Return and its data;**
- **STOXX and Dow Jones will have no liability for any errors, omissions or interruptions in the Dow Jones Euro STOXX 50 Total Return or its data;**
- **Under no circumstances will STOXX or Dow Jones be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or Dow Jones knows that they might occur.**

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

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