

EXECUTION COPY

Final Terms dated as of 30 November 2006

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

**Guaranteed by
LEHMAN BROTHERS HOLDINGS INC.**

**Issue of up to 20,000 CertificatesPlus due December 2009
relating to the Shares of Swiss Re**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the amended and restated Offering Circular dated 9 August 2006 as supplemented on 7 November 2006 (the "**Offering Circular**"). This document constitutes the Final Terms of the Certificates 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 Item 49 hereto. 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 November 2006

Executed by

LEHMAN BROTHERS SECURITIES N.V.

and signed and delivered on its behalf

By: _____
Authorised Signatory

Part A

Risk Factors

Prospective investors of Certificates should carefully consider the following information in conjunction with other information contained in these Final Terms and the Offering Circular before purchasing the Certificates. The attention of prospective investors is drawn to pages 14 to 24 of the Offering Circular headed "Risk Factors".

These Final Terms however cannot disclose all of the risks and other significant aspects of the Certificates 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 Certificates should consider carefully whether the Certificates are suitable for it in the light of its circumstances and financial position and in view of the complexity and risks inherent in the Certificates. Prospective investors of Certificates should be experienced with respect to derivatives, particularly options and options transactions. Furthermore, prospective investors of Certificates should understand the risks of transactions involving the Certificates and should reach an investment decision only after careful consideration of the suitability of the Certificates 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 Certificates unless that person understands fully the nature of the relevant transaction. Such transaction is suitable only for, and should be made only by, an investor who has no need for liquidity and understands and can afford the financial and other risks of this transaction.

Issue Price

The Issue Price in respect of the Certificates may not be an accurate reflection of the market value of such Certificates as at the Issue Date. The price at which the Certificates may be sold in secondary market transactions may be lower than the Issue Price. In particular, the Issue Price in respect of the Certificates may take into account, among other things, the distribution fee payable to any appointed distributor of the Certificates with respect to the offer and sale of the Certificates.

Factors affecting the Shares and the redemption amount under the Certificates

Prospective investors in the Certificates should be familiar with investments in the global capital market and with derivatives and the Shares generally. The Certificates can be volatile instruments. Changes in the price or market value of Shares and/or changes in the circumstances of the Company may result in sudden and large fluctuations in the value of the Certificates. 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.

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

Prospective investors should be aware that the market value of the Certificates 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 Certificates.

Determinations by the Calculation Agent

The Calculation Agent has certain discretions to determine whether certain events have occurred (including as to whether a Kick-in Event has occurred or not). Prospective investors should be aware that any determination made by the Calculation Agent may have an adverse effect on the value of the Certificates. 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 Shares on a relevant Scheduled Trading Day and/or may delay settlement in respect of the Certificates. 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 Certificates 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 these Final Terms. Such adjustment may have an adverse impact on the value of the Certificates. Any such discretion exercised by, or any calculation made by the Calculation Agent (in the absence of manifest error) shall be binding.

Trading Volume

As the Certificate is directly linked to the Shares, where the volatility of the Shares increases, the trading value of a Certificate is expected to increase; if the volatility decreases, the trading value of a Certificate is expected to decrease.

Additionally, as the time remaining to the expiration of the Certificate decreases, the trading value of a Certificate is expected to decrease.

Prospective investors should be aware that changes in the value of the Shares and the different economic, financial or other factors that affect the Shares and the industry in which the Company operates its business may have a direct effect on the value of the Certificates.

Secondary market and liquidity for the Certificates

There can be no assurance as to how any Certificates 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.

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

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 Certificates during the term of the Certificates. The possibility of entering into risk-excluding or risk-limiting transactions depends in particular on market conditions and the relevant underlying circumstances. Holders may be able to enter into such transactions only at an unfavourable market price resulting in an additional loss for such Holders.

Prospective investors intending to purchase Certificates 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 Certificates may not exactly correlate with the value of the Shares.

Creditworthiness of the Issuer and Guarantor

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

Part B

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 Share Securities
4. Form of the Securities: Bearer: Global Security
5. Description of the Underlying: As described in Item 49
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.
 - (a) Securities being issued 20,000 Certificates
 - (b) Specified Notional Amount(s) per Security Not Applicable
 - (c) Specified Notional Amount(s) per Security Not Applicable
9.
 - (a) Series Number: L- 06/118
 - (b) Tranche Number: 1
10. Issue Date: 30 November 2006
11. Issue Price(s): Swiss Franc ("CHF") 1,000

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 purposes of Conditions 1(c) and 9(c)): | Three Business Days prior to the Final 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) ("NA"): | 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 Settlement

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: 23 November 2009

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 relevant Valuation Date

36. If Certificates, the Redemption Date: 30 November 2009

37. Business Day Centre(s): London and Zurich

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: CHF

40. If Cash Settled Securities, Cash Settlement Amount or method of calculation of the Cash Settlement Amount ("CSA") shall be determined by the

Amount (for the purposes of Condition 4(b) or Condition 7, as applicable):

Calculation Agent in accordance with the following:

- (1) If a Trigger Event has occurred or is deemed to have occurred, as determined by the Calculation Agent:

$$\text{CSA} = \text{FP/IP}$$

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

$$\text{CSA} = \text{Issue Price} \times \text{Max}[\text{FP/IP}; 1.1]$$

Where:

“**Barrier Price**” means 65.00 per cent. of Initial Price;

“**Final Price**” or “**FP**” means the price of the Share on the Exchange at the Valuation Time on the Valuation Date;

“**Initial Price**” or “**IP**” means CHF 104.70;

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

“**Observation Period**” means the period from and including the Trade Date to and including the Valuation Date, *provided that* if any Scheduled Trading Day during the Observation Period is a Disrupted Day (a “**Disrupted Scheduled Trading Day**”), as determined by the Calculation Agent in its sole and absolute discretion, then notwithstanding the fact that such day is a Disrupted Day, the Calculation Agent shall determine the price of the Share as of such Disrupted Scheduled Trading Day based on the Calculation Agent’s good faith estimate of the value for the Share at the Valuation Time on such Disrupted Scheduled Trading Day;

“**Trade Date**” means 23 November 2006; and

“**Trigger Event**” means the determination by the Calculation Agent that at any time on any Scheduled

- Trading Day during the Observation Period the price of the Share has traded at or below the Barrier Price
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

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: Not Applicable
49. If Share Securities:
- (a) Share(s): Swiss Re (Bloomberg: RUKN VX)
 - (b) Exchange: Virt-X
 - (c) Related Exchange: Eurex
 - (d) Method of Adjustment (for the purposes of Condition 14(b)): Calculation Agent Adjustment
 - (e) Consequences of Merger Events (for the purposes of

- Condition 15(a):
- (i) Share-for-Share: Modified Calculation Agent Adjustment
 - (ii) Share-for-Combined: Modified Calculation Agent Adjustment
 - (iii) Share-for-Other: Modified Calculation Agent Adjustment
- (f) Consequences of Tender Offers (for the purposes of Condition 15(b))
- (i) Share-for-Share: Modified Calculation Agent Adjustment
 - (ii) Share-for Combined: Modified Calculation Agent Adjustment
 - (iii) Share-for-Other: Modified Calculation Agent Adjustment
- (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 Not Applicable

relevant Securities):

(c) any supplemental adjustment provisions: 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 a Share or an Index:

(A) the occurrence or existence at any time of:

(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) relating to the Share on the Exchange or (y) in futures or options contracts relating to the Share 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 for the Share on the Exchange or (y) to effect transactions in, or obtain market values for, futures or options contracts relating to the Share on any Related Exchange,

which in either case the Calculation Agent determines is material and, where the price of the Share 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 the Exchange or Related Exchange prior to its Scheduled Closing Time unless, where the price of the Share 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.”
53. Relevant Clearing System(s) (for the purposes of the definition in Condition 28): Euroclear and Clearstream, Luxembourg
The Bank of New York, Brussels shall act as common depository for Euroclear and Clearstream, Luxembourg
 54. Calculation Agent if not the Issuer: Lehman Brothers International (Europe)
 55. Listing: None
 56. Rule 144A eligibility: No
 57. Eligibility for private placement to other “accredited investors” in the United States: No
 58. 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 C

Other Information

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: ANN5214A1373
6. Common Code: 0274612792
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: Telekurs – CH2793558
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 prices of the Shares can be found on Bloomberg page RUKN VX.
The Issuer does not intend to provide post issuance information regarding the Shares...

REGISTERED AND PRINCIPAL OFFICE OF THE ISSUER

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N.V.

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