

**EXECUTION COPY**

Final Terms dated as of 17 August 2007

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

**Guaranteed by  
LEHMAN BROTHERS HOLDINGS INC.**

**20,000 Certificates on a Basket of Shares**

The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so: (i) in circumstances in which no obligation arises for the Issuer or any manager appointed by the Issuer (a “**Manager**”) to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer or (ii) in those Public Offer Jurisdictions mentioned in Paragraph 58 of Part A below, provided such person is one of the persons mentioned in Paragraph 58 of Part A below and that such offer is made during the Offer Period specified for such purpose therein. Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 8 August 2007 (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 Part C 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: 17 August 2007

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 the section 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.

### *No capital protection*

Holders of Certificates should be aware that in certain circumstances the Cash Settlement Amount may be less than the original purchase price paid for the Certificates. Accordingly, a purchase of these Certificates is only suitable for investors who can afford to risk loss of all or part of their original investment.

### *Determinations by the Calculation Agent*

The Calculation Agent has certain discretions to determine whether certain events have occurred (including as to whether a Trigger 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.

## 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: Global Security: Subject to the Conditions, each person who is for the time being shown in the records of the relevant clearing system as the holder of a particular amount of Securities shall be treated for all purposes by the Issuer, the Guarantor, any Securities Agent and the relevant Clearing System and all other persons dealing with such person as the holder of such amount of Securities
5. Description of the Underlying: A Basket of Shares as described in Part C (Information on the Underlying)
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. Securities being issued: 20,000 Certificates
9. (a) Series Number: L-07/486  
(b) Tranche Number: 1
10. Issue Date: 17 August
11. Issue Price(s): USD 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 purposes of Conditions 1(c) and 9(c)):  | 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 | Not Applicable |

Condition 6):

**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:   | 7 November 2008 or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day  |
| 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:   | 21 November 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:                                      | United States Dollar ("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): | Each Certificate held shall be redeemed on the Redemption Date at a Cash Settlement Amount ("CSA") as determined by the Calculation Agent in accordance with the following:<br><br>(1) If a Trigger Event has occurred or is deemed to have occurred, as determined by the Calculation Agent: |

$$CSA = USD 1,000 \times (FP_{Worst} / IP_{Worst})$$

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

$$\text{CSA} = \text{USD } 1,000 \times \text{Max}(1.37; \text{Basket}_{\text{Final}})$$

Where:

“**Basket<sub>Final</sub>**” means a value determined by the Calculation agent in accordance with the following formula:

$$1/3 \sum_{i=1}^3 \frac{\text{FinalPrice}_i}{\text{InitialPrice}_i}$$

“**Barrier Price**” has, in relation to the Shares of each Basket Company, the meaning given to it in Part C;

“**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 Price**” means the price of per share of the Shares of each Basket Company on the Exchange at the Valuation Time on the Valuation Date;

“**FP<sub>Worst</sub>**” means the Final Price of the Worst Performing Share;

“**Initial Price**” has, in relation to the Shares of each Basket Company, the meaning given to it in Part C;

“**IP<sub>Worst</sub>**” means the Initial Price of the Worst Performing Share;

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

“**Observation Period**” means the period from

and including the Trade Date to and including the Valuation Date;

“**Performance**” means, in relation to the Shares of each Basket Company, a value determined by the Calculation agent in accordance with the following formula:

$$\text{Performance} = (\text{Final Price} - \text{Initial Price} / \text{Initial Price})$$

“**Trade Date**” means 3 August 2007;

“**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 in relation to any Share, as determined by the Calculation Agent in its sole and absolute discretion, then notwithstanding the fact that there is a Disruption in relation to that Share 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. For the purposes of determining whether a Trigger Event has or is deemed to have occurred, any subsequent correction of the price of the Shares published by the Exchange shall not be taken into account by the Calculation Agent;

“**Trigger Event**” means the determination by the Calculation Agent that at any time during the regular trading session hours the price of the Shares of any Basket Company is equal to or less than the relevant Barrier Price, as determined by the Calculation Agent; and

“**Worst Performing Share**” means the Basket Company’s Share whose Performance is the lowest

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):   | The ordinary shares of: <ul style="list-style-type: none"> <li>• General Electric Co (GE US)</li> <li>• AT&amp;T Inc (T US)</li> <li>• Newmont Mining Corp (NEM US)</li> </ul> (each a “ <b>Basket Company</b> ”) |
| (b) Exchange:   | As described in Part C  |
| (c) Related Exchange:   | As described in Part C  |
| (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 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:	Not Applicable
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. Name and address of the Calculation Agent if	Lehman Brothers International (Europe)

not the Issuer:	25 Bank Street London E14 5LE
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 2B
(b) details of any additional selling restrictions (for the purposes of Condition 9(e)):	Not Applicable
58. Non-exempt Offer:	Not Applicable

## Part B

### Other Information

- |     |   |   |
|-----|---|---|
| 1.  | (a) Listing:  | None  |
|     | (b) Admission to Trading:   | Not Applicable  |
| 2.  | Interests of Natural and Legal Persons Involved in The Issue/Offer  | Not Applicable  |
| 3.  | (a) Method of distribution of the Securities:   | Non-syndicated  |
|     | (b) Names of the Dealer(s):   | Lehman Brothers International (Europe)  |
| 4.  | ISIN:   | XS0316014876  |
| 5.  | Common Code:  | 031601487   |
| 6.  | CUSIP:  | Not Applicable  |
| 7.  | 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: | Valoren – 3316721   |
| 8.  | Principal Securities Agent:   | Belgian Securities Agent  |
| 9.  | 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  |
| 10. | Reasons for the Offer:  | Not Applicable  |
| 11. | Estimated total expenses:   | Not Applicable  |
| 12. | Estimated net proceeds:   | Not Applicable  |
| 13. | Terms and Conditions of the Offer:  | Not Applicable  |
| 14. | Post Issuance Information   | The Issuer does not intend to provide any post issuance information, except if required by any applicable laws and regulations. |
| 15. | Information on the Underlying:  | As detailed in Part C   |

## Part C

### Information on the Underlying

The Shares are not particularly described in these Final Terms. The information contained in these Final Terms relating to the Basket Companies and the Shares consists only of extracts from or summaries of information which is publicly available. Neither the Issuer nor the Guarantor has independently verified any such information, and neither accepts any responsibility for error or omission, other than accepting responsibility for accurately extracting and/or summarising such information, as stated in the fourth paragraph of the first page of these Final Terms. The Shares are publicly listed and investors may acquire such further information as they deem necessary in relation to the Shares and the Basket Companies from such publicly available information as they deem appropriate. Investors should make their own investment, hedging and trading decisions (including decisions regarding the suitability of this investment), based upon their own judgement and upon advice from such advisers as such investors deem necessary and not upon any view expressed by the Issuer or the Guarantor.

	Share i	Bloomberg Ticker	Exchange	Related Exchange	Barrier Price i (USD)	Initial Price i (USD)
1	General Electric Co	GE US	NYSE	CBOE	26.64	38.06
2	AT&T Inc	T US	NYSE	CBOE	27.62	39.45
3	Newmont Mining Corp	NEM US	NYSE	CBOE	28.63	40.90

The Issuer does not intend to provide post issuance information regarding the Shares of any Basket Company.

**REGISTERED AND PRINCIPAL OFFICE OF THE ISSUER**

**Lehman Brothers Securities N.V.**

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E-Zone Vredenberg  
Hoek Heelsumstraat  
Hugenolweg Z/N  
Curaçao  
The Netherlands Antilles

**PRINCIPAL OFFICE OF THE GUARANTOR**

**Lehman Brothers Holdings Inc.**

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