

Final Terms dated as of 25 January 2007

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

**Guaranteed by
LEHMAN BROTHERS HOLDINGS INC.**

Up to 2,000 Certificates on a Basket of Indices

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 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 Part D 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: 25 January 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 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 Index and the redemption amount under the Certificates

Prospective investors of Certificates should be familiar with investments in the global capital market and with derivatives and the Index generally. The value of the Certificates can be volatile. Changes in the level of the Index may result in sudden and large fluctuations in the value of the Certificates. The level of the Index 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 Cash Settlement Amount is variable and dependant upon the Final Level of the Worst Performing Index relative to the Strike Level of the Worst Performing Index. Prospective investors of Certificates should understand that in certain circumstances the Cash Settlement Amount will be less than 100 per cent. and may even be nil.

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. Although an application has been made to the Luxembourg Stock Exchange for admission of the Certificates to the regulated market of the Luxembourg Stock Exchange, no assurance can be given that the Certificates will in fact be listed or traded or, if the Certificates are so listed or traded, that such listing or trading will be maintained and whether there will be a secondary market for any Certificates so listed or traded. If the Certificates are not listed or traded on any stock exchange, pricing information for such Certificates may be more difficult to obtain, and the liquidity and market prices of such Certificates may be adversely affected.

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.

The Notes are not capital protected

Prospective investors should be aware that the Certificates are not capital protected. If the Final Level is less than 90 per cent. of the Initial Level, the Final Redemption Amount will be less than 100 per cent. of the Issue Price.

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 Index or a component security of the Index (each a “**Component Security**”) 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 the level of the Index and consequently on the value of the Certificates. 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 Certificates (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 Index or Component Securities and the introduction of such competing financial instruments may affect the value of the Certificates. The Issuer, the Guarantor, the Dealer, the Calculation Agent and/or their respective subsidiaries owe no duty or responsibility to any Holder (or any other party) to avoid such conflicts.

In connection with the offering of the Certificates, 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 the Index or Component Securities 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 relation to the Index, Component Securities or related derivatives which may affect the market price, liquidity or value of the Certificates and which could be deemed to be adverse to the interests of the relevant Holders.

Such transactions could present certain conflicts of interest with the interest of Holders and may affect the value of the Certificates. The Issuer, the Guarantor, the Dealer, the Calculation Agent and/or their respective subsidiaries owe no duty or responsibility to any Holder (or any other party) to avoid such conflicts.

Investing in the Certificates is not the same as investing in a Component Security

Prospective investors should be aware that the market value of the Certificates may not have a direct relationship with the prevailing level of the Index or price of the Component Securities, in that changes in the prevailing level of the Index or price of the Component Securities will not necessarily result in a comparable change in the market value of the Certificates.

Factors Affecting the Index

Prospective investors of Certificates should be familiar with investments in global capital markets and with indices generally. The level of an index is based on the value of the assets comprised in such index although prospective investors should Certificates that the level of the Index at any time will not include the reinvestment of the yield on the assets comprised in the Index. Prospective investors should understand that global economic, financial and political developments, among other things, may have a material effect on the value of the assets comprising the Index and/or the performance of the Index.

Prospective investors should also Certificates that dividends paid to holders of the assets comprised in the Index will not be paid to the Issuer or to the Holders. The return on the Certificates will thus not reflect any dividends which would be paid to investors that have made a direct investment in the assets comprised in the Index. Consequently, the return on the Certificates may be less than the return from a direct investment in the assets comprised in the Index.

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 Component Security should be aware of the difficulties associated therewith.

For example, the value of the Certificates may not exactly correlate with the value of the Component Security.

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 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 level of the Index 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 Market Disruption Event, an Index Adjustment Event and/or such other similar adjustment or extraordinary event 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.

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.

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 Certificates will be represented by a Global Security. Such Global Security 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 Security. While the Certificates are represented by a Global Security, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Certificates are represented by a Global Security, the Issuer will discharge its payment obligations under the Certificates 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 Security must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Certificates. The Issuer has no

responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Security.

Holders of beneficial interests in the Global Security will not have a direct right to vote in respect of the relevant Certificates. 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 Security will not have a direct right under the Global Security 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 26 August 2005 (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").

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 Index Securities
4. Form of the Securities: Bearer: Global Security
5. Description of the Underlying: A Basket of Indices as described in Part D (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. Number of Securities being issued: Up to 2,000 Certificates ✓
9. (a) Series Number: L-07/37 ✓
(b) Tranche Number: 1
10. Issue Date: 25 January 2007 ✓
11. Issue Price(s): U.S. dollars (“USD”) 1,000 per Security (“IP”) ✓

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: 70 Certificates ✓
13. Minimum transferable number (for the purposes of Condition 1(c)): 10 Certificates ✓

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: 11 January 2010
31. Averaging Dates: Not Applicable
32. Consequence of Averaging Date Disruption (for the purposes of Condition 13(b)): Not Applicable
33. Valuation Time: (A) in respect of the Dow Jones EuroStoxx 50, (i) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of Component Security, and (b) in respect of any options contracts or future contracts on the Dow Jones EuroStoxx 50, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Dow Jones EuroStoxx 50 is calculated and published by the Index Sponsor; and (B) in respect of the S&P 500 Index and the TOPIX Index, the Scheduled Closing Time on the relevant 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: 1 February 2010, unless an Early Redemption Event occurs, in which case the relevant Early Redemption Date will be the deemed Redemption Date

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>1. <u>Cash Settlement Amount on the Redemption Date</u></p> <p>Unless previously redeemed or cancelled, for each Certificate held, the Cash Settlement Amount (“CSA”) payable on the Redemption Date shall be determined by the Calculation Agent on the Final Valuation Date in accordance with the following:</p> <p>(a.) If the Final Level_{worst} is equal to or greater than the relevant Initial Level_{worst}:</p> <p style="padding-left: 40px;">CSA = IP x 100.00%</p> <p>(b.) If a Trigger Event has occurred and the Final Level_{worst} is less than the relevant Initial Level_{worst}:</p> <p style="padding-left: 40px;">CSA = IP x (Final Level_{worst}/Initial Level_{worst})</p> <p>(c.) If a Trigger Event has not occurred and the Final Level_{worst} is less than the relevant Initial Level_{worst}:</p> <p style="padding-left: 40px;">CSA = IP x 100.00%</p> <p>2. <u>Cash Settlement Amount on an Early Redemption Date</u></p> <p>If on any Observation Date, as set out in the left-hand column of the table below, the Level of each Index is equal to or greater than the relevant Initial Level, as set out in the table in Part D (an “Early Redemption Event”), each Certificate shall be redeemed on the Early Redemption Date immediately following such Observation Date, as set out in the centre column of the table below, at a Cash Settlement Amount determined by the</p>

Calculation Agent in accordance with the corresponding formula set out in the right-hand column of that table:

Observation Date	Early Redemption Date	Cash Settlement Amount
11 January 2008	25 January 2008	IP x 100.00%
11 January 2009	25 January 2009	IP x 100.00%

3. Cash Settlement Amount on an Premium Payment Date

If on **EACH** Scheduled Trading Day and at any given time on such Scheduled Trading Day, during the relevant Observation Period as set out in the left-hand column of the table below, the level of each Index is greater than the relevant Barrier Level_i, then the holder of each Certificate will be entitled to a redemption premium (the “**Redemption Premium**”) payable on the Redemption Premium Date immediately following such Observation Period as set out in the right-hand column of the table below, as determined by the Calculation Agent in accordance with the following:

$$CSA = IP \times 10.00\%$$

Observation Period	Redemption Premium Payment Date
From and including 11 January 2007 to and including 11 January 2008	25 January 2008
From but excluding 11 January 2008 to and including 11 January 2009	25 January 2009
From but excluding 11 January 2009 to and including the Valuation Date	1 February 2010

Where:

“**Barrier Level_i**” means, in relation to each Index, the level of such Index as set out in the table in Part

D;

“**Final Level_i**” means, in relation to each Index, the Level of such Index on the Valuation Date, as determined by the Calculation Agent;

Final Level_{worst} means, the Final Level_i of the Worst Performing Index_i;

“**Initial Level_i**” means, in relation to each Index, the Level_i of such Index as set out in the table in Part D;

Initial Level_{worst} means, the Initial Level_i of the Worst Performing Index_i;

“**Level_i**” means, in relation to any Scheduled Trading Day and an Index, the level of such Index at the Valuation Time on such day, as determined by the Calculation Agent;

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

“**Pricing Date**” means 11 January 2007;

“**Trigger Event**” means an event as determined by the Calculation Agent, where at any time on any Scheduled Trading Day during the relevant Observation Period, the level of any of the Indices is less than or equal to the relevant Barrier Level_i; and

“**Worst Performing Index_i**” means the Index with respect to which the Calculation Agent determines that the ratio of Final Level_i to Initial Level_i is the lowest amongst all the Indices.

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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 | Not Applicable |

will receive the Alternative Settlement Amount (for the purposes of Condition 10(c)):

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
- (c) Index or Indices: As described in Part D (each an “**Index**” and together the “**Indices**”)
 - (d) Exchange: As described in Part D
 - (e) Related Exchange: As described in Part D
 - (f) 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:
- (a) Applicable Additional Disruption Events: None
 - (b) Consequences of Additional Disruption Events: Not Applicable

Disruption Event:

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: For the purposes of these Final Terms, the definitions below shall be replaced and superseded by the following:
- Scheduled Trading Day: Means: (A) in the case of the Dow Jones EuroStoxx 50, any day on which: (i) the relevant Index Sponsor is scheduled to publish the level of the Dow Jones EuroStoxx 50; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session; and (B) in the case of the S&P 500 Index and the TOPIX Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions
- Disrupted Day: Means: (A) in respect of the Dow Jones EURO STOXX 50, any Scheduled Trading Day on which: (i) the relevant Index Sponsor fails to publish the level of the Dow Jones EuroStoxx 50; (ii) the relevant Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred; and (B) in respect of the S&P 500 Index and the TOPIX Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for

Early Closure:

trading during its regular trading session or on which a Market Disruption Event has occurred

Means: (A) in respect of the Dow Jones EuroStoxx 50, the closure on any Exchange Business Day of the relevant Exchange in respect of any Component Security thereof or the relevant Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) 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 (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and (B) in respect of the S&P 500 Index and the TOPIX Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to the securities thereof that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) 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 Disruption:

Means: (A) in respect of the Dow Jones EuroStoxx 50, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the relevant Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Dow Jones EuroStoxx 50 on the relevant Related Exchange; and (B) in respect of the S&P 500 Index and the TOPIX Index, 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 on any relevant Exchange in securities thereof that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange

Exchange Business Day:

Means: (A) in respect of the Dow Jones EuroStoxx 50, any Scheduled Trading Day on which: (i) the relevant Index Sponsor publishes the level of the Dow Jones EuroStoxx 50; and (ii) the relevant Related Exchange is open for trading during its regular trading session, notwithstanding the relevant Related Exchange closing prior to its Scheduled Closing Time; and (B) in respect of the S&P 500 Index and the TOPIX Index, any Scheduled Trading Day on which each relevant Exchange and each relevant Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time

Market Disruption event:

means:

(A) in respect of the Dow Jones EuroStoxx 50:

(i) (a) the occurrence or existence, in respect of any Component Security thereof, of:

(1) a Trading Disruption;

(2) an Exchange Disruption,

in either case which the Calculation Agent determines is material in respect of such Component Security and, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(3) an Early Closure in respect of such Component Security; and

(b) the aggregate of all Component Securities thereof in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or

more of the level of the Dow Jones EuroStoxx 50; or

- (ii) the occurrence or existence, in respect of futures or options contracts relating to the Dow Jones EuroStoxx 50, of: (a) a Trading Disruption, (b) 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 Valuation Time in respect of the Related Exchange; or (c) an Exchange Disruption, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of the Dow Jones EuroStoxx 50 at any time, if a Market Disruption Event occurs in respect of a Component Security in the Dow Jones EuroStoxx 50 at that time, then the relevant percentage contribution of that Component Security to the level of the Dow Jones EuroStoxx 50 shall be based on a comparison of (x) the portion of the level of the Dow Jones EuroStoxx 50 attributable to that Component Security to (y) the overall level of the Dow Jones EuroStoxx 50, in each case immediately before the occurrence of such Market Disruption Event;

- (B) in respect of the S&P 500 Index and the TOPIX Index, the occurrence or existence, in respect of any security thereof 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;

For the purposes of determining whether a Market Disruption Event exists in respect of each of the S&P 500 Index and the TOPIX Index at any time, if a Market Disruption Event occurs in respect of a security thereof at that time, then the relevant percentage contribution of that security to the level of the relevant Index shall be based on a comparison of (x) the portion of the level of

the relevant Index attributable to that security to (y) the overall level of the relevant Index, in each case immediately before the occurrence of such Market Disruption Event

Trading Disruption:

Means: (A) in the case of the Dow Jones EuroStoxx 50, 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 any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Dow Jones EuroStoxx 50 on the Related Exchange; and (B) in the case of the S&P 500 Index and the TOPIX Index, 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) on any relevant Exchange relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange

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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. 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 2A |

type of US Selling Restrictions including in respect of the relevant US Selling Restrictions certification required for the purposes of exercise or redemption:

- (b) details of any additional selling restrictions (for the purposes of Condition 9(e)): Not Applicable

Part C

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: | XS0283228368 |
| 6. | Common Code: | 028322836 |
| 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: | Valoren CH2878368 |
| 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 |

Part D

Information on the Underlying

The Indices are not particularly described in these Final Terms. The information contained in these Final Terms relating to the Indices 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. Information on the Indices is publicly available information. 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.

i	Indices	Bloomberg Ticker	Exchange	Related Exchange	Initial Level _i	Barrier Level _i
1	DJ EuroStoxx 50 Index	SX5E Index	In relation to each security comprised in DJ EuroStoxx 50 (the "Component Security"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent	EUREX	4,165.95	2,499.57
2	S&P 500 Index	SPX Index	The New York Stock Exchange, the American Stock Exchange and the National Association of Securities Dealers Automated Quotation National Market System	The Chicago Board Options Exchange and the Chicago Mercantile Exchange	1,423.82	854.292
3	TOPIX Index	TPX Index	Tokyo Stock Exchange	Osaka Securities Exchange	1,685.27	1,011.162

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