

DRAFT COPY

Final Terms dated as of 28 June 2007

LEHMAN BROTHERS SECURITIES N.V.

Warrant and Certificate Programme

**Guaranteed by
LEHMAN BROTHERS HOLDINGS INC.**

**Up to EUR 10,000,000 Certificates due June 2009
on a Basket of Shares**

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, 2 February 2007 and 21 May 2007 (the "**Offering Circular**"). This document constitutes the Final Terms of the Securities described herein and must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Securities 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 and Guarantor accept responsibility for the information contained in this Final Terms and declare that, having taken all reasonable care to ensure that such is the case the information contained in this Final Terms is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

The information contained herein with regard to the underlying asset (or basket of assets), Commodity (or Basket of Commodities), Currency (or Basket of Currencies), Debt Instrument (or Basket of Debt Instruments), Depositary Receipt (or Basket of Depositary Receipts), Index (or Basket of Indices) or Share (or Basket of Shares) (as all such terms are defined in the Terms and Conditions) or other item(s) (the "**Underlying**") to which the Securities relate consists of extracts from or summaries of information that are publicly available. Except as mentioned herein, the Issuer accepts responsibility for accurately reproducing and/or summarising the information relating to the Underlying to which the Securities relate, which information is more particularly described in 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 this
Final Terms to be executed by a duly authorised officer or director.

Dated: 28 June 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 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.

No Capital Protection

The Certificates are not capital protected. Therefore, prospective investors should understand that under certain circumstances they may lose all or part of their original investment in the Certificates.

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 as further set out in the Terms and Conditions 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 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 Terms and Conditions. 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.

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 Shares 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 price of the Shares 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 Shares or similar shares in similar sectors or markets 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 may also (i) act as underwriter or financial adviser in connection with future offerings of shares or other securities of the Company, any of its subsidiaries or affiliates and/or (ii) act in a commercial banking capacity for such companies in relation to any other related securities. Such activities 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.

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 Shares 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 the Shares 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.

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 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.
 - (a) Aggregate Specified Notional Amount: Up to Euro ("EUR") 10,000,000
 - Specified Notional Amount per Certificate: EUR 1,000
9. (a) Series Number: L-07/371
(b) Tranche Number: 1
10. Issue Date: 28 June 2007
11. Issue Price(s): 100 per cent. of the Aggregate Specified Notional Amount

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

- | | | |
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| 12. | Minimum initial purchase of the Securities: | EUR 5,000 (5 Certificates) |
| 13. | Minimum transferable number (for the purposes of Condition 1(c)): | EUR 1,000 (1 Certificate) |
| 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

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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): | EUR 1,000 |

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:	22 June 2009 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 Conditions 13(b)):	Not Applicable
33.	Valuation Time:	(i) In respect of Shares traded on the Milan Stock Exchange, with respect to the relevant Exchange on any Scheduled Trading Day, the time at which the "Prezzo di Riferimento" of the Share is quoted by the Exchange after the actual closing time for its regular trading session; otherwise (ii) 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:	29 June 2009
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 Settlement Amount:

EUR

40. If Cash Settled Securities, Cash Settlement Amount or method of calculation of the Cash Settlement Amount (for the purposes of Condition 7 or Condition 10(a), as applicable):

Each Certificate shall be redeemed on the Redemption Date at a Cash Settlement Amount (“CSA”) as determined by the Calculation Agent in accordance with the following:

$$CSA = EUR 1,000 \times \text{Max} \left(\frac{1}{n} \times \sum_{i=1}^n \frac{\text{Final Price}_i}{\text{Strike Price}_i} \right)$$

Where:

“Closing Price” means, in relation to a Scheduled Trading Day and the Shares of each Basket Company, the price of such Shares as announced and published by the Exchange at the Valuation Time on such Scheduled Trading Day, as determined by the Calculation Agent;

“Final Price_i” means, in relation to the Shares of each Basket Company, the Closing Price on the Valuation Date; and

“Strike Price_i” has, in relation to the Shares of each Basket Company, the meaning set out in Part C.

41. If Physical Delivery Warrants, the Strike Price(s):

Not Applicable

42. If Physical Delivery Securities:

Not Applicable

43. Other circumstances where Holder will receive the Alternative Settlement Amount (for the purposes of Condition 10(c)):

Not Applicable

44. 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

45. If Currency Securities, details of the Relevant Screen Page, the Base Currency and the relevant Subject

Not Applicable

Currency or Subject Currencies:

46. If Commodity Securities, provisions for calculations: Not Applicable
47. If Index Securities: Not Applicable
48. If Share Securities:
- (a) Share(s): The ordinary shares of
- Hermes International (RMS FP)
 - LVMH Moet Henessy Louis Vuitton SA (MC FP)
 - Bulgari SpA (BUL IM)
 - Mariella Burani SpA (MBFG IM)
- (each a “**Basket Company**”)
- (b) Exchange: In respect of the Shares of each Basket Company, the Exchange as set out in the table in Part C
- (c) Related Exchange: In respect of each Share, the Exchange as set out in the table 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), Not Applicable

Condition 15(a)(iii) or Condition 15(b)(ii), where applicable)

49. Additional Disruption Events:
- (a) Applicable Additional Disruption Events: None
 - (b) Consequences of Additional Disruption Event: Not Applicable
50. 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
51. Other special conditions and any modification to the Terms and Conditions of the Securities: Not Applicable
52. 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
53. Calculation Agent if not the Issuer: Lehman Brothers International (Europe)
54. Rule 144A eligibility: No
55. Eligibility for private placement to other "accredited investors" in the United States: No
56. 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: | XS0308377547 |
| 6. | Common Code: | 030837754 |
| 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 – 3221904 |
| 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 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.

i	Basket Companies	Bloomberg Ticker	Strike Price in EUR	Exchange	Related Exchange
1	Hermes International	RMS FP	85.65	Euronext	MONEP
2	LVMH Moet Hennessy Louis Vuitton SA	MC FP	84.84	Euronext	MONEP
3	Bulgari SpA	BUL IM	11.707	Milan Stock Exchange	Italian Derivatives Market
4	Mariella Burani SpA	MBFG IM	25.84	Milan Stock Exchange	Italian Derivatives Market

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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Hoek Heelsumstraat
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The Netherlands Antilles

PRINCIPAL OFFICE OF THE GUARANTOR

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