

EXECUTION COPY

Final Terms dated as of 23 March 2007

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

**Guaranteed by
LEHMAN BROTHERS HOLDINGS INC.**

Up to USD 10,000,000 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 and 2 February 2007 (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: 23 March 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 relative to the Initial Level. 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.

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 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 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 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.

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

9 August 2006 (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: 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 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. (a) Aggregate Specified Notional Amount: U.S. dollars (“USD”) 10,000,000
(b) Specified Notional Amount(s) per Security: USD 1,000
9. (a) Series Number: L-07/118
(b) Tranche Number: 1
10. Issue Date: 23 March 2007
11. Issue Price(s): 100% 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: | USD 1,000 |
| 13. Minimum transferable number (for the purposes of Condition 1(c)): | USD 1,000 |
| 14. Last Trading Day (for the purposes of Conditions 1(c) and 9(c)): | Three Business Days prior to the relevant Redemption 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

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| 23. | Interest Payment Dates: | Not Applicable |
| 24. | Notional Amount per Certificate (for the purposes of Condition 6): | Not Applicable |
| 25. | Interest Rate (for the purposes of Condition 6): | Not Applicable |
| 26. | Interest Rate Day Count Fraction (for the purposes of Condition 6): | Not Applicable |
| 27. | Other terms relating to the method of calculating interest (for the purposes of Condition 6): | Not Applicable |

Provisions relating to settlement and redemption

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| 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: | 10 September 2007, 10 March 2008, 10 September 2008 and 9 March 2009 (The “ Final Valuation Date ”) |
| 31. | Averaging Dates: | Not Applicable |
| 32. | Consequence of Averaging Date Disruption (for the purposes of Condition 13(b)): | Not Applicable |
| 33. | Valuation Time: | 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 relevant Redemption Date |
| 36. | If Certificates, the Redemption Date: | The day that is 5 Business Days following the Valuation Date (scheduled to be 16 March 2009), unless an Early Redemption Event occurs, in which case the 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):

1. Cash Settlement Amount on the Redemption Date

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, as determined by the Calculation Agent:

(A) If the Final Ratio of the Worst Performing Index_i is equal to or greater than 80.00 per cent., then

$$\text{CSA} = \text{SNA} \times 144\%; \text{ OR}$$

(B) if the Final Ratio of the Worst Performing Index_i is less than 80.00 per cent. but greater than 66 per cent., then

$$\text{CSA} = \text{SNA} ; \text{ OR}$$

(C) if the Final Ratio of the Worst Performing Index is equal to or below 66 per cent., then

$$\text{CSA} = \text{SNA} \times \frac{\text{Index}_{\text{Worst},4}}{\text{Index}_{\text{Worst},0}}$$

2. Cash Settlement Amount on an Early Redemption Date

If on any Valuation Date (except the Final Valuation Date), as set out in the left-hand column of the table below, each Index Level is equal to or greater than its respective Initial Level_i (an “**Early Redemption Event**”), each Certificate shall be early redeemed on the Early Redemption Date immediately following such Valuation Date, as set out in the centre column of the table below, at a Cash Settlement Amount

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

Valuation Date	Early Redemption Date	Cash Settlement Amount
10 September 2007	17 September 2007	SNA x 111.00%
10 March 2008	17 March 2008	SNA x 122.00%
10 September 2008	17 September 2008	SNA x 133.00%

Where:

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

“**Final Ratio**” means, for each Index the performance of such Index calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Final Level}_i}{\text{Initial Level}_i}$$

“ $\frac{Index_{Worst,4}}{Index_{Worst,0}}$ ” means the Final Ratio of the Worst

Performing Index_i

“**Initial Level_i**” means, in relation to each Index, the Level of such Index as set out in Part D as determined on 12 March 2007;

“**Level**” 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;

“**SNA**” means the Specified Notional Amount, which for the avoidance of doubt is USD 1,000; and

“**Worst Performing Index_i**” means, in relation to

each Index, the Index with the lowest numerical Final Ratio on the Final Valuation Date.

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| 41. If Physical Delivery Warrants, the Strike Price(s): | Not Applicable |
| 42. If Physical Delivery Securities: | Not Applicable |
| 43. If Physical Delivery Certificates, any modification of minimum Board Lot requirement in relation to settlement (for the purpose of Condition 9(h)): | Not Applicable |
| 44. Other circumstances where Holder will receive the Alternative Settlement Amount (for the purposes of Condition 10(c)): | Not Applicable |
| 45. Other additional conditions to settlement (for the purposes of Condition 10(a)(i), 10(a)(ii), 10(b)(i) and 10(b)(ii)): | Not Applicable |

Other specified terms and modifications to the Conditions

- | | |
|---|---|
| 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 one 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 | Calculation Agent Adjustment |

	Modification:	
	(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 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 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. Rule 144A eligibility: No
56. Eligibility for private placement to other “accredited investors” in the United States: No
57. US Selling Restrictions and additional selling restrictions:
- (a) details of the applicable type of US Selling Restrictions including in respect of the relevant US Selling Restrictions certification required for the purposes of exercise or redemption: Type 2A
 - (b) details of any additional selling restrictions (for the purposes of Condition 9(e)): Not Applicable

Part C

Other Information

- | | | |
|-----|---|--|
| 1. | (a) Listing: | Not Applicable |
| | (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: | XS0292112728 |
| 6. | Common Code: | 029211272 |
| 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 CH2986034 |
| 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 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	Index Sponsor	Exchange	Related Exchange	Initial Level _i
1	Russian Depositary Index	RDXEUR Index	Wiener Börse AG	The Vienna Stock Exchange	All Exchanges	1,878.86
2	FTSE XINOI China 25 Index	XINOI Index	FTSE International Limited	The Stock Exchange of Hong Kong	All Exchanges	9955.80
3	iShares MSCI Brazil	EWZ US Equity	Morgan Stanley Capital International Inc	New York Stock Exchange	CBOE	30.78

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