

EXECUTION COPY

Final Terms dated as of 30 January 2008

LEHMAN BROTHERS SECURITIES N.V.

Warrant and Certificate Programme

Guaranteed by

LEHMAN BROTHERS HOLDINGS INC.

Up to ILS 50,000,000 Certificates on the Tel Aviv 25 Index

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 8 August 2007 and the Supplement to the Offering Circular dated 15 October 2007 and 4 January 2008 (the “**Offering Circular**”). This document constitutes the Final Terms of the Securities described herein and must be read in conjunction with such Offering Circular as so supplemented. 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 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 these Final Terms. The Issuer accepts no further or other responsibility in respect of such information.

IN WITNESS WHEREOF, LEHMAN BROTHERS SECURITIES N.V. has caused these Final Terms to be executed by a duly authorised officer or director.

Dated: 30 January 2008

Executed by

LEHMAN BROTHERS SECURITIES N.V.

and signed and delivered on its behalf

By: _____
Authorised Signatory

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 8 to 18 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 (i) the Final Level relative to the Initial Level; and (ii) whether a Trigger Event has occurred during the Observation Period.

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.

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 Certificate 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 of Certificates should also be aware 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 Hedging Disruption, Market Disruption Event, an Index Adjustment Event and/or such other similar adjustment or extraordinary event pursuant to terms as set out herein. 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.

Part A

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 as the holder of such amount of Securities
5. Description of the Underlying: As described in Item 48 below
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 Israeli Shekels (“**ILS**”) 50,000,000
(b) Specified Notional Amount(s) per Security: ILS 50,000
9. (a) Series Number: L – 08/092
(b) Tranche Number: 1
10. Issue Date: 30 January 2008
11. Issue Price(s): 100 per cent. of the Aggregate Specified Notional Amount

In connection with the sale of the Certificates, one or more distributors

(each a "**Distributor**") may acquire the Certificates from the Dealer at a discount to the Issue Price or at the Issue Price. Alternatively, if a Distributor acquires the Certificates at the Issue Price, the Dealer will pay a distribution fee to such Distributor. Any such amount received by a Distributor may be in addition to the brokerage cost/fee normally applied by such Distributor. Neither the Dealer nor the Issuer has any further information with respect to the contractual or financial arrangements between a Distributor's customers and such Distributor or whether and, if so on what terms such Distributor is willing to assist its customers or potential customers. Any person seeking further information with respect to such matters should refer to the relevant Distributor. Neither the Dealer nor the Issuer is responsible for (i) the contractual arrangements between a Distributor and its customer, (ii) any information so provided or (iii) for whether or not the Distributor provides such information.

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: | ILS 350,000 (7 Certificates) |
| 13. | Minimum transferable number (for the purposes of Condition 1(c)): | ILD 50,000 (1 Certificate) |
| 14. | Last Trading Day (for the purposes of Conditions 1(c) and 9(c)): | The Valuation Date |

Warrants - Provisions relating to exercise

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| 15. | If American Style Warrants, the Exercise Period: | Not Applicable |
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| 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: | 16 January 2009 |

31. Averaging Dates:	Not Applicable
32. Consequence of Averaging Date Disruption (for the purposes of Condition 13(b)):	Not Applicable
33. Valuation Time:	Condition 28 applies
34. If Warrants, the Settlement Date:	Not Applicable
35. If Certificates, the Certificate Settlement Notice Period:	Not Applicable
36. If Certificates, the Redemption Date:	30 January 2009
37. Business Day Centre(s):	London and Tel Aviv
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:	ILS
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>Unless the Certificates have been previously redeemed or cancelled according to the Conditions, 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:</p>

1. If ,

$$\frac{TA25_{Final}}{TA25_{Initial}} > 120\%$$

Then,

$$CSA = SD \times 120\%$$

2. If,

$$120\% \geq \frac{TA25_{Final}}{TA25_{Initial}} \geq 100\%$$

Then,

$$CSA = \left(100\% \times \frac{TA25_{Final}}{TA25_{Initial}} \right) \times SD$$

3. If ,

$$\frac{TA25_{Final}}{TA25_{Initial}} < 1$$

Then,

$$CSA = \left(100\% - 50\% \times \left(1 - \frac{TA25_{Final}}{TA25_{Initial}} \right) \right) \times SD$$

Where:

“**TA 25 Final**” means the Official Closing Level of the Index on the Exchange on the Valuation Date, as determined by the Calculation Agent;

“**TA 25 Initial**” means ILS 1,141.21;

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

“**SD**” means the Specified Denomination.

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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:	
	(a) Index or Indices:	Tel Aviv 25 (Bloomberg: TA-25 Index)
	(b) Exchange:	Tel Aviv Stock Exchange
	(c) Related Exchange:	All Exchanges
	(d) 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:	Hedging Disruption
	(b) Consequences of Additional Disruption Event:	Condition 16 applies
51.	Further adjustments:	Not Applicable

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| 52. | Other special conditions and any modification to the Terms and Conditions of the Securities: | Not Applicable |
| 53. | Relevant Clearing System(s) (for the purposes of the definition in Condition 28): | Euroclear and Clearstream, Luxembourg

The Bank of New York, Brussels shall act as common depository for Euroclear and Clearstream, Luxembourg |
| 54. | Name and address of the Calculation Agent if not the Issuer: | Lehman Brothers International (Europe)
25 Bank Street
London E14 5LE |
| 55. | Rule 144A eligibility: | No |
| 56. | Eligibility for private placement to other “accredited investors” in the United States: | No |
| 57. | US Selling Restrictions and additional selling restrictions: | |
| | (a) details of the applicable type of US Selling Restrictions including in respect of the relevant US Selling Restrictions certification required for the purposes of exercise or redemption: | Type 2A |
| | (b) details of any additional selling restrictions (for the purposes of Condition 9(e)): | Not Applicable |
| 58. | Non-exempt Offer: | Not Applicable |

Part B

Other Information

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| 1. | (a) Listing: | None |
| | (b) Admission to Trading: | Not Applicable |
| 2. | Interests of Natural and Legal Persons Involved in The Issue/Offer | Not Applicable |
| 3. | (a) Method of distribution of the Securities: | Non-syndicated |
| | (b) Names of the Dealer(s): | Lehman Brothers International (Europe) |
| 4. | ISIN: | XS0342161006 |
| 5. | Common Code: | 34216100 |
| 6. | CUSIP: | Not Applicable |
| 7. | Telekurs number and, where any additional or alternative Clearing System(s) has/have been specified in paragraph 39(b) above, any other relevant security code: | Valoren: 3610809 |
| 8. | Principal Securities Agent: | Belgian Securities Agent |
| 9. | Whether Definitive Security Certificates may be issued as well as/instead of a Global Security: | The Securities will be at all times represented by a Global Security |
| 10. | Reasons for the Offer: | Not Applicable |
| 11. | Estimated total expenses: | Not Applicable |
| 12. | Estimated net proceeds: | Not Applicable |
| 13. | Post Issuance Information | The Issuer does not intend to provide any post issuance information, except if required by any applicable laws and regulations. |
| 14. | Information on the Underlying: | Details on historical levels of the Index can be found on the following website (www.tase.co.il/TASEEng/Homepage) and on Bloomberg page: TA-25. |

INDEX DISCLAIMER

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