

REGISTRATION DOCUMENT

**LEHMAN BROTHERS SECURITIES N.V.**

(INCORPORATED WITH LIMITED LIABILITY IN THE NETHERLANDS ANTILLES)

**LEHMAN BROTHERS (LUXEMBOURG) EQUITY FINANCE S.A.**

(INCORPORATED IN THE GRAND DUCHY OF LUXEMBOURG)

**LEHMAN BROTHERS BANKHAUS AG**

(INCORPORATED IN THE FEDERAL REPUBLIC OF GERMANY)

GUARANTEED BY

**LEHMAN BROTHERS HOLDINGS INC.**

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This document constitutes a registration document (the "*Registration Document*") for the purposes of Article 5 of Directive 2003/71/EC (the "*Prospectus Directive*") for the purpose of providing information with regard to Lehman Brothers Securities N.V., Lehman Brothers (Luxembourg) Equity Finance S.A. (registered with the Luxembourg trade and companies register under B101.448), Lehman Brothers Bankhaus AG (each an "Issuer" and together the "Issuers") and Lehman Brothers Holdings Inc. (the "Guarantor" or "LBHI") which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of each of the Issuers and the Guarantor. This Registration Document, together with each securities note (each, a "*Securities Note*") and any summary (each, a "*Summary*") drawn up in connection with issues by the Issuers constitutes a prospectus (the "*Prospectus*") for the purposes of Article 5 of the Prospectus Directive in respect of any such issue of Securities to be offered to the public in an EEA Member State and/or to be admitted to trading on a regulated market within the scope of the Directive 2004/39/EC on Markets in Financial Instruments. The securities that are to be issued in connection with this Registration Document (and any related Securities Note and any related Summary) are warrants and certificates (the "*Securities*"). The Securities to be issued by each of the Issuers will in each case benefit from a guarantee agreement in relation to the relevant Issuer dated 8 August 2007 (as amended, restated and supplemented from time to time, each a "*Guarantee*" and together the "*Master Guarantees*") under which the Guarantor guarantees the performance of the obligations of the relevant Issuer under the Securities.

Application has been made to the *Luxembourg Commission de Surveillance du Secteur Financier* (the "*CSSF*") which is the Luxembourg competent authority for the purpose of the Prospectus Directive and the Luxembourg law on prospectuses for securities of 10 July 2005 implementing the Prospectus Directive in Luxembourg to approve this Registration Document as a registration document.

This Registration Document is to be read in conjunction with all information which is deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*" below).

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Arranger and Dealer

**LEHMAN BROTHERS**

The date of this Registration Document is 8 August 2008 and it replaces the amended and restated Registration Document dated 8 August 2007

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## **RESPONSIBILITY STATEMENT**

Each Issuer and the Guarantor accept responsibility for all the information contained in this Registration Document and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

## **RISK FACTORS**

### **Important Considerations**

The information set out in this Registration Document is included for the purpose of assisting prospective purchasers and their advisers to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of each of the Issuers and the Guarantor. Set out below are risk factors that may affect the ability of each of the Issuers and the Guarantor to fulfil their respective obligations in respect of the Securities. No person should deal in the Securities unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss.

Prospective purchasers of Securities should be experienced with respect to options and derivatives transactions, should understand the risks of transactions involving the relevant Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Securities in the light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Securities and the particular underlying (the "**Underlying**") to which the value of the relevant Securities may relate.

Notwithstanding its capability to understand and make independent decisions regarding investing in the Securities, by purchasing Securities, a purchaser of Securities implicitly represents and warrants to the relevant Issuer that, and is willing to assume that, the complexity and risks inherent in the Securities are suitable for its objectives and the size, nature and condition of its business, regardless of whether the same have been disclosed to the relevant Issuer, the Guarantor, the Dealers or the Arranger.

### **RISKS RELATING TO THE GUARANTOR**

The Guarantor is the ultimate parent company of the Lehman Brothers group. The Master Guarantees will be solely the Guarantor's obligations, and no other entity will have any other obligation, contingent or otherwise, to make any payments in respect thereof. Because the Guarantor is a holding company whose primary assets consist of shares of stock or other equity interests in or amounts due from subsidiaries, almost all of its income is derived from those subsidiaries. The Guarantor's subsidiaries will have no obligation to pay any amount in respect of the Master Guarantees or to make any funds available therefor. Accordingly, the Guarantor will be dependent on dividends and other distributions or loans from its subsidiaries to generate the funds necessary to meet obligations with respect to the Master Guarantees. Due to covenants contained in certain of the Guarantor's debt agreements and regulations relating to capital requirements affecting certain of its more significant subsidiaries, the ability of certain subsidiaries to pay dividends and other distributions and make loans to the Guarantor is restricted. The notes to the Guarantor's financial statements included in the most recent annual report on Form 10-K set forth the amount of net assets of its subsidiaries that are restricted as to the payment of dividends to the Guarantor. Additionally, as an equity holder, the Guarantor's ability to participate in any distribution of assets of any subsidiary is subordinate to the claims of creditors of the subsidiary, except to the extent that any claims the Guarantor may have as a creditor of the subsidiary are judicially recognized. If these sources are not adequate, the Guarantor may be unable to make payments in respect of the Master Guarantees, and a holder of Securities could lose all or a part of its investment.

The results of operations of the Guarantor as the ultimate parent company of the Lehman Brothers group and its Subsidiaries may be affected by the conditions described below under "Risk Relating to the Lehman Brothers Group".

**Certain of Lehman Brothers' activities may adversely affect the value of the Securities**

The Issuers or one or more of their affiliates may hedge their obligations under particular Securities by purchasing or selling the related Underlying, options or futures on such Underlying or other instruments linked to such Underlying, and may adjust the hedge by, among other things, purchasing or selling any of the foregoing, at any time and from time to time, and by unwinding the hedge by selling any of the foregoing. The Issuers or their affiliates also may enter into, adjust and unwind hedging transactions relating to other securities whose returns are linked to the same Underlying, or may engage in trading in the Underlying, or instruments whose returns are linked to the Underlying, to which particular Securities are linked, either for their or their affiliates' proprietary accounts, for other accounts under their management or to facilitate transactions on behalf of customers. In addition, affiliates of the Issuers may be a counterparty to hedges of their obligations under particular Securities that they may enter into from time to time. Any of these activities may adversely affect the market values or levels of a particular Underlying and therefore the market value of the related Securities. It is possible that the Issuers or their affiliates could receive positive returns with respect to these activities while the value of the Securities may decline.

The Issuers or their affiliates also have issued, or underwritten on behalf of other issuers, and in the future may issue or underwrite, other securities or financial or derivative instruments with returns linked to changes in the level of one or more Underlying to which particular securities may be linked. By introducing competing products into the marketplace in this manner, the Issuers or their affiliates could adversely affect the value of particular Securities and the amount payable on such Securities.

As a result of any of these transactions, potential conflicts of interest may exist between the Issuers or their affiliates and holders of Securities.

**An affiliate of the Issuers may act as calculation agent on the Securities, creating a potential conflict of interest between the Issuers or their affiliates and holders of Securities**

Affiliates of the Issuers may act as calculation agent for particular Securities, and may have discretion in calculating payments or other means of settlement and certain other adjustment events. The exercise of discretion by a calculation agent that is affiliated with an Issuer could adversely affect the value of particular Securities and may present the calculation agent with a conflict of interest to the extent that the determinations made by the calculation agent in respect of the particular Securities affect the payments due from the Issuer under the Securities, due to or from the Issuer or any of its affiliates under any related hedge transaction or the value of the investments held by the Issuer or any of its affiliates' proprietary or managed accounts.

## **RISKS RELATING TO THE ISSUERS**

The risk factors set out below are not considered as likely to affect the ability of the Issuers to fulfil their respective obligations to investors under the Securities issued by them because such obligations are irrecoverably and unconditionally guaranteed by the Guarantor.

### **RISKS RELATING TO LEHMAN BROTHERS SECURITIES N.V.**

Lehman Brothers Securities N.V. is part of the Lehman Brothers group and may be affected by uncertain or unfavourable economic, market, legal and other conditions that are likely to affect the Lehman Brothers group as a whole. The risks relating to the Lehman Brothers group as a whole are set out below.

### **RISKS RELATING TO LEHMAN BROTHERS (LUXEMBOURG) EQUITY FINANCE S.A.**

Lehman Brothers (Luxembourg) Equity Finance S.A. is part of the Lehman Brothers group and may be affected by uncertain or unfavourable economic, market, legal and other conditions that are likely to affect the Lehman Brothers group as a whole. The risks relating to the Lehman Brothers group as a whole are set out below.

### **RISKS RELATING TO LEHMAN BROTHERS BANKHAUS AG**

Lehman Brothers Bankhaus AG is part of the Lehman Brothers group and may be affected by uncertain and unfavourable economic, market, legal and other conditions that are likely to affect the Lehman Brothers group as a whole. The risks relating to the Lehman Brothers group as a whole are set out below.

## **RISKS RELATING TO THE LEHMAN BROTHERS GROUP**

Lehman Brothers' financial condition and results of operations of Lehman Brothers Holdings Inc. (the "**Guarantor**" or "**LBHI**") as the ultimate parent company of the Lehman Brothers group and its subsidiaries (including Lehman Brothers Securities N.V., Lehman Brothers (Luxembourg) Equity Finance S.A. and Lehman Brothers Bankhaus AG) (collectively the "**Group**") may be affected by uncertain or unfavourable economic, market, legal and other conditions. These conditions include but are not limited to:

### **Market Risk**

As a global investment bank, risk is an inherent part of LBHI's business. LBHI's businesses are materially affected by conditions in the financial markets and economic conditions generally around the world. A favourable business environment is generally characterised by, among other factors, high global gross domestic product growth, stable geopolitical conditions, transparent and efficient capital markets, liquid markets with active investors, low inflation, high business and consumer confidence and strong business earnings. Slowing growth, contraction of credit, increasing energy prices, declines in business or investor confidence or risk tolerance, increases in inflation, higher unemployment, outbreaks of hostilities or other geopolitical instability, corporate, political or other scandals that reduce investor confidence in capital markets and natural disasters, among other things, can affect the global financial markets. In addition, economic or political pressures in a country or region may cause local

market disruptions and currency devaluations, which may also affect markets generally. In the event of changes in market conditions, such as interest or foreign exchange rates, equity, fixed income, commodity or real estate valuations, liquidity, availability of credit or volatility, LBHI's businesses could be adversely affected in many ways, including those described below.

***LBHI's Client-Flow Revenues May Decline in Adverse Market Conditions.*** Recently, the residential real estate market in the U.S. has experienced a significant downturn due to declining real estate values, substantially reducing mortgage loan originations and securitisations, and precipitating more generalised credit market dislocations and a significant contraction in available liquidity globally, which negatively impacted LBHI's revenues. These factors have continued into the beginning of fiscal 2008 and, combined with rising oil prices, declining business and consumer confidence and increased unemployment, have precipitated an economic slowdown and fears of a possible recession. Further declines in real estate values in the U.S. or elsewhere and continuing credit and liquidity concerns could further reduce LBHI's level of mortgage loan originations and securitisations and increase LBHI's mortgage inventory while adversely affecting its value. In addition, continued or further credit market dislocations or sustained market downturns may reduce client flow revenues and adversely affect the value of LBHI's inventory in other businesses.

Changes in interest rates, and in particular long-term rates, especially if such changes are rapid, may create a less favourable environment for certain of LBHI's businesses. Rising interest rates may cause a decline in LBHI's mortgage origination and securitisation businesses in particular, as the volume of LBHI's origination and securitisation activity may decline.

LBHI's Investment Banking revenues, in the form of financial advisory and debt and equity underwriting fees, are directly related to the number and size of the transactions in which LBHI participates and therefore it was adversely affected in the latter half of 2007 by the mortgage and credit market dislocations, and may be further impacted by continued or further credit market dislocations or sustained market downturns.

Sustained market downturns or continued or further credit market dislocations and liquidity issues would also likely lead to a decline in the volume of capital market transactions that LBHI executes for its clients and, therefore, to a decline in the revenues it receives from commissions and spreads earned from the trades it executes for its clients. In addition, because the fees that it charges for managing its clients' portfolios are in many cases based on the value of those portfolios, a market downturn that reduces the value of its clients' portfolios would reduce the revenues it receives from its asset management business. Heightened risk aversion among investors may cause them to shift their trading activity to higher quality and more liquid products, which are generally somewhat less profitable for LBHI.

Even in the absence of a market downturn, below-market investment performance by LBHI's fund and portfolio managers could reduce Investment Management revenues and assets under management and result in reputational damage that might make it more difficult to attract new investors.

***LBHI May Incur Losses Due to Fluctuations in Market Rates, Prices and Volatility.*** Market risk is inherent in LBHI's client-driven market-making transactions and proprietary trading and principal investment activities in equity and fixed income securities, commodities, currencies and derivatives and LBHI's mortgage and loan origination and syndication activities.

Fluctuations in market rates, prices and volatility, especially if the changes are rapid and without warning, can adversely affect the market value of LBHI's long or short inventory and proprietary and principal positions and, to the extent that such positions are not adequately hedged, cause the Group to incur losses. To the extent that LBHI holds long inventory positions, a downturn in the market could result in losses from a decline in the value of those positions. On the other hand, to the extent that LBHI has sold inventory short, an upturn in those markets could expose it to losses as it attempts to cover its short positions by acquiring assets in a rising market. The adverse conditions in the U.S. housing market, dislocations in the credit markets and corrections in certain asset-backed security market segments resulted in substantial valuation reductions in the past fiscal year, most significantly on mortgage- and real estate-related positions and lending obligations. Market credit spreads have recently gone from historically tight to historically wide levels, and a further widening of credit spreads or worsening of credit market dislocations or sustained market downturns could have additional negative effects on the value of LBHI's inventory.

In LBHI's market-making and specialist transactions, LBHI maintains substantial inventory positions from time to time, acting as a financial intermediary for its clients, and holds inventory positions in the normal course of business to allow clients to rebalance their portfolios and diversify risks across market cycles. Current NYSE rules generally require LBHI's specialist business to maintain orderly markets in the securities for which it is a specialist. Specialists are obligated to take positions in their issues counter to the direction of the market in order to minimise short-term imbalances in the market, involving risk of loss during periods of market fluctuation and volatility.

In LBHI's mortgage and loan origination and securitisation businesses, LBHI is also subject to risks from decreasing interest rates. Most residential mortgages and consumer loans provide that the borrower may repay them early. Borrowers often exercise this right when interest rates decline. As prepayments increase, the value of mortgages and other loans with prepayment features held in inventory prior to securitisation generally will decrease, and to the extent that prepayment risk has not been hedged, prepayments may result in a loss.

LBHI also maintains long and short positions through its other proprietary trading activities and make principal investments (such as in real estate and real estate-related products and private equity), which are also subject to market risks. The value of these positions can be adversely affected by changes in market rates, prices and volatility. LBHI has increased its proprietary trading and principal investing activities and expect to continue to do so, which increases its exposure to market risk.

On the other hand LBHI's client-flow and proprietary trading businesses generally depend on market volatility to provide trading and arbitrage opportunities, and a decline in volatility may reduce these opportunities and adversely affect the results of these businesses.

***Holding Large and Concentrated Positions May Expose LBHI to Losses.*** Concentration of risk may reduce revenues or result in losses in LBHI's market-making, specialist, block trading, underwriting, proprietary trading, principal investment and lending businesses in the event of unfavourable market movements even when economic and market conditions are generally favourable for others in the industry. LBHI has committed substantial amounts of capital to these businesses, which often require it to take large positions in the securities of, or make large

loans to, a particular issuer or issuers in a particular industry, country or region. Moreover, the trend in all major capital markets is towards larger and more frequent commitments of capital in many of these activities, and LBHI expects this trend to continue. For example, large positions of securities are increasingly being sold in block trades rather than on a marketed basis, which could increase the risk that LBHI may be unable to resell the securities at favourable prices. While its activities expose it to many different counterparties, LBHI routinely executes a high volume of transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment funds and other institutional clients, resulting in significant credit concentration with respect to this industry. In the ordinary course of business, LBHI may also be subject to a concentration of credit risk to a particular counterparty, borrower or issuer. Concentration of risk will increase as LBHI expands its proprietary trading and principal investing activities or commits additional capital to facilitate client-driven business.

***Market Risk May Increase the Other Risks That LBHI Faces.*** In addition to the potentially adverse effects LBHI's businesses described above, market risk could exacerbate other risks that LBHI faces. For example, if LBHI were to incur substantial market risk losses, its need for liquidity could rise significantly, while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, LBHI's clients and counterparties could incur substantial losses of their own, thereby weakening their financial condition and increasing LBHI's credit risk exposure to them.

## **Credit Risk**

***LBHI May Incur Losses Associated with its Credit Exposures.*** Credit risk represents the possibility a counterparty or an issuer of securities or other financial instruments LBHI holds or a borrower of funds from LBHI will be unable to honour its contractual obligations to LBHI. These parties may default on their obligations to LBHI due to bankruptcy, lack of liquidity, operational failure or other reasons. Default risk may also arise from events or circumstances that are difficult to foresee or detect, such as fraud. Credit risk may arise, for example, from holding securities of third parties; entering into swap or other derivative contracts under which counterparties have obligations to make payments to LBHI; executing securities, futures, currency or commodity trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries; and extending credit to LBHI's clients through bridge or margin loans or other arrangements. As a clearing member Group, LBHI finances its client positions, and LBHI could be held responsible for the defaults or misconduct of its clients. LBHI's principal focus has been acting as an intermediary of credit. In recent years, LBHI has expanded its activities associated with providing its clients access to credit and liquidity and have also expanded its swaps and derivatives businesses. The amount and duration of LBHI's credit exposures have been increasing, as has the diversity of the entities to which LBHI has credit exposures. The extension and pricing of credit is subject to competitive pressure. In addition, corporate clients sometimes seek to require credit commitments from LBHI in connection with investment banking and other assignments. Further, the recent widening of credit spreads and dislocations in the credit markets have in some cases made it more difficult to syndicate credit commitments to investors, and further widening of credit spreads or worsening of these dislocations could increase these difficulties, resulting in increased credit exposures.

***Defaults by Another Large Financial Institution Could Adversely Affect Financial Markets Generally.*** The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships between the institutions. As a result, concerns about, or a default by, one institution could lead to significant market-wide liquidity problems, losses or defaults by other institutions. This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which LBHI interacts on a daily basis, and therefore could adversely affect the Group.

### **Liquidity Risk**

Liquidity, that is ready access to funds, is essential to the businesses of LBHI. Financial institutions rely on external borrowings for the vast majority of their funding, and failures in this industry are typically the result of insufficient liquidity.

***An Inability to Access the Debt Markets Could Impair LBHI's Liquidity.*** LBHI maintains a liquidity pool available to LBHI that is intended to cover all expected cash outflows for one year in a stressed liquidity environment, which assumes, among other things, that during that year LBHI cannot issue unsecured debt.

To the extent that a liquidity event lasts for more than one year, or LBHI's expectations concerning the market conditions that exist during a liquidity event, or LBHI's access to funds, prove to be inaccurate (e.g., the level of secured financing "haircuts" (the difference between the market and pledge value of the assets) required to fund LBHI's assets in a stressed market event is greater than expected, or the amount of drawdowns under LBHI's commitments to extend credit in a stressed market environment exceeds its expectations), LBHI's ability to repay maturing indebtedness and fund operations could be significantly impaired. Even within the one-year time frame contemplated by LBHI's liquidity pool, LBHI depends on continuous access to secured financing in the repurchase and securities lending markets, which could be impaired by factors that are not specific to the Group, such as a severe disruption of the financial markets.

***Structured Instruments May Have Limited Liquidity.*** The financial instruments that LBHI holds and the contracts to which it is a party are increasingly complex, as LBHI employs structured products to benefit its clients and itself, and these complex structured products often do not have readily available markets to access in times of liquidity stress. The growth of LBHI's proprietary investing activities may lead to situations where the holdings of structured instruments represent a significant portion of specific markets, which could restrict liquidity for its positions. Further, LBHI's ability to sell assets may be impaired if other market participants are seeking to sell similar assets at the same time.

***LBHI is a Holding Company and is Dependent on its Subsidiaries for Funds.*** Since LBHI is primarily a holding company, LBHI's cash flow and consequent ability to pay dividends and satisfy its obligations under securities it issues are dependent upon the earnings of its subsidiaries and the distribution of those earnings as dividends or loans or other payments by those subsidiaries to LBHI. Several of LBHI's principal subsidiaries are subject to various capital adequacy requirements promulgated by the regulatory, banking and exchange authorities of the countries in which they operate and/or to capital targets established by various ratings agencies. These regulatory rules, and certain covenants contained in various debt agreements,

may restrict LBHI's ability to withdraw capital from its subsidiaries by dividends, loans or other payments. Additionally, LBHI's ability to participate as an equity holder in any distribution of assets of any subsidiary upon liquidation is generally subordinate to the claims of creditors of the subsidiary.

### **Credit Ratings**

LBHI's borrowing costs and LBHI's access to the debt capital markets depend significantly on LBHI's credit ratings. A reduction in LBHI's long- or short-term credit ratings could increase LBHI's borrowing costs, limit its access to the capital markets and trigger additional collateral requirements in derivative contracts and other secured funding arrangements. Credit ratings are also important to LBHI when competing in certain markets, such as longer-term over-the-counter derivatives. Therefore, a substantial reduction in our credit ratings would reduce LBHI's earnings and adversely affect its liquidity and competitive position.

### **Risks Relating to Use of Estimates and Valuations**

LBHI makes various estimates that affect reported amounts and disclosures. Broadly, those estimates are used in measuring fair value of certain financial instruments, accounting for identifiable intangible assets and goodwill, establishing provisions for potential losses that may arise from litigation, regulatory proceedings and tax examinations, assessing its ability to realise deferred taxes and valuing equity-based compensation awards. Estimates are based on available information and judgment. Therefore, actual results could differ from LBHI's estimates and that difference could have a material effect on LBHI's consolidated financial statements.

Financial instruments and other inventory positions owned (including commitments and guarantees, but excluding real estate held for sale), and financial instruments and other inventory positions sold but not yet purchased, are presented at fair value, with realised and unrealised gains or losses reflected in Principal transactions in LBHI's Consolidated Statement of Income. LBHI accounts for real estate held for sale at the lower of its carrying amount or fair value less cost to sell. In addition, certain long and short-term borrowing obligations, principally hybrid financial instruments, and certain deposits at U.S. banks, are reflected at fair value. Fair value is defined as the price at which an asset could be exchanged in a current transaction between knowledgeable, willing parties. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market and the instruments' complexity. In particular, certain mortgage and asset-backed securities, certain corporate debt, certain private equity investments, certain commitments and guarantees and certain derivatives have no direct observable levels, and their valuations require significant estimation and judgment and therefore are subject to significant subjectivity. Reliance on estimation and judgment increases in adverse market conditions with decreased liquidity, such as those experienced recently.

## **Risks Relating to Off-Balance Sheet Entities**

In the normal course of LBHI's business, it enters into various transactions with special purpose entities ("SPEs"). LBHI does not consolidate certain SPEs in which it does not have a controlling financial interest as defined under applicable accounting standards. When LBHI does not consolidate an entity, it either presents its investment in the entity at fair value or applies the equity method of accounting. The assessment of whether the accounting criteria for consolidation are met requires management to exercise significant judgment. A determination of whether LBHI has a controlling financial interest in an entity, and therefore its assessment of consolidation of that entity, is initially made at the time it becomes involved with the entity. If certain events occur that require LBHI to re-assess its initial determination of non-consolidation or if its judgment of non-consolidation is in error, LBHI could be required to consolidate the assets and liabilities of an SPE onto its consolidated balance sheet and recognize its future gains or losses in its consolidated statement of income. Further, existing accounting standards may be changed, or interpretations of those standards may change, in the future in a manner that requires or increases the risk of consolidation of some SPEs. Consolidation could affect the size of LBHI's consolidated balance sheet and related funding requirements, its financial and regulatory capital ratios and, if the SPE's assets include unrealized losses, could require it to recognize those losses.

In addition, LBHI has various commitments to and obligations associated with SPEs, including liquidity commitments and funded loans to certain conduits and other SPEs, limited downside protection guarantees to investors in certain SPEs, obligations as a general partner and investment advisor to private equity and other investment partnerships, indemnification obligations to investors in certain securitization vehicles it sponsors with respect to customary representations and warranties it makes about the assets of SPEs, proprietary investments and retained interests in various SPEs and others.

## **Operational Risk**

***Operational Risks May Disrupt LBHI's Businesses, Result in Losses or Reputational Damage or Limit LBHI's Growth.*** LBHI faces operational risk arising from errors made in the execution, confirmation or settlement of transactions or from transactions not being properly recorded, evaluated or accounted for. Derivative contracts are not always confirmed by the counterparties on a timely basis; while the transaction remains unconfirmed, LBHI is subject to heightened credit and operational risk and in the event of a default may find it more difficult to enforce the contract. LBHI's businesses are highly dependent on its ability to process, on a daily basis, a large number of transactions across numerous and diverse markets in many currencies and the transactions it processes have become increasingly complex. Consequently, LBHI relies heavily on its financial, accounting and other data processing systems. If any of these systems do not operate properly or are disabled, LBHI could suffer financial loss, a disruption of its businesses, liability to clients, regulatory intervention or reputational damage. The inability of LBHI's systems to accommodate an increasing volume of complex transactions could also constrain its ability to expand its businesses. In recent years, LBHI has substantially upgraded and expanded the capabilities of its data processing systems and other operating technology, and it expects that it will need to continue to upgrade and expand in the future to avoid disruption of, or constraints on, its operations.

LBHI's businesses and operations rely on the secure processing, storage and transmission of confidential and other information, and, increasingly, on the internet. LBHI routinely transmits and receives personal, confidential and proprietary information by email and other electronic means. LBHI has made available to clients and counterparties certain secure transmission capabilities; however, LBHI's clients and counterparties do not always choose to avail themselves of these capabilities. LBHI takes extensive protective measures for its computer systems, internet sites, software and networks to protect against vulnerabilities to unauthorised access, computer viruses, denial of service attacks or other events that could have a security or business impact. If, nevertheless, such events should occur, they could result in significant losses or reputational damage. LBHI is exposed to similar risks arising from the interception of personal, confidential or proprietary information sent to or received from, or the misuse or mishandling thereof by, vendors, service providers and other third parties who may receive such information from it, and LBHI's ongoing efforts to improve security over email and encrypted file transfers and to ensure that these third parties have appropriate controls in place may not be successful.

LBHI also faces the risk of operational or business failure of any of the clearing agents or other financial intermediaries or data providers it uses, and as our interconnectivity with its clients grows, it faces higher levels of operational risk that could adversely affect its ability to effect transactions, service its clients and manage its exposure to risk.

When LBHI originates or purchases residential mortgage loans, it relies heavily upon information supplied by third parties, including the information contained in the loan application, property appraisal, title information and employment and income documentation. If any of this information is intentionally or negligently misrepresented, whether by the loan applicant, the mortgage broker, another third party or one of LBHI's employees, and such misrepresentation is not detected prior to loan funding, the value of the loan may be significantly lower than expected and/or be unsaleable or subject to repurchase if it is sold prior to detection of the misrepresentation. While relevant laws may not explicitly hold the originating lenders responsible for the legal violations of mortgage brokers, increasingly federal and state agencies have sought to impose such assignee liability.

In addition, despite the contingency plans LBHI has in place, LBHI's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports its businesses and the communities in which it is located. This may include a disruption involving electrical systems, communications, transportation or other services used by LBHI or third parties with which LBHI conducts business, terrorist activities or disease pandemics.

***Acquisitions or Joint Ventures Could Present Unforeseen Integration Obstacles or Costs.***

Acquisitions and joint ventures involve a number of risks and present financial, managerial and operational challenges, including difficulty with integrating personnel and financial and other systems, hiring additional management and other critical personnel and increasing the scope, geographic diversity and complexity of LBHI's operations. In addition, LBHI may not realise the anticipated benefits from an acquisition, and it may be exposed to additional liabilities of any acquired business.

## **Legal, Regulatory and Reputational Risk**

LBHI faces the risk of litigation and intervention by regulatory authorities in all jurisdictions in which it conducts its businesses. Among other things, it could be subjected to judgments or fines, be prohibited from engaging in some of its business activities or be subjected to limitations or conditions on its business activities, all of which could result in significant losses or reputational damage.

***LBHI Faces Significant Litigation Risks in its Businesses.*** The volume of litigation against financial services firms and the amount of damages claimed have increased over the past several years. LBHI is exposed to potential liability as an underwriter under securities or other laws for materially false or misleading statements made in connection with securities and other transactions, potential liability for the "fairness opinions" and other advice it provides to participants in corporate transactions and disputes over the terms, conditions and risks of trading arrangements. LBHI also faces the possibility that counterparties will claim that it improperly failed to tell them of the risks or that they were not authorised or permitted to enter into these transactions with it and that their obligations to LBHI are not enforceable. In LBHI's Investment Management segment, LBHI is exposed to claims against it for recommending investments that are not consistent with a client's investment objectives or engaging in unauthorised or excessive trading. The downturn in the mortgage and mortgage-backed securities markets may result in increased claims of this type, and during a prolonged market downturn, LBHI would expect these claims to further increase. LBHI is also subject to claims arising from disputes with employees for alleged discrimination or harassment, among other things. These risks often may be difficult to assess or quantify, and their existence and magnitude often remain unknown for substantial periods of time. LBHI incurs significant legal expenses every year in defending against litigation, and LBHI expects to continue to do so in the future.

***Extensive Regulation of LBHI's Businesses Limits its Activities and May Subject LBHI to Significant Penalties.*** LBHI, as a participant in the financial services industry, is subject to extensive regulation under both federal and state laws in the U.S. and under the laws of the many global jurisdictions in which it does business. It is also regulated by a number of self-regulatory organisations. The industry has experienced increased scrutiny from a variety of regulators, including the SEC, FINRA and state attorneys general. Over the last several years, penalties and fines sought by regulatory authorities in LBHI's industry have increased substantially, and certain regulators have been more likely to commence enforcement actions.

The requirements imposed by LBHI's regulators are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with LBHI. Consequently, these regulations often serve to limit LBHI's activities, including through net capital, customer protection and market conduct requirements. If LBHI was found to have breached certain of these rules or regulations, it could face the risk of significant intervention by regulatory authorities in all jurisdictions in which it conducts its businesses, including extended investigation and surveillance activity, adoption of costly or restrictive new regulations and judicial or administrative proceedings that may result in substantial penalties. Among other things, LBHI could be fined or prohibited from engaging in some of its business activities.

Additional legislation and regulations, changes in rules imposed by regulatory authorities, self-regulatory organisations and exchanges or changes in the interpretation or enforcement of

existing laws and rules may adversely affect LBHI's business and profitability. LBHI's business may be materially affected not only by regulations applicable to it as an investment bank, but also by regulations of general application, including existing and proposed tax legislation and other governmental regulations and policies (including the interest rate and monetary policies of the Federal Reserve Board and other central banks) and changes in the interpretation or enforcement of existing laws and rules that affect the business and financial communities.

In emerging markets in particular, LBHI may be subject to risks of possible nationalisation, expropriation, price controls, capital controls, currency exchange controls and other restrictive governmental actions. In many countries, the laws and regulations applicable to the securities and financial services industries are uncertain and evolving, and it may be difficult for LBHI to determine the exact requirements of local laws in every market. LBHI is also subject to greater risk in these jurisdictions that transactions it structures might not be legally enforceable in all cases. In addition, in conducting business in these jurisdictions, LBHI is often faced with the challenge of ensuring that its activities are also consistent with U.S. or other laws with extra-territorial application, such as the USA Patriot Act and the U.S. Foreign Corrupt Practices Act. LBHI's failure to comply with such laws could result in significant losses or reputational damage.

In the past several years, intensified scrutiny of the energy market by federal, state and local authorities and the public has resulted in increased regulatory and legal proceedings involving electricity, natural gas and other energy commodities merchants. LBHI's business and reputation may be adversely affected by legal and regulatory proceedings arising out of its energy commodities activities.

LBHI is subject to the income tax laws of the jurisdictions in which it has business operations. These tax laws are complex and may be subject to different interpretations by the taxpayer and the relevant governmental taxing authorities. LBHI must make judgments and interpretations about the application of these inherently complex tax laws when determining the provision for income taxes. LBHI is subject to contingent tax risk that could adversely affect its results of operations, to the extent that its interpretations of tax laws are disputed upon examination or audit, and are settled in amounts in excess of established reserves for such contingencies.

***LBHI's Mortgage Origination Business is Subject to Special Litigation and Regulatory Risks.***

The laws and regulations of the various jurisdictions in which LBHI conducts its mortgage lending business are complex, frequently changing and, in some cases, in direct conflict with each other. In particular, this business is subject to various laws, regulations and guidance that restrict non-prime loan origination or purchase activities. Some of these laws and regulations provide for assignee liability for warehouse lenders, whole loan buyers and securitisation trusts. In addition, the downturn in the U.S. residential real estate market has resulted in increased regulatory scrutiny, and may result in increased complaints and claims, relating to non-prime mortgage origination practices, and further difficulties in the mortgage markets could result in increased exposure to liability, including possible civil and criminal liability, demands for indemnification or loan repurchases from purchasers of LBHI's loans (including securitisation trusts), class action lawsuits or administrative enforcement actions. Moreover, LBHI's customer base and counterparties in this business are substantially different from the high-net-worth and institutional customers and counterparties of most of its other businesses, which presents a different litigation risk profile.

***Exposure to Reputational Risks Could Impact the Value of LBHI's Brand.*** LBHI's reputation is critical in maintaining its relationships with clients, investors, regulators and the general public, and is a key focus in its risk management efforts. In recent years, there have been a number of highly publicized cases involving fraud, conflicts of interest or other misconduct by employees in the financial services industry, and LBHI runs the risk that misconduct by its employees could occur. Misconduct by employees could include binding LBHI to transactions that exceed authorized limits or present unacceptable risks, or hiding from LBHI unauthorized or unsuccessful activities, which, in either case, may result in unknown and unmanaged risks or losses. Employee misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm. It is not always possible to deter employee misconduct, and the precautions taken by LBHI to prevent and detect this activity may not be effective in all cases. In addition, in certain circumstances LBHI's reputation could be damaged by activities of its clients in which it participates, or of hedge funds or other entities in which it invests, over which it has little or no control.

***Potential Conflicts of Interest Are Increasing.*** As LBHI has expanded the scope of its businesses and its client base, it increasingly has to address potential conflicts of interest, including those relating to its proprietary activities. For example, conflicts may arise between LBHI's position as a financial advisor in a merger transaction and a principal investment it holds in one of the parties to the transaction. In addition, hedge funds and private equity funds are an increasingly important portion of LBHI's client base, and also compete with us in a number of LBHI's businesses. In addition, the SEC, FINRA, other federal and state regulators and regulators outside the U.S., including in the U.K. and Japan, have increased their scrutiny of potential conflicts of interest. LBHI has extensive procedures and controls that are intended to ensure that any potential conflicts of interest are appropriately addressed. However, properly dealing with conflicts of interest is complex and difficult, and LBHI's reputation could be damaged if it fails, or appears to fail, to deal appropriately with conflicts of interest and, it is possible that potential or perceived conflicts could give rise to litigation or enforcement actions.

### **Competitive Environment**

All aspects of LBHI's business are highly competitive. LBHI's competitive success depends on many factors, including LBHI's reputation, the quality of LBHI's services and advice, intellectual capital, product innovation, execution ability, pricing, sales efforts, and the talent of LBHI's personnel. Many of LBHI's competitors have greater capital resources and greater geographic reach than LBHI does, which enhances their competitive positions.

***LBHI Faces Increased Competition Due to a Trend Toward Consolidation.*** In recent years, there has been substantial consolidation and convergence among companies in the financial services industry. In particular, a number of large commercial banks, insurance companies and other broad-based financial services firms have established or acquired broker-dealers or have merged with other financial institutions. Many of these firms have the ability to offer a wide range of products, from loans, deposit-taking and insurance to brokerage, asset management and investment banking services, which may enhance their competitive position. They also have the ability to support investment banking and securities products with commercial banking, insurance and other financial services revenues in an effort to gain market share. These abilities have resulted in pricing pressure in LBHI's businesses. LBHI has experienced intense price

competition in some of its businesses in recent years. For example, equity and debt underwriting and trading spreads and fees for lending and other activities have been under competitive pressure for a number of years.

***LBHI's Revenues May Decline Due to Competition from Alternative Trading Systems.***

Securities and futures transactions are now being conducted through the internet and other alternative, non-traditional trading systems, and it appears that the trend toward alternative trading systems will continue and probably accelerate. A dramatic increase in computer-based or other electronic trading may adversely affect LBHI's commission and trading revenues, including in its specialist business. The NYSE's adoption of its hybrid market for trading securities may increase pressure on its Equities business as customers execute more of their NYSE-related trades electronically. LBHI has invested significant resources into the development of electronic trading systems and expects to continue to do so, but there is no assurance that the revenues generated by these systems will yield an adequate return on its investment, particularly given the relatively lower commissions arising from electronic trades.

***LBHI's Ability to Retain its Key Employees is Critical to the Success of its Business.*** LBHI's people are its most important resource. LBHI's ability to continue to compete effectively in LBHI's businesses will depend upon its ability to attract top talent and retain and motivate its existing employees while managing compensation costs.

**Risk Management**

LBHI has devoted significant resources to develop LBHI's risk management policies and procedures and expects to continue to do so in the future. Although LBHI deploys various risk mitigation and risk monitoring techniques, they are subject to judgments as to the timing and duration of their application. Additionally, no risk management procedure can anticipate every market event, and LBHI's hedging strategies and other risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some of LBHI's methods of managing risk are based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures indicate. The models that LBHI uses to assess and control its risk exposures reflect historical correlations among prices of various asset classes or other market indicators, and in times of market stress or other unforeseen circumstances there may be material changes in correlations between asset classes. In the past, including during the recent mortgage and credit market downturn, these types of market movements have at times limited the effectiveness of LBHI's hedging strategies and have caused LBHI to incur significant losses, and they may do so in the future. An increase in volatility would increase LBHI's measured risk, which might cause LBHI to reduce certain of LBHI's business activities. In such circumstances, LBHI may not be able to reduce its positions or its exposure in a timely, cost-effective way or in a manner sufficient to offset the increase in measured risk. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to record properly and verify a large number of transactions and events, and these policies and procedures may not be fully effective.

### **Risks Relating To New Business Initiatives and New Markets**

A number of LBHI's recent and planned business initiatives and expansions of existing businesses may bring it into contact, directly or indirectly, with new markets and new asset classes and with entities and individuals that are not within its traditional client base. For example, LBHI has expanded its businesses and investments in emerging markets such as Russia, the Middle East, India, Turkey and China, increased its activities in the markets for derivatives, commodities and foreign exchange and begun providing loans to small and mid-sized businesses and students. In addition, LBHI is increasingly offering complex structured products and alternative investments to a wider investor base, both directly and through third-party distribution channels. These business activities expose LBHI to new and enhanced risks, including increased credit-related and operational risks, regulatory risks and reputational concerns. As LBHI's business expands into new markets and new geographical regions, it will face competitors with more experience and more established relationships with clients, regulators and industry participants in the relevant market, which could adversely affect its ability to expand.

## INFORMATION INCORPORATED BY REFERENCE

Terms used herein but not otherwise defined shall have the meanings given to them in the Offering Circular.

The following information shall be deemed to be incorporated in, and to form part of, this Registration Document:

### Offering Circular dated 8 August 2008

- (a) paragraph 2 (*Guarantor*) of the section entitled "Summary Of This Offering Circular" set out on pages 1 to 8 of the Offering Circular dated 8 August 2008 in connection with the Programme (the "**Offering Circular**");
- (b) the section entitled "Available Information" set out on page 28 of the Offering Circular;
- (c) paragraph 3 (*The Master Guarantees*) of the section entitled "Terms And Conditions Of The Securities" set out on pages 51 to 99 of the Offering Circular;
- (d) the section entitled "Lehman Brothers Securities N.V." set out on pages 114 and 115 of the Offering Circular;
- (e) the section entitled "Summary Financial Information of LBS" set out on pages 116 to 118 of the Offering Circular;
- (f) the section entitled "Lehman Brothers (Luxembourg) Equity Finance S.A." set out on pages 119 and 120 of the Offering Circular;
- (g) the section entitled "Summary Financial Information of LBEF" set out on pages 121 and 122 of the Offering Circular;
- (h) the section entitled "Lehman Brothers Bankhaus AG" set out on pages 123 and 124 of the Offering Circular;
- (i) the section entitled "Summary Financial Information of Lehman Brothers Bankhaus AG" set out on pages 125 to 128 of the Offering Circular;
- (j) the section entitled "Description of the Guarantor" set out on pages 129 and 130 of the Offering Circular;
- (k) the section entitled "Summary Financial Information of Lehman Brothers Holdings Inc." set out on pages 131 to 133 of the Offering Circular;
- (l) the paragraph entitled *Transparency Directive* of the section entitled "General Information" set out on pages 161 to 164 of the Offering Circular;

### Other information

- (m) the annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended 30 November 2006 of LBHI filed with the SEC on Form 10-K including the audited consolidated and unconsolidated financial statements (including the auditors' report thereon and notes thereto) of LBHI in respect of the years ended 30 November 2006 and 30 November 2005;
- (n) the annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended 30 November 2007 of LBHI filed with the SEC on Form 10-K including the audited consolidated and unconsolidated financial statements (including the auditors' report thereon and notes thereto) of LBHI in respect of the years ended 30 November 2007 and 30 November 2006;
- (o) the quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended 29 February 2008 of LBHI filed with the SEC on Form 10-Q including the consolidated interim quarterly financial statements of LBHI in respect of the three months ended 29 February 2008;
- (p) the quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended 31 May 2008 of LBHI filed with the SEC on Form 10-Q including the consolidated interim quarterly financial statements of LBHI in respect of the three months ended 31 May 2008;

Certain of the financial data set out in the Information Incorporated by Reference in items (m) to (p) above is not audited and is derived from the Lehman Brothers' internal management and accounting records or publicly available information.

- (q) LBHI notice of 2008 Annual Meeting of Stockholders and proxy statement dated 5 March 2008 (including the details relating to LBHI's board of directors, director independence, audit committee and shareholders set out on pages 5 to 46 respectively thereof);
- (r) the audited unconsolidated financial statements (including the auditors' report thereon and notes thereto) of Lehman Brothers Securities N.V. in respect of the years ended 30 November 2007 and 30 November 2006;
- (s) the audited unconsolidated financial statements (including the auditors' report thereon and notes thereto) of Lehman Brothers (Luxembourg) Equity Finance S.A. in respect of the year ended 30 November 2007 and 30 November 2006;
- (t) the audited unconsolidated financial statements (including the auditors' reports thereon and notes thereto) of Lehman Brothers Bankhaus AG in respect of the years ended 30 November 2007 and 30 November 2006; and
- (u) the current report of LBHI in full dated 16 June 2008 pursuant to Section 13 or 15(d) of the Exchange Act filed with the SEC on Form 8-K exhibiting LBHI's press release with respects to its earnings for its most recently completed fiscal quarter and related attachments.

The table below sets out the relevant page references for the financial statements, the notes thereto, the balance sheet, the income statement and the auditors' reports for the financial statements referred to above:

	Page reference
<b>LBHI's 2006 Financial Statements (on Form 10-K)</b>	
1. Cash flow .....	80
2. Balance Sheet.....	F10
3. Statement of Income.....	28
4. Notes to Financial Statements .....	81-120
5. Auditor's Report.....	74
6. Management's Discussion and Analysis of Financial Condition and Results of Operations .....	30-70
<b>LBHI's 2007 Financial Statements (on Form 10-K)</b>	
1. Cash flow .....	91
2. Balance Sheet.....	F7
3. Statement of Income.....	86
4. Notes to Financial Statements .....	92-137
5. Auditor's Report.....	85
6. Management's Discussion and Analysis of Financial Condition and Results of Operations .....	32-81
<b>LBHI's 29 February 2008 Quarterly Financial Statements (on Form 10-Q)</b>	
1. Cash flow .....	7
2. Balance Sheet.....	39
3. Statement of Income.....	4
4. Notes to Financial Statements .....	8-41
5. Auditor's Report.....	42
<b>LBHI's 31 May 2008 Quarterly Financial Statements (on Form 10-Q)</b>	
1. Cash flow .....	7
2. Balance Sheet.....	6
3. Statement of Income.....	4
4. Notes to Financial Statements .....	8-52
5. Auditor's Report.....	53
<b>Lehman Brothers Securities N.V. 2006 Financial Statements</b>	
1. Cash flow .....	5
2. Balance Sheet.....	3
3. Profit and Loss Account.....	4
4. Notes to Financial Statements .....	6-8
5. Auditor's Report.....	1
<b>Lehman Brothers Securities N.V. 2007 Financial Statements</b>	
1. Cash flow .....	5
2. Balance Sheet.....	3
3. Profit and Loss Account.....	4
4. Notes to Financial Statements .....	6-10
5. Auditor's Report.....	2
<b>Lehman Brothers (Luxembourg) Equity Finance S.A. 2006 Financial Statements</b>	
1. Cash flow .....	5
2. Balance Sheet.....	3
3. Profit and Loss Account.....	4
4. Notes to Financial Statements .....	6-10
5. Auditor's Report.....	1-2
<b>Lehman Brothers (Luxembourg) Equity Finance S.A. 2007 Financial Statements</b>	
1. Cash flow .....	5
2. Balance Sheet.....	3
3. Profit and Loss Account.....	4
4. Notes to Financial Statements .....	6-12
5. Auditor's Report.....	1-2

**Lehman Brothers Bankhaus AG 2006 Financial Statements**

1.	Notes to Financial Statements .....	6-17
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**Lehman Brothers Bankhaus AG 2007 Financial Statements**

1.	Notes to Financial Statements .....	6-18
2.	Balance Sheet.....	4
3.	Income Statement .....	5
4.	Auditor's Report.....	3

The Issuers and the Guarantor will provide, without charge, to each person to whom a copy of this Registration Document has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which or portions of which are incorporated herein by reference. Written or oral requests for such documents should be directed to the relevant Issuer at their specified offices below. In addition, such documents, this Registration Document, any Securities Note and any Summary, will be available (i) without charge from the specified office of any paying agent or the specified office of the listing agent in Luxembourg; or (ii) on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu), in each case in relation to Securities admitted to trading on the Luxembourg Stock Exchange's regulated market and listing on the Luxembourg Stock Exchange within the scope of Directive 2004/39/EC on Markets in Financial Instruments.

This Registration Document must be read in conjunction with the Offering Circular information incorporated by reference herein and each Securities Note and any Summary issued in connection with the Securities to be issued hereunder.

Any information which appears in the documents described above but which is not expressed to be incorporated by reference into this Registration Document is given for information purposes only.

## GENERAL INFORMATION

### DOCUMENTS AVAILABLE

Terms used herein but not otherwise defined shall have the meanings given to them in the Offering Circular.

For the life of the Registration Document, copies of the following documents will, when published, be available during usual business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the relevant Issuer, at the principal place of business and the registered office of the Guarantor, from the specified office of the Securities Agent for the time being in Luxembourg and from the specified office of The Bank of New York Mellon, New York Branch in New York:

- (i) the constitutional documents of each Issuer and the Guarantor;
- (ii) the audited consolidated financial statements of the Guarantor (including the audit report thereon) for each of the years ended 30 November 2006 and 30 November 2007, together with the quarterly interim unaudited consolidated financial statements for the three months ended 29 February 2008 and for the three months ended 31 May 2008;
- (iii) the audited financial statements of LBS (including the audit report thereon) for the years ended 30 November 2006 and 30 November 2007. No publicly available interim financial statements are prepared by LBS;
- (iv) the audited financial statement of LBEF (including the audit report thereon) for the years ended 30 November 2006 and 30 November 2007. No publicly available interim financial statements are prepared by LBEF;
- (v) the audited financial statements of LBB (including the audit report thereon) for the years ended 30 November 2006 and 30 November 2007. No publicly available interim financial statements are prepared by LBB;
- (vi) the Securities Agency Agreement (which contains the form of Global Security, Definitive Security Certificates, Warrant Exercise Notice and Certificate Settlement Notice);
- (vii) the Danish Agency Agreement, the Finnish Issuing and Paying Agency Agreement, the Norwegian Agency Agreements and the Swedish Agency Agreement;
- (viii) the Deed of Covenant made by LBS in relation to the Programme dated 8 August 2007;
- (ix) the Deed of Covenant made by LBB in relation to the Programme dated 8 August 2007;
- (x) the Master Guarantees;
- (xi) the Offering Circular;
- (xii) any supplement and any future prospectuses, offering circulars, prospectus and other supplements to the Offering Circular (save that a Securities Note or, as the case may be, a Prospectus relating to an unlisted Security will only be available to a holder of such Security and such holder must produce evidence satisfactory to the Securities Agent as to

the identity of such holder) and any other information incorporated herein or therein by reference; and

in the case of a syndicated issue of listed Securities, the syndication agreement (or equivalent document).

## **AUDITORS**

The financial statements of Lehman Brothers Securities N.V. for the years ended 30 November 2006 and 30 November 2007 have been prepared in accordance with generally accepted accounting principles in United States of America and reported on without qualification by Ernst & Young, members as accountants of the NIVRA (Nederlands Instituut voor Register Accountants), Zeelandia Office Park, Kaya W.F.G. (Jombi) Mensing 16, P.O. Box 3626, Curaçao, The Netherlands Antilles.

The financial statements of Lehman Brothers (Luxembourg) Equity Finance S.A. for the years ended 30 November 2006 and 30 November 2007 have been prepared in accordance with generally accepted principles in the Grand Duchy of Luxembourg and reported on without qualification by Ernst & Young Luxembourg S.A., a member of the Institut des Réviseurs d'Enterprises (IRE), 7 Parc d'Activité Syrdall, L-5365 Munsbach, Grand Duchy of Luxembourg.

The financial statements of Lehman Brothers Bankhaus AG for the years ended 30 November 2006 and 30 November 2007 have been prepared in accordance with generally accepted accounting principles in the Federal Republic of Germany and have been reported on without qualification by Ernst & Young AG, Wirtschaftsprüfungsgesellschaft, independent auditors of the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany), Eschersheimer Landstr. 14, D-60322 Frankfurt am Main.

The consolidated financial statements for the years ended November 30, 2006 and November 30, 2007 of the Guarantor have been prepared in accordance with generally accepted accounting principles in the United States and have been reported upon without qualification for the Guarantor by Ernst & Young LLP, certified public accountants, which has its principal place of business at 5 Times Square, New York, New York 10036, U.S.A. Ernst & Young LLP is an independent registered public accounting firm with respect to the Guarantor and its subsidiaries within the meaning of the Securities Act of 1933, as amended and the applicable rules and regulations thereunder adopted by the Securities and Exchange Commission and the Public Company Accounting Oversight Board (United States) (PCAOB).

## **SIGNIFICANT CHANGE**

Save as disclosed herein (including in any Information Incorporated by Reference herein) there has been no significant change in the financial or trading position of LBS since 30 November 2007, in the case of LBEF, since 30 November 2007 and in the case of LBB, since 30 November 2007. There has been no significant change in the financial or trading position of the Guarantor and its subsidiaries (taken as a whole) since 31 May 2008 except as disclosed herein or in the Information Incorporated by Reference.

## **TREND INFORMATION**

Save as disclosed herein (including in any Information Incorporated by Reference herein), none of the Issuers or the Guarantor are aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on their respective prospects during the current financial year.

Save as disclosed herein (including in any Information Incorporated by Reference herein), there has been no material adverse change in the prospects of LBS since 30 November 2007, in the case of LBEF, since 30 November 2007 and in the case of LBB, since 30 November 2007. There has been no material adverse change in the prospects of the Guarantor since 30 November 2007 except as disclosed herein or the Information Incorporated by Reference.

## **LITIGATION**

Save as disclosed herein (including in any information incorporated by reference herein), neither the Guarantor nor any of its subsidiaries (including LBS, LBEF and LBB) is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this Registration Document, a significant effect on the financial position or prospects of the Guarantor and its subsidiaries (taken as a whole) nor, so far as the Guarantor, LBS, LBEF or LBB are aware, are any such proceedings pending or threatened.

## **LISTING AND ADMISSION TO TRADING**

Application has been made for Securities issued under the Programme to be admitted to trading, under MiFID, on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange.

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