SECURITIES NOTE dated 13 July 2006

LEHMAN BROTHERS TREASURY CO. B.V.
(incorporated with limited liability in The Netherlands and having its statutory domicile in Amsterdam)

Issue of up to EUR 20,000,000 Absolute Performer Notes due September 2010 linked to the Dow Jones Euro STOXX 50 Index

unconditionally and irrevocably guaranteed by
LEHMAN BROTHERS HOLDINGS INC.
(incorporated in the State of Delaware)

This document constitutes a securities note (the "**Securities Note**") drawn up for the purpose of providing information concerning the abovementioned notes (the "**Notes**") described herein for the purposes of Article 5.3 of Directive 2003/71/EC, as implemented in Luxembourg law (the "**Prospectus Directive**"). This Securities Note together with the registration document dated 26 August 2005, as supplemented on 6 October 2005, 17 October 2005, 22 December 2005, 22 February 2006, 27 March 2006, 21 April 2006 and 19 June 2006 (the "**Registration Document**"), and the Summary (the "**Summary**") dated 13 July 2006 and drawn up in connection with the issue of Notes described herein constitutes a prospectus (the "**Prospectus**") for the purposes of Article 5.3 of the Prospectus Directive in respect of the Notes described herein.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Registration Document (including all information incorporated by reference therein), the Summary and this Securities Note (including all information incorporated by reference herein). The Registration Document, the Summary and this Securities Note will be available (i) without charge from the specified office of any paying agent for the Notes; and (ii) on the website of the Luxembourg Stock Exchange at www.bourse.lu.

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Risk Factors

Prospective investors of Notes should carefully consider the following information in conjunction with other information contained in this Securities Note and in the Registration Document before purchasing the Notes.

This Securities Note however cannot disclose all of the risks and other significant aspects of the Notes 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 Notes should consider carefully whether the Notes are suitable for it in the light of its circumstances and financial position and in view of the complexity and risks inherent in the Notes. Prospective investors of Notes should be experienced with respect to derivatives, particularly options and options transactions. Furthermore, prospective investors of Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after careful consideration of the suitability of the Notes 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 Notes 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.

Terms not defined herein have the same meaning as set out in the Annex to this Securities Note.

Factors affecting the Index and the redemption amount under the Notes

Prospective investors of Notes should be familiar with investments in the global capital market and with derivatives and the assets underlying the Index (each a "**Component Asset**") and the Index (as defined in the Annex to this Securities Note) generally. The value of the Notes can be volatile. Changes in the level of the Index may result in sudden and large fluctuations in the value of the Notes. 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 Index may be replaced by a Successor Index (as defined herein) in certain circumstances as set out in the Annex to this Securities Note (including where the Index is not available) and the performance of that Successor Index over time may be different from the performance of the Index.

The Final Redemption Amount is variable and dependant upon the performance of the Index. The Final Redemption Amount in respect of the Notes on the Maturity Date will not be less than their Specified Denomination.

Past performance projections have produced a yield in respect of the Notes that, at certain points in time, would have been lower than comparable investments in the money markets.

Issue Price

The Issue Price in respect of the Notes may not be an accurate reflection of the market value of such Notes as at the Issue Date. The price at which the Notes may be sold in secondary market transactions may be lower or higher than the Issue Price. In particular, the Issue Price in respect of the Notes may take into account, among other things, any distribution fee payable to, or any discount with which the Notes are made available to, any appointed distributor of the Notes with respect to the offer and sale of the Notes.

Investing in the Notes is not the same as investing in a Component Asset

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

Secondary market and liquidity for the Notes

There can be no assurance as to how any Notes will trade in the secondary market, whether there will be a secondary market or, if a secondary market exists, whether such market will be sustainable or liquid or illiquid. Although an application will be made to the Freiverkehr segment of the Frankfurt Stock Exchange for admission of the Notes to trading, no assurance can be given that the Notes will in fact be traded or, if the Notes are so traded, that such trading will be maintained and whether there will be a secondary market for any Notes so traded. If the Notes are not traded on any stock exchange, pricing information for such Notes may be more difficult to obtain, and the liquidity and market prices of such Notes may be adversely affected.

The liquidity of the Notes may also be affected by restrictions, if any, on offers and sales of the Notes in some jurisdictions. In any case, due to the relative complexity and lower liquidity of the Notes if compared to more conventional financial instruments such as shares, comparatively larger spreads between bid and ask quotes should be expected.

The Notes may be redeemed prior to maturity

In the event that the Issuer or the Guarantor would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or the USA, as the case may be, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In an event of default (as described in Item 23 of Part A of the Terms and Conditions of the Notes), the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In the event of early redemption, a holder of Notes (a "**Noteholder**") may not be able to reinvest the redemption proceeds in a comparable security and receive a return on investment which is as high as that of the Notes. The Issuer is not liable for any disadvantage a Noteholder may incur in respect of the new investment or non-investment of its capital.

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 Component Assets 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 Index and consequently on the value of the Notes. 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 Notes (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 Component Assets or similar securities or assets in similar sectors or markets and the introduction of such competing financial instruments may affect the value of the Notes. Such activities could present certain conflicts of interest with the interest of Noteholders and may affect the value of the Notes. The Issuer, the Guarantor, the Dealer, the Calculation Agent and/or their respective subsidiaries owe no duty or responsibility to any Noteholder (or any other party) to avoid such conflicts.

In connection with the offering of the Notes, 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 any of the Component Assets 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 any of the Component Assets of the Index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the relevant Noteholders.

The Issuer, the Guarantor, the Dealer, the Calculation Agent and/or their respective subsidiaries may act as market maker in respect of the Notes, trading in their own name and for their own account as well as conducting hedging transactions and may hold call and/or put options in relation to the Notes. This could influence the market price, liquidity or value of the Notes and could be deemed to be adverse to the interest of the Noteholders.

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

Factors Affecting the Index

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

Prospective investors should also note that dividends paid to holders of the assets comprised in the Index will not be paid to the Issuer or to the Noteholders. The return on the Notes will thus not reflect any dividends which would be paid to investors that have made a direct investment in the assets comprised in either Index. Consequently, the return on the Notes may be less than the return from a direct investment in the assets comprised in such 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 Notes during the term of the Notes. The possibility of entering into risk-excluding or risk-limiting transactions depends in particular on market conditions and the relevant underlying circumstances. Noteholders may be able to enter into such transactions only at an unfavourable market price resulting in an additional loss for such Noteholders.

Prospective investors intending to purchase Notes to hedge the market risk associated with investing in the Component Assets of the Index should be aware of the difficulties associated therewith. For example, the value of the Notes may not correlate with the value of the Component Assets of the Index .

Determinations by the Calculation Agent

The Calculation Agent has certain discretions to determine whether certain events as further set out in the Annex to this Securities Note 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 Notes. 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 or price of a Component Asset on a relevant Scheduled

Trading Day and/or may delay settlement in respect of the Notes. 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 Notes in the case of a Market Disruption Event, an Index Adjustment Event and/or such other similar adjustment or extraordinary event pursuant to terms as set out in the Annex to this Securities Note. Any such adjustment may have an adverse impact on the value of the Notes. Any such discretion exercised by, or any calculation made by the Calculation Agent (in the absence of manifest error) shall be binding.

Early Redemption Amount

In the event of an early redemption for taxation reasons or in an event of default (as described in Item 23 of Part A of the Terms and Conditions of the Notes), the Issuer may cancel the Notes and, if permitted by applicable law, pay the holder of each Note the Early Redemption Amount. The amount payable will be calculated by reference to the fair market value of the Notes as determined by the Calculation Agent in its sole and absolute discretion and will be reduced by an amount referable to the cost to the Issuer of unwinding any related hedging arrangements as determined by the Calculation Agent. Noteholders should understand that such Early Redemption Amount may be less than the Issue Price of the Notes or the amount the Noteholder has paid for the Notes, and may even be zero.

Creditworthiness of the Issuer and Guarantor

Any person who purchases the Notes is relying upon the creditworthiness of the Issuer and the Guarantor and has no rights against any other person. The Notes constitute general, unsecured, unsubordinated, contractual obligations of the Issuer and of no other person. The Notes rank pari passu among themselves and with any unsecured, unsubordinated indebtedness of the Issuer and the Guarantor except for any preference created by law.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the Notes but will have to rely upon their rights under the deed of covenant dated 26 August 2005 (as amended, supplemented or replaced from time to time), executed by Lehman Brothers Holdings Inc. ("**LBHI**"), Lehman Brothers Treasury Co. B.V. ("**LBTCBV**") and Lehman Brothers Bankhaus AG ("**LBB**").

Transparency Directive

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on an EEA Regulated Market and amending Directive 2001/34/EC (the "**Transparency Directive**") entered into force on 20 January 2005. It requires member states to take measures necessary to comply with the Transparency Directive by 20 January 2007. If, as a result of the Transparency Directive or any legislation implementing the Transparency Directive, LBHI could be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which are materially different from the accounting principles which it would otherwise use to prepare its published financial information, LBHI may seek an alternative admission to listing, trading and/or quotation for the Notes by such other listing authority, stock exchange and/or quotation system inside or outside the European Union as it may (with the approval of the Lehman Brothers International (Europe) (the "**Dealer**")) decide.

Important Notices

In this document, references to the "**Group**" are to LBHI and its direct and indirect subsidiaries (which include LBTCBV and LBB).

The Dealer has not independently verified the information contained in the Prospectus. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility or liability is accepted by the Dealer as to the accuracy or completeness at any time of the Prospectus or any supplement hereto.

No person is authorized to give any information or to make any representations other than those contained in this document in connection with the offering or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, the Guarantor or the Dealer. None of the Prospectus, any supplement, any other financial statements or any further information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or a statement of opinion, or a report of either of those things, by the Issuer, the Guarantor or the Dealer that any recipient of the Prospectus, any supplement, any other financial statements or any further information supplied in connection with the Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of, the Issuer, the Guarantor and the Group. None of the Prospectus, any supplement, any other financial statements or any further information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of any of the Issuer, the Guarantor or the Dealer to any person to subscribe for, or to purchase, any of the Notes.

The delivery of this Securities Note does not at any time imply that the information contained herein or in the Registration Document concerning the Issuer, the Guarantor or the Group is correct at any time subsequent to the date hereof or that any supplement, any other financial statements or any further information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealer expressly does not undertake to review the financial condition or affairs of the Issuer, the Guarantor or the Group during the life of the Notes. Investors should review, inter alia, the most recent consolidated financial statements of the Guarantor and the unconsolidated financial statements of the Issuer when deciding whether or not to purchase the Notes.

The distribution of the Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus comes are required by the Issuer, the Guarantor and the Dealer to inform themselves about and to observe those restrictions. See "Subscription and Sale" of the Debt Issuance Program Prospectus dated 26 August 2005 (the "**Debt Issuance Program Prospectus**") issued in connection with the U.S.$45,000,000,000 Euro Medium-Term Note Program (the "**Program**") of LBHI, LBTCBV and LBB, incorporated by reference in the Securities Note.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OF U.S. PERSONS (AS DEFINED IN EITHER REGULATION S UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED).

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER, THE GUARANTOR AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE NOTES HAVE NOT BEEN

RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Notes are one of a series to be issued pursuant to the Amended and Restated Fiscal Agency Agreement dated 26 August 2005 (as amended, supplemented or replaced from time to time) between, amongst others, LBHI, LBTCBV, LBB, JPMorgan Chase Bank as fiscal agent, as registrar and as principal paying agent and Kredietbank S.A. Luxembourgeoise as paying agent. The Notes have the benefit of a deed of covenant dated 26 August 2005 (as amended, supplemented or replaced from time to time), executed by LBHI, LBTCBV and LBB and a deed of guarantee dated 26 August 2005 (as amended, supplemented or replaced from time to time) of the Guarantor as to, *inter alia,* the payment of principal in respect thereof.

Information incorporated by reference

Terms used herein but not otherwise defined shall have the meanings given to them in the Debt Issuance Program Prospectus dated 26 August 2005, as supplemented on 8 September 2005, 27 September 2005, 17 October 2005, 28 November 2005, 22 December 2005, 22 February 2006, 27 March 2006, 21 April 2006 and 19 June 2006, published in connection with the Program (the "**Debt Issuance Program Prospectus**").

The following information contained in the Debt Issuance Program Prospectus shall be deemed to be incorporated into and form part of this Securities Note. Page references are to pages in the Debt Issuance Program Prospectus.

	Page Reference
The section entitled "Risk Factors"	11 to 16
The section entitled "Terms and Conditions of the Notes"	37 to 72
The section entitled "Use of Proceeds"	73
The section entitled "United States Taxation"	86 to 98
The section entitled "German Taxation"	104
The section entitled "Subscription and Sale"	106 to 114
The section entitled "General Information"	115 to 117

In addition, the following information shall be deemed to be incorporated into and form part of this Securities Note:

1. The quarterly report for the quarter ended 31 May 2006 pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 of LBHI filed with the Securities and Exchange Commission on Form 10-Q.

The table below sets out the relevant page references for the notes to the financial statements and the auditors' reports for the financial statements referred to above:

		Page reference
1.	Income Statement	3
2.	Statement of Financial Condition	4
3.	Cash Flow Statement	6
4.	Notes to Financial Statements	7
5.	Auditors' Report	40

The documents which are incorporated herein by reference will be available (i) without charge from the specified office of any paying agent for the Notes; and (ii) on the website of the Luxembourg Stock Exchange at *www.bourse.lu.*

Any information not listed in the cross-reference table above but included in the documents incorporated by reference is given for information purposes only.

Netherlands Taxation

The summary below is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Netherlands tax law which could be of relevance to the holder of a Note. It is limited to Netherlands tax law as applied by the Netherlands courts and published and in effect on the date of this Prospectus and it is subject to any change in law, possibly with retrospective effect.

PROSPECTIVE HOLDERS OF A NOTE AND INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF THE ACQUISITION, HOLDING OR DISPOSAL OF A NOTE.

(A) Withholding Tax

All payments of interest and principal under a Note made by the Issuer may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

(B) Taxes on Income and Capital Gains

A holder of a note (the "**Noteholder**" and together referred to as the "**Noteholders** ") who derives income or who realises a gain from the disposal or redemption of a Note will not be subject to Netherlands taxation on such income or gain, provided that:

(i) the Noteholder is neither resident nor deemed to be resident in The Netherlands and, if the Noteholder is an individual, has not elected to be treated as a resident of The Netherlands for the purpose of the relevant Netherlands tax law provisions;

(ii) the Noteholder does not have an enterprise or deemed enterprise (as defined in Netherlands tax law) or an interest in an enterprise or deemed enterprise (as defined in Netherlands tax law) that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands and to which enterprise or part of that enterprise, as the case may be, the Notes are attributable;

(iii) the Noteholder is not entitled to a share in the profits of an enterprise that is effectively managed in The Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Notes are attributable;

(iv) the Noteholder does not have a substantial interest (*aanmerkelijk belang)* or a deemed substantial interest in the Issuer as defined in the Netherlands Income Tax Act 2001 (*Wet op de inkomstenbelasting 2001*);

(v) the Noteholder does not carry out and has not carried out employment activities in The Netherlands nor carries or carried out employment activities outside The Netherlands for which the remuneration is subject to Netherlands wage withholding tax and with which employment activities the holding of the Notes is connected; and

(vi) the Noteholder does not derive benefits from the Notes that are taxable as benefits from miscellaneous activities in The Netherlands (*resultaat uit overige werkzaamheden in Nederland)* as defined in the Netherlands Income Tax Act 2001 (*Wet op de inkomstenbelasting 2001*), which include, but are not limited to, activities in respect of the Notes which are beyond the scope of "regular active asset management" (*normaal actief vermogensbeheer*).

Under the Laws of The Netherlands a Noteholder will not be deemed resident, domiciled or carrying on a business in The Netherlands by reason only of its holding of the Notes or the performance by the Issuer of its obligations under the Notes.

(C) Gift and Inheritance Taxes

No gift, estate or inheritance taxes will arise in The Netherlands with respect to the acquisition of a Note by way of gift by, or on the death of, a Noteholder who is neither resident nor deemed to be resident in The Netherlands, unless:

(i) the Noteholder at the time of the gift has or at the time of his death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are attributable;

(ii) the Notes are or were attributable to an enterprise that is effectively managed in The Netherlands and at the time of the gift the donor is, or at the time of his death the deceased was, entitled to a share in the profits of that enterprise or part thereof other than by way of securities or through an employment contract; or

(iii) in the case of a gift of Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in The Netherlands.

For the purpose of Netherlands gift, estate and inheritance tax, an individual who has the Netherlands nationality will be deemed to be a resident of The Netherlands at the date of the gift or the date of his death if he has been a resident of The Netherlands at any time during the ten years preceding the date of his gift or the date of his death.

For the purposes of Netherlands gift tax, an individual who does not have the Netherlands nationality will be deemed to be a resident of The Netherlands at the date of the gift if he has been a resident of The Netherlands at any time during the twelve months preceding the date of the gift.

(D) Value Added Tax

No value added tax (*Omzetbelasting*) will arise in The Netherlands with respect to any payment by a Noteholder in consideration for the acquisition of, or in respect of any payment of interest and principal under a Note by the Issuer, under a Note.

(E) Stamp duty

No stamp duty, registration tax or any other similar documentary tax or duty, other than court fees, will be payable in The Netherlands in respect of or in connection with the Issuer's Issue or performance, or a Noteholder's transfer or enforcement, of a Note.

(F) EU Savings Directive

On 3 June 2003, the European Union Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") was adopted by the European Council. Under the Savings Directive, each Member State of the European Union is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a paying agent within its jurisdiction to an individual resident in another Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain agreements relating to information exchange with certain other countries and territories).

A number of non-European Union countries and territories, have agreed to adopt similar measures with effect from the same date.

Terms and Conditions of the Notes

The terms and conditions of the Notes (the "**Terms and Conditions**") are the "Terms and Conditions of the Notes" as set out on pages 37 to 72 of the Debt Issuance Program Prospectus, which are hereby incorporated by reference into, and form part of, this Securities Note, as supplemented, amended, varied and/or replaced as specified below. Terms used herein shall be deemed to be defined as such for the purposes of the "Terms and Conditions" set forth on pages 37 to 72 of the Debt Issuance Program Prospectus.

PART A - CONTRACTUAL TERMS

1.	(i)	Issuer:	Lehman Brothers Treasury Co. B.V.
	(ii)	Guarantor:	Lehman Brothers Holdings Inc.
2.	(i)	Series Number:	4596
	(ii)	Tranche Number:	1
3.		Specified Currency or Currencies:	Euro ("EUR")
4.		Aggregate Nominal Amount:	
		(i) Series:	Up to EUR 20,000,000, subject to the provisions of "Offer Period and Issue Size" below.
		(ii) Tranche:	Up to EUR 20,000,000, subject to the provisions of "Offer Period and Issue Size" below.
5.		Issue Price:	EUR 1,000 per Note of Specified Denomination. The above Issue Price may be more or less than the market value of each Note as at the date of this Securities Note. In connection with the offer and sale of the Notes, the Dealer (as defined in Item 34 hereof) has appointed one or more third parties in connection with the distribution of the Notes. Any third party will acquire the Notes from the Dealer at a discount to the Issue Price. If a third party acquired the Notes at the Issue Price, the Dealer may pay a distribution fee to such third party. Any such amount received by a third party may be in addition to the brokerage cost/fee normally applied by the third party. The Dealer and the Issuer understand that each such third party may charge its customers fees with respect to its contractual arrangements with, and assistance provided by it to, its customers, including an initial fee of up to 3 per cent. of the Issue Price. Neither the Dealer nor the Issuer has any further information with respect to the contractual or financial arrangements between each third party's customers and the third party or whether and, if so on what terms each third party is willing to assist its customers or potential customers. Any person seeking further information with respect to

such matters should refer to the relevant third party. Neither the Dealer nor the Issuer is responsible for any information so provided or for whether or not each such third party provides such information.

		Specified Denomination:	EUR 1,000
7.		Issue Date:	07 September 2006
8.		Maturity Date:	07 September 2010, subject to adjustment in accordance with the Modified Following Business Day Convention.
9.		Interest Basis:	Not Applicable
10.		Redemption/Payment Basis:	Index Linked Redemption as described in the Annex hereto
11.		Change of Interest or Redemption/Payment Basis:	Not Applicable
12.		Put/Call Options:	Not Applicable
13.	(i)	Status of the Notes:	Senior Notes
	(ii)	Status of the Guarantee:	Senior Guarantee
14.		Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:	Not Applicable
16.	Floating Rate Note Provisions:	Not Applicable
17.	Zero Coupon Note Provisions:	Not Applicable
18.	Index-Linked Interest Note/Other Variable- Linked Interest Note Provisions:	Not Applicable
19.	Dual Currency Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Call Option:	Not Applicable
21.	Put Option:	Not Applicable
22.	Final Redemption Amount of each Note:	As described in the Annex hereto
23.	Early Redemption Amount of each Note: Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same (if required or if	In respect of each Note, an amount equal to the fair market value (less the reasonable cost to the Issuer of unwinding any related hedging arrangements) of such Note on such

		different from that set out in the Conditions):	day as is selected by the Calculation Agent in its sole and absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.		Form of Notes:	Interests in a temporary global Note in bearer form are exchangeable for interests in a permanent global Note in bearer form
25.		Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Not Applicable
26.		Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
27.		Details relating to Instalment Notes:	Not Applicable
		Instalment Amounts and Instalment Dates:	
28.		Details relating to Extendible Notes:	Not Applicable
29.		Details relating to Renewable Notes:	Not Applicable
30.		Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.		Consolidation provisions:	Not Applicable
32.		Other final terms:	Not Applicable

DISTRIBUTION

33.	(i)	If syndicated, names and addresses of Managers and underwriting commitments:	Not Applicable
	(ii)	Date of Subscription Agreement:	Not Applicable
	(iii)	Stabilizing Manager (if any):	Not Applicable
34.		If non-syndicated, name and address of Dealer	Lehman Brothers International (Europe): 25 Bank Street London E14 5LE

35.		Underwriting Commitment:	Not Applicable
36.		Total commission and concession:	Not Applicable
37.		Selling restrictions:	
	(i)	Netherlands Selling Restrictions:	Not Applicable
	(ii)	Additional Selling Restrictions:	Not Applicable
38.		Governing Law	The Notes are governed by English law

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Securities Note and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information.

The information relating to the Index contained in this Securities Note has been extracted from information published by the Index Sponsor, at www.stoxx.com and Bloomberg page SX5E <Index>.

The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the Index Sponsor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

ADMISSION TO TRADING, PUBLIC OFFER AND LISTING

Application will be made to trade the Notes on the *Freiverkehr* segment on the Frankfurt Stock Exchange.

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 relevant implementing legislation in Luxembourg, for approval of this Securities Note and the Summary Note; this Securities Note, the Registration Document and the Summary Note together constitute the Prospectus issued in compliance with the Prospectus Directive and relevant implementing legislation in Luxembourg for the purpose of giving information with regard to the issue of the Notes. In addition, the CSSF, in its capacity as competent authority in Luxembourg for the purposes of the Prospectus Directive, has been requested to provide the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsafsicht*, the "**BaFin**"), which is the competent authority in Germany, for the purposes of permitting an offer of Notes to the public in Germany in accordance with the Prospectus Directive, with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive. The Summary Note has been translated into German and filed with the CSSF.

The Notes are eligible for an offer to the public in Luxembourg and Germany in accordance with the Prospectus Directive, subject to compliance with any other applicable requirements. However, none of the Issuer, the Guarantor or the Dealer has or will take any action in any country or jurisdiction (other than Luxembourg or Germany) that would permit a public offering of the Notes or possession or distribution of any offering material in relation to a public offering in any country or jurisdiction where action for that purpose is required. With respect to each such country or jurisdiction each investor must comply with the restrictions set out in the "Subscription and Sale" section of the Debt Issuance Program Prospectus in relation to each country or jurisdiction in or from which the investor purchases, offers, sells or delivers the Notes or has in the investor's possession or distributes the Prospectus.

Investors wishing to subscribe for the Notes may do so through their custodian bank or any other bank in Germany during the subscription period.

PART B - OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing:	The Notes will not be listed on any regulated market within the meaning of the Prospective Directive.
(ii)	Admission to Trading:	The Notes will not be traded on any regulated market within the meaning of the Prospectus Directive. Application will be made for the admission of the Notes to trading on the Freiverkehr segment of the Frankfurt Stock Exchange.

2. **RATINGS**

The Notes to be issued have not been rated.

3. **NOTIFICATION**

The Luxembourg Commission de Surveillance du Secteur Financier, or CSSF, has been requested to provide the German Federal Financial Supervisory Authority (*Bundesanstalt fur Finanzdeinstleistungsaufsicht*), the "**BaFin**", with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospective Directive.

4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

Save as discussed in "Subscription and Sale" in the Debt Issuance Programme Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

Not Applicable.

6. **YIELD (Fixed Rate Notes only)**

Not Applicable

7. **HISTORIC INTEREST RATES (Floating Rate Notes only)**

Not Applicable

8. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (Index-linked or other variable Linked Notes only)**

See the Annex hereto

Details on the past and future performance as well as the volatility of the Index can be obtained from Bloomberg page SX5E <Index> and www.stoxx.com.

The Issuer does not intend to provide post issuance information regarding either of the Index unless otherwise required by applicable law and regulation.

9. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (Dual Currency Notes only)

Not Applicable

10. OPERATIONAL INFORMATION

ISIN Code:	XS0258411239
Common Code:	025841123
Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Valoren: 2597208 WKN: A0GTUH
Delivery:	Delivery against payment
Up to EUR 20,000,000 Aggregate Nominal Amount of Notes has been translated into U.S. Dollars at the rate of U.S.$1.00 = EUR 0.7929 producing a sum of (for Notes not denominated in U.S. Dollars):	Up to U.S.$ 25,223,861.77
Names and addresses of Additional Paying Agent(s) (if any):	Not Applicable

OFFER PERIOD AND ISSUE SIZE

The offer of the Notes will commence on 17 July 2006 at 08:00 (C.E.T.) and end on 31 August 2006 at 12:00 (C.E.T.).

The applicable offer period may end at such time on such earlier date as the Dealer may decide in its absolute discretion if it receives commitments to purchase EUR 20,000,000 of Notes or in light of prevailing market conditions (the "**Offer Period**").

The Issuer may issue up to EUR 20,000,000 Aggregate Nominal Amount of Notes. The final Aggregate Nominal Amount of the Notes will be determined by the Issuer by 31 August 2006. The Issuer will publish notice of the definitive Aggregate Nominal Amount in accordance with the Prospectus Directive and file such notice with the CSSF by the Issue Date. The notices will also be published on the website of the Luxembourg Stock Exchange at www.bourse.lu.

ANNEX

1. Final Redemption Amount of each Note

Unless previously redeemed or purchased and cancelled as specified in this Securities Note and in the Conditions, each Note will be redeemed by the Issuer on the Maturity Date at a Final Redemption Amount ("**FRA**") in the Specified Currency determined by the Calculation Agent on the Valuation Date in accordance with paragraph (a) or (b) below as the case may be:

(a) If the Calculation Agent determines that $SX5E_{Perf}$ is greater than or equal to 100% then each Note shall be redeemed in accordance with the following formula:

$$FRA = SD \times \{100\% + [60\% \text{ x } (SX5E_{Perf} - 100\%)]\}$$

(b) If the Calculation Agent determines that $SX5E_{Perf}$ is less than 100% then each Note shall be redeemed in accordance with the following formula:

$$FRA = SD \times \{100\% + [60\% \text{ x } (100\% - SX5E_{Perf})]\}$$

Where:

"***$SX5E_{Perf}$***" means an amount determined by the Calculation Agent in accordance with the following formula:

$$SX5E_{Perf} = \frac{1}{4} x \sum_{t=1}^{4} \frac{SX5E_{i,t}}{SX5E_{i,0}}$$

"***$SX5E_{i,t}$***" means the Closing Level of the Index on each Observation Date;

"***$SX5E_{i,0}$***" means the Closing Level of the Index on the Strike Fixing Date;

"SD" means the Specified Denomination of each Note.

2. Definitions

In this Securities Note (including this Annex), the following expressions shall have the following meanings:

"**Calculation Agent**" means Lehman Brothers International (Europe) of 25 Bank Street, London E14 5LE, United Kingdom;

"**Closing Level**" means, in relation to any Scheduled Trading Day, the official closing level of the Index, as calculated and announced by the Index Sponsor at the Valuation Time on such day;

"**Disrupted Day**" means any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred;

"**Early Closure**" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day;

"**Exchange**" means each Exchange on which any component security of the Index is principally traded and/or, in each case, any successor to such exchange or quotation system and "Exchanges" means, as the context requires, such stock exchanges or quotation systems in respect of the Index;

"**Exchange Business Day**" means, any Scheduled Trading Day on which: (i) the Index Sponsor publishes the level of the Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time;

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for any component security on the Exchange in respect of such component security; or (ii) futures or options contracts relating to the Index on the Related Exchange;

"**Index**" means the SX5E or Successor Index;

"**Index Sponsor**" means STOXX Limited and/or, as the context requires or permits, any successor sponsor accepted by the Calculation Agent pursuant to section 4 below (adjustment to the Index);

"**Market Disruption Event**" means:

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

(1) a Trading Disruption;

(2) an Exchange Disruption,

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

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

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

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (a) a Trading Disruption Event; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Exchange Disruption, in each case in respect of such futures or options contracts.

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

"Observation Date" means 31 August in each year commencing on 31 August 2007 to and including the Valuation Date provided, however, that if any such day is not a Scheduled Trading Day then the relevant Observation Day shall be the first succeeding day which is a Scheduled Trading Day, subject to section 3 below (Disrupted Days). There are 4 Observation Dates;

"**Related Exchange**" means EUREX or any successor to such exchange or any substitute exchange to which trading relating to the Index has relocated (provided that such exchange is acceptable to the Calculation Agent);

"**Scheduled Closing Time**" means, in respect of an Exchange or the Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

"**Scheduled Trading Day**" means any day on which: (i) the Index Sponsor is scheduled to publish the level of the Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session;

"**Strike Fixing Date**" means 31 August 2006, provided, however, that if such a day is not a Scheduled Trading Day then the Strike Fixing Date shall be the first succeeding day which is a Scheduled Trading Day and subject as provided in section 3 of this Annex (Disrupted Days);

"**SX5E**" means the Dow Jones EuroSTOXX 50 Index (Bloomberg: SX5E <Index>), a stock index which is currently compiled and calculated by the Index Sponsor;

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange;

"**Valuation Date**" means 31 August 2010, provided, however, that if such day is not a Scheduled Trading Day then the Valuation Date shall be the first succeeding day which is a Scheduled Trading Day, and subject as provided in section 3 of this Annex (Disrupted Days);

"**Valuation Time**" means the official close of trading on the relevant Exchange.

3. **Disrupted Days**

3.1 If an Observation Date (which, for the purposes of this provision, includes the Valuation Date) is a Disrupted Day, then that Observation Date for the Index shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Index unless there is a Disrupted Day related to the Index on each of the eight Scheduled Trading Days immediately following the date that, but for the failure to open for trading during its regular trading session or the Market Disruption Event, would have been the Observation Date. In that case:

(a) The earlier of (i) that eighth following Scheduled Trading Day and (ii) the third weekday (meaning a day other than a Saturday or Sunday) prior to or the Maturity Date shall be deemed to be the Observation Date for the Index notwithstanding it is a Disrupted Day (the "**Deemed Date**"); and

(b) the Calculation Agent shall determine its good faith estimate of the level of the Index that would have prevailed but for that Disruption Day as of the Valuation Time on that Deemed Date based on the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the relevant Exchange traded or quoted price as of the Valuation Time of each security comprised in the Index on that Deemed Date or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that Deemed Date, its good faith estimate of the value for the relevant component security as of the Valuation Time on that Deemed Date.

4. Adjustments to the Index

4.1 Successor Index: If any Closing Level, is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case the index (the "**Successor Index**") will be deemed to be the Index.

4.2 Index Adjustment Event: If (i) on or prior to the Valuation Date, the Index Sponsor announces that it will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalization and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**") or (ii) on the Valuation Date, the Index Sponsor fails to calculate and announce the Index (an "**Index Disruption**" and together with the Index Modification and the Index Cancellation, each an "**Index Adjustment Event**"), then the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall make its determination for the purposes of calculating any relevant Closing Level using, in lieu of a published level for the Index, the level for the Index as at the Observation Date, as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event.

5. Correction of Index

In the event that any Closing Level, is subsequently corrected and the correction is published by the relevant Exchange or Index Sponsor within one Settlement Cycle after the original publication, the Calculation Agent will determine the amount that is payable as a result of that correction, and, to the extent necessary, will adjust the provisions of this Securities Note to account for such correction, provided that any correction effected and published after the third weekday (meaning any day of the week except a Saturday or Sunday) before the Maturity Date shall be ignored.

For the purposes of this section 5 the following terms shall have the following respective meanings:

"**Clearance System**" means, in respect of the Index at any time, the domestic clearance system customarily used for settling trades in the securities comprised in the Index at that time;

"**Clearance System Business Day**" means, in respect of a Clearance System, any day on which such Clearance System is (or but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions;

"**Settlement Cycle**" means the period of Clearance System Business Days following a trade in the securities comprised in the Index on the relevant Exchange in which settlement will customarily occur according to the rules of such Exchange (or if there are multiple Exchanges in respect of the Index, the longest such period); and

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the relevant Clearing System cannot clear the transfer of securities comprised in the Index.

6. Notification of Early Redemption Amount, Final Redemption Amount, Disrupted Days

6.1 *Notice to Issuer:* As soon as reasonably practicable after calculating or otherwise determining the Early Redemption Amount or the Final Redemption Amount, as the case may be, the Calculation Agent shall give notice of the relevant amount to the Issuer.

6.2 *Notice of Disrupted Day:* The Calculation Agent shall as soon as reasonably practicable notify the Issuer of the existence or occurrence of a Disrupted Day on any day which but for such Disrupted Day would have been an Observation Date or Valuation Date.

6.3 *Notice to Noteholders:* Adjustments in accordance with the foregoing sections shall be calculated by the Calculation Agent, shall be notified to the Noteholders in accordance with Condition 15 (Notices) and shall be (in the absence of manifest error) binding on all parties concerned. However, Noteholders should be aware that there may be, necessarily, some delay between the time at which any of the above events occur and the time at which it is reported to Noteholders.

7. The Calculation Agent

7.1 The Calculation Agent shall have no responsibility to Noteholders for good faith errors or omissions in its calculations and determinations as provided in the Terms and Conditions except such as may result from its own wilful default, gross negligence or bad faith. The calculations and determinations of the Calculation Agent shall be made in accordance with the Terms and Conditions (having regard in each case to the criteria stipulated herein and where relevant on the basis of information provided to or obtained by employees or officers of the Calculation Agent responsible for making the relevant calculation or determination) and shall, in the absence of manifest error, be final, conclusive and binding on the Noteholders. Noteholders shall not be entitled to make any claim against the Calculation Agent, the Issuer or the Guarantor in the case where the Index Sponsor shall have made any error, omission or other incorrect statement in connection with the calculation and public announcement of the Index.

7.2 Nothing contained herein shall prevent the Calculation Agent from dealing in these Notes or from entering into any related transactions, including without limitation any swap or hedging transactions, with the Issuer (or any of its affiliates) or any holder of Notes (or any of its affiliates).

8. Index Disclaimers

THE DOW JONES EUROSTOXX 50 AND THE RELATED TRADEMARKS HAVE BEEN LICENSED FOR USE BY LEHMAN BROTHERS, THE NOTES ARE NOT SPONSORED OR PROMOTED BY STOXX LIMITED OR DOW JONES COMPANY INC.

STOXX AND DOW JONES HAVE NO RELATIONSHIP TO LEHMAN BROTHERS, OTHER THAN THE LICENSING OF THE DOW JONES EURO STOXX 50 AND THE RELATED TRADE MARKS FOR USE IN CONNECTION WITH THE NOTES.

STOXX AND DOW JONES DO NOT:

- SPONSOR, ENDORSE, SELL OR PROMOTE THE NOTES;
- RECOMMEND THAT ANY PERSON INVEST IN THE NOTES OR ANY OTHER SECURITIES;

- HAVE ANY RESPONSIBILITY OR LIABILITY FOR OR MAKE ANY DECISIONS ABOUT THE TIMING, AMOUNT OR PRICING OF THE NOTES;

- HAVE ANY RESPONSIBILITY OR LIABILITY FOR THE ADMINISTRATION, MANAGEMENT OR MARKETING OF THE NOTES;

- CONSIDER THE NEEDS OF THE NOTES OR THE OWNERS OF THE NOTES IN DETERMINING, COMPOSING OR CALCULATING THE DOW JONES EURO STOXX 50 OR HAVE ANY OBLIGATION TO DO SO.

STOXX AND DOW JONES WILL NOT HAVE ANY LIABILITY IN CONNECTION WITH THE NOTES. SPECIFICALLY:

- STOXX AND DOW JONES DO NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED AND DISCLAIM ANY AND ALL WARRANTY ABOUT:

- THE RESULTS TO BE OBTAINED BY THE NOTES, THE OWNER OF THE NOTES OR ANY OTHER PERSON IN CONNECTION WITH THE USE OF THE DOW JONES EURO STOXX 50 AND THE DATA INCLUDED IN THE DOW JONES EURO STOXX 50;

- THE ACCURACY OR COMPLETENESS OF THE DOW JONES EURO STOXX 50 AND ITS DATA;

- THE MERCHANTABILITY AND THE FITNESS FOR A PARTICULAR PURPOSE OR USE OF THE DOW JONES EURO STOXX 50 AND ITS DATA;

- STOXX AND DOW JONES WILL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS IN THE DOW JONES EURO STOXX 50 OR ITS DATA;

- UNDER NO CIRCUMSTANCES WILL STOXX OR DOW JONES BE LIABLE FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSSES, EVEN IF STOXX OR DOW JONES KNOWS THAT THEY MIGHT OCCUR.

THE LICENSING AGREEMENT BETWEEN THE ISSUER AND STOXX IS SOLELY FOR THEIR BENEFIT AND NOT FOR THE BENEFIT OF THE OWNERS OF THE NOTES OR ANY OTHER THIRD PARTIES.

PRINCIPAL PLACE OF BUSINESS OF LBHI

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United States of America

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The Netherlands

DEALER

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FISCAL AGENT AND PRINCIPAL PAYING AGENT

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