

Lehman Brothers considers private equity fund-of-funds IPO

Lehman Brothers Private Equity, a unit of Lehman Brothers Holdings Inc. (together "Lehman Brothers"), today announces that it is considering giving investors access to its leading private equity investment platform through a new Euronext Amsterdam-listed private equity fund of funds vehicle.

Subject to the transaction proceeding, Lehman Brothers is expected to closely align its interests with investors in the new fund by:

- Making a substantial investment in the listed vehicle
- Committing IPO proceeds fully to private equity at launch
- Ensuring fees are competitive and mainly performance-linked
- Bearing all issuance costs itself

Launch is expected to take place in 2007. Further details of the structure will be announced as appropriate in due course.

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About Lehman Brothers Private Equity

Lehman Brothers' Private Equity business, started in 1984, has assets under management of approximately \$18 billion and consists of 16 different fund strategies across six asset classes: merchant banking, venture capital, real estate, fund-of-funds, credit and infrastructure.

About Lehman Brothers

Lehman Brothers, an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high net worth individuals worldwide. Founded in 1850, Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private investment management, asset management and private equity. The Firm is headquartered in New York, with regional headquarters in London and Tokyo, and operates in a network of offices around the world. For further information about Lehman Brothers' services, products and recruitment opportunities, visit www.lehman.com.

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This announcement is not a prospectus and, if the transaction proceeds, investors should not purchase or subscribe for any securities referred to in this announcement except on the basis of information in the prospectus to be published by the proposed issuer in due course in connection with the admission of the shares in the capital of the proposed issuer to listing on Euronext Amsterdam N.V.'s Eurolist by Euronext and to trading on the regulated market of Euronext Amsterdam N.V. (the "Prospectus"). Subject to the transaction proceeding, copies of the Prospectus will, following publication, be available at no cost from the joint bookrunners and from the proposed issuer's registered office.

In the United Kingdom, this announcement is directed only at persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or who fall within Article 49(2)(a) to (d) of the Order, or (ii) to whom it may otherwise lawfully be communicated (all such persons being referred to as "relevant persons"). This announcement must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available, in the United Kingdom, only to relevant person and will be engaged in only with such persons.

The proposed issuer will not be subject to (a) the license requirement under the Financial Supervision Act (*Wet op het financieel toezicht*) and (b) the supervision of the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*).