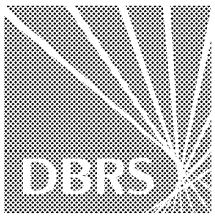
Press Release



Insight beyond the rating.

Date of Release: March 18, 2008

DBRS Confirms Lehman Brothers at AA (low), Keeps Stable Trend
Bloomberg headline: DBRS Confirms Lehman at AA (low), Keeps Stable Trend

Industry Group: Financial Institutions
Sub-Industry: Investment Dealers

DBRS has today confirmed all ratings for Lehman Brothers Holdings Inc (Lehman or the Company) and related entities and kept the rating trend at Stable. This rating action includes the Company's Issuer & Senior Debt rating of AA (low) and its Short-Term Instruments rating of R-1 (middle), both with a Stable trend. The rating action follows Lehman's release of its fiscal Q1 2008 earnings, as well as its disclosure about its capital and liquidity position.

DBRS views Lehman's operating performance in its fiscal Q1 2008, which ended in February, as solid against a challenging environment. Lehman reported net earnings of $489 million on net revenues of $3.5 billion. In the view of DBRS, the results confirm the Company's strong franchise and resilient earnings power.

DBRS sees Lehman's current liquidity position as robust, with an excess liquidity pool of $30 billion as of March 17, 2008 and unencumbered assets of $64 billion available to the holding company. The Company also retains significant additional unencumbered assets at its regulated subsidiaries. DBRS views Lehman as well positioned to successfully manage through what is likely to remain a challenging environment.

Moreover, DBRS notes that Lehman, like all U.S. primary securities dealers, benefits from the Federal Reserve's new Primary Dealer Credit Facility. This facility allows primary dealers to obtain financing from the Federal Reserve for a broad range of assets. DBRS views the facility as particularly valuable in the current stressed market conditions, as it adds a highly reliable source of liquidity to the range of existing funding options available to the major broker dealers.

Note:
All figures are in U.S. dollars unless otherwise noted.

Roger Lister / Steve Picarillo / Tobias Moerschen / Alan G. Reid

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