

Press Release

For Immediate Release

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LEHMAN BROTHERS ANNOUNCES OFFERINGS OF COMMON STOCK AND MANDATORY CONVERTIBLE PREFERRED STOCK

NEW YORK, June 9, 2008 — Lehman Brothers Holdings Inc. (NYSE: LEH) announced today that it intends to raise \$6.0 billion through offerings of common stock and Non-Cumulative Mandatory Convertible Preferred Stock.

The proceeds from the offerings will be added to the Firm's capital and used for general corporate purposes.

The Non-Cumulative Mandatory Convertible Preferred Stock, Series Q, has a liquidation preference of \$1,000 per share (the "Preferred Stock"). The Preferred Stock will be mandatorily convertible into shares of Lehman Brothers' common stock, plus cash in lieu of fractional shares in three years. The non-cumulative dividend rate, conversion rate and other terms are yet to be determined.

Each offering is being conducted as a public offering registered under the Securities Act of 1933 under Lehman Brothers Holdings' existing shelf registration statement filed with the Securities and Exchange Commission.

Lehman Brothers Inc. is serving as sole book-running manager and underwriter for the offerings.

This announcement does not constitute an offer to sell or a solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The offerings may be made only by means of a prospectus and a related prospectus supplement, copies of which may be obtained when available from Lehman Brothers Inc., c/o Broadridge, Integrated Distribution Services, 1155 Long Island Avenue, Edgewood, NY 11717; fax: 631-254-7140, or email: qiana.smith@broadridge.com.

Lehman Brothers (ticker symbol: LEH), 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 investment banking, equity and fixed income sales, trading and research, 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. Lehman Brothers Inc. is a member of SIPC.