

LEHMAN BROTHERS

Press Release

For Immediate Release

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LEHMAN BROTHERS NAMES ROGER B. NAGIOFF GLOBAL HEAD OF FIXED INCOME

- Benoit C. Savoret Named Chief Operating Officer of Europe-

NEW YORK, May 2, 2007 — Lehman Brothers, the global investment bank, today announced that Roger B. Nagioff has been named global head of the Firm's Fixed Income Division, based in London. He succeeds Michael Gelband who has decided to leave the Firm to pursue other interests. In addition, Benoit C. Savoret will assume the role of chief operating officer of Europe.

Chairman and Chief Executive Officer Richard S. Fuld, Jr. said, "Roger's appointment underscores the truly global nature of our businesses as this is the first time a sole global head of one of the Firm's divisions will be located outside the U.S. I am confident that Roger's track record of success, which includes helping to integrate all of our businesses in a way that embodies our One Firm culture, will further strengthen our leadership position in fixed income." Mr. Fuld continued, "Mike has brought deep expertise, extraordinary client focus and uncompromising integrity to every position he has held at Lehman Brothers. We wish him all the best in the future."

Commenting on Mr. Savoret's appointment, Mr. Fuld added, "During Benoit's tenure as head of European Equities, the division has achieved tremendous success. His management and leadership capabilities will be invaluable to the Firm as we continue to drive our strong momentum in Europe."

Mr. Nagioff joined Lehman Brothers in 1997 to head up the Firm's European Equity Trading efforts. Two years later he was named head of the European Equities Division. In 2000, Mr. Nagioff became co-head of Global Equities and, subsequently, was named chief operating officer for Europe in January 2004. He is a member of the Firm's Executive Committee.

Mr. Savoret joined Lehman Brothers in 1997 as a senior equity derivatives trader covering France and Italy. He was named head of Asia Equities in 2000, head of European Equity Trading and Equity Derivatives in 2002, co-head of European Equities in 2004 and sole head of European Equities in 2006. Prior to joining the Firm, Mr. Savoret worked for Société Générale in the U.S., U.K. and Asia. Mr. Savoret graduated as a Civil Engineer from École Centrale Paris.

Lehman Brothers' Fixed Income Capital Markets, which reported net revenues of \$2.2 billion in the first quarter of fiscal 2007, is consistently recognized for its performance in a number of polls and industry awards. The Firm's Fixed Income Research Team has held the #1 ranking in 13 of the past 17 years, and has been ranked as the #1 U.S. bond index provider each year since rankings began in 1997 by *Institutional Investor* magazine. Lehman Brothers was also ranked #1 in Bond Index Research and Analysis in *Institutional Investor* magazine's All-Europe Fixed Income Research survey in 2006 and was top ranked in *Euromoney's* Credit Research poll in both 2005 and 2006. The Firm is also a leader in credit derivatives and was named Global Credit Derivatives House by *IFR*, Credit Derivatives House of the Year by *Risk* and *Asia Risk* magazines and Bank of the Year for Credit Derivatives by *The Banker* in 2006. *Euromoney* named the Firm the Best Global Asset Backed Securities House and the Best Debt House in Italy and *IFR* awarded the Firm the Global Securitization House of the Year, in 2006.

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 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 the Firm's Web site at www.lehman.com.

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