

Press Release

For Immediate Release

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LEHMAN BROTHERS INCREASES DIVIDEND; CONTINUES COMMON STOCK REPURCHASE PROGRAM

NEW YORK, January 29, 2008 — Lehman Brothers Holdings Inc. (NYSE: LEH) said today that it has increased the Company's annual common stock dividend by 13 percent, from \$0.60 per share to \$0.68 per share. The dividend for the first quarter of the 2008 fiscal year is \$0.17 per share, payable February 22, 2008, to shareholders of record as of February 15, 2008.

Lehman Brothers also announced today the continuation of its common stock repurchase program. The Firm's Board of Directors has authorized the repurchase, subject to market conditions, of up to 100 million shares of Lehman Brothers common stock for the management of the Firm's equity capital, including consideration of dilution due to employee stock awards. This share repurchase authorization supersedes the previous share repurchase authorization. At December 31, 2007, Lehman Brothers had 530,588,207 shares outstanding.

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. 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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