

LEHMAN BROTHERS

Press Release

For Immediate Release

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LEHMAN BROTHERS NAMES ANDREW J. MORTON GLOBAL HEAD OF FIXED INCOME

-Roger Nagioff Retires From The Investment Banking Industry-

NEW YORK, February 5, 2008 — Lehman Brothers, the global investment bank, today announced that Andrew J. Morton has been named global head of the Firm's Fixed Income Division. He succeeds Roger Nagioff who has decided to retire from the investment banking industry for personal reasons. In his new role, Mr. Morton will join the Executive Committee of the Firm.

Chairman and Chief Executive Officer Richard S. Fuld, Jr. said, "Andy's appointment underscores the truly deep bench of talent we have in our Fixed Income Division. I am confident that Andy will excel in leading the division, based on his strong risk management capabilities and track record of success." Mr. Fuld continued, "While we are deeply disappointed that Roger is retiring, we understand and respect his desire to spend more time with his family and pursue other interests. We have appreciated his strong leadership of the Fixed Income Division, especially in the face of challenging markets, as well as his many contributions to the Firm as a member of the Executive Committee, and we are delighted that he will continue to be available to offer us advice and counsel in key strategic areas."

Mr. Morton, 46, joined Lehman Brothers in 1993 as head of Fixed Income Derivatives Research in New York and later ran the U.S. Dollar Derivatives Trading desk. He was named head of the European Interest Rates business in 1999 and co-head of European Fixed Income in 2004. In January 2007 he assumed sole responsibility for the business and in October 2007 was appointed co-chief operating officer of the Fixed Income Division globally. Prior to joining the Firm, Mr. Morton had an academic career in mathematical finance. He holds a Bachelor of Mathematics from the University of Waterloo and a Ph.D in Applied Probability from Cornell University.

Lehman Brothers' Fixed Income Capital Markets 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 14 of the past 18 years, and has been ranked as the #1 U.S. bond index provider each year since rankings began in 1997 by *Institutional Investor* magazine and was top ranked in *Euromoney's* Credit Research poll in 2005, 2006 and 2007. Lehman Brothers was also ranked #1 in Bond Index Research and Analysis in *Institutional Investor* magazine's All-Europe Fixed Income Research survey in 2007. The Firm was awarded European Leveraged Finance House of the Year in 2007 by *IFR* and Best Credit House, Best Securitization House, Best High-Grade Research, Best Credit Strategy, Best Trade Ideas and Best Index Provider in 2007 by *Credit* magazine.

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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