

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

LEHMAN BROTHERS HOLDINGS INC

CIK: **806085** | IRS No.: **133216325** | State of Incorporation: **DE** | Fiscal Year End: **1130**
Type: **8-K** | Act: **34** | File No.: **001-09466** | Film No.: **041147020**
SIC: **6211** Security brokers, dealers & flotation companies

Mailing Address
*LEHMAN BROTHERS
745 SEVENTH AVENUE
NEW YORK NY 10019*

Business Address
*LEHMAN BROTHERS
745 SEVENTH AVENUE
NEW YORK NY 10019
2125267000*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported):
NOVEMBER 15, 2004

LEHMAN BROTHERS HOLDINGS INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation)

1-9466
(Commission File Number)

13-3216325
(IRS Employer Identification No.)

745 SEVENTH AVENUE
NEW YORK, NEW YORK
(Address of principal
executive offices)

10019
(Zip Code)

Registrant's telephone number, including area code:
(212) 526-7000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

- [] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- [] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- [] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

The following Exhibits are incorporated by reference into Registration Statement on Form S-3 No. 333-61878 as exhibits thereto and are filed as part of this Report.

- 4.01 Global Security representing the Registrant's Index-Plus Notes Due November 15, 2009, Performance Linked to the Dow Jones STOXX 50(SM) Index (SX5P) (filed herewith)
- 4.02 Calculation Agency Agreement between the Registrant and Lehman Brothers Inc., as calculation agent, relating to the Registrant's Index-Plus Notes Due November 15, 2009, Performance Linked to the Dow Jones STOXX 50(SM) Index (SX5P) (filed herewith)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

LEHMAN BROTHERS HOLDINGS INC.
(Registrant)

By: /s/ Karen Corrigan

Karen Corrigan
Vice President

Date: November 15, 2004

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EXHIBIT INDEX

Exhibit No. Exhibit

- | | |
|------|---|
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LEHMAN BROTHERS HOLDINGS INC.

Index-Plus Notes Due November 15, 2009,
Performance Linked to the Dow Jones STOXX 50(SM) Index (SX5P)

Number R-1
ISIN US 524908MG26

\$4,985,000
CUSIP 524908MG2

See Reverse for Certain Definitions

THIS SECURITY (THIS "SECURITY") IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN CERTIFICATED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO SUCH DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO LEHMAN BROTHERS HOLDINGS INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

LEHMAN BROTHERS HOLDINGS INC., a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called the "Company"), for value received, hereby promises to pay to CEDE & CO. or registered assigns, at the office or agency of the Company in the Borough of Manhattan, The City of New York, at Stated Maturity, in such coin or currency of the United States of America at the time of payment shall be legal tender for the payment of public and private debts, for each \$1,000 principal amount of the Securities represented hereby, an amount equal to the Maturity Payment Amount. THE SECURITIES REPRESENTED HEREBY SHALL NOT BEAR ANY INTEREST.

Any amount payable at Stated Maturity hereon will be paid only upon presentation and surrender of this Security.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS SECURITY SET FORTH ON THE REVERSE HEREOF WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

The Dow Jones STOXX 50 Index is proprietary and copyrighted material. The Dow Jones STOXX 50 Index and the related trademarks have been licensed for certain purposes by the Lehman Brothers Holdings Inc. The Securities, based on the performance of the Dow Jones STOXX 50 Index, are not sponsored, endorsed or promoted by STOXX Limited or Dow Jones & Company, Inc., and neither STOXX Limited nor Dow Jones & Company, Inc. makes a representation regarding the advisability of investing in the Securities.

This Security shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee under the Indenture referred to on the reverse hereof.

IN WITNESS WHEREOF, LEHMAN BROTHERS HOLDINGS INC. has caused this instrument to be signed by its Chairman of the Board, its Vice Chairman, its President, its Chief Financial Officer, one of its Vice Presidents or its Treasurer, by manual or facsimile signature under its corporate seal, attested by its Secretary or one of its Assistant Secretaries by manual or facsimile signature.

Dated: November 15, 2004

LEHMAN BROTHERS HOLDINGS INC.

By: _____

Name:

Title:

Attest: _____

Name:

Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: November 15, 2004

CITIBANK, N.A.

as Trustee

By: _____

Name:

Title: Authorized Signatory

Reverse of Security

This Security is one of a duly authorized series of Securities of the Company designated as Index-Plus Notes Due November 15, 2009, Performance Linked to the Dow Jones STOXX 50(SM) Index (SX5P) (herein called the "Securities"). The Company may, without the consent of the holders of the Securities, create and issue additional notes ranking equally with the Securities and otherwise similar in all respects so that such further notes shall be consolidated and form a single series with the Securities; provided that no additional notes can be issued if an Event of Default has occurred with respect to the Securities. This series of Securities is one of an indefinite number of series of debt securities of the Company, issued and to be issued under an indenture, dated as of September 1, 1987, as amended (herein called the "Indenture"), duly executed and delivered by the Company and Citibank N.A., as trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities.

The Maturity Payment Amount, at the request of the Trustee, shall be determined by the Calculation Agent pursuant to the Calculation Agency Agreement.

All percentages resulting from any calculation with respect to the Securities will be rounded at the Calculation Agent's discretion.

The Trustee shall fully rely on the determination by the Calculation Agent of the Maturity Payment Amount and shall have no duty to make any such determination.

This Security is not subject to any sinking fund.

If an Event of Default with respect to the Securities shall occur and be continuing, the amounts payable on all of the Securities may be declared due and payable in the manner and with the effect provided in the Indenture. The amount payable to the Holder hereof upon any acceleration permitted under the Indenture will be equal to the Maturity Payment Amount calculated as though the date of acceleration was the Stated Maturity and the date three Business Days prior thereto was the Valuation Date.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than 66 2/3% in aggregate principal amount of each series of Securities at the time Outstanding to be affected (each series voting as a class), evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to, or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the holders of the Securities of all such series; provided, however, that no such supplemental indenture shall, among other things, (i) change the fixed maturity of any Security, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, if any, or reduce any premium payable on redemption, or make the principal thereof, or premium, if any, or interest thereon, if any, payable in any coin or currency other than that hereinabove provided, without the consent of

the holder of each Security so affected, or (ii) change the place of payment on any Security, or impair the right to institute suit for payment on any Security, or reduce the aforesaid percentage of Securities, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of each Security so affected. It is also provided in the Indenture that, prior to any declaration accelerating the maturity of any series of Securities, the holders of a majority in aggregate principal amount of the

Securities of such series Outstanding may on behalf of the holders of all the Securities of such series waive any past default or Event of Default under the Indenture with respect to such series and its consequences, except a default in the payment of interest, if any, or the principal of, or premium, if any, on any of the Securities of such series, or in the payment of any sinking fund installment or analogous obligation with respect to Securities of such series. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future holders and owners of this Security and any Securities which may be issued in exchange or substitution hereof, irrespective of whether or not any notation thereof is made upon this Security or such other Securities.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal amount with respect to this Security.

The Securities are issuable in denominations of \$1,000 and any whole multiples of \$1,000.

The Company, the Trustee, and any agent of the Company or of the Trustee may deem and treat the registered holder (the "Holder") hereof as the absolute owner of this Security (whether or not this Security shall be overdue and notwithstanding any notation of ownership or other writing hereon), for the purpose of receiving payment hereof, or on account hereof, and for all other purposes and neither the Company nor the Trustee nor any agent of the Company or of the Trustee shall be affected by any notice to the contrary. All such payments made to or upon the order of such registered holder shall, to the extent of the sum or sums paid, effectually satisfy and discharge liability for moneys payable on this Security.

No recourse for the payment of the principal of, premium, if any, or interest on this Security, or for any claim based hereon or otherwise in respect hereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the Indenture or any indenture supplemental thereto or in any Security, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the Corporate Trust Office or agency in a Place of Payment for this Security, duly endorsed by, or accompanied by a written instrument of transfer in form

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satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Securities of this series or of like tenor and of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Company intends to treat, and by purchasing this Security, the holder agrees to treat, for all tax purposes, this Security as a financial contract for cash settlement, rather than as a debt instrument.

THE INDENTURE AND THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Set forth below are definitions of the terms used in this Security.

"AMEX" shall mean the American Stock Exchange LLC.

"Applicable USD/EUR Exchange Rate" shall mean the U.S. dollar/euro exchange rate (expressed as the number of U.S. dollars per euro), as of the time the relevant USD Index Level is calculated, as determined by the Calculation Agent.

"Business Day", notwithstanding any provision in the Indenture, shall mean any day that is not a Saturday, a Sunday or a day on which the NYSE, Nasdaq or AMEX is not open for trading or banking institutions or trust companies in the City of New York are authorized or obligated by law or executive order to close.

"Calculation Agency Agreement" shall mean the Calculation Agency Agreement, dated as of November 15, 2004, between the Company and the Calculation Agent, as amended from time to time, or any successor calculation agency agreement.

"Calculation Agent" shall mean the person that has entered into an agreement with the Company providing for, among other things, the determination of the Maturity Payment Amount, which term shall, unless the context otherwise requires, include its successors and assigns. The initial Calculation Agent shall be Lehman Brothers Inc.

"Close of Trading" shall mean, in respect of any Relevant Exchange, the scheduled weekday closing time on a day on which the Relevant Exchange is scheduled to be open for trading for its regular trading session, without regard to after hours or any other trading outside of the regular trading session hours.

"Closing Index Level" of the Index (or any Successor Index) on any particular day shall mean the official closing level of the Index (or any Successor Index), as reported by STOXX Limited (or of any Successor Index, as reported by the publisher of such Successor Index) on such day, or if (a) on any date prior to and including the Valuation Date, STOXX Limited discontinues publication of the Index and the Calculation Agent determines that no Successor Index is available at such time or (b) STOXX Limited or the publisher of any Successor Index, as the case may be, fails to calculate and announce a Closing Index Level for

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the Index or Successor Index, as the case may be, on any date when it would ordinarily calculate and announce such Closing Index Level in accordance with its customary practice, then, in the case of either (a) or (b), on such date, the Calculation Agent shall determine the Closing Index Level to be used for purposes of (x) determining whether the Closing USD Index Level has fallen below the Threshold Level on any Exchange Business Day during the Measurement Period and (y) computing the Maturity Payment Amount, all in accordance with the Calculation Agency Agreement.

"Closing USD Index Level" on any particular day shall mean the Closing Index Level of the Index on such day, multiplied by the Applicable USD/EUR Exchange Rate, as determined by the Calculation Agent.

"Company" shall have the meaning set forth on the face of this Security.

"Exchange Business Day" shall mean any day on which (a) the Index or any Successor Index is calculated and announced by its publisher or (b) if the Calculation Agent has determined that no Successor Index is available or STOXX Limited or the publisher of any Successor Index, as the case may be, fails to calculate and announce a Closing Index Level for the Index or Successor Index, as the case may be, on any date when it would ordinarily calculate and announce such Closing Index Level in accordance with its customary practice, the Calculation Agent calculates the Closing Index Level pursuant to Section 3(c) of Annex A to the Calculation Agency Agreement.

"Final USD Index Level" shall equal the Closing USD Index Level on the Valuation Date.

"Holder" shall have the meaning set forth on the reverse of this Security.

"Indenture" shall have the meaning set forth on the reverse of this Security.

"Index" shall mean the Dow Jones STOXX 50(SM) Index, as calculated by STOXX Limited.

"Initial USD Index Level" shall equal 3576.6688, the Closing USD Index Level on November 10, 2004.

"Market Disruption Event", with respect to the Index, shall mean the Calculation Agent has determined in its sole discretion that any of the following events has occurred:

(a) A material suspension of, or limitation imposed on, trading relating to the securities that then comprise 20% or more of the Index or any Successor Index, by the Relevant Exchanges on which those securities are traded, at any time during the one-hour period that ends at the Close of Trading on such day, whether by reason of movements in price exceeding limits permitted by that Relevant Exchange or otherwise.

(b) A material suspension of, or limitation imposed on, trading in futures or options contracts relating to the Index or any Successor Index by the primary exchange or

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quotation system on which those futures or options contracts are traded, at any time during the one-hour period that ends at the close of trading for that primary exchange or quotation system on such day, whether by reason of movements in price exceeding limits permitted by that primary exchange or quotation system or otherwise.

(c) Any event, other than an early closure, that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, the securities that then comprise 20% or more of the Index or any Successor Index, on the Relevant Exchanges on which those securities are traded at any time during the one-hour period that ends at the close of trading on such day.

(d) Any event, other than an early closure, that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, the futures or options contracts relating to the Index or any Successor Index on the primary exchange or quotation system on which those futures or options contracts are traded at any time during the one-hour period that ends at the close of trading for that primary exchange or quotation system on such day.

(e) The closure of the Relevant Exchanges on which the securities that then comprise 20% or more of the Index or any Successor Index are traded or on which futures or options contracts relating to the Index or any Successor Index are traded prior to its scheduled closing time unless the earlier closing time is announced by the Relevant Exchanges at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on the Relevant Exchanges and (b) the submission deadline for orders to be entered into the Relevant Exchanges for execution at the Close of Trading on such day.

(f) The Company, or any of its affiliates, is unable, after using commercially reasonable efforts to unwind or dispose of, or realize, recover or remit the proceeds of, any transactions or assets it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Securities.

For purposes of determining whether a Market Disruption Event has occurred, the relevant percentage contribution of a security to the level of the Index or any Successor Index will be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of the Market Disruption Event.

"Maturity Payment Amount" for each \$1,000 principal amount of Securities, shall equal:

- o If the Final USD Index Level is greater than or equal to the Initial USD Index Level, the sum of:
 - (1) \$1,000, and

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$$\begin{array}{rccccccc}
 & & & & \text{Upside} & & \text{Final USD} & & \text{Initial USD} \\
 & & & & \text{Participation} & & \text{Index Level} & - & \text{Index Level} \\
 & & & & \text{Rate} & & \text{-----} & & \text{-----} \\
 (2) & \$1,000 & \times & & & \times & & & \\
 & & & & & & & & \text{Initial USD Index Level}
 \end{array}$$

- o If the Final USD Index Level is less than the Initial USD Index Level and the Closing USD Index Level is at or above the Threshold Level on all Exchange Business Days during the Measurement Period, \$1,000.
- o If the Final USD Index Level is less than the Initial USD Index Level and the Closing USD Index Level has fallen below the Threshold Level on any Exchange Business Day during the Measurement Period, the product of:
 - (1) \$1,000, and
 - (2)
$$\begin{array}{r}
 \text{Final USD Index Level} \\
 \text{-----} \\
 \text{Initial USD Index Level}
 \end{array}$$

If requested by the Trustee, the Maturity Payment Amount shall be determined by the Calculation Agent pursuant to the Calculation Agency Agreement.

"Measurement Period" shall mean the period from November 10, 2004 to and including the Valuation Date.

"Nasdaq" shall mean The Nasdaq Stock Market, Inc.

"NYSE" shall mean The New York Stock Exchange, Inc.

"Relevant Exchange" shall mean, at any particular time, for any security (or any combination thereof) then included in the Index or any Successor Index or used in determining the Closing Index Level pursuant to the Calculation Agency Agreement, the primary exchange, quotation system (which includes bulletin board services) or other market of trading for such security.

"Securities" shall have the meaning set forth on the reverse of this Security.

"Security" shall have the meaning set forth on the face of this Security.

"Stated Maturity Date" shall mean November 15, 2009 (or if November 15, 2009 is not a Business Day, on the next Business Day); provided, that if the Valuation Date is postponed because of the occurrence of a Market Disruption Event or because such day is not an Exchange Business Day, the Stated

Maturity Date shall be the third Business Day following the date that the Final USD Index Level on the postponed Valuation Date is determined.

"STOXX Limited" shall mean the joint venture of Deutsche Boerse AG, Dow Jones & Company, Inc. and the SWX Group, which, among other things, currently calculates the Index.

"Successor Index" shall mean such substitute index as the Calculation Agent may select pursuant to the Calculation Agency Agreement upon discontinuance of the Index.

"Threshold Level" shall mean 2146.0013, as it may be adjusted from time to time by the Calculation Agent to the extent it believes appropriate, in a manner consistent with the adjustments to the method of calculation of the Index or the Successor Index described in the Calculation Agency Agreement.

"Trustee" shall have the meaning set forth on the reverse of this Security.

"Upside Participation Rate" shall mean 114.2%.

"Valuation Date" shall mean November 11, 2009; provided that if a Market Disruption Event occurs on such day or if such day is not an Exchange Business Day, then the Valuation Date shall be the next Exchange Business Day on which no Market Disruption Event occurs.

All terms used but not defined in this Security are used herein as defined in the Calculation Agency Agreement or the Indenture.

The following abbreviations, when used in the inscription on the face of the within Security, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIFT MIN ACT - _____ Custodian _____ (Cust) (Minor)
TEN ENT -	as tenants by the entireties	under Uniform Gifts to Minors
JT TEN -	as joint tenants with right of Survivorship and not as tenants in	Act _____ (State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Name and Address of Assignee, including zip code, must be printed or typewritten.)

the within Security, and all rights thereunder, hereby irrevocably constituting and appointing

to transfer the said Security on the books of the Company, with full power of substitution in the premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Security in every particular, without alteration or enlargement or any change whatever.

Signature(s) Guaranteed:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED MEDALLION SIGNATURE GUARANTEE PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

CALCULATION AGENCY AGREEMENT

CALCULATION AGENCY AGREEMENT, dated as of November 15, 2004 (the "Agreement"), between Lehman Brothers Holdings Inc. (the "Company") and Lehman Brothers Inc., as Calculation Agent.

WHEREAS, the Company has authorized the issuance of up to \$5,732,000 aggregate principal amount of Index-Plus Notes Due November 15, 2009, Performance Linked to the Dow Jones STOXX 50(SM) Index (SX5P) (the "Securities");*

WHEREAS, the Securities will be issued under an Indenture, dated as of September 1, 1987, between the Company and Citibank, N.A., as Trustee (the "Trustee"), as supplemented and amended by supplemental indentures dated as of November 25, 1987, November 27, 1990, September 13, 1991, October 4, 1993, October 1, 1995 and June 26, 1997, and incorporating Standard Multiple Series Indenture Provisions dated July 30, 1987, as amended November 16, 1987 (collectively, the "Indenture"); and

WHEREAS, the Company requests the Calculation Agent to perform certain services described herein in connection with the Securities;

NOW THEREFORE, the Company and the Calculation Agent agree as follows:

1. Appointment of Agent. The Company hereby appoints Lehman Brothers Inc., as Calculation Agent, and Lehman Brothers Inc. hereby accepts such appointment as the Company's agent for the purpose of performing the services hereinafter described upon the terms and subject to the conditions hereinafter mentioned.

2. Calculations and Information Provided. In response to a request made by the Trustee for a determination of the Maturity Payment Amount due on the Stated Maturity Date of the Securities, the Calculation Agent shall determine such Maturity Payment Amount and notify the Trustee of its determination. The Calculation Agent shall also be responsible for (a) the determination of the Applicable USD/EUR Exchange Rate, (b) the determination of the Successor Index if publication of the Index is discontinued, (c) the determination of the Closing Index Level if no Successor Index is available or if STOXX Limited or the publisher of any Successor Index, as the case may be, fails to calculate and announce a Closing Index Level on any day, (d) adjustments to the Index, the Successor Index, the Closing Index Level or the Closing USD Index Level if the method of calculating any of these items changes in a material respect or if the Index or Successor Index is in any other way modified so that it does not, in the opinion of the Calculation Agent, fairly represent the value of the Index or Successor Index, as

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the case may be, had such changes or modifications not been made, (e) adjustments to the Threshold Level, if required in order to reflect adjustments made to the Index or Successor Index, and (f) the determination of whether a Market Disruption Event has occurred. The Calculation Agent shall notify the Trustee of all such determinations and adjustments or any such Successor Index, or if a Market Disruption Event has occurred. Annex A hereto sets forth the procedures the Calculation Agent will use in making the determinations, adjustments or calculations described in this Section 2.

3. Calculations. Any calculation or determination by the Calculation Agent pursuant hereto shall (in the absence of manifest error) be final and binding. Any calculation made by the Calculation Agent hereunder shall, at the Trustee's request, be made available at the Corporate Trust Office.

4. Fees and Expenses. The Calculation Agent shall be entitled to reasonable compensation for all services rendered by it as agreed to between the Calculation Agent and the Company.

5. Terms and Conditions. The Calculation Agent accepts its obligations herein set out upon the terms and conditions hereof, including the following, to all of which the Company agrees:

(a) in acting under this Agreement, the Calculation Agent is acting solely as an independent expert of the Company and does not assume any obligation toward, or any relationship of agency or trust for or with, any of the holders of the Securities;

(b) unless otherwise specifically provided herein, any order, certificate, notice, request, direction or other communication from the Company or the Trustee made or given under any provision of this Agreement shall be sufficient if signed by any person whom the Calculation Agent reasonably believes to be a duly authorized officer or attorney-in-fact of the Company or the Trustee, as the case may be;

(c) the Calculation Agent shall be obliged to perform only such duties as are set out specifically herein and any duties necessarily incidental thereto;

(d) the Calculation Agent, whether acting for itself or in any other capacity, may become the owner or pledgee of Securities with the same rights as it would have had if it were not acting hereunder as Calculation Agent; and

(e) the Calculation Agent shall incur no liability hereunder except for loss sustained by reason of its gross negligence or willful misconduct.

6. Resignation; Removal; Successor. (a) The Calculation Agent may at any time resign by giving written notice to the Company of such intention on its part, specifying the date on which its desired resignation shall become effective, subject to the appointment of a successor Calculation Agent and acceptance of such appointment by such successor Calculation Agent, as hereinafter provided. The Calculation Agent hereunder may be removed at any time

by the filing with it of an instrument in writing signed by or on behalf of the Company and specifying such removal and the date when it shall become effective. Such resignation or removal shall take effect upon the appointment by the Company, as hereinafter provided, of a successor Calculation Agent and the

acceptance of such appointment by such successor Calculation Agent. In the event a successor Calculation Agent has not been appointed and has not accepted its duties within 90 days of the Calculation Agent's notice of resignation, the Calculation Agent may apply to any court of competent jurisdiction for the designation of a successor Calculation Agent.

(b) In case at any time the Calculation Agent shall resign, or shall be removed, or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or make an assignment for the benefit of its creditors or consent to the appointment of a receiver or custodian of all or any substantial part of its property, or shall admit in writing its inability to pay or meet its debts as they mature, or if a receiver or custodian of it or all or any substantial part of its property shall be appointed, or if any public officer shall have taken charge or control of the Calculation Agent or of its property or affairs, for the purpose of rehabilitation, conservation or liquidation, a successor Calculation Agent shall be appointed by the Company by an instrument in writing, filed with the successor Calculation Agent. Upon the appointment as aforesaid of a successor Calculation Agent and acceptance by the latter of such appointment, the Calculation Agent so superseded shall cease to be Calculation Agent hereunder.

(c) Any successor Calculation Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor, to the Company and to the Trustee an instrument accepting such appointment hereunder and agreeing to be bound by the terms hereof, and thereupon such successor Calculation Agent, without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as Calculation Agent hereunder, and such predecessor, upon payment of its charges and disbursements then unpaid, shall thereupon become obligated to transfer, deliver and pay over, and such successor Calculation Agent shall be entitled to receive, all moneys, securities and other property on deposit with or held by such predecessor, as Calculation Agent hereunder.

(d) Any corporation into which the Calculation Agent hereunder may be merged or converted or any corporation with which the Calculation Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Calculation Agent shall be a party, or any corporation to which the Calculation Agent shall sell or otherwise transfer all or substantially all of the assets and business of the Calculation Agent shall be the successor Calculation Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto.

7. Certain Definitions. Terms not otherwise defined herein or in Annex A hereto are used herein as defined in the Indenture or the Securities.

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8. Indemnification. The Company will indemnify the Calculation Agent against any losses or liability which it may incur or sustain in connection with its appointment or the exercise of its powers and duties hereunder except such as may result from the gross negligence or willful misconduct of the Calculation Agent or any of its agents or employees. The Calculation Agent shall incur no liability and shall be indemnified and held harmless by the Company for, or in respect of, any action taken or suffered to be taken in good faith by the Calculation Agent in reliance upon written instructions from the Company.

9. Notices. Any notice required to be given hereunder shall

be delivered in person, sent (unless otherwise specified in this Agreement) by letter, telex or facsimile transmission or communicated by telephone (confirmed in a writing dispatched within two Business Days), (a) in the case of the Company, to it at 745 Seventh Avenue, New York, New York 10019 (facsimile: (646) 758-3204) (telephone: (212) 526-7000), Attention: Treasurer, with a copy to 399 Park Avenue, New York, New York 10022 (facsimile: (212) 526-0357) (telephone: (212) 526-7000), Attention: Corporate Secretary, (b) in the case of the Calculation Agent, to it at 745 Seventh Avenue, New York, New York 10019 (facsimile: (646) 758-4942) (telephone: (212) 526-7000), Attention: Equity Derivatives Trading and (c) in the case of the Trustee, to it at 388 Greenwich Street, 14th Floor, New York, New York 10013 (facsimile: (212) 816-5527) (telephone: (212) 816-5773), Attention: Agency and Trust or, in any case, to any other address or number of which the party receiving notice shall have notified the party giving such notice in writing. Any notice hereunder given by telex, facsimile or letter shall be deemed to be served when in the ordinary course of transmission or post, as the case may be, it would be received.

10. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

11. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

12. Benefit of Agreement. This Agreement is solely for the benefit of the parties hereto and their successors and assigns, and no other person shall acquire or have any rights under or by virtue hereof.

IN WITNESS WHEREOF, this Calculation Agency Agreement has been entered into as of the day and year first above written.

LEHMAN BROTHERS HOLDINGS INC.

By: _____
Name:
Title:

LEHMAN BROTHERS INC.,
as Calculation Agent

By: _____
Name:
Title:

ANNEX A

1. The Index.

The Index is the Dow Jones STOXX 50 Index (the "Index"), as calculated, published and reported by STOXX Limited, a joint venture of Deutsche Boerse AG, Dow Jones & Company, Inc. and the SWX Group ("STOXX Limited"). Dow Jones & Company, Inc. compiles and maintains the Index, as well as the proprietary data contained therein.

The Index is a free-float, market capitalization-weighted index of 50 securities, and it is currently designed to provide a European blue-chip representation of market sector leaders on the major exchanges of 17 European countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. Index components are selected from the Dow Jones STOXX(SM) 600, which represents the 600 largest securities traded on all major European exchanges. The Index is calculated and reported, in euros, by STOXX Limited. The Index does not include the value of dividends paid on shares of the component securities. As of November 10, 2004, the 50 companies included in the Index were divided into the following market sectors: Consumer Discretion, Consumer Staples, Energy, Financial Services, Healthcare, Industrials, Information Technology, Materials, Telecom Services and Utilities (each company is classified in only one Dow Jones STOXX market sector, such classification being based on the company's primary revenue source). As of November 10, 2004, the components comprising the Index came from only 10 of the potential 17 countries: Belgium, Finland, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland and United Kingdom.

2. Determination of the Maturity Payment Amount.

The Calculation Agent shall, at the request of the Trustee, determine the amount payable on the Stated Maturity Date for each \$1,000 principal amount of Securities (the "Maturity Payment Amount").

The Maturity Payment Amount shall be the following:

- o If the Final USD Index Level is greater than or equal to the Initial USD Index Level, the sum of:

(1) \$1,000, and

			Upside				
(2)	\$1,000	x	Participation	x	Final USD	-	Initial USD
			Rate		Index Level		Index Level

					Initial USD Index Level		

- o If the Final USD Index Level is less than the Initial USD Index Level and the Closing USD Index Level is at or above the Threshold Level on all Exchange Business Days

during the Measurement Period, \$1,000.

- o If the Final USD Index Level is less than the Initial USD Index Level and the Closing USD Index Level has fallen below the Threshold Level on any Exchange Business Day during the Measurement Period, the product of:

(1) \$1,000, and

(2)
$$\frac{\text{Final USD Index Level}}{\text{Initial USD Index Level}}$$

3. Discontinuance of the Index.

(a) If STOXX Limited discontinues publication of the Index, and STOXX Limited and another entity publish a successor or substitute index (the "Successor Index") that the Calculation Agent determines, in its sole discretion exercised in good faith, to be comparable to the discontinued Index, then the Calculation Agent shall determine the Closing Index Level to be used for purposes of (x) determining whether the Closing USD Index Level has fallen below the Threshold Level on any Exchange Business Day during the Measurement Period and (y) computing the Maturity Payment Amount by reference to the Closing Index Level of such Successor Index on the applicable date.

(b) Upon any selection by the Calculation Agent of a Successor Index, the Company shall promptly give notice to the holders of the Securities.

(c) If (i) on any date prior to and including the Valuation Date, STOXX Limited discontinues publication of the Index and the Calculation Agent determines that no Successor Index is available at such time or (ii) STOXX Limited or the publisher of any Successor Index, as the case may be, fails to calculate and announce a Closing Index Level for the Index or Successor Index, as the case may be, on any date when it would ordinarily calculate and announce such Closing Index Level in accordance with its customary practice, then, in the case of either (i) or (ii), on such date, the Calculation Agent shall determine the Closing Index Level to be used for purposes of (x) determining whether the Closing USD Index Level has fallen below the Threshold Level on any Exchange Business Day during the Measurement Period and (y) computing the Maturity Payment Amount. The Closing Index Level shall be computed by the Calculation Agent in such circumstances in accordance with the formula for, and method of, calculating the Index or Successor Index, as the case may be, last in effect prior to such discontinuance, using the closing price (or, if trading in any of the relevant securities has been materially suspended or materially limited, its good faith estimate of the closing price that would have prevailed but for such suspension or limitation) at the Close of Trading on such date of each security most recently comprising the Index or Successor Index, as the case may be, on the Relevant Exchange for such security.

4. Alteration of Method of Calculation.

If at any time the method of calculating the Index, a Successor Index, the Closing Index Level or the Closing USD Index Level is changed in a material respect, or if the Index or a Successor Index is in any other way modified so that the Index or such Successor Index does not,

in the opinion of the Calculation Agent, fairly represent the value of the Index or such Successor Index had such changes or modifications not been made, then, from and after such time, the Calculation Agent will make such calculations and adjustments as, in the good faith judgment of the Calculation Agent, may be necessary in order to arrive at a level of a stock index comparable to the Index or such Successor Index, as the case may be, as if such changes or modifications had not been made. The Calculation Agent will then calculate the Final USD Index Level (and the Maturity Payment Amount) with reference to the Index or such Successor Index, as adjusted. Accordingly, if the method of calculating the Index or a Successor Index is modified so that the level of such index is a fraction of what it would have been if it had not been modified (for example, due to a split in the index), then the Calculation Agent shall adjust such index in order to arrive at a level of the Index or such Successor Index as if it had not been modified (for example, if such split had not occurred).

5. Definitions.

Set forth below are the terms used in the Agreement and in this Annex A.

"Agreement" shall have the meaning set forth in the preamble to this Agreement.

"AMEX" shall mean the American Stock Exchange LLC.

"Applicable USD/EUR Exchange Rate" shall mean the U.S. dollar/euro exchange rate (expressed as the number of U.S. dollars per euro), as of the time the relevant USD Index Level is calculated, as determined by the Calculation Agent.

"Business Day", notwithstanding any provision in the Indenture, shall mean any day that is not a Saturday, a Sunday or a day on which the NYSE, Nasdaq or AMEX is not open for trading or banking institutions or trust companies in the City of New York are authorized or obligated by law or executive order to close.

"Calculation Agent" shall mean the person that has entered into an agreement with the Company providing for, among other things, the determination of the Maturity Payment Amount, which term shall, unless the context otherwise requires, include its successors and assigns. The initial Calculation Agent shall be Lehman Brothers Inc.

"Close of Trading" shall mean, in respect of any Relevant Exchange, the scheduled weekday closing time on a day on which the Relevant Exchange is scheduled to be open for trading for its regular trading session, without regard to after hours or any other trading outside of the regular trading session hours.

"Closing Index Level" of the Index (or any Successor Index) on any particular day shall mean the official closing level of the Index (or any Successor Index), as reported by STOXX Limited (or of any Successor Index, as reported by the publisher of such Successor Index) on such day, or in the circumstances described in Section 3(c) of this Annex A, the Closing Index Level computed as described in Section 3(c) of this Annex, all as determined by the Calculation Agent pursuant to this Agreement.

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"Closing USD Index Level" on any particular day shall mean the Closing Index Level of the Index on such day, multiplied by the Applicable USD/EUR Exchange Rate, as determined by the Calculation Agent.

"Company" shall have the meaning set forth in the preamble to this Agreement.

"Exchange Business Day" shall mean any day on which (a) the Index or any Successor Index is calculated and announced by its publisher or (b) if the Calculation Agent has determined that no Successor Index is available or STOXX Limited or the publisher of any Successor Index, as the case may be, fails to calculate and announce a Closing Index Level for the Index or Successor Index, as the case may be, on any date when it would ordinarily calculate and announce such Closing Index Level in accordance with its customary practice, the Calculation Agent calculates the Closing Index Level pursuant to Section 3(c) of this Annex A.

"Final USD Index Level" shall equal the Closing USD Index Level on the Valuation Date.

"Indenture" shall have the meaning set forth in the preamble to this Agreement.

"Index" shall have the meaning set forth in Section 1 of this Annex A.

"Initial USD Index Level" shall equal 3576.6688, the Closing USD Index Level on November 10, 2004.

"Market Disruption Event", with respect to the Index, shall mean the Calculation Agent has determined in its sole discretion that any of the following events has occurred:

(a) A material suspension of, or limitation imposed on, trading relating to the securities that then comprise 20% or more of the Index or any Successor Index, by the Relevant Exchanges on which those securities are traded, at any time during the one-hour period that ends at the Close of Trading on such day, whether by reason of movements in price exceeding limits permitted by that Relevant Exchange or otherwise.

(b) A material suspension of, or limitation imposed on, trading in futures or options contracts relating to the Index or any Successor Index by the primary exchange or quotation system on which those futures or options contracts are traded, at any time during the one-hour period that ends at the close of trading for that primary exchange or quotation system on such day, whether by reason of movements in price exceeding limits permitted by that primary exchange or quotation system or otherwise.

(c) Any event, other than an early closure, that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, the securities that then comprise 20% or more of the Index or any Successor Index, on the Relevant Exchanges on which those securities are traded at any time during the one-hour period that ends at the close of trading on such day.

(d) Any event, other than an early closure, that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, the

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futures or options contracts relating to the Index or any Successor Index on the primary exchange or quotation system on which those futures or options contracts are traded at any time during the one-hour period that ends at the close of trading for that primary exchange or quotation system on such day.

(e) The closure of the Relevant Exchanges on which the securities that then comprise 20% or more of the Index or any Successor Index are traded or on which futures or options contracts relating to the Index or any Successor Index are traded prior to its scheduled closing time

unless the earlier closing time is announced by the Relevant Exchanges at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on the Relevant Exchanges and (b) the submission deadline for orders to be entered into the Relevant Exchanges for execution at the Close of Trading on such day.

(f) The Company, or any of its affiliates, is unable, after using commercially reasonable efforts to unwind or dispose of, or realize, recover or remit the proceeds of, any transactions or assets it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Securities.

For purposes of determining whether a Market Disruption Event has occurred, the relevant percentage contribution of a security to the level of the Index or any Successor Index will be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of the Market Disruption Event.

"Maturity Payment Amount" shall have the meaning set forth in Section 2 of this Annex A.

"Measurement Period" shall mean the period from November 10, 2004 to and including the Valuation Date.

"Nasdaq" shall mean The Nasdaq Stock Market, Inc.

"NYSE" shall mean The New York Stock Exchange, Inc.

"Relevant Exchange" shall mean, at any particular time, for any security (or any combination thereof) then included in the Index or any Successor Index or used in determining the Closing Index Level in the circumstances described in Section 3(c) of this Annex A, the primary exchange, quotation system (which includes bulletin board services) or other market of trading for such security.

"Securities" shall have the meaning set forth in the preamble to this Agreement.

"Stated Maturity Date" shall mean November 15, 2009 (or if November 15, 2009 is not a Business Day, on the next Business Day); provided, that if the Valuation Date is postponed because of the occurrence of a Market Disruption Event or because such day is not an Exchange Business Day, the Stated Maturity Date shall be the third Business Day following the date that the Final USD Index Level on the postponed Valuation Date is determined.

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"STOXX Limited" shall have the meaning set forth in Section 1 of this Annex A.

"Successor Index" shall have the meaning set forth in Section 3(a) of this Annex A.

"Threshold Level" shall mean 2146.0013, as it may be adjusted from time to time by the Calculation Agent to the extent it believes appropriate, in a manner consistent with the adjustments to the method of calculation of the Index or a Successor Index described in Sections 3 and 4 of this Annex A and under the circumstances described in Sections 3 and 4 of this Annex A.

"Trustee" shall have the meaning set forth in the preamble to this Agreement.

"Upside Participation Rate" shall mean 114.2%.

"Valuation Date" shall mean November 11, 2009; provided that if a Market Disruption Event occurs on such day or if such day is not an Exchange Business Day, then the Valuation Date shall be the next Exchange

Business Day on which no Market Disruption Event occurs.

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