



EMPIRE RELATIONS GROUP PRESENTS THE

Sept 16, 2005
Non-Client

GOLD STAR REPORT™

Overview

About Us

Lehman Brothers Holdings, Inc. offers an array of equities and fixed income sales, trading, research, investment banking services, and investment management. Its services also include prime brokerage, underwriting public and private offerings, real estate, bank loans, foreign exchange, and wealth advisory services.

Key Points

- Been in existence since 1850
- Member of S&P 100 and NYSE member since 1887
- \$4.7 billion in cash and equivalents
- Provides investment research and advisement, via in-house analysts and stockbrokers

Disclaimer

This Gold Star Report™ contains certain forward-looking statements which involve known and unknown risks, delays, uncertainties, and other factors, not under the Company's control, which may cause actual results, performance, or achievements of the Company to be materially different from the results, performance, or other expectations implied by these forward looking statements. This Profile is prepared for general information only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this profile. The information and statistical data contained within have been obtained from sources believed to be reliable but in no way are warranted as to accuracy or completeness. This is not a solicitation of any offer to buy or sell. Empire Relations Group Inc., its affiliates, directors, officers, employees and employee benefit programs do not maintain an equity position, either long or short, in this security at this time. Empire Relations Group Inc. has not received any compensation for the production of this Gold Star Report. Copyright 2005. Empire Relations Group Inc. All rights reserved.

While the financial sector of the market rarely has the bells and whistles that drive the Internet, telecommunications and biotech, it is a mainstay of the markets. The financial sector is essential for the growth of new technologies and breakthroughs, while supporting established industry and providing access to funds from a local ATM to global currency exchanges. This business sector includes local banks and thrifts, money center banks, the start-up online trading service and the providers of financial services to governments. In this GoldStar Report, we peer at the financial sector and specifically at Lehman Brothers Holdings, Inc.

Lehman Brothers Holdings, Inc. (NYSE: LEH) has not always been a member of the S&P 100, S&P 500, or the New York Stock Exchange. Originally founded in 1850 in the American South by German immigrant Henry Lehman, the company moved to New York City after the Civil War. Once in New York, the company helped to establish the Cotton Exchange and joined the NYSE in 1887. Over the years, the company has been involved with the growth of America on various levels, from railroad bonds, to arranging financings for 20th Century Fox and Paramount. Over the years, Lehman Brothers has also completed successful IPO's for companies such as Hertz and many others. It's hard to say if Mr. Henry Lehman ever imagined his company would one day be a financial leader with assets totaling over 381 billion dollars.

Today the company continues to grow with the country, being the first to underwrite corporate debt on the Internet. The company's operations spread diversely across the financial field including institutional customer flow activities, prime brokerage, research, emerging market securities; mortgage- and asset-backed securities and many others. Net revenues for the company (quarter ending August 31, 2005) totaled 879 million dollars, with total revenues of 3.9 billion dollars over nine months. Total shares outstanding exceed 272 million and market cap is approximately 29 billion. With a book value of \$54.91, insiders of the company include Citigroup, Barclays Bank PLC, Morgan Stanley, Putnam Investment Management and AXA to name a few.

As with all investments, no one criterion is the secret to success. There are many factors that must be evaluated on any investment, including history, industry, world and personal economics. Perhaps as Warren Buffett has said, "Only buy something that you'd be perfectly happy to hold if the market shut down for 10 years." Prior to any investment speak with your financial advisor.

Please consult with a qualified investment professional. [Please read the disclaimer printed in this page.](#)

Key Information

Divisions

Lehman Brothers operates in equity and fixed income sales, trading and research, investment banking, private investment management, asset management and private equity in local and international markets.

Equities - The Company provides services in U.S. listed and pan-European securities, electronic connectivity, equity research, program trading, options, exchange-traded funds, convertibles, and prime brokerage operations.

Fixed Income - The Company is a leading global market maker in U.S., European and Asian government securities, money market products, corporate high grade and high yield securities, mortgage- and asset-backed securities, preferred stock, bank loans, foreign exchange and derivative products.

Investment Banking - The Company is a global investment bank with investment bankers in 25 offices in 15 countries across the globe. The Investment Banking Division provides comprehensive financial advisory and capital raising services to corporations and governments worldwide.

Lehman Brothers Bank FSB - Lehman Brothers Bank FSB is a wholly owned subsidiary of the Company. The Bank is a member of the Federal Home Loan Bank System. Deposits are insured by the Savings Association Insurance Fund, which is administered by the Federal Deposit Insurance Corporation.

Investment Management - Investment Management encompasses Private Investment Management, Asset Management, and Private Equity. Services included within these divisions are wealth advisory, privately negotiated transactions, and a variety of distribution channels to individuals and institutions.

In the News

- **Sept 16, 2005** - The Company has announced it raised 3.5 billion dollars for a real estate opportunity fund, Lehman Brothers Real Estate Partners II and mezzanine investment fund, Lehman Brothers Real Estate Mezzanine Partners.
- **Sept 15, 2005** - The Company announced the launch of the PDX Index, comprised of 40 preferred credit default swaps, after the success of the PDCS product.
- **Sept 14, 2005** - The Company announced third quarter earnings for the quarter ending August 31, 2005, with record net income of \$879 million or \$2.94 per common share (diluted).

Stock Information

Current Stock Price	\$113.21
52 Week Low	\$75.30
52 Week High	\$115.00
Stock Symbol	LEH
Exchange	NYSE
Shares Outstanding	272,140,116

Financial Information

Net Revenues	\$879 million (8/31/05)
Total Revenues	\$3.9 billion
Total Assets	\$381 billion
Market Cap	\$30.81billion

Management

Richard s. Fuld Jr.	Chairman, CEO
Joseph M. Gregory	Pres, COO
David Goldfarb	CAO
Thomas A. Russo	Chief Legal OFC

Headquarters

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All dollar figures are in U.S. dollars.

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