

CBond

17/5

Amended and Restated Pricing Supplement dated 12 May 2005 replacing Pricing Supplement
Dated 28 April 2005

EXECUTION COPY

LEHMAN BROTHERS TREASURY CO. B.V.

**Issue of EUR 125,000,000 Callable Fixed Rate/CMS-Linked Notes 2005 due May 2035
Guaranteed by Lehman Brothers Holdings Inc.
under the U.S.\$25,000,000,000
Euro Medium-Term Note Program**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 18 August 2004. This Pricing Supplement must be read in conjunction with such Information Memorandum.

This Pricing Supplement together with the Information Memorandum should be regarded as a prospectus as referred to in Article 1 of the Listing and Issuing Rules (*Fondsenreglement*) of Euronext Amsterdam N.V. ("Euronext Amsterdam").

Application has been made for the Notes to be listed on Eurolist by Euronext Amsterdam.

In conformity with article 14.1 of the Listing Procedure Rules (*Reglement Procedure Beursnotering*) of Euronext Amsterdam (the "Listing Procedure Rules"), ABN AMRO Bank N.V. in its capacity as Amsterdam listing agent (the "Amsterdam Listing Agent") has not made a due diligence examination with respect to the Information Memorandum pursuant to the Listing Procedure Rules in connection with the Notes.

As long as the Notes are listed on Euronext Amsterdam, the Issuer will comply with the provisions set forth in Article 2.1.20 section a-g of Schedule B of the listing and issuing rules (*Fondsenreglement*) of Euronext Amsterdam or any amended form of the said provisions in force for the time being.

- | | | |
|----|-----------------------------------|-----------------------------------|
| 1. | (i) Issuer: | Lehman Brothers Treasury Co. B.V. |
| | (ii) Guarantor: | Lehman Brothers Holdings Inc. |
| 2. | (i) Series Number: | 2744 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Euro ("EUR") |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | EUR 125,000,000 |
| | (ii) Tranche: | EUR 125,000,000 |

- | | | |
|-----|---|---|
| 5. | (i) Issue Price: | 100.00 per cent. of the Aggregate Nominal Amount |
| | (ii) Net Proceeds: | EUR 125,000,000 |
| 6. | Specified Denominations: | EUR 1,000 |
| 7. | Issue Date: | 17 May 2005 |
| 8. | Maturity Date: | 17 May 2035 |
| 9. | Interest Basis: | Fixed Rate/Index-Linked Interest
(further particulars specified below) |
| 10. | Redemption/Payment Basis: | Redemption at par |
| 11. | Change of Interest or Redemption/Payment Basis: | Fixed Rate, for the period from and including the Issue Date to but excluding 17 May 2010;

Index-Linked Interest, for the period from and including 17 May 2010 to but excluding the Maturity Date |
| 12. | Put/Call Options: | Issuer Call
(further particulars specified below) |
| 13. | (i) Status of the Notes: | Senior Notes |
| 14. | (ii) Status of the Guarantee: | Senior Guarantee |
| 15. | Listing: | Application has been made for the Notes to be listed on Euronext Amsterdam |
| 16. | Method of distribution: | Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|-----------------------------------|---|
| 17. | Fixed Rate Note Provisions | Applicable |
| | (i) Fixed Rate of Interest: | 7.00 per cent. per annum payable annually in arrear |
| | (ii) Interest Payment Dates: | 17 May in each year, from and including 17 May 2006 up to and including the 17 May 2010, subject to adjustment in accordance with the Business Day Convention |
| | (iii) Fixed Coupon Amount: | EUR 70.00 per Note of EUR 1,000 Specified Denomination |
| | (iv) Fixed Day Count Fraction: | Act/Act (ISMA), unadjusted |

- | | |
|---|--|
| (v) Broken Amount: | Not Applicable |
| (vi) Other terms for calculating interest for Fixed Rate Notes: | Not Applicable |
| (vii) Business Day Convention: | Following Business Day Convention |
| (viii) Additional Business Centre(s) | Not Applicable |
| 18. Floating Rate Note Provisions | Not Applicable |
| 19. Zero Coupon Note Provisions | Not Applicable |
| 20. Index-Linked Interest Note Provisions | Applicable |
| (i) Index/Formula | <p>In respect of each Specified Denomination and each Interest Period from and including 17 May 2010, the Rate of Interest per annum ("R") shall be determined by the Calculation Agent in accordance with the following formula:</p> $R = 4 \times (\text{CMS 10Y} - \text{CMS 2Y})$ <p>subject to a Minimum Rate of Interest of 2.00 per cent. per annum and a Maximum Rate of Interest of 9.00 per cent. per annum</p> <p>Where:</p> <p>"CMS 2Y" means the rate for EUR swap transactions with a maturity of two years, expressed as a percentage, which appears on the Reuters Screen ISDAFIX2 (or any successor to that page) under the heading "EURIBOR BASIS - EUR" and above the caption "11:00 AM C.E.T." as of 11:00 a.m., Frankfurt time on the day that is two TARGET Settlement Days preceding each Reset Date (the "Interest Determination Date")</p> <p>"CMS 10Y" means the rate for EUR swap transactions with a maturity of ten years, expressed as a percentage, which appears on the Reuters Screen ISDAFIX2 (or any successor to that page) under the heading "EURIBOR BASIS - EUR" and above the caption "11:00 AM C.E.T." as of 11:00 a.m., Frankfurt time on the relevant Interest Determination Date</p> <p>PROVIDED THAT, if on any Interest Determination Date the Calculation Agent determines in its sole and absolute discretion that either CMS 2Y or CMS 10Y:</p> |

- does not appear on the Reuters Screen ISDAFIX2 (or any successor page to that page); or
- for any other reason, is unavailable or cannot reasonably be calculated,

Then, in relation to that Interest Determination Date, CMS 2Y or CMS 10Y, as the case may be, will be the rate determined by the Calculation Agent as the EUR-Annual Swap Rate-Reference Banks as defined in Section 7.1(e)(xxii) of the Annex to the 2000 ISDA Definitions (June 2000 Version) with a Designated Maturity of two years (in relation to 2Y CMS) and ten years (in relation to 10Y CMS), provided, however, that this rate shall be determined as if "EUR-ISDA-EURIBOR Swap Rate-11.00" had been elected.

"Reset Date" means the first day of each Interest Period

- | | |
|--|---|
| (ii) Calculation Agent responsible for calculating the interest due: | Lehman Brothers International (Europe) |
| (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: | See 20(i) above |
| (iv) Interest Payment Date(s): | 17 May in each year, from and including 17 May 2011 up to and including the Maturity Date, subject to adjustment in accordance with the Business Day convention |
| (v) Business Day Convention: | Following Business Day Convention |
| (vi) Additional Business Centre(s): | Not Applicable |
| (vii) Minimum Interest Rate: | 2.00 per cent. per annum |
| (viii) Maximum Interest Rate: | 9.00 per cent. per annum |
| (ix) Interest Determination Date: | See 20(i) above |
| (x) Day Count Fraction: | Act/Act (ISMA), unadjusted |
| 21. Dual Currency Note Provisions | Not Applicable |
| PROVISIONS RELATING TO REDEMPTION | |
| 22. Call Option | Applicable |

- | | |
|---|--|
| (i) Optional Redemption Dates (Call): | 17 May 2015, 17 May 2020, 17 May 2025 and 17 May 2030 |
| (ii) Optional Redemption Amount(s) of each Note (Call) and method, if any, of calculation of such amount(s): | EUR 1,000 per EUR 1,000 Specified Denomination |
| (iii) If redeemable in part: | Not Applicable |
| (iv) Notice Period (if other than set out in the Conditions): | 5 Business Days prior to each Optional Redemption Date |
| 23. Put Option | Not Applicable |
| 24. Final Redemption Amount of each Note | EUR 1,000 per EUR 1,000 Specified Denomination |
| 25. Early Redemption Amount of each Note | |
| Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same (if required or if different from that set out in the Conditions): | In respect of each Note, an amount equal to the fair market value (less the reasonable cost to the Issuer of unwinding any related hedging arrangements) of such Note, together with any interest accrued but unpaid, on such day as is selected by the Calculation Agent in its sole and absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note) |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | |
|---|--|
| 26. Form of Notes: | Interests in a temporary global Note in bearer form are exchangeable for interests in a permanent global Note in bearer form |
| 27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Not Applicable |
| 28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 29. Details relating to Instalment Notes: Instalment Amounts and Instalment Dates: | Not Applicable |
| 30. Details relating to Extendible Notes: | Not Applicable |

- | | | |
|-----|--|--|
| 31. | Details relating to Renewable Notes: | Not Applicable |
| 32. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 33. | Consolidation provisions: | Not Applicable |
| 34. | Other terms or special conditions: | Business Days: a "Business Day" is a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and (ii) the TARGET System is open |

DISTRIBUTION

- | | | |
|-----|---------------------------------------|---|
| 35. | (i) If syndicated, names of Managers: | Co-Lead Manager and Bookrunner:
Lehman Brothers International (Europe);

Co-Lead Manager: ING Belgium NV/SA |
| | (ii) Stabilising Manager (if any): | Not Applicable |
| 36. | If non-syndicated, name of Dealer: | Not Applicable |
| 37. | Selling restrictions: | Republic of Italy:

The offering of the Notes has not been registered with the Commissione Nazionale per la Società e la Borsa ("CONSOB") (the Italian securities exchange commission) pursuant to the Italian securities legislation and, accordingly, the Notes may not be offered, sold or delivered nor any copies of the Pricing Supplement (or any other document relating to the Notes) distributed, in the Republic of Italy ("Italy") in a solicitation to the public at large (<i>sollecitazione all'investimento</i>), and the Notes shall only be offered or sold (as the case may be) in Italy if and to the extent that:

(i) the Notes are offered or sold to professional investors (<i>operatori qualificati</i>), as defined in Article 31, second paragraph of CONSOB Regulation |

No 11522 of 1 July 1998 (the "Regulation No 11522"), as amended, and effected in compliance with the terms and procedures provided therein; or

(ii) the Notes are offered or sold in circumstances which are exempted from the rules of solicitation of investments pursuant to Article 100 of Legislative Decree No 58 of 24 February 1998 (the "Financial Services Act") and Article 33, first paragraph, of CONSOB Regulation No 11971 of 14 May 1999 (the "Regulation No 11971"); or

(iii) the Notes are sold to a person located in Italy who submits an unsolicited offer to purchase the Notes,

and such sale or offer (as the case may be) shall in any event be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations.


Moreover and subject to the foregoing, the Notes may not be offered, sold or delivered and neither the Pricing Supplement nor any other material relating to the Notes may be distributed or made available in Italy unless such offer, sale or delivery of Notes or distribution or availability of copies of the Pricing Supplement or any other material relating to the Notes in the Italy is:

(i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No 385 of 1 September, 1993 (the "Italian Banking Act"), the Regulation No 11522, the Regulation No 11971 and any other applicable laws and regulations; and

(ii) in compliance with Article 129 of the Italian Banking Act and the implementing instructions of the Bank of Italy, pursuant

to which the issue, trading or placement of debt securities in Italy is subject to prior notification to the Bank of Italy, unless an exemption, depending inter alia on the amount of the issue and the characteristics of the securities, applies.

OPERATIONAL INFORMATION

38. ISIN Code: XS0218304458 
39. Common Code: 021830445
40. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
41. Delivery: Delivery against payment
42. The Aggregate Nominal Amount of Notes issued has been translated into U.S. Dollars at the rate of U.S. Dollars 1 = EUR 0.76611 producing a sum of (for Notes not denominated in U.S. Dollars): U.S. Dollars 163,161,948.03
43. Fondscode: 15348
44. The effective yield of the Notes: Not Applicable.
45. The use of proceeds of the Notes: General corporate purposes
46. Date of the resolution of the Board of Management: 16 August 2004
47. Amsterdam Paying Agent: ABN AMRO Bank N.V.
Kemelstede 2
4717 ST Breda
The Netherlands
48. Amsterdam Listing Agent: ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands
49. Notices: All notices to the holders of the Notes listed on Euronext Amsterdam will be validly given if published (in the English language) in at least one daily newspaper having general circulation in The Netherlands and in the Euronext Amsterdam Daily Official List ("Officiële



Prijscourant¹⁾ of Euronext Amsterdam. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the second Business Day after the date of such delivery.

RESPONSIBILITY AND CAPITALIZATION

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Since the last published annual accounts, there has been no material change in the capitalization of the Issuer.

LEHMAN BROTHERS TREASURY CO. B.V. as Issuer

By: 
 
 Authorized Signatory

INFORMATION ON THE RECENT TREND AND PROSPECTS OF THE GUARANTOR

The financial services industry is significantly influenced by worldwide economic conditions in both banking and capital markets. In calendar 2005, Lehman Brothers expects the U.S. and Asian (excluding Japan) economies to grow at 3.5% and 6.7% rates, respectively, while Lehman Brothers expects more moderate growth rates of 1.5% and 0.6% in Europe and Japan, respectively. Lehman Brothers believes the Fed will raise rates an additional 125 basis points, to 3.50% by mid-year—enough to slow growth and quell inflation pressures without creating the risk of a hard landing. Inflation remains a top concern of the Fed, even though price and wage pressures remain fairly muted. Measured Fed tightening amid solid gross domestic product growth and low inflation should help to create a benign interest rate environment in calendar 2005, as the capital markets have largely factored in expected rate increases. Lehman Brothers also anticipates the European Central Bank and Bank of Japan will remain on hold. Corporate profitability remains resilient, even though expectations have moderated compared with 2004. Although Lehman Brothers remains somewhat wary about geopolitical risk, the growing deficits in the U.S., and China's efforts to rein in growth, Lehman Brothers sees resiliency in the global economy as a whole.

Equity markets. The equity markets became more constructive in late 2004 after many of the uncertainties of the 2004 third and early fourth quarters played themselves out. After a round of postponements and cancellations during the summer of 2004, offering pipelines stabilized, and companies continue to seek to fund growth. Lehman Brothers expects the equity offering calendar to remain robust into 2005. Furthermore, reasonably strong corporate profitability and a benign inflation outlook would increase confidence in the marketplace.

Fixed income markets. Lehman Brothers sees continued signs of resiliency in the fixed income markets attributable to the expected measured pace of interest rate increases, stable credit spreads, the amount of debt maturing in 2005, and the expected increase in M&A-related financings. Fixed income activity is driven in part by absolute interest rates but also is highly correlated with the degree of volatility, the shape of the yield curve and the general improvement in credit quality which, in the aggregate, is contributing to a relatively healthy business environment. The investor base has changed dramatically from the long-only investors of a few years ago to a rapidly-growing hedge fund, and an expanding international investor base. Investors now employ far more developed risk mitigation tools to manage their portfolios. Unlike in 1994, the Fed has been far more transparent in communicating its intentions, and the market successfully absorbed five rate hikes in calendar 2004 and rallied in the process. In addition, the size and diversity of the global fixed income marketplace is significantly larger and broader than ever before and Lehman Brothers expects approximately USD 8.6 trillion of global fixed income origination in calendar 2005, a slight decrease from USD 8.8 trillion in calendar 2004.

Mergers and acquisitions. Companies remain interested in growth, and many have reduced their cost structures as far as possible. During 2004, Lehman Brothers saw increased activity from strategic buyers, and Lehman Brothers expects the M&A fee pool in 2005 to grow compared with 2004. At the same time, as companies seek to streamline operations or reduce debt, many are divesting non-core businesses, which is helping to drive M&A opportunities.

Asset management and high net worth. Lehman Brothers outlook for asset management and services to high-net-worth individuals is also positive, given favourable demographics and the trends toward pension reform, higher savings rates globally and intergenerational wealth transfer. The high-net-worth client increasingly seeks multiple providers and greater asset diversification along with a high service component. Lehman Brothers believes the significant expansion of its asset management business, and the generally strong investment-return performance of its asset managers in 2004 positions it well for growth in 2005.