

Pricing Supplement dated 9 June 2005

**LEHMAN BROTHERS TREASURY CO. B.V.**

**Issue of EUR 50,000,000 European Inflation Linked Notes due June 2017**

**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.

- |     |   |   |
|-----|---|---|
| 1.  | (i) Issuer:                                     | Lehman Brothers Treasury Co. B.V.   |
|     | (ii) Guarantor:                                 | Lehman Brothers Holdings Inc.   |
| 2.  | (i) Series Number:                              | 2814  |
|     | (ii) Tranche Number:                            | 1   |
| 3.  | Specified Currency or Currencies:               | Euro (" <b>EUR</b> ")   |
| 4.  | Aggregate Nominal Amount:                       |   |
|     | (i) Series:                                     | EUR 50,000,000  |
|     | (ii) Tranche:                                   | EUR 50,000,000  |
| 5.  | Issue Price:                                    | 100.75 per cent. of the Aggregate Nominal Amount  |
| 6.  | Specified Denomination(s):                      | EUR 1,000   |
| 7.  | Issue Date:                                     | 13 June 2005  |
| 8.  | Maturity Date:                                  | 13 June 2017  |
| 9.  | Interest Basis:                                 | Fixed Rate and Index-Linked Interest (further particulars specified below)  |
| 10. | Redemption/Payment Basis:                       | Redemption at par   |
| 11. | Change of Interest or Redemption/Payment Basis: | 1. From, and including, the Issue Date to, but excluding 13 June 2007: Fixed Rate; and<br>2. From, and including, 13 June 2007 to, but excluding, the Maturity Date: Index- |

		Linked Interest
12.	Put/Call Options:	Not Applicable
13.	(i) Status of the Notes:	Senior Notes
	(ii) Status of the Guarantee:	Senior Guarantee
14.	Listing:	Application has been made for the Notes to be listed on the Luxembourg Stock Exchange. The Issuer does not make any representation as to the approval by the Luxembourg Stock Exchange of the listing of the Notes
15.	Method of distribution:	Non-syndicated

***PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE***

16.	<b><i>Fixed Rate Note Provisions</i></b>	Applicable in respect of payments of Interest up to, and including, 13 June 2007
	(i) Fixed Rate of Interest:	<ol style="list-style-type: none"> <li>In respect of the Fixed Interest Period from, and including, the Issue Date to, but excluding, 13 June 2006 (the "First Fixed Interest Period"): 7.00 per cent. per annum; and</li> <li>In respect of the Fixed Interest Period from, and including, 13 June 2006 to, but excluding, 13 June 2007 (the "Second Fixed Interest Period"): 4.00 per cent. per annum</li> </ol> <p>In each case Interest shall be payable annually in arrear</p>
	(ii) Interest Payment Dates:	13 June 2006 and 13 June 2007 in respect of the period from, and including, the Issue Date to, but excluding, 13 June 2007
	(iii) Fixed Coupon Amount(s):	<ol style="list-style-type: none"> <li>In respect of the First Fixed Interest Period: EUR 70.00 per Specified Denomination; and</li> <li>In respect of the Second Fixed Interest period: EUR 40.00 per Specified Denomination</li> </ol>

	(iv) Fixed Day Count Fraction:	Actual/Actual (ISMA), unadjusted
	(v) Broken Amount(s):	Not Applicable
	(vi) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
	(vii) Business Day Convention:	Not Applicable
17.	<b><i>Floating Rate Note Provisions</i></b>	Not Applicable
18.	<b><i>Zero Coupon Note Provisions</i></b>	Not Applicable
19.	<b><i>Index-Linked Interest Note Provisions</i></b>	Applicable in respect of each Interest Period year, from, and including, 13 June 2007 to, but excluding, the Maturity Date (each, an " <b><i>Inflation-Linked Interest Period</i></b> ")
	(i) Index/Formula:	See Annex A to this Pricing Supplement
	(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 Annex B to this Pricing Supplement
	(iv) Interest Payment Dates:	13 June of each year, from, and including; 13 June 2008 to, and including, the Maturity Date, subject to no adjustment
	(v) Business Day Convention:	Not Applicable
	(vi) Additional Business Centre(s):	Not Applicable
	(vii) Minimum Interest Rate:	1.75 per cent. See Annex
	(viii) Maximum Interest Rate:	Not Applicable
	(ix) Interest Determination Date:	See Annex A to this Pricing Supplement
	(x) Day Count Fraction:	Actual/Actual (ISMA)
20.	<b><i>Dual Currency Note Provisions</i></b>	Not Applicable
<b><i>PROVISIONS RELATING TO REDEMPTION</i></b>		
21.	Call Option	Not Applicable

22.	Put Option	Not Applicable
23.	Final Redemption Amount of each Note	EUR 1,000 per Specified Denomination
24.	Early Redemption Amount of each Note	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)
	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):	

***GENERAL PROVISIONS APPLICABLE TO THE NOTES***

25.	Form of Notes:	Bearer. Interests in a temporary global Note form are exchangeable for interests in a permanent global Note
26.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Not Applicable
27.	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
28.	Details relating to Instalment Notes: Instalment Amounts and Instalment Dates:	Not Applicable
29.	Details relating to Extendible Notes:	Not Applicable
30.	Details relating to Renewable Notes:	Not Applicable
31.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
32.	Consolidation provisions:	Not Applicable
33.	Other terms or special conditions:	Not Applicable

## ***DISTRIBUTION***

34. (i) If syndicated, names of Managers: Not Applicable
- (ii) Stabilising Manager (if any): Not Applicable
35. If non-syndicated, name of Dealer: Lehman Brothers International (Europe)
36. Selling restrictions:
- (i) Netherlands Selling Restrictions: The Notes have only been offered to individuals or legal entities who or which
- (a) trade or invest in securities in the conduct of a business or profession (which includes banks, securities intermediaries (including dealers and brokers), insurance companies, pension funds, collective investment institutions, central governments, large international and supranational organizations, other institutional investors and other parties, including treasury departments of commercial enterprises, which as an ancillary activity regularly invest in securities; "Professional Investors") or
- (b) are established, domiciled or have their usual residence outside The Netherlands.
- In relation to any offer to an investor of the type referred to in (b) above, the Information Memorandum, this Pricing Supplement and each announcement of the offer comply with the laws and regulations of the state where the persons to whom the offer is made are resident.
- Any onward sale or offer (as the case may be) by any person must be effected in accordance with all relevant Dutch securities, tax and exchange control and other applicable laws and regulations.
- (ii) Additional 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 (sollecitazione all’investimento), 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 (operatori qualificati), 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:

- (a) 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
- (b) 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***

37.	ISIN Code:	XS0220704109
38.	Common Code:	022070410
39.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
40.	Delivery:	Delivery against payment
41.	The Aggregate Nominal Amount of Notes issued has been translated into U.S. Dollars	\$62,725,026.03

at the rate of \$1 = €0.79713 producing a sum of (for Notes not denominated in U.S. Dollars):

***RESPONSIBILITY***

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

***LEHMAN BROTHERS TREASURY CO. B.V. as Issuer***

By: \_\_\_\_\_

Authorised Signatory



## ANNEX A

### 1. *Index-Linked Rate of Interest*

In respect of each Specified Denomination and each Inflation-Linked Interest Period, the Rate of Interest per annum ("**R**") shall be determined by the Calculation Agent in accordance with the following formula (subject to the Minimum Interest Rate of 1.75%):

$$R = 1.00\% + \left( \frac{CPI_{Final} - CPI_{Initial}}{CPI_{Initial}} \right)$$

Where:

***CPI<sub>Final</sub>*** means for each Inflation-Linked Interest Period, the Reference Index for the month of March prior to the end of the *previous* Inflation-Linked Interest Period; and

***CPI<sub>Initial</sub>*** means for each Inflation-Linked Interest Period, the Reference Index for the month of March prior to the start of the *previous* Inflation-Linked Interest Period.

Definitions:

***Reference Index:*** means, the unrevised Harmonised Index of Consumer Prices excluding tobacco for the European Monetary Union (also defined by the Sponsor as the Monetary Union Index of Consumer Prices ex-tobacco ("MUCIP")) (or any successor to that Reference Index in accordance with the provisions contained herein) as calculated by the Sponsor, subject to the provisions of clause 2 (Connections of Reference Index), clause 3 (Adjustment to and Replacement of the Reference Index), clause 4 (Re- Basing of the Reference Index) and clause 5 (Other Extraordinary Circumstances) below; and

***Sponsor:*** means Eurostat or such other successor Sponsor as may be appointed by the Calculation Agent.

### 2. *Corrections to Reference Index*

Notwithstanding that the level of the Reference Index published in respect of such date is subsequently revised by the Sponsor (including any revision due to the original level being a provisional level), the Calculation Agent shall determine the amount that is payable using the level published prior to any such revision except where such revision is made in order to correct a manifest error in the publication of the Reference Index (as determined by the Calculation Agent in its sole discretion), in which event the Calculation Agent shall use the level as so corrected.

### 3. *Adjustment to and Replacement of the Reference Index*

- (a) If the Reference Index is:
  - (i) not calculated and announced by the Sponsor prior to any date on which it is required for the purposes of performing any calculation hereunder but is calculated and announced by a successor sponsor provided that such successor has become the agency or authority having jurisdiction to measure

the specified type of inflation that was measured by the Reference Index or is an entity that is otherwise acceptable to the Calculation Agent; or

- (ii) replaced by a successor Reference Index calculated and published by the Sponsor (as determined by the Calculation Agent in its sole discretion) then the Reference Index will be deemed to be the Reference Index so calculated and announced by that successor Sponsor or that successor Index as the case may be; or
- (b) If the Sponsor fails to calculate and publish the Reference Index prior to any date on which it is required for the purposes of calculating the Reference Index (and (a) above does not apply), then the Calculation Agent shall calculate the level of the Reference Index in accordance with the following formula:

$$\text{Level}_w \times \left( \frac{\text{Level}_y}{\text{Level}_z} \right)$$

Where:

- Level<sub>w</sub> means the level of the Reference Index which was published for the month falling 12 months prior to that for which the Reference Index is being calculated;
- Level<sub>y</sub> means the level of the Reference Index for the previous month for which such Reference Index was published; and
- Level<sub>z</sub> means the level of the Reference Index which was published for the month falling one year prior to the last previously occurring month in which the Reference Index was published,

In the event that the Sponsor fails to calculate and publish the Reference Index for a period of three months or more, the Sponsor shall be deemed to have ceased publication of the Reference Index and the provisions under clause 5. "Other Extraordinary Circumstances" will apply.

#### 4. ***Re-Basing of the Reference Index***

If the Reference Index is rebased at any time (the "Rebased Reference Index"), the Rebased Reference Index will be used for the purposes of determining the Reference Index; provided however, that the Calculation Agent shall make adjustments to the past fixings of the Rebased Reference Index so that the Rebased Reference Index reflects the same Index of inflation as the Reference Index before it was rebased. Any such rebasing shall not affect any prior payments hereunder.

#### 5. ***Other Extraordinary Circumstances***

If:

- (a) on or prior to the publication of the Reference Index the Sponsor makes a material change in the formula for, or the method of calculating, the Reference Index or in any other way materially modifies the Reference Index (other than in a way which would constitute:
  - (i) a Re-Basing of the Reference Index (as defined above); or

- (ii) a modification prescribed in the formula or method to maintain the Reference Index in the event of changes in constituent prices or items and other routine events);
- (b) there should occur any circumstance in relation to the Reference Index which prevents the Calculation Agent from determining the level of the Reference Index; or
- (c) the Reference Index ceases to be calculated and published by the Sponsor, and in each case, such occurrence, circumstance or cessation is not covered by the provisions of the above,

the Calculation Agent will use any substitute index or formula as a successor Reference Index and may make such amendments, adjustments and corrections to any such successor Reference Index as it shall in its sole discretion deem appropriate to calculate the amounts payable hereunder

## Annex B

### ***Information about the Index***

The information contained in this Annex 2 relating to the Reference Index consists of extracts from or summaries of information that is publicly available (unless otherwise stated). Neither the Issuer nor the Guarantor has independently verified any such information, and neither accepts any responsibility for error or omission, other than accepting responsibility for accurately reproducing and/or summarising the information relating to the Reference Index. Investors may acquire such further information as they deem necessary in relation to the Reference Index from such publicly available information as they deem appropriate. Investors should make their own investment, hedging and trading decisions (including decisions regarding the suitability of this investment), based upon their own judgment and upon advice from such advisers as such investors deem necessary and not upon any view expressed by the Issuer or the Guarantor.

Given the highly specialised nature of these Notes, the Issuer and the Guarantor consider that they are only suitable for highly sophisticated investors who are able to determine themselves the risk of an investment linked to indexes.

Consequently, if you are not an investor who falls within the description above you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.

***Summary*** The Monetary Union Index of Consumer Prices ex-tobacco (“MUCIP”) is an aggregation of relevant Harmonised Indices of Consumer Prices for and reflects consumer price inflation (excluding tobacco) in those EU member states that are members of the Eurozone – having adopted the euro as their currency as participants in the third stage of Economic and Monetary Union.

***General Information*** Harmonised Indices of Consumer Prices (“HICPs”) are indices of inflation compiled according to methodology developed by the national statistical institutes of member states of the European Union in conjunction with Eurostat.

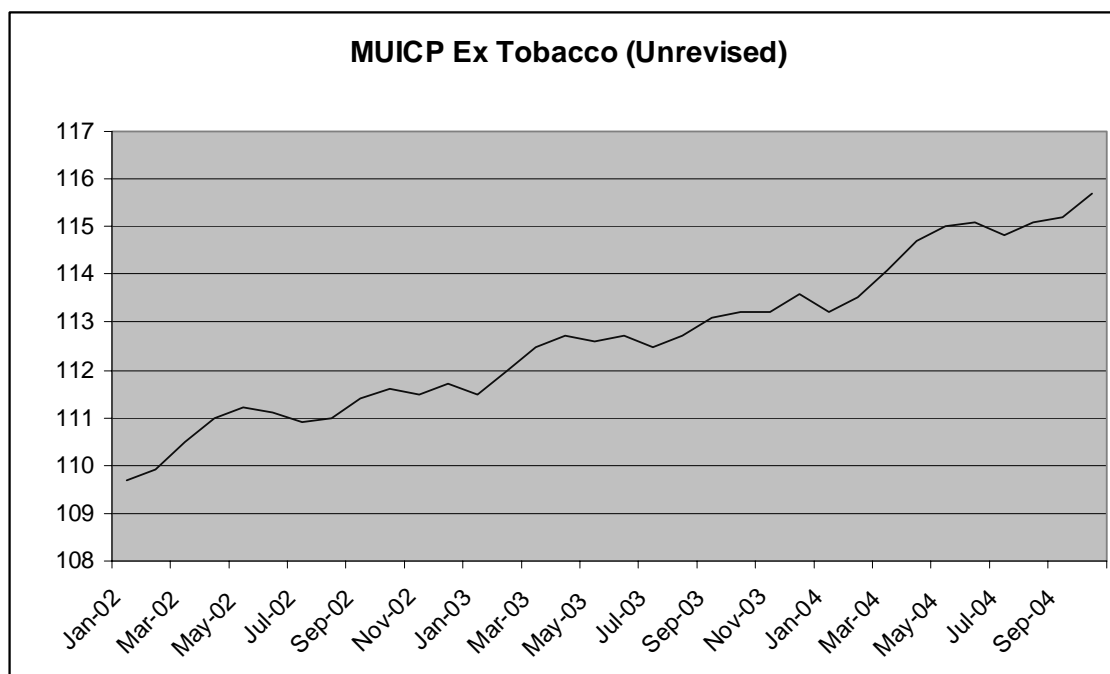
HICP figures are harmonized inflation figures required under Article 121 (consolidated version) of the Treaty establishing the European Community. They are designed for international comparison of consumer price inflation.

HICP indices cover “household final monetary consumption expenditure”. The relative importance of consumers’ expenditure in terms of particular goods or services varies from country to country. Therefore, there is no uniform basket applying to all member states.

***Compilation*** Individual countries first publish their own HICP figures in conjunction with their consumer price indices. Following each country’s publication of its own HICP figures, Eurostat aggregates these and publishes aggregate HICP figures for the European Union (the European Index of Consumer Prices or EICP), for the Eurozone (the Monetary Union Index of Consumer Prices or MUICP) and for the European Economic Area (the European Economic Area Index of Consumer Prices or EEAICP).

**Revisions and Publication** Eurostat generally publishes MUICP figures approximately 16 to 18 days following the end of the relevant month. MUICP figures as published by Eurostat are occasionally revised after publication upon more accurate data becoming available. The Index as used in connection with the Notes, however, consists only of the unrevised figures first published by Eurostat (disregarding preliminary estimates). The tables of historical data found on the main pages of Eurostat's website (<http://europa.eu.int/comm/eurostat/>) contain the revised figures and therefore will not reflect exactly the development of the Index. Unrevised figures can be obtained by subscription to Eurostat's New Cronos database. The most convenient source of information about the development of the Index is currently the internet site of Agence France Trésor (<http://www.aft.fr/oat/us/ipceuro.html>) as the Index is the same as the index used to calculate payments under the French Republic's OATei securities.

**Disclaimer on behalf of Eurostat** The Notes are not in any way sponsored, endorsed, sold or promoted by Eurostat. Eurostat has no obligation to take the needs of Bondholders into consideration in composing, determining or calculating the Index (or causing the Index to be calculated). In addition, Eurostat makes no warranty or representation whatsoever, express or implied, as to the results to be obtained from the use of the Index and/or the level at which the Index stands at any particular time on any particular day or otherwise, and shall not be liable, whether in negligence or otherwise, to any person for any error in the Index or under any obligation to advise any person, including, without limitation, the Issuer or Bondholders, of any error therein.



### Year on Year Change

Month	Index Level	Year on Year change*
January-02	109.7	2.43%
February-02	109.9	2.14%
March-02	110.5	2.31%
April-02	111	2.21%
May-02	111.2	1.92%
June-02	111.1	1.74%
July-02	110.9	1.65%
August-02	111	1.74%
September-02	111.4	1.83%
October-02	111.6	2.10%
November-02	111.5	2.11%
December-02	111.7	2.20%
January-03	111.5	1.64%
February-03	112	1.91%
March-03	112.5	1.81%
April-03	112.7	1.53%
May-03	112.6	1.26%
June-03	112.7	1.44%
July-03	112.5	1.44%
August-03	112.7	1.53%
September-03	113.1	1.53%
October-03	113.2	1.43%
November-03	113.2	1.52%
December-03	113.6	1.70%
January-04	113.2	1.52%
February-04	113.5	1.34%
March-04	114.1	1.42%
April-04	114.7	1.77%
May-04	115	2.13%
June-04	115.1	2.13%
July-04	114.8	2.04%
August-04	115.1	2.13%
September-04	115.2	1.86%
October-04	115.7	2.21%
November-04	115.6	2.12%
December -04	115.9	2.02%
January-05	115.1	1.68%
February-05	115.5	1.76%
March-05	116.4	2.02%
April-05	116.9	1.92%

\* Figures rounded to the nearest 2 decimal places for illustration purposes only

Graph of the year on year change in the Reference Index



Sources for text: Eurostat and Agence France Trésor

Source for tables: Agence France Trésor