



## **Lehman Brothers Private Equity Partners Limited Notice to Shareholders**

16 September 2008

Lehman Brothers Private Equity Partners Limited (“LBPE” or “the Company”), a closed-end private equity fund of funds investment company, today announced that the suspension of trading of LBPE's class A ordinary shares by Euronext Amsterdam has been lifted and that trading has recommenced.

As you may be aware, yesterday the parent company of the Investment Manager of LBPE, Lehman Brothers Holdings Inc. (“Lehman Brothers” or “LBHI”), filed a petition under Chapter 11 of the U.S. Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York. Neither the Investment Manager nor LBPE is a party to LBHI's bankruptcy filing. In response to these recent events, LBPE draws your attention to the following:

- LBPE and the Investment Manager are separate legal entities from LBHI and are not part of the LBHI bankruptcy filing. Accordingly, each of LBPE and the Investment Manager continue to conduct business with minimal disruption. All personnel of the Investment Manager involved in the daily business of LBPE and the other funds managed by the Investment Manager continue to work on behalf of those funds.
- LBPE is a separate legal entity, registered under the laws of Guernsey and controlled by an independent board of directors. The board of directors consists of three members who are independent from LBHI and the Investment Manager and two of whom work for the Investment Manager. All of the board members continue to serve LBPE in those respective capacities.
- All of LBPE's assets are segregated from LBHI. Virtually all of LBPE's cash and securities are held in accounts with non-Lehman Brothers entities. By the end of the day today, LBPE anticipates less than €300,000 will be deposited in Lehman Brothers accounts. There are no intercompany loans between Lehman Brothers and LBPE. LBPE is an investor in two funds managed by the Investment Manager, but these funds' assets are similarly segregated from LBHI.
- The management team of the Investment Manager has assured LBPE and its Board of Directors that it is still operating all of its funds and working diligently on behalf of all of its clients, including LBPE, to ensure that the clients' interests are best served during this time. The Investment Manager continues to believe that LBPE's portfolio of private equity assets will produce attractive returns on capital while managing investment risk through portfolio diversification.

- Including the revaluation of public securities and all other valuation adjustments, LBPE's unaudited net asset value per share was \$10.81 at 31 August 2008, representing an increase of 8.1% compared to the net asset value per share of \$10.00 at the initial public offering. LBPE is currently committed to 59 private equity investments with exposure to over 2,300 underlying portfolio companies. LBPE's investments are well diversified across asset class, vintage year, geography, industry and sponsor.
- The senior management of the Investment Management Division of Lehman Brothers, which includes the Investment Manager, is in advanced discussions with a number of potential purchasers to sell the Investment Management Division. The Investment Manager is hopeful that an announcement on this transaction will be made within a very short period of time.
- As of 15 September 2008, LBPE has approximately \$46.8 million of cash on hand, net of pending capital calls. LBPE currently maintains a line of credit and is in compliance with all of the covenants and terms thereunder. As a result, the Investment Manager is not aware of any circumstances which would prevent LBPE from utilizing the loan proceeds to continue to fund LBPE investment activities. The full amount of the line of credit remains available.
- A Lehman Brothers affiliate, which is not a party to the bankruptcy filing, currently owns approximately 14.5 million shares of LBPE purchased in the initial public offering which are subject to a lock up agreement through 18 July 2010. In order to remove the sale restrictions, two of the three underwriters from the initial public offering and a majority of the independent directors must approve the change. In addition, as of 12 September 2008, the same Lehman Brothers affiliate has purchased a total of 802,319 shares in the open market which remain subject to the terms and conditions of the previously announced purchase plan. So long as the Lehman Brothers affiliate does not become a party to the bankruptcy filing, LBPE believes the terms of these agreements will remain enforceable.

LBPE's Board of Directors is confident that the management team of the Investment Manager remains focused on managing LBPE's portfolio of private equity investments and maintaining the strong performance of LBPE and the long-term success of the Company.

**For further information, please contact:**

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## **About Lehman Brothers Private Equity Partners**

LBPE is a closed-end private equity fund of funds investment company listed on Euronext Amsterdam on 25 July 2007, raising a total of \$542.1 million. The proceeds of the IPO are in the process of being committed to a diversified portfolio of private equity fund investments and certain direct co-investments, diversified across private equity asset class, geography, industry, vintage year and sponsor, selected by Lehman Brothers' Private Equity business.

*This press release appears as a matter of record only and does not constitute an offer to sell or a solicitation of an offer to purchase any security.*

*The Company is established as a closed-end investment company domiciled in Guernsey. The Company has received the necessary consent of the Guernsey Financial Services Commission and the State of Guernsey Policy Counsel. LBPE is registered with the Dutch Authority for the Financial Markets as a collective investment scheme which may offer participations in The Netherlands pursuant to article 2:66 of the Financial Markets Supervision Act (Wet op het financieel toezicht). All investments are subject to risk. Past performance is no guarantee of future returns. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results. This document is not intended to constitute legal, tax or accounting advice or investment recommendations. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of the Investment Manager. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Additionally, this document contains "forward-looking statements." Actual events or results or the actual performance of the fund may differ materially from those reflected or contemplated in such targets or forward-looking statements.*