Lehman Brothers Private Equity Partners Limited

31 July 2007 [1]

Investment Manager Commentary

On 18 July 2007, Lehman Brothers Private Equity Partners Limited ("LBPE" or "the Company"), a closed-end private equity fund of funds investment company, completed the initial public offering ("IPO") of its class A ordinary shares (the "Shares") on Euronext Amsterdam N.V.'s Eurolist by Euronext. The Company raised $500 million through the placement of 50 million Shares at $10.00 per Share. The listing of the Shares became effective and dealings in the Shares commenced on 18 July 2007 on a conditional basis. On 25 July 2007 (the "Closing Date"), dealings in the Shares commenced unconditionally and delivery of the Shares took place. LBPE has granted the Global Coordinator of the IPO, Lehman Brothers International (Europe), an over-allotment option for the purchase of up to 5 million additional Shares, to be offered at the initial offering price ($50 million if the option is exercised in full) within 30 days from the commencement of trading.

The proceeds of the IPO were committed to a diversified portfolio of private equity fund investments and certain direct private equity investments (the "Initial Investments") selected by Lehman Brothers' Private Fund Investments Group and its affiliates (together, the "Investment Manager"). The Initial Investments are diversified across private equity asset class, geography, industry, vintage year and sponsor and represent an aggregate purchase price of approximately $253.8 million, with related unfunded commitments aggregating approximately $378.7 million. The purchase price for the Initial Investments acquired as of 31 July 2007 was, and for those Initial Investments to be acquired after 31 July 2007 will be, their net asset value as of 31 December 2006, plus the amount of drawdowns on the related unfunded commitments, minus distributions since 31 December 2006, plus an interest factor. As of 31 July 2007, the pro forma net asset value of the Initial Investments was $261.9 million, which represents a pro forma gain of $8.1 million compared to the purchase price. The pro forma gain on the Initial Investments led to a pro forma net asset value per Share of $10.14 on 31 July 2007.

The Company's purchase of the Initial Investments in many cases requires the consent of the general partners or similar entities that are involved in such investments. As of 31 July 2007, LBPE had used the proceeds of the IPO to acquire a portion of the Initial Investments for an aggregate purchase price of approximately $207.9 million, and assumed related unfunded commitments aggregating approximately $301.1 million. The Company expects to complete the acquisition of substantially all of the Initial Investments by 30 September 2007.

Net Asset Value Development

Private Equity Performance *($ in millions)*	**31-Jul-2007 (Actual)**	**31-Jul-2007 (Pro Forma) [2]**
Estimated Net Asset Value of Private Equity Investments	$215.1	$261.9
Unfunded Private Equity Commitments	301.1	378.7
Total Private Equity Exposure	**$516.2**	**$640.6**

On a pro forma basis, the Initial Investments include exposure to over 1,500 underlying portfolio companies.

Summary of Net Asset Value *($ in millions, except per share data)*	**Estimated Net Asset Value (Actual)**	**Estimated Net Asset Value (Pro Forma) [2]**
Direct Fund Investments and Fund of Funds Investments	$171.4	$198.0
Co-investments	43.7	63.9
Total Private Equity Investments	$215.1	$261.9
Cash and Cash Equivalents	333.2	246.1
Net Other Assets (Liabilities)	(41.9)	(0.9)
Net Asset Value	**$506.4**	**$507.1**
Net Asset Value per Share	**$10.13**	**$10.14**
Closing Share Price at 31-Jul-2007 *	**$10.15**	**$10.15**
Premium / Discount *	**0.2%**	**0.1%**

* As of 31 July 2007, there were 50,000,000 Shares and 10,000 Class B ordinary shares outstanding. Assuming the Global Coordinator exercises the full over-allotment option for 5,000,000 additional Shares, the actual net asset value per share and pro forma net asset value per share at 31 July 2007 would be $10.11 and $10.13, respectively, which would result in a premium of 0.4% and 0.2%, respectively.

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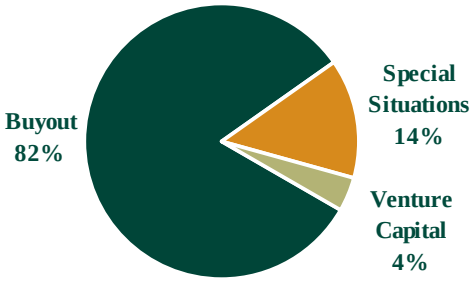
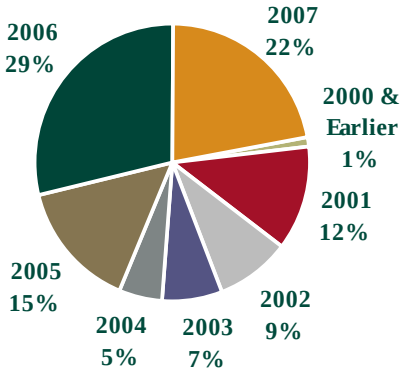
Private Equity Portfolio Diversification

Key information about LBPE's portfolio of private equity investments based upon pro forma net asset value as of 31 July 2007 is as follows: [2, 3]

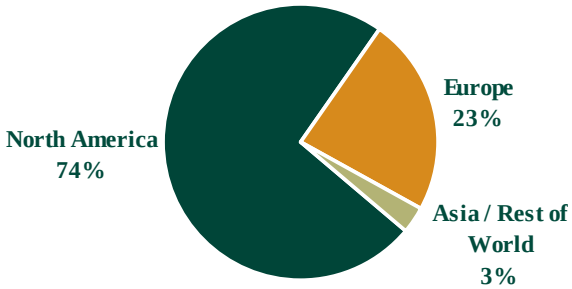
Private Equity Asset Class



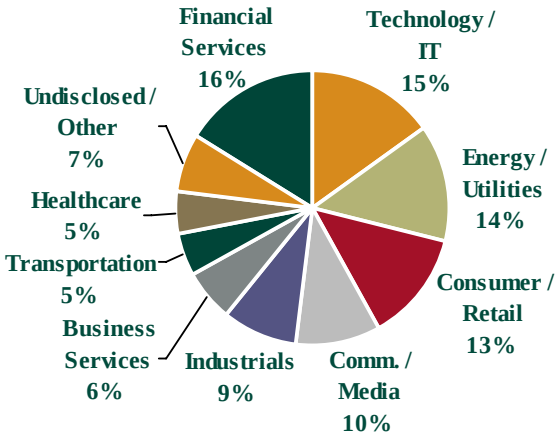
Vintage Year



Geography



Industry



Valuation Methodology

The Company carries its investments on its books at fair value in accordance with accounting principles generally accepted in the United States. The Company uses the best information it has reasonably available to determine or estimate fair value. Publicly traded securities are valued based on quoted prices as of the last day of the relevant period less discounts to reflect legal restrictions, if any, that affect marketability. The Company determines such values for publicly traded securities held directly as well as known public positions held in the underlying funds or funds of funds, on a look-through basis. The Company estimates fair value for private interests based on a methodology that begins with the most recent information available from the general partner of the underlying fund or the lead investor of a direct co-investment, and considers subsequent transactions, such as drawdowns or distributions, as well as other information judged to be reliable that reports or indicates valuation changes, including realizations and other portfolio company events.

In order to provide timely updates on the Company's net asset value and the performance of the private equity portfolio, LBPE intends to publish a monthly report within seven days of month end.

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31 July 2007 [1]

For questions about the Company, please contact the Investor Relations department of the Investment Manager at the phone number listed below:

Investment Manager

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Key Information

Trading Symbol: LBPE
Exchange: Euronext
Listing Date: 25 July 2007
Base Currency: USD
Bloomberg: LBPE NA
Reuters: LBPE.AS
ISIN: GG00B1ZBD492
COMMON: 030991001
Amsterdam Security Code: 600737

1. Figures provided are unaudited and subject to change.

2. Pro forma amounts reflect actual amounts plus the pro forma effects of those Initial Investments not yet acquired at 31 July 2007. LBPE expects to complete the acquisition of substantially all of the Initial Investments by 30 September 2007; however, such transactions require a significant amount of time to complete, and it is possible that some may not be completed.

3. The diversification analysis is based on the diversification of underlying portfolio investments at fair value as estimated by the Investment Manager. Determinations regarding private equity asset class, geography and industry diversification also represent the Investment Manager's estimates. Accordingly, actual diversification of the Initial Investments and the diversification of the Company's investment portfolio on an ongoing basis may vary from the foregoing information.

This document is not intended to be an investment advertisement or sales instrument; it constitutes neither an offer nor an attempt to solicit offers for the securities described herein. This report was prepared using financial information contained in LBPE's books and records as of the reporting date. This information is believed to be accurate but has not been audited by a third party. This report describes past performance, which may not be indicative of future results. LBPE does not accept any liability for actions taken on the basis of the information provided.