Lehman Brothers Private Equity Partners Limited

31 August 2007 [1]

Company Overview

Lehman Brothers Private Equity Partners Limited ("LBPE" or "the Company") is a closed-end investment company registered under the laws of Guernsey managed by Lehman Brothers' Private Fund Investments Group and its affiliates (together, the "Investment Manager"). We invest in private equity funds managed by leading sponsors, including funds of funds managed by the Investment Manager, and make direct private equity investments alongside leading sponsors ("co-investments"). Our investment objective is to produce attractive returns on our capital from our private equity investments while managing investment risk through portfolio diversification across asset class, vintage year, geography, industry and sponsor.

Investment Manager Commentary

On 25 July 2007, LBPE completed the initial public offering ("IPO") of its class A ordinary shares (the "Shares") on Euronext Amsterdam N.V.'s Eurolist by Euronext, raising $500 million through the placement of 50,000,000 Shares at $10.00 per Share. Subsequently, on 17 August 2007, Lehman Brothers International (Europe), as stabilising manager and Global Coordinator of the IPO, exercised the over-allotment option in respect of 4,210,000 Shares at $10.00 per Share. All of the proceeds arising from the exercise of the over-allotment option were received by LBPE, and including the exercise of the over-allotment option, the total size of the IPO was $542.1 million. The Company also announced that it established a credit facility of $250 million with the Bank of Scotland. The credit facility is designed to support a prudent over-commitment strategy intended to allow LBPE to maximize the amount of its capital invested in private equity and to minimize cash drag. As of 31 August 2007, none of the credit facility had been called.

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 the Investment Manager. 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 August 2007, LBPE had used the proceeds of the IPO to acquire a majority of the Initial Investments. At month end, the remaining assets yet to be purchased had a purchase price of $24.3 million and a net asset value of $24.7 million. LBPE expects to complete the acquisition of substantially all of the Initial Investments by 30 September 2007.

During the month of August, LBPE invested $10.0 million in one additional buyout co-investment and had $33.9 million of drawdowns and $5.5 million of distributions from all private equity investments on a pro forma basis. Including the exercise of the over-allotment option as well as the revaluation of public securities and all other valuation adjustments, LBPE's pro forma net asset value per Share increased to $10.19 at 31 August 2007, which represents an increase of 1.9% over the initial offering price of $10.00 per Share.

Net Asset Value Development

Private Equity Performance *($ in millions)*	**31-Aug-2007 (Actual)**	**31-Aug-2007 (Pro Forma)** [2]
Estimated Net Asset Value of Private Equity Investments	$278.6	$303.3
Unfunded Private Equity Commitments	313.5	352.1
Total Private Equity Exposure	**$592.1**	**$655.4**

On a pro forma basis, the portfolio of private equity investments includes exposure to over 1,650 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	$222.6	$232.7
Co-investments	56.0	70.6
Total Private Equity Investments	$278.6	$303.3
Cash and Cash Equivalents	275.3	251.0
Net Other Assets (Liabilities)	(1.7)	(1.7)
Net Asset Value	**$552.2**	**$552.6**
Net Asset Value per Share *	**$10.19**	**$10.19**
Closing Share Price at 31-Aug-2007	**$9.70**	**$9.70**
Premium (Discount)	**(4.8%)**	**(4.8%)**

* As of 31 August 2007, there were 54,210,000 Shares and 10,000 Class B ordinary shares outstanding.

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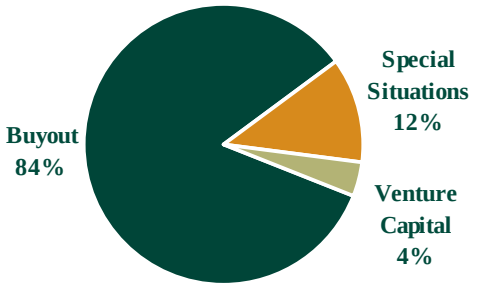
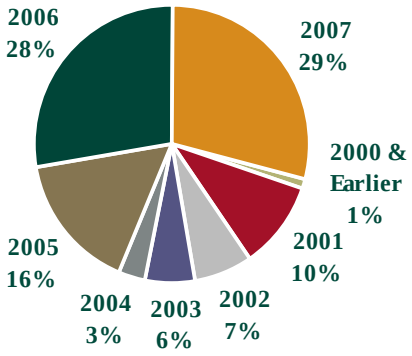
Private Equity Portfolio Diversification

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

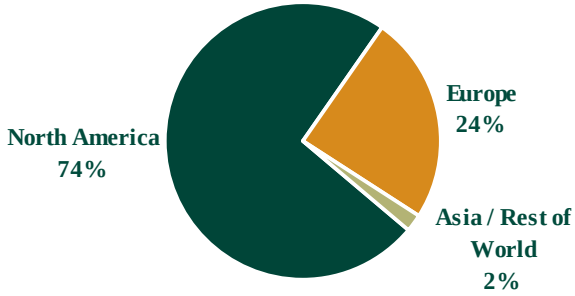
Private Equity Asset Class



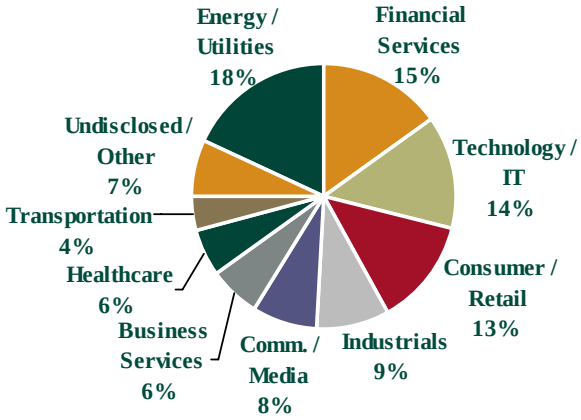
Vintage Year of Fund or Co-investment



Geography



Industry



Based on pro forma total private equity exposure, which includes unfunded commitments, the diversification of LBPE's portfolio of private equity investments as of 31 August 2007 was as follows: [2, 3]

- Private equity asset class – buyout: 79%; special situations: 17%; venture capital: 4%
- Vintage year of fund or co-investment – 2000 & earlier: 1%; 2001: 5%; 2002: 3%; 2003: 3%; 2004: 2%; 2005:12%; 2006: 34%; 2007: 37%; 2008: 3%
- Geography – North America: 68%; Europe: 27%; Asia / rest of world: 5%
- Industry – energy / utilities: 19%; financial services: 15%; industrials: 13%; consumer / retail: 11%; technology / IT: 10%; communications / media: 8%; healthcare: 7%; transportation: 6%; business services: 6%; undisclosed / other: 5%

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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.

Contact Information

For questions about the Company, please contact the Investor Relations department of the Investment Manager at the phone number or email address 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. Certain numbers may not total due to rounding.

2. Pro forma amounts reflect actual amounts plus the pro forma effects of those Initial Investments not yet acquired at 31 August 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. Furthermore, the diversification by private equity asset class and vintage year also includes an allocation of capital calls received since financial statements were last received from the investment sponsor. Determinations regarding private equity asset class, geography and industry diversification, as well as the allocation of unfunded commitments (on a total exposure basis), also represent the Investment Manager's estimates. Accordingly, actual diversification of the Company's investment portfolio 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.