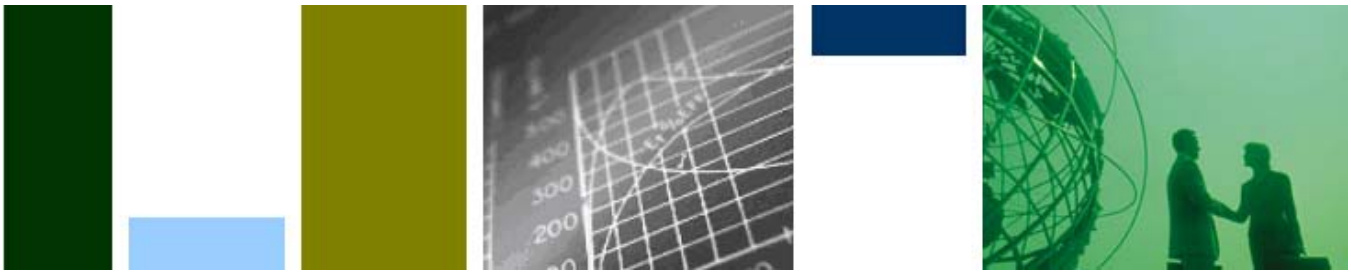
Lehman Brothers Private Equity Partners Limited

30 June 2008 [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

During June, LBPE committed to a co-investment in Unión Radio alongside 3i Group plc. Unión Radio is a leading Hispanic radio operator that controls more than 1,250 radio stations in Spain and Latin America. The Company invested an aggregate $10.0 million in private equity investments and received an aggregate $1.5 million of distributions during the month. As a result, LBPE's private equity investment level increased to 87.1% of total net asset value at 30 June 2008. Approximately 57% of the capital deployed in June was invested in buyout investments, and 40% was invested in special situations / distressed investments, with the remaining 3% directed to growth equity / venture investments. The distributions received were mainly related to an additional partial realization of LBPE's co-investment in MaRI Holdings as well as realizations in certain buyout fund investments and Lehman Crossroads Fund XVII.

LBPE's portfolio value increased during June, principally driven by net unrealized appreciation in the value of a direct co-investment in the energy services sector. In addition, the portfolio benefited from positive foreign exchange adjustments and net unrealized appreciation in the value of fund investments. These increases in value were partially offset by mark-to-market adjustments on publicly traded equity securities and credit-related investments as well as an increase in the Company's deferred tax liabilities and other accrued expenses. Including the revaluation of public securities and all other valuation adjustments, LBPE's unaudited net asset value per share was $10.77 at 30 June 2008, representing an increase of 0.3% compared to the unaudited 31 May 2008 net asset value per share of $10.74 and an increase of 3.8% compared to the audited 31 December 2007 net asset value per share of $10.37.

Net Asset Value Development

Private Equity Exposure *($ in millions)*	**30 June 2008**	**31 May 2008**
Estimated Net Asset Value of Private Equity Investments	$508.5	$497.0
Unfunded Private Equity Commitments	257.5	260.8
Total Private Equity Exposure	**$766.0**	**$757.8**
Number of Underlying Investments	57	56

As of 30 June 2008, the private equity investment portfolio included exposure to over 2,200 underlying portfolio companies.

Summary of Net Asset Value *($ in millions, except per share data)*	**30 June 2008**	**31 May 2008**
Direct Fund Investments and Fund of Funds Investments	$392.0	$383.5
Co-investments *	116.5	113.5
Total Private Equity Investments	$508.5	$497.0
Cash and Cash Equivalents	88.1	95.4
Net Other Assets (Liabilities), including Minority Interest	(12.7)	(10.3)
Net Asset Value	**$583.9**	**$582.1**
Net Asset Value per Share **	**$10.77**	**$10.74**
Closing Share Price	**$7.80**	**$8.65**
Premium (Discount)	**(27.6%)**	**(19.4%)**

* Includes both equity and mezzanine co-investments.

** As of 30 June 2008, there were 54,210,000 Class A ordinary shares and 10,000 Class B ordinary shares outstanding.

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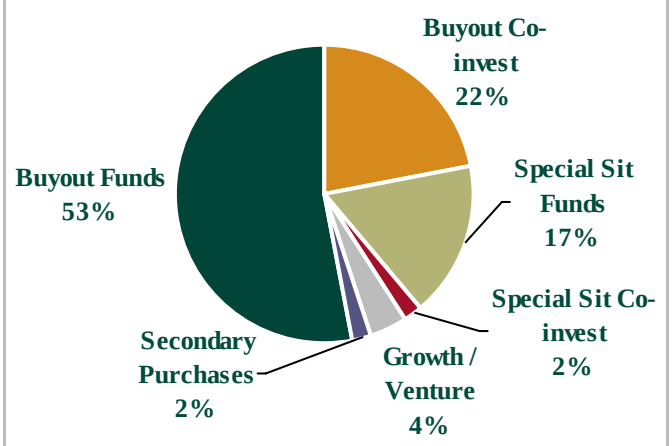
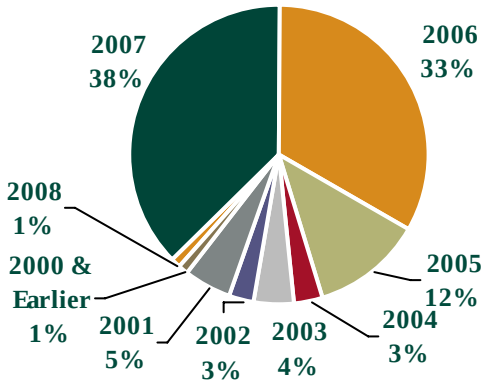
Private Equity Portfolio Diversification

Key information about LBPE's portfolio of private equity investments based upon fair value at 30 June 2008 was as follows: [2]

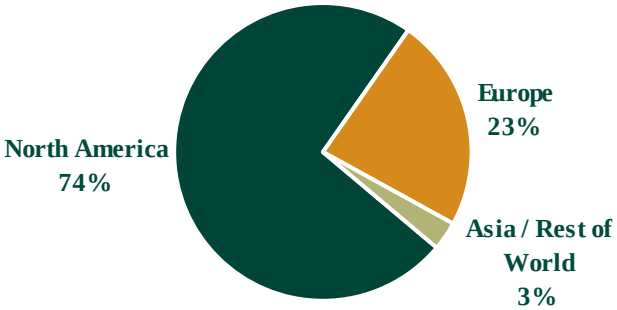
Asset Class and Investment Type



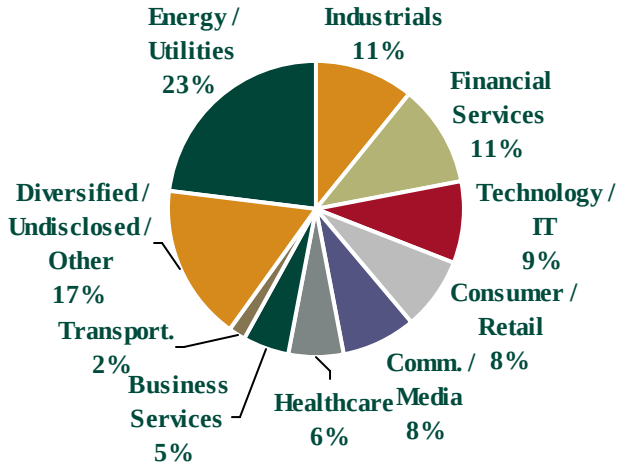
Vintage Year of Fund or Co-investment



Geography



Industry



Based on total private equity exposure, which includes unfunded commitments, the diversification of LBPE's portfolio of private equity investments at 30 June 2008 was as follows: [2]

- Asset class and investment type – buyout funds: 54%; buyout co-investments: 16%; special situations funds: 20%; special situations co-investments: 1%; growth / venture: 7%; secondary purchases: 2%
- Vintage year of fund or co-investment – 2000 & earlier: 1%; 2001: 4%; 2002: 2%; 2003: 2%; 2004: 2%; 2005: 11%; 2006: 32%; 2007: 39%; 2008: 7%
- Geography – North America: 71%; Europe: 25%; Asia / rest of world: 4%
- Industry – energy / utilities: 21%; industrials: 13%; financial services: 11%; communications / media: 9%; consumer / retail: 9%; technology / IT: 8%; healthcare: 7%; business services: 6%; transportation: 4%; diversified / undisclosed / other: 12%

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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.

Forthcoming Quarterly Report

LBPE will issue a quarterly report as of and for the period ending 30 June 2008 that will include financial statements prepared in accordance with accounting principles generally accepted in the United States. LBPE is required to consider, and will consider, all known material information in preparing such financial statements, including information that may become known subsequent to the issuance of this monthly report. Accordingly, amounts included in the financial statements may differ from this monthly report.

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. The diversification analysis by asset class and investment type is based on the net asset value of underlying fund investments and co-investments (including unfunded commitments on a total private equity exposure basis). The diversification analysis by vintage year, geography and industry is based on the diversification of underlying portfolio company investments at fair value as estimated by the Investment Manager. The vintage year diversification also includes an allocation of net cash flows and valuation adjustments made since financial statements were last received from the investment sponsor. Determinations regarding asset class, investment type, geography and industry, as well as the allocation of unfunded commitments on a total private equity exposure basis, also represent the Investment Manager's estimates. Accordingly, the actual diversification of our investment portfolio and the diversification of our 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.