

Lehman Brothers Private Equity Partners Limited

31 May 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 May, LBPE completed its first special situations co-investment through a mezzanine investment in Firth Rixson, plc, a leading provider of rings, forgings and metal products to global aerospace and industrial customers, alongside Lehman Brothers Mezzanine Partners. This mezzanine investment was made in conjunction with an additional equity co-investment alongside Oak Hill Capital Partners. The Company also completed a direct co-investment in GazTransport & Technigaz S.A.S., a leading marine engineering company operating in the liquefied natural gas sector, alongside Hellman & Friedman LLC. LBPE also increased its commitment to OCM Opportunities Fund VIIIb, a 2008 vintage year distressed debt fund that is managed by Oaktree Capital Management, by \$10 million. Including co-investment activity, the Company invested an aggregate \$19.1 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 85.4% of total net asset value at 31 May 2008. Approximately 62% of the capital deployed in May was invested in special situations / distressed investments, and 36% was invested in buyout investments, with the remaining 2% directed to growth equity / venture investments. Nearly all of the distributions received were attributable to a partial realization of LBPE’s co-investment in MaRI Holdings, realizations in the Warburg Pincus Private Equity VIII and Lehman Crossroads Fund XVII portfolios and a distribution from Linn Energy, LLC.

LBPE’s portfolio value increased during May principally due to net unrealized appreciation in the value of certain direct co-investments in the power and energy services sectors. The portfolio also benefited from net unrealized appreciation in the value of fund investments as well as positive mark-to-market adjustments on credit-related investments and publicly traded equity securities that LBPE is exposed to through funds and co-investments. These increases in value were offset primarily by negative foreign exchange adjustments, an increase in the Company’s deferred tax liabilities and an accrual for carried interest. Including the revaluation of public securities and all other valuation adjustments, LBPE’s unaudited net asset value per share was \$10.74 at 31 May 2008, representing an increase of 1.9% compared to the unaudited 30 April 2008 net asset value per share of \$10.53 and an increase of 3.5% compared to the audited 31 December 2007 net asset value per share of \$10.37.

Net Asset Value Development

Private Equity Exposure (\$ in millions)	31 May 2008	30 April 2008
Estimated Net Asset Value of Private Equity Investments	\$497.0	\$461.8
Unfunded Private Equity Commitments	260.8	257.6
Total Private Equity Exposure	\$757.8	\$719.4
Number of Underlying Investments	56	53

As of 31 May 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)	31 May 2008	30 April 2008
Direct Fund Investments and Fund of Funds Investments	\$383.5	\$375.6
Co-investments *	113.5	86.1
Total Private Equity Investments	\$497.0	\$461.8
Cash and Cash Equivalents	95.4	113.7
Net Other Assets (Liabilities), including Minority Interest	(10.3)	(4.4)
Net Asset Value	\$582.1	\$571.1
Net Asset Value per Share **	\$10.74	\$10.53
Closing Share Price	\$8.65	\$8.80
Premium (Discount)	(19.4%)	(16.5%)

* Includes both equity and mezzanine co-investments.

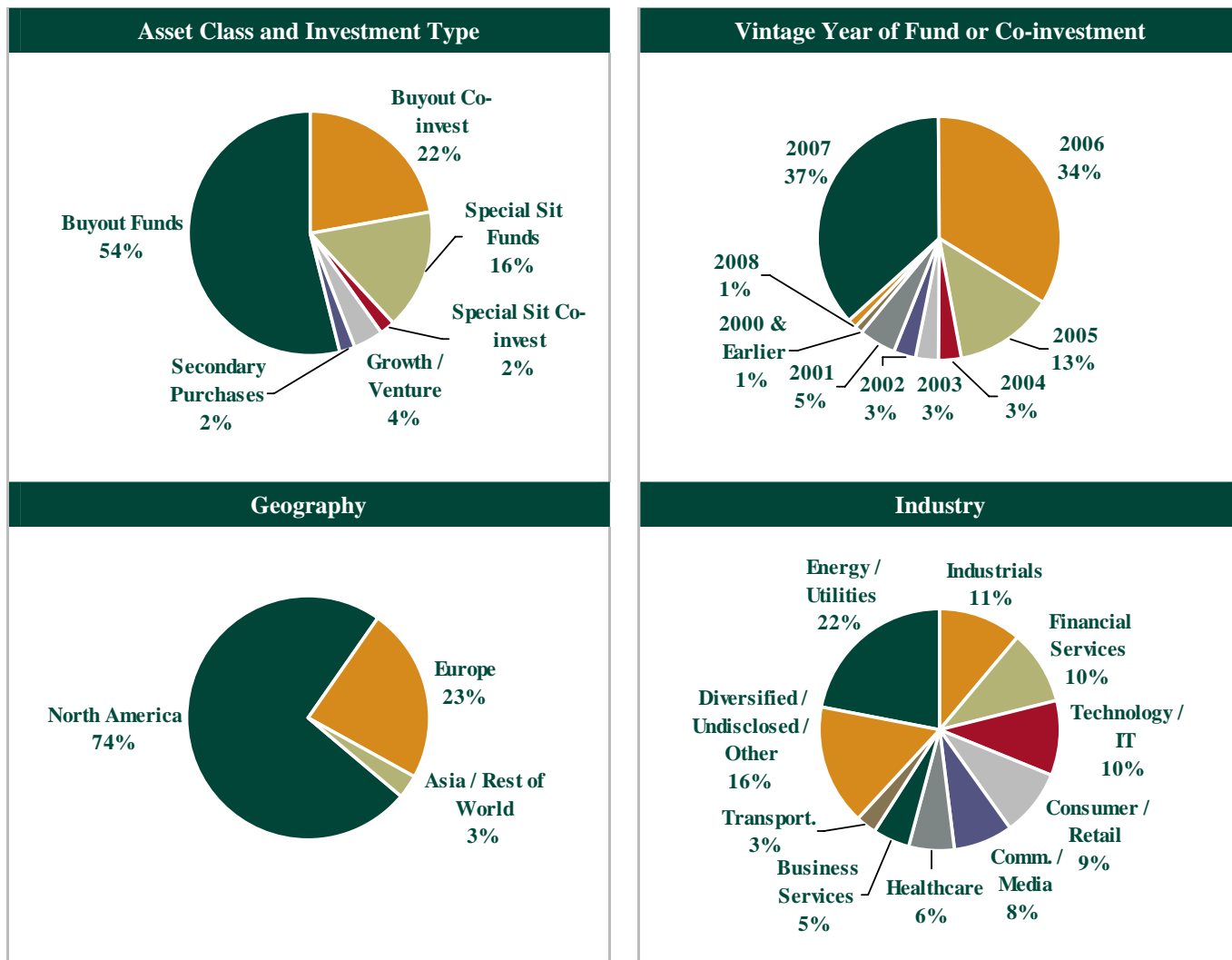
** As of 31 May 2008, there were 54,210,000 Class A ordinary shares and 10,000 Class B ordinary shares outstanding.

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Private Equity Portfolio Diversification

Key information about LBPE's portfolio of private equity investments based upon fair value at 31 May 2008 was as follows: ²



Based on total private equity exposure, which includes unfunded commitments, the diversification of LBPE's portfolio of private equity investments at 31 May 2008 was as follows: ²

- Asset class and investment type – buyout funds: 55%; buyout co-investments: 15%; 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: 3%; 2004: 2%; 2005: 11%; 2006: 32%; 2007: 39%; 2008: 6%
- Geography – North America: 72%; Europe: 25%; Asia / rest of world: 3%
- Industry – energy / utilities: 20%; industrials: 13%; financial services: 11%; consumer / retail: 9%; technology / IT: 9%; communications / media: 9%; 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.

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

Lehman Brothers Private Fund Advisers, LP
325 N. Saint Paul Street
Suite 4900
Dallas, TX 75201
United States of America
www.lehman.com/im/pe/pfi/
Email: investorrelations@lbpe.com
Phone: +1-214-647-9593
Fax: +1-214-647-9501

Registered Office

Lehman Brothers Private Equity Partners Limited
P.O. Box 225
Polygon Hall, Le Marchant Street
St. Peter Port, Guernsey GY1 4HY
Channel Islands
www.lbpe.com
Phone: +44-(0)1481-716-000
Fax: +44-(0)1481-728-452

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.