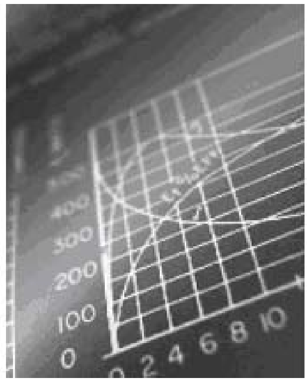
Lehman Brothers Private Equity Partners Limited



INTERIM FINANCIAL REPORT
(UNAUDITED)

AS OF 30 SEPTEMBER 2008, AND FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008

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COMPANY OVERVIEW

Our investment objective is to produce attractive returns on our capital from our private equity investments while managing investment risk through portfolio diversification. We intend to pursue diversification for our private equity investments across asset class, vintage year, geography, industry and sponsor.

Our Company	**Lehman Brothers Private Equity Partners Limited** ▪ **Guernsey closed-end investment company** ▪ **53,814,576 Class A ordinary Shares outstanding** ▪ **10,000 Class B ordinary Shares outstanding**
Investment Manager	Lehman Brothers Private Fund Advisers, LP ▪ Over 20 years of private equity investing experience ▪ Ten-member Investment Committee with an aggregate of more than 180 years of experience with private equity investing ▪ Over 55 investment professionals ▪ Over 145 administrative and finance professionals ▪ Offices in New York, Dallas, London and Hong Kong

($ in millions, except per share data)	**At 30 September 2008**	**At 31 December 2007**
Net Asset Value	$538.8	$562.5
Net Asset Value per Share	$10.01	$10.37
Fund Investments	$405.9	$326.4
Direct Co-investments	$109.8	$94.2
Total Private Equity Investments	$515.6	$420.6
Private Equity Investment Level	96%	75%
Cash and Cash Equivalents	$80.4	$145.3

OVERVIEW OF THE INVESTMENT MANAGER

Lehman Brothers Private Fund Advisers, LP, a unit of the Private Fund Investments Group ("PFIG"), and its affiliates (the "Investment Manager"), have over twenty years of investing experience specializing in private equity funds, co-investments and secondary investments and have built relationships with leading private equity sponsors over that time.

The Investment Manager makes all of our investment decisions, and we have delegated to the Investment Manager the day-to-day management and operations of our business. The Investment Manager's investment decisions are made by its Fund of Funds Investment Committee (the "Investment Committee"), which currently consists of ten members with an aggregate of more than 180 years of experience with private equity investing. The sourcing and evaluation of our investments is conducted by the Investment Manager's team of over 55 investment professionals who specialize in private equity fund investments and co-investments. In addition, the Investment Manager's staff of over 145 administrative and finance professionals are responsible for our administrative, financial management and reporting needs. The Investment Manager currently maintains offices in New York, Dallas, London and Hong Kong.

Investment Manager Update

On 3 October 2008, private equity funds sponsored or controlled by Bain Capital Investors, LLC ("Bain Capital") and Hellman & Friedman LLC ("Hellman & Friedman"), two of the world's leading private equity firms, entered into an agreement to acquire a significant portion of the Neuberger Berman business and the other assets of the Lehman Brothers Investment Management Division ("IMD") from Lehman Brothers Holdings Inc. and certain of its subsidiaries ("Lehman Brothers") (the "Transaction"). The Investment Manager will be an integral part of the Transaction. Upon the consummation of the Transaction, IMD Parent LLC, the vehicle through which Bain Capital and Hellman & Freidman will be acquiring a portion of IMD, currently to be renamed Neuberger Investment Management LLC ("NIM"). LBHI is operating as a debtor-in-possession under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

Consummation of the Transaction is subject to a court-approved auction process and the fulfillment or waiver of certain other conditions, including: (1) the consent by clients of the NB Business who represent a specified percentage of the revenue of the NB Business (measured by reference to assets under management with the NB Business and applicable management-fee rates) to the continuation of their advisory relationships with the NB Business consummation of the Transaction; (2) the receipt of certain regulatory approvals; (3) that the average closing price of the S&P 500 Index in the 10 trading days preceding the closing not be less than 902.08; (4) that portfolio managers of the NB Business responsible for managing a minimum percentage of revenues attributable to assets under management enter into definitive employment agreements and be present and accounted for at the closing; and (5) the entry by the Bankruptcy Court of a sale order approving the Transaction. If each of the conditions is satisfied or waived, the parties anticipate closing the Transaction in the first quarter of 2009.

As part of the court approved procedures for the public auction process, other interested parties will have the opportunity to offer to acquire the Neuberger Berman business and the other assets of IMD. The auction is scheduled to take place on 3 December 2008. A hearing has been scheduled for 22 December 2008 for the Bankruptcy Court to consider approval of the sale to the successful bidder. Although the private equity funds sponsored or controlled by Bain Capital and Hellman & Friedman have a binding agreement with Lehman Brothers, it is possible that another party will emerge as the winning bidder in the auction and be approved to purchase the IMD business.

Upon the consummation of the Transaction, NIM will acquire, through a newly formed registered investment advisor owned directly or indirectly by NIM, certain of the assets of the Investment Manager, including the investment advisory agreement. The new advisor will continue to provide investment advisory services under the assumed investment advisory agreement. Upon the consummation of the Transaction, Bain Capital and Hellman & Freidman, through their joint control of NIM, will indirectly control the new advisor.

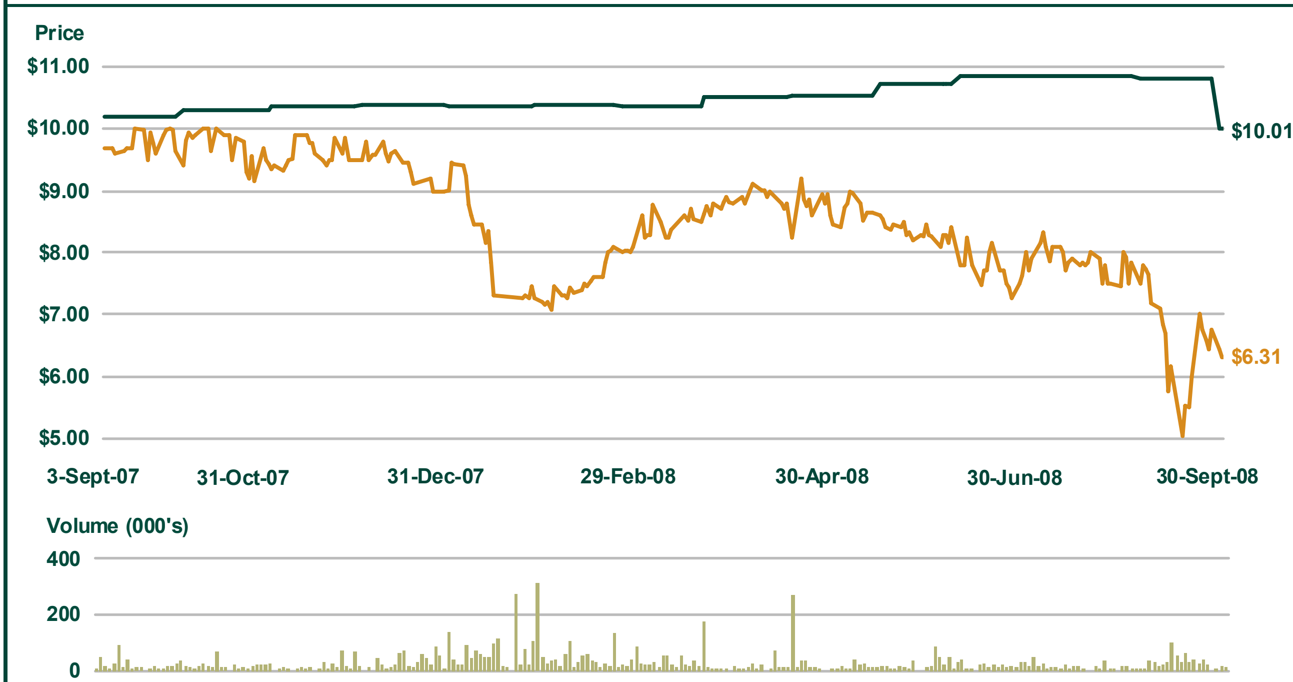
INVESTMENT RESULTS

Since year end 2007, our net asset value decreased from $562.5 million to $538.8 million, or $10.01 per Share, at 30 September 2008. This represents a decrease of $0.36 per Share, or 3.5%, compared to the net asset value per Share of $10.37 on 31 December 2007. During the third quarter, our portfolio value decreased as severe dislocation in the global financial markets and overall weakness in the economy had a negative impact on investment valuations.

For the nine month period ended 30 September 2008, we had net realized gains of $7.9 million, driven primarily by realizations in certain buyout fund investments as well as the successful exits of our two vintage 2007 reinsurance sidecar co-investments. We experienced net unrealized depreciation of $2.2 million on our privately held investments, principally related to the depreciation of certain large-cap buyout fund investments and co-investments. In addition, we had a $22.2 million net decrease in the value of credit related investments and publicly traded securities. Interest and dividend income, foreign exchange adjustments, operating expenses and other items resulted in a net decrease of $7.2 million.

Through the first nine months of 2008, we funded approximately $146.8 million of capital calls, including co-investments, and received approximately $41.6 million of distributions from our underlying private equity portfolio. Subsequent to the end of the third quarter through 7 November 2008, we also funded an additional $28.0 million of capital calls and received $2.4 million of distributions. Approximately 41% of the capital invested during the first three quarters of the year was in our portfolio of special situations funds and co-investments, while 54% was deployed in buyout funds and co-investments and the remaining 5% was directed to growth equity and venture capital investments. Distributions received during the first nine months of 2008 included an aggregate $38.7 million from direct fund investments and co-investments and an aggregate $2.9 million from Lehman Crossroads Fund XVII and Lehman Crossroads Fund XVIII.

SHARE PRICE PERFORMANCE AND NET ASSET VALUE PER SHARE



INVESTMENT PORTFOLIO SUMMARY

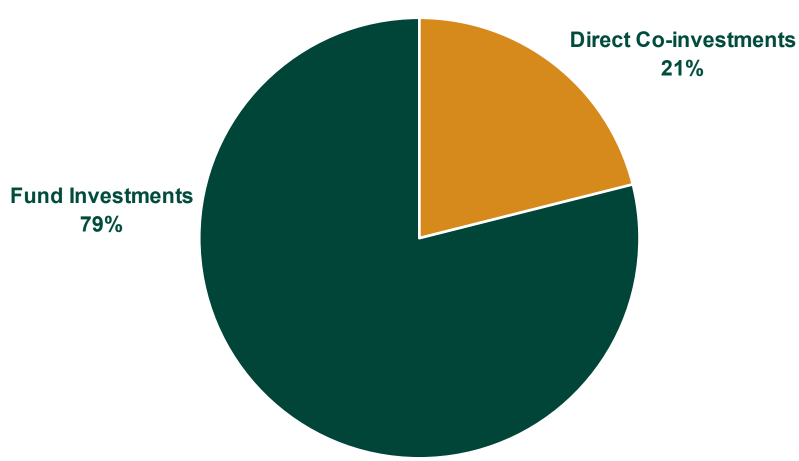
During the third quarter of 2008, we committed $20.0 million to Centerbridge Credit Partners, a special situations fund that focuses on non-control distressed securities and undervalued credit investments. In addition, we also purchased a $1.3 million secondary interest in Sun Capital Partners V, a special situations fund that focuses on private equity investments in underperforming companies and turnaround firms with a leading market position or significant franchise value.

As of 30 September 2008, our private equity investment portfolio consisted of 58 fund investments and direct co-investments, and the net asset value and total exposure of our private equity investments was $515.6 million and $735.3 million, respectively.

PRIVATE EQUITY INVESTMENT PORTFOLIO – 30 SEPTEMBER 2008

($ in millions)	Number of Investments	Net Asset Value	Unfunded Commitments	Total Exposure
Fund Investments	39	$405.9	$213.4	$619.3
Direct Co-investments	19	109.8	6.3	116.1
Total Private Equity Investments	**58**	**$515.6**	**$219.7**	**$735.3**

PORTFOLIO ALLOCATION BASED ON NET ASSET VALUE



INVESTMENT STRATEGY AND CAPITAL DEPLOYMENT

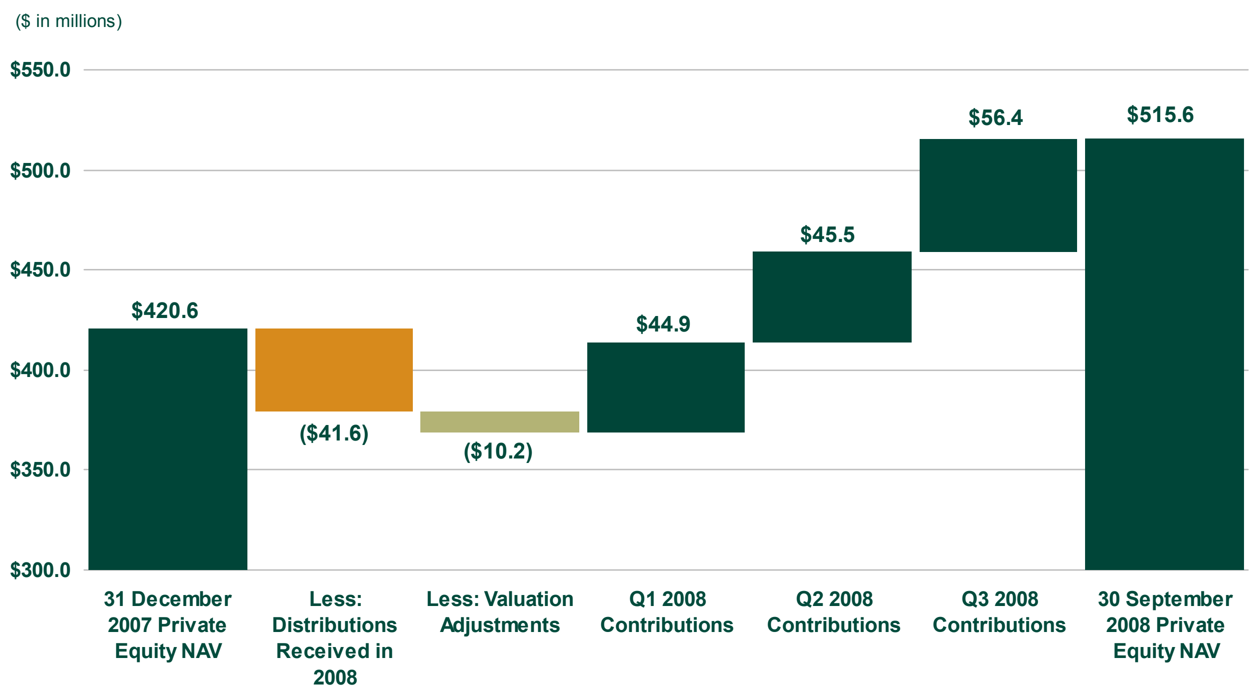
We seek to generate attractive returns on our capital by increasing our net asset value over the long term. We strive to implement our strategy by making investments into high quality private equity funds and direct co-investments, while also maintaining a well-diversified portfolio. In doing so, we will continue to embrace strategic points of view on certain asset classes and sectors within private equity.

In the second half of 2007 and throughout 2008, we over-weighted our allocation to the special situations asset class, including distressed funds. At quarter end, special situations funds and co-investments represented 24% of our investment portfolio based on total private equity exposure. During 2008, approximately 41% of the capital deployed was invested in special situations funds or co-investments, increasing our special situations exposure on a private equity net asset value basis to 22%. In light of the recessionary economic environment and further weakness in the credit markets, we continue to believe that our special situations managers are well-positioned to capitalize on distressed investment opportunities and generate attractive returns over the long term.

Given the current state of the financial markets and the fact that we are nearing 100% investment in private equity assets, we intend to be cautious regarding new investments in the near- to medium-term so as to maintain a conservative capital structure. However, we may opportunistically invest in special situations funds as well as top-tier buyout and growth equity funds that have a proven track record of investing across multiple market cycles, make strategic co-investments that offer an attractive risk/return profile and are otherwise within our target asset allocations and/or capitalize on attractive secondary investments that offer the potential for enhanced returns.

The graph below illustrates a summary of our capital deployment during the first nine months of 2008, including a quarterly breakdown of our private equity contributions. As of 30 September 2008, over 28% of our private equity net asset value was comprised of capital deployed during 2008.

YTD 2008 CAPITAL DEPLOYMENT



PORTFOLIO AND INVESTMENT ACTIVITY

Portfolio and investment activity for the nine month period ended 30 September 2008 was as follows:

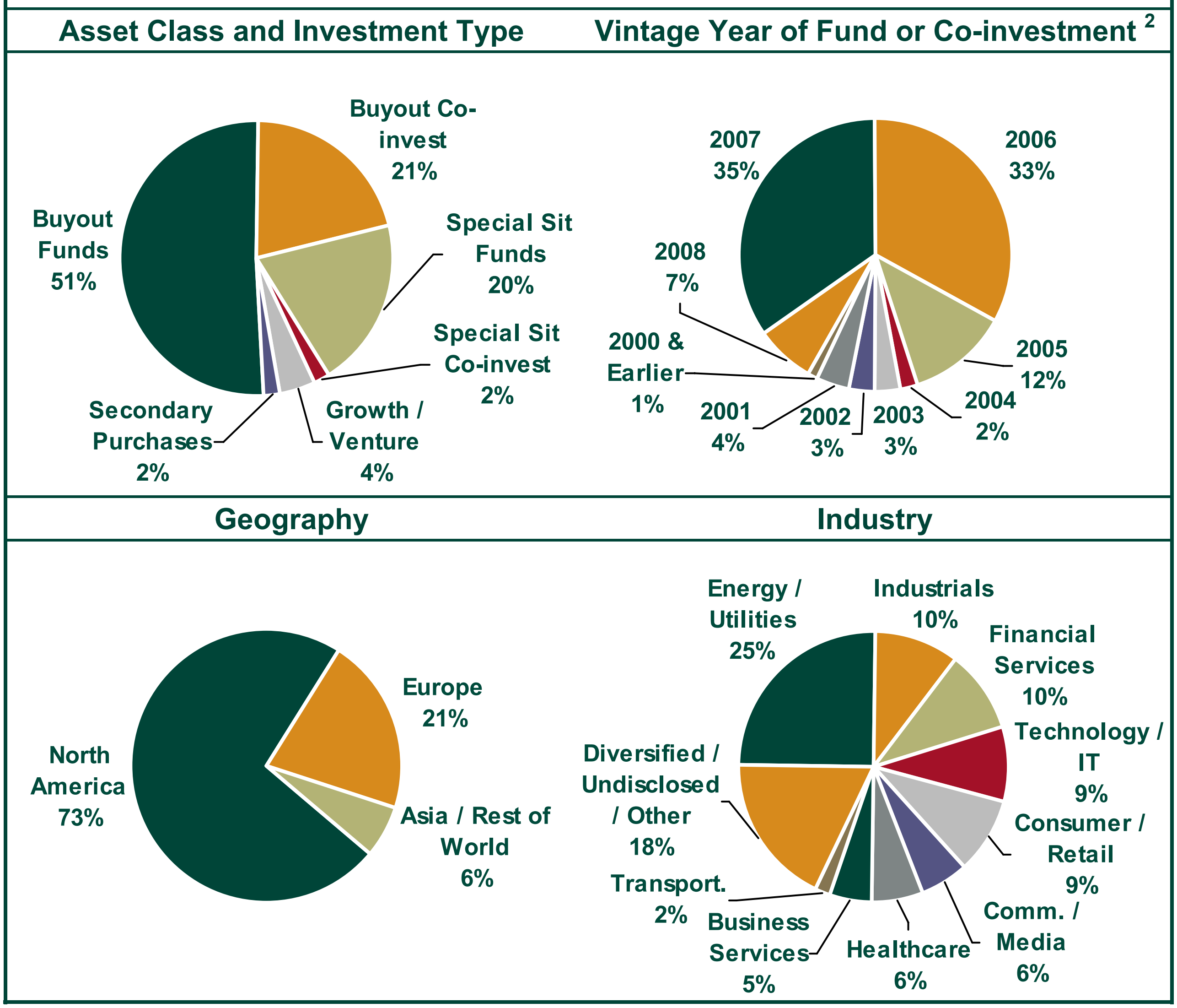
($ in millions)

	Fund Investments	Direct Co-investments	Total
Capital Calls / Co-investments Funded	$131.9	$14.9	$146.8
Distributions Received	$28.9	$12.7	$41.6
Net Realized Gains (Losses)	$6.3	$1.8	$8.1
Net Unrealized Appreciation (Depreciation)	($20.4)	($0.3)	($20.7)
Commitments / Investments	4	6	10
Amount Committed / Invested	$38.3	$21.1	$59.4

PORTFOLIO DIVERSIFICATION

Consistent with our investment objective, we strive to manage investment risk through appropriate diversification within our private equity portfolio. The graphs below illustrate the breakdown of our private equity investment portfolio based on private equity net asset value as of 30 September 2008.

DIVERSIFICATION BASED ON PRIVATE EQUITY NET ASSET VALUE [1]



1. *The diversification analysis by asset class and investment type is based on the net asset value of underlying fund investments and co-investments. 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, geography and industry 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.*

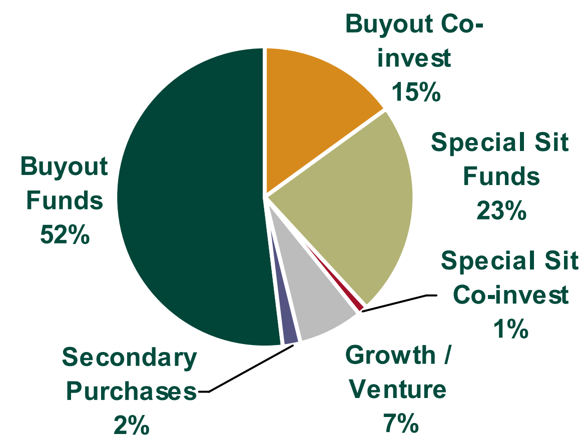
2. *Vintage year is the date of the first portfolio investment made by a private equity fund or the date of the co-investment.*

PORTFOLIO DIVERSIFICATION

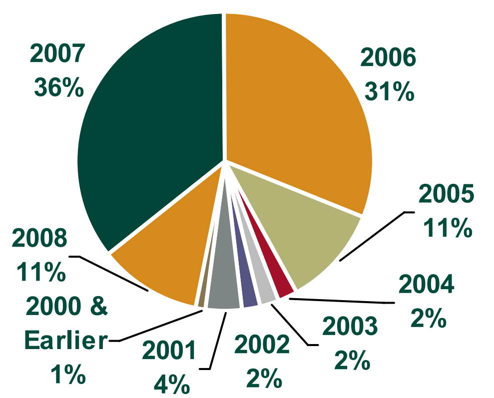
The graphs below depict the diversification of our private equity investment portfolio as of 30 September 2008 based on total private equity exposure, defined as the value of private equity investments plus related unfunded commitments.

DIVERSIFICATION BASED ON PRIVATE EQUITY TOTAL EXPOSURE [1]

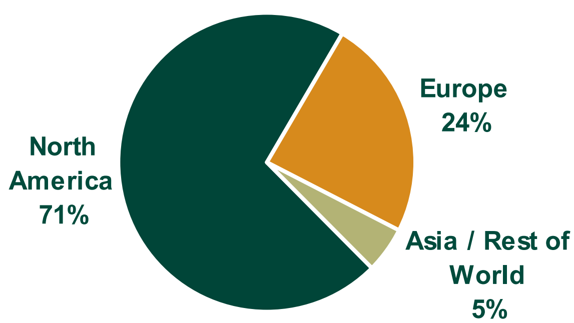
Asset Class and Investment Type



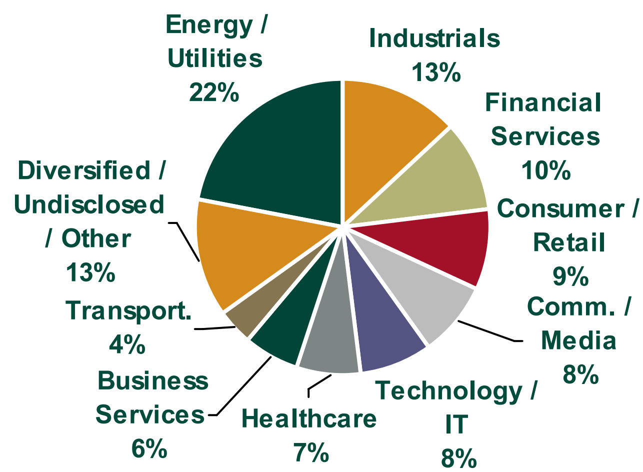
Vintage Year of Fund or Co-investment [2]



Geography



Industry



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2. *Vintage year is the date of the first portfolio investment made by a private equity fund or the date of the co-investment.*

VINTAGE YEAR DIVERSIFICATION

In addition to the overall diversification of our private equity portfolio, we continue to be mindful of potential changes in the market in order to capitalize on the most attractive opportunities at a given point in time. In the second half of 2007 and throughout 2008, we consciously over-weighted our allocation to special situations funds and co-investments in order to take advantage of distressed investment opportunities. As a result, 85% of our private equity net asset value in 2008 vintage year investments was in special situations at the end of the third quarter.

The table below demonstrates the diversification of our private equity net asset value by vintage year and investment type as of 30 September 2008. For the purposes of this analysis, and throughout this Interim Financial Report, vintage year is defined as the date of the first portfolio investment made by a private equity fund or the date of a co-investment.

DIVERSIFICATION BY VINTAGE YEAR AND INVESTMENT TYPE

($ in millions)	Vintage Year				
	<=2004	**2005**	**2006**	**2007**	**2008**
Buyout Funds	$59.9	$47.0	$118.3	$40.0	$0.1
Buyout Co-investments	-	0.8	28.7	72.4	4.1
Special Situations Funds	0.3	2.5	18.2	61.2	20.7
Special Situations Co-investments	-	-	-	0.3	10.2
Growth / Venture	3.4	3.9	5.8	8.0	1.2
Secondary Purchases	1.7	6.6	0.5	0.0	-
Total	$65.3	$60.8	$171.4	$181.8	$36.3

	Vintage Year				
	<=2004	**2005**	**2006**	**2007**	**2008**
Buyout Funds	92%	77%	69%	22%	0%
Buyout Co-investments	0%	1%	17%	40%	11%
Special Situations Funds	0%	4%	11%	34%	57%
Special Situations Co-investments	0%	0%	0%	0%	28%
Growth / Venture	5%	6%	3%	4%	3%
Secondary Purchases	3%	11%	0%	0%	0%
Total	100%	100%	100%	100%	100%

LIQUIDITY AND CAPITAL RESOURCES

The principal sources of our liquidity consist of the remaining net cash proceeds of our initial global offering in July 2007, cash distributions generated by our portfolio of private equity fund investments and co-investments, interest and dividends earned on invested cash and other yield-based investments and borrowings under our credit facility (further detail provided below and in Note 5 of the Consolidated Financial Statements).

As our private equity investment level increased to nearly 100% during the third quarter, we drew down an initial $50 million from our credit facility in order to fund ongoing investment activities. As of 30 September 2008, we had unfunded private equity commitments of $219.7 million, resulting in an over-commitment level of 36%. As of quarter end, we also had $200 million of undrawn capacity on our credit facility. Thus, we maintained a conservative capital structure as over 100% of our unfunded commitments were backstopped by our cash and undrawn credit facility.

The table below outlines our liquidity and capital position as of 30 September 2008.

CAPITAL POSITION AT 30 SEPTEMBER 2008

($ in millions)	30 September 2008
Net Asset Value	$538.8
Total Private Equity Investments	$515.6
Private Equity Investment Level	96%
Unfunded Private Equity Commitments	$219.7
Total Private Equity Exposure	$735.3
Over-commitment Level	36%
Cash and Cash Equivalents	$80.4
Undrawn Credit Facility	$200.0
Total Capital Resources	$280.4
Excess of Capital Resources Over Unfunded Commitments	**$60.7**

In August 2007, we entered into an agreement with The Bank of Scotland regarding a senior secured revolving credit facility of up to $250 million. Under the terms of the agreement, we may borrow, repay and re-borrow to fund private equity contributions and working capital requirements throughout the seven year term expiring in August 2014. All borrowings under the credit facility bear interest at a floating rate, calculated as LIBOR or Euribor, as appropriate, plus 1.35% per annum. At 30 September 2008, the interest rate on outstanding borrowings was 4.5425%. In addition, we are required to pay a non-utilization fee calculated as 40 basis points per annum on the daily balance of the unused amount of the credit facility.

Subsequent to 30 September 2008, LBPE and Bank of Scotland agreed to amend certain terms of the credit facility. The amendment removed an event of default that would have occurred upon the consummation of the sale of PFIG and replaced it with new events of default. The revised agreement provides that an event of default occurs if (i) fewer than four of Anthony Tutrone, John Buser, Peter Von Lehe, Brien Smith, Joseph Malick and David Stonberg, or their replacements as approved by the Bank of Scotland, are actively engaged in the business and affairs of LBPE or (ii) if the Investment Manager ceases to be engaged in the business of managing private equity funds with strategies consistent with the private equity vehicles managed by the Investment Manager as of the date of the Company's public offering and with aggregate limited partner capital commitments of at least $2 billion. The amendment assures that no default will occur under the credit facility as a result of the sale of the Investment Manager as currently contemplated. The other terms of the credit facility, including the aggregate $250 million available, remain unchanged. The credit facility will continue to support our prudent over-commitment strategy intended to allow LBPE to maximize the amount of capital invested in private equity and to minimize cash drag.

VALUATION METHODOLOGY

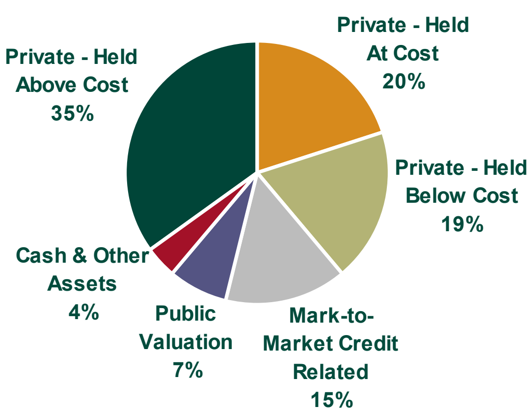
We carry our private equity investments on our books at fair value using the best information we have reasonably available to determine or estimate fair value. Publicly traded securities are valued based on quoted prices as of the last day of the relevant period less discounts to reflect legal restrictions, if any, that affect marketability. We determine such values for publicly traded securities held directly as well as known public positions held in the underlying private equity investments on a look-through basis. We estimate 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. We proactively re-value our investments before we have received updated information from the fund manager or lead sponsor if we become aware of material events that justify a change in valuation.

Our net asset value of $10.01 per share as of 30 September 2008 was 54 cents lower than previously reported in our September 2008 Monthly Report principally due to the receipt of additional portfolio valuation information. Between the release date of our September 2008 Monthly Report and the date of this Interim Financial Report, our Investment Manager received a number of third quarter 2008 financial statements and other valuation estimates that resulted in significant write-downs within our private equity portfolio, particularly related to our large-cap buyout funds and co-investments. Furthermore, our Investment Manager utilized this valuation information to proactively re-value a number of portfolio companies that reside in multiple private equity funds using the most conservative valuation multiple across the portfolio.

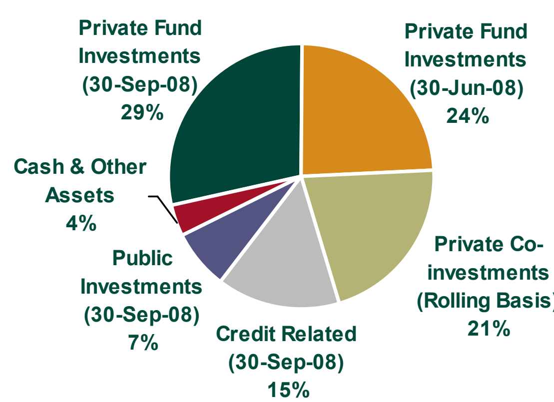
The graphs below illustrate the diversification of our total net asset value by valuation type and the date of most recent available information as of 30 September 2008.

VALUATION METHODOLOGY

LBPE Total NAV by Valuation Type



LBPE Total NAV by Date of Most Recent Available Information



PRIVATE EQUITY INVESTMENT PORTFOLIO

The following is a list of our private equity investments as of 30 September 2008:

($ in millions)	Asset Class	Geography	Vintage Year	Net Asset Value	Unfunded Commitments	Total Exposure
Fund Investments						
AIG Highstar Capital II	Buyout	U.S.	2004	$4.8	$0.3	$5.0
American Capital Equity II	Buyout	U.S.	2005	6.0	1.5	7.5
Apollo Investment Fund V	Buyout	U.S.	2001	13.0	2.6	15.7
Aquiline Financial Services Fund	Buyout	U.S.	2005	1.7	2.9	4.6
ArcLight Energy Partners Fund IV	Buyout	U.S.	2007	10.9	8.4	19.4
Avista Capital Partners	Buyout	U.S.	2006	14.9	2.5	17.4
Bertram Growth Capital I	Growth Equity	U.S.	2007	6.4	10.5	16.9
Carlyle Europe Partners II	Buyout	Europe	2003	7.1	0.8	7.8
Centerbridge Credit Partners	Special Situations	U.S.	2008	12.8	6.0	18.8
Clayton, Dubilier & Rice Fund VII	Buyout	U.S.	2005	19.1	5.7	24.8
Clessidra Capital Partners	Buyout	Europe	2004	3.5	1.2	4.8
Corsair III Financial Services Capital Partners	Buyout	Global	2007	5.7	1.8	7.5
CVI Global Value Fund	Special Situations	Global	2006	14.5	0.8	15.3
Doughty Hanson & Co IV	Buyout	Europe	2003	4.9	0.5	5.4
First Reserve Fund XI	Buyout	U.S.	2006	19.3	6.6	25.9
Investitori Associati III	Buyout	Europe	2000	1.5	1.0	2.4
J.C. Flowers II	Buyout	Global	2006	6.8	0.8	7.6
KKR 2006 Fund	Buyout	Global	2006	19.6	8.3	27.9
KKR Millennium Fund	Buyout	Global	2002	12.7	0.3	13.0
Lehman Crossroads Fund XVII	Diversified	U.S.	2002 - 2006	33.7	12.1	45.7
Lehman Crossroads Fund XVIII Large-cap Buyout	Buyout	Global	2005 - 2008	8.5	4.9	13.5
Lehman Crossroads Fund XVIII Mid-cap Buyout	Buyout	Global	2005 - 2008	20.0	19.8	39.7
Lehman Crossroads Fund XVIII Special Situations	Special Situations	Global	2005 - 2008	7.1	3.0	10.1
Lehman Crossroads Fund XVIII Venture Capital	Venture / Growth	U.S.	2006 - 2008	4.2	6.0	10.2
Lightyear Fund II	Buyout	U.S.	2006	4.7	4.4	9.0
Madison Dearborn Capital Partners V	Buyout	U.S.	2006	7.6	2.0	9.6
OCM Opportunities Fund VIIb	Special Situations	U.S.	2008	7.9	21.0	28.9
OCM Principal Opportunities Fund IV	Buyout	U.S.	2007	15.5	3.0	18.5
Platinum Equity Capital Partners II	Special Situations	U.S.	2007	6.3	12.5	18.9
Prospect Harbor Credit Partners	Special Situations	U.S.	2007	14.0	-	14.0
Sankaty Credit Opportunities III	Special Situations	U.S.	2007	27.2	-	27.2
Summit Partners Europe Private Equity Fund	Growth Equity	Europe	2008	-	7.0	7.0
Sun Capital Partners V	Special Situations	U.S.	2007	2.2	8.9	11.1
Terra Firma Capital Partners III	Buyout	Europe	2007	10.8	16.1	26.9
Thomas H. Lee Equity Fund VI	Buyout	U.S.	2006	12.9	12.8	25.7
Trident IV	Buyout	U.S.	2007	2.5	2.4	4.9
Warburg Pincus Private Equity VIII	Buyout	Global	2001	9.7	-	9.7
Wayzata Opportunities Fund II	Special Situations	U.S.	2007	9.5	10.2	19.7
Welsh, Carson, Anderson & Stowe X	Buyout	U.S.	2005	16.3	4.8	21.1
Total Fund Investments				**$405.9**	**$213.4**	**$619.3**
Direct Co-investments [1]						
Avaya, Inc.	Buyout	U.S.	2007			
Dresser Holdings, Inc.	Buyout	U.S.	2007			
Edgen Murray Corporation	Buyout	U.S.	2007			
Energy Future Holdings Corp. (TXU Corp.)	Buyout	U.S.	2007			
First Data Corporation	Buyout	U.S.	2007			
Firth Rixson, plc (Equity)	Buyout	Europe	2007 / 2008			
Firth Rixson, plc (Mezzanine)	Special Situations	Europe	2008			
Freescale Semiconductor, Inc.	Buyout	U.S.	2006			
GazTransport & Technigaz S.A.S.	Buyout	Europe	2008			
Group Ark Insurance Holdings Limited	Buyout	Global	2007			
Kyobo Life Insurance Co., Ltd.	Buyout	Asia	2007			
Linn Energy, LLC	Buyout	U.S.	2007			
MaRI Holdings Limited	Buyout	Global	2007			
Press Ganey Associates, Inc.	Buyout	U.S.	2008			
Sabre Holdings Corporation	Buyout	U.S.	2007			
Seventh Generation, Inc.	Growth Equity	U.S.	2008			
TPF Genco Holdings, LLC	Buyout	U.S.	2006			
Unión Radio	Buyout	Global	2008			
Total Direct Co-investments				**$109.8**	**$6.3**	**$116.1**
Total Private Equity Investment Portfolio				**$515.6**	**$219.7**	**$735.3**

1. *Co-investment values are given on an aggregate-only basis. No single co-investment comprises more than 4.3% of total net asset value.*

LARGEST UNDERLYING INVESTMENTS

At 30 September 2008, our private equity investment portfolio included exposure to over 2,300 separate companies, with our allocable portion of approximately 950 companies valued at greater than $20,000. Our ten largest portfolio company investments totaled approximately $117 million in fair value, or 23% of our private equity investments and 22% of our total net asset value. Our twenty largest portfolio company investments totaled approximately $161 million in fair value, or 31% of our private equity investments and 30% of our total net asset value. No individual company accounted for more than 4.3% of total net asset value at quarter end. Listed below are the twenty largest portfolio company investments in alphabetical order.

Company Name	Status	Business Description	Partnership
Affinion Group Holdings Inc	Privately Held	Marketing solutions	Apollo V
Avaya, Inc.	Privately Held	Communication systems, applications and services for enterprises	Direct, Fund XVIII
Dresser Holdings, Inc.	Privately Held	Energy infrastructure and oilfield equipment and services	Direct, First Reserve XI, Fund XVII
Edgen Murray Corporation	Privately Held	Distributor and marketer of steel and alloy products	Direct, Fund XVII
EMI	Privately Held	Global music publishing and recorded music	Terra Firma III
Energy Future Holdings Corp. (f/k/a TXU Corp.)	Privately Held	Power generation, transmission and distribution, and retail electricity services	Direct, KKR 2006, Fund XVIII
EXCO Resources, Inc.	Publicly-Traded	Oil and natural gas property acquisition, exploitation and development	OCM Principal Opps IV, Fund XVII, Fund XVIII
First Data Corporation	Privately Held	Global payment processing services	Direct, KKR 2006, Fund XVIII
Firth Rixson, plc	Privately Held	Supplier of specialist metal products primarily for the aerospace industry	Direct
Freescale Semiconductor, Inc.	Privately Held	Semiconductor developer and manufacturer	Direct, Carlyle Europe II, Fund XVII, Fund XVIII
Group Ark Insurance Holdings Limited	Privately Held	Lloyd's based specialty P&C insurer	Direct, Aquiline, Fund XVIII
Linn Energy, LLC	Publicly-Traded	Independent oil and gas company	Direct
Nielsen Company	Privately Held	Global information and media products and services	Carlyle Europe II, KKR Millennium, THL Fund VI, Fund XVII
Power Holdings Inc.	Privately Held	Manufacturer of a full spectrum power distribution and monitoring equipment	Bertram Growth Capital, Fund XVIII
Sabre Holdings Corporation	Privately Held	Travel services	Direct, Fund XVII, Fund XVIII
Sally Beauty Holdings, Inc.	Publicly-Traded	International specialty retailer of professional beauty supplies	Clayton, Dubilier & Rice VII
ServiceMaster Company	Privately Held	Maintenance services, including lawn care, house cleaning and pest control	Clayton, Dubilier & Rice VII
TPF Genco Holdings, LLC	Privately Held	Natural gas fired power plants	Direct, Fund XVII, Fund XVIII
U.S. Foodservice Inc	Privately Held	Foodservice distributor	Clayton, Dubilier & Rice VII, KKR 2006, Fund XVIII
Unity Media	Privately Held	German cable television operator	Apollo V, Fund XVIII

At 30 September 2008, approximately $38 million of our private equity investment portfolio was comprised of companies with publicly-traded securities. This amount represented 7% of our private equity investments and 7% of our total net asset value.

LEHMAN CROSSROADS FUND OF FUNDS INVESTMENTS

Lehman Crossroads Fund XVII ("Fund XVII") and Lehman Crossroads Fund XVIII ("Fund XVIII") are diversified private equity fund of funds comprised of private equity fund investments, secondary investments and co-investments. Our exposure to Fund XVII is through a single commitment to Fund XVII's asset allocation fund while our exposure to Fund XVIII is through separate commitments to each of the asset class funds within Fund XVIII: Large-cap Buyout; Mid-cap Buyout; Special Situations / Distressed; and Venture Capital / Growth Equity.

As of 30 September 2008, the fair value of our investment in Fund XVII was $33.7 million, representing 7% of our total private equity investments and 6% of our total net asset value. The asset class diversification of our investment in Fund XVII based on private equity net asset value at quarter end was as follows[1]: Buyout – 58%; Venture / Growth – 35%; and Special Situations – 7%. As of 30 September 2008, Fund XVII consisted of 62 primary fund investments, nine co-investments and five secondary purchases and included exposure to over 1,500 separate companies, with the ten largest companies totaling approximately $3.1 million in fair value to LBPE, or less than 1% of our total net asset value.

As of 30 September 2008, the aggregate fair value of our investments in Fund XVIII was $39.8 million, representing 8% of our total private equity investments and 7% of our total net asset value. The asset class diversification of our investments in Fund XVIII based on private equity net asset value at quarter end was as follows[1]: Buyout – 74%; Special Situations – 16%; and Venture / Growth – 10%. As of 30 September 2008, Fund XVIII consisted of 71 primary fund investments, 27 co-investments and four secondary purchases and included exposure to over 1,000 separate companies, with the ten largest companies totaling approximately $6.0 million in fair value to LBPE, or approximately 1% of our total net asset value.

The table below lists our ten largest investments in Fund XVII and Fund XVIII as of 30 September 2008. At quarter end, the ten largest investments in Fund XVII had a fair value of approximately $9.7 million to LBPE, or 2% of our total private equity investments and 2% of our total net asset value. The ten largest investments in Fund XVIII had a fair value of approximately $11.0 million, or 2% of our total private equity investments and 2% of our total net asset value.

Ten Largest Investments in Fund XVII		Ten Largest Investments in Fund XVIII	
Partnership	**Asset Class**	**Partnership**	**Asset Class**
Apollo Investment Fund VI	Buyout	3i Eurofund V	Buyout
Candover 2005 Fund	Buyout	Blackstone Capital Partners V	Buyout
Carlyle/Riverstone Global E&P Fund III	Buyout	Doughty Hanson & Co. V	Buyout
CVC European Equity Partners IV	Buyout	KKR 2006 Fund	Buyout
LS Power Equity Partners	Buyout	LS Power Equity Partners II	Buyout
Oak Investment Partners XI	Growth / Venture	Madison Dearborn Capital Partners V	Buyout
Sankaty Credit Opportunities II	Special Situations	Newbridge Asia IV	Buyout
Sun Capital Partners IV	Buyout	TowerBrook Investors II	Buyout
Trinity Ventures IX	Growth / Venture	TPF Genco Holdings, LLC	Buyout Co-invest
Warburg Pincus Private Equity IX	Special Situations	Tenaska Power Fund II	Buyout

1. *The asset class diversification analysis is based on our allocable portion of the net asset value of the underlying fund investments and direct co-investments held by Fund XVII and Fund XVIII, respectively.*

MARKET COMMENTARY

The third quarter of 2008 was challenging for the financial markets. The credit markets were virtually frozen, global equity indices experienced double digit percentage losses and additional multi-billion dollar losses in the financial industry led to the failure of several major financial institutions. These developments eventually led to a restructuring of the remaining broker-dealers on Wall Street and the nationalization of multiple financial entities deemed too big to fail by governments.

As a result, the leveraged buyout ("LBO") market was largely inactive during the third quarter (fundraising, new investments and exit activity) as financial sponsors concentrated their efforts on evaluating the impact of the recent market turbulence on their portfolio companies. During the third quarter, U.S. LBO volume fell to approximately $17.4 billion in only 13 transactions, which was on par with levels last seen in 2003.[1] The average purchase price multiple for these transactions remained relatively high at 9.8x EBITDA; however, given the persistent dislocation in the credit markets, the average equity contribution for these transactions rose to 44%, up from approximately 31% for 2007 LBO's.[1] As the market works its way through the current de-leveraging process, we expect purchase and leverage multiples to decline.

On the other hand, the de-leveraging process created numerous opportunities for distressed funds as capital-constrained and failed financial institutions became forced sellers of the high yield debt and leveraged loans that were previously held on their balance sheets. Consequently, distressed debt funds, as well as numerous buyout funds, called down significant amounts of their uncalled capital during the third quarter and into October in order to buy corporate debt securities at valuations well below par.

The private equity fundraising environment was especially sluggish during the third quarter as institutional investors struggled with portfolio allocation issues caused by substantial declines in the value of their other investments such as public equities, real estate and commodities. The number of private equity funds currently being raised is down 40% from the same time period in 2007.[2] In general, we expect this fundraising trend to continue and view this phenomenon as a healthy and necessary correction.

Given the volatility in the financial markets and the downward pressure on the economy, we continue to remain cautious until the market demonstrates signs of stabilizing and the outlook for private equity becomes clearer. Nevertheless, we believe that the dislocations caused by the credit crunch will provide attractive opportunities for distressed funds and experienced buyout investors to generate outsized returns over the long term.

1. *Standard & Poor's Leveraged Commentary Data – LBO Review Q3 2008.*
2. *Private Equity Intelligence Global Fundraising Update: Q3 2008.*

NEW INVESTMENTS

During the third quarter of 2008, we invested or committed to invest in the following private equity investments:

Centerbridge Credit Partners

Primary Fund Investment

In July 2008, we made a $20 million commitment to Centerbridge Credit Partners, a special situations fund that focuses on non-control distressed securities and undervalued credit investments. Centerbridge Partners is a private investment firm focused on making private equity investments in companies with leading management teams and well positioned businesses. The firm is headquartered in New York.

Sun Capital Partners V

Secondary Fund Investment

In July 2008, we purchased a $1.3 million interest in Sun Capital Partners V, a special situations fund that focuses on private equity investments in underperforming companies and turnarounds of firms with a leading market position or significant franchise value. Sun Capital and its affiliates have invested in and managed more than 195 companies worldwide since the firm's inception in 1995, with combined sales in excess of $40 billion and more than 170,000 employees. Sun Capital has offices in Boca Raton, Los Angeles and New York and affiliates with offices in London, Tokyo, Shenzhen, Paris and Frankfurt.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made and relate to expectations, beliefs, projections (including anticipated economic performance and financial condition), future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts and are subject to risks and uncertainties including, but not limited to, statements as to:

- our future operating results;
- our business prospects and the prospects of our investments;
- the impact of investments that we expect to make;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the ability of our investments to achieve their objectives;
- differences between our investment objective and the investment objectives of the private equity funds in which we invest;
- the rate at which we deploy our capital in private equity investments, co-investments and opportunistic investments;
- our expected financings and investments;
- the continuation of the Investment Manager as our service provider and the continued affiliation with the Investment Manager of its key investment professionals;
- the adequacy of our cash resources and working capital; and
- the timing of cash flows, if any, from the operations of our underlying private equity funds and our underlying portfolio companies.

In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will," and "would," or the negative of those terms or other comparable terminology.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Factors and events that could cause our business, financial condition, liquidity and results of operations to vary materially include, among other things, general economic conditions, securities market conditions, private equity market conditions, the level and volatility of interest rates and equity prices, competitive conditions, liquidity of global markets, international and regional political conditions, regulatory and legislative developments, monetary and fiscal policy, investor sentiment, availability and cost of capital, technological changes and events, outcome of legal proceedings, changes in currency values, inflation, credit ratings and the size, volume and timing of transactions, as well as other risks described elsewhere in this report and our prospectus relating to our IPO.

The foregoing is not a comprehensive list of the risks and uncertainties to which we are subject. Except as required by applicable law, we undertake no obligation to update or revise any forward-looking statements to reflect any change in our expectations, or any changes in events, conditions or circumstances on which the forward-looking statement is based. In light of these risks, uncertainties and assumptions, the events described by our forward-looking statements might not occur. We qualify any and all of our forward-looking statements by these cautionary factors.

RISK FACTORS

An investment in our company involves substantial risk and investors in our company's shares should carefully consider such risks, including the following. Additional risks and uncertainties that we do not presently know about or that we currently believe are immaterial may also adversely impact our business, financial condition, results of operations or the value of your investment. If any of the following risks actually occur, our business, financial condition, results of operations and the value of your investment would likely suffer.

Our company may experience fluctuations in its monthly net asset value.

Our company may experience fluctuations in our net asset value from month to month due to a number of factors, including changes in the values of investments, which in turn could be due to changes in values of portfolio companies, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in operating expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the shares and cause our company's results for a particular period not to be indicative of our company's performance in a future period.

The shares could continue to trade at a discount to net asset value.

The shares could continue to trade at a discount to net asset value for a variety of reasons, including due to market conditions or to the extent investors undervalue the Investment Manager's investment management activities. Also, since there is generally a period of years before a new private equity fund has completed making its investments, return on our investments in such funds is not likely to be realized for a substantial time period, if at all, which could negatively impact the value of the shares. Additionally, unlike traditional private equity funds, we intend to continuously reinvest the cash we receive, except in limited circumstances. Therefore, the only way for investors to realize upon their investment is to sell their shares for cash. Accordingly, in the event that a holder of shares requires immediate liquidity, or otherwise seeks to realize the value of its investment in our company, through a sale of shares, the amount received by the holder upon such sale may be less than the underlying net asset value of the shares sold.

The Euronext Amsterdam trading market is less liquid than certain other major exchanges, which could affect the price of our shares.

The principal trading market for the shares is the Euronext Amsterdam, which is less liquid than certain other major exchanges in the United States and certain other parts of Europe. Because Euronext Amsterdam is less liquid than major exchanges in the United States and certain other parts of Europe, our shareholders may face difficulty when disposing of their shares, especially in large blocks. In addition, a disproportionately large percentage of the market capitalization and trading volume of Euronext Amsterdam is represented by a small number of listed companies and conglomerates. Fluctuations in the prices of these companies' securities may have a significant effect on the market price for the securities of other listed companies, including the price of the shares.

To date the company's shares have actively traded, but with generally low daily volumes. The company has worked to increase the interest in our shares, including engaging two corporate brokers to assist in developing a more active trading market, but we cannot predict the extent to which investor interest will lead to the development of a more liquid trading market for the shares or, if such a market develops, whether it will be maintained.

Our company cannot predict the effects on the price of the shares if a more liquid trading market for them does not develop. In addition, if such a market does not develop, relatively small sales may have a significant negative impact on the price of the shares. For example, sales of a significant number of shares may be difficult to execute at a stable price.

STATEMENT OF RESPONSIBILITY AND CERTAIN INFORMATION

Statement of Responsibility

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law, of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing these financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 1994. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Certain Information

We prepare consolidated financial statements for our Company on an annual and quarterly basis in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Our fiscal year ends on 31 December.

We are subject to the Netherlands Financial Supervision Act *(Wet op het financieel toezicht, "Wft")*, and we are registered with the Netherlands Authority for the Financial Markets *(Autoriteit Financiële Markten, "AFM")* as a collective investment scheme as meant in section 1:107 of the Wft. We are subject to certain ongoing requirements under the Netherlands Financial Supervision Act and the Decree on Supervision of Conduct by Financial Enterprises *(Besluit Gedragstoezicht financiële ondernemingen Wft)* relating to the disclosure of certain information to investors, including the publication of our financial statements.

DIRECTORS, ADVISORS AND CONTACT INFORMATION

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

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Talmai Morgan (Chairman)
John Buser
John Hallam
Christopher Sherwell
Peter Von Lehe

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The Web site address for Lehman Brothers Private Equity Partners Limited is www.lbpe.com.

LEHMAN BROTHERS PRIVATE EQUITY PARTNERS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

For the Nine Month Period Ended 30 September 2008

PRICEWATERHOUSECOOPERS

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Report of Independent Accountants

To the Board of Directors and Shareholders of
Lehman Brothers Private Equity Partners Limited:

We have reviewed the accompanying consolidated statement of assets and liabilities of Lehman Brothers Private Equity Partners Limited and its subsidiaries (the "Company"), including the consolidated condensed schedule of private equity investments as of 30 September 2008, and the related consolidated statements of operations, of changes in net assets, and of cash flows for the nine month period ended 30 September 2008, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the responsibility of management and the directors of the Company.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with the auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

This report has been prepared for and only for the directors and shareholders of Lehman Brothers Private Equity Partners Limited as a body, and for no other purpose. We do not accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers CI LLP

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
10 November 2008

Lehman Brothers Private Equity Partners Limited

Consolidated Statement of Assets and Liabilities

Assets		**30 September 2008 (Unaudited)**		**31 December 2007 (Audited)**
Private equity investments				
(cost of $515,316,295 for 2008 and $401,787,541 for 2007)	$	515,639,793	$	420,588,984
Cash and cash equivalents				
Denominated in U.S. dollars		79,926,717		102,779,760
Denominated in Euros (cost of $422,928 for 2008 and $40,344,798 for 2007)		429,397		42,569,017
		80,356,114		145,348,777
Other assets		3,292,904		6,677,952
Total assets	**$**	**599,288,811**	**$**	**572,615,713**
Liabilities				
Loan payable	$	50,000,000	$	-
Payables to Investment Manager and affiliates		3,368,988		5,923,675
Accrued expenses and other liabilities		1,407,847		1,401,621
Current taxes payable		431,054		387,487
Net deferred tax liability		4,773,882		1,902,103
Total liabilities	**$**	**59,981,771**	**$**	**9,614,886**
Minority interest	$	521,964	$	542,743
Net assets				
Class A shares, $0.01 par value, 500,000,000 shares authorized, 54,210,000 shares issued, and 53,814,576 shares outstanding for 2008 (54,210,000 for 2007)	$	542,100	$	542,100
Class B shares, $0.01 par value, 100,000 shares authorized and 10,000 shares issued and outstanding		100		100
Additional paid-in capital		541,657,800		541,657,800
Retained earnings		(500,361)		20,258,084
Less cost of 395,424 shares of treasury stock		(2,914,563)		-
Total net assets	**$**	**538,785,076**	**$**	**562,458,084**
Total liabilities, minority interest and net assets	**$**	**599,288,811**	**$**	**572,615,713**
Net asset value per share for Class A and Class B shares	**$**	**10.01**	**$**	**10.37**

The accounts were approved by the board of directors on 10 November 2008 and signed on its behalf by:

John Hallam   Christopher Sherwell

The accompanying notes are an integral part of the consolidated financial statements.

Lehman Brothers Private Equity Partners Limited

Consolidated Condensed Schedule of Private Equity Investments

Private equity investments		Cost		Fair Value		Unfunded Commitment		Private Equity Exposure
30 September 2008 (Unaudited)								
Fund investments	$	420,675,661	$	405,889,666	$	213,376,191	$	619,265,857
Direct co-investments-equity		84,112,505		99,558,301		6,311,962		105,870,263
Direct co-investments-mezzanine debt		10,528,129		10,191,826		-		10,191,826
Total private equity investments	**$**	**515,316,295**	**$**	**515,639,793**	**$**	**219,688,153**	**$**	**735,327,946**
31 December 2007 (Audited)								
Fund investments	$	311,101,575	$	326,001,715	$	300,332,368	$	626,334,083
Direct co-investments		90,409,480		94,171,705		4,645,372		98,817,077
Marketable securities		276,486		415,564		N/A		415,564
Total private equity investments	**$**	**401,787,541**	**$**	**420,588,984**	**$**	**304,977,740**	**$**	**725,566,724**

Private equity investments in excess of 5% of net asset value:		Cost		Fair Value
30 September 2008 (Unaudited)				
Lehman Crossroads Fund XVII	$	32,460,915	$	33,656,286
Lehman Crossroads Fund XVIII				
Large-cap Buyout		9,012,528		8,530,576
Mid-cap Buyout		18,675,649		19,951,257
Special Situations		7,359,682		7,050,317
Venture Capital		4,093,848		4,221,444
	$	39,141,707	$	39,753,594
Total	**$**	**71,602,622**	**$**	**73,409,880**
31 December 2007 (Audited)				
Lehman Crossroads Fund XVII	$	29,035,543	$	30,905,466
Lehman Crossroads Fund XVIII				
Large-cap Buyout		7,204,661		7,389,983
Mid-cap Buyout		15,203,212		15,290,997
Special Situations		5,777,429		5,920,082
Venture Capital		3,184,190		3,052,044
	$	31,369,492	$	31,653,106
Total	**$**	**60,405,035**	**$**	**62,558,572**

The accompanying notes are an integral part of the consolidated financial statements.

Lehman Brothers Private Equity Partners Limited

Consolidated Condensed Schedule of Private Equity Investments

Geographic diversity of private equity investments: [(1)]	Fair Value 30 September 2008 (Unaudited)	Fair Value 31 December 2007 (Audited)
North America	$ 347,931,655	$ 283,427,108
Europe	98,745,795	86,680,555
Asia / Rest of World	25,372,807	8,544,905
Not yet classified	43,589,536	41,936,416
Total	**$ 515,639,793**	**$ 420,588,984**

Industry diversity of private equity investments: [(2)]	Fair Value 30 September 2008 (Unaudited)	Fair Value 31 December 2007 (Audited)
Energy / Utilities	24.7%	18.2%
Diversified / Undisclosed / Other	17.6%	15.9%
Industrials	10.1%	8.7%
Financial Services	9.9%	13.0%
Technology / IT	8.7%	10.5%
Consumer / Retail	8.7%	11.5%
Communications / Media	6.3%	8.7%
Healthcare	6.2%	6.1%
Business Services	5.6%	4.3%
Transportation	2.2%	3.1%
Total	**100.0%**	**100.0%**

1. *Geography is determined by location of the headquarters of the underlying portfolio companies in funds and direct co-investments. A portion of our fund investments may relate to cash, or other assets or liabilities that they hold and for which we do not have adequate information to assign a geographic location.*
2. *Industry diversity is based on underlying portfolio companies and direct co-investments.*

The accompanying notes are an integral part of the consolidated financial statements.

Lehman Brothers Private Equity Partners Limited
Consolidated Statements of Operations and Changes in Net Assets
For the Nine Month Period Ended 30 September 2008
(Unaudited)

Interest and dividend income	$	3,730,799
Expenses		
Investment management and services		5,116,167
Administration and professional		2,519,153
Debt facility		1,177,504
		8,812,824
Net investment income (loss)		(5,082,025)
Realized and unrealized gain (loss) on investments and currencies other than U.S. dollars		
Net realized gain (loss) on investments, including transactions in currencies other than U.S. dollars, net of taxes of $221,271		7,870,275
Net change in unrealized gain (loss) on investments, including transactions in currencies other than U.S. dollars, net of taxes of $2,871,779		(23,567,474)
Net realized and unrealized gain (loss) on investments and transactions in currencies other than U.S. dollars		(15,697,199)
Net increase (decrease) in net assets resulting from operations	$	(20,779,224)
Less allocations to minority interest		(20,779)
Net increase (decrease) in net assets resulting from operations after allocations to minority interest	**$**	**(20,758,445)**
Net assets at beginning of period		562,458,084
Less cost of 395,424 shares of treasury stock		(2,914,563)
Net assets at end of period	**$**	**538,785,076**
Earnings per share for Class A and Class B shares	**$**	**(0.38)**

The accompanying notes are an integral part of the consolidated financial statements.

Lehman Brothers Private Equity Partners Limited

Consolidated Statement of Cash Flows

For the Nine Month Period Ended 30 September 2008

(Unaudited)

Cash flows from operating activities	
Net increase (decrease) in net assets resulting from operations after minority interest	(20,758,445)
Net increase (decrease) in net assets resulting from operations allocated to minority interest	(20,779)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to cash and cash equivalents used in operating activities:	
Net realized gain (loss) on investments and transactions in currencies other than U.S. dollars, net of taxes	(7,870,275)
Net change in unrealized gain (loss) on investments and transactions in currencies other than U.S. dollars, net of taxes	23,567,474
Change in other assets	(252,191)
Change in payables to Investment Manager and affiliates	(2,554,687)
Change in accrued expenses and other liabilities	169,166
Net cash provided by (used in) operating activities	(7,719,737)
Cash flows from investing activities	
Distributions from private equity investments	40,467,097
Proceeds from sale of investments	1,151,398
Contributions to private equity investments	(131,922,543)
Purchases of investments	(14,869,852)
Net cash provided by (used in) investing activities	(105,173,900)
Cash flows from financing activities	
Loan proceeds	50,000,000
Treasury stock purchased	(2,873,727)
Net cash provided by (used in) financing activities	47,126,273
Effect of exchange rates on cash balances	774,701
Net increase (decrease) in cash and cash equivalents	**(64,992,663)**
Cash and cash equivalents at beginning of period	145,348,777
Cash and cash equivalents at end of period	**$ 80,356,114**

The accompanying notes are an integral part of the consolidated financial statements.

Note 1 – Organization

Lehman Brothers Private Equity Partners Limited and its subsidiaries (the "Company", "We", or "Our") is a closed-end investment company incorporated and registered with Her Majesty's Greffier in Guernsey under the Companies (Guernsey) Law, 1994, as amended. Our registered office is Polygon Hall, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY. We invest in private equity through private equity funds and co-investments. We may also make opportunistic investments. Our Class A shares are listed solely on Euronext Amsterdam N.V.'s Eurolist by Euronext under the symbol "LBPE". We commenced operations on 25 July 2007, following the initial global offering of our Class A shares.

Our Class B shares were contributed by an affiliate of Lehman Brothers Holdings, Inc. (collectively with its affiliates, "Lehman Brothers") to a Guernsey charitable trust whose trustee is Heritage Corporate Services Limited ("Trustee"). Class B shares have the right to elect all of our directors and make most other decisions usually made by shareholders. The voting rights of Class A shares are limited to special consent rights involving specified events including merger, change in investment manager or investment policy, certain additional share issuances and certain material related party transactions as well as other events as described in our memorandum and articles of association. Each Class A and B share participates equally in profits and losses.

The Royal Court in Guernsey confirmed on 19 October 2007 an application by the Company to reduce amounts classified in Guernsey as share premium and transfer the balance to a special reserve which is distributable. We have reflected such amounts in additional paid-in capital.

The Company is managed by Lehman Brothers Private Fund Advisers, LP, a unit of Lehman Brothers' Private Fund Investments Group and its affiliates (collectively, the "Investment Manager") pursuant to an investment management and services agreement.

In accordance with the terms of the initial global offering, the Investment Manager bore the underwriting and placement fees and other expenses associated with it.

Lehman Brothers Holdings Inc. ("the Parent") is the ultimate parent of the Investment Manager. The Parent filed for bankruptcy protection in September 2008. The Company and the Investment Manager were not subject to the bankruptcy filing. IMD Parent LLC, an entity owned by private equity funds sponsored or controlled by Bain Capital Investors, LLC ("Bain Capital") and Hellman & Friedman LLC ("Hellman & Friedman") has entered into an agreement to acquire a significant portion of the Parent's Investment Management Division, including the Investment Manager (the "Transaction"). In the Transaction, certain of the assets of the Investment Manager, including the investment advisory agreement between the Investment Manager and the Company, would be sold to newly formed entities wholly owned directly or indirectly by IMD Parent LLC. In addition, a portion of the Parent's Special Limited Partner interest in a consolidated partnership subsidiary would be transferred to IMD Parent LLC, with the remainder being divided amongst the individuals working on the Company. The Transaction is subject to approval by the bankruptcy court overseeing the Parent's bankruptcy case. The Transaction is governed by "auction" procedures required under bankruptcy law and established by the bankruptcy court. Although the private equity funds sponsored or controlled by Bain Capital and Hellman & Friedman have a binding agreement with the Parent, it is possible that another party will emerge as the winning bidder in the auction and be approved to purchase the assets.

The cash and negotiable assets of the Company are held by and in the name of the Company through JP Morgan, the custodian of the Company, and are not available to creditors of the Parent or any of its affiliates that have filed for bankruptcy protection.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

These consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are presented in United States dollars. We received approval from the Netherlands Authority for the Financial Markets to prepare our financial statements in accordance with U.S. GAAP instead of accounting principles generally accepted in the Netherlands or International Financial Reporting Standards. We plan to continue to report in conformity with U.S. GAAP until the Netherlands Minister of Finance decides otherwise or specific contradictory legislation is passed at the European level.

Principles of Consolidation

The consolidated financial statements include accounts of the Company consolidated with the accounts of all its subsidiaries in which we hold a controlling financial interest as of the financial statement date. All material inter-company balances have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. These investments represent amounts held with financial institutions that are readily accessible to pay expenses or fund investments as well as money market mutual funds.

Valuation of Investments

The Company carries private equity investments on its books at fair value in accordance with U.S. GAAP. We use the best information we have 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. We determine such values for publicly traded securities held directly as well as known public positions held in the underlying private equity investments on a look-through basis. We estimate 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.

The Company adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*, ("FAS 157") on 25 July 2007 (Commencement of Operations). (See Note 4).

Because of their inherent uncertainty, the fair values we use may differ significantly from the values that would have been used had a ready market for these investments existed, and such differences could be material to the financial statements.

Generally, our investments have a defined term and no right to withdraw.

Market Risk

The Company's exposure to financial risks is both direct (through its holdings of assets and liabilities directly subject to these risks) and indirect (through the impact of these risks on the overall valuation of its investments). The Company's investments are generally not traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The partnership investments of the Company each hold a portfolio of investments in underlying companies. These portfolio company investments vary as to type of security held by the underlying partnership (debt or equity, publicly traded or privately held), stage of operations, industry, geographic location, and geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to market price risk.

Market conditions for publicly traded and privately held investments in portfolio companies held by the partnerships may affect their value in a manner similar to the potential impact on direct co-investments made by the Company in publicly traded and privately held securities. The partnership investments of the Company may also hold financial instruments (including debt and derivative instruments) in addition to their investments in portfolio companies that are susceptible to market price risk and therefore may also affect the value of the Company's investment in the partnerships. As with any individual investment, market prices may vary from composite index movements.

Investment Income

We earn interest and dividends from our direct investments in private equity, from the underlying portfolio companies of investments in private equity funds, and from our cash and cash equivalents. We record dividends when they are declared and interest when earned, provided we know the information or are able to reliably estimate it. Otherwise, we record the investment income when it is reported to us by our private equity investments.

Operating Expenses

Operating expenses are recognized when incurred. Operating expenses include amounts directly incurred by the Company as part of its operations, and do not include amounts incurred from the operations of the entities in which we invest.

Realized Gains and Losses on Investments

For investments in private equity funds, we record our share of realized gains and losses incurred when we know that the private equity fund has realized its interest in a portfolio company and we have sufficient information to quantify the amount. For all other investments, we record realized gains and losses when the asset is realized. We record such gains and losses on the trade date.

Net Change in Unrealized Appreciation and Depreciation of Investments

Gains and losses arising from changes in value are recorded as an increase or decrease in the unrealized appreciation or depreciation of investments based on the methodology described above.

Carried Interest

Carried interest amounts due the Investment Manager (see Note 3) are computed and accrued at each period end based on period-to-date results in accordance with the terms of the agreements.

Currency Translation
Investments denominated in a currency other than U.S. dollars are translated into U.S. dollar equivalents using spot rates as of the valuation date. The Company does not separate the changes relating to currency exchange rates from those relating to changes in the fair value of the investments held. These fluctuations are combined and included in the net change in unrealized gain (loss) on investments and transactions in currencies other than U.S. dollars in the Consolidated Statement of Operations. For the nine month period ended 30 September 2008, the effect of translation to U.S. dollars decreased valuations of foreign investments by approximately $765,962. In addition, cash equivalents denominated in Euros increased in value due to translation to U.S. dollars by a net of $774,701. For the nine month period ended 30 September 2008, we experienced realized gains of $2,992,451 and unrealized losses of $2,217,750 related to currency translation and transactions.

The Company has unfunded commitments denominated in a currency other than U.S. dollars. These unfunded commitments are in Euros and amounted to €16,009,894 at 30 September 2008; they have been included in the Consolidated Condensed Schedule of Private Equity Investments at the U.S. dollar exchange rate in effect at 30 September 2008. For the nine month period ended 30 September 2008, the effect on the unfunded commitment of the change in the exchange rate between Euros and U.S. dollars was a decrease in the U.S. dollar obligation of approximately $646,380.

Income Taxes
The Company is registered in Guernsey as an exempt company. The States of Guernsey Income Tax Authority has granted the Company exemption from Guernsey income tax under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and the Company has been charged an annual exemption fee of £600.

With effect from 1 January 2008, Guernsey abolished the exempt company regime for some entities. At the same time the standard rate of income tax for companies moved from 20% to 0%. Therefore some entities previously exempt from tax under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 are now taxed at 0%.

However, the States of Guernsey Income Tax Authority has confirmed that collective investment schemes such as the Company can continue to apply for exempt status.

We expect to be treated as a passive foreign investment corporation in the United States. Income that we derive may be subject to withholding taxes imposed by the U.S. or other countries and will impact the Company's effective tax rate.

Investments made in entities that generate U.S. source income may subject the Company to certain U.S. federal and state income tax consequences. A U.S. withholding tax at the rate of 30 percent may be applied on the distributive share of any U.S. source dividends and interest (subject to certain exemptions) and certain other income that we receive directly or through one or more entities treated as either partnerships or disregarded entities for U.S. federal income tax purposes.

Investments made in entities that generate income that is effectively connected with a U.S. trade or business may subject the Company to certain U.S. federal and state income tax consequences. Generally the U.S. requires withholding on effectively connected income at the highest U.S. rate (generally 35 percent). In addition, the Company may also be subject to a branch profits tax which can be imposed at a rate of up to 30 percent of any after-tax, effectively connected income associated with a U.S. trade or business.

Income taxes are provided based on the liability method of accounting. Deferred taxes are recorded to reflect the tax benefit and consequences of future years' differences between the tax basis of assets and liabilities and their financial reporting basis. We record a valuation allowance to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. We record the tax associated with any transactions with U.S. or other tax consequences when we recognize the related income.

Shareholders in certain jurisdictions may have individual tax consequences from ownership of our shares. We have not accounted for any such tax consequences in these financial statements.

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Because of the inherent uncertainty of such estimates, including estimates of values of investments as described above, amounts ultimately determined may differ from our current estimates and such differences may be significant.

Note 3 – Agreements, including related party transactions

We have the following significant agreements and transactions with the Investment Manager or its affiliates:

Management and Administration
We pay the Investment Manager a management fee calculated at the end of each calendar quarter equal to 37.5 basis points (150 basis points per annum) of the net asset value of our private equity and opportunistic investments. For purposes of this computation, the net asset value is reduced by the net asset value of any investment for which the Investment Manager also serves as investment manager. For the nine month period ended 30 September 2008, the management fee expense was $4,746,720.

We also pay the Investment Manager for certain accounting and administrative services at the rate of 2.5 basis points per quarter (10 basis points per annum) applied to our net asset value at the end of each calendar quarter, computed as described above. The amount incurred by the Company for the nine month period ended 30 September 2008 for these services was $369,447.

We pay to Heritage International Fund Managers Limited ("Heritage"), an affiliate of the Trustee, a fee for providing certain administrative functions relating to certain corporate services and Guernsey regulatory matters affecting the Company. Fees for these services are paid as invoiced by Heritage.

Special Limited Partner's Minority Interest in Subsidiary and Carried Interest
An affiliate of the Investment Manager is a Special Limited Partner in a consolidated partnership subsidiary. At 30 September 2008, the minority interest of $521,964 represents the Special Limited Partner's capital contribution to the partnership subsidiary and income allocation. At 31 December 2007, the minority interest of $542,743 represents the Special Limited Partner's capital contribution to the partnership subsidiary. The amount of the minority interest was agreed between the General Partner and Special Limited Partner of the partnership subsidiary.

The Special Limited Partner is entitled to a carried interest in an amount that is, in general, equal to 7.5% of our consolidated net increase in net assets resulting from operations for a fiscal year in the event that our internal rate of return for such period, based on our net asset value, exceeds 7.5%. If losses are incurred for a period, no carried interest is earned and such loss amounts are carried forward to be included in the internal rate of return calculations for future periods. Carried interest is reduced by the amount of carried interest that we paid during the period to any investment for which the Investment Manager serves as investment manager. Carried interest is also accrued and paid on any economic gain that we realize on treasury stock transactions. (See note 10). Carried interest is accrued periodically and paid at the conclusion of the fiscal year. As of 30 September 2008, no carried interest was payable.

Shares Owned by Lehman Brothers
Simultaneously with the closing of the global offering and related transactions, affiliates of Lehman Brothers, which are not party to the bankruptcy filing of the Parent, purchased $145 million of Class A shares, in the form of restricted depositary shares applicable to investors in the United States, at the offering price. These shares are subject to a restriction on re-sale through 18 July 2010. The restriction can be removed only with the agreement of two of the three underwriters from the initial public offering and a majority of the Company's independent directors.

Pursuant to a trading plan commenced in November 2007, affiliates of Lehman Brothers have acquired an additional 802,319 shares through 30 September 2008. Such shares were acquired on the open market and are not subject to any restrictions on re-sale. The trading plan expires on 14 November 2008 and aggregate share purchases under the plan are not expected to exceed 1.3 percent of outstanding shares.

Initial Investments Acquired from Lehman Brothers
In connection with the global offering, we purchased from affiliates of Lehman Brothers a portfolio of private equity assets (the "Initial Investments") for an aggregate purchase price of $257.1 million. The Company also assumed related unfunded commitments aggregating $396.3 million. The purchase price for the Initial Investments was their aggregate net asset value as of 31 December 2006 plus the amount of capital calls on the related unfunded commitments, minus distributions in respect of such assets, plus interest through the date of purchase at 5.75 percent per annum.

Investments in Lehman Brothers Private Equity Funds
The Company holds limited partner interests in private equity funds of funds managed and sponsored by the Investment Manager. These investments are not party to the bankruptcy filing of the Parent. The net asset value of these investments is excluded for purposes of calculating any management fee. As of 30 September 2008 and 31 December 2007, the aggregate net asset value of these funds was approximately $73.4 million and $62.6 million, respectively, and associated unfunded commitments were $45.8 million and $59.4 million, respectively.

Investments in Lehman Brothers Liquidity Funds
Prior to September 2008, the Company invested its excess cash in listed money market funds sponsored by Lehman Brothers. As of 31 December 2007, balances in the Lehman Brothers Liquidity Funds comprised of the following: U.S. Dollar Liquidity Fund, $98,459,496 and Euro Liquidity Fund, $42,569,017. During the quarter ended 30 September 2008, in the ordinary course of business balances in the Lehman Brothers Liquidity Funds were withdrawn and invested in unrelated money market funds. The remaining aggregate balance in the Lehman Brothers Liquidity Funds at 30 September 2008 was $992.

Licensing Agreement with Lehman Brothers
The Company and its subsidiaries entered into a licensing agreement with Lehman Brothers pursuant to which Lehman Brothers granted to each such entity a non-exclusive, royalty-free license to use the name "Lehman Brothers". The licensing agreement terminates upon, among other things, the termination of the investment management and services agreement.

Other
In addition to the amounts discussed above for carried interest and management and administration fees, as of 30 September 2008 and 31 December 2007, amounts payable to Investment Manager and affiliates related to various matters included $1,581,716 and $2,833,367, respectively. Other assets included a receivable from an affiliate of $462,500 at 31 December 2007.

Note 4 – Fair Value of Financial Instruments

The Company adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*, ("FAS 157") on 25 July 2007 (Commencement of Operations). FAS 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of this hierarchy are as follows:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e. supported by little or no market activity).

The following table details the Company's financial assets and liabilities that were accounted for at fair value as of 30 September 2008 and 31 December 2007 by level and fair value hierarchy. As required by FAS 157, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Assets at Fair Value as of 30 September 2008			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 80,356,114	$ -	$ -	$ 80,356,114
Private equity investments	4,895,694	-	510,744,099	515,639,793
Total assets that are accounted for at fair value	**$ 85,251,808**	**$ -**	**$ 510,744,099**	**$ 595,995,907**

	Assets at Fair Value as of 31 December 2007			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 145,348,777	$ -	$ -	$ 145,348,777
Private equity investments	415,564	7,942,624	412,230,796	420,588,984
Total assets that are accounted for at fair value	**$ 145,764,341**	**$ 7,942,624**	**$ 412,230,796**	**$ 565,937,761**

The Company has assessed its positions and concluded that all of its private equity investments are classified as level 3 with the following exceptions. As of 30 September 2008, one co-investment that is publicly traded is classified as level 1. As of 31 December 2007, marketable securities which were distributed from a private equity investment are classified as level 1 and one co-investment that is publicly traded but subject to a lock-up agreement is classified as level 2; a discount is recorded to reflect the lock-up agreement.

The following table summarizes the changes in the fair value of the Company's level 3 financial assets and liabilities:

Level 3 Financial Assets
For the Nine Month Period Ended 30 September 2008

	Private Equity Investments
Balance, 31 December 2007	$ 412,230,796
Total net realized gains (losses)	4,728,926
Total net unrealized gains (losses)	(15,896,699)
Purchases, issuances and settlements	110,459,660
Transfers in and/or out of level 3	(778,584)
Balance, 30 September 2008	**$ 510,744,099**

Level 3 Financial Assets
For the Period from 25 July 2007 (Commencement of Operations) to 31 December 2007

	Private Equity Investments
Balance, 25 July 2007 (Commencement of Operations)	$ -
Total net realized gains (losses)	2,604,301
Total net unrealized gains (losses)	20,719,745
Purchases, issuances and settlements	388,906,750
Transfers in and/or out of level 3	-
Balance, 31 December 2007	**$ 412,230,796**

Note 5 – Debt Facility

A subsidiary of the Company has entered into an agreement with The Bank of Scotland regarding a senior secured revolving credit facility ("Facility") of up to $250 million. The term of the Facility is seven years and expires in August 2014. At 30 September 2008, $50 million has been borrowed and substantially all assets have been pledged pursuant to the following:

- a security interests in the Company's interest in substantially all eligible funds or co-investments
- an undertaking to dispose of the Company's assets in the event of continued default
- a security interest in the Company's bank accounts
- a pledge over the share capital of any current or future subsidiary of the Company, provided such an arrangement would not violate the terms of the underlying investment
- an assignment by the Company over future cash flows of its private equity investments
- a negative pledge by the Company in respect of the general partnership interests held
- an assignment of the Company's rights under any key transactional documents entered into by the Company

The Company is required to meet certain portfolio diversification tests, a minimum fund/co-investment threshold, maximum exposure limitations, a maximum debt to value ratio, a maximum debt to secured assets ratio and a maximum over-commitment test. In addition, the Facility limits the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers, repurchase of shares, liens or other matters customarily restricted in such agreements. At 30 September 2008, the Company met all requirements under the Facility.

All borrowings under the Facility bear interest at a floating rate, calculated as LIBOR or Euribor, as appropriate, plus 1.35% per annum. The interest rate was 4.5425% at 30 September 2008. In addition, we are required to pay a non-utilization fee calculated as 40 basis points per annum on the daily balance of the unused Facility amount. For the nine month period ended 30 September 2008, we incurred and expensed $755,000 for commitment fees related to the Facility. As of 30 September 2008 and 31 December 2007, unamortized capitalized debt issuance costs were $2,291,835 and $2,589,871, respectively. Capitalized amounts are being amortized on a straight-line basis over the term of the Facility. Amortized capitalized debt issuance costs were $298,036 for the nine month period ended 30 September 2008.

Subsequent to 30 September 2008, the Company borrowed an additional $100 million under the Facility. In addition, the Company amended the terms of the Facility to ensure that the sale of the Investment Manager of the Company by the Parent as currently contemplated does not cause an event of default.

Note 6 – Income Taxes

The Company is exempt from tax on income derived from non-Guernsey sources. However, certain of its underlying investments generate income that is subject to tax in other jurisdictions, principally the United States. The Company has recorded the following amounts related to such taxes:

	30 September 2008
Current tax expense	$ 221,271
Deferred tax expense	2,871,779
Total tax expense	$ 3,093,050

	30 September 2008	31 December 2007
Gross deferred tax assets	$ 3,080,959	$ 895,540
Less valuation allowance	3,080,959	895,540
Gross deferred tax liabilities	4,773,882	1,902,103
Net deferred tax liabilities	**$ 4,773,882**	**$ 1,902,103**

Current tax expense is reflected in net realized gains and deferred tax expense is reflected in net changes in unrealized gains on the consolidated statement of operations. Net deferred tax liabilities are related to net unrealized gains and gross deferred tax assets offset by a full valuation allowance are related to unrealized losses on investments held in entities that file separate tax returns.

Financial Accounting Standards Board ("FASB") Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109* ("FIN 48") requires us to determine whether a tax position we take is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. FIN 48 also provides guidance on the provision of interest and penalties on uncertain tax positions. The Company has adopted a policy of providing interest on uncertain tax positions in the Company's tax provision. The application of FIN 48 has had no material impact on the Company's financial statement.

Note 7 – Earnings per Share in Net Assets Resulting from Operations

The computations for earnings per share in net assets resulting from operations for the three month period ended 30 September 2008 is as follows:

		30 September 2008
Net increase (decrease) in net assets resulting from operations	$	(20,758,445)
Divided by weighted average shares outstanding for Class A and B shares		54,164,446
Earnings per share for Class A and B shares resulting from operations	**$**	**(0.38)**

Note 8 – Recently Issued Accounting Pronouncements

FAS 160

In December 2007, the Financial Accounting Standards Board ("the Board") issued the Statement of Financial Accounting Standards No. 160; *Noncontrolling Interests in Consolidated Financial Statements, an Amendment of ARB No. 51.* The Statement amends ARB No. 51 to establish accounting and reporting standards for the noncontrolling interest (also called a minority interest) in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. The Statement is effective for fiscal years beginning on or after December 15, 2008. Earlier adoption is prohibited by the Statement. At this time, the Company is evaluating the effects of this pronouncement on its financial statements.

Note 9 – Treasury Stock

LBPE has adopted a liquidity enhancement policy that is intended to enhance and strengthen the liquidity in the trading of LBPE’s class A shares. LBPE entered into a liquidity enhancement agreement on 21 July 2008 with ABN AMRO Bank N.V. London Branch (“ABN”). Such agreement provides the parameters and requirements for LBPE’s liquidity enhancement policy.

Under the agreement, ABN has sole discretion, in the name and for the account of LBPE and subject to all applicable legal and regulatory requirements, to effect class A share repurchases and sales of class A shares held in treasury on Euronext Amsterdam within the parameters set out in the agreement. Shares repurchased by LBPE will either be cancelled or held in treasury (provided that LBPE shall not at any time hold class A shares in treasury representing more than 10 percent of its issued class A shares). Shares will not be sold out of treasury at a price which is lower than the last published net asset value per share.

The aggregate number of class A shares which may be purchased in accordance with the agreement is subject to a maximum of five percent of the total number of class A shares outstanding as of 21 July 2008, or 2,710,500 shares, unless LBPE elects to increase such maximum, subject to any limits to the authority granted to LBPE by its shareholders to effect share repurchases. LBPE currently has shareholder authority to repurchase in the market up to 14.99 percent of its issued shares. The authority to purchase shares shall expire at the annual general meeting of LBPE in 2009 unless such authority is varied, revoked or renewed prior to such date. LBPE intends to seek annual renewal of this authority from shareholders.

The maximum price which may be paid for a share is an amount equal to the higher of (i) the price of the last independent trade and (ii) the highest current independent bid price for shares on Euronext Amsterdam.

The agreement shall remain in force until 9 January 2009 subject to extension at the election of LBPE. The agreement may, however, be terminated at any time by either LBPE or ABN.

As of 30 September 2008, there were 53,814,576 Class A ordinary shares and 10,000 Class B ordinary shares outstanding, with 395,424 Class A ordinary shares held in treasury at a cost of $2,914,563.

Note 10 – Financial Highlights

The following financial highlights are being presented as set forth in the AICPA Audit and Accounting Guide for Investment Companies, as amended by AICPA Statement of Position 03-4:

Per share operating performance:		**Based on Average Shares Outstanding During the Period**
Net asset value, beginning of period	$	10.37
Treasury Stock		0.02
Net increase in net assets resulting from operations:		
Net investment income (loss)		(0.09)
Net realized and unrealized gain (loss) on investments and transactions in currencies other than U.S. dollars		(0.29)
Net asset value, end of period	**$**	**10.01**

Total return (not annualized):	**Based on Change in Net Asset Value per Share**
Total return before carried interest	(3.47%)
Carried interest	(0.00%)
Total return after carried interest	**(3.47%)**

Net investment income (loss) and expense ratios (annualized):	**Based on Weighted Average Net Assets**
Net investment income (loss)	(1.21%)
Expense ratios:	
Expense before carried interest	2.09%
Carried interest	0.00%
Total	**2.09%**

Individual shareholder returns may differ from the ratios presented based on differing entry dates into the Company.