

Final Terms dated 22 April 2008

LEHMAN BROTHERS TREASURY CO. B.V.

**Issue of USD 2,202,000 Autocallable Memory Coupon Notes due 2009
on a basket of ADR's of America Movil SAB de C.V. and iShares® MSCI Brazil Index Fund
Guaranteed by Lehman Brothers Holdings Inc.
under the U.S.\$100,000,000,000
Euro Medium-Term Note Program**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated July 24, 2007, as supplemented by the Base Prospectus Supplement dated September 20, 2007, October 15, 2007, December 17, 2007, February 5, 2008, February 11, 2008, February 27, 2008, March 20, 2008 and April 14, 2008 (together, the “**Base Prospectus**”) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC)(the “*Prospectus Directive*”). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.

Information Concerning Investment Risk

Noteholders and prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. The price performance of the Shares (as defined below) may affect the nature and value of the investment return on the Notes. Also, a relatively small movement in the value of the Shares could result in a disproportionately large movement in the value of the Notes. Noteholders and prospective purchasers of Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the Shares based upon such investigations and not in reliance on any information given in these Preliminary Final Terms.

If you are not a highly sophisticated investor you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.

SEE ANNEX I: "RISK FACTORS"

The information in Annex III has been extracted from publicly available information for the information of investors, without independent verification. The Shares are publicly listed, and investors may acquire such further information as they deem necessary from any prospectus in

respect of the Shares, the annual audited financial statements of the issuers of the Shares and such other publicly available information as they deem appropriate. None of the Issuer, the Guarantor or Lehman Brothers Inc. accepts responsibility as to the correct extraction of such information, and no further or other responsibility (express or implied) is accepted by the Issuer, the Guarantor or Lehman Brothers Inc. in respect of such information. Investors should make their own investment, hedging and trading decisions (including decisions regarding the suitability of this investment), based upon their own judgment and upon advice from such advisers as such investors deem necessary and not upon any view expressed by the Issuer or the Guarantor or the Lehman Brothers Inc.

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| 1. | (i) Issuer: | Lehman Brothers Treasury Co. B.V. |
| | (ii) Guarantor: | Lehman Brothers Holdings Inc. |
| 2. | Series Number | 10474 |
| 3. | Specified Currency or Currencies: | United States Dollars ("USD") |
| 4. | Aggregate Nominal Amount: | USD 2,202,000 |
| 5. | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 6. | Specified Denomination(s) | USD 1,000 |
| 7. | Issue Date: | April 29, 2008 |
| 8. | Maturity Date: | April 29, 2009, subject to adjustment in accordance with the Following Business Day Convention |
| 9. | Interest Basis: | Not Applicable |
| 10. | Redemption/Payment Basis: | As described in Annex II |
| 11. | Change of Interest or Redemption/Payment Basis: | As described in Annex II |
| 12. | Put/Call Options: | Not Applicable |
| 13. | (i) Status of the Notes: | Senior Notes |
| | (ii) Status of the Guarantee: | Senior Guarantee |

14. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions Not Applicable

16. Floating Rate Note Provisions Not Applicable

17. Zero Coupon Note Provisions Not Applicable

18. Index-Linked Interest Note Provisions Not Applicable

19. Dual Currency Note Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. Call Option Not Applicable

21. Put Option Not Applicable

22. Final Redemption Amount of each Note: As described in Annex II

23. Early Redemption Amount of each Note
Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on an event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

In respect of each Note, an amount equal to the fair market value of such Note on such day as is determined by the Calculation Agent (as defined in Annex II) in its sole and absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the reasonable cost to the Issuer or any affiliate of unwinding any related hedging arrangements all as calculated by the Calculation Agent and as agreed with the Issuer.

The Notes may also be subject to an Automatic Redemption or an early redemption for taxation reasons, event of default or any other early redemption in accordance with the provisions of Annex II.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: Interests in a temporary global Note will be exchangeable for interests in a permanent global Note in bearer form. Interests in a permanent global Note will be exchangeable for, at the request of each Holder (with respect to its own Notes in bearer form), definitive Notes in bearer form.

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| 25. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Not Applicable |
| 26. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 27. | Details relating to Instalment Notes: Instalment Amounts and Instalment Dates: | Not Applicable |
| 28. | Details relating to Extendible Notes: | Not Applicable |
| 29. | Details relating to Renewable Notes: | Not Applicable |
| 30. | Redenomination, renominalisation and reconventioning provisions: | Not Applicable |
| 31. | Consolidation provisions: | Not Applicable |
| 32. | Other final terms or special conditions: | As described in Annex II |

DISTRIBUTION

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|-----|--|--|
| 33. | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Date of Syndicated Trade Agreement: | Not Applicable |
| | (iii) Stabilizing Manager (if any): | Not Applicable |
| 34. | If non-syndicated, name and address of Dealer: | Lehman Brothers Inc.
745 Seventh Avenue
New York, NY 10019 |
| 35. | Total commission and concession: | 2.38 per cent of Aggregate Nominal Amount |
| 36. | Selling restrictions: | No sales may be made in the United States of America or to, or for the account of US persons (unless pursuant to an applicable exemption from US state and federal registration), or in any jurisdiction in which the sale of the Notes is restricted. |

SEE ANNEX I: "RISK FACTORS"

PURPOSE OF FINAL TERMS

Those Final Terms comprise the final terms required for issue of the Notes described herein pursuant to the U.S.\$100,000,000,000 Euro Medium-Term Note Program of Lehman Brothers Holdings Inc., Lehman Brothers Treasury Co., B.V. and Lehman Brothers Brankhaus A.G.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Preliminary Final Terms subject as provided in the third paragraph under the heading "Information Concerning Investment Risk" on the first page of these Preliminary Final Terms.

Signed on behalf of the Issuer:

By: _____
Duly authorized

PART B – OTHER INFORMATION

1. LISTING

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|----------------------------|----------------|
| (i) Listing | None |
| (ii) Admission to Trading: | Not Applicable |

2. RATINGS

The Notes to be issued have not been rated.

Not Applicable

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save as discussed in the section headed "Subscription and Sale" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Not Applicable

5. YIELD (Fixed Rate Notes Only)

Not Applicable

6. HISTORIC INTEREST RATES

Not Applicable

7. PERFORMANCE OF INDEX/FORMULA/other variable, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (Index-linked or other

variable Linked Notes only)

See Annex C.

The Issuer does not intend to provide post issuance information.

8. PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (DUAL CURRENCY NOTES ONLY)

Not Applicable

9. OPERATIONAL INFORMATION

ISIN Code: XS0361039067

Common Code: 036103906

Valoren: 3984569

New Global Note intended to be held in a manner which would allow Eurosystem eligibility: No

Any clearing systems(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

The Aggregate Nominal Amount of Notes issued has been translated into U.S. Dollars at the rate of (€-\$[] producing a sum of (for Notes not denominated in U.S. Dollars): Not Applicable

Names and addresses of Additional Paying Agents(s) (if any): Not Applicable

10. TERMS AND CONDITIONS OF THE OFFER

Offer Price: 100% of Aggregate Nominal Amount

Conditions to which the offer is subject: Not Applicable

Description of the application Process: Not Applicable

Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not Applicable
Details of the minimum and/or maximum amount of application:	Not Applicable
Manner in and date on which results of the offer are to be made public:	Not Applicable
Procedure for exercise of any right of preemption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	Not Applicable
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	Not Applicable
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	Not Applicable
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	None

ANNEX I

RISK FACTORS

You should carefully consider the risk factors provided below as well as the other information contained in these Preliminary Final Terms and the documents incorporated in this document by reference.

You should reach an investment decision only after you have carefully considered, with your advisors, the suitability of an investment in the Notes in light of your particular circumstances.

Unlike conventional debt securities of the Issuer, the Notes do not pay interest and the payment that you receive at maturity may be less than the Issue Price.

The notes do not pay interest. Depending on the value of the Shares on the Observation Dates you may receive at maturity an amount less than the USD1,000 Issue Price per Note. Accordingly, you may lose some or all of the amount that you invest in the Notes.

A Noteholder's maximum return on the Notes is limited.

The maximum amount that that the Issuer is obligated to pay a holder per Note is limited. As a result, a holder's return on the Notes could be less than the return obtainable if the holder had owned the Shares.

Your return on the Notes could be less than if you owned the Shares because of the operation of the formulae applied on redemption and will not reflect dividends paid on the Shares.

Your return on the Notes could be less than the return obtainable if you had owned the Shares. Your return on the Notes is unlikely to be the same as the return you would realize if you actually owned the Shares and received the dividends paid on the Shares. This is because the Calculation Agent will calculate the amount payable to the Noteholder by reference to the formulae applied on redemption. In addition, the formulae do not take into consideration the value of the dividends paid on the Shares.

Historical values of the Shares should not be taken as an indication of the future performance of the Shares during the term of the Notes.

It is impossible to predict whether the trading price of the Shares will fall or rise. The trading price of the Shares will be influenced by complex and interrelated political, economic, financial and other factors that can affect the markets in which those securities are traded and the values of the Shares.

Increases in the price of the Shares of Company or Fund may not result in an increased return if the price of the Shares of either Company or Fund falls in price.

The Notes are linked to the performance of a Company and a Fund. Price movements of the Shares may not correlate with each other. At a time when the value of one of the Share increase, the value of other Share may not increase as much or may even decline in value. If there is a significant appreciation in the price of the Shares of either the Company or the Fund at the same time as there is a depreciation in the price of the Shares of the other, your return may be reduced or you may lose your entire investment. For example, if on each Observation Date there has been a 50% depreciation from the Trade Date Share Price in respect of the Company or the Fund, and a 50% appreciation from the Trade Date Share Price in respect of the other component, then you will receive a Final Redemption Amount of 50% *multiplied by* your initial investment and the Notes will not be subject to Automatic Redemption.

You can review historical prices for Shares of each of the Company or the Fund in Annex III of this disclosure supplement for the period 1 January 2005 through 21 April 2008 in respect of the Company and the Fund. You cannot predict the future performance of the Company or the Fund as a whole, based on historical performance.

The historical prices of the Shares are not indications of future performance. Neither Lehman Brothers Treasury Co. B.V nor Lehman Brothers Holdings can assure you that the prices of Shares will not fall below 100% of the prices of the Shares on the Trade Date so that you will receive the Automatic Redemption Amount on an Automatic Redemption Date or so that you will receive a Final Redemption Amount on the Maturity Date greater than or equal to \$1,000.

The historical prices in Annex III have been adjusted to reflect any stock splits or reverse stock splits.

You will receive an Automatic Redemption Amount only if the trading prices of the Shares of each of the Company and the Fund on the relevant Observation Dates are greater than or equal to 100% of the trading price of the Shares of the Company and the Fund on the Trade Date.

The Automatic Redemption Amount will only be paid to investors if the trading price of the Shares of the Company and the Fund on the relevant Observation Date is greater than or equal to 100% of the trading price of the Shares of the Company and the Fund on the Trade Date. For example, if on an Observation Date the Shares of the Company or the Fund are trading at 150% of their respective Trade Date Share Price, and the Shares of the other component is trading at 99% of their Trade Date Share Price, there will be no Automatic Redemption and consequently, no payment of an Automatic Redemption Amount. In addition, if the Shares of the Company and the Fund are trading at prices greater than or equal to 100% of the price of the Shares on the Trade Date, but the Shares of the Company or the Fund falls below 100% of its Trade Date Share Price on the relevant Observation Date, the Notes will not be subject to Automatic Redemption and you will not receive the Automatic Redemption Amount on the relevant Redemption Date.

The formula for determining the Final Redemption Amount and the Automatic Redemption Amount does not take into account all developments in the trading prices of the Shares.

Changes in the trading prices of the Shares during the term of the Notes before the Valuation Date with respect to the Final Redemption Amount, and before the relevant Observation Date, with respect to the Automatic Redemption Amount, will not be reflected in the calculation of the Final Redemption Amount and the Automatic Redemption Amount, respectively. The Calculation Agent will determine whether an investor is entitled to Automatic Redemption and the Calculation Agent will calculate the Automatic Redemption Amount by comparing only the prices of the Shares on the Trade Date and the prices of the Shares on the Observation Date. No other prices of the Shares between the Trade Date and the Observation Date will be taken into account. The Calculation Agent will calculate the Final Redemption Amount by comparing only the prices of the Shares on the Trade Date and the prices of the Shares on the Valuation Date. No other prices of the Shares between the Trade Date and the Valuation Date will be taken into account. As a result, you may not be entitled to the Automatic Redemption Amount if the prices of the Shares have risen at certain times during the term of the Notes before falling to prices below 100% of their Trade Date Share Prices on the relevant Observation Dates and you may lose some or all of your investment even if the prices of the Shares have risen at certain times during the term of the Notes before falling to prices below 80% of their Trade Date Share Prices on the Valuation Date.

There is no trading market for the Notes and they are subject to substantial restrictions on transferability.

There is no trading market for the Notes and none is expected to develop. Accordingly, it will be difficult to obtain reliable information about the value of the Notes at any given time. After the initial offering, Lehman Brothers Inc., and/or its affiliates intends to buy and sell the Notes to create a secondary market in the Notes and may stabilize or maintain the market price of the Notes during the initial distribution of the Notes. However, Lehman Brothers Inc., and/or its affiliates will not be obligated to engage in any of these market activities or to continue them once they are begun. Any secondary market prices will likely be lower than the Issue Price since the Issue Price included, and secondary market prices are likely to exclude, commissions paid with respect to the Notes, as well as the projected profit included in the cost of hedging our obligations under the Notes. In addition, any such prices may differ from values determined by pricing models used by Lehman Brothers Inc. and/or its affiliates, as a result of dealer discounts, mark-ups or other transaction costs. The Notes will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state or any other jurisdiction and cannot, therefore, be resold unless they are subsequently registered under these laws or an exemption from registration is found. You must thus be prepared to bear the risk of owning Notes for an extended period of time.

The value of the Notes will be affected by numerous factors, some of which are related in complex ways.

The value of the Notes will be affected by supply of and demand for the Notes, the price of the Shares at that time and a number of other factors, some of which are interrelated in complex ways. As a result, the effect of any one factor may be offset or magnified by the effect of another factor. The price at which you will be able to sell the Notes prior to maturity, if at all, may be at a discount, which could be substantial, from their principal amount. A change in a specific factor could have the following impacts on the value of the Notes, assuming all other conditions remain constant.

- **Value.** The Issuer expects that the value of the Notes will depend substantially on the trading price of the Shares at any given point in time. If you decide to sell the Notes prior to maturity you may receive substantially less than the Issue Price and potentially less than the amount that would be payable upon an Automatic Redemption or at maturity. If you decide to sell the Notes when the trading price of one or more of the Shares is below the trading price of such Shares on the Trade Date, you will receive substantially less than the Issue Price and potentially less than the amount that would be payable upon Automatic Redemption or at maturity. Political, economic and other developments affect the trading price of the Shares, and thus, the value of the Notes.
- **Interest rates.** In general, if U.S. interest rates increase, the value of the Notes may be adversely affected.
- **Volatility of the Shares.** Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the Shares increases or decreases, the value of the Notes may be adversely affected.
- **Merger and acquisition transactions.** The Shares may be affected by mergers and acquisitions, which can contribute to volatility of the Shares. Additionally, as a result of a merger or acquisition, one or more of the Shares may be replaced with a surviving or acquiring entity's securities. The surviving or acquiring entity's securities may not have the same characteristics as the original Shares.

- **Time remaining to maturity.** The value of the Notes may be affected by the time remaining to maturity. As the time remaining to the maturity of the Notes decreases, this time value may decrease, adversely affecting the value of the Notes.
- **Dividend yields.** If dividend yields on the Shares increase, the value of the Notes may be adversely affected because the Shares do not incorporate the value of those payments.
- **The Guarantor's credit ratings, financial condition and results.** Actual or anticipated changes in the Guarantor's credit ratings, financial condition or results may affect the value of the Notes.
- **Economic conditions and earnings performance of the Company or the Fund.** General economic conditions and earnings results of the Company or the Fund, and real or anticipated changes in those conditions or results may affect the value of the Notes.

You should understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any change in the value of the Notes attributable to another factor, such as an increase in the value of the Shares. In general, assuming all relevant factors are held constant, the effect on the value of the Notes of a given change in most of the factors listed above will be less if it occurs later than if it occurs earlier in the term of the Notes.

The Issuer cannot control actions by the Company or the Fund.

Actions by the Company or the Fund may have an adverse effect on the price of the Shares and the Notes. In addition, the Company or the Fund are not involved in the offering of the Notes and have no obligations with respect to the Notes, including any obligation to take the Issuer's or your interests into consideration for any reason. The Company or the Fund will not receive any of the proceeds of this offering of the Notes and are not responsible for, and have not participated in, the determination of the timing of, prices for, or quantities of, the Notes to be issued. The Company or the Fund are not involved with the administration, marketing or trading of the Notes and have no obligations with respect to the amount to be paid to you at maturity.

Potential conflicts of interest exist because the Issuer is an affiliate of Lehman Brothers Inc., which will act as the Calculation Agent.

Lehman Brothers Inc. will act as the Calculation Agent, which determines the amount holders will receive on the Notes, whether adjustments should be made and whether a Market Disruption Event has occurred and which selects a successor underlying security if necessary. As a result, potential conflicts of interest may exist between Lehman Brothers Inc. and the Noteholders. The Issuer, Guarantor and their affiliates act in various capacities with respect to the Notes. Lehman Brothers Inc. and other affiliates of the Issuer and Guarantor may act as a dealer or placement agent in connection with the Notes. Such affiliates, including the sales representative, will derive compensation from the distribution of the Notes and such compensation may serve as an incentive to sell these Notes instead of their investments. The Issuer will pay compensation of up to \$25 per Note to the Dealers in connection with the distribution of Notes.

Cost of Hedging is included in the Issue Price of the Notes.

The Issue Price of the Notes includes the compensation paid to Lehman Brothers Inc. or one or more of its affiliates with respect to the Notes and the cost of hedging the Issuer's obligations under the Notes through one or more of its affiliates. The cost of hedging includes the projected profit that the Issuer's affiliates expect to realize in consideration for assuming the risks inherent in hedging the Issuer's obligations under the Notes. Because the actual cost of hedging the Issuer's obligations entails risk and

may be influenced by market forces beyond the Issuer's or its affiliates' control, such hedging may result in profit that is more or less than expected, or may result in a loss.

Purchases and sales of the Shares or instruments related to the Shares by the Issuer and its affiliates could affect the prices of the Shares.

The Issuer and its affiliates, including Lehman Brothers Inc., may from time to time buy or sell the Shares or derivative instruments related to the Shares for their own accounts in connection with their normal business practices or in connection with hedging of the Issuer's obligations under the Notes, including on the Trade Date, the Automatic Redemption Date and the Valuation Date. These transactions could affect the prices of those securities.

You have no shareholder rights.

Investing in the Notes is not equivalent to investing in the Shares. As an investor in the Notes, you will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to the Shares.

Investment Experience

The Notes are not typical, straightforward debt securities. Prospective investors should determine whether an investment in the Notes is appropriate in their particular circumstances and should consult with their legal, business, and tax advisors to determine the consequences of an investment in the Notes and to arrive at their own evaluation of the investment.

Investment in the Notes is only appropriate for investors who:

- (a) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Notes;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;
- (c) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time; and
- (d) recognize that it may not be possible to dispose of the Notes prior to their maturity.

You should not rely on any communication (written or oral) of the Issuer or Lehman Brothers Inc. as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of these Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or Lehman Brothers Inc. shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes.

ANNEX II

1. Interpretation

1.1 Definitions: In these Preliminary Final Terms:

"**Automatic Redemption Amount**": means, in respect of Observation Date 1, the Specified Denomination *multiplied by* 102.125%; in respect of Observation Date 2, the Specified Denomination *multiplied by* 102.125%; in respect of Observation Date 3, the Specified Denomination *multiplied by* 102.125%; in respect of Observation Date 4, the Specified Denomination *multiplied by* 102.125%; in respect of Observation Date 5, the Specified Denomination *multiplied by* 102.125%; in respect of Observation Date 6, the Specified Denomination *multiplied by* 102.125%; in respect of Observation Date 7, the Specified Denomination *multiplied by* 102.125%; in respect of Observation Date 8, the Specified Denomination *multiplied by* 102.125%; in respect of Observation Date 9, the Specified Denomination *multiplied by* 102.125%; in respect of Observation Date 10, the Specified Denomination *multiplied by* 102.125%; in respect of Observation Date 11, the Specified Denomination *multiplied by* 102.125%; in respect of Observation Date 12, the Specified Denomination *multiplied by* 102.125%;

"**Automatic Redemption Date**": means, in respect of Observation Date 1, May 29, 2008; in respect of Observation Date 2, June 29, 2008; in respect of Observation Date 3, July 29, 2008; in respect of Observation Date 4, August 29, 2008; in respect of Observation Date 5, September 29, 2008; in respect of Observation Date 6, October 29, 2008; in respect of Observation Date 7, November 29, 2008; in respect of Observation Date 8, December 29, 2008; in respect of Observation Date 9, January 29, 2009; in respect of Observation Date 10, February 29, 2009; in respect of Observation Date 11, March 29, 2009; and in respect of Observation Date 12, the Maturity Date each subject to adjustment in accordance with the Following Business Day Convention;

"**Basket**" means the basket of Shares of the Company and the Fund;

"**Company**" means ADR's of America Movil SAB de C.V;

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in New York;

"**Calculation Agent**" means Lehman Brothers Inc.;

"**Clearance System**" means Euroclear and/or Clearstream, Luxembourg or any successor to any such clearance system as determined by the Calculation Agent or, if such clearance system ceases to settle trades in the Shares, such other clearance system as is determined by the Calculation Agent to be the principal domestic clearance system customarily used for settling trades in the Shares;

"**Clearance System Business Day**" means, in respect of a Clearance System, any day on which such Clearance System is (or but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions;

“Coupon Payment Dates” means, in respect of Observation Date 1, May 29, 2008; in respect of Observation Date 2, June 29, 2008; in respect of Observation Date 3, July 29, 2008; in respect of Observation Date 4, August 29, 2008; in respect of Observation Date 5, September 29, 2008; in respect of Observation Date 6, October 29, 2008; in respect of Observation Date 7, November 29, 2008; in respect of Observation Date 8, December 29, 2008; in respect of Observation Date 9, January 29, 2009; in respect of Observation Date 10, February 29, 2009; in respect of Observation Date 11, March 29, 2009; and in respect of Observation Date 12, the Maturity Date each subject to adjustment in accordance with the Following Business Day Convention;

"Disrupted Day" means any Scheduled Trading Day on which the Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"Early Closure" means the closure on any Exchange Business Day of the Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"Exchange" means the principal exchange or quotation system for trading the Shares as the Calculation Agent shall determine in its sole and absolute discretion from time to time;

"Exchange Business Day" means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares on any relevant Related Exchange;

"Final Redemption Amount" shall have the meaning assigned to such term herein;

"Following Business Day Convention" means, in respect of the relevant date, that an adjustment will be made if such date would otherwise fall on a day that is not a Business Day so that that date will be the first following day that is a Business Day;

“Fund” means the iShares[®] MSCI Brazil Index Fund , selected information in respect of which is provided in Annex III;

“Fund Sponsor” means, with respect to the iShares[®] MSCI Brazil Index Fund, Barclays Global Investors, N.A.;

"Market Disruption Event" means, in respect of the Shares, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent

determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure;

"Maturity Date" means April 29, 2009, subject to adjustment in accordance with the Following Business Day Convention;

"Observation Date" means, subject to paragraph 3 (Disrupted Days and Postponement), each of May 22, 2008 ("Observation Date 1"), June 22, 2008 ("Observation Date 2"), July 22, 2008 ("Observation Date 3"), August 22, 2008 ("Observation Date 4"), September 22, 2008 ("Observation Date 5"), October 22, 2008 ("Observation Date 6"), November 22, 2008 ("Observation Date 7"), December 22, 2008 ("Observation Date 8"), January 22, 2009 ("Observation Date 9"), February 22, 2009 ("Observation Date 10"), March 22, 2009 ("Observation Date 11"), and the Valuation Date ("Observation Date 12"), each subject to adjustment in accordance with the Following Business Day Convention;

"Observation Date Share Price" means, for each Share in the Basket, the price of the relevant Share at the Valuation Time on the relevant Observation Date;

"Redemption Amount" means, any or all of, as the context implies, an Early Redemption Amount, an Automatic Redemption Amount or a Final Redemption Amount;

"Related Exchange" means any exchange or quotation system (including any substitute or temporary exchange or quotation system) on which futures contracts and/or options contracts on the Shares are traded and any exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Shares;

"Scheduled Closing Time" means, in respect of the Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

"Scheduled Trading Day" means any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions;

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date or the Valuation Date;

"Settlement Disruption Event" means an event beyond the control of the Issuer as a result of which the relevant Clearance System cannot clear the transfer of Shares;

"Share" or **"Shares"** means any the common stock of the Company or shares of the Fund, as the context requires;

"Specified Office" means the office of Lehman Brothers Inc. at 745 Seventh Avenue, New York, New York 10019, USA, or any other office of Lehman Brothers Inc., or any office of any other Calculation Agent, from time to time notified to the Noteholders by the Calculation Agent as its specified office;

"Trade Date" means April 22, 2008;

"**Trade Date Share Price**" means, for each Share in the Basket, the price of the relevant Share, as determined by the Calculation Agent at the Valuation Time on the Trade Date, as set out in the table in Annex III;

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Shares on the Exchange, or (ii) in futures or options contracts relating to the Shares on any relevant Related Exchange;

"**Valuation Date**" means, subject to paragraph 3 (Disrupted Days and Postponement), April 22, 2009 (or if such is not an Exchange Business Day the immediately following Exchange Business Day);

"**Valuation Date Share Price**" means, for each Share in the Basket, the price of the relevant Share at the Valuation Time on the Valuation Date;

"**Valuation Quotient**" means, in respect of a Share, the Valuation Date Share Price *divided by* the Trade Date Share Price;

"**Valuation Time**" means the close of trading on the Exchange;

all as calculated or determined, if necessary, by the Calculation Agent.

1.2 **Construction:** In this Annex each reference to a paragraph shall be construed as a reference to a paragraph of this Annex.

1.3 **The Conditions:** In the event of any inconsistency between the Conditions and the provisions of this Annex, the provisions of this Annex shall prevail.

2. **Final Redemption and Automatic Redemption and Coupon Payments**

2.1 **Final Redemption:** Unless previously redeemed or purchased and cancelled, or an Automatic Redemption has occurred, the Issuer shall pay the holder of each Note on the Maturity Date an amount in USD determined by the Calculation Agent in accordance with the following formula:

(1) If $S_{i,f}$, for all S_i (where $i = 1$ to 2), as determined by the Calculation Agent, adjusted as necessary by the Calculation Agent, are not below 80% of the applicable $S_{i,0}$ the Note will be redeemed at 100%; or

(2) If $S_{i,f}$ of *any* $S_{i,1-2}$, as determined by the Calculation Agent, adjusted as necessary by the Calculation Agent, is below 80% of the applicable $S_{i,0}$ the Note will be redeemed at:

A number of shares of $\text{Min}_{i=1...2}(S_{i,f} / S_{i,0})$ equal to the Shares per Specified Denomination, adjusted as necessary by the Calculation Agent. In the event that the Number of Shares of $\text{Min}_{i=1...2}(S_{i,f} / S_{i,0})$ is not a whole number of Shares, such number shall be rounded down to the nearest number of whole Shares and the Issuer shall pay a USD cash amount equal to the value of the residual fraction of a Share as determined by the Calculation Agent.

Where:

S_i is Shares of the Company or the Fund as applicable

$S_{i,0}$ is the price of S_i as determined by the Calculation Agent at the Valuation Time on the Trade Date

$S_{i,f}$ is the price of S_i as determined by the Calculation Agent at the Valuation Time on the Valuation Date

Worst Performing Index is the Underlying S_i which has the lowest value on the Valuation Date according to the following formula:

$$(S_{i,F} / S_{i,0})$$

2.2 **Automatic Redemption:** In respect of any Observation Date, if the Calculation Agent determines on such Observation Date that the Observation Date Share Price of each Share in the Basket is greater than or equal to 100% of the Trade Date Share Price of each such Share, the Notes will be automatically redeemed and the Issuer shall pay the holder of a Note the relevant Automatic Redemption Amount on the relevant Automatic Redemption Date.

2.3 **Coupon Payment Event:** Unless an Automatic Redemption has occurred, in respect of any Observation Date, if the Calculation Agent determines on such Observation Date that the Observation Date Share Price of each Share in the Basket is greater than or equal to 80% of the Trade Date Share Price of each such Share the Issuer shall pay the holder of a Note a coupon in the amount of $SD * 2.125\%$ on the relevant Coupon Payment Date.

3. **Disrupted Days and Postponement**

3.1 **Observation Date:** If any Observation Date is a Disrupted Day, then such Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case:

3.1.1 that eighth Scheduled Trading Day shall be deemed to be the Observation Date notwithstanding the fact that such day is a Disrupted Day; and

3.1.2 the Calculation Agent shall determine its good faith estimate of the value for the Shares as of the Valuation Time on that eighth Scheduled Trading Day.

3.2 **Delayed valuation:** Postponement of the Observation Date that would otherwise be the Valuation Date will cause the payment of any Redemption Amount otherwise due on the Maturity Date to be postponed by a number of Business Days equal to the number of Scheduled Trading Days by which the Valuation Date is postponed.

3.3 **Risk of any postponement:** The risk of any postponement of payment of any Redemption Amount as described in this paragraph 3 (*Disrupted Days and Postponement*) shall be borne by the Noteholders, and no Noteholder shall be entitled to any payment or compensation whatsoever, in respect of such postponement or of any loss suffered or incurred by such Noteholder by reason of such postponement.

4. **Extraordinary Events:**

4.1 **Definitions:** In this paragraph 4 (*Extraordinary Events*) and paragraph 5 (*Notification of Amount, Disrupted Days, Potential Adjustment Events and Extraordinary Events*):

"**Additional Disruption Event**" means any of a Change in Law, an Insolvency Filing, Hedging Disruption and Increased Cost of Hedging;

"**Cancellation Amount**" means the amount:

- (1) determined by the Calculation Agent using Commercially Reasonable Procedures in order to produce a commercially reasonable result and determined as of the date that the Notes are cancelled or, if that would not be commercially reasonable, as of such date following the date that the Notes are cancelled as would be commercially reasonable; and
- (2) to be paid to the Noteholders following a cancellation, being the economic equivalent of (i) the material terms of the Notes, including the payments in respect of the Notes that would, but for the cancellation, have been required on or after the date that the Notes are, or are deemed to have been, cancelled (assuming satisfaction of any applicable conditions precedent with respect to the Notes) and (ii) any option rights of the Noteholders in respect of the relevant Notes as the Calculation Agent may consider to be relevant;

and where, in determining such amount, the Calculation Agent may consider any relevant information, including, without limitation, one or more of the following types of information:

- (a) quotations (either firm or indicative) supplied by one or more third parties that may take into account the current creditworthiness of the Calculation Agent at the time the quotation is provided and the terms of any relevant documentation, including credit support documentation, between the Calculation Agent and the third party providing the quotation;
- (b) information consisting of relevant market data in the relevant markets supplied by one or more third parties including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads correlation or other relevant market data in the relevant market; or
- (3) information of the types described in (a) or (b) above from internal sources (including any affiliates of the Calculation Agent) if that information is of the same type used by the Calculation Agent in the regular course of its business for the valuation of similar transactions;

"**Change in Law**" means that on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (i) it has become illegal to

hold, acquire or dispose of Shares, or (ii) the Issuer will incur a materially increased cost in performing its obligations under these Conditions (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"Combined Consideration" means New Shares in combination with Other Consideration.

"Commercially Reasonable Procedures" means procedures which may include the following:

- (1) application of relevant market data from third parties or information from internal sources of pricing or other valuation models that are, at the time of determination of the Cancellation Amount, used by the Calculation Agent in the regular course of its business in pricing or valuing transactions between the Calculation Agent and unrelated third parties that are similar to the Notes; and
- (2) application of such valuation methods as is appropriate to the type, complexity or size of the transaction;

"Delisting" means that the Exchange announces that pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union);

"Extraordinary Dividend" means a dividend or portion thereof characterised as such by the Calculation Agent;

"Extraordinary Event" means an Additional Disruption Event, a Delisting, an Insolvency, a Merger Event, a Nationalisation or a Tender Offer;

"Hedging Disruption" means that the Hedging Party is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Notes or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

"Hedging Party" means the Issuer, any affiliate or subsidiary of the Issuer or any other entity acting as hedging party on behalf of the Issuer;

"Increased Cost of Hedging" means that the Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Notes or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), *provided that* any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party shall not be deemed an Increased Cost of Hedging;

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceedings affecting the Company or the Fund (i) all the Shares of the Company or the Fund are required to be transferred to a trustee,

liquidator or other similar official or (ii) holders of the Shares of the Company or the Fund become legally prohibited from transferring them;

"Insolvency Filing" means that the Company or the Fund institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, or it has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by a creditor and such proceeding is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof;

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent;

"Merger Event" means, in respect of the Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Company or the Fund with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Company or the Fund is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Company or the Fund that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or the Fund or its subsidiaries with or into another entity in which the Company or the Fund is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Valuation Date;

"Nationalisation" means that all the Shares or all or substantially all the assets of the Company or the Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

"New Shares" means ordinary or common shares, whether of the entity or person (other than the Company or Fund) involved in the Merger Event or the making of the Tender Offer or a third party, that are, or that as of the Merger Date or Tender Offer Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations;

"Other Consideration" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the Company or the Fund) involved in the Merger Event or the making of the Tender Offer or a third party);

"Potential Adjustment Event" means any of the following:

- (1) a subdivision, consolidation or reclassification of Shares (unless resulting in a Merger Event) or, a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue;
- (2) a distribution, issue or dividend to existing holders of the Shares of (a) such Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company or the Fund equally or proportionately with such payments to holders of the Shares or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Company or the Fund as a result of a spin-off or other similar transaction, or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (3) an Extraordinary Dividend;
- (4) a call by the Company or the Fund in respect of Shares which are not fully paid;
- (5) a repurchase by the Company or the Fund or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (6) in respect of the Company or Fund, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Company or the Fund pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, *provided that* any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (7) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Shares or on the composition of the Basket;

Reverse Merger" shall have the meaning assigned to such term herein;

"Share-for-Combined" means, in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists of Combined Consideration;

"Share-for-Other" means, in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists solely of Other Consideration;

"Share-for-Share" means, (i) in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists (or, at the option of the holder of such Shares, will consist) solely of New Shares and (ii) a Reverse Merger;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the Company or the Fund, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

4.2 **Potential Adjustment Events:** Following the declaration by the Company or the Fund of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares, or on the composition of the Basket and, if so, the Calculation Agent will determine the adjustment(s), if any, to be made to the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (including but not limited to adjustment(s) to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and determine the effective date(s) of that adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

4.3 **Merger Event or Tender Offer:** If a Merger Event or Tender Offer occurs, the Calculation Agent will take, in the case of a Merger Event, one of the actions described in paragraphs 4.3.1 to 4.3.3 or, in the case of a Tender Offer, one of the actions described in paragraphs 4.3.2 or 4.3.3:

4.3.1 (a) in respect of each Share-for-Share Merger Event, on or after the relevant Merger Date make such adjustment(s) to these Conditions as the Calculation Agent considers appropriate to reflect the number of New Shares to which a holder of one Share immediately prior to the occurrence of the Merger Event would be entitled upon consummation of the Merger Event and the New Shares will be deemed to be Shares and the issuer thereof will be deemed the Company or the Fund, respectively, and, if necessary, the Calculation Agent will adjust any other relevant provisions of these Conditions including but not limited to adjustment(s) to account solely for changes in volatility, expected dividends, stock loan or liquidity relevant to the Shares;

(b) in respect of each Share-for-Other Merger Event, on or after the relevant Merger Date, the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of a Share would be entitled upon consummation of the Merger Event will be applied by the Calculation Agent to determine such adjustment(s) to these Conditions as the Calculation Agent considers appropriate in respect of such Share, and, if necessary, the Calculation Agent will adjust any other relevant terms including but not limited to adjustment(s) to account solely for changes in volatility, expected dividends, stock loan or liquidity relevant to the Shares; or

(c) in respect of each Share-for-Combined Merger Event, on or after the Merger Date, the number of New Shares and the amount of Other Consideration (as

subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of a Share would be entitled upon consummation of the Merger Event will be applied by the Calculation Agent to determine such adjustment(s) to these Conditions as the Calculation Agent considers appropriate with respect to the affected Shares and the issuer of such New Shares and, if necessary, the Calculation Agent will adjust any other relevant terms including but not limited to adjustment(s) to account solely for changes in volatility, expected dividends, stock loan or liquidity relevant to the Shares;

- 4.3.2 on or after the relevant Merger Date or Tender Offer Date (A) make such adjustment(s) to these Conditions as the Calculation Agent considers appropriate to account for the economic effect of such Merger Event or Tender Offer (including but not limited to adjustments to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event or Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and (B) determine the effective date(s) of such adjustment(s); or
 - 4.3.3 cancel the Notes in which case the Issuer shall thereupon become obliged to pay the Cancellation Amount (if any) in respect of each Note on such day as the Calculation Agent determines.
- 4.4 **Merger Date or Tender Offer Date post Maturity:** Without prejudice to paragraph 3 (*Disrupted Days and Postponement*), if a Merger Date or Tender Offer Date is scheduled to be after the Valuation Date and/or Maturity Date, the Calculation Agent shall determine, with respect to the theoretical value of the Notes, the economic effect of the announcement of a potential Merger Event or Tender Offer (including, without limitation, any change in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares) from the announcement date to such Valuation Date and/or Maturity Date, as applicable. If such economic effect is material, the Calculation Agent shall make such adjustment(s) to these Conditions as the Calculation Agent considers appropriate to reflect such economic effect.
- 4.5 **Nationalisation, Insolvency and Delisting:** If a Nationalisation, Insolvency or Delisting occurs, the Calculation Agent shall:
- 4.5.1 either make such adjustment(s) (if any) to the terms of the Conditions or such determination as the Calculation Agent considers appropriate; or
 - 4.5.2 cancel the Notes in which case the Issuer shall thereupon become obliged to pay the Cancellation Amount (if any) in respect of each Note on such day as the Calculation Agent determines;
- 4.6 **Additional Disruption Events:** If an Additional Disruption Event occurs, the Calculation Agent shall make such adjustment(s) to the terms of the Conditions or such determination as the Calculation Agent considers appropriate to account for the Additional Disruption Event.
5. **Notification of Amount, Disrupted Days, Potential Adjustment Events and Extraordinary Events**

- 5.1 **Disrupted Days and Exchange Date:** The Calculation Agent shall as soon as reasonably practicable notify the Issuer (and the Issuer shall promptly give notice to the Noteholders in accordance with Condition 15 (*Notices*)) of the existence or occurrence of a Disrupted Day on any day which but for such Disrupted Day would have been an Observation Date or of the occurrence of any Settlement Disruption Event on any day which but for such Settlement Disruption Event would have been an Observation Date.
- 5.2 **Potential Adjustment Event or Extraordinary Event:** Upon the occurrence of a Potential Adjustment Event or Extraordinary Event, the Calculation Agent shall give notice as soon as practicable to the Issuer stating the occurrence of the Potential Adjustment Event, or Extraordinary Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.
- 5.3 **Adjustments binding:** Adjustments in accordance with the foregoing sections shall be calculated by the Calculation Agent, shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) and shall be (in the absence of manifest error) binding on all parties concerned. However, Noteholders should be aware that there may be, necessarily, some delay between the time at which any of the above events occur and the time at which it is reported to Noteholders.
6. **The Calculation Agent**
- 6.1 **Independence:** In performing its duties pursuant to the terms of this Annex, the Calculation Agent shall act independently and not as an agent of the Issuer or the Noteholders and all estimates, calculations or determinations which it is required or permitted to make shall be made by it in its sole and absolute discretion.
- 6.2 **Determinations final and conclusive:** All estimates, calculations or determinations made by the Calculation Agent hereunder shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive, and the Calculation Agent shall have no liability to the Issuer, the Guarantor, the Noteholders or any third party in relation to such estimates, calculations or determinations except in the case of its wilful default or bad faith.
- 6.3 **Transactions by the Calculation Agent:** Nothing contained herein shall prevent the Calculation Agent from dealing in the Notes or from entering into any related transaction, including without limitation any swap or hedging transactions with the Issuer, the Guarantor (or any of their respective affiliates) or any holder of the Notes (or any of its affiliates).

ANNEX III

INFORMATION ON THE BASKET

The Shares are not particularly described in these Preliminary Final Terms. The information contained in these Preliminary Final Terms relating to the Company and the Fund and the Shares consists only of extracts from or summaries of information which is publicly available. The information in this section was gathered from Bloomberg Financial Markets, without independent verification. Neither the Issuer nor the Guarantor has independently verified any such information, and neither accepts any responsibility for error or omission. The Shares of the Company and the Fund are publicly listed and investors may acquire such further information as they deem necessary in relation to the Shares, the Company and the Fund from such publicly available information as they deem appropriate. Investors should make their own investment, hedging and trading decisions (including decisions regarding the suitability of this investment), based upon their own judgement and upon advice from such advisers as such investors deem necessary and not upon any view expressed by the Issuer or the Guarantor.

The Shares are registered under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). Companies with securities registered under Exchange Act are required to file periodically certain financial and other information specified by the U.S. Securities and Exchange Commission (the "Commission"). Information provided to or filed with the Commission can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and copies of such material can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. In addition, information provided to or filed with the Commission electronically can be accessed through a website maintained by the Commission. The address of the Commission's website is <http://www.sec.gov>. In addition, information regarding the Shares of the Company and the Fund may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. We make no representation or warranty as to the accuracy or completeness of such information.

Company	Bloomberg Code	Exchange	Related Exchange	Currency	Trade Date Share Price	Shares per Specified Denomination
America Movil SAB de C.V.	AMX US Equity	New York Stock Exchange	Chicago Board Options Exchange and the Chicago Mercantile Exchange	USD	65.63	15.2369
iShares [®] MSCI Brazil Index Fund	EWZ UP Equity	New York Stock Exchange Arca	Chicago Board Options Exchange and the Chicago Mercantile Exchange	USD	89.29	11.1995

America Movil S.A.B. de C.V.

America Movil, S.A.B de C.V., through its subsidiaries, provides wireless and fixed communications services in Latin America. It provides fixed-line, wireless, and cellular telecommunications service under the brand names Telcel, Claro, CTI M , Comcel, Codetel, PRT, and Porta brand names. The company offers voice services under various rate plans; data services, including short message services, multimedia messaging services, content services, Internet, and data transmission services; push-to-talk services; and handsets and accessories, such as chargers, headsets, belt clips, and batteries. It also engages in the sale and distribution of prepaid wireless services and wireless phones. As of June 30, 2007, the company had approximately 141.0 million subscribers in Mexico, Brazil, Argentina, Paraguay, Uruguay, Chile, Colombia, Ecuador, Peru, Guatemala, El Salvador, Nicaragua, the Caribbean, the United States, the Dominican Republic, and Puerto Rico. America Movil was founded in 2000 and is headquartered in Mexico City, Mexico.

Share prices USD (Quarterly high, low and closing levels)

Date	HIGH	LOW	CLOSE
2005			
First Quarter	19.63	15.96	17.20
Second Quarter	20.39	16.15	19.87
Third Quarter	26.32	19.85	26.32
Fourth Quarter	30.99	22.90	29.26
2006			
First Quarter	35.73	31.15	34.26
Second Quarter	41.07	27.80	33.26
Third Quarter	39.37	31.29	39.37
Fourth Quarter	45.71	38.61	45.22

2007			
First Quarter	48.50	42.10	47.79
Second Quarter	64.46	49.74	61.93
Third Quarter	66.14	53.61	64.00
Fourth Quarter	68.90	55.85	61.39
2008			
First Quarter	64.18	52.70	63.69
Second Quarter (through 21 April)	66.75	62.48	66.56

Total Annual Dividends (net per share, in USD)

Year	Aggregate Dividends (USD)
2005	0.8358
2006	0.2150
2007	2.2298
2008 (through 21 April)	0.00

3 for 1 stock split, 3rd quarter 2005.

iShares[®] MSCI Brazil Index Fund

iShares[®] MSCI Brazil Index Fund is an exchange-traded fund in the USA. The Fund's objective is to provide investment results that correspond to the performance of publicly traded securities in the Brazilian market, as measured by the MSCI Brazil (Free) Index. The Fund invests in a representative sample of index stocks using a "portfolio sampling" technique.

Share prices USD (Quarterly high, low and closing prices)

Date	High	Low	Close
2005			
First Quarter	25.54	19.80	22.78
Second Quarter	25.02	21.17	24.82
Third Quarter	33.45	23.65	33.32
Fourth Quarter	36.02	29.02	33.37
2006			
First Quarter	43.14	34.83	39.95
Second Quarter	46.98	31.92	39.12
Third Quarter	40.88	36.11	38.47
Fourth Quarter	46.85	38.09	46.85
2007			
First Quarter	49.32	42.70	49.22
Second Quarter	62.92	49.58	61.42

Third Quarter	74.58	51.28	73.55
Fourth Quarter	86.15	72.50	80.70
2008			
First Quarter	88.23	69.26	77.03
Second Quarter (through 21 April)	89.42	79.88	89.42

Total Annual Dividends (net per share, in USD)

Year	Aggregate Dividends (USD)
2005	0.5857
2006	0.9399
2007	1.2031
2008 (through 21 April)	0.00