



**Financial
Software Systems**

NEWS RELEASE

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LEHMAN BROTHERS LICENSES SPECTRUM FROM FINANCIAL SOFTWARE SYSTEMS

Lehman Brothers, the New York-based investment bank, has licensed the Spectrum System from Financial Software Systems. Lehman Brothers will initially use Spectrum in its New York and London offices to manage collateralized trading of foreign exchange instruments, and to publish position and profit-and-loss data to its clients over its highly regarded LehmanLive® internet platform.

Lehman Brothers is one of the world's premier investment banks, maintaining leading positions in global equity and fixed income sales, trading and research, investment banking, asset management, and private equity. Lehman Brothers is headquartered in New York, with regional headquarters in London and Tokyo. The firm operates from over 50 principal offices in over 20 countries around the world, with assets of over USD 560 billion, and over 27,000 employees.

Spectrum provides a complete Client Relationship Management solution for foreign exchange and precious metals trading. Lehman Brothers will use Spectrum to manage the trading of FX spot, deliverable and non-deliverable forward, and swap contracts, as well as vanilla options and exotic options. The margin trading module of Spectrum provides seamless management of client collateral, calculation of clients' margin positions, and preparation of margin calls for collateralized FX trading.

Spectrum is distinguished by a middle-tier calculation engine and middle-tier data distribution service. The Spectrum data engine provides instantaneous calculation of clients' limits and/or margin requirements and makes possible real-time limits and margin checks for electronic foreign exchange trading. Spectrum's data distribution service connects the Spectrum data engine to a wide variety of position management tools and allows Spectrum to scale globally. Lehman Brothers intends to rely on cash collateral for its clients, but Spectrum also supports bonds, equities and physical assets as collateral.

Leigh Ann Wolfe, Financial Software Systems' Director of Sales for the Americas commented, "We are very pleased that after an extensive review of its alternatives, Lehman Brothers selected Spectrum to provide both margin trading and web publishing capabilities. Implementing Spectrum will allow Lehman Brothers to very quickly offer its FX trading clients -- including its Prime Brokerage clients -- margin trading and near-real-time updates of positions, P&L and a wide selection of risk measures. In addition to margining and web publishing, Spectrum will immediately deliver to Lehman Brothers the capability to produce multi-lingual client statements and correspondence, and internal and external alerts of credit and/or collateral impairment."

Spectrum is built on Microsoft's .NET technology, utilizing either an MS SQL Server database or a Sybase database. Spectrum's middle-tier engines run on Windows 2003 servers, and the Spectrum applications run on Windows desktops. Spectrum will connect to a number of Lehman Brothers' internal systems through standard import and export interface APIs offered by Financial Software Systems.

Financial Software Systems is headquartered in Horsham, Pennsylvania, producing foreign exchange and interest rate risk management software for banks, fund managers and corporations. Financial Software Systems supports some of the leading financial institutions around the world. For further information, please contact Leigh Ann Wolfe in the United States at (1) 215 784 1100, Michael Snoek in London at (44) 207 709 7766, or Michael Wee in Singapore at (65) 6438 3733. You may contact Financial Software Systems' through the internet by visiting the firm's web site at www.finsoftware.com.