

Issue Prospectus

IMPORTANT

If you are in any doubt about any of the contents of this Issue Prospectus, you should obtain independent professional advice. This Issue Prospectus has been prepared for the purpose of giving information in respect of the issue by Pyxis Finance Limited (the "Issuer") of the Notes (as defined below) pursuant to its USD5,000,000,000 Retail Secured Note Programme (the "Programme"). The offering of the Notes is made pursuant to this Issue Prospectus and the programme prospectus dated 26 March 2004 (the "Programme Prospectus"). You should read this Issue Prospectus in conjunction with the Programme Prospectus to which it relates in order to understand the offer to which the documents relate, in particular before making an application in response to the offer of the Notes.

Pyxis Equity-Linked Notes Series 11
linked to a Basket of Hong Kong Banks and Utility Companies
HKD156,000,000 (indicative) Equity-Linked Notes due 2008 ("Tranche A Notes")
USD20,000,000 (indicative) Equity-Linked Notes due 2008 ("Tranche B Notes")
GBP10,000,000 (indicative) Equity-Linked Notes due 2008 ("Tranche C Notes")
AUD26,000,000 (indicative) Equity-Linked Notes due 2008 ("Tranche D Notes")
(each a "Tranche" and the notes of any or all Tranches, the "Notes")

issued by Pyxis Finance Limited
pursuant to its
USD5,000,000,000 Retail Secured Note Programme

Offer Period:	From 9.00 a.m. on 10 January 2005 to 4.30 p.m. on 27 January 2005 or such earlier or later date, not later than 3 February 2005, as may be determined by the Arranger in its absolute discretion.
Issue Price:	100 per cent. of the Denomination of each Tranche.
Issue Size:	Tranche A Notes: HKD156,000,000 (indicative). Tranche B Notes: USD20,000,000 (indicative). Tranche C Notes: GBP10,000,000 (indicative). Tranche D Notes: AUD26,000,000 (indicative).
Interest Rate:	Interest is payable semi-annually and Day Count Fraction will not apply. For the first and second Interest Payment Dates, the interest rate is 8 per cent. (for Tranche A Notes); 10 per cent. (for Tranche B Notes); 11 per cent. (for Tranche C Notes) and 12 per cent. (for Tranche D Notes) multiplied by a factor of 0.5. For the third and subsequent Interest Payment Dates, including the Maturity Date, the interest rate is the sum of DARS of the relevant Tranche divided by N_{total} and multiplied by a factor of 0.5 (See "Interest Rate" in the section headed "Information About the Notes" in this Issue Prospectus for further details). The interest rate for the third and subsequent Interest Payment Dates can be as low as zero.
Denomination/ Principal Amount per Note:	Tranche A Notes: HKD80,000 Tranche B Notes: USD10,000 Tranche C Notes: GBP5,000 Tranche D Notes: AUD12,000
Fixing Date:	Expected to be 28 January 2005, on which the Issue Size, Fixing Price, Trigger Price and Strike Price will be determined.
Issue Date:	Expected to be 4 February 2005, and will not be later than 14 February 2005.
Maturity Date:	Three years and six months after the Issue Date. Upon the occurrence of an Early Redemption Event, the Notes will be redeemed prior to the Maturity Date.
Auto-Call:	If the Closing Price of each of the Shares on the last day of the Observation Period in respect of any of the second to the sixth Interest Periods is at or above its respective Trigger Price, the Notes shall be redeemed in cash at par (with accrued interest) on the relevant Interest Payment Date.
Payment on the Maturity Date:	If the Average Closing Price of the shares in each of HSBC Holdings, Hang Seng Bank, CLP Holdings, Hongkong Gas and Hongkong Electric (each a "Share", and together, the "Basket") in respect of the Scheduled Maturity Date is equal to or greater than its Strike Price, the Notes will be redeemed in cash at par. If the Average Closing Price of any of the Shares in respect of the Scheduled Maturity Date is below the Strike Price for that Share, the Notes will be redeemed by physical delivery of the Number of Shares, being the Worst Performing Share in the Basket. For details, see the section headed "Information about the Notes — Redemption Amount on the Maturity Date" in this Issue Prospectus.
Security:	(i) Floating Rate Notes denominated in the currency of each Tranche to be issued by Lehman Brothers Treasury Co. B.V. and guaranteed by Lehman Brothers Holdings Inc. in a principal amount equal to the Issue Size of the relevant Tranche of Notes; and (ii) the swap arrangements referred to herein.

The Notes are not principal protected investments. Prospective investors should note there are many different types of retail notes or bonds in the Hong Kong market place, many of which will have unique and/or distinctive features, and not all retail notes or bonds will be principal protected. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the risks involved and should carefully study the matters set out in this Issue Prospectus and in the Programme Prospectus (in particular the sections headed "Risk Factors" in these documents), and consult professional advisers as to the suitability of the Notes as an investment for their individual circumstances, before they invest in the Notes.

You should contact a Dealer or the Distributor during the Offer Period to invest in the Notes. Investments in the Notes may only be made from a Dealer or through the Distributor, whose contact telephone numbers are listed on the following page. In order to acquire the Notes from a Dealer or through the Distributor you must already have, or you must open, a cash account and an investment account with that Dealer or the Distributor in the same currency as the Notes. No application form is being issued for the Notes. No Notes are available from the Issuer or the Arranger directly. See the section headed "Application Procedures and Offering Structure" in this Issue Prospectus for details of how to apply for the Notes.

A copy of this Issue Prospectus has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"). The Registrar of Companies in Hong Kong and the Securities and Futures Commission (the "SFC") take no responsibility as to the contents of this Issue Prospectus.

Arranger
LEHMAN BROTHERS ASIA LIMITED

Dealers

Asia Commercial Bank Limited
ICEA Securities Limited
Liu Chong Hing Bank Limited
Shanghai Commercial Bank Ltd.
Wing Lung Bank Limited

Dah Sing Bank, Limited
Industrial and Commercial Bank of China (Asia) Limited
MEVAS Bank Limited
Wing Hang Bank, Ltd.

Distributor
Belgian Bank

The date of this Issue Prospectus is 10 January 2005.