



Press Release

April 30, 2008

NYSE– OPY

**Oppenheimer Holdings Announces First Quarter 2008 Earnings,
Dividend Declaration and \$20 million Debt Repayment**

<i>Expressed in thousands of U.S. dollars, except share and per share amounts</i>	Quarter ended March 31,	
	2008 ⁽¹⁾	2007
<i>Unaudited</i>		
Revenue	\$231,875	\$214,116
Expenses	\$258,664	\$185,934
Profit (loss) before taxes	\$(26,789)	\$28,182
Net profit (loss)	\$(16,115)	\$16,790
Basic earnings per share	\$(1.19)	\$1.28
Diluted earnings per share	\$(1.19)	\$1.26
Book value per share	\$32.70	\$28.90
Basic weighted average number of shares outstanding	13,563,192	13,114,460
Actual number of Class A non-voting and Class B voting shares outstanding	13,613,288	13,178,379

⁽¹⁾ Results for the three months ended March 31, 2008 were impacted by the closing of the CIBC Capital Markets transaction with revenue falling substantially below targeted levels for the combined businesses due to a significant reduction in investment banking activity and acquisition related expenses including:

- ⇒ accrued expenses of \$15.4 million (\$0.68 per share after tax) for future payments of deferred incentive compensation to former CIBC employees for awards made by CIBC prior to the January 14, 2008 acquisition by the Company which will decline to \$7.0 million in the fourth quarter 2008 and continue to significantly decline in subsequent periods, and
- ⇒ transition service charges of \$10.8 million (\$0.48 per share after tax) to be paid to CIBC for interim support of the acquired businesses which will terminate upon the transition to Oppenheimer's platform, which is anticipated in the third quarter of 2008, resulting in substantially reduced costs

Excluding these expenses, the loss before taxes for the first quarter of 2008 would have been \$589 thousand (\$0.03 per share after tax).

The Company recorded a net loss for the three months ended March 31, 2008 of \$16.1 million or (\$1.19) per share compared to net profit of \$16.8 million or \$1.28 per share in the same period of 2007. Revenue for the three months ended March 31, 2008 was \$231.9 million compared to \$214.1 million for the same period in 2007, an increase of 8%.

“We are very disappointed by our performance for the first quarter of 2008; however we remain confident in the long term success of our recent acquisition. The unprecedented downturn in the credit markets substantially impacted our performance, as did acquisition-related costs. As previously reported, the Company borrowed \$100 million from CIBC which it has loaned to Oppenheimer & Co. (Opco), the Company’s wholly-owned broker-dealer subsidiary, as a subordinated loan and which forms part of Opco’s regulatory capital. The capital raised as part of this transaction will permit the Company the time and capital adequacy to absorb the newly acquired businesses and makes it highly unlikely that the Company will be required to return to the capital markets for additional capital despite the turbulent market environment and the decline in revenues associated with it. The opportunities for our business are substantial and we will continue to manage our business for the long term,” said Albert G. Lowenthal, Chairman.

As previously reported, the Company acquired a major part of CIBC World Markets’ U.S. Capital Markets Businesses on January 14, 2008, including U.S. Investment Banking, Corporate Syndicate, Institutional Sales and Trading, Equity Research, Options Trading, Convertible Bond Trading, Loan Syndication, High Yield Origination and Trading as well as related Israeli equities business. Per the terms of the purchase agreement, the results of the newly acquired businesses for the period January 1, 2008 to January 14, 2008 were transferred and assumed by the Company. The newly acquired businesses (including expenses related to businesses to be acquired in the UK and Asia) along with the Company’s existing Investment Banking, Corporate Syndicate, Institutional Sales and Trading and Equities Research divisions were combined to form the Oppenheimer Investment Banking Division (OIB Division) within the Capital Markets business segment (see segment disclosure for results by major business segment attached hereto as an appendix). Revenues for the OIB Division, approximately \$56.7 million during the three month period ended March 31, 2008, were drastically lower compared to the expected contributions from the newly acquired businesses primarily as a result of recent developments in the credit markets which significantly reduced investment banking activity. Investment banking revenues in the three months ended March 31, 2008 decreased 31% compared with the Company’s existing business during the same period of 2007. As previously reported, the results of the OIB Division will be tracked for the five years following the acquisition for purposes of determining payments due to CIBC as part of the purchase price.

Commissions for the three months ended March 31, 2008 increased by 42% compared to the same period in 2007 primarily as a result of the newly acquired businesses. Commission revenues associated with the OIB Division’s institutional equities business increased almost three-fold when compared to the Company’s existing institutional equities business during the same period a year ago. Commissions generated by the Company’s private client business segment increased 3% during the three months ended March 31, 2008 compared to the same period of 2007. Interest revenue for the Company declined 38% in the three months ended March 31, 2008 compared to the same period of 2007 as a result of lower interest rates and reduced levels of margin borrowing. Principal transaction revenues increased by 16% in the three months

ended March 31, 2008 compared to the same period in the prior year (with virtually all of the increase generated by the newly acquired businesses) but did not reach anticipated levels because of market volatility and a widening of credit spreads. Advisory fees for the three months ended March 31, 2008 increased by 11% compared to the same period of 2007 primarily as a result of increased fees from external money market funds and, to a lesser extent, increases in fee-based assets under management which were \$16.5 billion at March 31, 2008 up from \$16.2 billion at March 31, 2007. Included in assets under management at March 31, 2008 were approximately \$12.4 billion in assets under the Company's traditional fee-based programs (\$12.6 billion at March 31, 2007). The impact of new client accounts and additions to assets under management achieved over the course of 2007 was eroded by declines in market values in the first quarter of 2008.

As reported in the table above, the Company's expenses for the first quarter of 2008 were significantly and adversely affected by the newly acquired businesses. In addition to the \$15.4 million in accrued expenses related to deferred incentive compensation and the \$10.8 million in transition service charges (included in other expenses), salaried compensation expense increased approximately \$12 million during the quarter as a result of the net addition of more than 500 people associated with the newly acquired businesses. Total compensation expense for the period was \$172.4 million compared with \$124.6 million for the prior period representing an increase of 38%. Clearance and exchange fees increased over 116% due to increased transaction volumes from the newly acquired businesses as well as costs associated with operating the OIB Division on CIBC's platform (approximately \$2.8 million for the quarter which is included in the \$10.8 million in transition service charges). Transition service charges are expected to terminate during the third quarter of 2008.

Communications and technology costs increased 26% from period to period with much of it attributed to market data costs associated with the newly acquired businesses. Increases in occupancy and equipment costs of 36% were affected by additional real estate costs of \$4.6 million related to the OIB Division. Interest expenses decreased \$2.7 million during the quarter ended March 31, 2008 due to lower interest rates partially offset by interest costs associated with the \$100 million subordinated loan provided by CIBC to facilitate the operating capital requirements of the newly acquired businesses. Other expenses were up sharply due to the aforementioned transition service charges.

Deteriorating economic indicators in the first quarter of 2008 point to the U.S. economy approaching recession. Dramatic intervention by the U.S. Federal Reserve has provided liquidity to the credit markets and restored the ability of banks to access capital to offset recent losses due to asset write-downs. However, a recovery in economic conditions will be prolonged by continued deterioration in the housing market and high oil and food prices. Volatile markets, a deteriorating U.S. dollar, and ongoing credit concerns have impacted consumer and investor confidence and markets are likely to continue to be erratic for some time to come.

On April 28, 2008, the Company repaid \$20.0 million of its senior secured credit note, thereby reducing its outstanding indebtedness under the senior secured credit note to \$63.1 million. Of the \$20.0 million pay down, \$16.3 million was a required payment under the terms of the senior secured credit note and \$3.7 million represents a voluntary prepayment.

At March 31, 2008, shareholders' equity was approximately \$445 million and book value per share was \$32.70 compared to shareholders' equity of \$381 million and book value per share of \$28.90 at March 31, 2007.

The weighted average number of Class A non-voting and Class B shares outstanding at March 31, 2008 was 13,563,192 compared to 13,114,460 outstanding at March 31, 2007, an increase of approximately 3% due to the issuance of Class A Shares to employees pursuant to employee stock-based arrangements. During the first quarter of 2008, the Company did not purchase any Class A Shares pursuant to its Normal Course Issuer Bid (which commenced on August 14, 2007, and terminates on August 13, 2008). The diluted weighted average number of Class A non-voting and Class B shares outstanding for the three months ended March 31, 2008 was 13,563,192 compared to 13,331,445 outstanding for the three months ended March 31, 2007.

The Company announced today a quarterly dividend in the amount of U.S. \$0.11 per share, payable on May 30, 2008 to holders of Class A non-voting and Class B shares of record on May 16, 2008.

Oppenheimer, through its principal subsidiaries, Oppenheimer & Co. Inc. (a U.S. broker-dealer) and Oppenheimer Asset Management Inc., offers a wide range of investment banking, securities, investment management and wealth management services from 86 offices in 21 states and through local broker-dealers in 3 foreign jurisdictions. OPY Credit Corp, a newly formed subsidiary offers syndication as well as trading of issued corporate loans. Oppenheimer employs over 3,500 people, approximately 1,259 of whom are financial advisers. Oppenheimer offers trust and estate services through Oppenheimer Trust Company. Evanston Financial Corporation is engaged in mortgage brokerage and servicing. In addition, through its subsidiary, Freedom Investments, Inc. and the BUYandHOLD division of Freedom, Oppenheimer offers online discount brokerage and dollar-based investing services.

This press release includes certain "forward-looking statements" relating to anticipated future performance. For a discussion of the factors that could cause future performance to be different than anticipated, reference is made to the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

Appendix: Segment Information

The table below presents information about the reported revenue and operating income (loss) of the Company's business segments for the quarters ended March 31, 2008 and March 31, 2007.

Expressed in thousands of U.S. dollars

<i>Presented in accordance with U.S. generally accepted accounting principles (unaudited)</i>	Quarter ended March 31,	
	2008 ⁽¹⁾	2007
Revenues:		
Private Client	\$146,496	\$158,565
Capital Markets	66,660	36,766
Asset Management	17,522	15,644
Other	1,197	3,141
Total	\$231,875	\$214,116
Operating Income (Loss):		
Private Client	\$12,238	\$22,136
Capital Markets	(39,126)	5,242
Asset Management	2,939	1,642
Other	(2,840)	(838)
Total	(\$26,789)	\$28,182

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