PPENHEIMER

Press Release

January 26, 2007

NYSE and TSX - OPY

Expressed in thousands of U.S. dollars, except per share amounts	Three Months ended December 31, 2006	2005	Year ended December 31, 2006	2005
Unaudited				
REVENUE	$218,286	$185,309	$800,823	$679,746
EXPENSES	$196,316	$170,094	$720,373	$638,057
PROFIT BEFORE TAXES	$21,970	$15,215	$80,450	$41,689
NET PROFIT	$10,550	$7,738	$44,577	$22,916
PROFIT PER SHARE:				
- BASIC	$0.82	$0.59	$3.50	$1.76
- DILUTED	$0.80	$0.44	$2.76	$1.36
WEIGHTED BASIC AVERAGE NUMBER OF CLASS A NON-VOTING AND CLASS B SHARES OUTSTANDING	12,866,552	13,063,122	12,749,712	13,020,341
BOOK VALUE PER SHARE	$27.76	$24.46		
TOTAL CLASS A NON-VOTING AND CLASS B SHARES OUTSTANDING	12,934,362	12,595,821		

Oppenheimer Holdings Inc. reported net profit for the three months ended December 31, 2006 of $10,550,000 or $0.82 per share, an increase of 36% when compared to $7,738,000 or $0.59 per share in the same period of 2005. Revenue for the three months ended December 31, 2006 was $218,286,000, an increase of 18% compared to revenue of $185,309,000 in the same period of 2005, primarily reflecting strong equity markets, an increase in performance fees for managed hedge funds and strong investment banking revenue. Expenses increased by 15% in the three months ended December 31, 2006 compared to the same period of 2005, primarily reflecting increased compensation and related costs and interest expense. Net profit and earnings for the three months ended December 31, 2006 include increased tax provisions, which raised the effective tax rate to 52% because of reserves established for matters identified during tax examinations dating back to 2003.

Net profit for the year ended December 31, 2006 was $44,577,000 or $3.50 per share, an increase of 95% in net profit when compared to $22,916,000 or $1.76 per share in the same period of 2005. Revenue for the year ended December 31, 2006 was $800,823,000 compared to $679,746,000 for the same period in 2005, an increase of 18%. Expenses increased by 13% in the year ended December 31, 2006 compared to the same period of 2005, with increases in compensation and related expenses and interest expense. The Company's pre-tax results for the year ended December 31, 2006 include a gain (most of which was generated in the first quarter of 2006) of approximately $13.7 million from the conversion of its three New York Stock Exchange memberships to NYSE Group common shares in March 2006 and the sale, in May 2006, of approximately two thirds of its investment in NYSE Group. The remaining investment in NYSE Group is marked to market each period. In addition, the Company's pre-tax profit for the year ended December 31, 2006 includes a net gain of $4.1 million ($3.6 million of which was recognized in the third quarter of 2006), on the extinguishment of its variable rate exchangeable debentures ("Debentures"). The Company redeemed $141 million of the Debentures on July 31, 2006 and the remaining $20 million on October 23, 2006. For the most part, this gain represents the difference between interest expensed by the Company since the issuance of the Debentures on January 6, 2003 at a 4.5% interest rate (the annual effective interest rate over the life of the Debentures) compared to the actual interest costs of 3% in 2003 and 4% thereafter until October 23, 2006.

At December 31, 2006, shareholders' equity was approximately $359 million and book value per share was $27.76 compared to shareholders' equity of approximately $308 million and book value of $24.46 at December 31, 2005. Assets under fee-based management increased by 41% to $15.5 billion at December 31, 2006 compared to $11 billion at December 31, 2005, reflecting organic growth and includes approximately $1.2 billion, which relates to a transaction-based investment advisory program that was introduced in January 2006.

The U.S. economy continued to perform well, however its rate of growth moderated as it approached the end of the year. Despite continued softness in the housing market and higher short-term interest rates, the markets reacted to significant declines in oil and other commodity prices and modest improvements in the U.S. trade deficit. Employment remained strong and the increase in the level of spending by the U.S. consumer provided the impetus for strong equity gains in the three months ended December 31, 2006.

Excluding the gains from both the NYSE Group common shares and the debt extinguishment, the Company's revenue for the year ended December 31, 2006 increased by 15% compared to revenue for the same period of 2005. The revenue increase in both the three months and year ended December 31, 2006 compared to the same periods of 2005 came from higher transactional revenue from both private client and capital markets and increased fees from fee based programs. Interest income for the full year was impacted by higher rates, increased customer debit balances and increased activity in the securities lending business. The Company's performance in the three months ended December 31, 2006 was positively impacted by its participation as general partner in various alternative investments that had significantly better performance in 2006 compared to 2005.

The Company's expenses increased by approximately 15% and 13%, respectively, for the three months and year ended December 31, 2006 compared to the same periods in 2005 primarily due to increased compensation and related costs as well as higher interest expense. Compensation expense tracks the trend in transactional revenue and includes the impact of the expensing of stock options since January 1, 2006. Interest expense tracks the increase in interest revenue and is the result of higher interest rates, increased stock loan activity in 2006 and higher debt carrying costs compared to 2005. As previously reported, on July 31, 2006, to retire the Debentures, the Company issued a senior secured credit note in the amount of $125 million at a variable interest rate based on the London Interbank Offering Rate (LIBOR) with a seven-year term to a syndicate led by Morgan Stanley Senior Funding Inc., as agent. Minimum principal repayments equal 0.25% per quarter and there are required prepayments of principal based on a portion of the Company's excess cash flow, the net cash proceeds of asset sales, tax refunds over certain limits, awards over certain limits in connection with legal actions or 'takings', and debt issuances or other liability financings. For the five months ended December 31, 2006, the interest rate on the senior secured credit note was 8.15% (compared to 4.5% on the retired Debentures).

Effective January 1, 2006, the Company adopted Statement of Financial Accounting Standards ("SFAS") 123-R, "Share-Based Payment". The Company recorded additional compensation expense in the three months and year ended December 31, 2006 of $553,000 and $3,250,000, respectively, with respect to its equity incentive plan. In prior years, the cost of stock options was presented on a pro forma basis in the notes to the consolidated financial statements. The Company has always recorded compensation expense with respect to its other share-based plans, although the method of computation of the expense has changed with the adoption of SFAS 123-R.

The basic weighted average number of Class A non-voting and Class B shares outstanding for the three months ended December 31, 2006 was 12,866,552 compared to 13,063,122 outstanding for the three months ended December 31, 2005, a net decrease of 1.5% due to the effect of the repurchase of shares pursuant to a Normal Course Issuer Bid in the first half of 2006 partially offset by the exercise of employee stock options primarily in the second half of 2006. During the fourth quarter of 2006, the Company did not purchase any Class A Shares pursuant to its Normal Course Issuer Bid (which commenced on August 9, 2006, and terminates on August 8, 2007). The diluted weighted average number of Class A non-voting and Class B shares outstanding for the three months ended December 31, 2006 was 13,191,501 compared to 19,952,341 outstanding for the three months ended December 31, 2005, a net decrease of 34% due to the redemption, on July 31, 2006, of $141 million of the Debentures and redemption, on October 23, 2006, of the remaining $20 million of Debentures.

Today, the Company announced a regular quarterly cash dividend of U.S. $0.10 per Class A and Class B Share payable on February 23, 2007 to shareholders of record on February 9, 2007.

Oppenheimer Holdings Inc., through its principal subsidiaries, Oppenheimer & Co. Inc. (a U.S. broker-dealer) and Oppenheimer Asset Management Inc., offers a full range of services from 82 offices in 21 states and 2 foreign jurisdictions. In addition, through its subsidiary, Freedom Investments, Inc. and the BUYandHOLD division of Freedom, the Company offers online discount brokerage and dollar-based investing services.

Certain statements in this release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, as discussed in the Company's recent filings with the Securities and Exchange Commission.

FOR FURTHER INFORMATION:

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