OPPENHEIMER

Press Release

January 29, 2009

OPY on the NYSE

Fourth Quarter 2008 Earnings and Dividend Declaration

Expressed in thousands of U.S. dollars, except per share amounts	Three Months ended December 31, 2008	Three Months ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Unaudited				
REVENUE	$209,767	$258,358	$920,070	$914,397
EXPENSES	$217,496	$214,053	$956,113	$787,003
PROFIT (LOSS) BEFORE TAXES	$(7,729)	$44,305	$(36,043)	$127,394
NET PROFIT (LOSS)	$(3,824)	$26,537	$(20,770)	$75,367
PROFIT (LOSS) PER SHARE:				
- BASIC	$(0.29)	$2.00	$(1.57)	$5.70
- DILUTED	$(0.29)	$1.94	$(1.57)	$5.57
BASIC WEIGHTED AVERAGE NUMBER OF CLASS A NON-VOTING AND CLASS B SHARES OUTSTANDING	13,022,155	13,298,336	13,199,580	13,223,442
BOOK VALUE PER SHARE	$32.75	$33.22		
TOTAL CLASS A NON-VOTING AND CLASS B SHARES OUTSTANDING	12,999,145	13,366,276		

Oppenheimer Holdings Inc. reported a net loss for the three months ended December 31, 2008 of $3.8 million or $(0.29) per share compared to a net profit of $26.5 million or $2.00 per share in the same period of 2007. Revenue for the three months ended December 31, 2008 was $209.8 million, a decrease of 19% compared to revenue of $258.4 million in the same period of 2007. The turmoil in the financial markets during the fourth quarter of 2008 substantially impacted all of the Company's businesses resulting in reduced revenues. The Company incurred increased expenses associated with the acquisition of a major part of CIBC World Markets' U.S. Capital Markets Businesses in January 2008. Performance fees associated with the Company's management of alternative investments did not make a significant contribution to the Company's results in fiscal 2008. By comparison, the fourth quarter of 2007 was the strongest quarter in the Company's history in terms of both revenue and net profit associated with its management of alternative investments.

The net loss for the year ended December 31, 2008 was $20.8 million or $(1.57) per share, compared to net profit of $75.4 million or $5.70 per share in the same period of 2007. Revenue for the year ended December 31, 2008 was $920.1 million compared to $914.4 million for the same period in 2007, an increase of 1%.

As previously reported, the Company's results were impacted throughout the year by its acquisition on January 14, 2008 of a major part of CIBC World Markets' U.S. Capital Markets Businesses. The acquired businesses including operations in the United Kingdom, Hong Kong and Israel were combined with the Company's existing Investment Banking, Corporate Syndicate, Institutional Sales and Trading and Equities Research divisions to form the Oppenheimer Investment Banking Division (OIB Division). The Company did not foresee in 2007 the extremely challenging environment that would develop during 2008 when it determined to expand its existing capital markets business. Agreements made for compensation to former employees of CIBC World Markets as well as support payments made to CIBC during the transition of the acquired businesses to the Company's platform substantially and negatively impacted the Company's financial results throughout the 2008 year.

Fiscal 2008 was the most difficult economic environment in over 50 years. It began with a period of substantially increasing commodity prices and a weakening U.S. dollar during the first six months and ended with a complete reversal of each of these trends amid falling home prices, seized credit markets, failing financial institutions, weakening economic activity and increasing unemployment as economists recognized the presence of the longest period of recession in the post-war period. Intervention in the credit markets by the U.S. Treasury and the U.S. Federal Deposit Insurance Corporation ("FDIC") through their support of commercial and investment banks as well as Fannie Mae and Freddie Mac and the prompt reduction of interest rates by the Federal Reserve to the lowest levels in history failed to staunch the lack of confidence brought on by illiquid markets and a falling economy. Further intervention in the credit markets both in the U.S. and around the world should begin to restore confidence in 2009 resulting in improved economic conditions and markets.

Revenues for the OIB Division, approximately $45.4 million and $220.7 million, respectively, for the three months and year ended December 31, 2008, were substantially less (approximately 39% and 41%, respectively) than the comparable fiscal periods last year on a pro-forma combined basis, due to significantly reduced investment banking activity. As previously reported, the results of the OIB Division will be tracked for the five years following the acquisition for purposes of determining payments that may be due to CIBC as part of the acquisition price.

Commissions for the three months and year ended December 31, 2008 increased 30% and 35%, respectively, compared to the same periods in 2007 primarily as a result of the acquired businesses. For both the three months and year ended December 31, 2008, 32% of total commissions were generated by the OIB Division's institutional equity business. Proprietary trading results decreased 185% and 50%, respectively, for the three months and year ended December 31, 2008 compared to the same periods in 2007, primarily due to losses in convertible bond arbitrage and failed hedging strategies as the prices of U.S. Treasuries diverged from the rest of the credit market during the difficult market conditions experienced in the third and fourth quarters of 2008.

Advisory fees decreased 56% and 20%, respectively, for the three months and year ended December 31, 2008 compared to the same periods in 2007. Declining market values of client assets negatively impacted fee levels in the third and fourth quarters of 2008 as well as assets under management which decreased 28% to $12.5 billion at December 31, 2008 compared to $17.5 billion at December 31, 2007. In addition, performance fees earned as a result of participation as a general partner in various alternative investments amounted to $1.3 million in

fiscal 2008 compared with $44.8 million in fiscal 2007. The number of client accounts under management increased 1% at December 31, 2008 compared to December 31, 2007. Included in assets under management at December 31, 2008 were approximately $9.8 billion in assets under the Company's fee-based programs ($15.4 billion at December 31, 2007).

Interest income declined amidst lower short-term interest rates and lower client debit balances in the three months and year ended December 31, 2008 compared to the same periods in 2007. Net interest revenue decreased by 56% and 57%, respectively, in the three months and year ended December 31, 2008 compared to the same periods in 2007.

The Company's expenses for the three months and year ended December 31, 2008 increased 2% and 21%, respectively, compared to the same periods of 2007, primarily due to the effect of the Company's recent acquisition. Acquisition related expenses included $845.6 thousand and $40.2 million, respectively, for the three months and year ended December 31, 2008 for deferred incentive compensation to former CIBC employees for awards made by CIBC prior to the January 14, 2008 acquisition by the Company. Such payments will significantly decline in future periods. These accrued expenses are net of an expense reversal of $6.1 million recorded in November 2008 arising from the resolution of a number of issues with CIBC associated with the implementation and interpretation of the Acquisition Agreement. Transition service charges of $1.7 million and $27.3 million, respectively, in the three months and year ended December 31, 2008 were incurred for interim support of the acquired businesses which substantially terminated upon the transition of those businesses to Oppenheimer's platform in the second half of 2008. The Company continues to review its costs across all expense categories but expects to have reduced costs of approximately $7 million per month in 2009 compared to 2008 due to the elimination of many costs associated with last year's acquisition.

Compensation costs decreased 6% and increased 16%, respectively, in the three months and year ended December 31, 2008 compared to the same periods of 2007. The main drivers of the increase for the year ended December 31, 2008 were the increased compensation expense associated with personnel within the acquired businesses. The reduction in deferred incentive compensation award payments, discussed above, significantly contributed to the reduction in compensation related costs during the three months ended December 31, 2008. With the decline in revenue, the variable components of compensation expense also declined. For the three months and year ended December 31, 2008, clearing and exchange fees increased 75% and 89%, respectively, due to increased transaction volumes associated with the acquired businesses as well as transition service charges. Communications and technology costs and occupancy costs increased 42% and 48%, respectively, in the three months ended December 31, 2008 and 44% in both the three months and the year ended December 31, 2008 compared to the same periods in 2007, primarily to support the OIB Division.

The Company's overall tax rate for the three month period ended December 31, 2008 was impacted by adjustments to the state income tax provision to reflect amounts recorded for prior years.

At December 31, 2008, shareholders' equity was approximately $425.7 million and book value per share was $32.75 compared to shareholders' equity of approximately $444.0 million and book value per share of $33.22 at December 31, 2007.The basic weighted average number of Class A non-voting and Class B shares outstanding for the three months ended December 31, 2008 was 13,022,155 compared to 13,298,336 outstanding for the three months ended December 31, 2007, a net decrease of 2% due primarily to the repurchase of Class A Shares for cancellation

pursuant to its Normal Course Issuer Bid. During the fourth quarter of 2008, the Company purchased 173,524 Class A Shares pursuant to its Normal Course Issuer Bid (which commenced on August 19, 2008, and terminates on August 18, 2009) at an average price per share of $20.63. The Company's book value per share was impacted by operating losses and dividends , offset by the effect of share-based awards and the issuance of warrants in connection with the acquisition of the capital markets businesses in January 2008. The diluted weighted average number of Class A non-voting and Class B shares outstanding for the three months ended December 31, 2008 was 13,022,155 compared to 13,646,546 outstanding for the three months ended December 31, 2007, a net decrease of 5% due primarily to the repurchase of Class A Shares for cancellation pursuant to the Issuer Bid.

As previously announced, on December 16, 2008, the Company and its subsidiaries reached an agreement with a syndicate led by Morgan Stanley Senior Funding, Inc. to amend certain terms of its existing Senior Secured Credit Note to, among other things, (a) change the fixed charge coverage ratio and total leverage ratio for the fiscal quarter ended December 31, 2008 and for future fiscal quarters through June 30, 2013; (b) increase the amount of quarterly loan amortization payments for fiscal quarters through December 31, 2010 beginning in the fiscal quarter ending March 31, 2009; and (c) increase the interest rate payable on the outstanding balance of the loan. In addition, the Company made a voluntary pre-payment of principal in the amount of $15 million plus interest which reduced the balance outstanding on the Senior Secured Credit Note to $47.7 million.. The Company has also reached agreement with Canadian Imperial Bank of Commerce to amend certain financial terms (including an increase in the rate of interest to be paid on the loan) and certain covenants in its $100 million subordinated loan agreement in line with the agreement reached with the senior lenders. With these amendments in place, the Company believes that it has adequate funding arrangements for the foreseeable future.

On October 31, 2008, Moody's placed the Company's Corporate Family Rating and Senior Secured Credit Note ($47.7 million outstanding at December 31, 2008) rating on review for possible downgrade. In that report, Moody's listed as factors that could result in a rating downgrade; the inability to reach an agreement with the lenders on amended terms to the Senior Secured Credit Note and the ability to maintain leverage at a predetermined benchmark. As described above, the Company reached an agreement with both its senior and subordinated lenders. Due to the non-recurring nature of approximately $85 million in costs associated with the acquisition of the capital markets businesses from CIBC in the year ended December 31, 2008, the Company expects its leverage position to significantly improve in 2009. The Company believes it did not achieve the prescribed leverage levels in the quarter ended December 31, 2008 to sustain its current credit rating.

Dividend

Today, the Company announced a regular quarterly cash dividend of U.S. $0.11 per Class A and Class B Share payable on February 27, 2009 to shareholders of record on February 13, 2009.

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 4 foreign jurisdictions. OPY Credit Corp. offers syndication as well as trading of issued corporate loans. Oppenheimer employs over 3,300 people. 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.

FOR FURTHER INFORMATION:

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