



Press Release

Oppenheimer Holdings Inc.

Listed NYSE – OPY

Third Quarter 2007 Earnings and Dividend Announcement

October 26, 2007

*Expressed in thousands of U.S.
dollars, except share and per
share amounts*

| | Three Months ended September 30, | | Nine Months ended September 30, | |
|---|-------------------------------------|------------|------------------------------------|------------|
| | 2007 | 2006 | 2007 | 2006 |
| <i>(unaudited)</i> | | | | |
| Revenue | \$215,173 | \$188,463 | \$656,039 | \$582,537 |
| Expenses | \$188,152 | \$175,189 | \$572,950 | \$524,057 |
| Profit before taxes | \$27,021 | \$13,274 | \$83,089 | \$58,480 |
| Net profit | \$16,274 | \$7,673 | \$48,830 | \$34,027 |
| Basic earnings per share | \$1.23 | \$0.60 | \$3.70 | \$2.66 |
| Diluted earnings per share | \$1.19 | \$0.51 | \$3.61 | \$1.99 |
| Basic weighted average number of shares outstanding | 13,264,228 | 12,784,096 | 13,197,999 | 12,810,492 |
| Book value per share | \$31.33 | \$27.00 | | |
| Actual number of Class A non- voting and Class B shares outstanding | 13,274,380 | 12,812,202 | | |

The Company's financial results are presented using accounting principles generally accepted in the U.S.A.

Oppenheimer Holdings Inc. reported net profit of \$16.3 million or \$1.23 per share for the third quarter of 2007, an increase of approximately 112% when compared to net profit of \$7.7 million or \$0.60 per share in the third quarter of 2006. Revenue for the third quarter of 2007 was \$215.2 million, an increase of 14% compared to revenue of \$188.5 million in the third quarter of 2006.

Net profit for the nine months ended September 30, 2007 was \$48.8 million or \$3.70 per share compared to \$34.0 million or \$2.66 per share in the same period of 2006, an increase of 44% in net profit. Revenue for the nine months ended September 30, 2007 was \$656.0 million compared to \$582.5 million for the same period in 2006, an increase of 13%. Revenue and profit before taxes for the nine months ended September 30, 2007 were up 16% and 95%, respectively, compared to the same period in 2006 excluding (a) a non-recurring gain of \$12.4 million (most of which was generated in the first quarter of 2006) related to the exchange of the Company's three NYSE memberships for cash and NYSE Group common shares and (b) a non-recurring gain on the early extinguishment of the Company's outstanding Debentures in the amount of \$3.6 million (cumulatively \$0.72 per share).

During the third quarter, equity and debt markets were extremely volatile reflecting substantial uncertainty about the impact of defaults and foreclosures in the sub-prime mortgage market, as well as the inability of the credit markets to assess the creditworthiness of numerous issuers of commercial paper and asset backed securities. This, together with high oil and gas prices, a weak U.S. dollar and uncertainty about the chances of a recession in the United States, caused a sell-off in the U.S. securities markets during most of July and August. This was followed by a strong rally in September following the Federal Reserve's announcement of a reduction in the discount rate and later in the benchmark federal funds rate.

For the Company, in the three and nine months ended September 30, 2007, this volatility resulted in increased commission levels, and higher assets under management at the beginning of the quarter resulted in improved asset management fees. Investment banking activity showed strong results in the three and nine months ended September 30, 2007 compared to the same periods of 2006 (although such results were lower than the first and second quarters of 2007). These results reflect the Company's increased investment in its corporate finance effort, as well as the increased level of activity for smaller issuers. In the three months ended September 30, 2007,

interest income was flat; in the nine months ended September 30, 2007, interest income showed a modest increase as a result of an increase in average stock borrow balances of approximately 13% compared to the same period of 2006 that more than offset a small decrease in average customer debit balances. There was little change in proprietary trading results in the three and nine months ended September 30, 2007 compared to the same periods in 2006. As previously reported, the Company has no exposure to the issues surrounding sub-prime mortgages.

Assets under management by the asset management group increased 22% to \$17.4 billion at September 30, 2007 compared to \$14.3 billion at September 30, 2006, reflecting organic growth and increases in market value. The Company continues to build its base of annualized revenues through employee and client education emphasizing the benefits of a professionally directed asset allocation process.

The Company's expenses for the three and nine months ended September 30, 2007 increased 7% and 9%, respectively, compared to the same periods of 2006, primarily due to increased compensation and related costs. The increase in compensation costs is primarily attributable to the increased levels of business in the three and nine months ended September 30, 2007 compared to the same periods of 2006. Another large component of the year-to-date increase in compensation costs is attributable to share-based compensation costs. In the nine months ended September 30, 2007, share-based compensation expenses amounted to \$7.1 million (\$4.9 million in the comparable period of 2006). Communications and data processing costs increased in the three and nine months ended September 30, 2007 compared to the same periods in 2006, reflecting the Company's investment in its technology platform. Despite higher interest rates, interest expense declined in the three and nine months ended September 30, 2007 compared to the same periods in 2006, primarily reflecting lower levels of bank borrowing and the impact of principal payments on the Company's senior secured credit note which totaled \$40.8 million through September 30, 2007. The decrease in the effective tax rate for the three months ended September 30, 2007 was a result of favorable resolutions of tax matters during the period.

At September 30, 2007, shareholders' equity was approximately \$415 million and book value per share was \$31.33 compared to shareholders' equity of approximately \$346 million and book value per share of \$27.00 at September 30, 2006. The basic weighted average number of Class

A and Class B Shares outstanding for the three months ended September 30, 2007 was 13,264,228 compared to 12,784,096 outstanding for the three months ended September 30, 2006, an increase of 4% due to the exercise of employee stock options, awards of Class A Shares pursuant to the Employee Share Plan and the purchase of Class A Shares by the Company's 401(K) Plan. The actual number of Class A and Class B Shares outstanding at September 30, 2007 was 13,274,380. During the third quarter of 2007, the Company did not purchase any Class A Shares pursuant to its Normal Course Issuer Bid (which commenced on August 9, 2007, and terminates on August 8, 2008). The diluted weighted average number of Class A and Class B Shares outstanding for the three months ended September 30, 2007 was 13,698,959 compared to 15,773,199 outstanding for the three months ended September 30, 2006, a net decrease of 13% due to the redemption, on July 31, 2006, of \$141 million of its variable rate exchangeable debentures (the "Debentures") and the redemption, on October 23, 2006, of the remaining \$20 million of Debentures issued on January 6, 2003 as partial payment for the acquisition of the U.S. Private Client and Asset Management Divisions of CIBC World Markets, Inc. The Debentures were exchangeable into 6.9 million Class A Shares of the Company. These redemptions were funded by the issuance of a senior secured credit note in the amount of \$125 million (\$83.5 million currently outstanding), increased bank call loans, and internally available funds.

Dividend

The Company is announcing a quarterly dividend of U.S. \$0.11 per share, payable on November 23, 2007 to holders of Class A and Class B Shares of record on November 9, 2007. These dividends are qualified dividends for U.S. and Canadian tax purposes.

The Company, through its principal subsidiaries, Oppenheimer & Co. Inc. (a U.S. broker-dealer) and Oppenheimer Asset Management Inc., offers a full range of services from 81 offices in 21 states and through local broker-dealers in 2 foreign jurisdictions. The Company 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, the Company 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, 2006.

FOR FURTHER INFORMATION:

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