



Press Release

NYSE – OPY

Oppenheimer Holdings Inc.

Third Quarter 2008 Earnings and Dividend Announcement

October 31, 2008

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

<i>(unaudited)</i>	Three Months ended September 30,		Nine Months ended September 30,	
	2008	2007	2008	2007
Revenue	\$222,187	\$215,173	\$710,303	\$656,039
Expenses	\$225,898	\$188,152	\$738,617	\$572,950
Profit (loss) before taxes	\$(3,711)	\$27,021	\$(28,314)	\$83,089
Net profit (loss)	\$(2,477)	\$16,274	\$(16,945)	\$48,830
Basic earnings (loss) per share	\$(0.18)	\$1.23	\$(1.26)	\$3.70
Diluted earnings (loss) per share	\$(0.18)	\$1.19	\$(1.26)	\$3.61
Weighted average number of shares outstanding	13,476,365	13,264,228	13,484,645	13,197,999
Book value per share	\$32.87	\$31.33		
Actual number of Class A non- voting and Class B shares outstanding	13,172,669	13,274,380		

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

Oppenheimer Holdings Inc. reported a net loss of \$2.5 million or \$0.18 per share for the third quarter of 2008, compared to net profit of \$16.3 million or \$1.23 per share in the third quarter of 2007. Revenue for the third quarter of 2008 was \$222.2 million, compared to revenue of \$215.2 million in the third quarter of 2007.

The net loss for the nine months ended September 30, 2008 was \$16.9 million or \$1.26 per share compared to net profit of \$48.8 million or \$3.70 per share for the nine months ended September 30, 2007. Revenue for the nine months ended September 30, 2008 was \$710.3 million, an increase of 8% compared to revenue of \$656.0 million for the same period in 2007.

The Company's results for the three and nine months ended September 30, 2008 were impacted by the current economic environment, as well as 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 and Israel 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).

Albert (Bud) Lowenthal, Chairman and CEO, commented on the results for the quarter: "The investment environment during the third quarter was as hostile to investors as anything seen in decades. The credit markets around the world ceased to function as banks became fearful of doing business with some of the largest financial institutions in the world. In mid-September, Lehman Brothers filed the largest bankruptcy in history. In the aftermath, governments around the world pledged trillions of dollars to financial institutions for the purchase of tarnished assets, and to the guarantee of debt and performance on behalf of their domestic institutions. During the quarter, there was a dramatic decline in accessing financial leverage by investors and institutions, as they sought but could not obtain additional credit or even retain credit lines previously obtained.

Oppenheimer's results, although not affected by asset write-downs, continued to be impacted by costs associated with the acquisition in January. Commitments made to high levels of compensation associated with acquired employees coupled with transition expenses resulted in another period of disappointing results. While each quarter in fiscal 2008 has incurred sequentially lower expenses than the previous period, revenues have dropped even faster within the acquired businesses. Coupled with this was the inability to earn principal trading profits due to dysfunctional markets, and a decline in private client revenues resulting from both seasonal factors and more importantly, broadly declining debt and equity markets.

While Oppenheimer was able to maintain good control of its risk profile and avoid write-downs of proprietary positions, we nonetheless observed a lack of liquidity across broad markets including municipal bonds, convertible debt and high yield securities. At the same time, yields on broad classes of assets showed historic increases as investors sold what they could, instead of what they might choose to sell, as a source of funds to reduce incurred debt. Leverage finance largely shut down during the period and investment banking revenues declined substantially from the level of the combined businesses during the prior year.

While we are extremely disappointed with our performance during the quarter, and for the fiscal year as a whole, we can point with pride to the ability of our firm to continue to attract highly capable new employees and new clients who view Oppenheimer and its stable and easily

understood business to be a solid choice for the years ahead. Our Private Client Business continues to be quite healthy with strong financial advisor retention, and the attraction of experienced new financial advisors as well as new clients to our enhanced platform. Although we anticipate continued difficult conditions ahead for the next few quarters, we can see beyond to a bright future.

As previously stated, we continue to believe that the long-term benefit of our January acquisition will be substantial; however we do not foresee a quick return to profitability for the enlarged Capital Markets business segment, given the present state of the markets and of the U.S. economy. Oppenheimer's liquidity remains strong, allowing us to repurchase our shares during the quarter. We do not anticipate a need for additional capital in the near future, either through the issuance of debt or equity. We will continue to manage our business for the long term with a close control of costs and risks within our business."

The three and nine months ended September 30, 2008 were marked by one of the most difficult economic environments in over 50 years. It combined periods of high inflation with an extremely volatile market. Investors focused on the seized credit markets, high oil and food prices, a weak U.S. dollar (which suddenly strengthened against virtually all other currencies as the quarter came to a close), and the job losses that are associated with a recessionary environment as well as widespread asset write-downs by financial institutions. Intervention by the U.S. Treasury and the U.S. Federal Reserve in the credit markets through their support of commercial and investment banks as well as Fannie Mae and Freddie Mac will hopefully provide the needed liquidity to the capital markets and the economic system as a whole.

Revenues for the OIB Division, approximately \$50.3 million and \$175.3 million, respectively, for the three and nine months ended September 30, 2008, were substantially less (approximately 65% and 58%, respectively) than the comparable fiscal period 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 purchase price.

Commissions for the three and nine months ended September 30, 2008 increased 36% and 37%, respectively, compared to the same periods in 2007 primarily as a result of the acquired businesses. For the three and nine months ended September 30, 2008, 35% and 33%, respectively, of total commissions were generated by the OIB Division's institutional equity business. Proprietary trading results decreased 107% and 13%, respectively, for the three and nine months ended September 30, 2008 compared to the same periods in 2007, primarily due to losses in convertible bond arbitrage arising from extremely difficult market conditions in the third quarter of 2008.

Advisory fees decreased 7% for the three months ended September 30, 2008 and increased 2% for the nine months ended September 30, 2008 compared to the same periods in 2007. Declining market values of client assets negatively impacted fee levels in the third quarter of 2008. Assets under management by the asset management group decreased 15% to \$14.8 billion at September 30, 2008 compared to \$17.4 billion at September 30, 2007, due to declining market values despite the fact that the number of client accounts under management increased 9% at September 30, 2008 compared to September 30, 2007. Included in assets under management at September

30, 2008 were approximately \$11.9 billion in assets under the Company's fee-based programs (\$14.3 billion at September 30, 2007).

Interest income declined with lower shortterm interest rates in the three and nine months ended September 30, 2008 compared to the same periods in 2007. Net interest revenue decreased by 57% and 58%, respectively, in the three and nine months ended September 30, 2008 compared to the same periods in 2007.

The Company's expenses for the three and nine months ended September 30, 2008 increased 20% and 29%, respectively, compared to the same periods of 2007, primarily due to the effect of the Company's recent acquisition. Acquisition related expenses included accrued expenses of \$11.6 million and \$39.3 million, respectively, for the three and nine months ended September 30, 2008 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. Such payments will decline to \$7.0 million in the fourth quarter of 2008 and continue to significantly decline in subsequent periods. Transition service charges of \$7.3 million and \$32.3 million, respectively, in the three and nine months ended September 30, 2008 to be paid to CIBC for interim support of the acquired businesses substantially terminated upon the transition of those businesses to Oppenheimer's platform, in mid-August 2008. This will result in substantially reduced costs going forward (with estimated savings of \$2 million per month). The transition of the UK business to the Company's platform in the fourth quarter will also reduce expenses going forward and permit the full integration of the acquired business. In light of the current economic environment, the Company has undertaken initiatives to reduce costs across all expense categories.

Compensation costs increased 11% and 25%, respectively, in the three and nine months ended September 30, 2008 compared to the same periods of 2007. The main drivers of the increase were the increased compensation expense associated with personnel within the acquired business. For the three and nine months ended September 30, 2008, clearing and exchange fees increased 62% and 95%, respectively, due to increased transaction volumes associated with the acquired business as well as transition service charges. Communications and technology costs and occupancy costs increased 59% and 47%, respectively, in the three months ended September 30, 2008 and 45% and 43%, respectively, in the nine months ended September 30, 2008 compared to the same periods in 2007, primarily to support the OIB Division.

At September 30, 2008, shareholders' equity was approximately \$433.0 million and book value per share was \$32.87 compared to shareholders' equity of approximately \$415.9 million and book value per share of \$31.33 at September 30, 2007. The basic weighted average number of Class A and Class B Shares outstanding for the three months ended September 30, 2008 was 13,476,365 compared to 13,264,228 outstanding for the three months ended September 30, 2007, an increase of 2% due primarily to the exercise of stock options and vesting of stock awards in the fourth quarter of 2007 and the first quarter of 2008 which was offset by the cancellation of Class A Shares purchased pursuant to the Issuer Bid in the second and third quarters of 2008. The diluted weighted average number of Class A and Class B Shares outstanding for the three months ended September 30, 2008 was 13,476,365 compared to 13,698,959 outstanding for the three months ended September 30, 2007, a net decrease of 2% as a result of repurchasing Class A Shares pursuant to the Issuer Bid. The actual number of Class A and Class B Shares outstanding at September 30, 2008 was 13,172,669 shares.

In accordance with its Senior Secured Credit Note and its Subordinated Note, the Company has provided certain covenants to its lenders including the maintenance of a maximum leverage ratio. At September 30, 2008, the Company was in compliance with this covenant on both facilities. Based on financial results for the fiscal year to date and the current environment for the Company's business, the Company cannot presently predict whether it will continue to be in compliance with this covenant for the fourth quarter of 2008. The Company is reviewing steps it can take to avoid a breach of this covenant including reducing controllable expenses and making voluntary payments on the Senior Secured Credit Note to reduce the outstanding balance. In addition, the Company has begun discussions with representatives of the senior facility lender group in order to pursue obtaining a waiver of the covenant.

Issuer Bid

On August 18, 2008, the Company announced its intention to purchase up to 700,000 of its Class A Shares through the facilities of the New York Stock Exchange commencing August 19, 2008 and ending August 18, 2009. All shares purchased will be cancelled.

During the third quarter of 2008, the Company purchased and cancelled 167,500 Class A Shares (at an average price of \$24.90 per share) pursuant both to an Issuer Bid, which expired on August 8, 2008 and to the current Issuer Bid which expires on August 18, 2009.

Dividend

The Company today announced a quarterly dividend of U.S. \$0.11 per share, payable on November 28, 2008 to holders of Class A and Class B Shares of record on November 14, 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. 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:

A.G. LOWENTHAL - (212) 668-8000 or E.K. ROBERTS - (416) 322-1515