



Press Release

NYSE – OPY

Oppenheimer Holdings Inc.

Third Quarter 2009 Earnings and Dividend Announcement

October 30, 2009

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

<i>(unaudited)</i>	Three Months ended September 30,		Nine Months ended September 30,	
	2009	2008	2009	2008
Revenue	\$262,067	\$222,187	\$718,056	\$710,303
Expenses	\$248,017	\$225,898	\$693,852	\$738,617
Profit (loss) before taxes	\$14,050	\$(3,711)	\$24,204	\$(28,314)
Net profit (loss)	\$7,908	\$(2,477)	\$13,024	\$(16,945)
Basic earnings (loss) per share	\$0.60	\$(0.18)	\$1.00	\$(1.26)
Diluted earnings (loss) per share	\$0.59	\$(0.18)	\$0.97	\$(1.26)
Book value per share	\$33.68	\$32.87		

Business Review

New York, New York. Oppenheimer Holdings Inc. reported a net profit of \$7.9 million or \$0.60 per share for the third quarter of 2009, compared to a net loss of \$2.5 million or \$0.18 per share in the third quarter of 2008. Revenue for the third quarter of 2009 was \$262.1 million, compared to revenue of \$222.2 million in the third quarter of 2008, an increase of 18%.

The net profit for the nine months ended September 30, 2009 was \$13.0 million or \$1.00 per share compared to a net loss of \$16.9 million or \$1.26 per share for the nine months ended September 30, 2008. Revenue for the nine months ended September 30, 2009 was \$718.1 million, compared to revenue of \$710.3 million for the same period in 2008.

The U.S economy began to emerge from recession during the third quarter of 2009. While employment continued to deteriorate (albeit at lower rates of decline) other indicators showed improvement including: increased manufacturing activity, higher commodity prices and higher

end sales to consumers and businesses and the fact that housing prices appear to be stabilizing. These factors are likely to lead to a sustainable recovery. The markets continued to respond to these improved conditions with equities showing gains of over 50% since the March 2009 lows.

These improving market conditions as well as greater investor confidence have led to overall revenue improvements for the company in each successive quarter of 2009. Revenue from commissions and principal transactions in the three and nine months ended September 30, 2009 surpassed levels achieved in comparable periods in 2008 as a result of the effects of rising equity prices and the credit markets recovery from the distressed levels of 2008 and the early months of 2009. Revenue from investment banking activities continues at a slow pace as many mid-sized companies continue to face restricted access to the capital markets. Net interest revenue for the Company, as well as fees derived from money market funds and FDIC insured deposits of clients, have been adversely affected by the low interest rate policies that have been designed to stimulate the economy. Asset management advisory fees declined in the third quarter when compared to the prior year based on the lower value of underlying assets at the commencement of the period.

Highlights of the company's results for the three and nine months ended September 30, 2009 follow:

Revenue and Expense

Revenue -Third Quarter 2009

- Commission revenue was \$146.4 million in the third quarter of 2009 compared to \$133.5 million in the third quarter of 2008, representing an increase of 10%.
- Principal transaction revenue was significantly higher in the third quarter of 2009 at \$29.8 million compared to a loss of \$862 thousand in the third quarter of 2008 due to strength in fixed income trading of \$26.2 million in the third quarter 2009 (versus \$4.4 million in the third quarter of 2008) as well as losses sustained in the convertible bond arbitrage business in the third quarter of 2008.
- Interest revenue of \$9.1 million in the third quarter of 2009 represented a decline of 43% from \$16.1 million in the third quarter of 2008 due to declining interest rates as well as a decrease in average margin debit balances of 28% and average stock borrow balances of 33% over the same periods.
- Investment banking revenue increased 55% to \$25.1 million in the third quarter of 2009 versus \$16.2 million in the third quarter of 2008 due to the market's renewed appetite for equity issuances.
- Advisory fees were \$38.7 million in the third quarter 2009 compared to \$51.1 million in the third quarter 2008 as a result of a decrease in assets under management of 17% during the period as well as a decrease of \$6.2 million in fees derived from money market funds.
- Other revenue increased 109% to \$13.0 million from the third quarter 2008 as a result of increases to the value of company owned life insurance of \$5.1 million and increased fees of \$3.6 million related to the Company's mortgage brokerage business, partially offset by a decrease of \$2.5 million in fees derived from FDIC insured bank deposits.

Revenue - Year-to-Date 2009

- Commission revenue was \$412.9 million in the nine months ended September 30, 2009 compared to \$391.3 million in the same period in 2008, representing an increase of 6%.
- Principal transaction revenue was significantly higher in the nine months ended September 30, 2009 at \$84.7 million compared to \$28.2 in the same period in 2008.
- Interest revenue declined 51% from \$51.2 million in the nine months ended September 30, 2008 to \$25.3 million in the nine months ended September 30, 2009 due to declining interest rates as well as decreases in average margin debit balances of 36% and average stock borrow balances of 46% over the same periods.
- Investment banking revenue decreased 19% to \$55.6 million in the nine months ended September 30, 2009 versus \$68.7 million in the same period in 2008 due to lower M&A and equity capital markets activity.
- Advisory fees were \$109.9 million in the in the nine months ended September 30, 2009 compared to \$157.6 million in the same period in 2008 as a result of a decrease in assets under management during the period of 26% as well as a decrease of \$14.8 million in fees derived from money market funds.
- Other revenue increased 125% to \$29.5 million for the nine months ended September 30, 2009 from the same period in 2008 as a result of increases to the value of company owned life insurance of \$9.1 million and increased fees of \$5.0 million related to the Company's mortgage brokerage business, partially offset by a decrease of \$1.2 million in fees derived from FDIC insured client deposits.

Expenses - Third Quarter 2009

- Compensation and related expenses increased 24% in the third quarter of 2009 to \$175.5 million from \$141.3 million during the third quarter 2008 as production and incentive-related compensation increased \$29.9 million, deferred compensation costs increased \$6.6 million, and share-based compensation, directly related to an increased share price during the quarter, increased \$1.9 million. These increases were partially offset by a decrease of \$8.6 million for expenses related to deferred compensation obligations to former CIBC employees.
- Communications and technology expenses decreased 32% to \$14.0 million in the third quarter as a result of a reduction, or elimination, of many costs associated with the January 2008 acquisition of a major part of CIBC World Markets' U.S. Capital Markets Businesses.
- Occupancy and equipment costs increased 7% to \$19.0 million in the third quarter 2009 from \$17.7 million in the third quarter 2008 due to escalation provisions increasing rental costs in New York, as well as the opening of new branch offices around the country.
- Interest expenses declined 53% from \$10.4 million in the third quarter 2008 to \$4.8 million in the third quarter 2009 due to declining interest rates as well as a decrease in average stock loan balances of 32% and average bank loan balances of 59% over the same periods.

Expenses - Year-to-Date 2009

- Compensation and related expenses were flat for the nine months ended September 30, 2009 compared with the same period in 2008. Although the aggregate amounts were unchanged year over year, production and incentive-related compensation increased \$7.9 million, deferred compensation costs increased \$10.4 million, and share-based compensation, directly related to an increased share price during the period, increased \$10.5 million. These increases were offset by a decrease of \$31.7 million for expenses related to deferred compensation obligations to former CIBC employees.
- Clearing and exchange fees decreased 16% for the nine months ended September 30, 2009 compared to the same period in 2008 primarily reflecting the economies of transitioning the acquired businesses to the Company's platform.
- Communications and technology expenses decreased 14% to \$48.3 million for the nine months ended September 30, 2009 as a result of a reduction, or elimination, of many costs associated with our January 2008 acquisition.
- Occupancy and equipment costs increased 6% to \$55.5 million for the nine months ended September 30, 2009 from \$52.3 million in the same period in 2008 due to escalation provisions increasing rental costs in New York, as well as the opening of new branch offices around the country.
- Interest expenses declined 55% from \$34.1 million for the nine months ended September 30, 2008 to \$15.4 million in the nine months ended September 30, 2009 due to declining interest rates as well as a decrease of 55% both in average stock loan balances and in average bank loan balances over the same periods.
- Other expenses decreased 22% from \$91.1 million for the nine months ended September 30, 2008 to \$71.1 million in the nine months ended September 30, 2009 largely as a result of the elimination of \$32.3 million in non-recurring transitional support costs related to the CIBC capital markets business acquired in January 2008 offset by an increase in legal costs of approximately \$9.9 million.

Shareholders' Equity and Dividend Declaration

- At September 30, 2009, shareholders' equity was \$443.1 million compared to \$425.7 million at December 31, 2008.
- At September 30, 2009, book value per share was \$33.68 compared to \$32.75 at December 31, 2008 and \$32.87 at September 30, 2008.
- During the third quarter of 2009, the Company did not make any purchases pursuant to its stock buy-back program.
- The Company announced today a quarterly dividend in the amount of U.S. \$0.11 per share, payable on November 27, 2009 to holders of Class A non-voting and Class B voting common stock of record on November 13, 2009.

Balance Sheet and Liquidity Matters

- On September 30, 2009, the Company paid down \$4.4 million of principal on its Senior Secured Credit Note reducing the outstanding balance to \$32.9 million.
- The Company's level 3 assets were \$20.9 million at September 30, 2009 compared to \$21.2 million at June 30, 2009 and \$19.8 million at December 31, 2008.

OPPENHEIMER HOLDINGS INC.
SUMMARY STATEMENT OF OPERATIONS (UNAUDITED)

*\$ in thousands, except share and
per share amounts*

	Three Months Ended			Nine Months Ended		
	09/30/09	09/30/08	% Δ	09/30/09	09/30/08	% Δ
REVENUE						
Commissions	\$146,404	\$133,506	10%	\$412,913	\$391,344	6%
Principal transactions, net	29,778	(862)	n/a	84,720	28,245	200%
Interest	9,145	16,087	-43%	25,335	51,233	-51%
Investment banking	25,096	16,185	55%	55,597	68,736	-19%
Advisory fees	38,668	51,057	-24%	109,943	157,641	-30%
Other	12,976	6,214	109%	29,548	13,104	125%
	<u>262,067</u>	<u>222,187</u>	<u>18%</u>	<u>718,056</u>	<u>710,303</u>	<u>1%</u>
EXPENSES						
Compensation & related expenses	175,504	141,343	24%	484,068	482,052	0%
Clearing & exchange fees	7,031	7,033	0%	19,504	23,275	-16%
Communications & technology	14,008	20,452	-32%	48,289	55,911	-14%
Occupancy & equipment costs	18,987	17,713	7%	55,503	52,267	6%
Interest	4,846	10,392	-53%	15,432	34,062	-55%
Other	27,641	28,965	-5%	71,056	91,051	-22%
	<u>248,017</u>	<u>225,898</u>	<u>10%</u>	<u>693,852</u>	<u>738,618</u>	<u>-6%</u>
Profit (loss) before taxes	14,050	(3,711)	n/a	24,204	(28,315)	n/a
Income tax provision (benefit)	<u>6,142</u>	<u>(1,234)</u>	<u>n/a</u>	<u>11,180</u>	<u>(11,369)</u>	<u>n/a</u>
Net profit (loss) for the period	<u>\$7,908</u>	<u>(\$2,477)</u>	<u>n/a</u>	<u>\$13,024</u>	<u>(\$16,946)</u>	<u>n/a</u>
Profit (loss) per share						
Basic	\$0.60	(\$0.18)	n/a	\$1.00	(\$1.26)	n/a
Diluted	\$0.59	(\$0.18)	n/a	\$0.97	(\$1.26)	n/a
Weighted avg. shares outstanding	13,110,471	13,476,365				
Actual shares outstanding	13,155,983	13,172,669				

Company Information

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 over 94 offices in 26 states and through local broker-dealers in 4 foreign jurisdictions. Oppenheimer employs over 3,500 people. The Company offers trust and estate services through Oppenheimer Trust Company. OPY Credit Corp. offers syndication as well as trading of issued corporate loans. Evanston Financial Corporation is engaged in mortgage brokerage and servicing. In addition, through Freedom

Investments, Inc. and the BUYandHOLD division of Freedom, Oppenheimer offers online discount brokerage and dollar-based investing services.

Forward-Looking Statements

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 Oppenheimer’s Annual Report on Form 10-K for the year ended December 31, 2008.

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