



Press Release

3rd Quarter ended September 30, 2002
FAHNESTOCK VINER HOLDINGS INC.
PRESS RELEASE - OCTOBER 18, 2002

NYSE SYMBOL - FVH
TSE SYMBOL - FHV.A

	Three Months ended		Nine Months ended	
<i>Expressed in thousands of U.S. dollars, except per share amounts</i>	September 30,		September 30,	
<i>Unaudited</i>	2002	2001	2002	2001
REVENUE	\$68,522	\$53,748	\$207,183	\$184,119
EXPENSES	\$65,737	\$48,091	\$199,880	\$155,991
PROFIT BEFORE TAXES	\$2,785	\$5,657	\$7,303	\$28,128
NET PROFIT	\$1,735	\$3,334	\$4,250	\$16,370
PROFIT PER SHARE:				
- BASIC	\$0.14	\$0.27	\$0.34	\$1.33
- DILUTED	\$0.14	\$0.26	\$0.33	\$1.28
WEIGHTED AVERAGE NUMBER OF CLASS A NON-VOTING AND CLASS B SHARES OUTSTANDING	12,501,709	12,396,537	12,540,088	12,324,161
BOOK VALUE PER SHARE	\$19.62	\$19.31		
TOTAL CLASS A NON-VOTING AND CLASS B SHARES OUTSTANDING	12,469,497	12,403,350		

Fahnestock Viner Holdings Inc. reported net profit of U.S. \$1,735,000 or \$0.14 per share for the third quarter of 2002, a decrease of 48% in net profit when compared to U.S. \$3,334,000 or \$0.27 per share in the third quarter of 2001. Revenue for the third quarter of 2002 was U.S. \$68,522,000, an increase of 27% compared to revenue of U.S. \$53,748,000 in the third quarter of 2001. At September 30, 2002, book value per share was U.S. \$19.62 compared to book value per share of U.S. \$19.31 at September 30, 2001, an increase of 2%.

Net profit for the nine months ended September 30, 2002 was U.S. \$4,250,000 or \$0.34 per share compared to U.S. \$16,370,000 or \$1.33 per share in the comparable period of 2001, a decrease of 74%. Revenue for the nine months ended September 30, 2002 was U.S. \$207,183,000 compared to U.S. \$184,119,000 in the comparable period of 2001, an increase of 13%.

Expectations of reduced corporate earnings, rising unemployment, as well as a slowing economy have reinforced investors' reticence to make new commitments to the equity markets. These concerns, coupled with unremitting disclosures about corporate malfeasance, accounting fraud and arrests of corporate executives, has created an environment of lower stock prices. Valuations of corporate equities, while attractive, are not yet compelling. Popular averages touched new lows around the globe. While a new recession is not expected, slower economic growth and reduced capital spending is expected to last through the first half of 2003. The Company's results for the quarter reflect the difficult environment.

The Company's acquisitions of Josephthal Group, Inc. and Prime Charter Ltd on September 17, 2001 and November 9, 2001, respectively, and its acquisition of the business of BUYandHOLD Securities in March 2002 has substantially increased the Company's retail base compared to 2001 as is reflected in the increased revenues in the period just ended despite the current market environment. The Company employed 1,120 financial consultants at September 30, 2002 compared to approximately 735 at September 16, 2001, an increase of 52%. The most recent quarter and the year-to-date results reflect the increased size of the organization. Despite substantial rationalization of expenses, the Company continues to be burdened with costs associated with our acquisitions. Included in the expenses for the most recent periods are integration costs of combining facilities, severance payments associated with combining personnel, and most importantly, the costs of litigation for claims that preceded the Company's acquisitions of these entities. Our focus throughout our business continues to be on cost control.

The Company continues to believe that these recent acquisitions have broadened its revenue-producing base and that they will ultimately result in future profits. The Company also believes that the current environment may yield additional expansion possibilities at favorable terms. However, unless and until market conditions improve, the Company's results may continue to be disappointing.

Both the United States Accounting Standards Board and the Canadian Institute of Chartered Accountants issued new standards with respect to goodwill and other intangible assets, which the Company has adopted effective January 1, 2002. The new standards required a write-off of unamortized "negative goodwill", which arose as a result of past acquisitions. Negative goodwill represents the excess value of net assets acquired above the cost of acquisition. Under Canadian generally accepted accounting principles (GAAP) this write-off was taken as an adjustment to opening retained earnings and did not flow through the Statement of Operations. Under U.S. GAAP, the write-off was reported as a gain from the cumulative effect of a change in accounting principle in the Statement of Operations in the first quarter of 2002 and amounted to \$1,774,000 (\$0.14

per share) resulting in net profit for the nine months ended September 30, 2002 of \$6,024,000 (\$0.48 per share). Although financial statement presentation differs between Canadian and U.S. GAAP, the effect on shareholders' equity is the same, resulting in the same \$19.62 per share book value at September 30, 2002.

The weighted average number of Class A non-voting and Class B shares outstanding for the quarter ended September 30, 2002 was 12,501,709 compared to 12,396,537 outstanding for the quarter ended September 30, 2001, a net increase of 1% due to the exercise of employee stock options and offset by the repurchase of shares pursuant to a normal course issuer bid.

During the third quarter of 2002 the Company purchased a total of 67,300 Class A non-voting shares at an average price of \$21.19 through the facilities of the New York Stock Exchange pursuant to normal course issuer bid rules. All shares purchased have been cancelled.

The Company announced today a quarterly dividend in the amount of U.S. \$0.09 per share, payable on November 22, 2002 to holders of Class A non-voting and Class B shares of record on November 8, 2002.

The Company through its principal subsidiary, Fahnestock & Co. Inc., is a U.S. regional broker-dealer offering a full range of services from 89 offices in 20 states and 3 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 filings with the Securities and Exchange Commission.

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FOR FURTHER INFORMATION:

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