



Press Release

Oppenheimer Holdings Inc.
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NYSE - OPY and TSX – OPY.NV

<i>Expressed in thousands of U.S. dollars, except per share amounts</i>	Three Months ended December 31,		Year ended December 31,	
	2004	2003 Restated	2004	2003 Restated
<i>Unaudited</i>				
REVENUE	\$172,307	\$188,341	\$655,140	\$689,993
EXPENSES	\$157,965	\$177,422	\$616,778	\$641,278
PROFIT BEFORE TAXES	\$14,342	\$10,919	\$38,362	\$48,715
NET PROFIT	\$8,337	\$6,674	\$22,501	\$28,696
PROFIT PER SHARE:				
- BASIC	\$0.62	\$0.52	\$1.68	\$2.26
- DILUTED	\$0.48	\$0.43	\$1.31	\$1.65
WEIGHTED AVERAGE NUMBER OF CLASS A NON-VOTING AND CLASS B SHARES OUTSTANDING	13,356,831	12,854,297	13,365,453	12,692,634
BOOK VALUE PER SHARE	\$22.96	\$21.66		
TOTAL CLASS A NON-VOTING AND CLASS B SHARES OUTSTANDING	13,396,556	12,919,200		

Oppenheimer Holdings Inc. reported net profit of U.S. \$8,337,000 or \$0.62 per share for the fourth quarter of 2004, an increase of 25% in net profit when compared to restated net profit of U.S. \$6,674,000 or \$0.52 per share in the fourth quarter of 2003. Revenue for the fourth quarter of 2004 was U.S. \$172,307,000, a decrease of 9% compared to revenue of U.S. \$188,341,000 in the fourth quarter of 2003. At December 31, 2004, book value

per share was U.S. \$22.96 compared to restated book value per share of U.S. \$21.66 at December 31, 2003, an increase of 6%.

Net profit for the year ended December 31, 2004 was U.S. \$22,501,000 or \$1.68 per share compared to restated net profit of U.S. \$28,696,000 or \$2.26 per share in the comparable period of 2003, a decrease of 22% in net profit. Revenue for the year ended December 31, 2004 was U.S. \$655,140,000 compared to U.S. \$689,993,000 in the comparable period of 2003, a decrease of 5%.

Revenue and net income for the fourth quarter of 2004 reflects the increased volume and sharp rise in stock prices that occurred after the U.S. Presidential election was completed. Compared to the second and third quarters of 2004, revenue in the fourth quarter 2004 more than doubled and net profit more than quadrupled. The effect of the Company's private client and asset management business is demonstrated by these 2004 fourth quarter results. The Company's expenses in 2004 were significantly lower than in the comparable restated period of 2003. Compensation expense and clearing and exchange fees were reduced reflecting reduced revenue levels in the fourth quarter of 2004 compared to the same period in 2003. In addition, the Company has begun to benefit from certain cost saving initiatives.

The U.S. economy has continued to pick up momentum as reflected in growth in fourth quarter GNP. For much of 2004 factors including the Iraq war, the U.S. Presidential election, a slow U.S. economic recovery and the prospect of increasing interest rates kept investor participation in the markets at low levels. After the election, the equity markets experienced a rally that allowed all of the major indexes to close up for the year. The weakness in the U.S. dollar impacted money flows including foreign investment in U.S. markets. It is expected, however, to help corporate earnings for many U.S. corporations with foreign operations. The level of the dollar in relation to other currencies, oil prices and the U.S. deficits will be significant factors in determining the direction of markets in the coming months.

The Company reported today its intention to restate its earnings for fiscal 2003 in connection with its adoption of the interest method in accounting for the interest paid on its outstanding variable rate exchangeable debentures. The Company has concluded that this adjustment is immaterial to previously reported earnings for fiscal 2003 as well as the first three quarters of 2004 but has elected to restate its fiscal 2003 results in order to properly apply U.S. GAAP. The impact on earnings in both the fourth quarter of 2003 and the year ended December 31, 2003 of the restatement (an after tax adjustment of \$1,095,000 or \$0.09 per share) results in restated earnings of \$6,674,000 or \$0.52 per share for the fourth quarter of 2003 and \$28,696,000 or \$2.26 per share for the year ended December 31, 2003 compared to \$7,769,000 or \$0.60 per share for the fourth quarter of 2003 and \$29,791,000 or \$2.35 per share for the year ended December 31, 2003. (See below for further details.) In 2004 the Company has included the full year interest expense computed using the interest method, requiring an adjustment of \$355,000 on an after-tax basis or \$.03 per share in its fourth quarter of 2004.

U.S. GAAP requires that the interest method be utilized on increasing rate debt instruments. The Company had expensed actual interest paid on its first and second variable rate exchangeable debentures at the rate of 3% in 2003 and 4% in the first three quarters of 2004. The interest method should have been applied from the date of issuance of the exchangeable debentures, January 6, 2003. The interest method requires that interest expense be based upon the effective rate calculated over the life of the debentures instead of the actual interest paid. In the case of the Company's debentures, this effective annual rate is 4.5% over the life of the debentures.

The weighted average number of Class A non-voting and Class B shares outstanding for the quarter ended December 31, 2004 was 13,356,831 compared to 12,854,297 outstanding for the quarter ended December 31, 2003, a net increase of 4% due to the exercise of employee stock options and partially offset by the repurchase of shares pursuant to a normal course issuer bid. During the fourth quarter of 2004, the Company repurchased and cancelled 1,300 shares at a cost of \$22.50 per share. For the year ended December 31, 2004, the Company repurchased and cancelled 132,100 Class A Shares at an average cost of \$23.62 per share.

The Company announced today a quarterly dividend in the amount of U.S. \$0.09 per share, payable on February 25, 2005 to holders of Class A non-voting and Class B shares of record on February 11, 2005.

The Company, through its principal subsidiary, Oppenheimer & Co. Inc., is a U.S. financial services company offering a full range of financial products and services from 83 offices in 22 states and 2 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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