

**FAHNESTOCK VINER  
HOLDINGS INC.  
3 MONTHS ENDED  
MARCH 31, 2000**

## FAHNESTOCK VINER HOLDINGS INC.

To the Shareholders:

Fahnestock Viner Holdings Inc. reported record net profit of U.S. \$18,580,000 or \$1.53 per share for the first quarter of 2000 compared to U.S. \$5,345,000 or \$0.43 per share for the first quarter of 1999, an increase of 248% in net profit. The Company also generated record revenue for the first quarter of 2000 of U.S. \$103,392,000 compared to U.S. \$63,951,000 in the first quarter of 1999, an increase of 62%. At March 31, 2000, shareholders' equity passed the \$200,000,000 level and book value per share at March 31, 2000 was U.S. \$16.76 compared to U.S. \$13.76 at March 31, 1999, an increase of 22%.

During the first quarter of 2000, results were driven by record market trading volume, record share prices in both the NASDAQ and listed markets, as well as greatly increased market volatility. The Company realized record levels of commissions, revenue from principal transactions and interest income derived primarily from higher customer debit balances. Investors continued to favor the securities of technology and biotechnology companies, sending an unprecedented inflow of funds into specialty mutual funds in these two sectors.

Results for the quarter reflected the Company's determination to continue to expand in all of its business segments. While the Company clearly benefited from strong market conditions, its long-term success will continue to be based on its commitment to client service and investment in new technology.

The weighted average number of Class A non-voting and Class B shares outstanding in 2000 was 12,182,624 compared to 12,511,282 outstanding in 1999, a decrease of 3% due primarily to the repurchase of Class A non-voting shares under the Normal Course Issuer Bid currently outstanding.

As at March 31, 2000, the Company has purchased, for cancellation, through the facilities of the New York and the Toronto Stock Exchanges pursuant to a Normal Course Issuer Bid open from July 5, 1999 to July 4, 2000, a total of 429,600 Class A non-voting shares at an average cost of \$14.8823. Of these purchases, a total of 142,100 Class A non-voting shares with an average cost of \$15.5414, were purchased and cancelled during

the first quarter of 2000.

The Company announced today a quarterly dividend in the amount of U.S. \$0.08 per share, an increase of 14% from the \$0.07 per share level previously paid. The dividend is payable on May 19, 2000 to holders of Class A non-voting and Class B shares of record on May 5, 2000.

The Company through its principal subsidiary, Fahnstock & Co. Inc., is a U.S. regional broker-dealer offering a full range of services from 76 offices in 15 states and 3 foreign jurisdictions. In addition, through its subsidiary, Freedom Investments, Inc., the Company offers discount brokerage services via the internet, telephone or modem.

Certain statements herein may constitute "forward-looking statements" within the meaning of the United States 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 United States Securities and Exchange Commission.

April 19, 2000  
Toronto, Canada

On behalf of the Board,  
E.K. Roberts, President

FAHNESTOCK VINER HOLDINGS INC.  
CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)  
AS AT MARCH 31, 2000  
*(With comparative figures as at December 31, 1999)*

	2000	1999
Expressed in thousands of U.S. dollars		
<b>ASSETS</b>		
Current assets		
Cash and short-term deposits	\$11,659	\$10,838
Restricted deposits	2,681	2,392
Securities purchased under agreement to resell	51,034	74,560
Deposits with clearing organizations	11,075	5,955
Receivable from brokers and clearing organizations	163,693	136,767
Receivable from customers	560,455	436,320
Securities owned, at market value	59,544	63,244
Demand notes receivable	-	30
Other	19,323	18,988
	879,464	749,094
Other assets		
Stock exchange seats (approximate market value \$5,910; \$6,148 in 1999)	1,318	1,318
Fixed assets, net of accumulated depreciation of \$12,703; \$11,956 in 1999	10,369	10,872
Goodwill, at amortized cost	5,128	5,244
	16,815	17,434
	\$896,279	\$766,528

FAHNESTOCK VINER HOLDINGS INC.  
CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)  
AS AT MARCH 31, 2000

*(With comparative figures as at December 31, 1999)*

	2000	1999
Expressed in thousands of U.S. dollars		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Drafts payable	\$27,851	\$24,765
Bank call loans	155,281	66,322
Securities sold under agreement to repurchase	44,031	69,031
Payable to brokers and clearing organizations	229,366	209,151
Payable to customers	159,261	125,207
Securities sold, but not yet purchased, at market value	20,175	18,661
Accounts payable and other liabilities	44,033	45,301
Income taxes payable	13,362	20,672
Subordinated loans payable	-	30
	693,360	579,140
Shareholders' equity		
Share capital		
12,006,619 Class A non-voting shares (1999 - 12,147,569 shares)	30,660	32,854
99,680 Class B voting shares	133	133
	30,793	32,987
Contributed capital	3,262	3,262
Retained earnings	168,864	151,139
	202,919	187,388
	\$896,279	\$766,528

FAHNESTOCK VINER HOLDINGS INC.  
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (unaudited)  
FOR THE THREE MONTHS ENDED MARCH 31,

	2000	1999
Expressed in thousands of U.S. dollars, except per share amounts		
REVENUE:		
Commissions	\$38,232	\$29,273
Principal transactions, net	40,944	14,803
Interest	13,674	9,196
Underwriting fees	2,981	2,916
Advisory fees	5,768	6,499
Other	1,793	1,264
	103,392	63,951
EXPENSES:		
Compensation and related expenses	47,036	33,994
Clearing and exchange fees	2,289	2,180
Communications	6,020	5,328
Occupancy costs	3,265	3,007
Interest	6,650	4,635
Other	3,807	4,815
	69,067	53,959
Profit before income taxes	34,325	9,992
Income tax provision	15,745	4,647
NET PROFIT FOR PERIOD	\$18,580	\$5,345
Profit per share		
- basic	\$1.53	\$0.43
- fully diluted	\$1.45	\$0.42

FAHNESTOCK VINER HOLDINGS INC.  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)  
FOR THE THREE MONTHS ENDED MARCH 31,

	2000	1999
Expressed in thousands of U.S. dollars		
Cash flows from operating activities:		
Net profit for the period	\$18,580	\$5,345
Adjustments to reconcile net profit to net cash provided by (used in) operating activities:		
Non-cash items included in net profit:		
Depreciation and amortization	863	809
Decrease (increase) in operating assets,		
Restricted deposits	(289)	10
Securities purchased under agreement to resell	23,526	5,983
Deposits with clearing organizations	(5,120)	2,122
Receivable from brokers and clearing organizations	(26,926)	(60,850)
Receivable from customers	(124,135)	(63,117)
Securities owned	3,700	(21,970)
Demand notes receivable	30	-
Other assets	(335)	8,196
Increase (decrease) in operating liabilities		
Drafts payable	3,086	(10,910)
Securities sold under agreement to repurchase	(25,000)	21,736
Payable to brokers and clearing organizations	20,215	140,958
Payable to customers	34,054	(8,724)
Securities sold, but not yet purchased	1,514	(1,578)
Accounts payable and other liabilities	(1,268)	(317)
Income taxes payable	(7,310)	1,955
Cash (used in) provided by operating activities	(84,815)	19,648
Cash flows from investing activities:		
Purchase of fixed assets	(244)	(439)
Cash used in investing activities	(244)	(439)
Cash flows from financing activities:		
Cash dividends paid on Class A non-voting and Class B shares	(855)	(892)
Issuance of Class A non-voting shares	14	3,771
Repurchase of Class A non-voting shares for cancellation	(2,208)	(3,526)
Tax benefit from employee stock options exercised	-	909
Subordinated loans payable	(30)	-
Increase (decrease) in bank call loans	88,959	(20,702)
Cash provided by (used in) financing activities	85,880	(20,440)
Net increase (decrease) in cash and short-term deposits	821	(1,231)
Cash and short-term deposits, beginning of period	10,838	11,501
Cash and short-term deposits, end of period	\$11,659	\$10,270

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MARCH 31, 2000

Notes:

(a) Basic earnings per share is based on the weighted average number of Class A non-voting and Class B shares outstanding of 12,182,624 in 2000 and 12,511,282 in 1999. Fully diluted earnings per share reflects the effect of outstanding employee stock options. There are no significant differences between Canadian and U.S. accounting principles except the method of calculation of earnings per share. Diluted profit per share under U.S. standards is as follows:

	Three Months Ended March 31,	
	2000	1999
Diluted profit per share	\$1.51	\$0.42

(b) The consolidated financial statements have been prepared using accounting principles generally accepted in Canada.

(c) The Company paid cash dividends on February 25, 2000 to holders of Class A non-voting and Class B shares totalling \$855,000.



**STOCK LISTING**

The Class A non-voting shares of Fahnestock Viner Holdings Inc. are listed on the New York (FVH) and Toronto (FHV.A) Stock Exchanges.

**FORM 10-Q**

The Company's Quarterly Report to the Securities and Exchange Commission on Form 10-Q is available upon request from either of the offices listed below or by email to [fvh@fahnestock.com](mailto:fvh@fahnestock.com).

**WEBSITE**

The Company's public financial filings and press releases are posted on its website - [www.fahnestock.com](http://www.fahnestock.com)

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