FAHNESTOCK VINER
HOLDINGS INC.

SECOND QUARTER
JUNE 30, 2001

FAHNESTOCK VINER HOLDINGS INC.
INDEX

To the Shareholders:

Fahnestock Viner Holdings Inc. reported net profit of U.S. $3,919,000 or $0.32 per share for the second quarter ended June 30, 2001 compared to U.S. $8,292,000 or $0.68 per share for the second quarter of 2000, a decrease of 53% in net profit. Revenue for the second quarter of 2001 was U.S. $56,876,000, a decrease of 18% compared to revenue of U.S. $69,424,000 in the second quarter of 2000. Commission income, revenue from principal transactions and interest income were lower as stock market volume and individual investor participation declined in 2001 compared to 2000, reflecting the effects of the uncertain environment for investors.

Net profit for the six months ended June 30, 2001 was U.S. $13,036,000 or $1.06 per share compared to U.S. $26,872,000 or $2.21 per share for the comparable period of 2000, a decrease of 51% in net profit. Revenue for the first six months of 2001 was U.S. $130,371,000 a decrease of 25% compared to revenue of U.S. $172,816,000 in the first six months of 2000. Book value at June 30, 2001 was U.S.$19.13, based on 12,389,930 Class A non-voting and Class B shares outstanding compared to U.S.$17.35 at June 30, 2000, based on 12,033,439 Class A non-voting and Class B shares outstanding.

Results for the second quarter of 2001 reflected substantially lower individual investor participation in the equity markets, the impact of reduced economic activity, and the substantial reduction in the value of securities held by investors in technology and telecommunications sectors. Market volume reflected reduced activity levels by both institutional and individual investors. Results were also impacted by lower interest rates and lower client debit balances, as well as the effect of decimalization on trading spreads in the NASDAQ market.

Controllable expenses are being reduced to more closely reflect anticipated revenues over the next several quarters. We will explore new business opportunities that often become available during periods such as this.

On July 19, 2001, the Company announced the declaration of a regular quarterly dividend payable to holders of Class A non-voting and Class B shares of record on August 3, 2001 in the amount of U.S.$0.09 per share. The dividend payment date will be August 17, 2001.

The Company previously announced that it intends to purchase up to 614,000 (approximately 5% of the outstanding shares) of its Class A non-voting shares by way of a normal course issuer bid through the facilities of the New York and Toronto Stock Exchanges commencing July 5, 2001 until July 4, 2002 at prevailing market prices. All shares purchased will be cancelled.

Pursuant to a normal course issuer bid which terminated on July 4, 2001, the Company did not purchase any shares.

On behalf of the Board,

E.K. Roberts,
President

Toronto, Canada
July 31, 2001

FAHNESTOCK VINER HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	JUNE 30, 2001	DECEMBER 31, 2000
Expressed in thousands of U.S. dollars		
ASSETS		
Current assets		
Cash and short-term deposits	$13,306	$14,669
Restricted deposits	2,365	2,712
Securities purchased under agreement to resell	2,000	23,500
Deposits with clearing organizations	16,124	5,917
Receivable from brokers and clearing organizations	106,641	130,657
Receivable from customers	339,261	428,582
Securities owned (including amounts pledged of $623; $532 in 2000), at market value	47,057	51,543
Other	24,687	23,050
	551,441	680,630
Other assets		
Stock exchange seats (approximate market value $8,706; $8,258 in 2000)	3,018	3,018
Fixed assets, net of accumulated depreciation of $16,338; $14,961 in 2000	8,710	9,687
Goodwill, at amortized cost	3,931	4,147
	15,659	16,852
	$567,100	$697,482

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAHNESTOCK VINER HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	JUNE 30, 2001	DECEMBER 31, 2000
Expressed in thousands of U.S. dollars		
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Drafts payable	$15,192	$26,464
Bank call loans	24,466	25,899
Securities sold under agreement to repurchase	2,000	23,500
Payable to brokers and clearing organizations	143,713	222,150
Payable to customers	97,047	124,534
Securities sold, but not yet purchased, at market value	12,737	8,153
Accounts payable and other liabilities	32,066	40,003
Income taxes payable	2,857	4,979
	330,078	475,682
Shareholders' equity		
Share capital		
12,290,250 Class A non-voting shares (2000 - 11,990,969 shares)	33,814	29,886
99,680 Class B voting shares	133	133
	33,947	30,019
Contributed capital	3,968	3,499
Retained earnings	199,107	188,282
	237,022	221,800
	$567,100	$697,482

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAHNESTOCK VINER HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

Expressed in thousands of U.S. dollars, except per share amounts	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2001	2000	2001	2000
REVENUE:				
Commissions	$26,614	$29,816	$56,809	$68,048
Principal transactions, net	11,665	16,178	29,762	57,122
Interest	8,466	13,708	21,954	27,382
Underwriting fees	2,493	2,132	5,420	5,113
Advisory fees	5,854	5,025	11,516	10,793
Other	1,784	2,565	4,910	4,358
	56,876	69,424	130,371	172,816
EXPENSES:				
Compensation and related expenses	32,222	34,857	68,898	81,893
Clearing and exchange fees	1,705	1,618	2,541	3,907
Communications	5,688	5,893	11,511	11,913
Occupancy costs	2,748	3,217	5,647	6,482
Interest	3,548	5,905	10,379	12,555
Other	4,114	3,529	8,924	7,336
	50,025	55,019	107,900	124,086
Profit before income taxes	6,851	14,405	22,471	48,730
Income tax provision	2,932	6,113	9,435	21,858
NET PROFIT FOR PERIOD	$3,919	$8,292	$13,036	$26,872
Profit per share				
- basic	$0.32	$0.68	$1.06	$2.21
- diluted	$0.30	$0.67	$1.02	$2.18

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAHNESTOCK VINER HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
FOR THE SIX MONTHS ENDED JUNE 30,

Expressed in thousands of U.S. dollars	2001	2000
Cash flows from operating activities:		
Net profit for the period	$13,036	$26,872
Adjustments to reconcile net profit to net cash provided by (used in) operating activities:		
Non-cash items included in net profit:		
Depreciation and amortization	1,596	1,535
Decrease (increase) in operating assets:		
Restricted deposits	347	(238)
Securities purchased under agreement to resell	21,500	45,207
Deposits with clearing organizations	(10,207)	496
Receivable from brokers and clearing organizations	24,016	(13,163)
Receivable from customers	89,321	(65,380)
Securities owned	4,486	7,012
Other assets	(1,637)	4,382
Increase (decrease) in operating liabilities:		
Drafts payable	(11,272)	(3,439)
Securities sold under agreement to repurchase	(21,500)	(45,031)
Payable to brokers and clearing organizations	(78,437)	23,022
Payable to customers	(27,487)	21,263
Securities sold, but not yet purchased	4,584	(4,893)
Accounts payable and other liabilities	(7,937)	(1,489)
Tax benefit from employee stock options exercised	469	-
Income taxes payable	(2,122)	(8,008)
Cash used in operating activities	(1,244)	(11,852)
Cash flows from investing activities:		
Purchase of Propp & Company, Inc., net of cash acquired	-	(740)
Purchase of fixed assets	(402)	(675)
Cash used in investing activities	(402)	(1,415)
Cash flows from financing activities:		
Cash dividends paid on Class A non-voting and Class B shares	(2,212)	(1,824)
Issuance of Class A non-voting shares	3,928	293
Repurchase of Class A non-voting shares for cancellation	-	(3,916)
(Decrease) increase in bank call loans	(1,433)	18,443
Cash provided by financing activities	283	12,996
Net decrease in cash and short-term deposits	(1,363)	(271)
Cash and short-term deposits, beginning of period	14,669	10,838
Cash and short-term deposits, end of period	$13,306	$10,567

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAHNESTOCK VINER HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation

The condensed consolidated financial statements include the accounts of Fahnestock Viner Holdings Inc. ("FVH") and its subsidiaries (together, the "Company"). The principal subsidiary of FVH is Fahnestock & Co. Inc. ("Fahnestock"), a registered broker-dealer in securities. The Company engages in a broad range of activities in the securities industry, including retail securities brokerage, institutional sales and trading, investment banking (both corporate and public finance), underwritings, research, market-making, and investment advisory and asset management services. The Company provides its services from 75 offices in 15 states located primarily in the Northeastern United States, Michigan, the Midwest and Florida. Fahnestock also conducts business in Toronto, Canada and in South America through local broker-dealers. The Company employs approximately 1,260 people, of whom 740 are financial consultants.

The Company's condensed consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles using the same accounting policies as set out in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2000 included in the Company's 2000 Annual Report, except as noted below. Disclosures reflected in these condensed consolidated financial statements comply in all material respects with those required pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC") with respect to quarterly financial reporting.

The Company adopted the new Canadian Institute of Chartered Accountants (CICA) accounting standard on Earnings Per Share. This new section harmonizes Canadian standards with the United States standards for the calculation of diluted earnings per share. All earnings per share numbers have been retroactively restated and the changes are not significant.

The financial statements include all adjustments which, in the opinion of management, are normal and recurring and necessary for a fair presentation of the results of operations, financial position and cash flows for the interim periods presented. The nature of the Company's business is such that the results of operations for the interim periods are not necessarily indicative of the results to be expected for a full year.

All material intercompany accounts have been eliminated in consolidation.

These condensed consolidated financial statements are presented in U.S. dollars.

2. Earnings per share

Basic earnings per share was computed by dividing net profit by the weighted average number of Class A non-voting and Class B shares outstanding. Diluted earnings per share includes the weighted average Class A non-voting and Class B shares outstanding and the effects of Class A non-voting share options using the treasury stock method.

Earnings per share has been calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Basic weighted average number of shares outstanding	12,368,786	12,141,317	12,287,373	12,141,317
Net effect, treasury method	491,303	150,703	446,392	183,173
Diluted common shares	12,860,089	12,292,020	12,733,765	12,324,490
Net profit for the period	$3,919,000	$8,292,000	$13,036,000	$26,872,000
Basic profit per share	$0.32	$0.68	$1.06	$2.21
Diluted profit per share	$0.30	$0.67	$1.02	$2.18

3. Net Capital Requirements

The Company's principal broker-dealer subsidiary, Fahnestock, is subject to the Uniform Net Capital Rule (the "Rule") of the SEC and the net capital rule of the New York Stock Exchange (the "NYSE"). Fahnestock has elected to use the alternative method permitted by the Rule which requires that it maintain minimum net capital equal to 2% of aggregate debit items arising from customer transactions, as defined. The NYSE may prohibit a member firm from expanding its business or paying dividends if resulting net capital would be less than 5% of aggregate debit items.

At June 30, 2001, the net capital of Fahnestock as calculated under the Rule was $168,244,000 or 44% of Fahnestock's aggregate debit items. This was $160,652,000 in excess of the minimum required net capital.

4. Segment Information

The table below presents information about the reported operating income of the Company for the periods noted, in accordance with the method described in the Company's Annual Report for the year ended December 31, 2000. The Company's business is conducted primarily in the U.S. Asset information by reportable segment is not reported, since the Company does not produce such information for internal use.

Expressed in thousands of U.S. dollars	Three Months ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Revenue:				
Private Client	$30,202	$35,591	$62,594	$85,464
Capital Markets	14,104	16,310	36,237	52,195
Asset Management	3,763	3,177	7,519	6,537
Interest	7,780	13,226	20,563	26,080
Other	1,027	1,120	3,458	2,540
Total	$56,876	$69,424	$130,371	$172,816
Operating Income:				
Private Client	$(371)	$871	$(666)	$5,772
Capital Markets	1,215	2,787	8,011	15,378
Asset Management	2,794	1,954	5,148	4,066
Interest	3,823	6,825	9,093	12,727
Other	(610)	1,968	885	10,787
Total	$6,851	$14,405	$22,471	$48,730

Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations (Expressed in U.S. dollars)

Net profit for the second quarter ended June 30, 2001 was $3,919,000 or $0.32 per share compared to $8,292,000 or $0.68 per share for the second quarter of 2000, a decrease of 53% in net profit. Revenue for the second quarter of 2001 was $56,876,000 compared to $69,424,000 in the second quarter of 2000, a decrease of 18%.

Results for the second quarter of 2001 reflected substantially lower individual investor participation in the equity markets, the impact of reduced economic activity, and the substantial reduction in the value of securities held by investors in technology and telecommunications sectors. Market volume reflected reduced activity levels by both institutional and individual investors. Results were also impacted by lower interest rates and lower client debit balances, as well as the effect of decimalization on trading spreads in the NASDAQ market.

As a result of highly volatile market conditions in 2001 and investor uncertainty, the Company's commission business and revenues from principal trading activities declined compared to the previous year. A less than robust economic environment for the remainder of this year when compared to the previous year is likely to affect securities markets for the balance of the fiscal year. Controllable expenses are being reduced to more closely reflect anticipated revenues over the next several quarters.

Commission income and to a large extent, income from principal transactions, depend on market volume levels. Commission revenue decreased by 11% in the second quarter of 2001 compared to the second quarter of 2000 with markets generating lower volumes in 2001 compared to 2000. Net revenue from principal transactions decreased by 28% compared to the second quarter of 2000 due to significantly reduced activity and reduced trading opportunities in the NASDAQ markets. Due to these reduced opportunities, the Company reduced the number of securities in which it makes markets. It may increase or decrease this number from time to time as market conditions warrant. Investment banking revenues and advisory fees increased by 17% and 16%, respectively, compared with the second quarter of 2000. Net interest revenue (interest revenue less interest expense) decreased by 37% in the second quarter of 2001 compared to the second quarter of 2000 as a result of lower U.S. interest rates and lower customer debit balances.

Expenses decreased by 9% in the second quarter of 2001 compared to the second quarter of 2000. Compensation expense has volume-related components and, therefore, decreased (by 8%) with the decreased level of business conducted in the second quarter of 2001 compared to the second quarter of 2000. The cost of communications and technology decreased 3% in the second quarter of 2001 compared to the second quarter of 2000 due to benefits derived from reductions in telecommunications costs from vendors. Occupancy costs decreased by 15% in the second quarter of 2001 compared to the second quarter of 2000 due to the consolidation of several branch locations.

Liquidity and Capital Resources

Total assets at June 30, 2001 were $567,100,000, a decrease of approximately 19% from $697,482,000 at December 31, 2000 due primarily to lower customer and broker/dealer balances, as well as transactions in the Company's matched book. Liquid assets accounted for 97% of total assets, consistent with year end levels. The Company satisfies its need for funds from its own cash resources, internally-generated funds, subordinated borrowings, collateralized borrowings consisting primarily of bank loans, and uncommitted lines of credit. The amount of Fahnestock's bank borrowings fluctuates in response to changes in the level of the Company's securities inventories and customer margin debt as well as changes in stock loan balances. Fahnestock has arrangements with banks for borrowings on a fully collateralized basis. At June 30, 2001, $24,466,000 of such borrowings were outstanding, a decrease of 6% compared to outstanding borrowings at December 31, 2000. At June 30, 2001 the Company had available collateralized and uncollateralized letters of credit of $35,500,000.

Management believes that funds from operations, combined with Fahnestock's capital base and available credit facilities, are sufficient for the Company's liquidity needs in the foreseeable future.

Both on February 23, 2001 and May 18, 2001, the Company paid cash dividends of $0.09 per Class A non-voting and Class B share totaling $2,212,000 from available cash on hand.

On July 19, 2001, the Board of Directors declared a regular quarterly cash dividend of U.S.$0.09 per Class A non-voting and Class B share payable on August 17, 2001 to shareholders of record on August 3, 2001.

The book value of the Company's Class A non-voting and Class B shares was $19.13 at June 30, 2001 compared to $17.35 at June 30, 2000, based on total outstanding shares of 12,389,930 and 12,033,439, respectively.

Factors Affecting "Forward-Looking Statements"

This report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Act"), and Section 21E of the Exchange Act. These forward-looking statements relate to anticipated financial performance, future revenues or earnings, business prospects and anticipated market performance of the Company. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. In order to comply with the terms of the safe harbor, the Company cautions readers that a variety of factors could cause the Company's actual results to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements. These risks and uncertainties, many of which are beyond the Company's control, include, but are not limited to: (i) transaction volume in the securities markets, (ii) the volatility of the securities markets, (iii) fluctuations in interest rates, (iv) changes in regulatory requirements which could affect the cost and manner of doing business, (v) fluctuations in currency rates, (vi) general economic conditions, both domestic and international, (vii) changes in the rate of inflation and the related impact on the securities markets, (viii) competition from existing financial institutions and other new participants in the securities markets, (ix) legal developments affecting the litigation experience of the securities industry, and (x) changes in federal and state tax laws which could affect the popularity of products sold by the Company. There can be no assurance that the Company has correctly or completely identified and assessed all of the factors affecting the Company's business. The Company does not undertake any obligation to publicly update or revise any forward-looking statements.

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WEBSITE

The Company's public financial filings and press releases are posted on its website - www.fahnestock.com

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

A copy of the Company's Quarterly Report filed with the SEC on Form 10-Q is available upon request from either of the offices listed above or by email to fvh@fahnestock.com.