

**Meeting Between Federal Reserve Board Staff and
Representatives of Lazard
November 2, 2010**

Participants: Scott G. Alvarez, William E. Charwat, Kieran J. Fallon, Michael Schussler, and Mark Van Der Weide (Federal Reserve Board)

Michael J. Castellano (Lazard), Scott D. Hoffman (Lazard), Sara A. Kelsey (WilmerHale), Elizabeth Derbes (WilmerHale), H. Rodgin Cohen (Sullivan & Cromwell)

Summary: Staff of the Federal Reserve Board met with representatives of Lazard to discuss the application of Section 618 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, providing for the registration with the Board of securities holding companies. A copy of the handout provided by Lazard is attached below.

LAZARD

Company Overview

October 2010

Disclaimer

This presentation contains certain statements, estimates and forecasts with respect to future performance and events. These statements, estimates and forecasts are “forward-looking statements”. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “might,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negatives thereof or variations thereon or similar terminology. All statements other than statements of historical fact included in this presentation are forward-looking statements and are based on various underlying assumptions and expectations and are subject to known and unknown risks and uncertainties, and may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied in the forward-looking statements. These factors include, but are not limited to, those discussed in our Annual Report on Form 10-K under Item 1A “Risk Factors,” and also disclosed from time to time in our quarterly reports on Form 10-Q and current reports on Form 8-K, including the following: (a) a decline in general economic conditions or the global financial markets, (b) losses caused by financial or other problems experienced by third parties, (c) losses due to unidentified or unanticipated risks, (d) a lack of liquidity, i.e., ready access to funds for use in our businesses, and (e) competitive pressure on our business and on our ability to retain our employees. As a result, there can be no assurance that the forward-looking statements included in this presentation will prove to be accurate or correct. In light of these risks, uncertainties and assumptions, the future performance or events described in the forward-looking statements in this presentation might not occur. Accordingly, you should not rely upon forward-looking statements as a prediction of actual results and we do not assume any responsibility for the accuracy or completeness of any of these forward-looking statements. We do not undertake any obligation to, and will not, update any forward-looking statements, whether as a result of new information, future events or otherwise.

Key Investment Highlights

- Leadership team committed to model, strategy and vision
- Simple model of Financial Advisory and Asset Management has proven powerful and resilient over time
- Performance underscores the power of our advice driven, intellectual capital, low risk model
- Record revenue for the first nine months of 2010, with nearly 30% growth in M&A and Strategic Advisory and record assets under management
- Positioned well for long-term growth in both developed and developing markets
- Strong financial and liquidity position

Intellectual Capital Model – Positioned for Growth



¹ As of September 30, 2010.

Global Presence, Local Relationships



Financial Advisory – 130 MDs

- North America – 402 Professionals
- Europe/Middle East – 335 Professionals
- Asia/Australia – 73 Professionals
- Strategic alliances for Central / Eastern Europe, Mexico, Russia

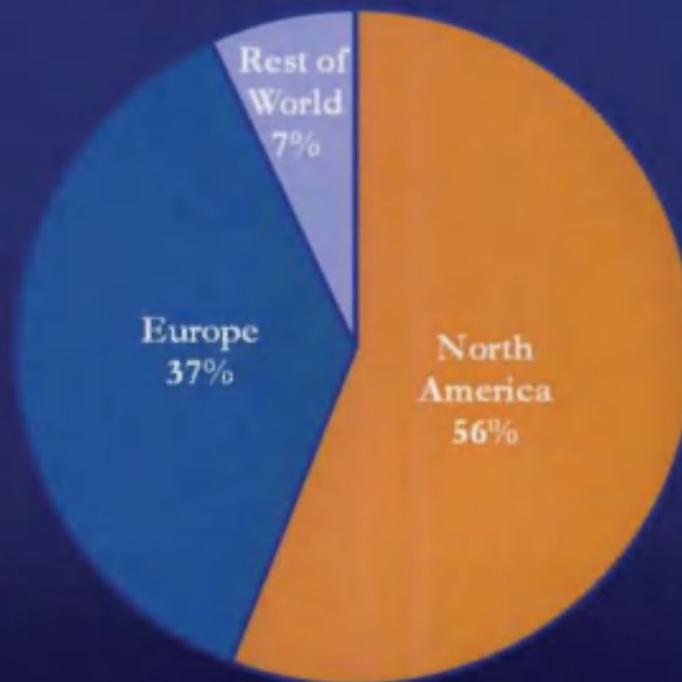
Asset Management – 64 MDs

- North America – 195 Professionals
- Europe – 139 Professionals
- Asia/Australia – 42 Professionals

Only Global-Scale Independent Advisory Firm

Balanced Across Geography And Business Lines

LTM¹ Revenue by Geography



LTM¹ Revenue by Business Line



Note: Represents operating revenue from Financial Advisory and Asset Management segments (excludes Corporate).
¹ Latest twelve months ended September 30, 2010.

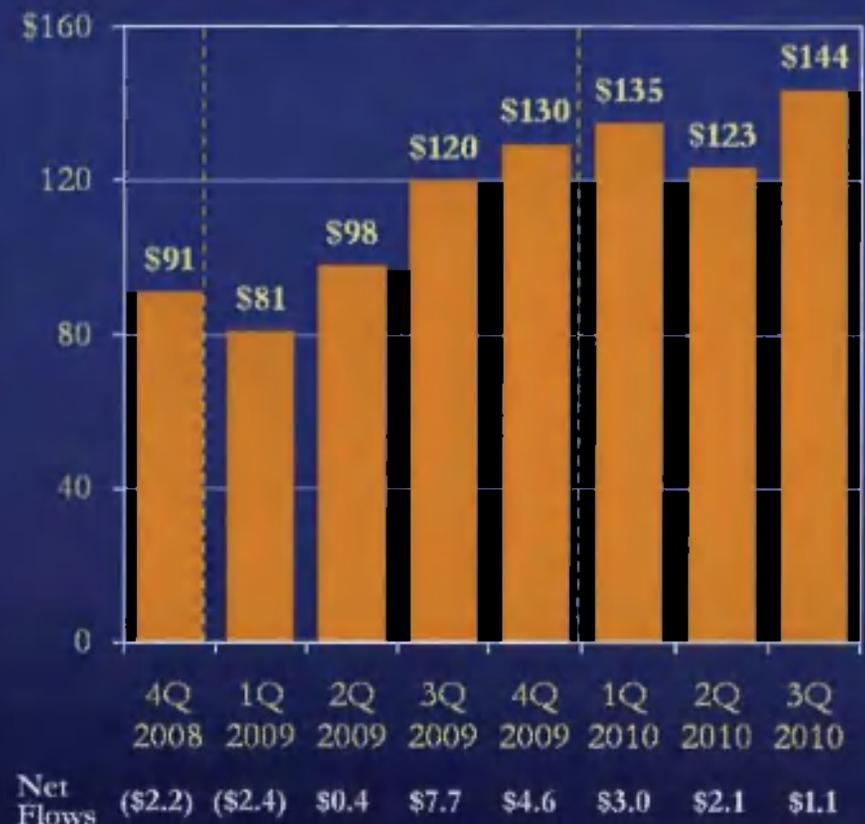
Unique World Class Advisory Firm With Scale

Continued Improvement in Revenue and AUM

Quarterly Operating Revenue (\$mm)



Quarterly AUM (\$bn)



¹ Reflects M&A and Restructuring operating revenue.

Continued Strength and Momentum Across Business Lines

Opportunities For Growth

■ Revenue Growth

- Global platform capturing capital shifts and M&A activity in developed and developing markets
- Meeting demand for independent, unconflicted advice
- Broadening range of strategic advisory services
- Expanding reach in emerging geographies
- Capturing benefits of global diversification in Asset Management
- Building client relationships and winning new mandates
- Providing a wide range of investment solutions

Strong Financial And Liquidity Position

(\$ in millions, except per share amounts)

- Solid low-risk balance sheet
 - Over \$1 billion in cash and liquid investments
 - No scheduled long-term debt maturities before May 2015
 - No principal trading or lending book
- Long-term debt of \$1,227, down \$511 since April 2008
- Stockholders' equity of \$488¹
- Business model generates significant annual cash flow

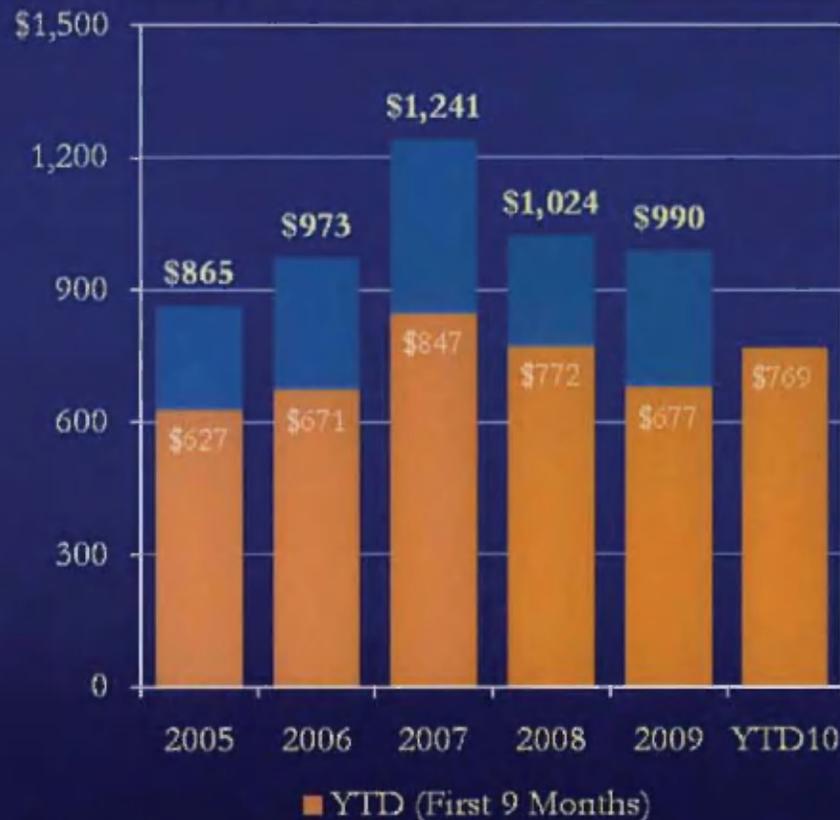
¹ Stockholders' equity related to Lazard Ltd.

Financial Advisory

Financial Advisory Summary

(\$ in millions)

Operating Revenue



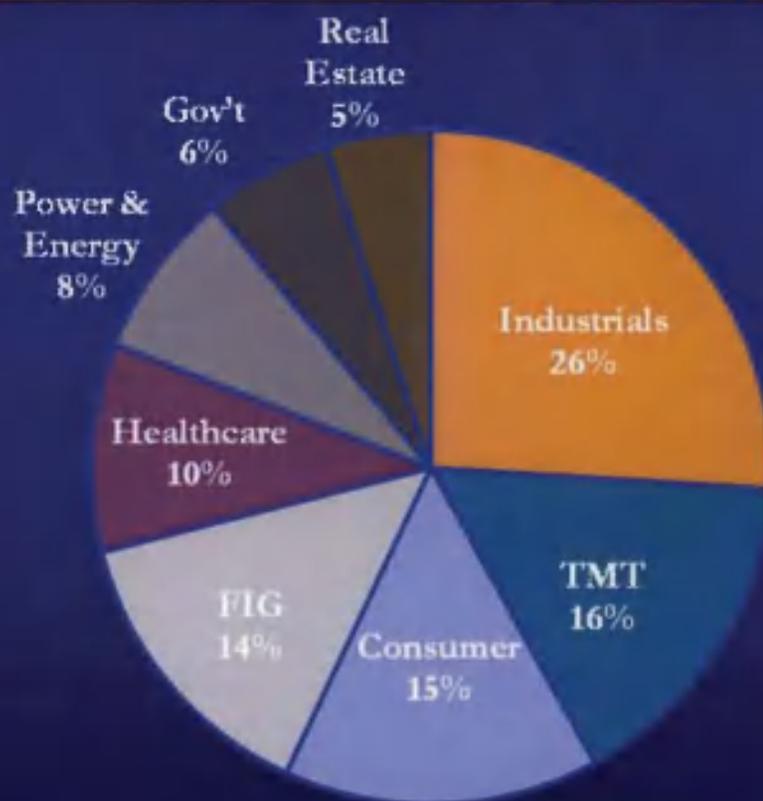
Summary

- Operating revenue up 14% over first nine months 2009
 - Increase of \$119.5 in M&A, Strat. Adv., Capital Markets and Other Adv. revenue (up 30%), partially offset by \$27.2 decrease in Restructuring revenue (down 10%)
- Long-established, experienced local leadership in each region globally
- Global leader in restructuring advisory
- Involved in some of the most important government and sovereign assignments

World's Largest Global Independent Financial Advisory Firm

Diversified Financial Advisory Business

LTM¹ M&A Revenue By Industry



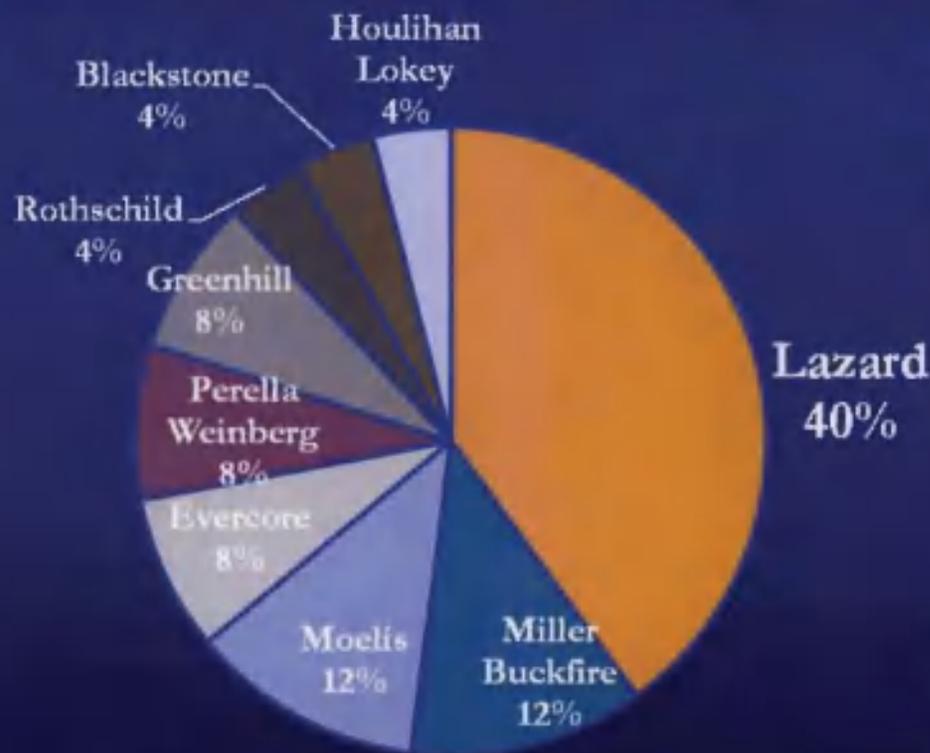
- Diversified geographically with 55% in North America, 40% in Europe and 5% in Rest of World
- Diversified client base²:
 - 475 total clients
 - 177 clients > \$1 million in fees
 - Top ten fee paying clients constituted 22% of segment net revenues
- Industry coverage bolstered since 2008 with senior hires in Capital Structure Advisory; Financial Sponsors; Retail; Aerospace & Defense; Metals & Mining; Healthcare; Power, Energy & Infrastructure; Telecom

¹ Latest twelve months ended September 30, 2010.

² For the nine months ended September 30, 2010.

Market Leading Restructuring Practice

Debtor Market Share – 25 Largest Chapter 11 Bankruptcies¹



- Most experienced team – advised on more than 500 restructurings worldwide over the past decade
- Largest debtor-focused restructuring group with over 120 dedicated professionals globally
- Strategic focus on large debtor side assignments
- Leading market share; advised on
 - 19 of the 25¹ largest bankruptcies since the beginning of 2009, including 10 (40%) of the debtors
 - All of the 10¹ largest 2009 bankruptcies, including 5 (50%) of the debtors
- Majority of assignments are non-bankruptcy and one-third are outside the U.S.
- 60 assignments currently active

Source: Bankruptcydata.com

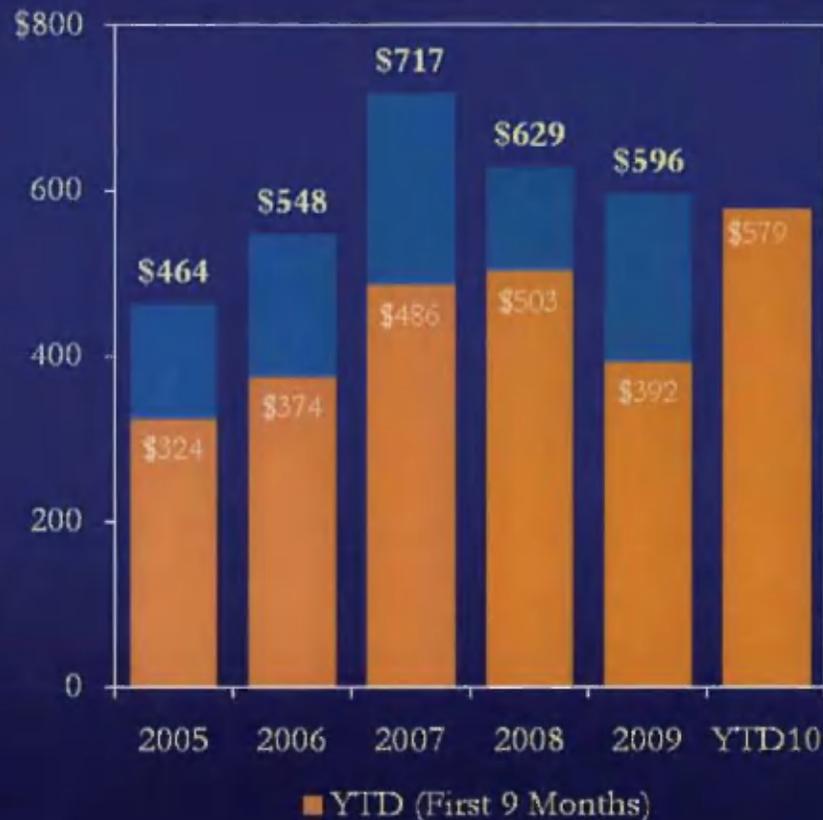
¹ Reflects largest public Chapter 11s since 2009, excludes Banks and Savings and Loans.

Asset Management

Asset Management Summary

(\$ in millions)

Operating Revenue



Summary

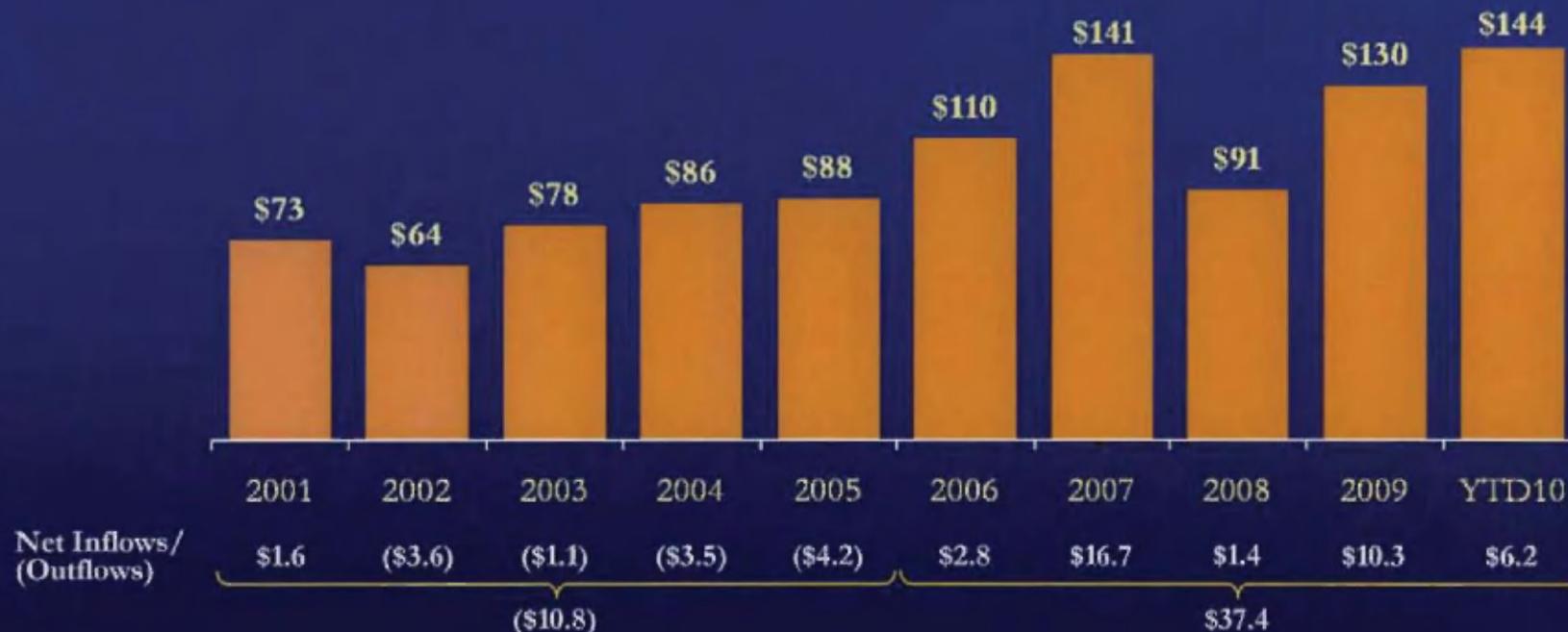
- Record operating revenue and continued positive net inflows
 - 3Q10 operating revenue increased 32% over 3Q09 and nine months ended 3Q10 operating revenue increased 48% over nine months ended 3Q09
 - Net inflows of \$6.2bn in nine months ended 3Q10 across a broad range of products
- Assets under management of \$143.6bn
 - Up 19% since September 30, 2009

Continue To Provide Clients with Innovative Investment Solutions

Assets Under Management¹

(\$ in billions)

- Improving investment performance and launch of new strategies led to \$37.4 in net inflows post 2005 vs. \$10.8 in net outflows in the five years prior to 2005
- Net inflows of \$6.2 in nine months ended 3Q10

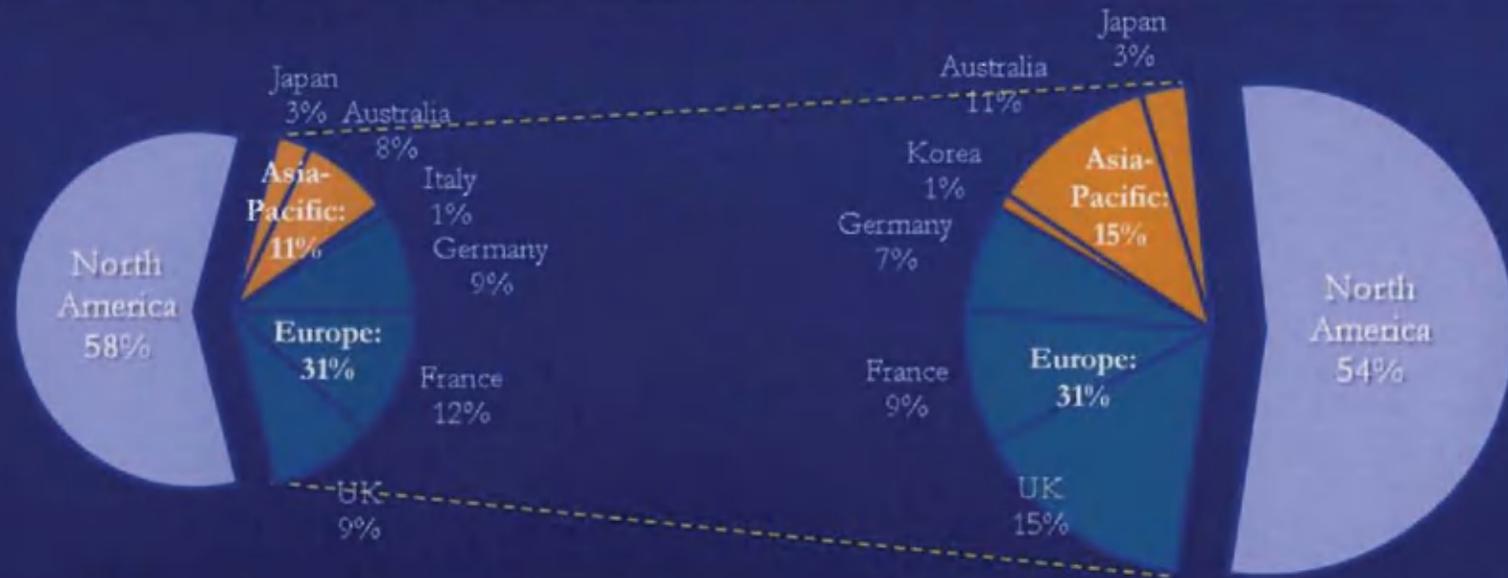


¹ As of period end.

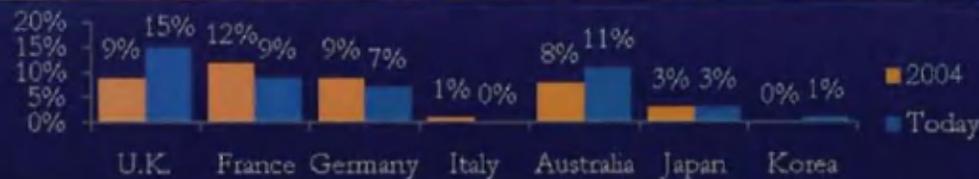
Increasingly Global Client Base¹

AUM in 2004: \$86.4bn

AUM Today: \$143.6bn



EUROPE AND ASIA-PACIFIC AUM (% OF TOTAL)



SELECTED OFFICES

ASIA PACIFIC	EUROPE	N. AMERICA
Hong Kong	Frankfurt/Hamburg	Boston
Seoul	London	New York
Sydney	Milan	San Francisco
Tokyo	Paris	

¹ Represents AUM by domicile (refers to location of client servicing office). "Today" breakdown as of September 30, 2010.

Summary Financials

Note

Lazard believes that pro forma results assuming full exchange of outstanding exchangeable interests and results excluding special charges provide the most meaningful basis for comparison among present, historical and future periods.

The Company's quarterly revenue and profits can fluctuate materially depending on the number, size and timing of completed transactions on which it advised, as well as seasonality and other factors. Accordingly, the revenues and profits in any particular quarter may not be indicative of future results. As such, Lazard management believes that annual results are the most meaningful.

Lazard discloses certain non-GAAP financial information, which management believes provides the most meaningful basis for comparison among present, historical and future periods. The following are non-GAAP measures used in the accompanying financial information: net income assuming full exchange of exchangeable interests (or fully exchanged basis); operating revenue; non-controlling interests assuming full exchange of exchangeable interests; and net income excluding restructuring charge.

A reconciliation to GAAP is provided in the schedules attached to our third-quarter 2010 earnings release which can be found on our website at www.Lazard.com.

Selected Financial Data

(\$ in millions, except per share values)

	NINE MONTHS		%	FULL YEAR		%
	2010A ¹	2009A ¹		Inc/Dec	2009A	
Operating Revenue						
Financial Advisory	\$769.1	\$676.8	14%	\$990.3	\$1,024.0	(3%)
Asset Management	578.9	391.8	48%	596.0	628.6	(5%)
Core Operating Business Revenue ²	1,348.0	1,068.6	26%	1,586.3	1,652.6	(4%)
Total Operating Revenue	\$1,368.4	\$1,103.2	24%	\$1,617.6	\$1,675.1	(3%)
Operating Income	\$224.0	\$101.9	120%	\$27.3	\$224.7	(88%)
Pro Forma Fully Exchanged Basis						
Net Income ³	\$176.6	\$65.9	NM	\$11.1	\$196.4	(94%)
Net Income per Share ³	\$1.30	\$0.53	NM	\$0.09	\$1.65	(95%)
Assets Under Management (in billions)	\$143.6	\$120.2	19%	\$129.5	\$91.1	42%

Note: Financials are unaudited.

¹ Excludes the restructuring charge in 1Q10 and 1Q09, and acceleration of RSUs in connection with the amendment of the Company's retirement policy in 1Q10.

² Includes the results of Financial Advisory and Asset Management business, and excludes the results of all investment in Corporate.

³ Refers to net income attributable to Lazard Ltd.

Condensed Balance Sheet

(\$ in millions)

	Sept 30, 2010	December 31, 2009
<u>ASSETS</u>		
Cash & Cash Equivalents	\$847	\$917
Cash Segregated for Regulatory Purposes	24	20
Receivables	788	670
Investments	712	808
Goodwill and other intangible assets	319	318
Other Assets	434	415
Total Assets	<u>\$3,124</u>	<u>\$3,148</u>
<u>LIABILITIES & STOCKHOLDERS' DEFICIENCY</u>		
Deposits and Other Customer Payables	\$409	\$322
Accrued Compensation and Benefits	321	515
Miscellaneous Other Liabilities	531	551
Lazard Group Senior Notes	1,077	1,087
Subordinated Loans	150	150
Total Stockholders' Equity ¹	636	523
Total Liabilities and Stockholders' Equity	<u>\$3,124</u>	<u>\$3,148</u>

Note: Financials are unaudited.

¹ Attributable to Lazard Ltd: \$489 at September 30, 2010 and \$355 at December 31, 2009.

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