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Quarterly Investor Presentation

October 2013

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,” “target,” “goal” 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, targets, goals 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) a decline in overall mergers and acquisitions (“M&A”) activity, our share of the M&A market or our assets under management (“AUM”), (c) losses caused by financial or other problems experienced by third parties, (d) losses due to unidentified or unanticipated risks, (e) a lack of liquidity, i.e., ready access to funds for use in our businesses, and (f) competitive pressure on our businesses and on our ability to retain and attract employees at current compensation levels. 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.

Advice-Driven Model with Minimal Capital Needs

Financial Advisory

- The leading global independent advisor
- World leader in Restructuring and Sovereign Advisory
- Capital Structure Advisory reinforces M&A franchise

LTM[2] Operating Revenue
$975 million

Asset Management

- World class global asset manager: $176bn in AUM[1]
- Predominantly institutional
- Diversified by investment platform, client type and geography

LTM[2] Operating Revenue
$976 million

[1] As of September 30, 2013.
[2] Last twelve months ended September 30, 2013.

Global Network: Greater Opportunities for Clients

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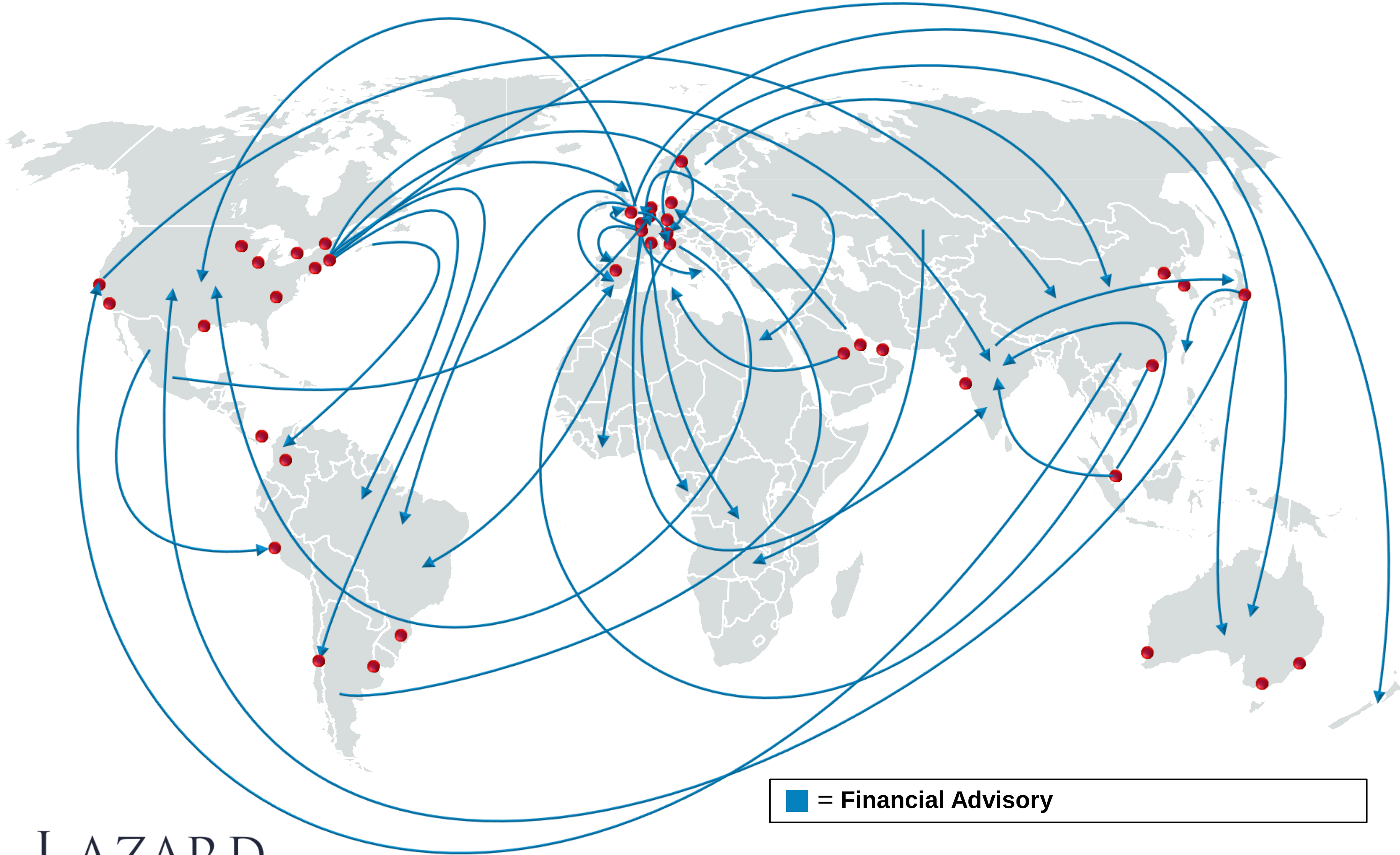
Note: Each red dot represents a Lazard office.

50% of Advisory Transactions were Cross-Border in 2012



■ = Financial Advisory

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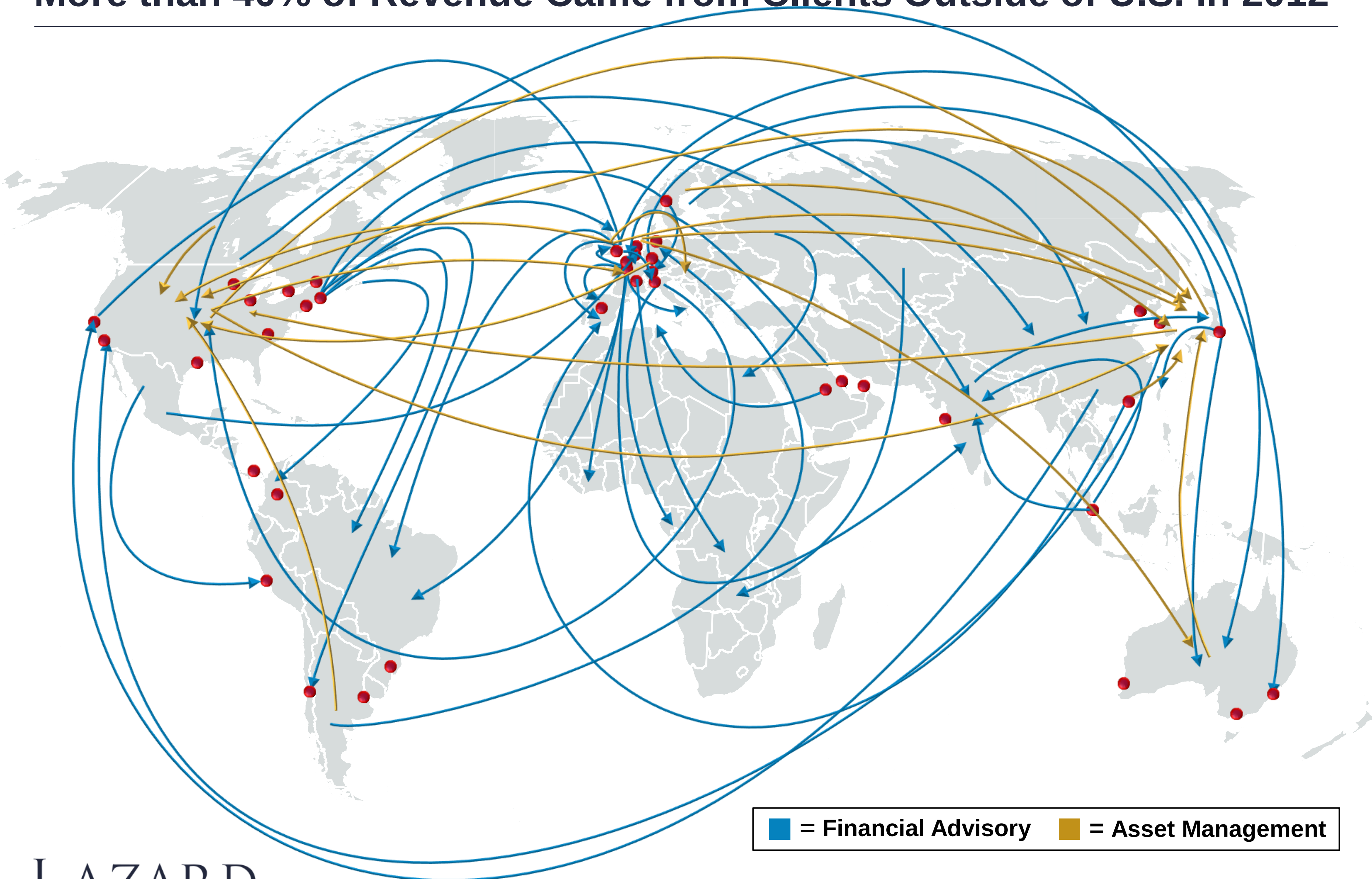
More than 40% of Revenue Came from Clients Outside of U.S. in 2012



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Competitive Advantage

INDEPENDENT ADVICE

- Minimal capital required; low risk business model
- Model avoids structural conflicts of interest

GLOBAL NETWORK

- Broadly diversified and growing revenue base
- Invested in key growth areas, including developing markets

PEOPLE AND PERFORMANCE

- Consistently involved in largest global transactions
- Strong pattern of investment performance

Driving Shareholder Value

Revenue Growth

- Consistent investment in people, services and growth markets
- Organic extension of investment platforms

Enhanced Profitability

- Clear financial goals
- Focus on margin improvement while investing for growth

Capital Management

- Consistent dividend policy
- Share repurchases designed to offset potential dilution of year-end equity grants, at minimum
- Management of debt

Building Shareholder Value

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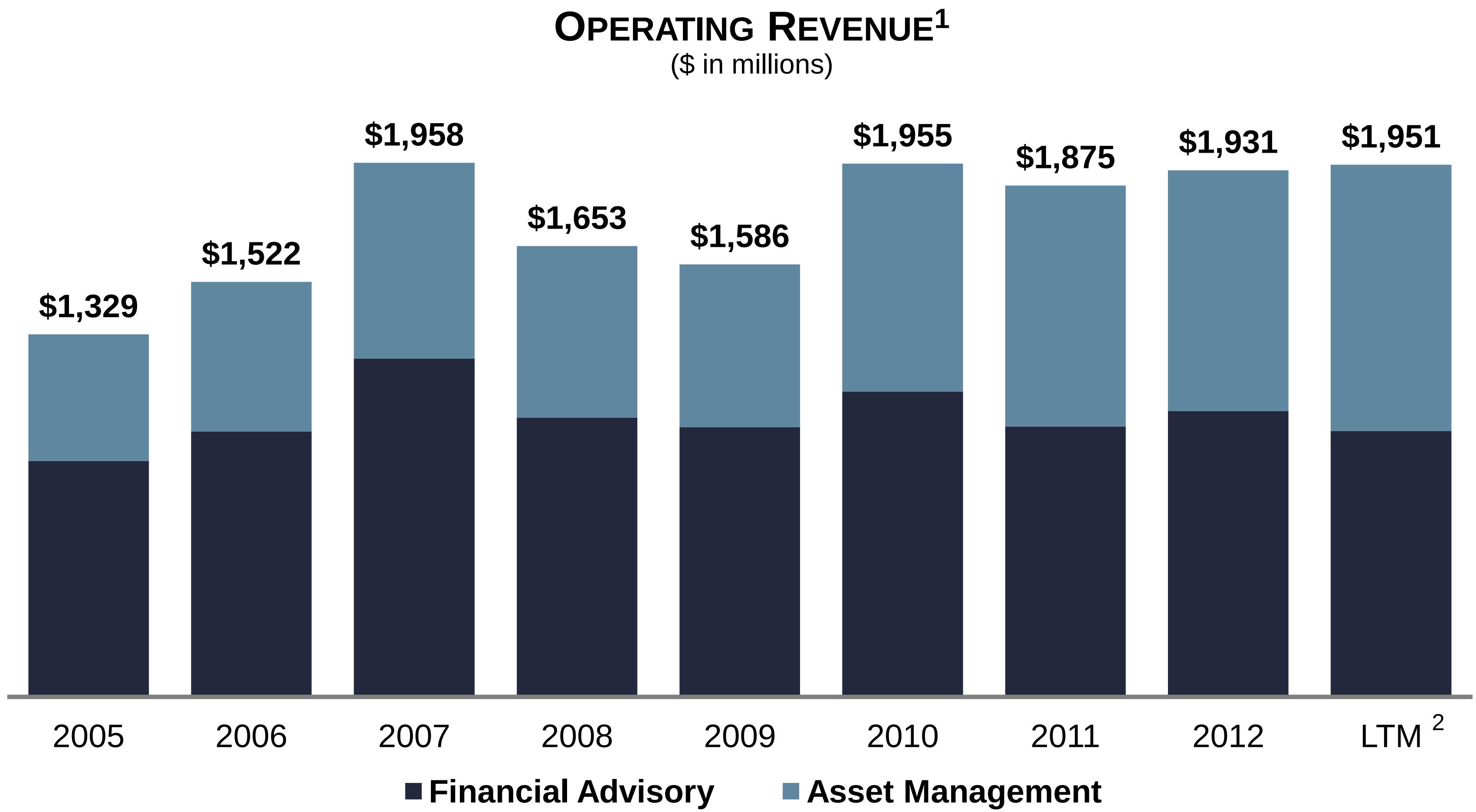
Operating Revenue



1 Excludes Corporate revenue.
2 Last twelve months ended September 30, 2013.

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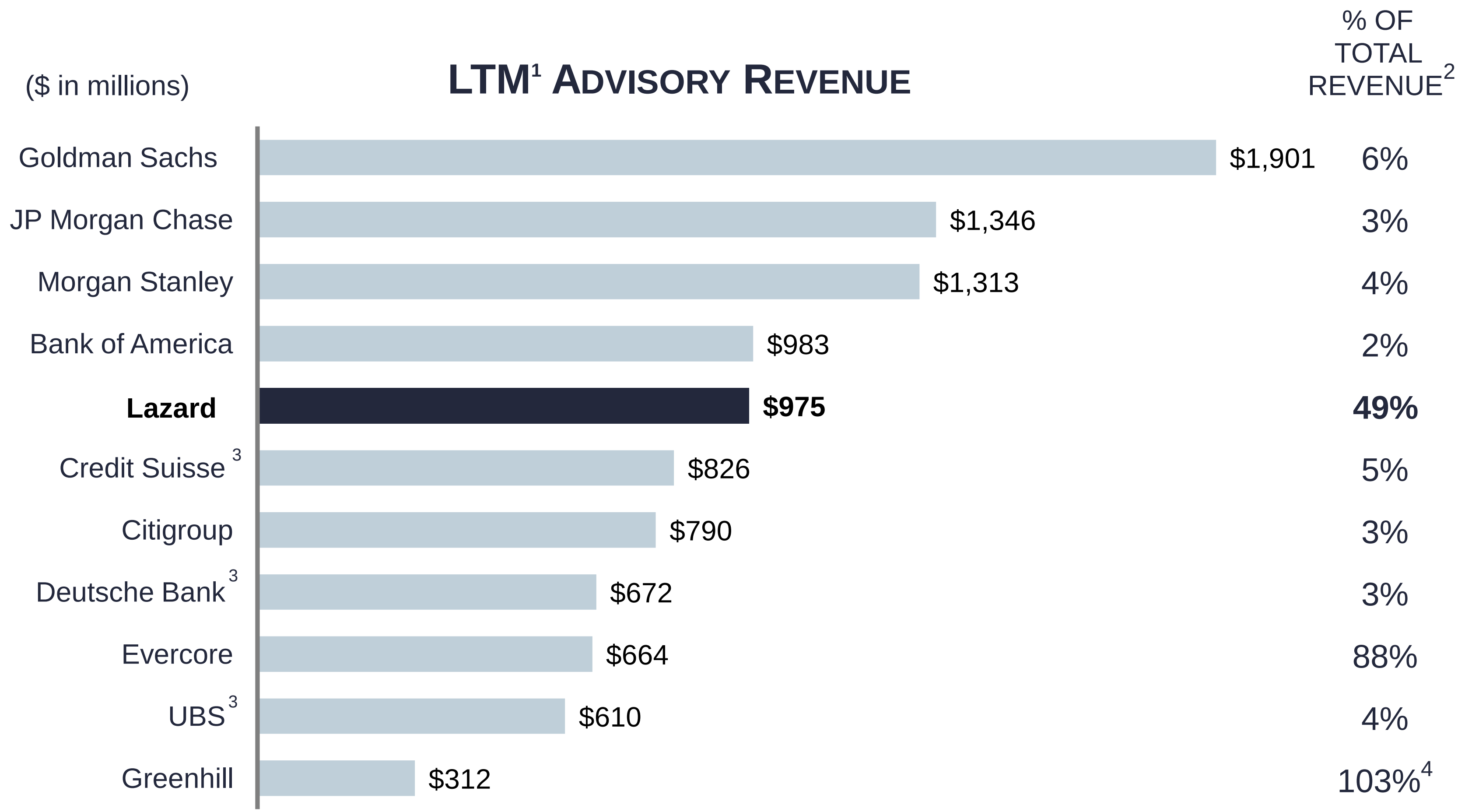
Advisory Revenue Ranks Among Largest Firms

($ in millions)

LTM[1] ADVISORY REVENUE



Source: Press releases and public filings.

[1] Last twelve months ended September 30, 2013.

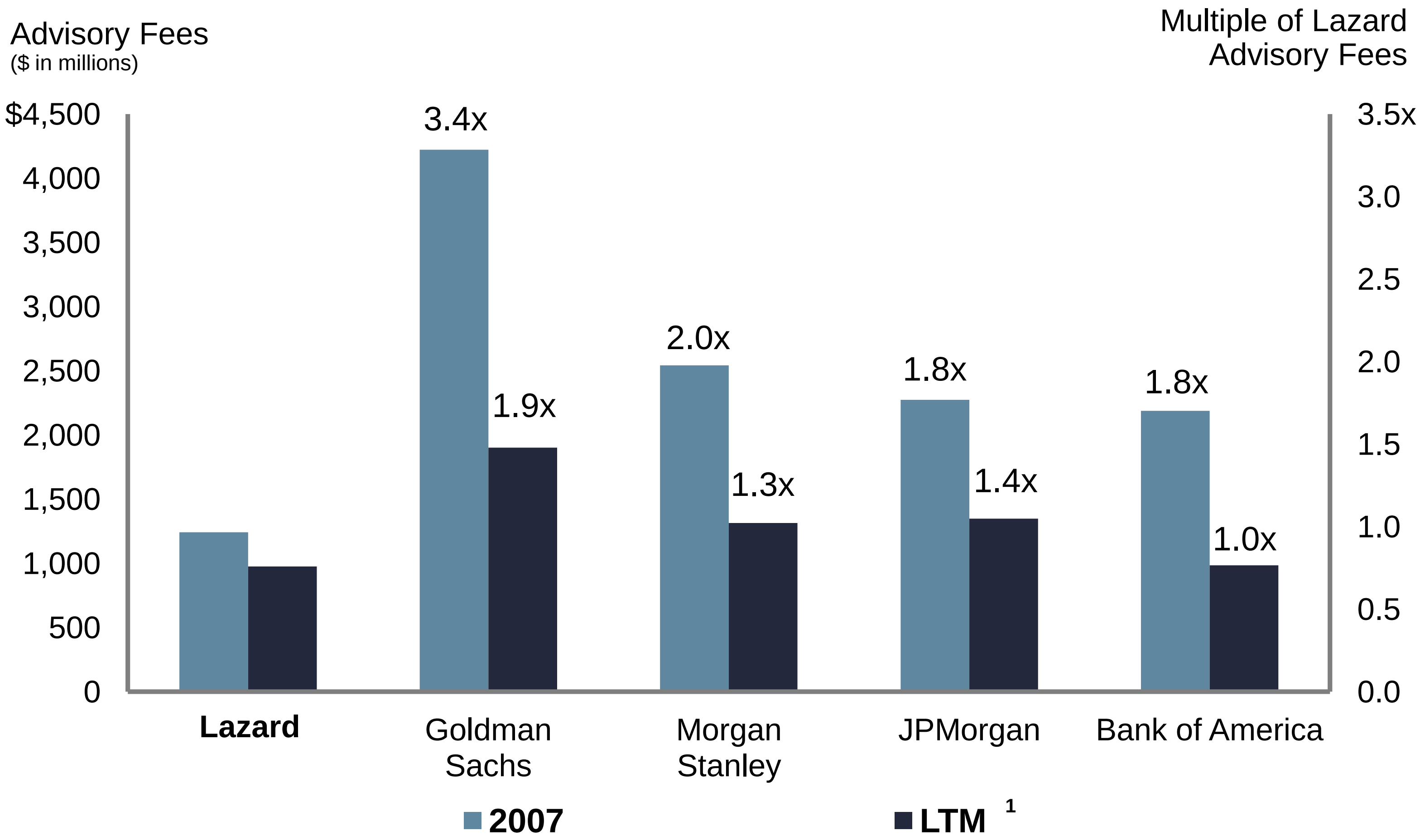
[2] Advisory revenue as percentage of non-interest revenue (operating revenue for Lazard).

[3] Converted to US Dollars by using average exchange rate by quarter.

[4] Excludes loss on merchant banking portfolio.

Gaining Share of Advisory Revenue

PEAK VS CURRENT FEE LEVELS



Source: Press releases and public filings.
[1] Last twelve months ended September 30, 2013.

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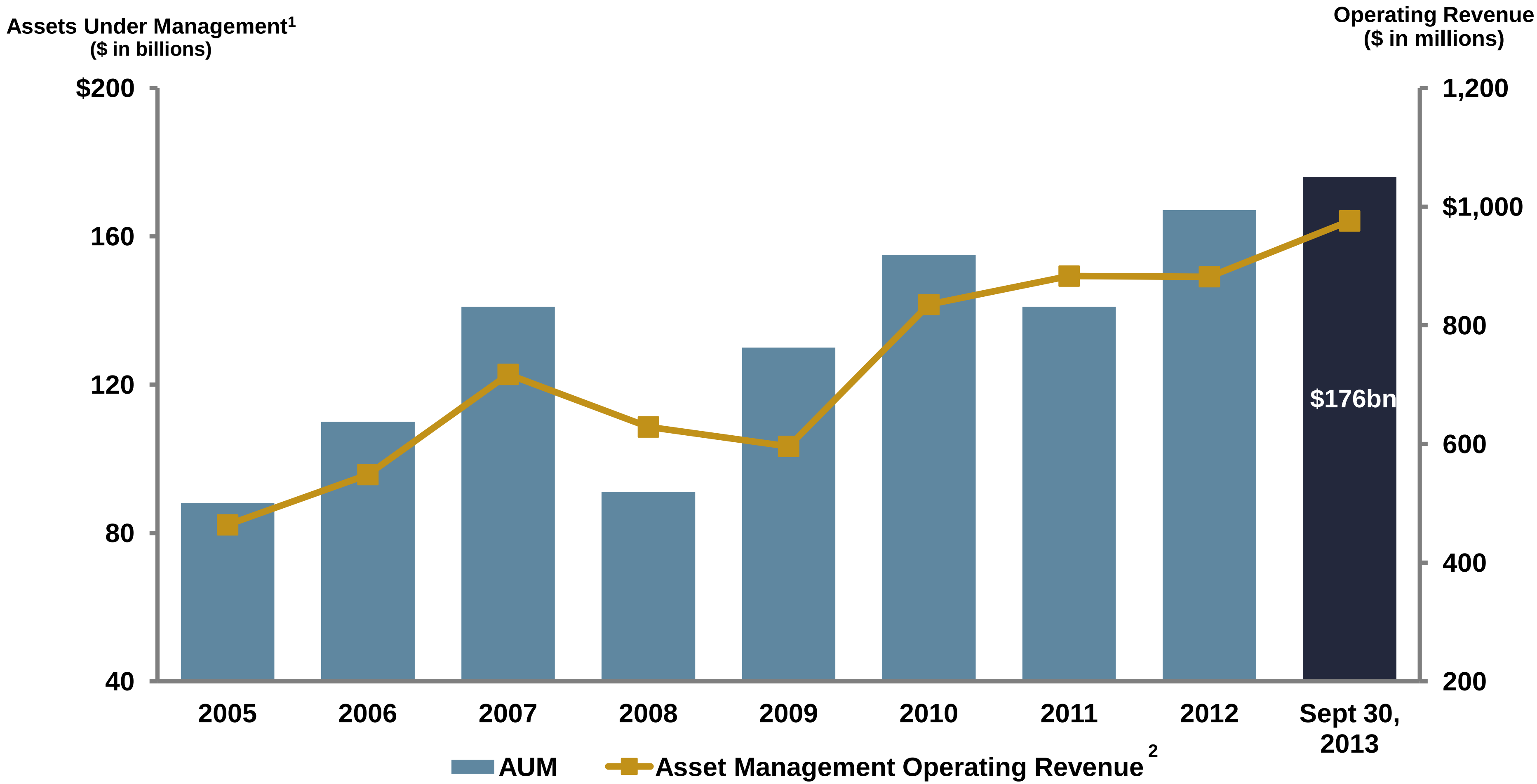
Asset Management Growth



[1] Assets under management as of year-end/September 30, 2013.

[2] Current period represents last twelve months ended September 30, 2013.

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Asset Management Extension of Existing Platforms

PLATFORMS	STRATEGIES
Global Equity	Global Multi-Asset Strategy International Strategic ACWI ex-U.S. Global Controlled Volatility Global/International Real Estate Global Trend
Emerging Market Equity	Emerging Market Multi-Strategy Emerging Market Small Cap Emerging Market Managed Volatility Emerging Market Core
Local Equity	U.S. Equity Multi-Strategy Australian Diversified Income
Multi-Regional Equity	Latin American Equity Asia Ex-Japan
Fixed Income	Emerging Market Debt-Total Return Emerging Market Debt Blend Convertible Credit Opportunities

Well Positioned for Revenue Growth

FINANCIAL ADVISORY

- Global infrastructure already built out
- A leader in cross-border M&A
- Sovereign and capital structure advisory
- Reinforcing presence in developing countries

ASSET MANAGEMENT

- Strength in local, emerging, and international markets
- Pattern of performance across investment platforms
- Potential growth in multi-asset and solutions businesses
- Significant organic capacity

Enhancing Profitability: Targets

OPERATING PROFITABILITY

25% MARGIN IN 2014[1]

Compensation expense

Mid- to high- 50s% ratio over the cycle[1]

Non-compensation expense

16% to 20% ratio over the cycle[1]

[1] Targets on either an Awarded or Adjusted GAAP basis and assume 2012 activity levels.

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Cost Saving Initiatives

OPTIMIZE STRUCTURE

- Streamline support functions
- Leverage resources firmwide

REALIGN INVESTMENTS

- Reduce in areas of low return
- Allocate to higher growth potential

RENEGOTIATE CONTRACTS

- Third parties globally
- Data services, technology, real estate, and other outsourced services

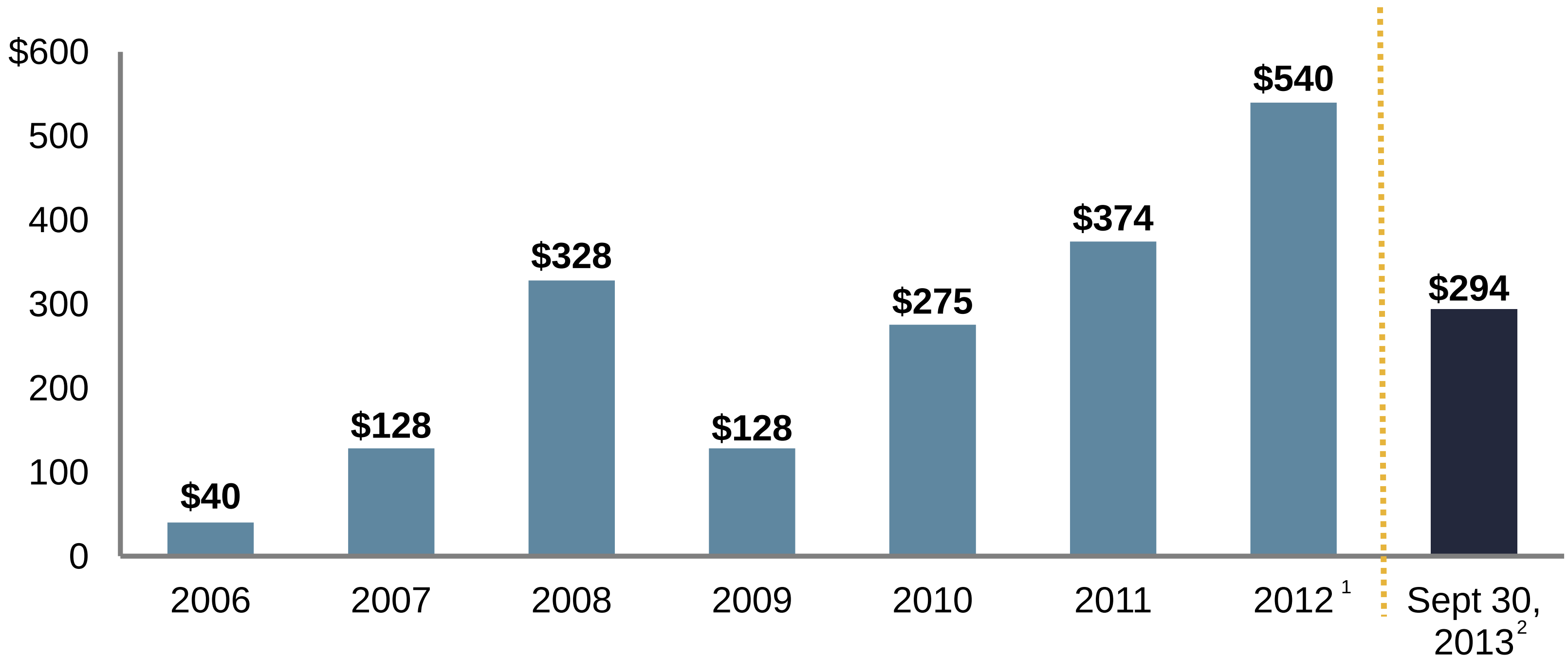
Cost Saving Initiatives

- Expect total savings of ~$160M, partially offset by investment in our business; exceeds the $125M initially announced in October 2012
  - ~$120M of savings related to compensation expense associated with the firm's headcount
  - ~$40M of savings related to non-compensation expense
  - More than two thirds of savings expected to be realized in 2013; full impact of savings expected to benefit 2014
- Associated expenses were completed at the end of 2Q13 and were reflected in 1H13 financial results; implementation of cost saving initiatives still underway
  - Total associated implementation expenses of ~$167M

Return of Capital to Shareholders

TOTAL CAPITAL RETURNED TO SHAREHOLDERS

(Dividends and Share Repurchases - $ in millions)



[1] In 2012, comprised of: (i) $140 million for dividends to shareholders declared during the full year of 2012, including both a special and an accelerated dividend in December, (ii) $355 million for 12.8 million repurchased shares of Class A common stock, at an average price of $27.66 per share and (iii) $45 million to satisfy employee tax obligations in lieu of share issuance upon vesting of equity grants.

[2] For the nine months ended September 30, 2013, comprised of: (i) $62 million in dividends to shareholders, (ii) $107 million for 3.2 million repurchased shares of Class A common stock, at an average price of $33.72 per share, and (iii) $125 million in satisfaction of employee tax obligations in lieu of share issuances upon vesting of equity grants.

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Annual Progress

	2008	2009	2010	2011	2012
Mid- to high- 50s compensation ratio[1]	71%	68%	62%	62%	59%
Discipline on rate of deferred compensation	–	–	✓	✓	✓
Non-compensation ratio of 16% - 20%[2]	22%	21%	19%	21%	21%
Operating margin of 25% in 2014[3]	7%	12%	20%	17%	19%
Offset potential dilution from RSU grants	–	–	✓	✓	✓
Return to shareholders of $200 million surplus cash by 2013[4]	–	–	–	–	✓

[1] See "Reconciliation of U.S. GAAP Compensation to Adjusted/Awarded Compensation" and related notes on pages 39 and 40. Our compensation ratio target is based on awarded compensation assuming 2012 activity levels.

[2] See "Reconciliation of U.S. GAAP Non-Compensation to Adjusted Non-Compensation" on page 42. Our non-compensation ratio target is based on an adjusted GAAP basis.

[3] See "Operating Income Based on Awarded Compensation" on page 30. Actual results shown on an awarded basis. Our operating margin targets are based on either an awarded or adjusted GAAP basis assuming 2012 activity levels.

[4] Achieved as of October 25, 2012.

Conclusion

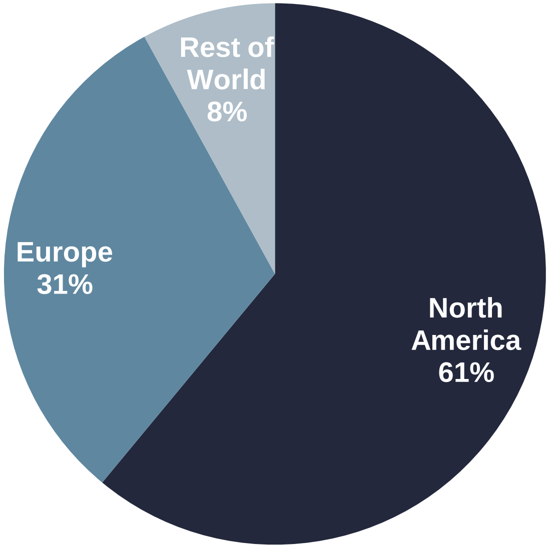
- **Well positioned for long-term growth**
- **Enhancing operating profitability**
- **Generating strong cash flow**
- **Returning capital to shareholders**
- **Creating value for clients and shareholders**

Appendix

Business Segments

Revenue Balanced Across Geographies and Business Lines

LTM[1] Operating Revenue by Geography[2]



LTM[1] Operating Revenue by Business Segment [2]

[1] Last twelve months ended September 30, 2013.
[2] Excludes Corporate revenue.

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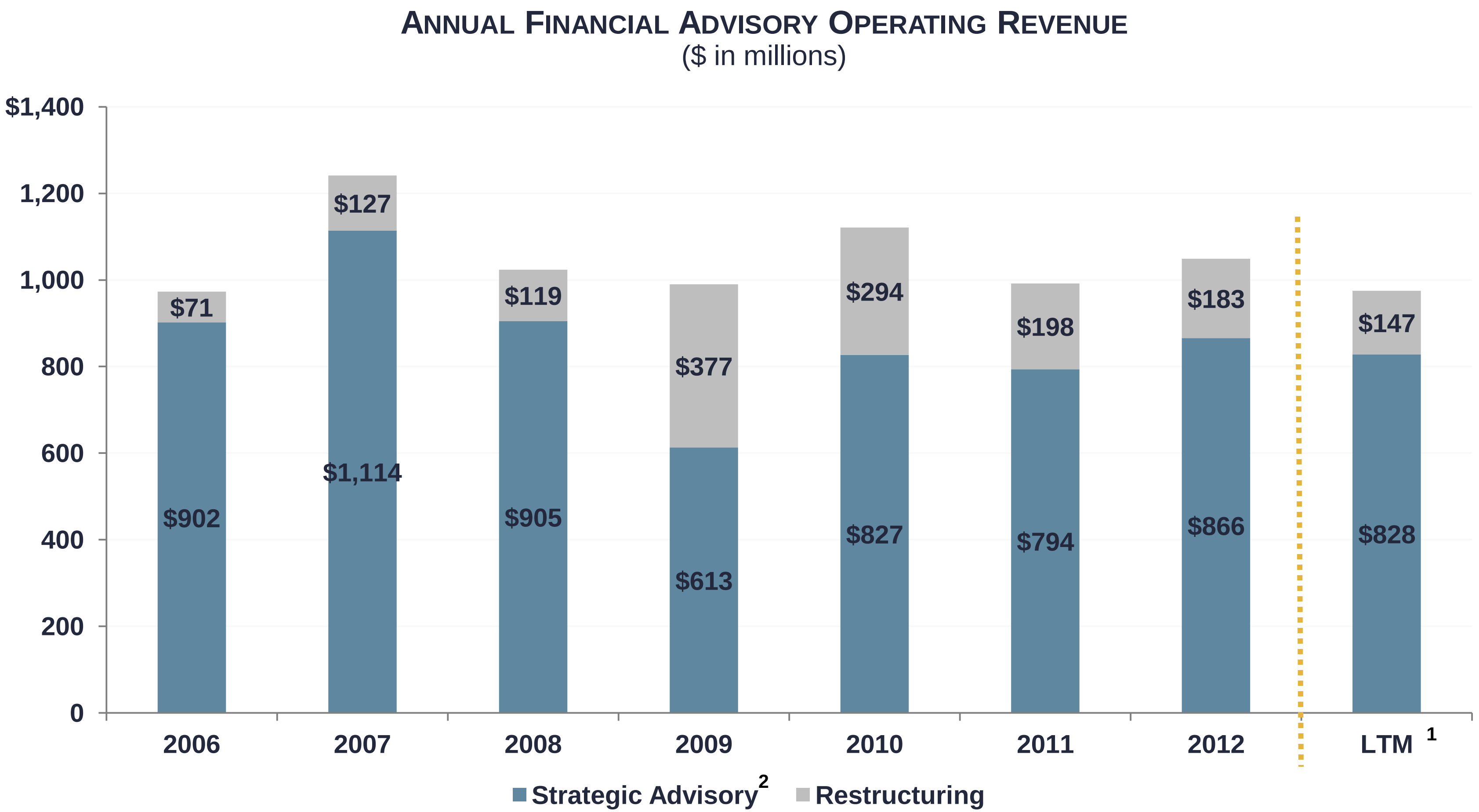
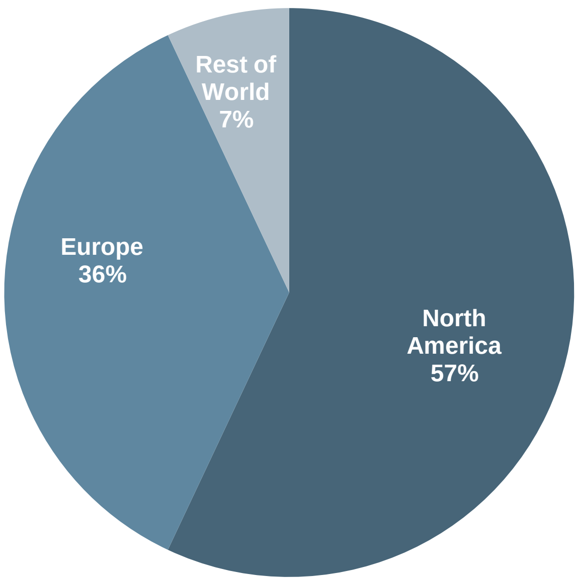
Financial Advisory Operating Revenue



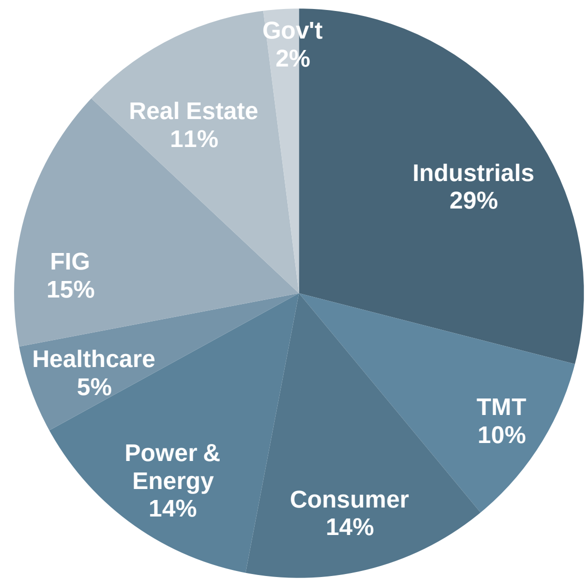
[1] Last twelve months ended September 30, 2013.
[2] Strategic Advisory is comprised of revenues from M&A and Other Advisory and Capital Raising activities.

M&A and Other Advisory Revenue Diversified by Geography and Industry

LTM[1] M&A and Other Advisory Revenue by Geography



LTM[1] M&A and Other Advisory Revenue by Industry



[1] Last twelve months ended September 30, 2013.

Selected Financial Advisory Transactions

M&A[1]

Berkshire Hathaway Inc. / 3G Capital	Heinz
DE Master Blenders 1753	Investor group led by Joh. A. Benckiser
Amgen	Onyx Pharmaceuticals
NV Energy	MidAmerican Energy
Health Management Associates	Community Health Systems
Vivendi	Etisalat
Independent Committee of Independent Non Executive Directors of ENRC	Eurasian Resources Group
Tenet	Vanguard Health Systems
Leap	AT&T
Caisse des Dépôts	Groupama
Siemens	Osram
Total	consortium
Ameristar Casinos	Pinnacle Entertainment
Rockwood Holdings, Inc.	Cinven
MacDermid	Platform Acquisition Holdings

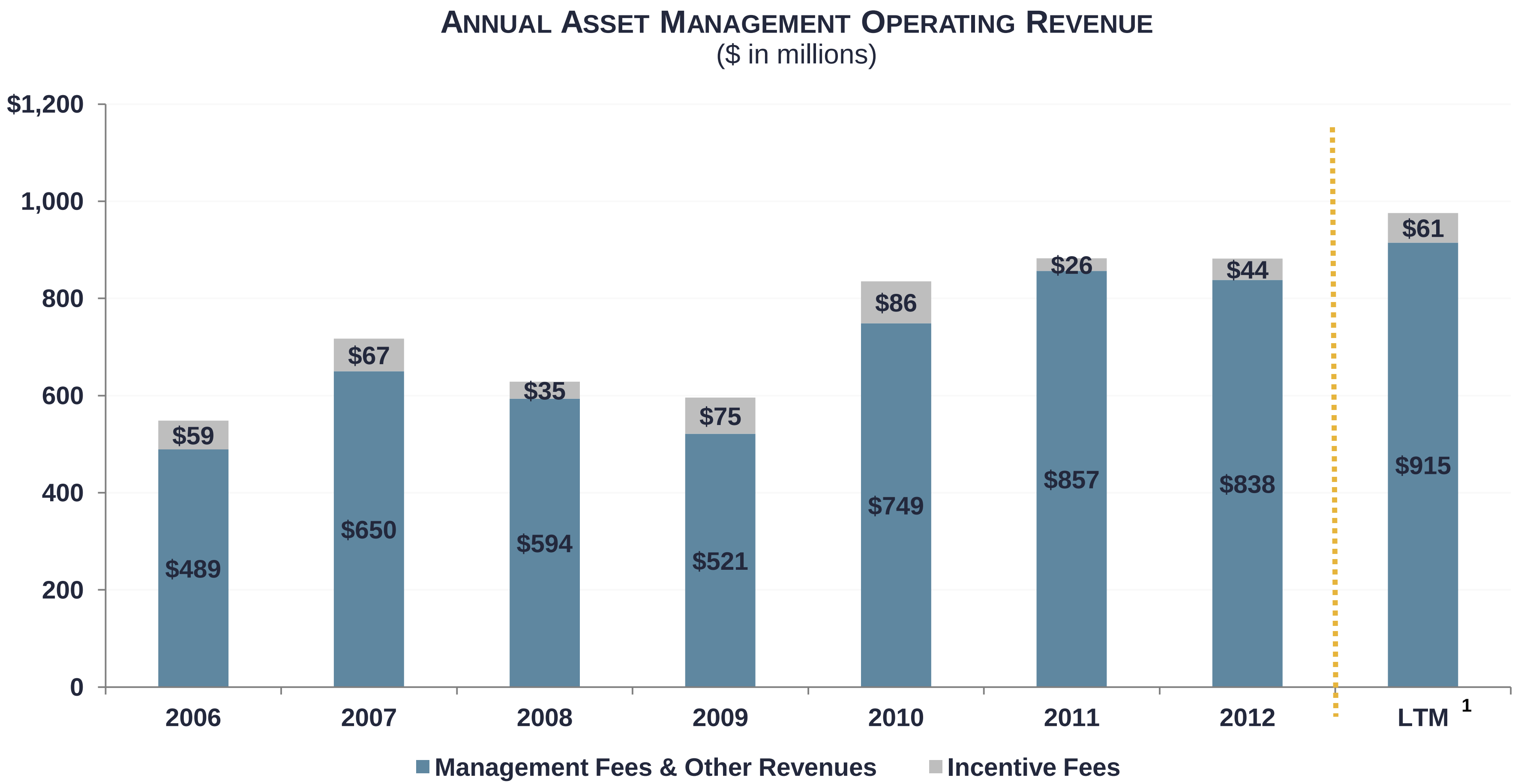
Restructuring [1]

Kodak	Cengage Learning	LightSquared	Longview Power LLC	Exide Technologies
Rural/Metro Ambulance	LBO France	OGX	National Association of Letter Carriers U.S.A.	APA

Note: Logo or boldfaced name represents Lazard client separated from transaction counterparty by a “〉”.

[1] Includes announced transactions as well as transactions completed during or after the third quarter ended September 30, 2013.

Asset Management Operating Revenue



[1] Last twelve months ended September 30, 2013.

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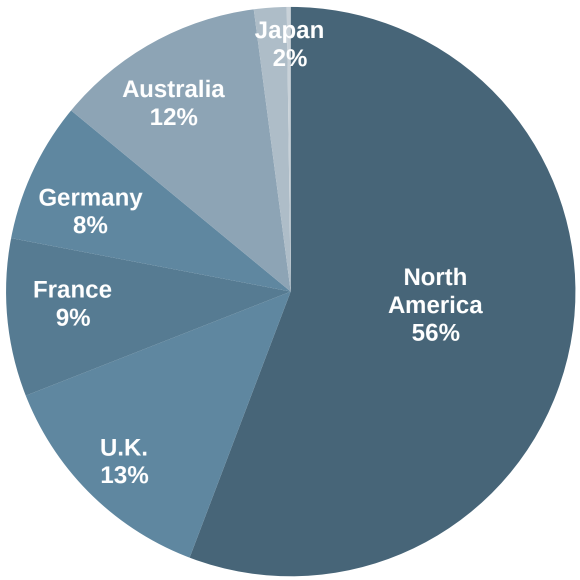
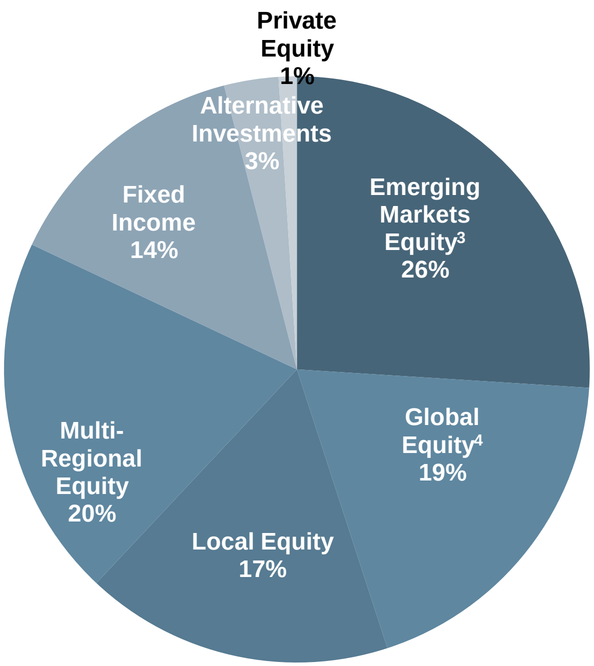
AUM Diversified by Geographic and Product Mix

AUM by Office Domicile [1,2]



AUM by Platform[2]



[1] Domicile refers to location of client servicing office.
[2] Breakdown as of September 30, 2013.
[3] Emerging Markets Equity strategy accounted for 88% of the Emerging Markets Equity platform.
[4] Global Thematic Equity strategy accounted for 61% of the Global Equity platform.

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Flows Diversified By Region and Investment Strategy

Selected New Mandates	
Client Type	**Investment Strategy**
Asian Sovereign Wealth Fund	Developing Markets Equity
UK Public Pension	Emerging Markets Debt
European Financial Institution	Emerging Markets Debt
German Corporate Pension	Emerging Markets Quantitative Equity
US Multi Manager	Global Listed Infrastructure
US Public Pension	International Discounted Assets
US Financial Institution	International Equity
US Corporate Pension	International Strategic Equity
UK Corporate Pension	Japanese Equity

Supplemental Financial Information

Operating Income Based on Awarded Compensation

($ in millions, except per share data)

	2006	2007	2008	2009	2010	2011	2012	Average[1] 2006-2009	Average[1] 2010-2012
Operating Revenue[2]	$1,571	$2,015	$1,675	$1,618	$1,979	$1,884	$1,971		
% Growth	*16%*	*28%*	*(17%)*	*(3%)*	*22%*	*(5%)*	5%	*1%*	-
Awarded Compensation[3]	1,068	1,414	1,192	1,094	1,221	1,168	1,171		
% of Operating Revenue	*68%*	*70%*	*71%*	*68%*	*62%*	*62%*	*59%*	*69%*	*61%*
Adjusted Non-Compensation[4]	269	338	368	337	368	400	421		
% of Operating Revenue	*17%*	*17%*	*22%*	*21%*	*19%*	*21%*	*21%*	*19%*	*20%*
Awarded Operating Income	$234	$263	$115	$187	$390	$316	$379	$200	$361
% of Operating Revenue	*15%*	*13%*	*7%*	*12%*	*20%*	*17%*	*19%*	*12%*	*19%*
Awarded EPS[5]	$1.04	$0.92	$0.07	$0.37	$1.74	$1.31	$1.71	$0.60	$1.59
<u>Memo:</u>									
Reported EPS as Adjusted[6]	$2.24	$2.77	$1.72	$0.09	$2.06	$1.31	$1.44		

[1] Operating revenue growth is compound annual growth rate.

[2] See "Reconciliation of U.S. GAAP Net Revenue to Operating Revenue" on page 38

[3] See "Reconciliation of U.S. GAAP Compensation to Adjusted/Awarded Compensation" and related notes on page 39 and 40.

[4] See "Reconciliation of U.S. GAAP Non-Compensation to Adjusted Non-Compensation" on page 42.

[5] Calculated using the same methodology as "Reported EPS as Adjusted", but substitutes awarded compensation for adjusted GAAP compensation and benefits expense. Uses the same tax rate as "Reported EPS as Adjusted".

[6] "Reported EPS as Adjusted" uses adjusted GAAP compensation and benefits expense and non-compensation expense as defined above.

Unaudited, Non-GAAP Supplemental Segment Information

($ in millions)

	Financial Advisory		Asset Management		Corporate[1]	
	2011	2012[2]	2011	2012[2]	2011	2012
Operating Revenue[3]	**$992**	**$1,049**	**$883**	**$882**	**$1,884**	**$1,971**
% Growth	***(11%)***	***6%***	***6%***	***-***	***(5%)***	***5%***
Awarded Compensation[4]	**$635**	**$646**	**$381**	**$375**	**$152**	**$151**
% of Operating Revenue	***64%***	***62%***	***43%***	***43%***	***8%***	***8%***
Non-Compensation[5]	**$152**	**$164**	**$145**	**$142**	**$102**	**$115**
% of Operating Revenue	***15%***	***16%***	***16%***	***16%***	***5%***	***6%***
Awarded Operating Income	**$205**	**$239**	**$357**	**$365**		
% of Operating Revenue	***21%***	***23%***	***40%***	***41%***		

[1] Awarded compensation and non-compensation amounts recorded in the Corporate segment are measured as a percentage of total Lazard operating revenue.

[2] 2012 financial results include, among others, the impact of the Brazil acquisition in Financial Advisory and the consolidation of Wealth Management in Asset Management.

[3] See "Reconciliation of U.S. GAAP Net Revenue to Operating Revenue" on page 38.

[4] See "Reconciliation of U.S. GAAP Compensation to Adjusted/Awarded Compensation" and related notes on pages 39 and 40.

[5] Segment results are shown before direct and indirect overhead allocations.

2012 Compensation Bridge – U.S. GAAP to Awarded[1]

($ in millions)

		% of Operating Revenue
Compensation – U.S. GAAP Basis	**$1,351**	***68.5%***
Adjustments	**(133)**	
Compensation – Adjusted U.S. GAAP Basis	**$1,218**	***61.8%***
Deferral Amortization (previous years)	**(335)**	
2012 Deferrals Awarded (including sign-on and special awards)	**314**	
FX Adjustment	**1**	
Estimated Forfeitures on Deferrals	**(27)**	
Awarded Compensation	**$1,171**	***59.4%***

[1] See "Reconciliation of U.S. GAAP Compensation to Adjusted/Awarded Compensation" and related notes on pages 39 and 40.

Estimated Future Amortization of Historical Deferrals[1]

($ in millions)

	2012A[2]	2013E[3]	2014E	2015E
2008 Grants	$40	$4	$ –	$ –
2009 Grants	52	8	–	–
2010 Grants	102	54	10	1
2011 Grants	121	93	59	10
2012 Grants	16	116	107	63
2013 Grants	–	24	TBD	TBD
Other	4	5	5	5
Total	$335	$302	TBD	TBD

[1] In accordance with U.S. GAAP, an estimate is made for future forfeitures of deferred compensation awards. This estimate is based on both historical experience and future expectations, and is subject to change. The result reflects the cost associated with awards that are expected to vest.

[2] Excludes $7 million pertaining to Q1 staff reductions and $26 million pertaining to Q4 cost saving initiatives.

[3] Excludes $15 million pertaining to 2013 cost saving initiatives.

Selected Quarterly Financial Data

($ in millions, except per share data)

	Q3 2013	Q2 2013	Q3 2012	% Change from Q2 2013	% Change from Q3 2012
Operating Revenue[1]					
Strategic advisory	$191.6	$240.1	$185.6	*(20%)*	*3%*
Restructuring	42.2	23.2	34.4	*81%*	*23%*
Financial Advisory	**233.8**	**263.3**	**220.0**	***(11%)***	***6%***
Management fees and other	238.0	227.3	209.7	*5%*	*14%*
Incentive fees	10.1	15.8	10.6	*(37%)*	*(5%)*
Asset Management	**248.1**	**243.1**	**220.3**	***2%***	***13%***
Total Operating Revenue	**$488.7**	**$511.4**	**$443.2**	***(4%)***	***10%***
Expenses					
Compensation and benefits[2]	**$293.2**	**$306.8**	**$278.1**	***(4%)***	***5%***
Ratio of compensation to operating revenue	***60.0%***	***60.0%***	***62.7%***		
Non-compensation[3]	**$96.1**	**$105.0**	**$95.1**	***(9%)***	***1%***
Ratio of non-compensation to operating revenue	***19.7%***	***20.5%***	***21.5%***		
Earnings					
Earnings from Operations	**$99.5**	**$99.5**	**$70.0**	***(0%)***	***42%***
Operating margin	***20.3%***	***19.5%***	***15.8%***		
Net Income	**$61.7**	**$59.9**	**$35.4**	***3%***	***75%***
Net Income per Share	**$0.46**	**$0.45**	**$0.26**	***2%***	***77%***
Assets Under Management (in billions)	**$176.5**	**$163.3**	**$160.4**	***8%***	***10%***

[1] See “Reconciliation of U.S. GAAP Net Revenue to Operating Revenue” on page 38.

[2] See “Reconciliation of U.S. GAAP Compensation to Adjusted/Awarded Compensation” and related notes on pages 39 and 40.

[3] See “Reconciliation of U.S. GAAP Non-Compensation to Adjusted Non-Compensation” on page 42.

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Selected Financial Data – 9M

($ in millions, except per share data)

	9M 2013	9M 2012	YoY
Operating Revenue[1]			
Strategic advisory	$567.2	$605.1	*(6%)*
Restructuring	98.4	134.7	*(27%)*
Financial Advisory	**665.6**	**739.8**	***(10%)***
Management fees and other	696.2	620.1	*12%*
Incentive fees	34.7	16.9	*105%*
Asset Management	**730.9**	**637.0**	***15%***
Total Operating Revenue	**$1,413.8**	**$1,397.2**	***1%***
Expenses			
Compensation and benefits[2]	**$848.2**	**$876.0**	***(3%)***
Ratio of compensation to operating revenue	***60.0%***	***62.7%***	
Non-compensation[3]	**$300.6**	**$306.1**	***(2%)***
Ratio of non-compensation to operating revenue	***21.3%***	***21.9%***	
Earnings			
Earnings from Operations	**$264.9**	**$215.0**	***23%***
Operating margin	***18.7%***	***15.4%***	
Net Income	**$158.8**	**$113.3**	***40%***
Net Income per Share	**$1.19**	**$0.84**	***42%***
Assets Under Management (in billions)	**$176.5**	**$160.4**	***10%***

[1] See “Reconciliation of U.S. GAAP Net Revenue to Operating Revenue” on page 38.

[2] See “Reconciliation of U.S. GAAP Compensation to Adjusted/Awarded Compensation” and related notes on pages 39 and 40.

[3] See “Reconciliation of U.S. GAAP Non-Compensation to Adjusted Non-Compensation” on page 42.

Unaudited

Condensed Balance Sheet

($ in millions)

	September 30, 2013	June 30, 2013	December 31, 2012
ASSETS			
Cash & Cash Equivalents	$688.4	$601.5	$850.2
Deposits with banks	273.2	344.8	292.5
Cash deposited with clearing organizations and other segregated cash	59.5	60.8	65.2
Receivables	536.2	524.9	478.0
Investments	469.7	449.4	414.7
Other Assets	929.5	939.8	886.3
Total Assets	$2,956.5	$2,921.2	$2,986.9
LIABILITIES & STOCKHOLDERS' EQUITY			
Deposits and Other Payables	$289.9	$386.0	$269.8
Accrued Compensation	382.1	336.2	467.5
Other Liabilities	550.6	529.9	521.2
Senior and Subordinated Debt	1,076.9	1,076.9	1,076.9
Total Stockholders' Equity[1]	657.0	592.2	651.5
Total Liabilities and Stockholders' Equity	$2,956.5	$2,921.2	$2,986.9

[1] Attributable to Lazard Ltd: $583m at September 30, 2013, $518m at June 30, 2013 and $570m at December 31, 2012.

Unaudited

U.S. GAAP Selected Financial Information

($ in millions, except per share data)

	2006	2007	2008	2009	2010	2011	2012	9M
Net revenue	**$1,494**	**$1,918**	**$1,557**	**$1,531**	**$1,905**	**$1,830**	**$1,912**	**$1,373**
% Growth	*15%*	*28%*	*(19%)*	*(2%)*	*24%*	*(4%)*	*5%*	*na*
Compensation	**891**	**1,123**	**1,128**	**1,309**	**1,194**	**1,169**	**1,351**	**911**
% of Net revenue	*60%*	*59%*	*72%*	*85%*	*63%*	*64%*	*71%*	*66%*
Non-Compensation	**275**	**376**	**404**	**404**	**468**	**425**	**437**	**318**
% of Net revenue	*18%*	*20%*	*26%*	*26%*	*25%*	*23%*	*23%*	*23%*
Operating Income	**$328**	**$419**	**$25**	**($182)**	**$243**	**$236**	**$124**	**$144**
% of Net revenue	*22%*	*22%*	*2%*	*(12%)*	*13%*	*13%*	*6%*	*10%*
GAAP Diluted EPS	**$2.31**	**$2.79**	**$0.06**	**($1.68)**	**$1.36**	**$1.36**	**$0.65**	**$0.81**

Reconciliation of U.S. GAAP Net Revenue to Operating Revenue

($ in millions)

	2006	2007	2008	2009	2010	2011	2012	2013 Q3	2013 9M
Net Revenue - U.S. GAAP Basis	$1,494	$1,918	$1,557	$1,531	$1,905	$1,830	$1,912	$480	$1,373
Adjustments:									
Gain on repurchase of subordinated debt	-	-	-	-	-	(18)	-		
Noncontrolling interests[1]	(5)	(5)	13	(7)	(16)	(17)	(14)	(3)	(11)
(Gains)/losses in connection with Lazard Fund Interests[2]	-	-	-	-	-	3	(7)	(8)	(8)
Interest expense on financing[3]	82	102	105	94	90	86	80	20	60
Operating revenue, as adjusted	$1,571	$2,015	$1,675	$1,618	$1,979	$1,884	$1,971	$489	$1,414

[1] Revenue/(loss) related to the consolidation of noncontrolling interests is excluded from operating revenue because the Company has no economic interest in such amount.

[2] (Gains)/losses related to changes in the fair value of investments held in connection with Lazard Fund Interests and other similar deferred compensation arrangements that correspond to changes in the value of the related compensation liability, which is recorded within compensation and benefit expense, are excluded.

[3] Interest expense related to financing activities is added back in determining operating revenue because such expense is not considered to be a cost directly related to the revenue of our business.

Reconciliation of U.S. GAAP Compensation to Adjusted/Awarded Compensation

($ in millions)

	2006	2007	2008	2009	2010	2011	2012	2013	
								Q3	9M
U.S. GAAP compensation and benefits expense	**$891**	**$1,123**	**$1,128**	**$1,309**	**$1,194**	**$1,169**	**$1,351**	**$302**	**$911**
Deduct:									
Cost saving initiatives	-	-	-	-	-	-	(100)	-	(51)
Staff reductions	-	-	-	-	-	-	(22)		
2009 and 2010 adjustments [1]	-	-	-	(147)	(25)	-	-		
Noncontrolling interests [2]	-	-	-	(2)	(3)	(4)	(4)	(1)	(4)
LAM Merger	-	-	(197)	-	-	-	-		
Amounts related to Lazard Fund Interests [3]	-	-	-	-	-	3	(7)	(8)	(8)
Adjusted compensation and benefits expense	891	1,123	931	1,160	1,166	1,168	1,218	293	848
Deduct - Amortization of incentive compensation awards	(23)	(105)	(238)	(333)	(241)	(289)	(335)		
Total cash compensation and benefits expense [4]	868	1,018	693	827	925	879	883		
Add:									
Year-end deferred incentive compensation awards [5]	204	337	352	293	293	282	272		
Sign-on and other special incentive awards [6]	13	88	180	27	27	40	42		
Deduct - Adjustment for estimated forfeitures [7]	(24)	(36)	(38)	(56)	(27)	(28)	(27)		
Other adjustments [8]	7	7	5	3	3	(5)	1		
Awarded compensation and benefits expense	$1,068	$1,414	$1,192	$1,094	$1,221	$1,168	$1,171		
% of Operating Revenue	68%	70%	71%	68%	62%	62%	59%		
Memo: Operating Revenue	$1,571	$2,015	$1,675	$1,618	$1,979	$1,884	$1,971		

Note: Numerical footnote disclosure provided on the following page.

Notes for U.S. GAAP Compensation to Adjusted/Awarded Compensation

[1] In 2009, includes expenses related to the accelerated vesting of unamortized deferred cash awards and the accelerated vesting of share-based incentive awards previously granted to our former Chairman and Chief Executive Officer; in 2010, includes expenses related to the acceleration of share-based incentive awards in connection with the Company's change in retirement policy.

[2] Expenses related to the consolidation of noncontrolling interests are excluded because, as is the case with operating revenue, the Company has no economic interest in such amounts.

[3] Amounts related to the changes in fair value of the derivative compensation liability recorded in connection with Lazard Fund Interests and other similar deferred compensation arrangements are excluded from compensation and benefits expense because such amounts correspond to the changes in the fair value of the underlying investments which are excluded from operating revenue.

[4] Includes base salaries and benefits of $516 million, $507 million, $453 million, $422 million, $468 million, $456 million and $398 million for 2012, 2011, 2010, 2009, 2008, 2007 and 2006, respectively, and cash incentive compensation of $367 million, $372 million, $472million, $405 million, $225 million, $562 million and $470 million for the respective years.

[5] Grant date fair value of deferred incentive compensation awards granted applicable to the relevant year-end compensation process (e.g. grant date fair value of deferred incentive awards granted in 2012, 2011 and 2010 related to the 2011, 2010 and 2009 year-end compensation processes, respectively).

[6] Represents deferred incentive compensation awards that are granted outside the year-end compensation process, and includes investments in people (e.g. "sign-on" bonuses).

[7] An estimate, based on both historical experience and future expectations, for future forfeitures of the deferred portion of such awards in order to present awarded compensation and benefits expense on a similar basis to that under U.S. GAAP, which also considers estimated forfeitures. Amounts for 2006-2009 represent actual forfeiture experience. The 2010-2012 amounts represent estimated forfeitures.

[8] Represents an adjustment to the year-end foreign exchange "spot" rate from the full year average rate for year-end incentive compensation awards.

Definitions

- U.S. GAAP Compensation – Current-year cash compensation and benefits and the current period amortization expense at cost of deferrals awarded in previous years
- Amortization Expense – Expense associated with a historical deferral award, expensed over the requisite service period
- Deferrals – Compensation awarded for an applicable year which requires a subsequent service period before vesting
- Forfeiture – Concept used under U.S. GAAP to account for portion of deferrals cancelled before they vest
- Awarded Compensation – Total cash compensation and benefits plus deferrals with respect to the applicable year less expected future forfeitures on deferrals using similar methodology as and for comparability to U.S. GAAP

Unaudited

Reconciliation of U.S. GAAP Non-Compensation to Adjusted Non-Compensation

($ in millions)

	2006	2007	2008	2009	2010	2011	2012	2013	
								Q3	9M
U.S. GAAP other operating expenses	$275	$376	$404	$404	$468	$425	$437	$97	$318
Deduct:									
Cost saving initiatives	-	-	-	-	-	-	(3)	-	(13)
Staff reductions	-	-	-	-	-	-	(3)	-	-
Write-off of Lazard Alternative Investment Holdings option prepayment	-	-	-	-	-	(6)	-	-	-
Provision for lease of U.K. facility	-	-	-	-	-	(5)	-	-	-
Provision for counterparty defaults	-	-	(12)	-	-	-	-	-	-
LAM merger	-	-	(2)	-	-	-	-	-	-
Restructuring charges	-	-	-	(63)	(87)	-	-	-	-
Provision pursuant to tax receivable agreement	(6)	(17)	(17)	1	(3)	-	-	-	-
Amortization of intangible assets	-	(21)	(5)	(5)	(8)	(12)	(8)	(1)	(3)
Noncontrolling interests	-	-	-	-	(2)	(2)	(2)	(0)	(1)
Non-compensation expense as adjusted	$269	$338	$368	$337	$368	$400	$421	$96	$301
% of Operating Revenue	17%	17%	22%	21%	19%	21%	21%	20%	21%
Memo: Operating Revenue	$1,571	$2,015	$1,675	$1,618	$1,979	$1,884	$1,971	$489	$1,414

LAZARD