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Hamilton HM11, Bermuda

(Address of principal executive offices)

Registrant's telephone number: (441) 295-1422

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If the Registrant is an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 20, 2018, there were 129,766,091 shares of the Registrant's Class A common stock outstanding (including 10,044,295 shares held by subsidiaries).

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When we use the terms “Lazard”, “we”, “us”, “our” and “the Company”, we mean Lazard Ltd, a company incorporated under the laws of Bermuda, and its subsidiaries, including Lazard Group LLC, a Delaware limited liability company (“Lazard Group”), that is the current holding company for our businesses. Lazard Ltd’s primary operating asset is its indirect ownership as of June 30, 2018 of all of the common membership interests in Lazard Group and its controlling interest in Lazard Group.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

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LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

JUNE 30, 2018 AND DECEMBER 31, 2017

(UNAUDITED)

(dollars in thousands, except for per share data)

	June 30, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	\$845,167	\$ 1,483,836
Deposits with banks and short-term investments	1,000,662	935,431
Cash deposited with clearing organizations and other segregated cash	37,089	35,539
Receivables (net of allowance for doubtful accounts of \$34,956 and \$23,746 at June 30, 2018 and December 31, 2017, respectively):		
Fees	610,488	487,800
Customers and other	103,909	83,816
Investments	714,397	571,616
Property (net of accumulated amortization and depreciation of \$325,012 and \$317,827 at June 30, 2018 and December 31, 2017, respectively)	505,194	427,186
Goodwill and other intangible assets (net of accumulated amortization of \$64,681 and \$63,099 at June 30, 2018 and December 31, 2017, respectively)	216,183	205,301
Deferred tax assets	382,360	391,364
Other assets	618,455	650,260
Total Assets	308,485	228,144
	\$4,627,992	\$ 4,928,677

See notes to condensed consolidated financial statements.

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

JUNE 30, 2018 AND DECEMBER 31, 2017

(UNAUDITED)

(dollars in thousands, except for per share data)

	June 30, 2018	December 31, 2017
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits and other customer payables	\$1,055,244	\$ 992,338
Accrued compensation and benefits	403,495	593,781
Senior debt	1,191,277	1,190,383
Tax receivable agreement obligation	277,163	310,275
Deferred tax liabilities	7,184	9,407
Other liabilities	580,525	573,588
Total Liabilities	3,514,888	3,669,772
Commitments and contingencies		
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$.01 per share; 15,000,000 shares authorized:		
Series A - no shares issued and outstanding	-	-
Series B - no shares issued and outstanding	-	-
Common stock:		
Class A, par value \$.01 per share (500,000,000 shares authorized;		
129,766,091 shares issued at June 30, 2018 and December 31, 2017,		
including shares held by subsidiaries as indicated below)	1,298	1,298
Additional paid-in-capital	652,013	788,140
Retained earnings	1,092,381	1,080,413
Accumulated other comprehensive loss, net of tax	(253,499)	(232,518)
	1,492,193	1,637,333
Class A common stock held by subsidiaries, at cost (9,719,895 and 10,747,142		
shares at June 30, 2018 and December 31, 2017, respectively)	(437,031)	(437,530)
Total Lazard Ltd Stockholders' Equity	1,055,162	1,199,803
Noncontrolling interests	57,942	59,102
Total Stockholders' Equity	1,113,104	1,258,905
Total Liabilities and Stockholders' Equity	\$4,627,992	\$ 4,928,677

See notes to condensed consolidated financial statements.

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(UNAUDITED)

(dollars in thousands, except for per share data)

	Three Months Ended		Six Months Ended	
	June 30,	2017	June 30,	2017
	2018		2018	
REVENUE				
Investment banking and other advisory fees	\$421,444	\$410,275	\$830,170	\$745,191
Asset management fees	335,891	293,879	673,987	566,803
Interest income	2,138	1,609	4,848	3,263
Other	12,055	24,183	30,728	52,109
Total revenue	771,528	729,946	1,539,733	1,367,366
Interest expense	13,590	12,766	27,097	26,722
Net revenue	757,938	717,180	1,512,636	1,340,644
OPERATING EXPENSES				
Compensation and benefits	416,159	414,612	821,206	776,413
Occupancy and equipment	29,240	30,828	59,478	58,312
Marketing and business development	28,228	24,027	53,887	43,779
Technology and information services	32,527	32,032	65,779	56,056
Professional services	16,714	11,234	29,145	22,696
Fund administration and outsourced services	33,227	18,338	68,411	34,251
Amortization and other acquisition-related (benefits) costs	(8,483)	1,257	(7,617)	4,831
Other	10,386	12,351	36,579	21,608
Total operating expenses	557,998	544,679	1,126,868	1,017,946
OPERATING INCOME	199,940	172,501	385,768	322,698
Provision for income taxes	51,561	51,600	75,728	91,367
NET INCOME	148,379	120,901	310,040	231,331
LESS - NET INCOME ATTRIBUTABLE TO				
NONCONTROLLING INTERESTS	1,416	523	3,385	3,400
NET INCOME ATTRIBUTABLE TO LAZARD LTD	\$146,963	\$120,378	\$306,655	\$227,931
ATTRIBUTABLE TO LAZARD LTD CLASS A				

COMMON STOCKHOLDERS:

WEIGHTED AVERAGE SHARES OF COMMON STOCK

OUTSTANDING:

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Basic	120,306,257	122,368,150	120,118,182	122,591,656
Diluted	130,249,054	132,139,616	131,195,725	132,414,496
NET INCOME PER SHARE OF COMMON STOCK:				
Basic	\$1.22	\$0.98	\$2.55	\$1.86
Diluted	\$1.13	\$0.91	\$2.34	\$1.72
DIVIDENDS DECLARED PER SHARE OF COMMON STOCK				
COMMON STOCK	\$0.44	\$0.41	\$2.15	\$1.99

See notes to condensed consolidated financial statements.

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(UNAUDITED)

(dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
NET INCOME	\$148,379	\$120,901	\$310,040	\$231,331
OTHER COMPREHENSIVE INCOME (LOSS), NET OF				
TAX:				
Currency translation adjustments	(43,453)	26,167	(26,107)	43,099
Employee benefit plans:				
Actuarial gain (loss) (net of tax expense (benefit) of \$1,746				
and \$(2,215) for the three months ended June 30, 2018				
and 2017, respectively, and \$404 and \$(2,476)				
for the six months ended June 30, 2018 and 2017,				
respectively)	8,300	(8,609)	3,286	(9,104)
Adjustment for items reclassified to earnings (net of				
tax expense of \$468 and \$196 for the three months				
ended June 30, 2018 and 2017, respectively,				
and \$684 and \$472 for the six months ended				
June 30, 2018 and 2017, respectively)	777	1,356	1,839	2,442
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	(34,376)	18,914	(20,982)	36,437
COMPREHENSIVE INCOME	114,003	139,815	289,058	267,768
LESS - COMPREHENSIVE INCOME ATTRIBUTABLE TO				
NONCONTROLLING INTERESTS	1,415	523	3,384	3,400
COMPREHENSIVE INCOME ATTRIBUTABLE TO				
LAZARD LTD	\$112,588	\$139,292	\$285,674	\$264,368

See notes to condensed consolidated financial statements.

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LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(UNAUDITED)

(dollars in thousands)

	Six Months Ended	
	June 30,	2017
	2018	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 310,040	\$ 231,331
Adjustments to reconcile net income to net cash provided by (used in)		
operating activities:		
Depreciation and amortization of property	16,676	15,371
Amortization of deferred expenses and share-based incentive compensation	225,647	209,127
Amortization and other acquisition-related (benefits) costs	(7,617)	4,831
Deferred tax provision	20,799	39,936
(Increase) decrease in operating assets:		
Receivables-net	(154,430)	2,227
Investments	(79,998)	30,454
Other assets	(131,314)	(88,178)
Increase (decrease) in operating liabilities:		
Accrued compensation and benefits and other liabilities	(135,027)	(72,529)
Net cash provided by operating activities	64,776	372,570
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property	(32,043)	(9,408)
Disposals of property	1,327	193
Net cash used in investing activities	(30,716)	(9,215)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from:		
Customer deposits	70,194	196,947
Contributions from noncontrolling interests	516	-
Payments for:		
Capital lease obligations	(17)	(7,320)
Distributions to noncontrolling interests	(5,060)	(1,743)
Payments under tax receivable agreement	(31,897)	(776)
Purchase of Class A common stock	(223,795)	(184,892)
Class A common stock dividends	(255,228)	(242,427)
Settlement of vested share-based incentive compensation	(109,218)	(66,085)
Other financing activities	(4,681)	(8,970)
Net cash used in financing activities	(559,186)	(315,266)
	(46,762)	91,054

EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH
EQUIVALENTS AND

RESTRICTED CASH		
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS AND		
	June 30, 2018	December 31, 2017
RESTRICTED CASH	(571,888)	139,143
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH—January 1	2,454,806	1,607,483
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH—June 30	\$ 1,882,918	\$ 1,746,626
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
WITHIN THE CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION:		
	June 30, 2018	December 31, 2017
Cash and cash equivalents	\$845,167	\$ 1,483,836
Deposits with banks and short-term investments	1,000,662	935,431
Cash deposited with clearing organizations and other segregated cash	37,089	35,539
TOTAL CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	\$ 1,882,918	\$ 2,454,806

See notes to condensed consolidated financial statements.

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

(UNAUDITED)

(dollars in thousands)

	Common Stock		Additional Paid-In- Capital	Retained Earnings	Accumulated		Total		Total Stockholders' Equity	
	Shares	\$			Other Comprehensive Income (Loss), Net of Tax	Class A Common Stock Held By Subsidiaries	Lazard Ltd Stockholders' Equity	Noncontrol Interests		
Balance - January 1, 2017	129,766,091	\$ 1,298	\$ 688,231	\$ 1,134,186	\$ (314,222)	7,628,786	\$ (273,506)	\$ 1,235,987	\$ 57,826	\$ 1,293,813
Adjustment for cumulative effect on prior years from adoption of accounting guidance related to share-based payment arrangements				81,544				81,544		81,544
Balance - January 1, 2017	129,766,091	1,298	688,231	1,215,730	(314,222)	7,628,786	(273,506)	1,317,531	57,826	1,375,357
Comprehensive income:				227,931				227,931	3,400	231,331
Other comprehensive income - net					36,437			36,437		36,437

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tax											
ortization											
share-based											
entive											
compensation			163,001					163,001			163,001
idend											
ivalents			31,335	(35,412)				(4,077)			(4,077)
ss A											
mon stock											
dends				(242,427)				(242,427)			(242,427)
chase of											
ss A											
mon stock						4,268,479	(184,892)	(184,892)			(184,892)
ivery of											
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entive											
compensation											
related tax											
ense											
\$4,815			(209,543)			(3,736,461)	138,643	(70,900)			(70,900)
iness											
quisitions											
related											
ity											
ansactions:											
ss A											
mon stock											
able											
including											
ted											
ortization)			218					218			218
ributions to											
controlling											
rests, net								-	(1,743)		(1,743)
er			204					204	204		408
ance -											
e 30, 2017	129,766,091	\$1,298	\$673,242	\$1,166,026	\$(277,785)	8,160,804	\$(319,755)	\$1,243,026	\$59,687	\$1,302,7	

See notes to condensed consolidated financial statements.

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LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2018

(UNAUDITED)

(dollars in thousands)

	Common Stock		Additional Paid-In- Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Tax	Class A Common Stock Held By Subsidiaries		Total Lazard Ltd Stockholders' Noncontrolling Interests		Total Stockholders' Equity
	Shares	\$				Shares	\$	Equity	Equity	
Balance - January 1, 2018	129,766,091	\$ 1,298	\$ 788,140	\$ 1,080,413	\$(232,518)	10,747,142	\$(437,530)	\$ 1,199,803	\$ 59,102	\$ 1,258,905
Comprehensive income (loss):				306,655				306,655	3,385	310,040
Other comprehensive income - net of tax					(20,981)			(20,981)	(1)	(20,982)
Share-based payment expense			169,830					169,830		169,830
Dividends paid			33,627	(38,308)				(4,681)		(4,681)
Class A common stock dividends				(255,228)				(255,228)		(255,228)
Acquisition of Class A common stock						4,147,526	(223,795)	(223,795)		(223,795)
Conversion of Class A common stock			(340,963)			(5,172,915)	224,233	(116,730)		(116,730)
Connection with										

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