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[21783001]

Shearson Lehman Hutton Holdings Inc. posted a sharp third-quarter turnaround from a year earlier , but net income would have dropped from the second quarter without a \$ 37 million after-tax gain .

[21783002]

The securities firm posted third-quarter net of \$ 66 million , or 64 cents a share , compared with a restated year-earlier loss of \$ 3 million , or 11 cents a share .

[21783003]

Revenue climbed 25 % to \$ 3.3 billion from \$ 2.6 billion .

[21783004]

The latest period included the gain , which was \$ 77 million before tax , from the previously announced sale of the institutional money management business of Lehman Management Co .

[21783005]

The 1988 period was restated from net income of \$ 8 million to correct an overstatement in the company 's Boston Co. subsidiary .

[21783006]

In the 1989 second quarter , Shearson had net income of \$ 55 million , or 54 cents a share .

[21783008]

In New York Stock Exchange composite trading yesterday , Shearson shares lost 37.5 cents to \$ 18.125 .

[21783009]

The company said the improved performance from a year ago reflects higher commissions and revenue from marketmaking and trading for its own account .

[21783010]

Commission revenue was \$ 522 million , up 49 % .

[21783011]

But industrywide trading activity slowed in September as institutional investors turned cautious and individuals continued to shy away from the market .

[21783012]

Investment banking revenue fell 32 % to \$ 205 million , in part reflecting the continued slowdown of the underwriting business .

[21783013]

In the nine months , net fell 3 % to \$ 106 million , or 98 cents a share , from \$ 110 million , or \$ 1.05 a share .

[21783014]

Revenue advanced 26 % to \$ 9.6 billion from \$ 7.6 billion .