

Important Tax Information

We are pleased to enclose your 2011 Form 1099-DIV with respect to your investment in one or more Portfolios of The Lazard Funds, Inc. This insert provides you with important tax information relating to the distributions you received or re-invested during the calendar year 2011. Because tax laws vary among states, you should consult your personal tax adviser about the specific rules in the state(s) in which you pay income taxes and how the enclosed information relates to the preparation of your tax return(s).

This letter is for informational purposes only and has not been furnished to the Internal Revenue Service. Please retain this information to assist in the preparation of your tax return(s). A copy of this information can be found on our website: <http://www.lazardnet.com/lam/us/index.shtml>.

Distributions of Ordinary Dividends

As a result of the Jobs and Growth Tax Relief Reconciliation Act of 2003, a portion of the total ordinary dividends (box 1a on Form 1099-DIV) paid to you may be designated as qualified dividends (box 1b on Form 1099-DIV). Qualified dividends are dividends received by your Portfolio (and paid to shareholders) from domestic corporations, or qualified foreign corporations, whose security was owned by the Portfolio for the required holding period (the Portfolio must hold the security for greater than 60 days during the 121 day period beginning 60 days before the ex-dividend date). Qualified dividends are subject to a maximum tax rate of 15% (0% for taxpayers in the 10% or 15% bracket). In order for an individual to report the amount of qualified dividends in box 1b as qualified dividend income, the shareholder must also satisfy the holding period requirement mentioned above with respect to his/her shares of the Portfolio. If the holding period requirement is not satisfied, the qualified dividends will be taxed as ordinary dividend income.

Distributions from Capital Gains

Long-term capital gain distributions paid by the Portfolios during 2011 will be taxed at the 15% capital gains tax rate (0% for taxpayers in the 10% or 15% tax bracket). The amount of total capital gain distributions is shown in Box 2a of Form 1099-DIV.

If applicable, amounts taxed at 28% (gain on collectibles) are shown in Box 2d and amounts taxed at 25% (unrecaptured Section 1250 gain) are shown in Box 2b of Form 1099-DIV.

Foreign Taxes

You are allowed to claim a tax credit or an itemized deduction on your federal income tax return for your share of foreign taxes paid by a mutual fund during 2011. In most cases, you will receive more benefit by claiming a tax credit.

The amount reported in Box 6 of Form 1099-DIV represents the amount of creditable foreign taxes paid by your Portfolio. The information that follows will assist you in calculating the information necessary to claim either a credit or itemized deduction

To calculate your total foreign source income passed through from a Portfolio, multiply your ordinary dividends (Box 1a of Form 1099-DIV) by the foreign source income factor shown in the Total Foreign Source Income Factor column below for that Portfolio.

Portfolio	Total Foreign Source Income Factor
Lazard International Equity Portfolio	100.00%
Lazard International Equity Select Portfolio	100.00%
Lazard International Strategic Equity Portfolio	100.00%
Lazard International Small Cap Equity Portfolio	100.00%
Lazard Global Listed Infrastructure Portfolio	90.95%
Lazard Emerging Markets Equity Portfolio	100.00%
Lazard Developing Markets Equity Portfolio	5.62%
Lazard Emerging Markets Equity Blend Portfolio	66.92%
Lazard Emerging Markets Multi-Strategy Portfolio	100.00%
Lazard International Realty Equity Portfolio	59.77%

In order to claim a foreign tax credit, shareholders must also satisfy certain holding period requirements with respect to their shares of a Portfolio. If the holding period requirements are not satisfied, the foreign taxes will qualify only as itemized deductions. Please consult your tax adviser to determine whether the foreign taxes passed through to you are either creditable or qualify as an itemized deduction, and whether to make the election to exempt you from the foreign tax credit limitation and the filing requirement of Form 1116.

Note that, if you are claiming a tax credit on your tax return for the foreign taxes paid by a Portfolio, the credit may be limited due to changes related to the Job and Growth Tax Relief Reconciliation Act of 2003. Please review the instructions to Form 1116 and consult with your tax adviser.

Nontaxable Distributions

The amount included in Box 3 of Form 1099-DIV represents amounts distributed as return capital, which for tax purposes, are nontaxable. The amount included in Box 3 as non-dividend distributions should reduce the cost basis of your shares. Once you have received return of capital distributions equivalent to your cost basis, any additional return of capital distributions received will be taxable to you as capital gain even though they will be reported as nontaxable distributions on Form 1099-DIV.

Additional Information

Income Derived from U.S. Government Obligations

Included in the ordinary dividends, reported in Box 1a on Form 1099-DIV for the Lazard U.S. Municipal Portfolio may be income derived from obligations (direct and indirect) of the United States Government. Such income may be exempt from state or local taxation. The appropriate percentage of the total ordinary dividends for each type of U.S. Government obligation follows below. To determine the amount of income from each category, multiply the total ordinary dividends (Box 1a on Form 1099-DIV) by the percentage noted.

Government/Agency	Percentage
US Treasury Obligations (a)	85.08%

(a) Treasury Obligations include bills, notes, and bonds.

Please note: If you are a resident of California, Connecticut, or New York, you are subject to state tax on all ordinary dividends reported on your federal Form 1099-DIV, including the portion of income derived from direct or indirect U.S. Government Obligations from the funds listed above.

Income by State

A portion of the federal tax-exempt interest dividends, reported in Box 8 of Form 1099-INT for the Lazard U.S. Municipal Portfolio, may also be exempt from state and local taxation. Below is a summary of the sources, by state, of the federal tax-exempt interest dividends. If the tax laws of your state of residence provide for tax exemption, multiply the amount in Box 8 by the appropriate percentage(s) below.

State	Percentage	State	Percentage
Alabama	0.00%	Nebraska	0.00%
Alaska	0.96%	North Carolina	2.16%
Arizona	0.50%	North Dakota	0.00%
Arkansas	0.00%	New Hampshire	0.00%
California	9.05%	New Jersey	11.80%
Colorado	0.31%	New Mexico	2.23%
Connecticut	5.22%	Nevada	0.00%
Delaware	0.00%	New York	14.84%
District of Columbia	0.00%	Ohio	0.00%
Florida	2.10%	Oklahoma	0.00%
Georgia	2.58%	Oregon	0.00%
Guam	0.00%	Pennsylvania	3.85%
Hawaii	0.00%	Puerto Rico	0.00%
Idaho	0.00%	Rhode Island	0.00%
Illinois	4.74%	South Carolina	0.00%
Indiana	2.38%	South Dakota	0.00%
Iowa	0.00%	Tennessee	2.53%
Kansas	0.00%	Texas	8.32%
Kentucky	0.00%	Utah	0.65%
Louisiana	0.00%	Vermont	0.00%
Maine	0.00%	Virginia	0.00%
Maryland	4.19%	Virgin Islands	0.00%
Massachusetts	11.11%	Washington	3.01%
Michigan	3.42%	West Virginia	0.00%
Minnesota	1.72%	Wisconsin	0.71%
Mississippi	0.00%	Wyoming	0.00%
Missouri	0.38%	Other	1.24%
Montana	0.00%	Total	100.00%

