



Canaccord Capital Inc.

Supplementary Financial Information

Fiscal 2nd Quarter 2006

For the period ended September 30, 2005

(Unaudited and in Canadian dollars)

Investor Relations & Communications Department

For further information, contact:

Anthony Ostler	Senior Vice President	604-643-7647
Adrienne Cheng	Analyst	604-643-0277

Table of contents

	Page
Financial highlights	1
Condensed consolidated statement of operations	2
Private Client Services statement of operations	3
Global Capital Markets statement of operations	4
Other segment statement of operations	5
Canada statement of operations	6
UK statement of operations	7
Consolidated balance sheet	8
Miscellaneous operational statistics	9
Equity offerings statistics	10

Advisory note:

This document is not audited and should be read in conjunction with the Second Fiscal Quarter 2006 Quarterly Report to Shareholders (unaudited) dated November 8, 2005, and the Annual Report dated June 27, 2005. Canaccord's fiscal year end is defined as March 31st of each year. Canaccord's fiscal second quarter 2006 ended September 30, 2005 is also referred to as Q2/06 in the following disclosure.

Non-GAAP measures:

Certain non-GAAP measures are utilized by the Company as measures of financial performance. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Non-GAAP measures included are: capital employed, return on average capital employed (ROCE), return on average common equity (ROE), assets under administration (AUA), assets under management (AUM), compensation expenses as % of revenue, non-compensation expenses as % of revenue, dividend yield, dividend payout ratio, total shareholder return, pre-tax profit margin, price to earnings multiple (P/E), and price to book ratio (P/B).

Currency:

Unless otherwise specified, all currencies are in Canadian dollars.

Financial highlights

(Unaudited, for the period ended)
(in thousands of dollars) ⁽¹⁾

	Q2/04	Q3/04	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q2/06 vs. Q2/05		FY01	FY02	FY03	FY04	FY05	6 Months Ended			
										Increase (decrease)							Q2/05	Q2/06	Increase (decrease)	
Financial results																				
Revenue	81,403	118,639	150,687	80,565	85,601	123,683	142,929	99,017	118,654	33,053	38.8%	218,769	170,433	199,206	402,157	432,778	166,166	217,671	51,505	31.0%
Expenses	67,652	100,609	119,477	68,094	75,332	99,094	117,502	83,587	94,407	19,075	25.3%	216,352	199,528	204,744	339,600	360,022	143,426	177,994	34,568	24.1%
Income taxes	5,150	6,763	10,218	4,065	4,146	7,846	8,120	4,352	8,493	4,347	104.8%	(901)	(11,015)	(485)	22,128	24,177	8,211	12,845	4,634	56.4%
Net income (loss)	8,601	11,267	20,992	8,406	6,123	16,743	17,307	11,078	15,754	9,631	157.3%	3,318	(18,080)	(5,053)	40,429	48,579	14,529	26,832	12,303	84.7%
Segmented disclosure																				
Income (loss) before income taxes																				
Private Client Services	13,241	15,509	22,515	10,038	9,814	14,176	16,644	8,610	15,329	5,515	56.2%	44,206	8,982	14,634	57,345	50,672	19,852	23,939	4,087	20.6%
Global Capital Markets	14,031	17,585	22,970	13,046	11,201	21,310	20,362	14,993	18,656	7,455	66.6%	2,187	(3,940)	7,008	57,268	65,919	24,247	33,649	9,402	38.8%
Other	(13,521)	(15,064)	(14,275)	(10,613)	(10,746)	(10,897)	(11,579)	(8,173)	(9,738)	1,008	9.4%	(43,976)	(34,137)	(27,180)	(52,056)	(43,835)	(21,359)	(17,911)	3,448	16.1%
Balance sheet information																				
Total assets																				
	1,039,134	1,104,713	1,508,366	1,514,140	1,529,947	1,217,620	1,638,165	1,323,153	1,550,013	20,066	1.3%	512,303	783,221	830,737	1,508,366	1,638,165	1,529,947	1,550,013	20,066	1.3%
Total liabilities ⁽²⁾																				
	980,540	1,030,983	1,409,679	1,316,432	1,330,455	1,003,240	1,415,954	1,096,495	1,326,395	(4,060)	-0.3%	445,803	732,964	778,034	1,409,679	1,415,954	1,330,455	1,326,395	(4,060)	-0.3%
Total shareholders' equity ⁽²⁾																				
	58,594	73,730	98,687	197,708	199,492	214,380	222,211	226,658	223,618	24,126	12.1%	66,500	50,257	52,703	98,687	222,211	199,492	223,618	24,126	12.1%
Off balance sheet information																				
Assets under mgmt. (\$ millions)																				
	135	205	237	274	301	344	380	410	491	190	63.1%	18	51	104	237	380	301	491	190	63.1%
Assets under admin. (\$ millions)																				
	6,232	7,049	8,292	8,244	8,678	8,998	9,967	9,954	11,495	2,817	32.5%	4,428	4,978	5,037	8,292	9,967	8,678	11,495	2,817	32.5%
Common share information																				
Per share (\$)																				
Basic earnings (loss)																				
	0.31	0.40	0.74	0.28	0.14	0.37	0.38	0.24	0.35	0.21	150.0%	0.14	(0.71)	(0.18)	1.43	1.17	0.38	0.60	0.22	57.9%
Fully diluted earnings (loss)																				
	0.24	0.32	0.58	0.23	0.13	0.36	0.38	0.24	0.34	0.21	161.5%	0.14	(0.71)	(0.18)	1.12	1.11	0.35	0.58	0.23	65.7%
Book value per diluted share ⁽³⁾																				
	1.56	1.94	2.59	4.29	4.32	4.65	4.82	4.91	4.82	0.50	11.6%	n.m.	n.m.	1.84	2.59	4.82	4.32	4.82	0.50	11.6%
Share price (\$)																				
High																				
	-	-	-	11.10	10.80	9.75	10.98	10.65	12.90	2.10	19.4%	-	-	-	-	11.10	11.10	12.90	1.80	16.2%
Low																				
	-	-	-	10.66	7.96	8.43	8.75	9.00	9.10	1.14	14.3%	-	-	-	-	7.96	7.96	9.00	1.04	13.1%
Close																				
	-	-	-	10.74	8.60	9.19	10.48	9.15	11.68	3.08	35.8%	-	-	-	-	10.48	8.60	11.68	3.08	35.8%
Shares outstanding (thousands)																				
Basic																				
	27,762	28,887	29,983	45,165	45,305	45,416	45,413	45,413	44,190	(1,115)	-2.5%	n.m.	n.m.	27,956	29,983	45,413	45,305	44,190	(1,115)	-2.5%
Diluted																				
	36,852	37,587	38,089	46,129	46,129	46,129	46,129	46,116	46,407	278	0.6%	n.m.	n.m.	28,589	38,089	46,129	46,129	46,407	278	0.6%
Average basic																				
	28,043	28,154	29,043	30,292	45,305	45,388	45,353	45,426	44,479	(826)	-1.8%	24,040	25,389	27,805	28,298	41,635	37,847	44,541	6,694	17.7%
Average diluted																				
	37,053	37,134	37,524	38,467	46,095	46,101	46,069	46,129	46,403	308	0.7%	24,040	25,389	27,805	37,096	44,188	42,302	46,267	3,965	9.4%
Market capitalization (thousands)																				
	n.m.	n.m.	n.m.	495,425	396,712	423,928	483,435	421,964	542,034	145,322	36.6%	n.m.	n.m.	n.m.	n.m.	483,435	396,712	542,034	145,322	36.6%
Financial measures																				
Incentive compensation as % of revenue																				
	48.7%	58.9%	56.8%	43.6%	49.9%	52.9%	54.0%	49.1%	50.2%	0.3%		46.0%	46.0%	46.5%	54.4%	50.9%	46.8%	49.7%	2.9%	
Total compensation exp. as % of revenue ⁽⁴⁾																				
	59.0%	66.7%	63.9%	57.5%	62.1%	61.8%	63.2%	58.5%	58.1%	-4.0%		61.8%	64.9%	64.4%	63.6%	61.5%	59.8%	58.3%	-1.5%	
Non-compensation exp. as % of revenue																				
	24.1%	18.1%	15.4%	27.0%	25.9%	18.3%	19.0%	25.9%	21.5%	-4.4%		37.1%	52.2%	38.4%	20.8%	21.7%	26.5%	23.5%	-3.0%	
Total expenses as % of revenue																				
	83.1%	84.8%	79.3%	84.5%	88.0%	80.1%	82.2%	84.4%	79.6%	-8.4%		98.9%	117.1%	102.8%	84.4%	83.2%	86.3%	81.8%	-4.5%	
Pre-tax profit margin																				
	16.9%	15.2%	20.7%	15.5%	12.0%	19.9%	17.8%	15.6%	20.4%	8.4%		1.1%	-17.1%	-2.8%	15.6%	16.8%	13.7%	18.2%	4.5%	
Dividends per share																				
	-	-	-	0.05	0.05	0.05	0.11	0.06	0.06	0.01	20.0%	-	-	-	-	0.26	0.10	0.12	0.02	20.0%
Special distributions per share ⁽⁵⁾																				
	-	-	-	-	-	0.15	-	-	-	n.m.	n.m.	-	-	-	-	0.15	-	-	n.m.	n.m.
Dividend yield (closing share price) ⁽⁵⁾																				
	-	-	-	1.9%	2.3%	2.2%	4.2%	2.6%	2.1%	-0.2%		-	-	-	-	2.5%	2.3%	2.1%	-0.2%	
Dividend payout ratio ⁽⁵⁾																				
	-	-	-	27.4%	37.7%	13.8%	29.3%	25.0%	17.7%	-20.0%		-	-	-	-	24.7%	31.8%	20.7%	-11.1%	
Total shareholder return ⁽⁶⁾																				
	-	-	-	4.8%	-19.4%	7.5%	16.3%	-11.7%	28.3%	47.7%		-	-	-	-	5.5%	-15.6%	13.3%	28.9%	
Annualized ROE / ROCE ⁽⁷⁾																				
	44.9%	51.4%	79.1%	19.3%	12.2%	32.1%	32.2%	19.8%	27.8%	15.6%		5.1%	-28.3%	-7.5%	43.5%	23.9%	15.8%	23.8%	8.0%	
Price to earnings multiple ⁽⁸⁾																				
	-	-	-	7.8	6.8	7.1	9.5	8.2	8.8	2.0	29.4%	-	-	-	-	9.5	6.8	8.8	2.0	29.4%
Price to book ratio ⁽⁹⁾																				
	-	-	-	2.5	2.0	2.0	2.2	1.9	2.4	0.4	20.0%	-	-	-	-	2.2	2.0	2.4	0.4	20.0%

n.m.: not meaningful

(1) Financial results are expressed in C\$ thousands, except for assets under management, assets under administration, common share information, and financial ratios.

(2) As discussed in Note 1 of the fiscal 2005 Annual Report, the Company adopted the requirements of CICA Handbook Section 1100 in which convertible debentures and subordinated debt are classified as liabilities. These consolidated financial statements have been adjusted to reflect the reclassification of these items as liabilities from the capital section of the balance sheet.

(3) Book value per diluted share is calculated as total shareholders' equity less redeemable preferred shares divided by the number of fully diluted shares outstanding.

(4) Total compensation expenses include incentive compensation and salaries and benefits, but excludes hiring incentives and development group salary and benefits, which are included in development costs. The change in compensation payout partially reflects the implementation of a new flat payout structure for Global Capital Markets, which will effectively reduce the overall company compensation expense ratio across the full year.

(5) Special distributions per share are not included in the dividend yield and dividend payout calculations.

(6) Total shareholder return is calculated as the change in share price plus dividends and special distributions paid in the current period as a percentage of the prior period's closing share price, assuming reinvestment of all dividends.

(7) Q2/05 annualized ROE recalculated using simple average to reflect average shareholders' equity.

(8) The price to earnings multiple is calculated based on the end of period share price and 12-month trailing diluted EPS.

(9) The price to book ratio is calculated based on the end of period share price and diluted book value per share.

Canaccord Group of Companies

Condensed consolidated statement of operations

(Unaudited, for the period ended)
(in thousands of dollars) ⁽¹⁾

	Q2/04	Q3/04	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q2/06 vs. Q2/05		FY01	FY02	FY03	FY04	FY05	6 Months Ended			
										Increase	(decrease)						Q2/05	Q2/06	Increase	(decrease)
Revenue																				
Private Client Services	39,144	48,540	60,667	38,322	36,499	46,964	56,391	39,630	52,411	15,912	43.6%	140,251	90,534	97,784	175,983	178,176	74,821	92,041	17,220	23.0%
Global Capital Markets	39,001	66,515	85,425	39,171	46,671	72,368	81,444	54,457	60,048	13,377	28.7%	66,288	72,264	91,629	211,758	239,654	85,842	114,505	28,663	33.4%
Other	3,258	3,584	4,595	3,072	2,431	4,351	5,094	4,930	6,195	3,764	154.8%	12,230	7,635	9,793	14,416	14,948	5,503	11,125	5,622	102.2%
	81,403	118,639	150,687	80,565	85,601	123,683	142,929	99,017	118,654	33,053	38.6%	218,769	170,433	199,206	402,157	432,778	166,166	217,671	51,505	31.0%
Expenses																				
Incentive compensation ⁽²⁾	39,669	69,927	85,532	35,093	42,721	65,449	77,191	48,650	59,580	16,859	39.5%	100,727	78,428	92,594	218,802	220,454	77,814	108,230	30,416	39.1%
Salaries and benefits	8,338	9,181	10,773	11,214	10,414	10,957	13,130	9,226	9,409	(1,005)	-9.7%	34,418	32,147	35,661	37,193	45,715	21,628	18,635	(2,993)	-13.8%
Trading costs	3,808	4,666	5,292	4,453	3,540	4,377	4,493	4,312	4,247	707	20.0%	13,745	9,621	15,343	17,310	16,863	7,993	8,559	566	7.1%
Premises and equipment	3,117	3,184	3,709	3,029	2,920	2,875	3,025	3,626	3,067	147	5.0%	13,274	12,616	12,089	13,017	11,849	5,949	6,693	744	12.5%
Communication and technology	3,072	3,114	2,946	3,221	3,573	3,524	3,719	3,690	3,798	225	6.3%	12,178	11,650	12,984	12,290	14,037	6,794	7,488	694	10.2%
Interest	938	1,019	1,168	2,273	1,436	1,990	2,125	2,491	2,405	969	67.5%	6,551	4,116	3,239	3,994	7,824	3,709	4,896	1,187	32.0%
General and administrative ⁽³⁾	5,927	6,433	6,910	6,044	8,013	7,248	10,866	10,016	9,063	1,050	13.1%	24,534	18,175	20,555	24,874	32,171	14,057	19,079	5,022	35.7%
Amortization	875	1,027	751	692	739	802	952	1,118	800	61	8.3%	2,794	3,982	3,898	3,565	3,185	1,431	1,918	487	34.0%
Development costs	1,955	2,058	2,396	2,075	1,976	1,872	2,001	2,091	2,038	62	3.1%	4,770	4,443	4,137	8,240	7,924	4,051	4,129	78	1.9%
Restructuring and other costs	(47)	-	-	-	-	-	-	-	-	-	-	1,906	22,753	8,505	315	-	-	-	-	-
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	5,920	1,597	-	-	-	-	-	-	-
Gain on disposal of invts & claims	-	-	-	-	-	-	-	(1,633)	-	-	-	(4,465)	-	(4,261)	-	-	-	(1,633)	(1,633)	n.m.
	67,652	100,609	119,477	68,094	75,332	99,094	117,502	83,587	94,407	19,075	25.3%	216,352	199,528	204,744	339,600	360,022	143,426	177,994	34,568	24.1%
Income (loss) before income taxes	13,751	18,030	31,210	12,471	10,269	24,589	25,427	15,430	24,247	13,978	136.1%	2,417	(29,095)	(5,538)	62,557	72,756	22,740	39,677	16,937	74.5%
Income taxes	5,150	6,763	10,218	4,065	4,146	7,846	8,120	4,352	8,493	4,347	104.8%	(901)	(11,015)	(485)	22,128	24,177	8,211	12,845	4,634	56.4%
Net income (loss)	8,601	11,267	20,992	8,406	6,123	16,743	17,307	11,078	15,754	9,631	157.3%	3,318	(18,080)	(5,053)	40,429	48,579	14,529	26,832	12,303	84.7%

Incentive compensation as % of revenue	48.7%	58.9%	56.8%	43.6%	49.9%	52.9%	54.0%	49.1%	50.2%	0.3%		46.0%	46.0%	46.5%	54.4%	50.9%	46.8%	49.7%	2.9%	
Total compensation exp. as % of revenue ⁽⁴⁾	59.0%	66.7%	63.9%	57.5%	62.1%	61.8%	63.2%	58.5%	58.1%	-4.0%		61.8%	64.9%	64.4%	63.6%	61.5%	59.8%	58.3%	-1.5%	
Non-compensation exp. as % of revenue	24.1%	18.1%	15.4%	27.0%	25.9%	18.3%	19.0%	25.9%	21.5%	-4.4%		37.1%	52.2%	38.4%	20.8%	21.7%	26.5%	23.5%	-3.0%	
Total expenses as % of revenue	83.1%	84.8%	79.3%	84.5%	88.0%	80.1%	82.2%	84.4%	79.6%	-8.4%		98.9%	117.1%	102.8%	84.4%	83.2%	86.3%	81.8%	-4.5%	
Pre-tax profit margin	16.9%	15.2%	20.7%	15.5%	12.0%	19.9%	17.8%	15.6%	20.4%	8.4%		1.1%	-17.1%	-2.8%	15.6%	16.8%	13.7%	18.2%	4.5%	
Effective tax rate	37.5%	37.5%	32.7%	32.6%	40.4%	31.9%	31.9%	28.2%	35.0%	-5.4%		37.3%	37.9%	8.8%	35.4%	33.2%	36.1%	32.4%	-3.7%	
Basic earnings (loss) per share	0.31	0.40	0.74	0.28	0.14	0.37	0.38	0.24	0.35	0.21	150.0%	0.14	(0.71)	(0.18)	1.43	1.17	0.38	0.60	0.22	57.9%
Fully diluted earnings (loss) per share	0.24	0.32	0.58	0.23	0.13	0.36	0.38	0.24	0.34	0.21	161.5%	0.14	(0.71)	(0.18)	1.12	1.11	0.35	0.58	0.23	65.7%
Book value per diluted share	1.56	1.94	2.59	4.29	4.32	4.65	4.82	4.91	4.82	0.50	11.6%	n.m.	n.m.	1.84	2.59	4.82	4.32	4.82	0.50	11.6%
Dividends per share	-	-	-	0.05	0.05	0.05	0.11	0.06	0.06	0.01	20.0%	-	-	-	-	0.26	0.10	0.12	0.02	20.0%
Special distributions per share ⁽⁵⁾	-	-	-	-	-	0.15	-	-	-	n.m.	n.m.	-	-	-	-	0.15	-	-	n.m.	n.m.
Dividend yield (closing share price) ⁽⁵⁾	-	-	-	1.9%	2.3%	2.2%	4.2%	2.6%	2.1%	-0.2%		-	-	-	-	2.5%	2.3%	2.1%	-0.2%	
Dividend payout ratio ⁽⁵⁾	-	-	-	27.4%	37.7%	13.8%	29.3%	25.0%	17.7%	-20.0%		-	-	-	-	24.7%	31.8%	20.7%	-11.1%	
Total shareholder return ⁽⁶⁾	-	-	-	4.8%	-19.4%	7.5%	16.3%	-11.7%	28.3%	47.7%		-	-	-	-	5.5%	-15.6%	13.3%	28.9%	
Annualized ROE / ROCE ⁽⁷⁾	44.9%	51.4%	79.1%	19.3%	12.2%	32.1%	32.2%	19.8%	27.8%	15.6%		5.1%	-28.3%	-7.5%	43.5%	23.9%	15.8%	23.8%	8.0%	
Price to earnings multiple	-	-	-	7.8	6.8	7.1	9.5	8.2	8.8	2.0	29.4%	-	-	-	-	9.5	6.8	8.8	2.0	29.4%
Price to book ratio	-	-	-	2.5	2.0	2.0	2.2	1.9	2.4	0.4	20.0%	-	-	-	-	2.2	2.0	2.4	0.4	20.0%

(1) Financial results are expressed in C\$ thousands, except for common share information and financial ratios.

(2) Incentive compensation includes National Health Insurance tax applicable to the UK and is based on a percentage of incentive compensation payout. Refer to the UK statement of operations for further details (page 7).

(3) Q1/05 figures are reclassified to reflect the reclassification of promotion and travel expenses in Global Capital Market from incentive compensation to general and administrative.

(4) Total compensation expenses include incentive compensation and salaries and benefits, but excludes hiring incentives and development group salary and benefits, which are included in development costs. The change in compensation payout partially reflects the implementation of a new flat payout structure for Global Capital Markets, which will effectively reduce the overall company compensation expense ratio across the full year.

(5) Special distributions per share are not included in the dividend yield and dividend payout calculations.

(6) Total shareholder return is calculated as the change in share price plus dividends and special distributions paid in the current period as a percentage of the prior period's closing share price, assuming reinvestment of all dividends.

(7) Q2/05 annualized ROE recalculated using simple average to reflect average shareholders' equity.

Private Client Services

Condensed statement of operations

(Unaudited, for the period ended)
(in thousands of dollars)⁽¹⁾

	Q2/04	Q3/04	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q2/06 vs. Q2/05		FY01	FY02	FY03	FY04	FY05	6 Months Ended				
										Increase (decrease)							Q2/05	Q2/06	Increase (decrease)		
Revenue																					
Private Client Services (PCS)	39,144	48,540	60,667	38,322	36,499	46,964	56,391	39,630	52,411	15,912	43.6%	140,251	90,534	97,784	175,983	178,176	74,821	92,041	17,220	23.0%	
Expenses																					
Incentive compensation	17,542	23,896	28,498	17,724	17,344	22,668	26,660	17,581	25,033	7,689	44.3%	61,864	40,915	45,179	82,758	84,396	35,068	42,614	7,546	21.5%	
Salaries and benefits	2,201	2,382	3,237	2,851	2,454	2,494	3,359	3,036	2,827	373	15.2%	9,950	7,703	9,105	10,157	11,158	5,305	5,863	558	10.5%	
Trading costs ⁽²⁾	100	309	509	2,341	1,850	2,310	2,301	2,217	2,014	164	8.9%	2,388	1,050	1,646	1,308	8,802	4,191	4,231	40	1.0%	
Premises and equipment	1,158	1,168	1,229	1,117	1,133	1,132	1,271	1,350	1,298	165	14.6%	4,778	4,739	4,555	4,742	4,653	2,250	2,648	398	17.7%	
Communication and technology	1,294	1,400	1,368	1,455	1,459	1,442	1,463	1,459	1,480	21	1.4%	6,319	6,575	6,636	5,491	5,819	2,914	2,939	25	0.9%	
Interest	-	-	-	778	668	1,028	1,237	1,282	1,267	599	89.7%	-	-	-	-	-	3,711	1,446	2,549	1,103	76.3%
General and administrative	2,297	2,678	2,462	1,093	948	709	2,330	2,833	1,985	1,037	109.4%	6,906	7,057	5,719	9,311	5,080	2,041	4,818	2,777	136.1%	
Amortization	330	448	189	242	253	274	318	380	273	20	7.9%	871	1,321	1,399	1,295	1,087	495	653	158	31.9%	
Development costs	1,028	750	660	683	576	731	808	882	905	329	57.1%	1,949	1,295	2,015	3,261	2,798	1,259	1,787	528	41.9%	
Restructuring and other costs	(47)	-	-	-	-	-	-	-	-	-	-	1,020	10,897	6,896	315	-	-	-	-	-	
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	25,903	33,031	38,152	28,284	26,685	32,788	39,747	31,020	37,082	10,397	39.0%	96,045	81,552	83,150	118,638	127,504	54,969	68,102	13,133	23.9%	
Income before income taxes⁽³⁾	13,241	15,509	22,515	10,038	9,814	14,176	16,644	8,610	15,329	5,515	56.2%	44,206	8,982	14,634	57,345	50,672	19,852	23,939	4,087	20.6%	
PCS fee-related revenue ⁽⁴⁾	23.8%	18.7%	14.1%	20.3%	18.5%	15.4%	17.5%	24.2%	19.2%	0.7%		12.7%	18.8%	28.9%	20.3%	17.7%	19.4%	21.4%	2.0%		
Incentive compensation as % of revenue	44.8%	49.2%	47.0%	46.3%	47.5%	48.3%	47.3%	44.4%	47.8%	0.3%		44.1%	45.2%	46.2%	47.0%	47.4%	46.9%	46.3%	-0.6%		
Total compensation exp. as % of revenue ⁽⁵⁾	50.4%	54.1%	52.3%	53.7%	54.2%	53.6%	53.2%	52.0%	53.2%	-1.0%		51.2%	53.7%	55.5%	52.8%	53.6%	54.0%	52.7%	-1.3%		
Non-compensation exp. as % of revenue	15.8%	13.9%	10.6%	20.1%	18.9%	16.2%	17.3%	26.3%	17.6%	-1.3%		17.3%	36.4%	29.5%	14.6%	18.0%	19.5%	21.3%	1.8%		
Total expenses as % of revenue	66.2%	68.0%	62.9%	73.8%	73.1%	69.8%	70.5%	78.3%	70.8%	-2.3%		68.5%	90.1%	85.0%	67.4%	71.6%	73.5%	74.0%	0.5%		
Pre-tax profit margin	33.8%	32.0%	37.1%	26.2%	26.9%	30.2%	29.5%	21.7%	29.2%	2.3%		31.5%	9.9%	15.0%	32.6%	28.4%	26.5%	26.0%	-0.5%		
Assets under mgmt. (\$ millions)	135	205	237	274	301	344	380	410	491	190	63.1%	18	51	104	237	380	301	491	190	63.1%	
Assets under admin. (\$ millions)	6,232	7,049	8,292	8,244	8,678	8,998	9,967	9,954	11,495	2,817	32.5%	4,428	4,978	5,037	8,292	9,967	8,678	11,495	2,817	32.5%	
Number of employees	602	608	623	642	638	647	657	667	663	25	3.9%	630	623	628	623	657	638	663	25	3.9%	
Number of Investment Advisors	410	408	409	426	420	426	434	439	441	21	5.0%	413	416	417	409	434	420	441	21	5.0%	
Number of PCS clients	130,837	133,961	138,142	140,553	138,684	140,915	144,451	145,336	147,930	9,246	6.7%	147,908	149,360	131,584	138,142	144,451	138,684	147,930	9,246	6.7%	

(1) Financial results are expressed in C\$ thousands, except for financial ratios, assets under administration, assets under management, number of employees, Investment Advisors, and PCS clients.

(2) Prior to fiscal 2005, trading costs for Private Client Services and Global Capital Markets were recorded in Other segment. As of Q1/05, trading costs applicable to each business segment are reflected in their respective financial statements. As a result, year-over-year comparisons may vary due to the change in methodology.

(3) Income before income taxes excludes allocated overhead expenses which are included in Other segment expenses.

(4) PCS fee-related revenue includes RRSP interest revenue and commissions earned from managed accounts, fee-based accounts, bonds, mutual funds, and insurance.

(5) Total compensation expenses include incentive compensation and salaries and benefits.

Other segment
Condensed statement of operations

(Unaudited, for the period ended)
(in thousands of dollars) ⁽¹⁾

	Q2/04	Q3/04	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q2/06 vs. Q2/05		FY01	FY02	FY03	FY04	FY05	6 Months Ended			
										Increase (decrease)							Q2/05	Q2/06	Increase (decrease)	
Revenue																				
Other	3,258	3,584	4,595	3,072	2,431	4,351	5,094	4,930	6,195	3,764	154.8%	12,230	7,635	9,793	14,416	14,948	5,503	11,125	5,622	102.2%
Expenses																				
Incentive compensation	4,312	5,425	4,607	2,286	1,972	2,817	3,953	2,288	3,843	1,871	94.9%	5,275	1,864	1,433	15,746	11,028	4,258	6,131	1,873	44.0%
Salaries and benefits	3,292	3,696	4,036	4,542	4,152	4,340	4,946	4,903	4,792	640	15.4%	13,269	12,505	13,070	14,519	17,980	8,694	9,695	1,001	11.5%
Trading costs ⁽²⁾	3,355	3,313	3,714	361	194	286	269	432	354	160	82.5%	7,999	6,146	9,915	12,562	1,110	555	786	231	41.6%
Premises and equipment	854	993	1,376	887	725	773	831	936	850	125	17.2%	4,726	3,733	2,900	4,039	3,216	1,612	1,786	174	10.8%
Communication and technology	842	660	609	515	728	842	881	724	856	128	17.6%	2,457	970	1,427	2,594	2,966	1,243	1,580	337	27.1%
Interest	919	1,031	1,161	1,445	721	760	576	821	942	221	30.7%	5,932	3,820	2,907	3,959	3,502	2,166	1,763	(403)	-18.6%
General and administrative	2,151	2,090	1,818	2,152	3,372	4,164	3,955	3,285	3,024	(348)	-10.3%	7,399	6,308	5,779	7,931	13,643	5,524	6,309	785	14.2%
Amortization	241	271	245	185	195	211	303	293	227	32	16.4%	1,047	1,017	1,011	979	894	380	520	140	36.8%
Development costs	813	1,169	1,304	1,312	1,118	1,055	959	1,054	1,045	(73)	-6.5%	2,682	2,773	2,792	4,143	4,444	2,430	2,099	(331)	-13.6%
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	-	1,200	-	-	-	-	-	-	-
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	5,420	1,436	-	-	-	-	-	-	-
Gain on disposal of invts & claims	-	-	-	-	-	-	-	(1,633)	-	-	-	-	-	(4,261)	-	-	-	(1,633)	(1,633)	n.m.
	16,779	18,648	18,870	13,685	13,177	15,248	16,673	13,103	15,933	2,756	20.9%	56,206	41,772	36,973	66,472	58,783	26,862	29,036	2,174	8.1%
Loss before income taxes ⁽³⁾	(13,521)	(15,064)	(14,275)	(10,613)	(10,746)	(10,897)	(11,579)	(8,173)	(9,738)	1,008	9.4%	(43,976)	(34,137)	(27,180)	(52,056)	(43,835)	(21,359)	(17,911)	3,448	16.1%
Number of employees	275	281	296	308	314	316	324	328	336	22	7.0%	282	259	277	296	324	314	336	22	7.0%

(1) Financial results are expressed in C\$ thousands, except for number of employees.

(2) Prior to fiscal 2005, trading costs for Private Client Services and Global Capital Markets were recorded in Other segment. As of Q1/05, trading costs applicable to each business segment are reflected in their respective financial statements. As a result, year-over-year comparisons may vary due to the change in methodology.

(3) Loss before income taxes includes general expenses and overhead expenses prior to allocation to the Private Client Services and Global Capital Markets segments.

Canaccord group of companies
Consolidated balance sheet

(Unaudited, as at)

(in thousands of dollars)

	Q2/04	Q3/04	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q2/06 vs. Q2/05		FY01	FY02	FY03	FY04	FY05
										Increase (decrease)						
Assets																
Cash and cash equivalents	90,306	110,001	91,966	34,008	158,560	256,158	349,700	282,485	223,914	65,354	41.2%	24,291	23,697	100,024	91,966	349,700
Securities owned, at market	154,298	202,500	376,447	377,789	305,611	184,895	160,348	122,745	157,334	(148,277)	-48.5%	94,057	89,608	136,073	376,447	160,348
Accounts receivable	761,732	754,766	997,621	1,052,409	1,011,210	719,508	1,068,537	855,583	1,138,934	127,724	12.6%	366,042	639,243	559,627	997,621	1,068,537
Income taxes recoverable	-	-	-	-	701	-	-	1,222	-	(701)	-100.0%	10,861	8,581	558	-	-
Future income taxes	3,202	3,029	-	1,645	1,609	1,834	3,992	4,109	3,557	1,948	121.1%	-	2,327	3,735	-	3,992
Equipment and leasehold improvements	10,671	10,719	12,373	12,182	12,373	13,904	13,750	14,131	15,937	3,564	28.8%	16,085	14,151	12,027	12,373	13,750
Notes receivable	17,834	22,758	28,765	35,355	39,251	41,055	41,618	42,731	10,023	(29,228)	-74.5%	-	5,614	17,393	28,765	41,618
Deferred charges	1,091	940	1,194	752	632	266	220	147	314	(318)	-50.3%	967	-	1,300	1,194	220
Total Assets	1,039,134	1,104,713	1,508,366	1,514,140	1,529,947	1,217,620	1,638,165	1,323,153	1,550,013	20,066	1.3%	512,303	783,221	830,737	1,508,366	1,638,165
Liabilities and shareholders' equity																
Call loans	-	-	2,541	40,745	677	6,311	-	819	-	(677)	-100.0%	45,072	1,924	-	2,541	-
Securities sold short, at market	57,816	113,189	281,723	270,228	190,796	90,033	105,527	49,180	59,602	(131,194)	-68.8%	21,312	31,645	85,373	281,723	105,527
Accounts payable and accrued liabilities	869,895	853,968	1,048,395	957,362	1,099,731	862,582	1,262,072	1,003,765	1,254,396	154,665	14.1%	358,736	662,724	644,043	1,048,395	1,262,072
Income taxes payable	3,780	10,305	16,905	2,742	-	3,259	6,737	-	2,374	2,374	n.m.	-	-	-	16,905	6,737
Future income taxes	-	-	973	-	-	-	-	-	-	-	-	-	-	-	973	-
Notes payable	17,834	22,758	28,765	35,355	39,251	41,055	41,618	42,731	10,023	(29,228)	-74.5%	683	8,446	17,393	28,765	41,618
Convertible debentures ⁽¹⁾	21,215	20,763	20,377	-	-	-	-	-	-	-	-	-	11,225	21,225	20,377	-
Subordinated debt ⁽¹⁾	10,000	10,000	10,000	10,000	-	-	-	-	-	-	-	20,000	17,000	10,000	10,000	-
Shareholders' equity ⁽¹⁾	58,594	73,730	98,687	197,708	199,492	214,380	222,211	226,658	223,618	24,126	12.1%	66,500	50,257	52,703	98,687	222,211
Total liabilities and shareholders' equity	1,039,134	1,104,713	1,508,366	1,514,140	1,529,947	1,217,620	1,638,165	1,323,153	1,550,013	20,066	1.3%	512,303	783,221	830,737	1,508,366	1,638,165

(1) As discussed in Note 1 of the fiscal 2005 Annual Report, the Company adopted the requirements of CICA Handbook Section 1100 in which convertible debentures and subordinated debt are classified as liabilities. These consolidated financial statements have been adjusted to reflect the reclassification of these items as liabilities from the capital section of the balance sheet.

Equity offerings of \$1.5 million and greater

Q2/06 vs. Q2/05:

Q2/06 (July 1-September 30, 2005)								Q2/05 (July 1-September 30, 2004) ⁽²⁾							
Manager	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)	# of deals led ⁽¹⁾	Market share	Rank by mkt. share	Gross proceeds (led transactions) (\$000's)	Manager	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)	# of deals led ⁽¹⁾	Market share	Rank by mkt. share	Gross proceeds (led transactions) (\$000's)
Canaccord Capital	73	1	5,775,565	18.0	8.4%	1	279,230	Canaccord Capital	65	1	7,318,168	17.0	10.2%	2	147,941
TD Securities	61	2	6,859,836	7.5	3.5%	10	592,176	BMO Nesbitt	46	2	8,221,283	6.2	3.7%	10	392,782
CIBC World Markets	60	3	6,998,554	17.5	8.2%	2	2,668,823	National Bank	44	3	7,942,762	7.2	4.3%	9	884,686
Scotia Capital	53	4	6,927,493	6.5	3.0%	11	640,547	CIBC World Markets	44	4	7,551,690	10.7	6.5%	4	1,897,818
BMO Nesbitt	49	5	6,287,005	8.0	3.7%	7	941,509	RBC Dominion	39	5	8,195,606	10.2	6.2%	5	2,143,721
RBC Dominion	48	6	6,306,108	17.5	8.1%	3	1,984,659	Raymond James	38	6	6,692,827	2.0	1.2%	15	31,730
National Bank	48	7	5,766,532	5.5	2.6%	13	567,719	Dundee Securities	38	7	4,836,448	18.0	10.9%	1	127,595
Blackmont Capital	46	8	3,858,586	9.0	4.2%	6	205,775	TD Securities	37	8	7,853,937	2.7	1.6%	14	670,040
Raymond James	39	9	4,483,737	3.5	1.6%	14	96,700	GMP	35	9	5,271,297	9.0	5.4%	6	341,245
Dundee Securities	33	10	2,515,808	8.0	3.7%	9	64,130	Scotia Capital	34	10	7,556,151	10.8	6.5%	3	1,264,338
Others				114.0	53.0%		1,788,861	Others				72.2	43.5%		2,035,798
				215	100%							166	100%		

Fiscal 2006 vs. Fiscal 2005:

Fiscal 2006 (April 1, 2005-September 30, 2005)								Fiscal 2005 (April 1, 2004-September 30, 2004) ⁽²⁾							
Manager	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)	# of deals led ⁽¹⁾	Market share	Rank by mkt. share	Gross proceeds (led transactions) (\$000's)	Manager	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)	# of deals led ⁽¹⁾	Market share	Rank by mkt. share	Gross proceeds (led transactions) (\$000's)
Canaccord Capital	156	1	12,152,276	37.5	8.3%	1	767,289	Canaccord Capital	159	1	11,947,958	40.5	9.4%	1	395,638
CIBC World Markets	123	2	14,276,910	36.5	8.1%	2	4,986,197	CIBC World Markets	117	2	15,443,264	35.0	8.1%	2	4,021,680
TD Securities	120	3	14,091,369	16.0	3.5%	9	1,239,619	National Bank	115	3	15,599,019	17.7	4.1%	8	1,544,640
BMO Nesbitt	102	4	12,876,399	24.5	5.4%	5	2,493,446	BMO Nesbitt	115	4	15,494,113	18.0	4.2%	7	1,557,828
Blackmont Capital	102	5	8,210,999	21.0	4.7%	6	313,321	RBC Dominion	109	5	15,905,135	34.8	8.1%	3	4,434,361
National Bank	99	6	11,609,799	10.0	2.2%	13	825,229	TD Securities	105	6	14,865,333	9.0	2.1%	14	1,291,432
Scotia Capital	98	7	12,264,676	14.8	3.3%	11	1,725,594	Scotia Capital	102	7	15,269,616	21.7	5.1%	6	2,473,795
RBC Dominion	92	8	12,362,418	27.8	6.2%	4	3,648,723	Dundee Securities	96	8	8,358,191	29.0	6.8%	5	384,828
Raymond James	76	9	7,381,529	5.5	1.2%	17	223,651	GMP	93	9	7,392,016	33.0	7.7%	4	785,233
GMP	75	10	4,573,182	28.5	6.3%	3	947,038	Raymond James	80	10	10,246,905	5.0	1.2%	17	71,855
Others				228.9	50.8%		3,150,016	Others				185.3	43.2%		4,119,241
				451	100%							429	100%		

Source: Financial Post Data Group. The Financial Post Data Group is a dynamic database which is continually updated. Year to date figures may not necessarily agree with previously disclosed figures.

(1) Number of deals led reflects both led and joint led deals and is participation weighted.

(2) Q2/05 and Fiscal 2005 figures are reclassified to reflect number of deals led and joint led. Market share and gross proceeds are recalculated based on the number of deals led and joint led.