

CANACCORD Financial

Canaccord Financial Inc.

Supplementary Financial Information

First Quarter Fiscal 2012

For the period ended June 30, 2011

(Unaudited and in Canadian dollars)

Investor Relations Department

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Advisory note:

This document is not audited and should be read in conjunction with the First Quarter Fiscal 2012 Quarterly Report to Shareholders (unaudited) dated August 3, 2011, and the Annual Report dated May 17, 2011. Canaccord's fiscal year end is defined as March 31st of each year. Canaccord's first quarter fiscal 2012 ended June 30, 2011 is also referred to as Q1/12 in the following disclosure.

International Financial Reporting Standards:

As required by the Canadian Accounting Standards Board (AcSB), the Company adopted International Financial Reporting Standards (IFRS) effective April 1, 2011. Beginning the quarter ended June 30, 2011, all financial information provided are in accordance with International Financial Reporting Standards except for non-IFRS measures. Comparative financial information for the four quarters of fiscal 2011 has been restated and presented in accordance with IFRS. All financial information provided prior to Q1/11 is in accordance with Canadian Generally Accepted Accounting Principles (CGAAP).

Non-IFRS and Non-GAAP measures:

Certain non-IFRS and non-GAAP measures are utilized by the Company as measures of financial performance. Non-IFRS and non-GAAP measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Non-IFRS and non-GAAP measures included are: net income after intersegment allocated costs, supplementary information excluding significant and acquisition-related items, return on average common equity (ROE), book value per diluted common share, 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, price to earnings multiple (P/E), price to book ratio (P/B), and CWM fee-related revenue.

Currency:

Unless otherwise specified, all currencies are in thousands of Canadian dollars.

**Corporate and Other segment
Condensed statement of operations**

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

	Q1/12 vs. Q1/11		Q1/12					Q4/10				FY11				
	Increase (decrease)		Q1/12	Q4/11	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	FY11	FY10	FY09	FY08	FY07
			IFRS	IFRS	IFRS	IFRS	IFRS	CGAAP	CGAAP	CGAAP	CGAAP	IFRS	CGAAP	CGAAP	CGAAP	CGAAP
Revenue																
Canada	3,065	67.2%	7,623	11,120	8,477	7,783	4,558	4,647	5,374	5,131	11,781	31,938	26,933	27,886	50,770	34,578
	3,065	67.2%	7,623	11,120	8,477	7,783	4,558	4,647	5,374	5,131	11,781	31,938	26,933	27,886	50,770	34,578
Expenses																
Incentive compensation	199	6.6%	3,233	8,010	7,696	2,722	3,034	2,935	5,929	1,837	4,589	21,462	15,290	6,029	14,703	22,647
Salaries and benefits	55	0.7%	7,968	7,667	7,242	7,351	7,913	7,024	6,489	6,247	6,152	30,173	25,912	26,883	24,986	22,789
Trading costs	(143)	(24.0)%	453	540	325	536	596	615	569	607	298	1,997	2,089	440	479	313
Premises and equipment	383	25.7%	1,871	1,951	1,667	1,625	1,488	1,290	1,170	1,057	1,047	6,731	4,564	5,507	4,769	4,891
Communication and technology	78	7.3%	1,151	1,165	824	1,253	1,073	1,098	1,172	1,140	1,173	4,315	4,583	5,244	4,616	4,787
Interest	42	11.8%	398	427	391	361	356	337	290	322	442	1,535	1,391	2,045	2,196	70
General and administrative	535	17.4%	3,609	5,365	3,517	3,694	3,074	4,645	3,707	3,993	2,101	15,650	14,446	14,029	16,897	15,651
Amortization	145	45.7%	462	561	361	343	317	383	364	362	361	1,582	1,470	2,623	2,825	2,582
Development costs	31	8.4%	401	786	587	576	370	1,160	1,040	1,087	1,005	2,319	4,292	5,652	5,681	4,450
ABCP fair value adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	6,700	9,567	-
Restructuring costs	-	-	-	-	-	-	-	-	-	-	-	-	-	1,511	2,300	-
	1,325	7.3%	19,546	26,472	22,610	18,461	18,221	19,487	20,730	16,652	17,168	85,764	74,037	76,663	89,019	78,180
Loss before intersegment allocations and income taxes	1,740	12.7%	(11,923)	(15,352)	(14,133)	(10,678)	(13,663)	(14,840)	(15,356)	(11,521)	(5,387)	(53,826)	(47,104)	(48,777)	(38,249)	(43,602)
Intersegment allocations to Canaccord Genuity	(325)	(12.0)%	(3,041)	(2,549)	(2,734)	(2,904)	(2,716)	(2,700)	(2,371)	(2,191)	(2,311)	(10,903)	(9,573)	n/a	n/a	n/a
Intersegment allocations to Canaccord Wealth Management	680	7.2%	(8,724)	(9,382)	(8,444)	(9,374)	(9,404)	(9,225)	(9,773)	(8,219)	(8,565)	(36,604)	(35,782)	n/a	n/a	n/a
Income (loss) before income taxes	1,385	89.8%	(158)	(3,421)	(2,955)	1,600	(1,543)	(2,915)	(3,212)	(1,111)	5,489	(6,319)	(1,749)	n/a	n/a	n/a
Number of employees	11	3.0%	382	373	365	369	371	364	360	359	352	373	364	356	380	360

Supplementary Information Excluding Significant and Acquisition-related Items (Non-IFRS and Non-GAAP) ^{(16) (27)}

	Q1/12 vs. Q1/11		Q1/12					Q4/10				FY11				
	Increase (decrease)		Q1/12	Q4/11	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	FY11	FY10	FY09	FY08	FY07
Revenue	3,065	67.2%	7,623	11,120	8,477	7,783	4,558	4,647	5,374	5,131	11,781	31,938	26,933	27,886	50,770	34,578
Total expenses	1,325	7.3%	19,546	26,472	22,610	18,461	18,221	19,487	20,730	16,652	17,168	85,764	74,037	68,452	77,152	78,180
Loss before intersegment allocations and income taxes	1,740	12.7%	(11,923)	(15,352)	(14,133)	(10,678)	(13,663)	(14,840)	(15,356)	(11,521)	(5,387)	(53,826)	(47,104)	(40,566)	(26,382)	(43,602)

Note: Please find notes on Page 12.

Canada

Condensed statement of operations ⁽²⁰⁾

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

	Q1/12 vs. Q1/11		Q1/12				Q4/10				FY11					
	Increase (decrease)		IFRS	IFRS	IFRS	IFRS	IFRS	CGAAP	CGAAP	CGAAP	CGAAP	IFRS	CGAAP	CGAAP	CGAAP	CGAAP
Revenue																
Canaccord Genuity	3,814	6.6%	61,867	100,901	121,385	58,181	58,053	39,289	67,352	34,463	36,477	338,520	177,581	122,850	212,585	227,324
Canaccord Wealth Management	7,293	15.7%	53,600	71,218	67,044	43,529	46,307	54,086	50,900	39,596	39,676	228,098	184,258	169,628	245,711	268,590
Corporate and Other	3,065	67.2%	7,623	11,120	8,477	7,783	4,558	4,647	5,374	5,131	11,781	31,938	26,933	27,886	50,770	34,578
	14,172	13.0%	123,090	183,239	196,906	109,493	108,918	98,022	123,626	79,190	87,934	598,556	388,772	320,364	509,066	530,492
Expenses																
Incentive compensation	6,639	13.3%	56,728	86,655	95,272	49,360	50,089	48,182	65,080	38,928	43,575	281,376	195,765	146,064	231,721	263,196
Salaries and benefits	393	2.9%	13,773	14,496	12,178	13,744	13,380	13,818	12,075	11,462	11,235	53,798	48,590	45,993	45,217	39,359
Trading costs	1,023	17.7%	6,806	6,617	6,104	5,375	5,783	5,147	4,751	4,541	4,327	23,879	18,766	14,597	16,262	16,983
Premises and equipment	489	12.0%	4,575	5,263	5,085	4,655	4,086	4,079	4,027	3,885	3,702	19,089	15,693	15,453	14,500	14,529
Communication and technology	92	2.5%	3,756	3,726	3,429	4,011	3,664	3,374	3,740	3,502	3,811	14,830	14,427	18,120	17,836	16,961
Interest	1,838	340.4%	2,378	2,383	2,974	1,630	540	172	429	277	(260)	7,527	618	7,893	22,799	20,121
General and administrative	292	2.8%	10,637	14,217	12,149	11,678	10,345	12,296	9,716	7,759	7,413	48,389	37,184	41,297	45,245	42,592
Amortization	(388)	(14.3)%	2,322	2,425	2,214	3,116	2,710	1,260	1,226	1,204	1,192	10,465	4,882	6,053	5,605	5,428
Development costs	(844)	(21.7)%	3,039	3,450	3,476	3,749	3,883	4,449	5,476	4,114	3,772	14,558	17,811	15,923	14,038	12,105
Acquisition-related costs	(10,990)	(100.0)%	-	-	1,750	-	10,990	5,000	-	-	-	12,740	5,000	-	-	-
ABCP fair value adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	6,700	12,797	-
Canaccord relief program	-	-	-	-	-	-	-	-	-	-	-	-	-	5,347	54,200	-
Impairment of goodwill and intangibles	-	-	-	-	-	-	-	-	-	-	-	-	-	3,958	-	-
Restructuring costs	-	-	-	-	-	-	-	-	-	-	-	-	-	2,765	4,000	-
	(1,456)	(1.4)%	104,014	139,232	144,631	97,318	105,470	97,777	106,520	75,672	78,767	486,651	358,736	330,163	484,220	431,274
Income (loss) before income taxes	15,628	453.2%	19,076	44,007	52,275	12,175	3,448	245	17,106	3,518	9,167	111,905	30,036	(9,799)	24,846	99,218
Incentive compensation as % of revenue	0.1 p.p.		46.1%	47.3%	48.4%	45.1%	46.0%	49.2%	52.6%	49.2%	49.6%	47.3%	50.4%	45.6%	45.5%	49.7%
Total compensation exp. as % of revenue ⁽¹⁵⁾	(1.0) p.p.		57.3%	55.2%	54.6%	57.6%	58.3%	63.3%	62.4%	63.6%	62.3%	56.3%	62.9%	59.9%	54.4%	57.1%
Non-compensation exp. as % of revenue	(11.3) p.p.		27.2%	20.8%	18.9%	31.2%	38.6%	36.5%	23.8%	31.9%	27.2%	25.2%	29.4%	43.1%	40.8%	24.3%
Total expenses as % of revenue	(12.3) p.p.		84.5%	76.0%	73.5%	88.9%	96.8%	99.8%	86.2%	95.6%	89.5%	81.5%	92.2%	103.1%	95.2%	81.4%
Pre-tax and profit margin	12.3 p.p.		15.5%	24.0%	26.5%	11.1%	3.2%	0.2%	13.8%	4.4%	10.4%	18.5%	7.7%	(3.1)%	4.9%	18.7%
Number of employees	(20)	(1.5)%	1,313	1,325	1,312	1,310	1,333	1,247	1,271	1,257	1,244	1,325	1,247	1,265	1,395	1,334

Supplementary Information Excluding Significant and Acquisition-related Items (Non-IFRS and Non-GAAP) ^{(16) (27)}

	Q1/12 vs. Q1/11		Q1/12				Q4/10				FY11					
	Increase (decrease)		IFRS	IFRS	IFRS	IFRS	IFRS	CGAAP	CGAAP	CGAAP	CGAAP	IFRS	CGAAP	CGAAP	CGAAP	CGAAP
Revenue	14,172	13.0%	123,090	183,239	196,906	109,493	108,918	98,022	123,626	79,190	87,934	598,556	388,772	320,364	509,066	530,492
Total expenses	10,043	10.8%	103,084	138,302	141,951	95,491	93,041	92,777	106,520	75,672	78,767	468,785	353,736	311,393	413,223	431,274
Income before income taxes	4,129	26.0%	20,006	44,937	54,955	14,002	15,877	5,245	17,106	3,518	9,167	129,771	35,036	8,971	95,843	99,218
Non-compensation exp. as % of revenue	(0.7) p.p.		26.5%	20.3%	17.5%	29.6%	27.2%	31.4%	23.8%	31.9%	27.2%	22.2%	28.1%	37.3%	26.8%	24.3%
Total expenses as % of revenue	(1.7) p.p.		83.7%	75.5%	72.1%	87.2%	85.4%	94.6%	86.2%	95.6%	89.5%	78.5%	90.9%	97.2%	81.2%	81.4%
Pre-tax and profit margin	1.7 p.p.		16.3%	24.5%	27.9%	12.8%	14.6%	5.4%	13.8%	4.4%	10.4%	21.5%	9.0%	2.8%	18.8%	18.6%

Supplementary Revenue Breakdown

	Q1/12 vs. Q1/11		Q1/12				Q4/10				FY11					
	Increase (decrease)		IFRS	IFRS	IFRS	IFRS	IFRS	CGAAP	CGAAP	CGAAP	CGAAP	IFRS	CGAAP	CGAAP	CGAAP	CGAAP
Commission	88	0.2%	44,915	61,873	67,349	44,815	44,827	49,348	47,003	43,321	42,012	218,864	181,684	173,357	234,389	245,369
Investment banking	4,888	11.9%	46,052	75,738	91,523	41,541	41,164	34,068	56,636	22,209	25,318	249,966	138,231	70,730	170,811	192,313
Advisory fees	3,190	21.9%	17,764	19,980	19,913	8,420	14,574	1,297	1,601	1,211	1,444	62,887	5,553	14,909	17,584	12,713
Principal trading	(1,336)	(103.7)%	(48)	6,902	3,619	2,704	1,288	3,191	9,164	3,867	4,913	14,513	21,135	9,673	3,820	14,642
Interest	4,701	152.7%	7,780	7,586	7,687	5,362	3,079	3,272	3,852	3,893	3,439	23,714	14,456	35,471	58,127	52,152
Other	2,641	66.3%	6,627	11,160	6,815	6,651	3,986	6,846	5,370	4,689	10,808	28,612	27,713	16,224	24,335	13,303
	14,172	13.0%	123,090	183,239	196,906	109,493	108,918	98,022	123,626	79,190	87,934	598,556	388,772	320,364	509,066	530,492
Facilitation losses ⁽²⁸⁾	(3,877)	(56.0)%	(10,795)	(9,261)	(1,134)	(5,070)	(6,918)	n/a	n/a	n/a	n/a	(22,383)	n/a	n/a	n/a	n/a

Note: Please find notes on Page 12.

UK and Other Foreign Locations
Condensed statement of operations ⁽¹⁷⁾

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

	Q1/12 vs. Q1/11		Q1/12					Q4/10				FY11				
	Increase (decrease)		Q1/12	Q4/11	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	FY11	FY10	FY09	FY08	FY07
			IFRS	IFRS	IFRS	IFRS	IFRS	CGAAP	CGAAP	CGAAP	CGAAP	IFRS	CGAAP	CGAAP	CGAAP	CGAAP
Revenue																
Canaccord Genuity	(6,795)	(41.7)%	9,498	35,158	23,755	18,699	16,293	24,827	26,754	14,417	22,350	93,905	88,348	79,707	128,269	145,749
	(6,795)	(41.7)%	9,498	35,158	23,755	18,699	16,293	24,827	26,754	14,417	22,350	93,905	88,348	79,707	128,269	145,749
Expenses																
Incentive compensation	(1,968)	(25.7)%	5,680	16,945	12,553	9,220	7,648	12,832	15,066	7,986	10,793	46,367	46,677	38,356	65,047	73,627
National Health Insurance tax ⁽¹⁴⁾	140	36.0%	528	419	423	430	388	380	456	371	362	1,659	1,569	1,559	1,571	3,514
Total incentive compensation	(1,828)	(22.7)%	6,208	17,364	12,976	9,650	8,036	13,212	15,522	8,357	11,155	48,026	48,246	39,915	66,618	77,141
Salaries and benefits	1,003	80.3%	2,252	1,878	1,311	1,263	1,249	1,915	1,680	1,402	1,482	5,701	6,479	5,617	4,594	3,139
Trading costs	204	24.9%	1,024	983	870	841	820	781	808	968	995	3,514	3,552	2,942	2,179	1,477
Premises and equipment	210	23.6%	1,098	958	883	889	888	958	1,067	920	952	3,618	3,897	4,101	3,278	6,400
Communication and technology	187	15.8%	1,367	1,333	1,310	1,340	1,180	680	754	523	476	5,163	2,433	2,047	2,816	2,227
Interest	(25)	(147.1)%	(8)	62	12	12	17	12	23	15	25	103	75	253	(2)	2
General and administrative	52	2.1%	2,539	2,064	1,756	1,608	2,487	1,076	1,552	1,571	1,878	7,915	6,077	15,775	11,784	10,469
Amortization	28	9.0%	340	340	314	314	312	339	391	425	448	1,280	1,603	1,843	1,825	2,016
Development costs	190	17.1%	1,298	1,550	1,103	1,012	1,108	1,972	345	343	352	4,773	3,012	1,340	1,133	269
Restructuring costs	-	-	-	-	-	-	-	-	-	-	-	-	-	1,274	-	-
	21	0.1%	16,118	26,532	20,535	16,929	16,097	20,945	22,142	14,524	17,763	80,093	75,374	75,107	94,225	103,140
Income (loss) before income taxes	(6,816)	(3477.6)%	(6,620)	8,626	3,220	1,770	196	3,882	4,612	(107)	4,587	13,812	12,974	4,600	34,044	42,609

Incentive compensation as % of revenue	16.0 p.p.	65.4%	49.4%	54.6%	51.6%	49.3%	53.2%	58.0%	58.0%	49.9%	51.1%	54.6%	50.1%	51.9%	52.9%
Total compensation exp. as % of revenue ⁽¹⁵⁾	32.1 p.p.	89.1%	54.7%	60.1%	58.4%	57.0%	60.9%	64.3%	67.7%	56.5%	57.2%	61.9%	57.1%	55.5%	55.1%
Non-compensation exp. as % of revenue	38.8 p.p.	80.6%	20.7%	26.3%	32.2%	41.8%	23.4%	18.5%	33.1%	22.9%	28.1%	23.5%	37.1%	17.9%	15.7%
Total expenses as % of revenue	70.9 p.p.	169.7%	75.5%	86.4%	90.5%	98.8%	84.4%	82.8%	100.7%	79.4%	85.3%	85.3%	94.2%	73.4%	70.8%
Pre-tax profit margin	(70.9) p.p.	(69.7)%	24.5%	13.6%	9.5%	1.2%	15.6%	17.2%	(0.7)%	20.5%	14.7%	14.7%	5.8%	26.5%	29.2%

Number of employees	53	38.4%	191	184	141	143	138	139	137	125	118	184	139	114	125	93
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Supplementary Information Excluding Significant and Acquisition-related Items (Non-IFRS and Non-GAAP) ^{(16) (27)}

(in thousands of dollars)

	Q1/12 vs. Q1/11		Q1/12					Q4/10				FY11				
	Increase (decrease)		Q1/12	Q4/11	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	FY11	FY10	FY09	FY08	FY07
Revenue	(6,795)	(41.7)%	9,498	35,158	23,755	18,699	16,293	24,827	26,754	14,417	22,350	93,905	88,348	79,707	128,269	145,749
Total expenses	21	0.1%	16,118	26,532	20,535	16,929	16,097	20,945	22,142	14,524	17,763	80,093	75,374	73,833	94,225	103,140
Income (loss) before income taxes	(6,816)	(3477.6)%	(6,620)	8,626	3,220	1,770	196	3,882	4,612	(107)	4,587	13,812	12,974	5,874	34,044	42,609

Supplementary Revenue Breakdown

	Q1/12 vs. Q1/11		Q1/12					Q4/10				FY11				
	Increase (decrease)		Q1/12	Q4/11	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	FY11	FY10	FY09	FY08	FY07
Commission	(269)	(7.4)%	3,355	4,877	4,800	4,288	3,624	2,939	3,598	2,710	2,214	17,589	11,461	10,892	14,557	11,991
Investment banking	(2,529)	(52.2)%	2,320	16,817	9,429	3,477	4,849	15,435	13,506	1,696	9,088	34,572	40,449	34,142	90,899	106,017
Advisory fees	(1,278)	(41.4)%	1,807	2,862	2,437	4,055	3,085	2,093	3,202	2,275	4,187	12,439	11,033	21,373	11,914	5,581
Principal trading	(2,669)	(57.2)%	2,001	10,529	7,039	6,893	4,670	4,087	6,481	7,722	6,557	29,131	24,847	8,646	3,623	18,630
Interest	10	20.8%	58	92	48	57	48	63	25	22	54	245	164	2,474	3,949	4,006
Other	(60)	(352.9)%	(43)	(19)	2	(71)	17	210	(58)	(8)	250	(71)	394	2,180	3,327	(476)
	(6,795)	(41.7)%	9,498	35,158	23,755	18,699	16,293	24,827	26,754	14,417	22,350	93,905	88,348	79,707	128,269	145,749

Note: Please find notes on Page 12.

US

Condensed statement of operations ⁽²¹⁾

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

	Q1/12 vs. Q1/11		Q1/12				Q4/10				FY11					
	Increase (decrease)		IFRS	IFRS	IFRS	IFRS	IFRS	CGAAP	CGAAP	CGAAP	CGAAP	IFRS	CGAAP	CGAAP	CGAAP	CGAAP
Revenue																
Canaccord Genuity	206	0.8%	26,012	27,712	32,618	20,083	25,806	19,380	21,984	29,595	26,670	106,219	97,629	74,794	90,788	76,644
Canaccord Wealth Management	283	31.4%	1,183	1,486	1,555	1,010	900	904	833	542	509	4,951	2,788	2,856	3,416	4,029
	489	1.8%	27,195	29,198	34,173	21,093	26,706	20,284	22,817	30,137	27,179	111,170	100,417	77,650	94,204	80,673
Expenses																
Incentive compensation	318	2.2%	14,678	15,364	18,392	11,528	14,360	11,389	13,270	16,681	13,733	59,644	55,073	36,027	48,740	42,560
Salaries and benefits	(95)	(8.0)%	1,092	1,169	1,250	1,315	1,187	952	1,190	1,119	1,085	4,921	4,346	5,161	4,483	5,110
Trading costs	33	3.0%	1,135	1,024	963	1,025	1,102	1,490	1,581	1,493	2,002	4,114	6,566	8,772	8,649	8,992
Premises and equipment	95	8.9%	1,159	1,182	1,109	1,096	1,064	1,151	1,134	1,299	1,228	4,451	4,812	5,141	4,967	4,244
Communication and technology	(159)	(11.2)%	1,266	1,248	1,372	1,428	1,425	1,242	1,344	1,220	1,202	5,473	5,008	5,061	2,576	2,284
Interest	(21)	(35.6)%	38	40	51	31	59	429	179	200	1,080	181	1,888	3,074	1,730	415
General and administrative	139	4.7%	3,098	2,771	3,144	2,704	2,959	1,586	2,341	2,368	2,597	11,578	8,892	12,617	12,434	11,121
Amortization	(19)	(7.3)%	243	201	258	276	262	279	287	277	281	997	1,124	1,098	1,106	707
Development costs	892	296.3%	1,193	516	1,213	1,026	301	418	899	1,030	1,730	3,056	4,077	11,510	16,878	8,870
Impairment of goodwill and intangibles	-	-	-	-	-	-	-	-	-	-	-	-	-	27,566	-	-
Restructuring costs	-	-	-	-	-	-	-	-	-	-	-	-	-	3,623	-	-
	1,183	5.2%	23,902	23,515	27,752	20,429	22,719	18,936	22,225	25,687	24,938	94,415	91,786	119,650	101,563	84,303
Income (loss) before income taxes	(694)	(17.4)%	3,293	5,683	6,421	664	3,987	1,348	592	4,450	2,241	16,755	8,631	(42,000)	(7,359)	(3,630)
Incentive compensation as % of revenue	0.2 p.p.		54.0%	52.6%	53.8%	54.7%	53.8%	56.1%	58.2%	55.4%	50.5%	53.7%	54.8%	46.4%	51.6%	52.4%
Total compensation exp. as % of revenue ^{(15) (22)}	(0.2) p.p.		58.0%	56.6%	57.5%	60.9%	58.2%	60.8%	63.4%	59.1%	54.5%	58.1%	59.2%	53.0%	56.4%	58.7%
Non-compensation exp. as % of revenue	3.0 p.p.		29.9%	23.9%	23.7%	36.0%	26.9%	32.5%	34.0%	26.2%	37.2%	27.7%	32.2%	101.0%	51.2%	45.0%
Total expenses as % of revenue	2.8 p.p.		87.9%	80.5%	81.2%	96.9%	85.1%	93.4%	97.4%	85.2%	91.7%	85.8%	91.4%	154.1%	107.6%	103.7%
Pre-tax profit margin	(2.8) p.p.		12.1%	19.5%	18.8%	3.1%	14.9%	6.6%	2.6%	14.8%	8.2%	14.2%	8.6%	(54.1)%	(7.8)%	(4.5)%
Number of employees	11	6.5%	180	175	175	178	169	163	162	157	152	175	163	151	163	163

Supplementary Information Excluding Significant and Acquisition-related Items (Non-IFRS and Non-GAAP) ^{(16) (27)}

(in thousands of dollars)

	Q1/12 vs. Q1/11		Q1/12				Q4/10				FY11					
	Increase (decrease)		IFRS	IFRS	IFRS	IFRS	IFRS	CGAAP	CGAAP	CGAAP	CGAAP	IFRS	CGAAP	CGAAP	CGAAP	CGAAP
Revenue	489	1.8%	27,195	29,198	34,173	21,093	26,706	20,284	22,817	30,137	27,179	111,170	100,417	77,650	94,204	80,673
Total expenses	1,183	5.2%	23,902	23,515	27,752	20,429	22,719	18,936	22,225	25,687	24,938	94,415	91,786	88,461	101,563	84,303
Income (loss) before income taxes	(694)	(17.4)%	3,293	5,683	6,421	664	3,987	1,348	592	4,450	2,241	16,755	8,631	(10,811)	(7,359)	(3,630)

Supplementary Revenue Breakdown

	Q1/12 vs. Q1/11		Q1/12				Q4/10				FY11					
	Increase (decrease)		IFRS	IFRS	IFRS	IFRS	IFRS	CGAAP	CGAAP	CGAAP	CGAAP	IFRS	CGAAP	CGAAP	CGAAP	CGAAP
Commission	(1,047)	(7.6)%	12,758	15,209	15,284	13,899	13,805	10,539	10,095	10,597	11,230	58,197	42,461	48,855	47,101	46,312
Investment banking	1,598	16.2%	11,486	11,091	15,764	6,218	9,888	4,688	11,947	8,461	12,184	42,961	37,280	13,044	34,077	20,909
Advisory fees	(102)	(3.3)%	2,960	2,860	2,926	740	3,062	4,933	1,525	11,768	3,665	9,588	21,891	15,171	11,589	12,740
Principal trading	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,634)
Interest	2	11.8%	19	29	18	17	17	(66)	(778)	(794)	(17)	81	(1,655)	342	1,092	1,750
Other	38	57.6%	(28)	9	181	219	(66)	190	28	105	117	343	440	238	345	596
	489	1.8%	27,195	29,198	34,173	21,093	26,706	20,284	22,817	30,137	27,179	111,170	100,417	77,650	94,204	80,673
Facilitation losses ⁽²⁸⁾	(391)	(29.6)%	(1,714)	(1,639)	(1,628)	(1,323)	(1,323)	n/a	n/a	n/a	n/a	(5,913)	n/a	n/a	n/a	n/a

Note: Please find notes on Page 12.

Canaccord group of companies
Consolidated balance sheet

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

	Q1/12 vs. Q1/11		Q1/12					Q4/10				FY11				
	Increase (decrease)		IFRS	IFRS	IFRS	IFRS	IFRS	CGAAP	CGAAP	CGAAP	CGAAP	IFRS	CGAAP	CGAAP	CGAAP	CGAAP
Assets																
Cash and cash equivalents	140,781	24.7%	710,734	954,068	713,117	636,908	569,953	731,852	782,576	709,455	734,268	954,068	731,852	701,173	435,649	506,640
Securities owned, at market	14,418	1.7%	849,679	947,185	1,098,154	1,268,897	835,261	362,755	404,537	517,070	169,030	947,185	362,755	133,691	92,796	348,764
Accounts receivable	303,521	13.9%	2,488,826	2,828,812	2,383,057	2,987,415	2,185,305	1,972,924	1,311,144	2,085,356	1,166,610	2,828,812	1,972,924	1,061,161	1,422,917	1,672,035
Income taxes recoverable	5,030	-	10,317	-	-	5,567	5,287	-	-	2,107	17,740	-	-	23,771	11,083	-
Deferred tax asset	1,396	205.3%	2,076	1,503	1,036	1,076	680	13,190	11,890	12,019	13,358	1,503	13,190	15,680	28,207	11,021
Investments	(798)	(11.9)%	5,934	5,934	6,732	6,732	6,732	5,000	5,000	5,000	5,000	5,934	5,000	5,000	5,000	-
Investment in asset backed commercial paper	-	-	-	-	-	-	-	-	28,239	34,280	34,418	-	-	35,312	29,860	-
Equipment and leasehold improvements	4,288	11.0%	43,289	40,818	36,860	37,463	39,001	38,127	40,471	41,718	44,366	40,818	38,127	46,311	40,686	37,549
Goodwill and other intangibles	(1,435)	(0.4)%	318,250	319,180	316,928	317,858	319,685	-	-	-	-	319,180	-	-	32,520	33,933
Total assets	467,201	11.8%	4,429,105	5,097,500	4,555,884	5,261,916	3,961,904	3,123,848	2,583,857	3,407,005	2,184,790	5,097,500	3,123,848	2,022,099	2,098,718	2,609,942
Liabilities and shareholders' equity																
Bank indebtedness	(58,867)	(70.9)%	24,125	13,580	34,913	64,733	82,992	29,435	44,600	85,600	105,788	13,580	29,435	75,600	15,038	-
Securities sold short, at market	28,754	4.1%	731,730	722,613	853,869	1,236,229	702,976	364,137	324,877	382,209	56,318	722,613	364,137	79,426	13,757	41,176
Accounts payable, accrued liabilities and other	319,419	12.9%	2,802,669	3,557,275	2,910,423	3,257,736	2,483,250	2,308,146	1,794,123	2,535,971	1,622,288	3,557,275	2,308,146	1,469,369	1,687,479	2,156,540
Income taxes payable	-	-	-	23,977	8,668	-	-	5,385	4,590	-	-	23,977	5,385	-	-	15,035
Deferred tax liability	650	9.7%	7,340	8,163	8,285	7,688	6,690	-	-	-	-	8,163	-	-	-	-
Subordinated debt	-	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	25,000	25,000	25,000
Shareholders' equity	177,245	26.4%	848,241	756,892	724,726	680,530	670,996	401,745	400,667	388,225	385,396	756,892	401,745	372,704	357,444	372,191
Total liabilities and shareholders' equity	467,201	11.8%	4,429,105	5,097,500	4,555,884	5,261,916	3,961,904	3,123,848	2,583,857	3,407,005	2,184,790	5,097,500	3,123,848	2,022,099	2,098,718	2,609,942

Note: Please find notes on Page 12.

Miscellaneous operational statistics

(Unaudited, for the period ended)

	Q1/12 vs. Q1/11		Q1/12	Q4/11	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	FY11	FY10	FY09	FY08	FY07
	Increase (decrease)															
Number of employees in Canada																
Number in Canaccord Genuity	(8)	(2.9)%	265	268	276	276	273	203	204	200	204	268	203	209	253	246
Number in Canaccord Wealth Management	(23)	(3.3)%	666	684	671	665	689	680	707	698	688	684	680	700	762	728
Number in Corporate and Other	11	3.0%	382	373	365	369	371	364	360	359	352	373	364	356	380	360
Total Canada	(20)	(1.5)%	1,313	1,325	1,312	1,310	1,333	1,247	1,271	1,257	1,244	1,325	1,247	1,265	1,395	1,334
Number of employees in UK																
Number in Canaccord Genuity	18	13.1%	155	143	140	142	137	138	136	124	111	143	138	105	112	81
Number of employees in US																
Number in Canaccord Genuity	11	6.5%	180	175	175	178	169	163	162	157	152	175	163	151	163	163
Number of employees in Other Foreign Locations																
Number in Canaccord Genuity	40	n.m.	36	41	1	1	1	1	1	1	7	41	1	9	13	12
Number of employees firm wide ⁽²⁴⁾																
	44	2.7%	1,684	1,684	1,628	1,631	1,640	1,549	1,570	1,539	1,514	1,684	1,549	1,530	1,683	1,590
Number of Advisory Teams ⁽¹⁹⁾																
	(27)	(9.3)%	263	271	272	280	290	303	327	334	335	271	303	338	354	368
Number of licenced professionals																
	(56)	(8.2)%	628	645	653	712	684	718	753	763	773	645	718	790	852	817
Assets under mgmt. (\$millions) ⁽²⁾																
	144	33.4%	575	546	514	473	431	445	423	453	443	546	445	393	730	807
Assets under admin. (\$millions)																
	3,105	24.7%	15,676	16,985	16,006	13,895	12,571	12,922	12,210	11,386	10,341	16,985	12,922	9,184	14,295	15,014
AUA per Advisory Team (\$ millions) ⁽¹⁹⁾																
	16	37.5%	60	63	59	50	43	43	37	34	31	63	43	27	40	41
Number of companies with Canaccord Genuity Limited as Broker																
London Stock Exchange (LSE)	6	26.1%	29	26	24	20	23	23	23	9	9	26	23	9	5	1
Alternative Investment Market (AIM)	2	5.1%	41	39	35	37	39	43	45	44	49	39	43	51	60	58
Total Broker	8	12.9%	70	65	59	57	62	66	68	53	58	65	66	60	65	59
Number of companies with Canaccord Genuity Limited as Nomad ⁽²³⁾																
LSE	-	-	1	1	1	1	1	1	-	-	-	1	1	-	1	0
AIM	(1)	(3.1)%	31	30	29	30	32	35	37	36	41	30	35	42	51	50
Total Nomad	(1)	(3.0)%	32	31	30	31	33	36	37	36	41	31	36	42	52	50

n.m. not meaningful

Note: Please find notes on Page 12.

Financial Post Data Group League Table ⁽²⁵⁾**Q1/12 vs. Q1/11:**

Q1/12 (April 1, 2011 - June 30, 2011)								Q1/11 (April 1, 2010 - June 30, 2010)							
Manager	# of deals led ⁽²⁵⁾	Market share	Rank by mkt. share	Total proceeds (led transactions) (\$000's)	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)	Manager	# of deals led	Market share	Rank by mkt. share	Total proceeds (led transactions) (\$000's)	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)
Canaccord Genuity Corp.	46	15.4%	1	1,509,181	106	1	3,224,518	Canaccord Genuity ⁽²⁵⁾	29	11.8%	1	1,161,320	97	1	2,887,714
RBC Capital Markets	27	9.1%	2	2,161,320	52	7	1,142,300	CIBC World Markets Inc.	23	9.4%	2	2,207,210	50	5	1,156,780
CIBC World Markets Inc.	25	8.4%	3	2,048,740	62	3	1,205,890	RBC Capital Markets	19	7.8%	3	1,315,770	43	7	891,090
Scotia Capital Inc.	17	5.7%	4	1,183,380	65	2	1,139,620	BMO Capital Markets	16	6.5%	4	872,830	50	6	650,470
BMO Capital Markets	15	5.0%	5	926,620	55	5	865,150	GMP Securities L.P.	15	6.1%	5	1,585,030	51	3	825,740
National Bank Financial Inc.	15	5.0%	6	472,830	59	4	617,880	Cormark Securities Inc.	13	5.3%	6	266,480	32	10	257,680
Dundee Securities Ltd.	15	5.0%	7	248,150	46	9	287,970	National Bank Financial Inc.	12	4.9%	7	426,670	51	4	517,960
TD Securities Inc.	13	4.4%	8	1,253,310	52	8	870,540	Macquarie Capital Markets Canada Ltd.	12	4.9%	8	331,890	54	2	491,190
GMP Securities L.P.	11	3.7%	9	287,660	53	6	451,340	Dundee Securities Corporation	11	4.5%	9	94,860	36	9	345,400
Cormark Securities Inc.	10	3.4%	10	194,150	27	10	222,550	TD Securities Inc.	10	4.1%	10	741,540	39	8	508,770
Others	104	34.9%		2,962,080				Others	85	34.7%		2,216,690			
	298	100.0%							245	100.0%					

Source: FPinfomart and Company Information

Note: Please find notes on Page 12.

**Canaccord Group of Companies
Notes**

- (1) Financial results are expressed in C\$ thousands, except for assets under management, preferred share information, assets under administration, common share information, financial measures, number of employees and number of Advisory Teams.
- (2) AUM are assets managed on a discretionary basis under our programs generally described as or known as the *Complete Canaccord Investment Counselling Program* and the *Complete Canaccord Managed Account Program* offered by Canaccord.
- (3) Book value per diluted share is calculated as total shareholders' equity less redeemable preferred shares divided by the number of diluted shares outstanding.
- (4) In Q4/07, the definition of diluted shares outstanding was revised to include shares related to share issuance commitment.
- (5) Excludes shares relating to share purchase loans for recruitment and retention programs and unvested shares purchased by employee benefit trust for LTIP.
- (6) Includes shares relating to share purchase loans for recruitment and retention programs and unvested shares purchased by employee benefit trust for LTIP.
- (7) Includes dilutive earned shares under our stock-based compensation plan.
- (8) This is the diluted common share number used to calculate diluted EPS.
- (9) Special distributions per share and dividends per preferred share are not included in the dividend yield and dividend payout calculations.
- (10) Total shareholder return is calculated as the change in share price plus dividends paid to common shares and special distributions paid in the current period as a percentage of the prior period's closing share price, assuming reinvestment of all dividends.
- (11) ROE is presented on an annualized basis. Quarterly annualized ROE is calculated by dividing the annualized net income for the three month period over the average common shareholders' equity.
- (12) The price to earnings multiple is calculated based on the end of period share price and 12-month trailing diluted EPS.
- (13) The price to book ratio is calculated based on the end of period share price and common shareholder's equity per diluted common share.
- (14) Incentive compensation includes National Health Insurance tax applicable to the UK and is based on a percentage of incentive compensation payout.
- (15) Total compensation expense includes incentive compensation and salaries and benefits, but excludes hiring incentives and development group salary and benefits, which are included in development costs. Development group salary and benefits have been reclassified to salaries and benefits expense line starting in Q1/11.
- (16) Significant items include ABCP fair value adjustment, Canaccord relief program, impairment of goodwill and intangibles, restructuring costs, and acquisition-related costs.
- (17) Canaccord's UK operations include activities related to Canaccord Genuity Limited, engaged in capital markets activities in the United Kingdom. Revenue derived from capital markets activity outside of Canada, the US and the UK is reported as Other Foreign Locations, which includes revenue from Canaccord International Ltd. and Canaccord Genuity Asia.
- (18) Starting in fiscal 2008, we are reporting fee-based revenue which includes fees earned in separately managed, advisor managed and fee-based accounts. We are also including mutual fund and segregated fund trailer revenue in this calculation. This method of calculating fee-based revenue may differ from approaches used by other companies and therefore may not be comparable. Historical figures prior to Q4/08 have been restated.
- (19) Advisory Teams are normally comprised of one or more Investment Advisors (IAs) and their assistants and associates, who together manage a shared set of client accounts. Advisory Teams that are led by, or only include, an IA who has been licenced for less than three years are not included in our Advisory Team count, as it typically takes a new IA approximately three years to build an average sized book.
- (20) Canaccord's Canadian operations include activities related to Canadian Canaccord Wealth Management, capital markets activities in Canada delivered through Canaccord Genuity (a division of Canaccord Genuity Corp., our principal Canadian operating subsidiary), and Canadian Corporate and Other operations.
- (21) Canaccord's US operations include activities related to US Canaccord Wealth Management, delivered through Canaccord Wealth Management (USA), Inc., and US capital markets operations, delivered through Canaccord Genuity Inc. US Other operations, also delivered through Canaccord Wealth Management (USA), Inc., include revenue and expenses not specifically allocable to US Canaccord Wealth Management and US Canaccord Genuity.
- (22) Total compensation in Canaccord Genuity Inc. also includes retention costs from the Adams Harkness acquisition.
- (23) A company listed on AIM is required to retain a Nominated Adviser (commonly referred to as Nomad) during the company's life on the market. Nominated Advisers are responsible, amongst other duties, for warranting that a company is appropriate for joining AIM.
- (24) The employee count excludes temporary employees and those on long term disability but includes employees on leave of absence.
- (25) League table includes all transactions \$1.5 million and greater listed on the Canadian exchanges and all Canadian issuer transactions listed on any foreign exchanges. Total proceeds for number of deals led is achieved by using full credit for the lead, or divided evenly with joint book runners, and total proceeds for participation is achieved using bonus credit for participants.
- (26) In addition to the transactions participated by its Canadian operation, Canaccord's figures also include deals transacted by its UK, and US operations.
- (27) Acquisition-related expense items for Q1/11 include \$11.0 million of acquisition-related costs and \$1.4 million of amortization of intangible assets connected to the purchase of Genuity. The same expense for Q2/11 includes \$1.9 million of amortization of intangible assets connected to the purchase of Genuity. Q3/11 includes \$1.8 million of acquisition-related costs for the purchase of The Balloch Group Limited and \$0.9 million of amortization of intangible assets connected to the purchase of Genuity. Q4/11 and Q1/12 include \$0.9 million of amortization of intangible assets.
- (28) Canaccord Genuity's facilitation losses, which are included as part of commission revenue, are disclosed separately beginning Q1/11 as part of our transition to IFRS.