



# Canaccord Capital Inc.

## Supplementary Financial Information

First Quarter Fiscal 2007

For the period ended June 30, 2006

(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 2007 Quarterly Report to Shareholders (unaudited) dated August 4, 2006, and the Annual Report dated June 26, 2006. Canaccord's fiscal year end is defined as March 31st of each year. Canaccord's first quarter fiscal 2007 ended June 30, 2006 is also referred to as Q1/07 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) <sup>(1)</sup>

	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q1/07 vs. Q1/06 Increase (decrease)		FY02	FY03	FY04	FY05	FY06
<b>Financial results</b>																
Revenue	80,565	85,601	123,683	142,929	99,017	118,654	158,670	207,074	206,127	107,110	108.2%	170,433	199,206	402,157	432,778	583,415
Expenses	68,094	75,332	99,094	117,502	83,587	94,407	122,772	163,619	166,952	83,365	99.7%	199,528	204,744	339,600	360,022	464,385
Income taxes	4,065	4,146	7,846	8,120	4,352	8,493	11,650	13,385	13,233	8,881	204.1%	(11,015)	(485)	22,128	24,177	37,880
Net income (loss)	8,406	6,123	16,743	17,307	11,078	15,754	24,248	30,070	25,942	14,864	134.2%	(18,080)	(5,053)	40,429	48,579	81,150
<b>Balance sheet information</b>																
Total assets	1,514,140	1,529,947	1,217,620	1,638,165	1,323,153	1,550,013	1,580,422	2,177,973	1,789,397	466,244	35.2%	783,221	830,737	1,508,366	1,638,165	2,177,973
Total liabilities	1,316,432	1,330,455	1,003,240	1,415,954	1,096,495	1,326,395	1,334,327	1,890,143	1,478,199	381,704	34.8%	732,964	778,034	1,409,679	1,415,954	1,890,143
Total shareholders' equity	197,708	199,492	214,380	222,211	226,658	223,618	246,095	287,830	311,198	84,540	37.3%	50,257	52,703	98,687	222,211	287,830
<b>Client Assets</b>																
Assets under mgmt. (\$ millions) <sup>(2)</sup>	274	301	344	380	410	475	528	613	649	239	58.3%	51	104	237	380	613
Assets under admin. (\$ millions)	8,244	8,678	8,998	9,967	9,954	11,495	12,183	14,310	13,942	3,988	40.1%	4,978	5,037	8,292	9,967	14,310
<b>Common share information</b>																
Per share (\$)																
Basic earnings (loss)	0.28	0.14	0.37	0.38	0.24	0.35	0.55	0.66	0.57	0.33	137.5%	(0.71)	(0.18)	1.43	1.17	1.82
Diluted earnings (loss)	0.23	0.13	0.36	0.38	0.24	0.34	0.52	0.63	0.54	0.30	125.0%	(0.71)	(0.18)	1.12	1.11	1.74
Book value per diluted share <sup>(3)</sup>	4.29	4.32	4.65	4.82	4.91	4.82	5.29	6.02	6.51	1.60	32.6%	n.m.	1.84	2.59	4.82	6.02
Share price (\$)																
High	11.10	10.80	9.75	10.98	10.65	12.90	15.80	21.25	27.50	16.85	158.2%	-	-	-	11.10	21.25
Low	10.66	7.96	8.43	8.75	9.00	9.10	10.96	14.35	16.25	7.25	80.6%	-	-	-	7.96	9.00
Close	10.74	8.60	9.19	10.48	9.15	11.68	14.89	20.80	17.72	8.57	93.7%	-	-	-	10.48	20.80
Shares outstanding (thousands)																
Basic	45,165	45,305	45,416	45,413	45,413	44,190	44,432	45,746	45,906	493	1.1%	n.m.	27,956	29,983	45,413	45,746
Diluted and issued	46,129	46,129	46,129	46,129	46,116	46,407	46,485	47,827	47,827	1,711	3.7%	n.m.	28,589	38,089	46,129	47,827
Average basic	30,292	45,305	45,388	45,353	45,426	44,479	44,385	45,716	45,906	480	1.1%	25,389	27,805	28,298	41,635	44,606
Average diluted	38,467	46,095	46,101	46,069	46,129	46,403	46,438	47,846	47,998	1,869	4.1%	25,389	27,805	37,096	44,188	46,699
Market capitalization (thousands)	495,425	396,712	423,928	483,435	421,964	542,034	692,156	994,809	847,501	425,537	100.8%	n.m.	n.m.	n.m.	483,435	994,809
<b>Financial measures</b>																
Dividends per share	0.05	0.05	0.05	0.11	0.06	0.06	0.08	0.08	0.08	0.02	33.3%	-	-	-	0.26	0.28
Special distributions per share <sup>(4)</sup>	-	-	0.15	-	-	-	-	-	-	n.m.	n.m.	-	-	-	0.15	-
Dividend yield (closing share price) <sup>(4)</sup>	1.9%	2.3%	2.2%	4.2%	2.6%	2.1%	2.1%	1.5%	1.8%	(0.8)%		-	-	-	2.5%	1.3%
Dividend payout ratio <sup>(4)</sup>	27.4%	37.7%	13.8%	29.3%	25.0%	17.7%	15.3%	12.7%	14.7%	(10.3)%		-	-	-	24.7%	16.1%
Total shareholder return <sup>(5)</sup>	4.8%	(19.4)%	7.5%	16.3%	(11.7)%	28.3%	28.0%	40.3%	(14.4)%	(2.7)%		-	-	-	5.5%	103.4%
Annualized ROE / ROCE	19.3%	12.2%	32.1%	32.2%	19.8%	27.8%	41.0%	45.7%	34.7%	14.9%		(28.3)%	(7.5)%	43.5%	23.9%	33.6%
Price to earnings multiple <sup>(6)</sup>	7.8	6.8	7.1	9.5	8.2	8.8	10.1	12.0	8.7	0.5	6.1%	-	-	-	9.5	12.0
Price to book ratio <sup>(7)</sup>	2.5	2.0	2.0	2.2	1.9	2.4	2.8	3.5	2.7	0.8	42.1%	-	-	-	2.2	3.5

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) AUM are assets discretionarily managed as a part of our Independence Accounts which are administered 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) Special distributions per share are not included in the dividend yield and dividend payout calculations.

(5) 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.

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

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

## Canaccord Group of Companies

### Condensed consolidated statement of operations

(Unaudited, for the period ended)  
(in thousands of dollars) <sup>(1)</sup>

	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q1/07 vs. Q1/06		FY02	FY03	FY04	FY05	FY06
										Increase (decrease)						
<b>Revenue <sup>(2)</sup></b>																
Commission	38,126	33,089	43,165	54,598	40,811	53,103	56,701	88,846	78,054	37,243	91.3%	91,505	95,287	162,242	168,978	239,461
Investment banking	35,149	43,505	66,238	69,558	49,505	44,299	84,425	87,977	102,840	53,335	107.7%	47,510	65,774	188,001	214,450	266,206
Principal trading	(615)	1,457	4,947	7,795	(1,741)	9,276	6,176	13,677	7,784	9,525	n.m.	13,369	15,030	27,513	13,584	27,388
Interest	5,769	5,685	7,311	7,723	8,243	8,361	8,886	11,424	13,638	5,395	65.4%	13,012	16,408	15,853	26,488	36,914
Other	2,136	1,865	2,022	3,255	2,199	3,615	2,482	5,150	3,811	1,612	73.3%	5,037	6,707	8,548	9,278	13,446
	<b>80,565</b>	<b>85,601</b>	<b>123,683</b>	<b>142,929</b>	<b>99,017</b>	<b>118,654</b>	<b>158,670</b>	<b>207,074</b>	<b>206,127</b>	<b>107,110</b>	<b>108.2%</b>	<b>170,433</b>	<b>199,206</b>	<b>402,157</b>	<b>432,778</b>	<b>583,415</b>
<b>Expenses</b>																
Incentive compensation <sup>(3)</sup>	35,093	42,721	65,449	77,191	48,650	59,580	82,662	108,296	104,955	56,305	115.7%	78,428	92,594	218,802	220,454	299,188
Salaries and benefits	11,214	10,414	10,957	13,130	9,226	9,409	9,668	13,716	12,493	3,267	35.4%	32,147	35,661	37,193	45,715	42,019
Trading costs	4,453	3,540	4,377	4,493	4,312	4,247	4,441	7,615	8,559	4,247	98.5%	9,621	15,343	17,310	16,863	20,615
Premises and equipment	3,029	2,920	2,875	3,025	3,626	3,067	4,082	5,068	5,937	2,311	63.7%	12,616	12,089	13,017	11,849	15,843
Communication and technology	3,221	3,573	3,524	3,719	3,690	3,798	4,023	5,087	5,063	1,373	37.2%	11,650	12,984	12,290	14,037	16,598
Interest	2,273	1,436	1,990	2,125	2,491	2,405	2,441	3,577	4,982	2,491	100.0%	4,116	3,239	3,994	7,824	10,914
General and administrative	6,044	8,013	7,248	10,866	10,016	9,063	12,422	14,726	19,107	9,091	90.8%	18,175	20,555	24,874	32,171	46,227
Amortization	692	739	802	952	1,118	800	930	1,969	1,989	871	77.9%	3,982	3,898	3,565	3,185	4,817
Development costs	2,075	1,976	1,872	2,001	2,091	2,038	2,103	3,565	3,867	1,776	84.9%	4,443	4,137	8,240	7,924	9,797
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	22,753	8,505	315	-	-
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	1,597	-	-	-	-
Gain on disposal of invts & claims	-	-	-	-	(1,633)	-	-	-	-	1,633	n.m.	-	(4,261)	-	-	(1,633)
	<b>68,094</b>	<b>75,332</b>	<b>99,094</b>	<b>117,502</b>	<b>83,587</b>	<b>94,407</b>	<b>122,772</b>	<b>163,619</b>	<b>166,952</b>	<b>83,365</b>	<b>99.7%</b>	<b>199,528</b>	<b>204,744</b>	<b>339,600</b>	<b>360,022</b>	<b>464,385</b>
<b>Income (loss) before income taxes</b>	<b>12,471</b>	<b>10,269</b>	<b>24,589</b>	<b>25,427</b>	<b>15,430</b>	<b>24,247</b>	<b>35,898</b>	<b>43,455</b>	<b>39,175</b>	<b>23,745</b>	<b>153.9%</b>	<b>(29,095)</b>	<b>(5,538)</b>	<b>62,557</b>	<b>72,756</b>	<b>119,030</b>
Income taxes	4,065	4,146	7,846	8,120	4,352	8,493	11,650	13,385	13,233	8,881	204.1%	(11,015)	(485)	22,128	24,177	37,880
<b>Net income (loss)</b>	<b>8,406</b>	<b>6,123</b>	<b>16,743</b>	<b>17,307</b>	<b>11,078</b>	<b>15,754</b>	<b>24,248</b>	<b>30,070</b>	<b>25,942</b>	<b>14,864</b>	<b>134.2%</b>	<b>(18,080)</b>	<b>(5,053)</b>	<b>40,429</b>	<b>48,579</b>	<b>81,150</b>

Incentive compensation as % of revenue	43.6%	49.9%	52.9%	54.0%	49.1%	50.2%	52.1%	52.3%	50.9%	1.8%		46.0%	46.5%	54.4%	50.9%	51.3%
Total compensation exp. as % of revenue <sup>(4)</sup>	57.5%	62.1%	61.8%	63.2%	58.5%	58.1%	58.2%	58.9%	57.0%	(1.5)%		64.9%	64.4%	63.6%	61.5%	58.5%
Non-compensation exp. as % of revenue	27.0%	25.9%	18.3%	19.0%	25.9%	21.5%	19.2%	20.1%	24.0%	(1.9)%		52.2%	38.4%	20.8%	21.7%	21.1%
Total expenses as % of revenue	84.5%	88.0%	80.1%	82.2%	84.4%	79.6%	77.4%	79.0%	81.0%	(3.4)%		117.1%	102.8%	84.4%	83.2%	79.6%
Pre-tax profit margin	15.5%	12.0%	19.9%	17.8%	15.6%	20.4%	22.6%	21.0%	19.0%	3.4%		(17.1)%	(2.8)%	15.6%	16.8%	20.4%
Effective tax rate	32.6%	40.4%	31.9%	31.9%	28.2%	35.0%	32.5%	30.8%	33.8%	5.6%		37.9%	8.8%	35.4%	33.2%	31.8%
Net profit margin	10.4%	7.2%	13.5%	12.1%	11.2%	13.3%	15.3%	14.5%	12.6%	1.4%		(10.6)%	(2.5)%	10.1%	11.2%	13.9%
Basic earnings (loss) per share	0.28	0.14	0.37	0.38	0.24	0.35	0.55	0.66	0.57	0.33	137.5%	(0.71)	(0.18)	1.43	1.17	1.82
Diluted earnings (loss) per share	0.23	0.13	0.36	0.38	0.24	0.34	0.52	0.63	0.54	0.30	125.0%	(0.71)	(0.18)	1.12	1.11	1.74
Book value per diluted share	4.29	4.32	4.65	4.82	4.91	4.82	5.29	6.02	6.51	1.60	32.6%	n.m.	1.84	2.59	4.82	6.02

### Supplementary segment revenue information

(in thousands of dollars)

	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q1/07 vs. Q1/06		FY02	FY03	FY04	FY05	FY06
										Increase (decrease)						
<b>Revenue <sup>(2)</sup></b>																
Private Client Services (PCS)	38,322	36,499	46,964	56,391	39,630	52,411	54,731	78,422	72,286	32,656	82.4%	90,534	97,784	175,983	178,176	225,194
Canaccord Adams	39,171	46,671	72,368	81,444	54,457	60,048	98,918	120,243	125,106	70,649	129.7%	72,264	91,629	211,758	239,654	333,666
Other	3,072	2,431	4,351	5,094	4,930	6,195	5,021	8,409	8,735	3,805	77.2%	7,635	9,793	14,416	14,948	24,555
	<b>80,565</b>	<b>85,601</b>	<b>123,683</b>	<b>142,929</b>	<b>99,017</b>	<b>118,654</b>	<b>158,670</b>	<b>207,074</b>	<b>206,127</b>	<b>107,110</b>	<b>108.2%</b>	<b>170,433</b>	<b>199,206</b>	<b>402,157</b>	<b>432,778</b>	<b>583,415</b>

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

(2) As of Q4/06, to enhance our disclosure, and to facilitate comparisons with other companies in the industry, consolidated revenue has been changed from 'revenue by business segment' to 'revenue by activity'.

(3) 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).

(4) 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.

**Private Client Services**

**Condensed statement of operations**

(Unaudited, for the period ended)  
(in thousands of dollars)<sup>(1)</sup>

	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q1/07 vs. Q1/06		FY02	FY03	FY04	FY05	FY06
										Increase (decrease)						
<b>Revenue</b>																
Canada	38,322	36,499	46,964	56,391	39,630	52,411	54,731	77,153	70,996	31,366	79.1%	90,534	97,784	175,983	178,176	223,925
US <sup>(2)</sup>	-	-	-	-	-	-	-	1,269	1,290	1,290	n.m.	-	-	-	-	1,269
<b>Total</b>	<b>38,322</b>	<b>36,499</b>	<b>46,964</b>	<b>56,391</b>	<b>39,630</b>	<b>52,411</b>	<b>54,731</b>	<b>78,422</b>	<b>72,286</b>	<b>32,656</b>	<b>82.4%</b>	<b>90,534</b>	<b>97,784</b>	<b>175,983</b>	<b>178,176</b>	<b>225,194</b>
<b>Expenses</b>																
Incentive compensation	17,724	17,344	22,668	26,660	17,581	25,033	25,297	37,372	33,368	15,787	89.8%	40,915	45,179	82,758	84,396	105,283
Salaries and benefits	2,851	2,454	2,494	3,359	3,036	2,827	2,785	4,405	3,430	394	13.0%	7,703	9,105	10,157	11,158	13,053
Trading costs <sup>(3)</sup>	2,341	1,850	2,310	2,301	2,217	2,014	2,150	2,632	3,066	849	38.3%	1,050	1,646	1,308	8,802	9,013
Premises and equipment	1,117	1,133	1,132	1,271	1,350	1,298	1,318	1,498	1,536	186	13.8%	4,739	4,555	4,742	4,653	5,464
Communication and technology	1,455	1,459	1,442	1,463	1,459	1,480	1,516	1,611	1,602	143	9.8%	6,575	6,636	5,491	5,819	6,066
Interest	778	668	1,028	1,237	1,282	1,267	1,782	2,863	4,246	2,964	231.2%	-	-	-	3,711	7,194
General and administrative	1,093	948	709	2,330	2,833	1,985	3,618	3,726	6,038	3,205	113.1%	7,057	5,719	9,311	5,080	12,162
Amortization	242	253	274	318	380	273	324	462	410	30	7.9%	1,321	1,399	1,295	1,087	1,439
Development costs	683	576	731	808	882	905	1,099	1,416	1,521	639	72.4%	1,295	2,015	3,261	2,798	4,302
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	10,897	6,896	315	-	-
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	28,284	26,685	32,788	39,747	31,020	37,082	39,889	55,985	55,217	24,197	78.0%	81,552	83,150	118,638	127,504	163,976
<b>Income before income taxes <sup>(4)</sup></b>	<b>10,038</b>	<b>9,814</b>	<b>14,176</b>	<b>16,644</b>	<b>8,610</b>	<b>15,329</b>	<b>14,842</b>	<b>22,437</b>	<b>17,069</b>	<b>8,459</b>	<b>98.2%</b>	<b>8,982</b>	<b>14,634</b>	<b>57,345</b>	<b>50,672</b>	<b>61,218</b>
PCS fee-related revenue <sup>(5)</sup>	20.3%	18.5%	15.4%	17.5%	24.2%	19.4%	20.8%	18.3%	20.0%	(4.2)%		18.8%	28.9%	20.3%	17.7%	20.2%
Incentive compensation as % of revenue	46.3%	47.5%	48.3%	47.3%	44.4%	47.8%	46.2%	47.7%	46.2%	1.8%		45.2%	46.2%	47.0%	47.4%	46.8%
Total compensation exp. as % of revenue <sup>(6)</sup>	53.7%	54.2%	53.6%	53.2%	52.0%	53.2%	51.3%	53.3%	50.9%	(1.1)%		53.7%	55.5%	52.8%	53.6%	52.5%
Non-compensation exp. as % of revenue	20.1%	18.9%	16.2%	17.3%	26.3%	17.6%	21.6%	18.1%	25.5%	(0.8)%		36.4%	29.5%	14.6%	18.0%	20.3%
Total expenses as % of revenue	73.8%	73.1%	69.8%	70.5%	78.3%	70.8%	72.9%	71.4%	76.4%	(1.9)%		90.1%	85.0%	67.4%	71.6%	72.8%
Pre-tax profit margin	26.2%	26.9%	30.2%	29.5%	21.7%	29.2%	27.1%	28.6%	23.6%	1.9%		9.9%	15.0%	32.6%	28.4%	27.2%
Assets under mgmt. (\$ millions) <sup>(7)</sup>	274	301	344	380	410	475	528	613	649	239	58.3%	51	104	237	380	613
Assets under admin. (\$ millions)	8,244	8,678	8,998	9,967	9,954	11,495	12,183	14,310	13,942	3,988	40.1%	4,978	5,037	8,292	9,967	14,310
Number of employees	642	638	647	657	667	663	687	689	710	43	6.4%	623	628	623	657	689
Number of Investment Advisors <sup>(8)</sup>	404	403	412	412	418	425	433	430	430	12	2.9%	398	399	391	412	430
Number of PCS clients	140,553	138,684	140,915	144,451	145,336	147,930	152,105	155,404	156,828	11,492	7.9%	149,360	131,584	138,142	144,451	155,404

(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) As of Q4/06, PCS revenue from Canaccord Capital Corporation (USA) Inc. has been disclosed separately under the US geographic segment. Prior to Q4/06, US segment disclosure was not available.

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

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

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

(6) 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.

(7) AUM are assets managed on a discretionary basis as a part of the Independence Accounts administered by Canaccord.

(8) Upon reviewing the population of Investment Advisors (IAs), it was determined that IAs on long term disability and non-registrants should be excluded from the total count, and therefore, historical statistics have been reclassified.

**Canaccord Adams**  
**Condensed statement of operations**

(Unaudited, for the period ended)  
(in thousands of dollars) <sup>(1)</sup>

	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q1/07 vs. Q1/06 Increase (decrease)	FY02	FY03	FY04	FY05	FY06
<b>Revenue</b>															
Canada															
Capital Markets	17,307	16,087	22,371	39,794	25,828	35,054	44,650	44,938	42,750	16,922 65.5%	23,464	35,601	88,821	95,559	150,470
International Trading	3,308	3,023	4,406	4,715	3,426	4,691	4,994	7,829	7,386	3,960 115.6%	6,270	7,491	16,800	15,452	20,940
Registered Traders	(82)	187	2,306	1,864	532	2,000	2,517	4,075	1,624	1,092 205.3%	7,795	10,564	11,493	4,275	9,124
Fixed Income	2,289	2,050	1,703	2,236	1,838	1,891	1,876	2,935	1,829	(9) (0.5)%	9,465	9,509	10,155	8,278	8,540
Total Canada	22,822	21,347	30,786	48,609	31,624	43,636	54,037	59,777	53,589	21,965 69.5%	46,994	63,165	127,269	123,564	189,074
UK	16,349	25,324	41,582	32,835	22,833	16,412	44,881	41,774	48,892	26,059 114.1%	25,270	28,464	84,489	116,090	125,900
US <sup>(2)</sup>	-	-	-	-	-	-	-	18,692	22,625	22,625 n.m.	-	-	-	-	18,692
	39,171	46,671	72,368	81,444	54,457	60,048	98,918	120,243	125,106	70,649 129.7%	72,264	91,629	211,758	239,654	333,666
<b>Expenses</b>															
Incentive compensation <sup>(3)</sup>	15,083	23,405	39,964	46,578	28,781	30,704	52,319	63,800	65,948	37,167 129.1%	35,649	45,982	120,298	125,030	175,604
Salaries and benefits	3,821	3,808	4,123	4,825	1,287	1,790	1,755	3,603	3,188	1,901 147.7%	11,939	13,486	12,517	16,577	8,435
Trading costs <sup>(4)</sup>	1,751	1,496	1,781	1,923	1,663	1,879	2,056	4,497	5,308	3,645 219.2%	2,425	3,782	3,440	6,951	10,095
Premises and equipment	1,025	1,062	970	923	1,340	919	1,281	2,346	3,008	1,668 124.5%	4,144	4,634	4,236	3,980	5,886
Communication and technology	1,251	1,386	1,240	1,375	1,507	1,462	1,551	2,207	2,427	920 61.0%	4,105	4,921	4,205	5,252	6,727
Interest	49	48	202	312	388	196	558	647	691	303 78.1%	296	332	35	611	1,789
General and administrative	2,799	3,693	2,375	4,581	3,898	4,054	5,545	6,501	8,715	4,817 123.6%	4,810	9,057	7,632	13,448	19,998
Amortization	265	291	317	331	445	300	365	800	950	505 113.5%	1,644	1,488	1,291	1,204	1,910
Development costs	81	281	86	234	155	88	(45)	1,041	1,287	1,132 730.3%	375	(670)	836	682	1,239
Restructuring and other costs	-	-	-	-	-	-	-	-	-	- -	10,656	1,609	-	-	-
Discretionary payouts	-	-	-	-	-	-	-	-	-	- -	161	-	-	-	-
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	- -	-	-	-	-	-
	26,125	35,470	51,058	61,082	39,464	41,392	65,385	85,442	91,522	52,058 131.9%	76,204	84,621	154,490	173,735	231,683
<b>Income (loss) before income taxes <sup>(5)</sup></b>	<b>13,046</b>	<b>11,201</b>	<b>21,310</b>	<b>20,362</b>	<b>14,993</b>	<b>18,656</b>	<b>33,533</b>	<b>34,801</b>	<b>33,584</b>	<b>18,591 124.0%</b>	<b>(3,940)</b>	<b>7,008</b>	<b>57,268</b>	<b>65,919</b>	<b>101,983</b>
Incentive compensation as % of revenue	38.5%	50.1%	55.2%	57.2%	52.9%	51.1%	52.9%	53.1%	52.7%	(0.2)%	49.3%	50.2%	56.8%	52.2%	52.6%
Total compensation exp. as % of revenue <sup>(6)</sup>	48.3%	58.3%	60.9%	63.1%	55.2%	54.1%	54.7%	56.1%	55.3%	0.1%	65.9%	64.9%	62.7%	59.1%	55.2%
Non-compensation exp. as % of revenue	18.4%	17.7%	9.7%	11.9%	17.3%	14.8%	11.4%	15.0%	17.9%	0.6%	39.6%	27.5%	10.3%	13.4%	14.2%
Total expenses as % of revenue	66.7%	76.0%	70.6%	75.0%	72.5%	68.9%	66.1%	71.1%	73.2%	0.7%	105.5%	92.4%	73.0%	72.5%	69.4%
Pre-tax profit margin	33.3%	24.0%	29.4%	25.0%	27.5%	31.1%	33.9%	28.9%	26.8%	(0.7)%	(5.5)%	7.6%	27.0%	27.5%	30.6%
Number of employees	252	251	261	279	293	283	296	464	481	188 64.2%	235	247	237	279	464

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

(2) As of Q4/06, revenues of Canaccord Capital Corporation (USA), Inc. and Canaccord Adams Inc. have been disclosed together under the US geographic segment. Therefore, US geographic segment results are not to be interpreted as generated exclusively from Canaccord Adams Inc. or as a result of the acquisition of Adams Harkness Financial Group, Inc. Previously, Canaccord Capital (USA) Inc's portion of capital markets revenue was included in Capital Markets Canada.

(3) 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).

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

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

(6) 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. The change in compensation payout in fiscal 2006 reflects the implementation of a new flat payout structure for Canaccord Adams.

**Other segment**  
**Condensed statement of operations**

(Unaudited, for the period ended)  
(in thousands of dollars) <sup>(1)</sup>

	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q1/07 vs. Q1/06		FY02	FY03	FY04	FY05	FY06
										Increase (decrease)						
<b>Revenue</b>																
Canada	3,072	2,431	4,351	5,094	4,930	6,195	5,021	8,334 <sup>(2)</sup>	8,665	3,735	75.8%	7,635	9,793	14,416	14,948	24,480
US <sup>(3)</sup>	-	-	-	-	-	-	-	75 <sup>(2)</sup>	70	70	n.m.	-	-	-	-	75
<b>Total</b>	<b>3,072</b>	<b>2,431</b>	<b>4,351</b>	<b>5,094</b>	<b>4,930</b>	<b>6,195</b>	<b>5,021</b>	<b>8,409</b>	<b>8,735</b>	<b>3,805</b>	<b>77.2%</b>	<b>7,635</b>	<b>9,793</b>	<b>14,416</b>	<b>14,948</b>	<b>24,555</b>
<b>Expenses</b>																
Incentive compensation	2,286	1,972	2,817	3,953	2,288	3,843	5,046	7,124	5,639	3,351	146.5%	1,864	1,433	15,746	11,028	18,301
Salaries and benefits	4,542	4,152	4,340	4,946	4,903	4,792	5,128	5,708	5,875	972	19.8%	12,505	13,070	14,519	17,980	20,531
Trading costs <sup>(4)</sup>	361	194	286	269	432	354	235	486	185	(247)	(57.2)%	6,146	9,915	12,562	1,110	1,507
Premises and equipment	887	725	773	831	936	850	1,483	1,224	1,393	457	48.8%	3,733	2,900	4,039	3,216	4,493
Communication and technology	515	728	842	881	724	856	956	1,269	1,034	310	42.8%	970	1,427	2,594	2,966	3,805
Interest	1,445	721	760	576	821	942	101	67	45	(776)	(94.5)%	3,820	2,907	3,959	3,502	1,931
General and administrative	2,152	3,372	4,164	3,955	3,285	3,024	3,259	4,499	4,354	1,069	32.5%	6,308	5,779	7,931	13,643	14,067
Amortization	185	195	211	303	293	227	241	707	629	336	114.7%	1,017	1,011	979	894	1,468
Development costs	1,312	1,118	1,055	959	1,054	1,045	1,049	1,108	1,059	5	0.5%	2,773	2,792	4,143	4,444	4,256
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	1,200	-	-	-	-
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	1,436	-	-	-	-
Gain on disposal of invts & claims	-	-	-	-	(1,633)	-	-	-	-	1,633	100.0%	-	(4,261)	-	-	(1,633)
	13,685	13,177	15,248	16,673	13,103	15,933	17,498	22,192	20,213	7,110	54.3%	41,772	36,973	66,472	58,783	68,726
<b>Income (loss) before income taxes <sup>(5)</sup></b>	<b>(10,613)</b>	<b>(10,746)</b>	<b>(10,897)</b>	<b>(11,579)</b>	<b>(8,173)</b>	<b>(9,738)</b>	<b>(12,477)</b>	<b>(13,783)</b>	<b>(11,478)</b>	<b>3,305</b>	<b>40.4%</b>	<b>(34,137)</b>	<b>(27,180)</b>	<b>(52,056)</b>	<b>(43,835)</b>	<b>(44,171)</b>
Number of employees	308	314	316	324	328	336	337	335	343	15	4.6%	259	277	296	324	335

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

(2) Canada and US Other segment revenue have been reclassified for Q4/06.

(3) As of Q4/06, Other revenue from Canaccord Capital Corporation (USA) Inc. has been disclosed separately under the US geographic segment. Prior to Q4/06, US segment disclosure was not available.

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

(5) Loss before income taxes includes general expenses and overhead expenses prior to allocation to Private Client Services and Canaccord Adams.

## Canada

### Condensed statement of operations <sup>(1)</sup>

(Unaudited, for the period ended)

(in thousands of dollars) <sup>(2)</sup>

	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q1/07 vs. Q1/06		FY02	FY03	FY04	FY05	FY06
										Increase (decrease)						
<b>Revenue</b>																
Private Client Services	38,322	36,499	46,964	56,391	39,630	52,411	54,731	77,153 <sup>3</sup>	70,996	31,366	79.1%	90,534	97,784	175,983	178,176	223,925
Canaccord Adams	22,822	21,347	30,786	48,609	31,624	43,636	54,037	59,777 <sup>3</sup>	53,589	21,965	69.5%	46,994	63,165	127,269	123,564	189,074
Other	3,072	2,431	4,351	5,094	4,930	6,195	5,021	8,334 <sup>3</sup>	8,665	3,735	75.8%	7,635	9,793	14,416	14,948	24,480
	64,216	60,277	82,101	110,094	76,184	102,242	113,789	145,264	133,250	57,066	74.9%	145,163	170,742	317,668	316,688	437,479
<b>Expenses</b>																
Incentive compensation	28,574	28,050	39,688	58,115	36,379	51,046	57,592	76,148	65,428	29,049	79.9%	64,869	77,997	164,826	154,427	221,165
Salaries and benefits	9,357	8,360	8,690	10,513	8,668	8,561	8,862	11,105	10,041	1,373	15.8%	26,310	28,762	31,335	36,920	37,196
Trading costs	4,162	3,264	4,065	4,209	4,023	3,986	4,113	5,277	5,904	1,881	46.8%	8,739	14,233	16,193	15,700	17,399
Premises and equipment	2,456	2,362	2,339	2,549	2,941	2,695	3,467	3,598	3,821	880	29.9%	10,085	9,115	10,444	9,706	12,701
Communication and technology	2,967	3,305	3,275	3,454	3,343	3,547	3,647	4,125	4,019	676	20.2%	10,840	11,950	11,453	13,001	14,662
Interest	2,273	1,435	1,989	2,126	2,491	2,402	2,440	3,487	4,888	2,397	96.2%	3,821	2,907	3,959	7,823	10,820
General and administrative	5,125	6,552	6,010	8,605	8,437	7,847	10,792	10,990 <sup>3</sup>	14,575	6,138	72.8%	15,768	17,969	21,411	26,292	38,066
Amortization	566	588	628	783	941	646	769	1,567	1,381	440	46.8%	2,864	2,936	2,849	2,565	3,923
Development costs	2,075	1,976	1,872	2,001	2,091	2,038	2,103	3,011	2,819	728	34.8%	4,443	4,137	8,240	7,924	9,243
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	22,403	8,259	315	-	-
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	1,436	-	-	-	-
Gain on disposal of invts & claims	-	-	-	-	(1,633)	-	-	-	-	1,633	(100.0)%	-	(4,261)	-	-	(1,633)
	57,555	55,892	68,556	92,355	67,681	82,768	93,785	119,308	112,876	45,195	66.8%	171,578	174,004	271,025	274,358	363,542
<b>Income (loss) before income taxes</b>	<b>6,661</b>	<b>4,385</b>	<b>13,545</b>	<b>17,739</b>	<b>8,503</b>	<b>19,474</b>	<b>20,004</b>	<b>25,956</b>	<b>20,374</b>	<b>11,871</b>	<b>139.6%</b>	<b>(26,415)</b>	<b>(3,262)</b>	<b>46,643</b>	<b>42,330</b>	<b>73,937</b>
Income taxes	1,978	1,706	3,890	6,546	2,543	6,806	6,596	9,400	7,271	4,728	185.9%	(10,022)	(240)	17,270	14,119	25,345
<b>Net income (loss)</b>	<b>4,683</b>	<b>2,679</b>	<b>9,655</b>	<b>11,193</b>	<b>5,960</b>	<b>12,668</b>	<b>13,408</b>	<b>16,556</b>	<b>13,103</b>	<b>7,143</b>	<b>119.8%</b>	<b>(16,393)</b>	<b>(3,022)</b>	<b>29,373</b>	<b>28,211</b>	<b>48,592</b>
Incentive compensation as % of revenue	44.5%	46.5%	48.3%	52.8%	47.8%	49.9%	50.6%	52.4%	49.1%	1.3%		44.7%	45.7%	51.9%	48.8%	50.6%
Total compensation exp. as % of revenue <sup>(4)</sup>	59.1%	60.4%	58.9%	62.3%	59.1%	58.3%	58.4%	60.1%	56.6%	(2.5)%		62.8%	62.5%	61.8%	60.4%	59.1%
Non-compensation exp. as % of revenue	30.5%	32.3%	24.6%	21.6%	29.7%	22.7%	24.0%	28.1%	28.1%	(1.6)%		55.4%	39.4%	23.5%	26.2%	24.0%
Total expenses as % of revenue	89.6%	92.7%	83.5%	83.9%	88.8%	81.0%	82.4%	82.1%	84.7%	(4.1)%		118.2%	101.9%	85.3%	86.6%	83.1%
Pre-tax profit margin	10.4%	7.3%	16.5%	16.1%	11.2%	19.0%	17.6%	17.9%	15.3%	4.1%		(18.2)%	(1.9)%	14.7%	13.4%	16.9%
Net profit margin	7.3%	4.4%	11.8%	10.2%	7.8%	12.4%	11.8%	11.4%	9.8%	2.0%		-11.3%	-1.8%	9.2%	8.9%	11.1%
Number of employees	1,148	1,137	1,157	1,190	1,215	1,212	1,244	1,257	1,292	77	6.3%	1,069	1,102	1,104	1,190	1,257

(1) Canada geographic segment includes operations for Private Client Services, Canaccord Adams (a division of Canaccord Capital Corporation) and Other business segments.

(2) Financial results are expressed in C\$ thousands, except for financial ratios and number of employees.

(3) Prior to Q4/06, revenues from Canaccord Capital Corporation (USA), Inc. were included in the Canada geographic segment. Starting in Q1/07, these revenue amounts have been excluded and separately disclosed in the US geographic disclosure on page 8. Q4/06 Canada segment revenues have been reclassified for comparison purposes.

(4) 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.



**UK**

**Condensed statement of operations <sup>(1)</sup>**

(Unaudited, for the period ended)  
(in thousands of dollars) <sup>(2)</sup>

	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q1/07 vs. Q1/06 Increase (decrease)	FY02	FY03	FY04	FY05	FY06
<b>Revenue</b>															
Private Client Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Canaccord Adams	16,349	25,324	41,582	32,835	22,833	16,412	44,881	41,774	48,892	26,059 114.1%	25,270	28,464	84,489	116,090	125,900
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	16,349	25,324	41,582	32,835	22,833	16,412	44,881	41,774	48,892	26,059 114.1%	25,270	28,464	84,489	116,090	125,900
<b>Expenses</b>															
Incentive compensation	6,136	13,850	24,323	18,007	11,647	8,111	23,764	21,781	25,221	13,574 116.5%	12,929	13,877	51,311	62,316	65,303
National Health Insurance tax <sup>(3)</sup>	383	821	1,438	1,069	624	423	1,306	1,233	1,404	780 125.0%	630	720	2,665	3,711	3,586
Total incentive compensation	6,519	14,671	25,761	19,076	12,271	8,534	25,070	23,014	26,625	14,354 117.0%	13,559	14,597	53,976	66,027	68,889
Salaries and benefits	1,857	2,054	2,267	2,617	558	848	806	998	698	140 25.1%	5,837	6,899	5,858	8,795	3,210
Trading costs	291	276	312	284	289	261	328	312	375	86 29.8%	882	1,110	1,117	1,163	1,190
Premises and equipment	573	558	536	476	685	372	615	467	1,208	523 76.4%	2,531	2,974	2,573	2,143	2,139
Communication and technology	254	268	249	265	347	251	376	466	444	97 28.0%	810	1,034	837	1,036	1,440
Interest	-	1	1	(1)	-	3	1	1	1	-	295	332	35	1	5
General and administrative	919	1,461	1,238	2,261	1,579	1,216	1,630	1,949	2,255	676 42.8%	2,407	2,586	3,463	5,879	6,374
Amortization	126	151	174	169	177	154	161	224	435	258 145.8%	1,118	962	716	620	716
Development costs	-	-	-	-	-	-	-	-	239	239 n.m.	-	-	-	-	-
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	350	246	-	-	-
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	161	-	-	-	-
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10,539	19,440	30,538	25,147	15,906	11,639	28,987	27,431	32,279	16,373 102.9%	27,950	30,740	68,575	85,664	83,963
<b>Income (loss) before income taxes</b>	<b>5,810</b>	<b>5,884</b>	<b>11,044</b>	<b>7,688</b>	<b>6,927</b>	<b>4,773</b>	<b>15,894</b>	<b>14,343</b>	<b>16,613</b>	<b>9,686 139.8%</b>	<b>(2,680)</b>	<b>(2,276)</b>	<b>15,914</b>	<b>30,426</b>	<b>41,937</b>
Income taxes	2,087	2,440	3,956	1,574	1,809	1,687	5,054	3,395	5,422	3,613 199.7%	(993)	(245)	4,858	10,058	11,945
<b>Net income (loss)</b>	<b>3,723</b>	<b>3,444</b>	<b>7,088</b>	<b>6,114</b>	<b>5,118</b>	<b>3,086</b>	<b>10,840</b>	<b>10,948</b>	<b>11,191</b>	<b>6,073 118.7%</b>	<b>(1,687)</b>	<b>(2,031)</b>	<b>11,056</b>	<b>20,368</b>	<b>29,992</b>
Incentive compensation as % of revenue	39.9%	57.9%	62.0%	58.1%	53.7%	52.0%	55.9%	55.1%	54.5%	0.8%	53.7%	51.3%	63.9%	56.9%	54.7%
Total compensation exp. as % of revenue <sup>(4)</sup>	51.2%	66.0%	67.4%	66.1%	56.2%	57.2%	57.7%	57.5%	55.9%	(0.3)%	76.8%	75.5%	70.8%	64.5%	57.3%
Non-compensation exp. as % of revenue	13.3%	10.8%	6.0%	10.5%	13.5%	13.7%	6.9%	8.2%	10.1%	(3.4)%	33.8%	32.5%	10.4%	9.3%	9.4%
Total expenses as % of revenue	64.5%	76.8%	73.4%	76.6%	69.7%	70.9%	64.6%	65.7%	66.0%	(3.7)%	110.6%	108.0%	81.2%	73.8%	66.7%
Pre-tax profit margin	35.5%	23.2%	26.6%	23.4%	30.3%	29.1%	35.4%	34.3%	34.0%	3.7%	(10.6)%	(8.0)%	18.8%	26.2%	33.3%
Net profit margin	22.8%	13.6%	17.0%	18.6%	22.4%	18.8%	24.2%	26.2%	22.9%	0.5%	(6.7)%	(7.1)%	13.1%	17.5%	23.8%
Number of employees	54	66	67	70	73	70	76	81	88	15 20.5%	48	50	52	70	81

(1) UK geographic segment includes operations for Canaccord Adams Limited.

(2) Financial results are expressed in C\$ thousands, except for financial ratios and number of employees.

(3) NHI is a National Health Insurance tax applicable to the UK and is based on a percentage of incentive compensation payout.

(4) 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.

**US**

**Condensed statement of operations <sup>(1)</sup>**

(Unaudited, for the period ended)

(in thousands of dollars) <sup>(2)</sup>

	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q1/07 vs. Q1/06		FY02	FY03	FY04	FY05	FY06
										Increase (decrease)						
<b>Revenue</b>																
Private Client Services	-	-	-	-	-	-	-	1,269	1,290	1,290	n.m.	-	-	-	-	1,269
Canaccord Adams	-	-	-	-	-	-	-	18,692	22,625	22,625	n.m.	-	-	-	-	18,692
Other	-	-	-	-	-	-	-	75 <sup>(3)</sup>	70	70	n.m.	-	-	-	-	75
	-	-	-	-	-	-	-	20,036	23,985	23,985	n.m.	-	-	-	-	20,036
<b>Expenses</b>																
Incentive compensation	-	-	-	-	-	-	-	9,134	12,902	12,902	n.m.	-	-	-	-	9,134
Salaries and benefits	-	-	-	-	-	-	-	1,613	1,754	1,754	n.m.	-	-	-	-	1,613
Trading costs	-	-	-	-	-	-	-	2,026	2,280	2,280	n.m.	-	-	-	-	2,026
Premises and equipment	-	-	-	-	-	-	-	1,003	908	908	n.m.	-	-	-	-	1,003
Communication and technology	-	-	-	-	-	-	-	496	600	600	n.m.	-	-	-	-	496
Interest	-	-	-	-	-	-	-	89	94	94	n.m.	-	-	-	-	89
General and administrative	-	-	-	-	-	-	-	1,787 <sup>(4)</sup>	2,277	2,277	n.m.	-	-	-	-	1,787
Amortization	-	-	-	-	-	-	-	178	173	173	n.m.	-	-	-	-	178
Development costs	-	-	-	-	-	-	-	554	809	809	n.m.	-	-	-	-	554
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	16,880	21,797	21,797	n.m.	-	-	-	-	16,880
<b>Income (loss) before income taxes</b>	-	-	-	-	-	-	-	<b>3,156</b>	<b>2,188</b>	<b>2,188</b>	<b>n.m.</b>	-	-	-	-	<b>3,156</b>
Income taxes	-	-	-	-	-	-	-	590	540	540	n.m.	-	-	-	-	590
<b>Net income (loss)</b>	-	-	-	-	-	-	-	<b>2,566</b>	<b>1,648</b>	<b>1,648</b>	<b>n.m.</b>	-	-	-	-	<b>2,566</b>
Incentive compensation as % of revenue	-	-	-	-	-	-	-	45.6%	53.8%	n.m.		-	-	-	-	45.6%
Total compensation exp. as % of revenue <sup>(4) (5)</sup>	-	-	-	-	-	-	-	53.6%	61.1%	n.m.		-	-	-	-	53.6%
Non-compensation exp. as % of revenue	-	-	-	-	-	-	-	30.6%	29.8%	n.m.		-	-	-	-	30.6%
Total expenses as % of revenue	-	-	-	-	-	-	-	84.2%	90.9%	n.m.		-	-	-	-	84.2%
Pre-tax profit margin	-	-	-	-	-	-	-	15.8%	9.1%	n.m.		-	-	-	-	15.8%
Net profit margin	-	-	-	-	-	-	-	12.8%	6.9%	n.m.		-	-	-	-	12.8%
Number of employees	-	-	-	-	-	-	-	150	154	154	n.m.	-	-	-	-	150

(1) US geographic segment includes operations for Canaccord Adams Inc. and Canaccord Capital Corporation (USA), Inc., which also includes operations from Private Client Services and Other business segments.

(2) Financial results are expressed in C\$ thousands, except for financial ratios and number of employees.

(3) Other revenue and general and administrative expense for Q4/06 have been reclassified.

(4) 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.

(5) Total compensation in Canaccord Adams Inc. also includes retention costs from the Adams Harkness acquisition.

**Canaccord group of companies**  
**Consolidated balance sheet**

(Unaudited, as at)  
(in thousands of dollars)

	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q1/07 vs. Q1/06 Increase (decrease)		FY02	FY03	FY04	FY05	FY06
<b>Assets</b>																
Cash and cash equivalents	34,008	158,560	256,158	349,700	282,485	223,914	241,380	370,507	376,986	94,501	33.5%	23,697	100,024	91,966	349,700	370,507
Securities owned, at market	377,789	305,611	184,895	160,348	122,745	157,334	218,459	203,020	194,061	71,316	58.1%	89,608	136,073	376,447	160,348	203,020
Accounts receivable <sup>(1)</sup>	1,053,161	1,011,842	719,774	1,068,757	855,730	1,139,248	1,091,147	1,539,998	1,154,454	298,724	34.9%	639,243	560,927	998,815	1,068,757	1,539,998
Income taxes recoverable	-	701	-	-	1,222	-	-	-	-	(1,222)	(100.0)%	8,581	558	-	-	-
Equipment and leasehold improvements	12,182	12,373	13,904	13,750	14,131	15,937	22,483	25,750	24,449	10,318	73.0%	14,151	12,027	12,373	13,750	25,750
Notes receivable	35,355	39,251	41,055	41,618	42,731	10,023	-	-	-	(42,731)	(100.0)%	5,614	17,393	28,765	41,618	-
Future income taxes	1,645	1,609	1,834	3,992	4,109	3,557	2,750	10,769	11,872	7,763	188.9%	2,327	3,735	-	3,992	10,769
Goodwill and other intangibles	-	-	-	-	-	-	4,203	27,929	27,575	27,575	n.m.	-	-	-	-	27,929
<b>Total Assets</b>	<b>1,514,140</b>	<b>1,529,947</b>	<b>1,217,620</b>	<b>1,638,165</b>	<b>1,323,153</b>	<b>1,550,013</b>	<b>1,580,422</b>	<b>2,177,973</b>	<b>1,789,397</b>	<b>466,244</b>	<b>35.2%</b>	<b>783,221</b>	<b>830,737</b>	<b>1,508,366</b>	<b>1,638,165</b>	<b>2,177,973</b>
<b>Liabilities and shareholders' equity</b>																
Call loans	40,745	677	6,311	-	819	-	345	4,684	556	(263)	(32.1)%	1,924	-	2,541	-	4,684
Securities sold short, at market	270,228	190,796	90,033	105,527	49,180	59,602	132,481	37,169	109,923	60,743	123.5%	31,645	85,373	281,723	105,527	37,169
Accounts payable and accrued liabilities	957,362	1,099,731	862,582	1,262,072	1,003,765	1,254,396	1,193,863	1,832,956	1,359,198	355,433	35.4%	662,724	644,043	1,048,395	1,262,072	1,832,956
Income taxes payable	2,742	-	3,259	6,737	-	2,374	7,638	15,334	8,522	8,522	n.m.	-	-	16,905	6,737	15,334
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	973	-	-
Notes payable	35,355	39,251	41,055	41,618	42,731	10,023	-	-	-	(42,731)	(100.0)%	8,446	17,393	28,765	41,618	-
Convertible debentures	-	-	-	-	-	-	-	-	-	-	-	11,225	21,225	20,377	-	-
Subordinated debt	10,000	-	-	-	-	-	-	-	-	-	-	17,000	10,000	10,000	-	-
Shareholders' equity	197,708	199,492	214,380	222,211	226,658	223,618	246,095	287,830	311,198	84,540	37.3%	50,257	52,703	98,687	222,211	287,830
<b>Total liabilities and shareholders' equity</b>	<b>1,514,140</b>	<b>1,529,947</b>	<b>1,217,620</b>	<b>1,638,165</b>	<b>1,323,153</b>	<b>1,550,013</b>	<b>1,580,422</b>	<b>2,177,973</b>	<b>1,789,397</b>	<b>466,244</b>	<b>35.2%</b>	<b>783,221</b>	<b>830,737</b>	<b>1,508,366</b>	<b>1,638,165</b>	<b>2,177,973</b>

(1) As of Q3/06, deferred charges have been combined with accounts receivable. Prior periods' accounts receivable amounts have been reclassified to reflect the change.

### Miscellaneous operational statistics

(Unaudited, for the period ended)

	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q1/07 vs. Q1/06		FY02	FY03	FY04	FY05	FY06
										Increase (decrease)						
<b>Number of employees in Canada</b> <sup>(1)</sup>																
Number in Private Client Services	642	638	647	657	667	663	687	689	710	43	6.4%	623	628	623	657	689
Number in Canaccord Adams	198	185	194	209	220	213	220	233	239	19	8.6%	187	197	185	209	233
Number in Other	308	314	316	324	328	336	337	335	343	15	4.6%	259	277	296	324	335
Total Canada	1,148	1,137	1,157	1,190	1,215	1,212	1,244	1,257	1,292	77	6.3%	1,069	1,102	1,104	1,190	1,257
<b>Number of employees in UK</b> <sup>(1)</sup>																
Number in Canaccord Adams	54	66	67	70	73	70	76	81	88	15	20.5%	48	50	52	70	81
<b>Number of employees in US</b>																
Number in Canaccord Adams	-	-	-	-	-	-	-	150	154	154	n.m.	-	-	-	-	150
<b>Number of employees firm wide</b> <sup>(1)</sup>	1,202	1,203	1,224	1,260	1,288	1,282	1,320	1,488	1,534	246	19.1%	1,117	1,152	1,156	1,260	1,488
<b>Number of Investment Advisors</b> <sup>(2)</sup>	404	403	412	412	418	425	433	430	430	12	2.9%	398	399	391	412	430
<b>Number of licensed professionals</b>	689	692	709	710	720	727	759	763	775	55	7.6%	n.m.	668	675	710	763
<b>Number of PCS clients</b>	140,553	138,684	140,915	144,451	145,336	147,930	152,105	155,404	156,828	11,492	7.9%	149,360	131,584	138,142	144,451	155,404
<b>Assets under mgmt. (\$millions)</b> <sup>(3)</sup>	274	301	344	380	410	475	528	613	649	239	58.3%	51	104	237	380	613
<b>Assets under admin. (\$millions)</b>	8,244	8,678	8,998	9,967	9,954	11,495	12,183	14,310	13,942	3,988	40.1%	4,978	5,037	8,292	9,967	14,310
<b>AUA per Investment Advisor (\$ millions)</b> <sup>(2)</sup>	20	22	22	24	24	27	28	33	32	8	33.3%	13	13	21	24	33
<b>Number of companies with Canaccord Adams Limited as Broker</b>																
London Stock Exchange (LSE)	6	7	6	6	5	2	2	1	1	(4)	(80.0)%	3	5	5	6	1
Alternative Investment Market (AIM)	35	37	44	51	50	51	49	53	61	11	22.0%	6	16	31	51	53
Total Broker	41	44	50	57	55	53	51	54	62	7	12.7%	9	21	36	57	54
<b>Number of companies with Canaccord Adams Limited as Nomad / Financial Adviser</b> <sup>(4)</sup>																
LSE	3	4	4	4	4	2	2	1	1	(3)	(75.0)%	1	3	3	4	1
AIM	28	32	40	47	46	46	45	49	55	9	19.6%	3	10	24	47	49
Total Nomad / Financial Adviser	31	36	44	51	50	48	47	50	56	6	12.0%	4	13	27	51	50

(1) The number of employees from Q1/04 to Q4/05 has been adjusted to exclude employees on unpaid leave of absence, long term disability, or are temporary part-time employees. Therefore, the employee count will not be comparable to prior quarters' supplementary disclosure.

(2) Upon reviewing the population of Investment Advisors (IAs), it was determined that IAs on long term disability and non-registrants should be excluded from the total count, and therefore, historical statistics have been reclassified.

(3) AUM are assets managed on a discretionary basis as a part of the Independence Accounts administered by Canaccord.

(4) 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. The Nomad is similar to a Financial Adviser on the LSE, but is specific to AIM.

**Financial Post Data Group League Table <sup>(1)</sup>**

**Q1/07 vs. Q1/06:**

<b>Q1/07 (April 1 - June 30, 2006)</b>							
<b>Manager</b>	<b>Participation in # of deals</b>	<b>Rank by # of deals</b>	<b>Total proceeds (\$000's)</b>	<b># of deals led <sup>(2)</sup></b>	<b>Market share</b>	<b>Rank by mkt. share</b>	<b>Gross proceeds (led transactions) (\$000's)</b>
<b>Canaccord Capital</b>	<b>99</b>	<b>1</b>	<b>5,561,172</b>	<b>26.0</b>	<b>7.9%</b>	<b>1</b>	<b>688,102</b>
BMO Nesbitt Burns	66	2	5,603,570	8.8	2.7%	9	651,844
TD Securities	61	3	5,361,527	15.7	4.8%	4	1,053,394
CIBC World Markets	60	4	4,995,675	15.2	4.6%	5	1,316,015
Dundee Securities	52	5	1,791,673	14.8	4.5%	6	190,683
Blackmont Capital	50	6	2,574,458	11.8	3.6%	7	225,800
GMP Securities	50	7	2,956,429	20.0	6.1%	2	706,359
National Bank Financial	48	8	4,061,650	5.8	1.8%	14	221,175
Raymond James	46	9	4,932,853	5.0	1.5%	16	309,989
Scotia Capital	45	10	4,340,147	5.0	1.5%	15	489,305
Others				199.9	61.0%		3,213,609
				<b>328</b>	<b>100%</b>		

<b>Q1/06 (April 1 - June 30, 2005)</b>							
<b>Manager</b>	<b>Participation in # of deals</b>	<b>Rank by # of deals</b>	<b>Total proceeds (\$000's)</b>	<b># of deals led <sup>(2)</sup></b>	<b>Market share</b>	<b>Rank by mkt. share</b>	<b>Gross proceeds (led transactions) (\$000's)</b>
<b>Canaccord Capital</b>	<b>85</b>	<b>1</b>	<b>6,632,283</b>	<b>22.8</b>	<b>9.5%</b>	<b>1</b>	<b>530,385</b>
CIBC World Markets	63	2	7,591,353	18.1	7.5%	3	2,150,545
TD Securities	60	3	7,581,196	6.8	2.9%	10	582,357
Blackmont Capital	56	4	4,453,427	13.0	5.4%	5	132,163
BMO Nesbitt Burns	54	5	7,004,793	17.3	7.2%	4	2,208,084
National Bank Financial	52	6	6,024,483	5.5	2.3%	12	336,416
GMP Securities	48	7	2,530,056	20.0	8.3%	2	628,077
Scotia Capital	46	8	5,589,346	9.4	3.9%	7	1,035,682
RBC Capital Markets	44	9	6,402,812	9.3	3.9%	9	1,457,877
Dundee Securities	42	10	3,134,803	9.3	3.9%	8	96,916
Others				108.5	45.2%		990,334
				<b>240</b>	<b>100%</b>		

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) League table includes all transactions listed on the Canadian exchanges and all Canadian issuer transactions listed on any foreign exchanges.

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