

CANACCORD Financial

Canaccord Financial Inc.

Supplementary Financial Information

Third Quarter Fiscal 2011

For the period ended December 31, 2010

(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 Third Quarter Fiscal 2011 Quarterly Report to Shareholders (unaudited) dated February 10, 2011, and the Annual Report dated May 7, 2010. Canaccord's fiscal year end is defined as March 31st of each year. Canaccord's third quarter fiscal 2011 ended December 31, 2010 is also referred to as Q3/11 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: net income after intersegment allocated costs, supplementary information excluding significant and acquisition-related items, capital employed, return on average common equity (ROE), book value per diluted 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, 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⁾

	Q3/11 vs. Q3/10		Q3/11							9 Months Ended			FY10							
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Financial results																				
Revenue	81,637	47.1%	254,834	149,285	151,917	143,133	173,197	123,744	137,463	106,996	87,188	556,036	434,404	121,632	28.0%	577,537	477,721	731,539	756,914	583,415
Expenses	42,451	28.1%	193,338	135,346	144,684	137,658	150,887	115,883	121,468	100,311	159,625	473,368	388,238	85,130	21.9%	525,896	524,920	680,008	618,717	464,385
Income taxes (recovery)	11,595	161.1%	18,792	4,228	2,358	(2,051)	7,197	1,115	6,883	3,019	(10,059)	25,378	15,195	10,183	67.0%	13,144	452	20,197	44,741	37,880
Net income (loss)	27,591	182.6%	42,704	9,711	4,875	7,526	15,113	6,746	9,112	3,666	(62,378)	57,290	30,971	26,319	85.0%	38,497	(47,651)	31,334	93,456	81,150
Balance sheet information																				
Total assets	1,985,732	76.9%	4,569,589	5,274,244	3,972,910	3,123,848	2,583,857	3,407,005	2,184,790	2,022,099	1,679,685	4,569,589	2,583,857	1,985,732	76.9%	3,123,848	2,022,099	2,098,718	2,609,942	2,177,973
Total liabilities	1,662,805	76.2%	3,845,995	4,594,972	3,303,301	2,722,103	2,183,190	3,018,780	1,799,394	1,649,395	1,321,724	3,845,995	2,183,190	1,662,805	76.2%	2,722,103	1,649,395	1,741,274	2,237,751	1,890,143
Total shareholders' equity	322,927	80.6%	723,594	679,272	669,609	401,745	400,667	388,225	385,396	372,704	357,961	723,594	400,667	322,927	80.6%	401,745	372,704	357,444	372,191	287,830
Client assets																				
Assets under mgmt. (\$ millions) ⁽²⁾	91	21.5%	514	473	431	445	423	453	443	393	454	514	423	91	21.5%	445	393	730	807	613
Assets under admin. (\$ millions)	3,796	31.1%	16,006	13,895	12,571	12,922	12,210	11,386	10,341	9,184	9,030	16,006	12,210	3,796	31.1%	12,922	9,184	14,295	15,014	14,310
Common share information																				
Per share (\$)																				
Basic earnings (loss)	0.26	83.9%	0.57	0.13	0.07	0.15	0.31	0.14	0.19	0.07	(1.27)	0.79	0.64	0.15	23.4%	0.79	(0.97)	0.70	2.03	1.82
Diluted earnings (loss)	0.24	88.9%	0.51	0.12	0.06	0.14	0.27	0.12	0.16	0.07	(1.27)	0.71	0.56	0.15	26.8%	0.69	(0.97)	0.64	1.94	1.74
Book value per diluted share ^{(3) (4)}	1.42	20.3%	8.42	8.03	7.84	6.96	7.00	6.78	6.73	6.51	6.37	8.42	7.00	1.42	20.3%	6.96	6.51	7.21	7.74	5.99
Share price (\$)																				
High	2.55	21.5%	14.42	10.89	11.48	11.34	11.87	10.71	8.41	5.53	8.19	14.42	11.87	2.55	21.5%	11.87	11.75	25.92	27.50	21.25
Low	0.59	6.2%	10.09	8.77	7.95	8.27	9.50	6.70	5.30	3.50	2.87	7.95	5.30	2.65	50.0%	5.30	2.87	8.60	15.80	9.00
Close	3.79	36.5%	14.16	10.37	9.39	11.10	10.37	10.20	6.95	5.40	4.04	14.16	11.36	2.80	24.6%	11.10	5.40	9.80	22.12	20.80
Shares outstanding (thousands)																				
Issued shares excluding unvested shares ⁽⁵⁾	26,949	56.0%	75,055	74,552	74,961	48,868	48,106	48,681	49,118	49,343	49,108	75,055	48,106	26,949	56.0%	48,868	49,343	43,873	45,973	45,746
Issued and outstanding ⁽⁶⁾	27,221	49.1%	82,626	82,553	82,308	55,571	55,405	55,359	55,234	55,093	54,636	82,626	55,405	27,221	49.1%	55,571	55,093	47,835	47,832	47,827
Diluted shares ⁽⁷⁾	28,671	50.1%	85,938	84,565	85,357	57,814	57,267	57,226	57,245	57,251	56,210	85,707	57,267	28,440	49.7%	57,767	57,251	49,556	48,084	48,017
Average outstanding - basic	26,800	55.7%	74,947	74,235	67,931	48,697	48,147	48,536	48,165	49,352	49,073	72,357	48,376	23,981	49.6%	48,698	48,929	44,778	45,969	44,606
Average diluted ⁽⁸⁾	27,369	48.6%	83,643	82,976	76,217	56,052	56,274	55,590	55,331	54,748	55,219	80,942	55,577	25,365	45.6%	55,662	54,189	48,727	48,081	46,699
Market capitalization (thousands) ⁽⁴⁾	623,024	104.9%	1,216,882	876,939	801,503	641,735	593,859	583,705	397,853	309,155	227,088	1,213,611	650,553	563,058	86.6%	640,259	309,155	485,649	1,063,625	998,762
Financial measures																				
Dividends per share	0.03	50.0%	0.075	0.05	0.05	0.05	0.05	0.05	-	-	-	0.175	0.10	0.075	75.0%	0.15	0.125	0.50	0.36	0.28
Dividend yield (closing share price) ⁽⁹⁾	0.2 p.p.		2.1%	1.9%	2.1%	1.8%	1.9%	2.0%	-	-	-	1.6%	1.3%	0.3 p.p.		0.3%	2.3%	5.1%	1.6%	1.3%
Dividend payout ratio ^{(3) (9)}	(4.4) p.p.		14.5%	42.5%	84.4%	38.4%	18.9%	42.4%	-	-	-	25.2%	18.5%	6.7 p.p.		22.4%	(15.1)%	78.3%	18.5%	16.2%
Total shareholder return ⁽¹⁰⁾	35.6 p.p.		37.3%	11.0%	(15.0)%	7.5%	1.7%	46.8%	28.7%	33.7%	(49.4)%	29.1%	92.0%	(62.9) p.p.		108.3%	(44.2)%	(55.5)%	8.3%	103.4%
Return on common equity (ROE)	9.0 p.p.		24.2%	5.7%	3.7%	7.6%	15.2%	6.9%	9.7%	4.0%	(64.3)%	11.2%	10.6%	0.6 p.p.		9.8%	(12.4)%	7.9%	28.4%	33.6%
Price to earnings multiple ⁽¹¹⁾	0.4	(2.2)%	17.1	17.6	15.9	16.1	16.7	(11.1)	(6.0)	5.7	(10.9)	17.1	16.7	0.4	2.2%	16.1	5.7	15.8	11.4	12.0
Price to book ratio ⁽¹²⁾	0.2	12.1%	1.7	1.3	1.2	1.6	1.5	1.5	1.0	0.8	0.6	1.7	1.5	0.2	12.1%	1.6	0.8	1.4	2.9	3.5

Supplementary Information Excluding Significant and Acquisition-related Items (Non-GAAP) ^{(15) (26)}

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

	Q3/11 vs. Q3/10		Q3/11							9 Months Ended			FY10							
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Financial results																				
Revenue	81,637	47.1%	254,834	149,285	151,917	143,133	173,197	123,744	137,463	106,996	87,188	556,036	434,404	121,632	28.0%	577,537	477,721	731,539	756,914	583,415
Expenses	39,771	26.4%	190,658	133,519	132,255	132,658	150,887	115,883	121,468	100,169	108,534	456,432	388,238	68,194	17.6%	520,896	473,687	609,011	618,717	464,385
Income taxes (recovery)	11,668	162.1%	18,865	4,228	5,768	(597)	7,197	1,115	6,883	3,063	(5,104)	28,861	15,195	13,666	89.9%	14,598	5,451	43,182	44,741	37,880
Net income (loss)	30,198	199.8%	45,311	11,538	13,894	11,072	15,113	6,746	9,112	3,764	(16,242)	70,743	30,971	39,772	128.4%	42,043	(1,417)	79,346	93,456	81,150
Common share information																				
Per share (\$)																				
Basic earnings (loss)	0.30	96.8%	0.61	0.16	0.20	0.22	0.31	0.14	0.19	0.08	(0.33)	0.98	0.64	0.34	53.1%	0.86	(0.03)	1.77	2.03	1.82
Diluted earnings (loss)	0.27	100.0%	0.54	0.14	0.18	0.21	0.27	0.12	0.16	0.07	(0.33)	0.87	0.56	0.31	55.4%	0.76	(0.03)	1.63	1.94	1.74
Financial measures																				
Dividend payout ratio ^{(4) (9)}	(5.2) p.p.		13.7%	35.8%	29.6%	38.4%	18.9%	42.4%	-	-	-	20.4%	18.5%	1.9 p.p.		22.4%	n.m.	30.9%	18.5%	16.2%
Price to earnings multiple ⁽¹¹⁾	(3.5)	20.8%	13.2	14.2	13.2	14.6	16.7	(13.6)	(6.0)	1.1	7.1	13.2	16.7	(3.5)	(20.8)%	14.6	1.1	7.3	11.4	12.0

n.m.: not meaningful
p.p.: percentage points

Note: Please find notes on Page 12.

Canaccord Group of Companies

Condensed consolidated statement of operations

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

	Q3/11 vs. Q3/10		Q3/11							9 Months Ended				FY10						
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Revenue																				
Commission	26,737	44.1%	87,433	63,002	62,256	62,826	60,696	56,628	55,456	49,005	51,473	212,691	172,780	39,911	23.1%	235,606	233,104	296,047	303,672	239,460
Investment banking	34,627	42.2%	116,716	51,236	55,901	54,191	82,089	32,366	46,590	30,146	8,887	223,853	161,045	62,808	39.0%	215,237	117,916	295,787	319,240	253,124
Advisory Fees	18,948	299.4%	25,276	13,215	20,721	8,323	6,328	15,254	9,296	8,854	11,311	59,212	30,878	28,334	91.8%	39,200	51,453	41,087	31,033	13,082
Principal trading	(4,987)	(31.9)%	10,658	9,597	5,958	7,278	15,645	11,589	11,470	8,540	3,781	26,213	38,704	(12,491)	(32.3)%	45,982	18,319	7,443	31,638	27,388
Interest	4,654	150.2%	7,753	5,436	3,144	3,269	3,099	3,121	3,476	5,116	9,108	16,333	9,696	6,637	68.5%	12,965	38,287	63,168	57,908	36,915
Other	1,658	31.0%	6,998	6,799	3,937	7,246	5,340	4,786	11,175	5,335	2,628	17,734	21,301	(3,567)	(16.7)%	28,547	18,642	28,007	13,423	13,446
	81,637	47.1%	254,834	149,285	151,917	143,133	173,197	123,744	137,463	106,996	87,188	556,036	434,404	121,632	28.0%	577,537	477,721	731,539	756,914	583,415
Expenses																				
Incentive compensation ⁽¹³⁾	33,161	35.3%	127,033	71,823	73,091	72,783	93,872	63,966	68,463	45,003	43,299	271,947	226,301	45,646	20.2%	299,084	222,006	347,079	382,897	299,188
Salaries and benefits	(206)	(1.4)%	14,739	16,322	15,816	16,685	14,945	13,983	13,802	14,316	12,817	46,877	42,730	4,147	9.7%	59,415	56,771	54,294	47,608	42,019
Trading costs	797	11.2%	7,937	7,241	7,705	7,418	7,140	7,002	7,324	6,565	6,708	22,883	21,466	1,417	6.6%	28,884	26,311	27,090	27,452	20,615
Premises and equipment	849	13.6%	7,077	6,640	6,038	6,188	6,228	6,104	5,882	6,404	6,549	19,755	18,214	1,541	8.5%	24,402	24,695	22,745	25,173	15,843
Communication and technology	273	4.7%	6,111	6,779	6,269	5,296	5,838	5,245	5,489	6,249	6,277	19,159	16,572	2,587	15.6%	21,868	25,228	23,228	21,472	16,598
Interest	2,406	381.3%	3,037	1,673	616	613	631	492	845	1,339	2,568	5,326	1,968	3,358	170.6%	2,581	11,220	24,527	20,538	10,914
General and administrative	3,440	25.3%	17,049	15,990	15,791	14,958	13,609	11,698	11,888	10,974	19,827	48,830	37,195	11,635	31.3%	52,153	69,689	69,463	64,182	46,227
Amortization	882	46.3%	2,786	3,706	3,284	1,878	1,904	1,906	1,921	2,129	2,751	9,776	5,731	4,045	70.6%	7,609	8,994	8,536	8,151	4,817
Development costs	(901)	(13.4)%	5,819	5,172	5,084	6,839	6,720	5,487	5,854	7,190	7,738	16,075	18,061	(1,986)	(11.0)%	24,900	28,773	32,049	21,244	9,797
Gains on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,633)
ABCP fair value adjustment	-	-	-	-	-	-	-	-	-	-	6,700	-	-	-	n.m.	-	6,700	12,797	-	-
Canaccord relief program	-	-	-	-	-	-	-	-	-	-	5,347	-	-	-	n.m.	-	5,347	54,200	-	-
Impairment of goodwill and intangibles	-	-	-	-	-	-	-	-	-	-	31,524	-	-	-	n.m.	-	31,524	-	-	-
Acquisition-related costs	1,750	n.m.	1,750	-	10,990	5,000	-	-	-	-	-	12,740	-	12,740	100.0%	5,000	-	-	-	-
Restructuring costs	-	-	-	-	-	-	-	-	-	142	7,520	-	-	-	n.m.	-	7,662	4,000	-	-
	42,451	28.1%	193,338	135,346	144,684	137,658	150,887	115,883	121,468	100,311	159,625	473,368	388,238	85,130	21.9%	525,896	524,920	680,008	618,717	464,385
Income (loss) before income taxes	39,186	175.6%	61,496	13,939	7,233	5,475	22,310	7,861	15,995	6,685	(72,437)	82,668	46,166	36,502	79.1%	51,641	(47,199)	51,531	138,197	119,030
Income taxes (recovery)	11,595	161.1%	18,792	4,228	2,358	(2,051)	7,197	1,115	6,883	3,019	(10,059)	25,378	15,195	10,183	67.0%	13,144	452	20,197	44,941	37,880
Net income (loss)	27,591	182.6%	42,704	9,711	4,875	7,526	15,113	6,746	9,112	3,666	(62,378)	57,290	30,971	26,319	85.0%	38,497	(47,651)	31,334	93,256	81,150
Incentive compensation as % of revenue ⁽¹⁴⁾	(4.4) p.p.		49.8%	48.1%	48.1%	50.8%	54.2%	51.7%	49.8%	42.1%	49.7%	48.9%	52.1%	(3.2) p.p.		51.8%	46.5%	47.4%	50.6%	51.3%
Total compensation exp. as % of revenue ⁽¹⁴⁾	(7.2) p.p.		55.6%	59.0%	58.5%	62.5%	62.8%	63.0%	59.8%	55.4%	64.4%	57.3%	61.9%	(4.6) p.p.		62.1%	58.4%	54.9%	56.9%	58.5%
Non-compensation exp. as % of revenue	(4.1) p.p.		20.2%	31.6%	36.7%	33.7%	24.3%	30.7%	28.5%	38.3%	118.7%	27.8%	27.4%	0.4 p.p.		29.0%	51.5%	38.1%	24.8%	21.1%
Total expenses as % of revenue	(11.3) p.p.		75.9%	90.7%	95.2%	96.2%	87.1%	93.7%	88.3%	93.8%	183.1%	85.1%	89.4%	(4.3) p.p.		91.1%	109.9%	93.0%	81.7%	79.6%
Pre-tax profit margin	11.3 p.p.		24.1%	9.3%	4.8%	3.8%	12.9%	6.4%	11.6%	6.2%	(83.1)%	14.9%	10.6%	4.2 p.p.		8.9%	(9.9)%	7.0%	18.3%	20.4%
Effective tax rate	(1.7) p.p.		30.6%	30.3%	32.6%	(37.5)%	32.3%	14.2%	43.0%	45.2%	13.9%	30.7%	32.9%	(2.2) p.p.		25.5%	(1.0)%	39.2%	32.5%	31.8%
Net profit margin	8.0 p.p.		16.8%	6.5%	3.2%	5.3%	8.7%	5.5%	6.6%	3.4%	(71.5)%	10.3%	7.1%	3.2 p.p.		6.7%	(10.0)%	4.3%	12.3%	13.9%
Basic earnings (loss) per share	0.26	83.9%	0.57	0.13	0.07	0.15	0.31	0.14	0.19	0.07	(1.27)	0.79	0.64	0.15	23.4%	0.79	(0.97)	0.70	2.03	1.82
Diluted earnings (loss) per share	0.24	88.9%	0.51	0.12	0.06	0.14	0.27	0.12	0.16	0.07	(1.27)	0.71	0.56	0.15	26.8%	0.69	(0.97)	0.64	1.94	1.74
Book value per diluted share	1.42	20.3%	8.42	8.03	7.84	6.96	7.00	6.78	6.73	6.51	6.37	8.42	7.00	1.42	20.3%	6.96	6.51	7.21	7.74	5.99

Supplementary Information Excluding Significant and Acquisition-related Items (Non-GAAP) ^{(15) (26)}

	Q3/11 vs. Q3/10		Q3/11							9 Months Ended				FY10						
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
(in thousands of dollars)																				
Revenue	81,637	47.1%	254,834	149,285	151,917	143,133	173,197	123,744	137,463	106,996	87,188	556,036	434,404	121,632	28.0%	577,537	477,721	731,539	756,914	583,415
Total expenses	39,771	26.4%	190,658	133,519	132,255	132,658	150,887	115,883	121,468	100,169	108,534	456,432	388,238	68,194	17.6%	520,896	473,687	609,011	618,717	464,385
Income (loss) before income taxes	41,866	187.7%	64,176	15,766	19,662	10,475	22,310	7,861	15,995	6,827	(21,346)	99,604	46,166	53,438	115.8%	56,641	4,034	122,528	138,197	119,030
Net income (loss)	30,198	199.8%	45,311	11,538	13,894	11,072	15,113	6,746	9,112	3,764	(16,242)	70,743	30,971	39,772	128.4%	42,043	(1,417)	79,346	93,256	81,150
Non-compensation exp. as % of revenue	(5.3) p.p.		19.0%	30.7%	28.5%	30.2%	24.3%	30.7%	28.5%	38.2%	60.1%	25.5%	27.4%	(1.9) p.p.		28.1%	40.8%	28.4%	24.8%	21.1%
Total expenses as % of revenue	(12.3) p.p.		74.8%	89.4%	87.1%	92.7%	87.1%	93.6%	88.3%	93.6%	124.5%	82.1%	89.4%	(7.3) p.p.		90.2%	99.2%	83.3%	81.7%	79.6%
Pre-tax profit margin	12.3 p.p.		25.2%	10.6%	12.9%	7.3%	12.9%	6.4%	11.6%	6.4%	(7.3) p.p.	17.9%	10.6%	7.3 p.p.		9.8%	0.8%	16.7%	18.3%	20.4%
Net profit margin	9.1 p.p.		17.8%	7.7%	9.1%	7.7%	8.7%	5.5%	6.6%	3.5%	(18.6)%	12.7%	7.1%	5.6 p.p.		7.3%	(0.3)%	10.8%	12.3%	13.9%
Basic earnings (loss) per share	0.30	96.8%	0.61	0.16	0.20	0.22	0.31	0.14	0.19	0.08	(0.33)	0.98	0.64	0.34	53.1%	0.86	(0.03)	1.77	2.03	1.82
Diluted earnings (loss) per share	0.27	100.0%	0.54	0.14	0.18	0.21	0.27	0.12	0.16	0.07	(0.33)	0.87	0.56	0.31	55.4%	0.76	(0.03)	1.63	1.94	1.74

Note: Please find notes on Page 12.

Canaccord Genuity
Condensed statement of operations

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

	Q3/11 vs. Q3/10		Q3/11							9 Months Ended			FY10							
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)	FY10	FY09	FY08	FY07	FY06	
Revenue																				
Canada																				
Capital Markets	51,364	88.5%	109,404	49,909	53,057	32,806	58,040	27,314	30,054	25,033	12,639	212,370	115,408	96,962	84.0%	148,214	95,485	176,655	187,562	150,470
International Trading	1,249	38.6%	4,484	2,614	2,600	2,655	3,235	2,854	2,817	2,825	3,975	9,698	8,906	792	8.9%	11,561	14,604	19,722	24,177	20,940
Registered Traders	741	66.5%	1,855	1,100	606	1,058	1,114	1,782	1,902	1,777	2,298	3,561	4,798	(1,237)	(25.8)%	5,856	6,325	7,368	7,878	9,124
Fixed Income	679	13.7%	5,642	4,558	1,790	2,770	4,963	2,513	1,704	1,641	1,517	11,990	9,180	2,810	30.6%	11,950	6,436	8,840	7,707	8,540
Total Canada	54,033	80.2%	121,385	58,181	58,053	39,289	67,352	34,463	36,477	31,276	20,429	237,619	138,292	99,327	71.8%	177,581	122,850	212,585	227,324	189,074
UK and Other Foreign Location ⁽¹⁶⁾	(2,999)	(11.2)%	23,755	18,699	16,293	24,827	26,754	14,417	22,350	17,000	12,748	58,747	63,521	(4,774)	(7.5)%	88,348	79,707	128,269	145,749	125,900
US	10,634	48.4%	32,618	20,083	25,806	19,380	21,984	29,595	26,670	16,696	16,073	78,507	78,249	258	0.3%	97,629	74,794	90,788	76,644	18,692
	61,668	53.1%	177,758	96,963	100,152	83,496	116,090	78,475	85,497	64,972	49,250	374,873	280,062	94,811	33.9%	363,558	277,351	431,642	449,717	333,666
Expenses																				
Incentive compensation ⁽¹³⁾	20,276	31.9%	83,843	46,818	46,591	43,645	63,567	42,761	45,231	30,210	28,857	177,252	151,559	25,693	17.0%	195,204	141,594	216,736	233,582	175,604
Salaries and benefits	(545)	(12.3)%	3,896	4,154	4,021	4,088	4,441	3,376	3,404	3,513	3,413	12,071	11,221	850	7.6%	15,309	15,068	13,794	11,193	8,435
Trading costs	934	20.0%	5,595	5,128	4,885	4,483	4,661	4,275	4,870	4,618	4,587	15,608	13,806	1,802	13.1%	18,289	18,863	18,029	16,982	10,095
Premises and equipment	433	14.5%	3,417	2,947	2,602	2,882	2,984	2,972	2,884	3,106	3,322	8,966	8,840	126	1.4%	11,722	12,400	11,601	14,129	5,886
Communication and technology	1,017	33.8%	4,023	4,197	3,871	2,772	3,006	2,611	2,780	3,352	3,136	12,091	8,397	3,694	44.0%	11,169	13,569	12,229	10,347	6,727
Interest	2,259	779.0%	2,549	1,249	202	232	290	66	160	261	272	4,000	516	3,484	675.2%	748	1,372	2,407	2,717	1,789
General and administrative	3,470	59.9%	9,264	8,110	8,987	4,283	5,794	5,244	5,901	5,237	8,873	26,361	16,939	9,422	55.6%	21,222	38,418	39,955	34,853	19,998
Amortization	926	102.5%	1,829	2,788	2,348	846	903	926	958	1,009	1,586	6,965	2,787	4,178	149.9%	3,633	4,433	3,878	3,921	1,910
Development costs	493	20.0%	2,957	2,171	2,281	3,105	2,464	1,787	2,944	3,212	4,251	7,409	7,195	214	3.0%	10,300	15,268	20,208	10,723	1,239
ABCP fair value adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,230	-	-	-
Impairment of goodwill and intangibles	-	-	-	-	-	-	-	-	-	-	31,524	-	-	-	-	-	-	-	-	-
Acquisition-related costs	1,750	n.m.	1,750	-	10,990	5,000	-	-	-	-	-	12,740	-	12,740	n.m.	5,000	-	-	-	-
Restructuring costs	-	-	-	-	-	-	-	-	-	22	5,949	-	-	-	-	-	5,971	1,000	-	-
	31,013	35.2%	119,123	77,562	86,778	71,336	88,110	64,018	69,132	54,540	95,770	283,463	221,260	62,203	28.1%	292,596	298,480	343,067	338,447	231,683
Income (loss) before intersegment allocations and income taxes	30,655	109.6%	58,635	19,401	13,374	12,160	27,980	14,457	16,365	10,432	(46,520)	91,410	58,802	32,608	55.5%	70,962	(21,129)	88,575	111,270	101,983
Intersegment Allocations	363	15.3%	2,734	2,904	2,716	2,700	2,371	2,191	2,311	n/a	n/a	8,354	6,873	1,481	21.5%	9,573	n/a	n/a	n/a	n/a
Income (loss) before income taxes	30,292	118.3%	55,901	16,497	10,658	9,460	25,609	12,266	14,054	n/a	n/a	83,056	51,929	31,127	59.9%	61,389	n/a	n/a	n/a	n/a
Incentive compensation as % of revenue	(7.6) p.p.		47.2%	48.3%	46.5%	52.3%	54.8%	54.5%	52.9%	46.5%	58.6%	47.3%	54.1%	(6.8) p.p.		53.7%	51.1%	50.2%	51.9%	52.6%
Total compensation exp. as % of revenue ⁽¹⁴⁾⁽²¹⁾	(9.3) p.p.		49.4%	52.6%	50.5%	57.2%	58.6%	58.8%	56.9%	51.9%	65.5%	50.5%	58.1%	(7.6) p.p.		57.9%	56.5%	53.4%	54.4%	55.2%
Non-compensation exp. as % of revenue	(0.7) p.p.		16.7%	27.4%	25.1%	22.3%	17.3%	22.8%	24.0%	32.0%	128.9%	25.1%	20.9%	4.2 p.p.		22.6%	51.1%	26.1%	20.9%	14.2%
Total expenses as % of revenue	(9.0) p.p.		67.0%	80.0%	86.6%	85.4%	75.9%	81.6%	80.9%	83.9%	194.5%	75.6%	79.0%	(3.4) p.p.		80.5%	107.6%	79.5%	75.3%	69.4%
Pre-tax and intersegment allocation profit margin	8.9 p.p.		33.0%	20.0%	13.4%	14.6%	24.1%	18.4%	19.1%	16.1%	(94.5)%	24.4%	21.0%	3.4 p.p.		19.5%	(7.6)%	20.5%	24.7%	30.6%
Pre-tax profit margin	9.4 p.p.		31.4%	17.0%	10.6%	11.3%	22.1%	15.6%	n/a	n/a	n/a	22.2%	18.5%	3.6 p.p.		n/a	n/a	n/a	n/a	n/a
Number of employees	89	17.7%	592	597	580	505	503	482	474	474	480	592	503	89	17.7%	505	474	541	502	464

Supplementary Information Excluding Significant and Acquisition-related Items (Non-GAAP) ^{(19) (26)}

	Q3/11 vs. Q3/10		Q3/11							9 Months Ended			FY10							
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)	FY10	FY09	FY08	FY07	FY06	
Revenue	61,668	53.1%	177,758	96,963	100,152	83,496	116,090	78,475	85,497	64,972	49,250	374,873	280,062	94,811	33.9%	363,558	277,351	431,642	449,717	333,666
Total expenses	28,333	32.2%	116,443	75,735	74,349	66,336	88,110	64,018	69,132	54,518	58,297	266,527	221,260	45,267	20.5%	287,596	260,985	338,837	338,447	231,683
Income (loss) before intersegment allocations and income taxes	33,335	119.1%	61,315	21,228	25,803	17,160	27,980	14,457	16,365	10,454	(9,047)	108,346	58,802	49,544	84.3%	75,962	16,366	92,805	111,270	101,983
Non-compensation exp. as % of revenue	(1.7) p.p.		15.6%	25.5%	23.7%	22.3%	17.3%	22.8%	24.0%	32.0%	52.8%	21.7%	20.9%	0.8 p.p.		21.2%	37.6%	25.1%	20.9%	14.2%
Total expenses as % of revenue	(10.4) p.p.		65.5%	78.1%	74.2%	79.4%	75.9%	81.6%	80.9%	83.9%	118.4%	72.2%	79.0%	(6.8) p.p.		79.1%	94.1%	78.5%	75.3%	69.4%
Pre-tax and intersegment allocation profit margin	10.4 p.p.		34.5%	21.9%	25.8%	20.6%	24.1%	18.4%	19.1%	16.1%	(18.4)%	24.4%	21.0%	3.4 p.p.		20.9%	5.9%	21.5%	24.7%	30.6%

Supplementary Revenue Breakdown

	Q3/11 vs. Q3/10		Q3/11							9 Months Ended			FY10							
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)	FY10	FY09	FY08	FY07	FY06	
Commission	14,843	55.7%	41,491	30,122	27,253	24,606	26,648	26,258	25,700	24,412	23,557	98,866	78,606	20,260	25.8%	103,212	105,295	125,363	125,810	89,236
Investment Banking	26,097	36.4%	97,802	43,112	46,456	43,383	71,705	26,112	40,636	23,936	7,212	187,370	138,453	48,917	35.3%	181,837	97,048	245,983	257,102	193,257
Advisory Fees	18,898	298.6%	25,226	12,965	20,651	8,323	6,328	15,254	9,296	8,854	11,311	58,842	30,878	27,964	90.6%	39,200	51,453	41,087	31,033	13,082
Principal Trading	(1,249)	(11.0)%	10,128	9,273	5,850	6,575	11,377	10,681	8,992	6,928	4,430	25,251	31,050	(5,799)	(18.7)%	37,625	17,034	7,233	26,646	31,739
Interest	2,818	n.m.	2,898	1,311	(19)	248	80	113	124	453	866	4,190	317	3,873	n.m.	565	4,152	8,036	9,202	5,342
Other	261	(543.8)%	213	180	(39)	361	(48)	57	749	389	1,874	354	758	(404)	(53.3)%	1,119	2,369	3,940	(76)	1,010
	61,668	53.1%	177,758	96,963	100,152	83,496	116,090	78,475	85,497	64,972	49,250	374,873	280,062	94,811	33.9%	363,558	277,351	431,642	449,717	333,666

Note: Please find notes on Page 12.

Canaccord Wealth Management
Condensed statement of operations

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

	Q3/11 vs. Q3/10		Q3/11							9 Months Ended				FY10						
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)	FY10	FY09	FY08	FY07	FY06	
Revenue																				
Canada	16,144	31.7%	67,044	43,529	46,307	54,086	50,900	39,596	39,676	36,739	33,072	156,880	130,172	26,708	20.5%	184,258	169,628	245,711	268,590	223,925
US	722	86.7%	1,555	1,010	900	904	833	542	509	516	460	3,465	1,884	1,581	83.9%	2,788	2,856	3,416	4,029	1,269
	16,866	32.6%	68,599	44,539	47,207	54,990	51,733	40,138	40,185	37,255	33,532	160,345	132,056	28,289	21.4%	187,046	172,484	249,127	272,619	225,194
Expenses																				
Incentive compensation	10,621	43.6%	34,997	22,079	23,484	26,203	24,376	19,368	18,643	13,122	14,195	80,560	62,387	18,173	29.1%	88,590	74,383	115,640	126,668	105,283
Salaries and benefits	(414)	(10.3)%	3,601	4,817	3,882	5,573	4,015	4,360	4,246	4,505	3,057	12,300	12,621	(321)	(2.5)%	18,194	14,820	15,514	13,626	13,053
Trading costs	107	5.6%	2,017	1,577	2,224	2,320	1,910	2,120	2,156	1,697	1,856	5,818	6,186	(368)	(5.9)%	8,506	7,008	8,582	10,157	9,013
Premises and equipment	(81)	(3.9)%	1,993	2,068	1,948	2,016	2,074	2,075	1,951	1,822	1,632	6,009	6,100	(91)	(1.5)%	8,116	6,788	6,375	6,153	5,464
Communication and technology	(396)	(23.9)%	1,264	1,329	1,325	1,426	1,660	1,494	1,536	1,630	1,590	3,918	4,690	(772)	(16.5)%	6,116	6,415	6,383	6,338	6,066
Interest	46	90.2%	97	63	58	44	51	104	243	671	1,758	218	398	(180)	(45.2)%	442	7,803	19,924	17,751	7,194
General and administrative	160	3.9%	4,268	4,186	3,730	6,030	4,108	2,461	3,886	2,268	7,826	12,184	10,455	1,729	16.5%	16,485	17,242	12,611	13,678	12,162
Amortization	(41)	(6.4)%	596	575	619	649	637	618	602	655	463	1,790	1,857	(67)	(3.6)%	2,506	1,938	1,833	1,648	1,439
Development costs	(941)	(29.3)%	2,275	2,425	2,433	2,574	3,216	2,613	1,905	2,597	2,312	7,133	7,734	(601)	(7.8)%	10,308	7,853	6,160	6,071	4,302
Canaccord relief program	-	-	-	-	-	-	-	-	-	-	5,347	-	-	-	-	-	5,347	54,200	-	-
Restructuring costs	-	-	-	-	-	-	-	-	-	-	180	-	-	-	-	-	180	700	-	-
	9,061	21.5%	51,108	39,119	39,703	46,835	42,047	35,213	35,168	28,967	40,216	129,930	112,428	17,502	15.6%	159,263	149,777	247,922	202,090	163,976
Income (loss) before intersegment allocations and income taxes	7,805	80.6%	17,491	5,420	7,504	8,155	9,686	4,925	5,017	8,288	(6,684)	30,415	19,628	10,787	55.0%	27,783	22,707	1,205	70,529	61,218
Intersegment Allocations	(1,329)	(13.6)%	8,444	9,374	9,404	9,225	9,773	8,219	8,565	n/a	n/a	27,222	26,557	665	2.5%	35,782	n/a	n/a	n/a	n/a
Income (loss) before income taxes	9,134	n.m.	9,047	(3,954)	(1,900)	(1,070)	(87)	(3,294)	(3,548)	n/a	n/a	3,193	(6,929)	10,122	146.1%	(7,999)	n/a	n/a	n/a	n/a
CWM fee-related revenue ⁽¹⁷⁾	0.0 p.p.		11.8%	15.2%	14.0%	11.4%	11.7%	15.2%	13.8%	14.5%	18.4%	13.4%	13.4%	(0.0) p.p.		12.8%	16.9%	14.7%	11.9%	9.9%
Incentive compensation as % of revenue	3.9 p.p.		51.0%	49.6%	49.7%	47.7%	47.1%	48.3%	46.4%	35.2%	42.3%	50.2%	47.2%	3.0 p.p.		47.4%	43.1%	46.4%	46.5%	46.8%
Total compensation exp. as % of revenue ⁽¹⁴⁾	1.4 p.p.		56.3%	60.4%	58.0%	57.8%	54.9%	59.1%	57.0%	47.3%	51.4%	57.9%	56.8%	1.1 p.p.		57.1%	51.7%	52.6%	51.5%	52.5%
Non-compensation exp. as % of revenue	(8.2) p.p.		18.2%	27.4%	26.1%	27.4%	26.4%	28.6%	30.5%	30.4%	68.5%	23.1%	28.3%	(5.2) p.p.		28.1%	35.1%	46.9%	22.6%	20.3%
Total expenses as % of revenue	(6.8) p.p.		74.5%	87.8%	84.1%	85.2%	81.3%	87.7%	87.5%	77.8%	119.9%	81.0%	85.1%	(4.1) p.p.		85.1%	86.8%	99.5%	74.1%	72.8%
Pre-tax and intersegment allocation profit margin	6.8 p.p.		25.5%	12.2%	15.9%	14.8%	18.7%	12.3%	12.5%	22.2%	(19.9)%	19.0%	14.9%	4.1 p.p.		14.9%	13.2%	0.5%	25.9%	27.2%
Pre-tax profit margin	13.4 p.p.		13.2%	(8.9)%	(4.0)%	(1.9)%	(0.2)%	(8.2)%	n/a	n/a	n/a	2.0%	(5.2)%	7.2 p.p.		n/a	n/a	n/a	n/a	n/a
Assets under mgmt. (\$ millions) ⁽²⁾	91	21.5%	514	473	431	445	423	453	443	393	454	514	423	91	21.5%	445	393	730	807	613
Assets under admin. (\$ millions)	3,796	31.1%	16,006	13,895	12,571	12,922	12,210	11,386	10,341	9,184	9,030	16,006	12,210	3,796	31.1%	12,922	9,184	14,295	15,014	14,310
Number of employees	(36)	(5.1)%	671	665	689	680	707	698	688	700	725	671	707	(36)	(5.1)%	680	700	762	728	689
Number of Advisory Teams ⁽¹⁸⁾	(55)	(16.8)%	272	280	290	303	327	334	335	338	347	272	327	(55)	(16.8)%	303	338	354	368	365

Supplementary Information Excluding Significant and Acquisition-related Items (Non-GAAP) ^{(19) (26)}

	Q3/11 vs. Q3/10		Q3/11							9 Months Ended				FY10						
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)	FY10	FY09	FY08	FY07	FY06	
(in thousands of dollars)																				
Revenue	16,866	32.6%	68,599	44,539	47,207	54,990	51,733	40,138	40,185	37,255	33,532	160,345	132,056	28,289	21.4%	187,046	172,484	249,127	272,619	225,194
Total expenses	9,061	21.5%	51,108	39,119	39,703	46,835	42,047	35,213	35,168	28,967	34,689	129,930	112,428	17,502	15.6%	159,263	144,250	193,022	202,090	163,976
Income (loss) before intersegment allocations and income taxes	7,805	80.6%	17,491	5,420	7,504	8,155	9,686	4,925	5,017	8,288	(1,157)	30,415	19,628	10,787	55.0%	27,783	28,234	56,105	70,529	61,218
Non-compensation exp. as % of revenue	(8.2) p.p.		18.2%	27.4%	26.1%	27.4%	26.4%	28.6%	30.6%	30.4%	52.0%	23.1%	28.3%	(5.2) p.p.		28.1%	31.9%	24.8%	22.6%	20.3%
Total expenses as % of revenue	(6.8) p.p.		74.5%	87.8%	84.1%	85.2%	81.3%	87.7%	87.5%	77.8%	103.5%	81.0%	85.1%	(4.1) p.p.		85.1%	83.6%	77.5%	74.1%	72.8%
Pre-tax and intersegment allocation profit margin	6.8 p.p.		25.5%	12.2%	15.9%	14.8%	18.7%	12.3%	12.5%	22.2%	(3.5)%	19.0%	14.9%	4.1 p.p.		14.9%	16.4%	22.5%	25.9%	27.2%

Supplementary Revenue Breakdown

	Q3/11 vs. Q3/10		Q3/11							9 Months Ended				FY10						
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)	FY10	FY09	FY08	FY07	FY06	
Commission	11,735	34.5%	45,775	32,880	34,953	38,197	34,040	30,370	29,756	24,593	27,916	113,608	94,166	19,442	20.6%	132,363	127,899	170,684	177,862	150,224
Investment Banking	8,530	82.1%	18,914	8,124	9,445	10,808	10,384	6,254	5,954	5,426	1,798	36,483	22,592	13,891	61.5%	33,400	20,867	49,804	62,132	49,772
Advisory Fees	50	n.m.	50	250	70	-	-	-	-	-	-	370	-	370	n.m.	-	-	-	-	-
Principal Trading	(3,754)	(87.7)%	526	321	104	408	4,280	850	1,696	198	(649)	951	6,826	(5,875)	(86.1)%	7,234	(129)	210	4,992	5,670
Interest	794	36.6%	2,965	2,556	2,302	2,191	2,171	2,224	2,325	1,988	4,010	7,823	6,720	1,103	16.4%	8,911	21,903	27,650	26,877	18,354
Other	(489)	(57.0)%	369	408	333	3,386	858	440	454	680	457	1,110	1,752	(642)	(36.6)%	5,138	1,944	779	756	1,174
	16,866	32.6%	68,599	44,539	47,207	54,990	51,733	40,138	40,185	37,255	33,532	160,345	132,056	28,289	21.4%	187,046	172,484	249,127	272,619	225,194

Note: Please find notes on Page 12.

Corporate and Other segment
Condensed statement of operations

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

	Q3/11 vs. Q3/10										9 Months Ended									
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Revenue																				
Canada	3,103	57.7%	8,477	7,783	4,558	4,647	5,374	5,131	11,781	4,769	4,406	20,818	22,286	(1,468)	(6.6)%	26,933	27,886	50,770	34,578	24,555
	3,103	57.7%	8,477	7,783	4,558	4,647	5,374	5,131	11,781	4,769	4,406	20,818	22,286	(1,468)	(6.6)%	26,933	27,886	50,770	34,578	24,555
Expenses																				
Incentive compensation	2,264	38.2%	8,193	2,926	3,016	2,935	5,929	1,837	4,589	1,671	247	14,135	12,355	1,780	14.4%	15,290	6,029	14,703	22,647	18,301
Salaries and benefits	753	11.6%	7,242	7,351	7,913	7,024	6,489	6,247	6,152	6,298	6,347	22,506	18,888	3,618	19.2%	25,912	26,883	24,986	22,789	20,531
Trading costs	(244)	(42.9)%	325	536	596	615	569	607	298	250	265	1,457	1,474	(17)	n.m.	2,089	440	479	313	1,507
Premises and equipment	497	42.5%	1,667	1,625	1,488	1,290	1,170	1,057	1,047	1,476	1,595	4,780	3,274	1,506	46.0%	4,564	5,507	4,769	4,891	4,493
Communication and technology	(348)	(29.7)%	824	1,253	1,073	1,098	1,172	1,140	1,173	1,267	1,551	3,150	3,485	(335)	(9.6)%	4,583	5,244	4,616	4,787	3,805
Interest	101	34.8%	391	361	356	337	290	322	442	407	538	1,108	1,054	54	5.1%	1,391	2,045	2,196	70	1,931
General and administrative	(190)	(5.1)%	3,517	3,694	3,074	4,645	3,707	3,993	2,101	3,469	3,128	10,285	9,801	484	4.9%	14,446	14,029	16,897	15,651	14,067
Amortization	(3)	(0.8)%	361	343	317	383	364	362	361	465	702	1,021	1,087	(66)	(6.1)%	1,470	2,623	2,825	2,582	1,468
Development costs	(453)	(43.6)%	587	576	370	1,160	1,040	1,087	1,005	1,381	1,175	1,533	3,132	(1,599)	(51.1)%	4,292	5,652	5,681	4,450	4,256
Gains on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,633)
ABCP fair value adjustment	-	-	-	-	-	-	-	-	-	-	6,700	-	-	-	-	-	6,700	9,567	-	-
Restructuring costs	-	-	-	-	-	-	-	-	-	120	1,391	-	-	-	-	-	1,511	2,300	-	-
	2,377	11.5%	23,107	18,665	18,203	19,487	20,730	16,652	17,168	16,804	23,639	59,975	54,550	5,425	9.9%	74,037	76,663	89,019	78,180	68,726
Loss before intersegment allocations and income taxes	726	4.7%	(14,630)	(10,882)	(13,645)	(14,840)	(15,356)	(11,521)	(5,387)	(12,035)	(19,233)	(39,157)	(32,264)	(6,893)	21.4%	(47,104)	(48,777)	(38,249)	(43,602)	(44,171)
Intersegment Allocations to Canaccord Genuity	(363)	(15.3)%	(2,734)	(2,904)	(2,716)	(2,700)	(2,371)	(2,191)	(2,311)	n/a	n/a	(8,354)	(6,873)	(1,481)	21.5%	(9,573)	n/a	n/a	n/a	n/a
Intersegment Allocations to Canaccord Wealth Management	1,329	13.6%	(8,444)	(9,374)	(9,404)	(9,225)	(9,773)	(8,219)	(8,565)	n/a	n/a	(27,222)	(26,557)	(665)	2.5%	(35,782)	n/a	n/a	n/a	n/a
Income (loss) before income taxes	(240)	7.5%	(3,452)	1,396	(1,525)	(2,915)	(3,212)	(1,111)	5,489	n/a	n/a	(3,581)	1,166	(4,747)	(407.1)%	(1,749)	n/a	n/a	n/a	n/a
Number of employees	5	1.4%	365	369	371	364	360	359	352	356	365	365	360	5	1.4%	364	356	380	360	335

Supplementary Information Excluding Significant and Acquisition-related Items (Non-GAAP) ^{(19) (26)}

(in thousands of dollars)

	Q3/11 vs. Q3/10										9 Months Ended									
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Revenue	3,103	57.7%	8,477	7,783	4,558	4,647	5,374	5,131	11,781	4,769	4,406	20,818	22,286	(1,468)	(6.6)%	26,933	27,886	50,770	34,578	24,555
Total expenses	2,377	11.5%	23,107	18,665	18,203	19,487	20,730	16,652	17,168	16,684	15,548	59,975	54,550	5,425	9.9%	74,037	68,452	77,152	78,180	68,726
Income (loss) before intersegment allocations and income taxes	726	4.7%	(14,630)	(10,882)	(13,645)	(14,840)	(15,356)	(11,521)	(5,387)	(11,915)	(11,142)	(39,157)	(32,264)	(6,893)	n.m.	(47,104)	(40,566)	(26,382)	(43,602)	(44,171)

Note: Please find notes on Page 12.

Canada

Condensed statement of operations ⁽¹⁹⁾

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

	Q3/11 vs. Q3/10		Q3/11 Q2/11 Q1/11 Q4/10 Q3/10 Q2/10 Q1/10 Q4/09 Q3/09							9 Months Ended				FY10 FY09 FY08 FY07 FY06						
	Increase (decrease)																			
Revenue																				
Canaccord Genuity	54,033	80.2%	121,385	58,181	58,053	39,289	67,352	34,463	36,477	31,276	20,429	237,619	138,292	99,327	71.8%	177,581	122,850	212,585	227,324	189,074
Canaccord Wealth Management	16,144	31.7%	67,044	43,529	46,307	54,086	50,900	39,596	39,676	36,739	33,072	156,880	130,172	26,708	20.5%	184,258	169,628	245,711	268,590	223,925
Corporate and Other	3,103	57.7%	8,477	7,783	4,558	4,647	5,374	5,131	11,781	4,769	4,406	20,818	22,286	(1,468)	(6.6)%	26,933	27,886	50,770	34,578	24,555
	73,280	59.3%	196,906	109,493	108,918	98,022	123,626	79,190	87,934	72,784	57,907	415,317	290,750	124,567	42.8%	388,772	320,364	509,066	530,492	437,554
Expenses																				
Incentive compensation	30,585	47.0%	95,665	50,645	50,695	48,182	65,080	38,928	43,575	29,690	28,216	197,005	147,583	49,422	33.5%	195,765	146,064	231,721	263,196	221,165
Salaries and benefits	103	0.9%	12,178	13,744	13,380	13,818	12,075	11,462	11,235	11,808	10,244	39,302	34,772	4,530	13.0%	48,590	45,993	45,217	39,359	37,196
Trading costs	1,353	28.5%	6,104	5,375	5,783	5,147	4,751	4,541	4,327	3,862	4,063	17,262	13,619	3,643	26.7%	18,766	14,597	16,262	16,983	17,399
Premises and equipment	1,058	26.3%	5,085	4,655	4,086	4,079	4,027	3,885	3,702	4,062	4,010	13,826	11,614	2,212	19.0%	15,693	15,453	14,500	14,529	12,701
Communication and technology	(311)	(8.3)%	3,429	4,011	3,664	3,374	3,740	3,502	3,811	4,293	4,604	11,104	11,053	51	0.5%	14,427	18,120	17,836	16,961	14,662
Interest	2,545	593.2%	2,974	1,630	540	172	429	277	(260)	198	1,663	5,144	446	4,698	n.m.	618	7,893	22,799	20,121	10,820
General and administrative	2,433	25.0%	12,149	11,678	10,345	12,296	9,716	7,759	7,413	5,941	13,192	34,172	24,888	9,284	37.3%	37,184	41,297	45,245	42,592	38,066
Amortization	988	80.6%	2,214	3,116	2,710	1,260	1,226	1,204	1,192	1,390	1,936	8,040	3,622	4,418	122.0%	4,882	6,053	5,605	5,428	3,923
Development costs	(2,115)	(38.6)%	3,361	3,344	3,658	4,449	5,476	4,114	3,772	4,637	4,127	10,363	13,362	(2,999)	(22.4)%	17,811	15,923	14,038	12,105	9,243
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,633)
ABCP fair value adjustment	-	-	-	-	-	-	-	-	-	-	6,700	-	-	-	-	-	6,700	12,797	-	-
Canaccord relief program	-	-	-	-	-	-	-	-	-	-	5,347	-	-	-	-	-	5,347	54,200	-	-
Impairment of goodwill and intangibles	-	-	-	-	-	-	-	-	-	-	3,958	-	-	-	-	-	3,958	-	-	-
Acquisition-related costs	1,750	-	1,750	-	10,990	5,000	-	-	-	-	-	12,740	-	12,740	n.m.	5,000	-	-	-	-
Restructuring costs	-	-	-	-	-	-	-	-	-	142	2,623	-	-	-	-	-	2,765	4,000	-	-
	38,389	36.0%	144,909	98,198	105,851	97,777	106,520	75,672	78,767	66,023	90,683	348,958	260,959	87,999	33.7%	358,736	330,163	484,220	431,274	363,542
	34,891	204.0%	51,997	11,295	3,067	245	17,106	3,518	9,167	6,761	(32,776)	66,359	29,791	36,568	122.7%	30,036	(9,799)	24,846	99,218	74,012
Income (loss) before income taxes																				
Incentive compensation as % of revenue	(4.2) p.p.		48.6%	46.3%	46.5%	49.2%	52.6%	49.2%	49.6%	40.8%	48.8%	47.4%	50.8%	(3.3) p.p.	50.4%	45.6%	45.5%	49.7%	50.6%	
Total compensation exp. as % of revenue ⁽¹⁴⁾	(7.6) p.p.		54.8%	58.8%	58.8%	63.3%	62.4%	63.6%	62.3%	57.0%	66.5%	56.9%	62.7%	(5.8) p.p.	62.9%	59.9%	54.4%	57.1%	59.1%	
Non-compensation exp. as % of revenue	(5.7) p.p.		17.9%	30.9%	28.3%	31.4%	23.8%	31.9%	27.2%	33.7%	90.3%	27.1%	27.0%	0.1 p.p.	29.4%	43.1%	40.8%	24.3%	24.0%	
Total expenses as % of revenue	(12.6) p.p.		73.6%	89.7%	97.2%	99.8%	86.2%	95.6%	89.5%	90.7%	156.7%	83.9%	89.8%	(5.8) p.p.	92.2%	103.1%	95.2%	81.4%	83.1%	
Pre-tax and profit margin	12.6 p.p.		26.4%	10.3%	2.8%	0.2%	13.8%	4.4%	10.4%	9.3%	(56.6)%	16.0%	10.2%	5.7 p.p.	7.7%	(3.1)%	4.9%	18.7%	16.9%	
Number of employees	41	3.2%	1,312	1,310	1,333	1,247	1,271	1,257	1,244	1,265	1,301	1,312	1,271	41	3.2%	1,247	1,265	1,395	1,334	1,257

Supplementary Information Excluding Significant and Acquisition-related Items (Non-GAAP) ⁽¹⁹⁾⁽²⁶⁾

(in thousands of dollars)

	Q3/11 vs. Q3/10		Q3/11 Q2/11 Q1/11 Q4/10 Q3/10 Q2/10 Q1/10 Q4/09 Q3/09							9 Months Ended				FY10 FY09 FY08 FY07 FY06						
	Increase (decrease)																			
Revenue	73,280	59.3%	196,906	109,493	108,918	98,022	123,626	79,190	87,934	72,784	57,907	415,317	290,750	124,567	42.8%	388,772	320,364	509,066	530,492	437,554
Total expenses	35,709	33.5%	142,229	96,371	93,422	92,777	106,520	75,672	78,767	65,881	72,055	332,022	260,959	71,063	27.2%	353,736	311,393	413,223	431,274	363,542
Income (loss) before intersegment allocations and income taxes	37,571	219.6%	54,677	13,122	15,496	5,245	17,106	3,518	9,167	6,903	(14,148)	83,295	29,791	53,504	179.6%	35,036	8,971	95,843	99,218	74,012
Non-compensation exp. as % of revenue	(6.5) p.p.		17.2%	29.6%	26.9%	31.4%	23.8%	31.9%	27.2%	33.5%	58.1%	24.1%	27.0%	(3.0) p.p.	28.1%	37.3%	26.8%	24.3%	24.0%	
Total expenses as % of revenue	(13.9) p.p.		72.2%	88.0%	85.8%	94.6%	86.2%	95.6%	89.5%	90.5%	124.5%	79.8%	89.8%	(9.9) p.p.	90.9%	97.2%	81.2%	81.4%	83.1%	
Pre-tax and profit margin	13.9 p.p.		27.8%	12.0%	14.2%	5.4%	13.8%	4.4%	10.4%	9.5%	(24.5)%	20.1%	10.2%	9.8 p.p.	9.0%	2.8%	18.8%	18.6%	16.9%	

Supplementary Revenue Breakdown

	Q3/11 vs. Q3/10		Q3/11 Q2/11 Q1/11 Q4/10 Q3/10 Q2/10 Q1/10 Q4/09 Q3/09							9 Months Ended				FY10 FY09 FY08 FY07 FY06						
	Increase (decrease)																			
Commission	20,346	43.3%	67,349	44,815	44,827	49,348	47,003	43,321	42,012	35,191	39,059	156,991	132,336	24,655	18.6%	181,684	173,357	234,389	245,369	203,714
Investment Banking	34,887	61.6%	91,523	41,541	41,164	34,068	56,636	22,209	25,318	21,433	6,245	174,228	104,163	70,065	67.3%	138,231	70,730	170,811	192,313	153,006
Advisory Fees	18,312	n.m.	19,913	8,420	14,574	1,297	1,601	1,211	1,444	2,473	1,215	42,907	4,256	38,651	n.m.	5,553	14,909	17,584	12,713	4,636
Principal Trading	(5,545)	(60.5)%	3,619	2,704	1,288	3,191	9,164	3,867	4,913	3,828	2,161	7,611	17,944	(10,333)	(57.6)%	21,135	9,673	3,820	14,642	22,208
Interest	3,835	99.6%	7,687	5,362	3,079	3,272	3,852	3,893	3,439	4,918	8,514	16,128	11,184	4,944	44.2%	14,456	35,471	58,127	52,152	41,532
Other	1,445	26.9%	6,815	6,651	3,986	6,846	5,370	4,689	10,808	4,941	713	17,452	20,867	(3,415)	(16.4)%	27,713	16,224	24,335	13,303	12,458
	73,280	59.3%	196,906	109,493	108,918	98,022	123,626	79,190	87,934	72,784	57,907	415,317	290,750	124,567	42.8%	388,772	320,364	509,066	530,492	437,554

Note: Please find notes on Page 12.

UK and Other Foreign Location

Condensed statement of operations ⁽¹⁶⁾

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

	Q3/11 vs. Q3/10		Q3/11 Q2/11 Q1/11 Q4/10 Q3/10 Q2/10 Q1/10 Q4/09 Q3/09							9 Months Ended				FY10 FY09 FY08 FY07 FY06							
	Increase (decrease)																				
Revenue																					
Canaccord Genuity	(2,999)	(11.2)%	23,755	18,699	16,293	24,827	26,754	14,417	22,350	17,000	12,748	58,747	63,521	(4,774)	(7.5)%	88,348	79,707	128,269	145,749	125,900	
	(2,999)	(11.2)%	23,755	18,699	16,293	24,827	26,754	14,417	22,350	17,000	12,748	58,747	63,521	(4,774)	(7.5)%	88,348	79,707	128,269	145,749	125,900	
Expenses																					
Incentive compensation	(2,513)	(16.7)%	12,553	9,220	7,648	12,832	15,066	7,986	10,793	6,451	6,553	29,421	33,845	(4,424)	(13.1)%	46,677	38,356	65,047	73,627	65,303	
National Health Insurance tax ⁽¹³⁾	(33)	(7.3)%	423	430	388	380	456	371	362	349	422	1,241	1,189	52	4.4%	1,569	1,559	1,571	3,514	3,586	
Total incentive compensation	(2,546)	(16.4)%	12,976	9,650	8,036	13,212	15,522	8,357	11,155	6,800	6,975	30,662	35,034	(4,372)	(12.5)%	48,246	39,915	66,618	77,141	68,889	
Salaries and benefits	(369)	(22.0)%	1,311	1,263	1,249	1,915	1,680	1,402	1,482	1,310	1,349	3,823	4,564	(741)	(16.2)%	6,479	5,617	4,594	3,139	3,210	
Trading costs	62	7.7%	870	841	820	781	808	968	995	816	736	2,531	2,771	(240)	(8.7)%	3,552	2,942	2,179	1,477	1,190	
Premises and equipment	(184)	(17.2)%	883	889	888	958	1,067	920	952	940	1,156	2,660	2,939	(279)	(9.5)%	3,897	4,101	3,278	6,400	2,139	
Communication and technology	556	73.7%	1,310	1,340	1,180	680	754	523	476	525	(62)	3,830	1,753	2,077	118.5%	2,433	2,047	2,816	2,227	1,440	
Interest	(11)	(47.8)%	12	12	17	12	23	15	25	21	21	41	63	(22)	(34.9)%	75	253	(2)	2	5	
General and administrative	204	13.1%	1,756	1,608	2,487	1,076	1,552	1,571	1,878	2,704	4,108	5,851	5,001	850	17.0%	6,077	15,775	11,784	10,469	6,374	
Amortization	(77)	(19.7)%	314	314	312	339	391	425	448	441	520	940	1,264	(324)	(25.6)%	1,603	1,843	1,825	2,016	716	
Development costs	758	219.7%	1,103	1,012	1,108	1,972	345	343	352	349	365	3,223	1,040	2,183	209.9%	3,012	1,340	1,133	269	-	
Restructuring costs	-	-	-	-	-	-	-	-	-	-	1,274	-	-	-	-	-	1,274	-	-	-	
	(1,607)	(7.3)%	20,535	16,929	16,097	20,945	22,142	14,524	17,763	13,906	16,442	53,561	54,429	(868)	(1.6)%	75,374	75,107	94,225	103,140	83,963	
Income (loss) before income taxes	(1,392)	(30.2)%	3,220	1,770	196	3,882	4,612	(107)	4,587	3,094	(3,694)	5,186	9,092	(3,906)	(43.0)%	12,974	4,600	34,044	42,609	41,937	
Incentive compensation as % of revenue	(3.4)	p.p.	54.6%	51.6%	49.3%	53.2%	58.0%	58.0%	49.9%	40.0%	54.7%	52.2%	55.2%	(3.0)	p.p.	54.6%	50.1%	51.9%	52.9%	54.7%	
Total compensation exp. as % of revenue ⁽¹⁴⁾	(4.2)	p.p.	60.1%	58.4%	57.0%	60.9%	64.3%	67.7%	56.5%	47.7%	65.3%	58.7%	62.3%	(3.6)	p.p.	61.9%	57.1%	55.5%	55.1%	57.3%	
Non-compensation exp. as % of revenue	7.8	p.p.	26.3%	32.2%	41.8%	23.4%	18.5%	33.1%	22.9%	34.1%	63.7%	32.5%	23.3%	9.1	p.p.	23.5%	37.1%	17.9%	15.7%	9.4%	
Total expenses as % of revenue	3.7	p.p.	86.4%	90.5%	98.8%	84.4%	82.8%	100.7%	79.4%	81.8%	129.0%	91.2%	85.7%	5.5	p.p.	85.3%	94.2%	73.4%	70.8%	66.7%	
Pre-tax profit margin	(3.7)	p.p.	13.6%	9.5%	1.2%	15.6%	17.2%	(0.7)%	20.5%	18.2%	(29.0)%	8.8%	14.3%	(5.5)	p.p.	14.7%	5.8%	26.5%	29.2%	33.3%	
Number of employees	4	2.9%	141	143	138	139	137	125	118	114	117	141	137	4	2.9%	139	114	125	93	81	

Supplementary Information Excluding Significant and Acquisition-related Items (Non-GAAP) ⁽¹⁵⁾⁽²⁶⁾

	Q3/11 vs. Q3/10		Q3/11 Q2/11 Q1/11 Q4/10 Q3/10 Q2/10 Q1/10 Q4/09 Q3/09							9 Months Ended				FY10 FY09 FY08 FY07 FY06						
	Increase (decrease)																			
Revenue	(2,999)	(11.2)%	23,755	18,699	16,293	24,827	26,754	14,417	22,350	17,000	12,748	58,747	63,521	(4,774)	(7.5)%	88,348	79,707	128,269	145,749	125,900
Total expenses	(1,607)	(7.3)%	20,535	16,929	16,097	20,945	22,142	14,524	17,763	13,906	15,168	53,561	54,429	(868)	(1.6)%	75,374	73,833	94,225	103,140	83,963
Income (loss) before income taxes	(1,392)	(30.2)%	3,220	1,770	196	3,882	4,612	(107)	4,587	3,094	(2,420)	5,186	9,092	(3,906)	(43.0)%	12,974	5,874	34,044	42,609	41,937

Supplementary Revenue Breakdown

	Q3/11 vs. Q3/10		Q3/11 Q2/11 Q1/11 Q4/10 Q3/10 Q2/10 Q1/10 Q4/09 Q3/09							9 Months Ended				FY10 FY09 FY08 FY07 FY06						
	Increase (decrease)																			
Commission	1,202	33.4%	4,800	4,288	3,624	2,939	3,598	2,710	2,214	1,952	1,623	12,712	8,522	4,190	49.2%	11,461	10,892	14,557	11,991	14,929
Investment Banking	(4,077)	(30.2)%	9,429	3,477	4,849	15,435	13,506	1,696	9,088	6,603	2,568	17,755	24,290	(6,535)	(26.9)%	40,449	34,142	90,899	106,017	87,191
Advisory Fees	(765)	(23.9)%	2,437	4,055	3,085	2,093	3,202	2,275	4,187	3,240	4,580	9,577	9,664	(87)	(0.9)%	11,033	21,373	11,914	5,581	3,937
Principal Trading	558	8.6%	7,039	6,893	4,670	4,087	6,481	7,722	6,557	4,711	1,621	18,602	20,760	(2,158)	(10.4)%	24,847	8,646	3,623	18,630	16,467
Interest	23	92.0%	48	57	48	63	25	22	54	169	527	153	101	52	51.5%	164	2,474	3,949	4,006	2,491
Other	60	(103.4)%	2	(71)	17	210	(58)	(8)	250	325	1,829	(52)	184	(236)	(128.3)%	394	2,180	3,327	(476)	885
	(2,999)	(11.2)%	23,755	18,699	16,293	24,827	26,754	14,417	22,350	17,000	12,748	58,747	63,521	(4,774)	(7.5)%	88,348	79,707	128,269	145,749	125,900

Note: Please find notes on Page 12.

US

Condensed statement of operations ⁽²⁰⁾

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

	Q3/11 vs. Q3/10		9 Months Ended								9 Months Ended									
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Revenue																				
Canaccord Genuity	10,634	48.4%	32,618	20,083	25,806	19,380	21,984	29,595	26,670	16,696	16,073	78,507	78,249	258	0.3%	97,629	74,794	90,788	76,644	18,692
Canaccord Wealth Management	722	86.7%	1,555	1,010	900	904	833	542	509	516	460	3,465	1,884	1,581	83.9%	2,788	2,856	3,416	4,029	1,269
	11,356	49.8%	34,173	21,093	26,706	20,284	22,817	30,137	27,179	17,212	16,533	81,972	80,133	1,839	2.3%	100,417	77,650	94,204	80,673	19,961
Expenses																				
Incentive compensation	5,122	38.6%	18,392	11,528	14,360	11,389	13,270	16,681	13,733	8,513	8,108	44,280	43,684	596	1.4%	55,073	36,027	48,740	42,560	9,134
Salaries and benefits	60	5.0%	1,250	1,315	1,187	952	1,190	1,119	1,085	1,198	1,224	3,752	3,394	358	10.5%	4,346	5,161	4,483	5,110	1,613
Trading costs	(618)	(39.1)%	963	1,025	1,102	1,490	1,581	1,493	2,002	1,887	1,909	3,090	5,076	(1,986)	(39.1)%	6,566	8,772	8,649	8,992	2,026
Premises and equipment	(25)	(2.2)%	1,109	1,096	1,064	1,151	1,134	1,299	1,228	1,402	1,383	3,269	3,661	(392)	(10.7)%	4,812	5,141	4,967	4,244	1,003
Communication and technology	28	2.1%	1,372	1,428	1,425	1,242	1,344	1,220	1,202	1,431	1,735	4,225	3,766	459	12.2%	5,008	5,061	2,576	2,284	496
Interest	(128)	(71.5)%	51	31	59	429	179	200	1,080	1,120	884	141	1,459	(1,318)	(90.3)%	1,888	3,074	1,730	415	89
General and administrative	803	34.3%	3,144	2,704	2,959	1,586	2,341	2,368	2,597	2,329	2,527	8,807	7,306	1,501	20.5%	8,892	12,617	12,434	11,121	1,787
Amortization	(29)	(10.1)%	258	276	262	279	287	277	281	298	295	796	845	(49)	(5.8)%	1,124	1,098	1,106	707	178
Development costs	456	50.7%	1,355	816	318	418	899	1,030	1,730	2,204	3,246	2,489	3,659	(1,170)	(32.0)%	4,077	11,510	16,878	8,870	554
Impairment of goodwill and intangibles	-	-	-	-	-	-	-	-	-	-	27,566	-	-	-	-	-	27,566	-	-	-
Restructuring costs	-	-	-	-	-	-	-	-	-	-	3,623	-	-	-	-	-	3,623	-	-	-
	5,669	25.5%	27,894	20,219	22,736	18,936	22,225	25,687	24,938	20,382	52,500	70,849	72,850	(2,001)	(2.7)%	91,786	119,650	101,563	84,303	16,880
Income (loss) before income taxes	5,687	960.6%	6,279	874	3,970	1,348	592	4,450	2,241	(3,170)	(35,967)	11,123	7,283	3,840	52.7%	8,631	(42,000)	(7,359)	(3,630)	3,081
Incentive compensation as % of revenue	(4.3) p.p.		53.8%	54.7%	53.8%	56.1%	58.2%	55.4%	50.5%	49.5%	49.0%	54.0%	54.5%	(0.5) p.p.		54.8%	46.4%	51.6%	52.4%	45.6%
Total compensation exp. as % of revenue ^{(14) (21)}	(5.9) p.p.		57.5%	60.9%	58.2%	60.8%	63.4%	59.1%	54.5%	56.4%	56.4%	58.6%	58.7%	(0.2) p.p.		59.2%	53.0%	56.4%	58.7%	53.6%
Non-compensation exp. as % of revenue	(9.9) p.p.		24.1%	35.0%	26.9%	32.5%	34.0%	26.2%	37.2%	62.0%	261.1%	27.8%	32.2%	(4.3) p.p.		32.2%	101.0%	51.2%	45.0%	30.6%
Total expenses as % of revenue	(15.8) p.p.		81.6%	95.9%	85.1%	93.4%	97.4%	85.2%	91.7%	118.4%	317.5%	86.4%	90.9%	(4.5) p.p.		91.4%	154.1%	107.6%	103.7%	84.2%
Pre-tax profit margin	15.8 p.p.		18.4%	4.1%	14.9%	6.6%	2.6%	14.8%	8.2%	(18.4)%	(217.5)%	13.6%	9.1%	4.5 p.p.		8.6%	(54.1)%	(7.8)%	(4.5)%	15.4%
Number of employees	13	8.0%	175	178	169	163	162	157	152	151	152	175	162	13	8.0%	163	151	163	163	150

Supplementary Information Excluding Significant and Acquisition-related Items (Non-GAAP) ^{(15) (26)}

(in thousands of dollars)

	Q3/11 vs. Q3/10		9 Months Ended								9 Months Ended									
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Revenue	11,356	49.8%	34,173	21,093	26,706	20,284	22,817	30,137	27,179	17,212	16,533	81,972	80,133	1,839	2.3%	100,417	77,650	94,204	80,673	19,961
Total expenses	5,669	25.5%	27,894	20,219	22,736	18,936	22,225	25,687	24,938	20,382	21,311	70,849	72,850	(2,001)	(2.7)%	91,786	88,461	101,563	84,303	16,880
Income (loss) before income taxes	5,687	960.6%	6,279	874	3,970	1,348	592	4,450	2,241	(3,170)	(4,778)	11,123	7,283	3,840	n.m.	8,631	(10,811)	(7,359)	(3,630)	3,081

Supplementary Revenue Breakdown

	Q3/11 vs. Q3/10		9 Months Ended								9 Months Ended									
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q3/11	Q3/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Commission	5,189	51.4%	15,284	13,899	13,805	10,539	10,095	10,597	11,230	11,862	10,791	42,988	31,922	11,066	34.7%	42,461	48,855	47,101	46,312	20,817
Investment Banking	3,817	31.9%	15,764	6,218	9,888	4,688	11,947	8,461	12,184	2,110	74	31,870	32,592	(722)	(2.2)%	37,280	13,044	34,077	20,909	2,907
Advisory Fees	1,401	91.9%	2,926	740	3,062	4,933	1,525	11,768	3,665	3,141	5,516	6,728	16,958	(10,230)	(60.3)%	21,891	15,171	11,589	12,740	4,509
Principal Trading	-	-	-	-	-	-	-	-	-	1	(1)	-	-	-	-	-	-	-	(1,634)	(1,266)
Interest	796	(102.3)%	18	17	17	(66)	(778)	(794)	(17)	29	67	52	(1,589)	1,641	(103.3)%	(1,655)	342	1,092	1,750	(7,109)
Other	153	546.4%	181	219	(66)	190	28	105	117	69	86	334	250	84	33.6%	440	238	345	596	103
	11,356	49.8%	34,173	21,093	26,706	20,284	22,817	30,137	27,179	17,212	16,533	81,972	80,133	1,839	2.3%	100,417	77,650	94,204	80,673	19,961

Note: Please find notes on Page 12.

Canaccord group of companies
Consolidated balance sheet

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

	Q3/11 vs. Q3/10		Q3/11							Q3/09		FY10				
	Increase (decrease)		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	FY10	FY09	FY08	FY07	FY06
Assets																
Cash and cash equivalents	(69,459)	(8.9)%	713,117	636,908	569,953	731,852	782,576	709,455	734,268	701,173	684,463	731,852	701,173	435,649	506,640	370,507
Securities owned, at market	693,617	171.5%	1,098,154	1,268,897	835,261	362,755	404,537	517,070	169,030	133,691	72,938	362,755	133,691	92,796	348,764	203,020
Accounts receivable	1,071,913	81.8%	2,383,057	2,987,415	2,185,305	1,972,924	1,311,144	2,085,356	1,166,610	1,061,161	806,402	1,972,924	1,061,161	1,422,917	1,672,035	1,539,998
Income taxes recoverable	-	-	-	5,567	5,287	-	-	2,107	17,740	23,771	29,887	-	23,771	11,083	-	-
Future income taxes	4,583	38.5%	16,473	15,136	13,418	13,190	11,890	12,019	13,358	15,680	13,657	13,190	15,680	28,207	11,021	10,769
Investments	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	-
Investment in asset backed commercial paper	(28,239)	(100.0)%	-	-	-	-	28,239	34,280	34,418	35,312	23,160	-	35,312	29,860	-	-
Equipment and leasehold improvements	(3,611)	(8.9)%	36,860	37,463	39,001	38,127	40,471	41,718	44,366	46,311	44,178	38,127	46,311	40,686	37,549	25,750
Goodwill and other intangibles	316,928	n.m.	316,928	317,858	319,685	-	-	-	-	-	-	-	-	32,520	33,933	27,929
Total assets	1,985,732	76.9%	4,569,589	5,274,244	3,972,910	3,123,848	2,583,857	3,407,005	2,184,790	2,022,099	1,679,685	3,123,848	2,022,099	2,098,718	2,609,942	2,177,973
Liabilities and shareholders' equity																
Bank indebtedness	(9,686)	(21.7)%	34,914	64,733	82,992	29,435	44,600	85,600	105,788	75,600	39,040	29,435	75,600	15,038	-	4,684
Securities sold short, at market	528,992	162.8%	853,869	1,236,229	702,976	364,137	324,877	382,209	56,318	79,426	62,151	364,137	79,426	13,757	41,176	37,169
Accounts payable and accrued liabilities	1,116,301	62.2%	2,910,424	3,257,737	2,483,250	2,308,146	1,794,123	2,535,971	1,622,288	1,469,369	1,195,533	2,308,146	1,469,369	1,687,479	2,156,540	1,832,956
Income taxes payable	4,078	88.8%	8,668	-	-	5,385	4,590	-	-	-	-	5,385.00	-	-	15,035	15,334
Future income taxes	23,120	n.m.	23,120	21,273	19,083	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000	25,000	25,000	15,000	25,000	25,000	25,000	-
Shareholders' equity	322,927	80.6%	723,594	679,272	669,609	401,745	400,667	388,225	385,396	372,704	357,961	401,745	372,704	357,444	372,191	287,830
Total liabilities and shareholders' equity	1,985,732	76.9%	4,569,589	5,274,244	3,972,910	3,123,848	2,583,857	3,407,005	2,184,790	2,022,099	1,679,685	3,123,848	2,022,099	2,098,718	2,609,942	2,177,973

Note: Please find notes on Page 12.

Miscellaneous operational statistics

(Unaudited, for the period ended)

	Q3/11 vs. Q3/10		Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	FY10	FY09	FY08	FY07	FY06
	Increase (decrease)															
Number of employees in Canada																
Number in Canaccord Genuity	72	35.3%	276	276	273	203	204	200	204	209	211	203	209	253	246	233
Number in Canaccord Wealth Management	(36)	(5.1)%	671	665	689	680	707	698	688	700	725	680	700	762	728	689
Number in Corporate and Other	5	1.4%	365	369	371	364	360	359	352	356	365	364	356	380	360	335
Total Canada	41	3.2%	1,312	1,310	1,333	1,247	1,271	1,257	1,244	1,265	1,301	1,247	1,265	1,395	1,334	1,257
Number of employees in UK																
Number in Canaccord Genuity	4	2.9%	141	143	138	139	137	125	118	114	117	139	114	125	93	81
Number of employees in US																
Number in Canaccord Genuity	13	8.0%	175	178	169	163	162	157	152	151	152	163	151	163	163	150
Number of employees firm wide ⁽²³⁾	58	3.7%	1,628	1,631	1,640	1,549	1,570	1,539	1,514	1,530	1,570	1,549	1,530	1,683	1,590	1,488
Number of Advisory Teams ⁽¹⁸⁾	(55)	(16.8)%	272	280	290	303	327	334	335	338	347	303	338	354	368	365
Number of licenced professionals	(100)	(13.3)%	653	712	684	718	753	763	773	790	809	718	790	852	817	763
Assets under mgmt. (\$millions) ⁽²⁾	91	21.5%	514	473	431	445	423	453	443	393	454	445	393	730	807	613
Assets under admin. (\$millions)	3,796	31.1%	16,006	13,895	12,571	12,922	12,210	11,386	10,341	9,184	9,030	12,922	9,184	14,295	15,014	14,310
AUA per Advisory Team (\$ millions) ⁽¹⁸⁾	22	57.6%	59	50	43	43	37	34	31	27	26	43	27	40	41	39
Number of companies with Canaccord Genuity Limited as Broker																
London Stock Exchange (LSE)	1	4.3%	24	20	23	23	23	9	9	9	7	23	9	5	1	1
Alternative Investment Market (AIM)	(10)	(22.2)%	35	37	39	43	45	44	49	51	55	43	51	60	58	53
Total Broker	(9)	(13.2)%	59	57	62	66	68	53	58	60	62	66	60	65	59	54
Number of companies with Canaccord Genuity Limited as Nomad ⁽²²⁾																
LSE	1	n.m.	1	1	1	1	-	-	-	-	-	1	-	1.00	-	1
AIM	(8)	(21.6)%	29	30	32	35	37	36	41	42	46	35	42	51	50	49
Total Nomad	(7)	(18.9)%	30	31	33	36	37	36	41	42	46	36	42	52	50	50

Note: Please find notes on Page 12.

Financial Post Data Group League Table ⁽²⁴⁾

Q3/11 vs. Q3/10:

Q3/11 (October 1, 2010 - December 31, 2010)								Q3/10 (October 1, 2009 - December 31, 2009)							
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.	44	9.9%	1	1,629,248	138	1	3,845,541	Canaccord Adams ⁽²⁵⁾	40	11.6%	1	1,108,755	115	1	2,058,847
RBC Capital Markets	36	8.1%	2	2,283,860	74	5	1,318,930	RBC Capital Markets	31	9.0%	2	3,985,410	66	6	1,454,370
BMO Capital Markets	31	7.0%	3	2,378,800	79	4	1,598,610	CIBC Wholesale Banking	27	7.8%	3	2,685,110	87	2	1,455,840
CIBC World Markets Inc.	29	6.5%	4	2,255,270	85	2	1,290,280	BMO Capital Markets	24	7.0%	4	1,481,130	78	4	1,153,020
GMP Securities L.P.	24	5.4%	5	1,301,630	81	3	1,097,610	GMP Securities L.P.	22	6.4%	5	966,630	83	3	984,440
TD Securities Inc.	19	4.3%	6	1,141,790	65	9	1,053,210	TD Securities Inc.	19	5.5%	6	1,291,710	58	8	1,058,740
Dundee Securities Corporation	19	4.3%	7	248,000	74	8	451,270	Cormark Securities Inc.	15	4.4%	7	434,230	47	10	394,630
Scotia Capital Inc.	16	3.6%	8	1,113,690	74	6	905,510	Dundee Securities Corporation	14	4.1%	8	129,240	62	7	428,760
Wellington West Capital Markets Inc.	16	3.6%	9	325,340	51	10	430,240	National Bank Financial Inc.	12	3.5%	9	170,790	67	5	756,900
National Bank Financial Inc.	14	3.2%	10	518,250	74	7	748,080	Wellington West Capital Mark	10	2.9%	10	103,060	58	9	271,270
Others	195	44.0%		4,565,860				Others	130	37.8%		4,151,210			
	443	100.0%							344	100.0%					

Fiscal 2011 vs. Fiscal 2010:

Fiscal 2011 (April 1, 2010 - December 31, 2010)								Fiscal 2010 (April 1, 2009 - December 31, 2009)							
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.	99	11.4%	1	3,570,963	307	1	8,072,805	Canaccord Adams ⁽²⁵⁾	79	10.6%	1	2,181,753	246	1	5,568,631
RBC Capital Markets	68	7.9%	2	4,299,450	154	7	2,714,770	RBC Capital Markets	60	8.1%	2	7,413,280	153	6	3,692,650
CIBC World Markets Inc.	63	7.3%	3	5,389,150	169	2	2,911,770	CIBC World Markets Inc.	59	7.9%	3	6,804,330	186	2	4,042,780
BMO Capital Markets	56	6.5%	4	3,824,490	163	4	2,731,840	GMP Securities L.P.	55	7.4%	4	2,823,180	166	5	2,468,450
GMP Securities L.P.	53	6.1%	5	3,700,610	163	5	2,515,740	BMO Capital Markets	50	6.7%	5	3,291,110	173	4	3,046,930
Dundee Securities Corporation	38	4.4%	6	500,650	139	8	1,008,620	TD Securities Inc.	39	5.2%	6	3,786,610	132	8	2,769,690
Cormark Securities Inc.	37	4.3%	7	805,220	111	10	949,610	Cormark Securities Inc.	35	4.7%	7	1,106,150	96	10	1,185,900
TD Securities Inc.	36	4.2%	8	2,445,850	132	9	1,962,100	Scotia Capital Inc.	31	4.2%	8	4,716,040	177	3	3,384,350
National Bank Financial Inc.	29	3.3%	9	990,670	157	6	1,551,930	National Bank Financial Inc.	25	3.4%	9	552,450	153	7	2,040,240
Macquarie Capital Markets Canada	25	2.9%	10	719,670	164	3	1,338,750	Wellington West Capital	24	3.2%	10	327,520	116	9	680,730
Others	362	41.8%		10,081,370				Others	287	38.6%		14,171,790			
	866	100.0%							744	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, assets under administration, common share information, financial ratios, number of employees and investment advisors teams.
- (2) AUM are assets managed on a discretionary basis under our programs generally described as or known as the Independence Accounts, Separately Managed Accounts, and Advisor Managed Accounts 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 share number used to calculate diluted EPS.
- (9) Special distributions per 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 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) The price to earnings multiple is calculated based on the end of period share price and 12-month trailing diluted EPS.
- (12) The price to book ratio is calculated based on the end of period share price and book value per diluted share.
- (13) Incentive compensation includes National Health Insurance tax applicable to the UK and is based on a percentage of incentive compensation payout.
- (14) 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.
- (15) Significant items include ABCP fair value adjustment, Canaccord relief program, Impairment of goodwill and intangibles, and Restructuring costs.
- (16) 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 Location.
- (17) 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.
- (18) Upon reviewing the population of Investment Advisors (IAs), it was determined that IAs will be reported as IA teams excluding rookies that have been licensed three years or less, and therefore, historical statistics prior to Q4/08 have been reclassified.
- (19) 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.
- (20) Canaccord's US operations include activities related to US Canaccord Wealth Management, delivered through Canaccord Financial (USA), Inc., and US capital markets operations, delivered through Canaccord Genuity Inc. US Other operations, also delivered through Canaccord Financial (USA), Inc., include revenue and expenses not specifically allocable to US Canaccord Wealth Management and US Canaccord Genuity.
- (21) Total compensation in Canaccord Genuity Inc. also includes retention costs from the Adams Harkness acquisition.
- (22) 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.
- (23) The employee count excludes temporary employees and those on long term disability but includes employees on leave of absence.
- (24) 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.
- (25) In addition to the transactions participated by its Canadian operation, Canaccord's figures also include deals transacted by its UK, and US operations.
- (26) 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.