

CANACCORD FINANCIAL INC. COMPLETES ACQUISITION OF 50% INTEREST IN BGF EQUITIES

Australian and Hong Kong operations renamed 'Canaccord BGF'

TORONTO, November 2, 2011 – Canaccord Financial Inc. (“Canaccord”, TSX: CF, AIM: CF.) is pleased to announce the completion of its previously-announced acquisition of 50% of BGF Capital Group Pty Ltd. (commonly known as BGF Equities), a growing independent investment dealer with operations in Australia and Hong Kong. The business will be rebranded Canaccord BGF, effective immediately.

“We are pleased to welcome Canaccord BGF to our global platform,” noted Paul Reynolds, President and CEO of Canaccord. “Our new partners in Australia and Hong Kong mark our continued strategy to grow our global presence and better service our clients.”

“We are entering a new and exciting phase of growth as Canaccord BGF,” said Marcus Freeman, Managing Director & CEO, Canaccord BGF. “Through this partnership, we are well positioned to provide our clients with a global research perspective and significantly enhanced distribution capabilities.”

The aggregate consideration paid by Canaccord for the 50% interest in BGF Equities totalled AUD\$40.3 million. The 50% interest was acquired through the purchase of shares from certain existing shareholders and the subscription of treasury shares, for the following consideration:

- AUD\$14.7 million for the purchase of existing BGF Equities shares, primarily from passive non-executive shareholders
- AUD\$20.0 million for the subscription of new equity in Canaccord BGF
- AUD\$5.6 million in Canaccord common shares (the “Consideration Shares”), issued to key executives of Canaccord BGF

A total of 623,796 Consideration Shares were issued, calculated on the basis of Canaccord’s volume-weighted average trading price on the Toronto Stock Exchange for the 20 consecutive trading day period ending on the third trading day before closing. Using this method of valuation, the shares were valued at AUD\$5.3 million. The Consideration Shares are held in escrow and will be released ratably over five years. Following the issuance of these common shares, Canaccord will have 83,945,492 common shares in issue.

Canaccord intends to purchase for cancellation 623,796 common shares from the market, pursuant to its normal course issuer bid. As a result, subject to the completion of this share buyback, the issuance of the Consideration Shares should not be considered dilutive to current Canaccord shareholders.

All required regulatory and stock exchange approvals have been received for the transaction and, as such, Canaccord BGF will commence operations immediately.

In connection with this partnership, Canaccord is pleased to appoint the following three additional directors to the Canaccord BGF board of directors:

- Paul Reynolds, President and CEO of Canaccord Financial Inc.,
- Brad Kotush, EVP and Chief Financial Officer of Canaccord Financial Inc., and,
- Terry Lyons, Lead Independent Director of Canaccord Financial Inc.

They join existing executive board members Warwick Grigor, Marcus Freeman and David Barlow.

Canaccord has been granted the option to purchase from the existing shareholders the remaining 50% equity interest in Canaccord BGF. This option will be exercisable, at Canaccord's sole option, for a three-month period commencing on the fifth anniversary of closing, at a price to be determined at such time by reference to Canaccord BGF's profits.

ABOUT CANACCORD FINANCIAL INC.:

Through its principal subsidiaries, Canaccord Financial Inc. is a leading independent, full-service financial services firm, with operations in two principal segments of the securities industry: wealth management and global capital markets. Since its establishment in 1950, Canaccord has been driven by an unwavering commitment to building lasting client relationships. We achieve this by generating value for our individual, institutional and corporate clients through comprehensive investment solutions, brokerage services and investment banking services. Canaccord has 49 offices worldwide, including 32 Wealth Management offices located across Canada. Canaccord Genuity, the international capital markets division, operates in Canada, the U.S., the U.K., China, Hong Kong, Australia and Barbados.

Canaccord Financial Inc. is publicly traded under the symbol CF on the TSX and the symbol CF. on AIM, a market operated by the London Stock Exchange. Canaccord's Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A.

ABOUT CANACCORD BGF:

Canaccord BGF is an Australian-based, securities advisory firm with offices in Melbourne, Sydney and Hong Kong. The company provides investment banking, sales & trading, research and wealth management services to clients in Australia, Asia and the UK. Canaccord BGF's expertise and services are focused on emerging companies and it has developed a proven track record of identifying high conviction investment opportunities across the metals, mining, energy and industrials sectors.

Canaccord BGF is part of Canaccord Financial Inc.'s group of companies and operates closely with the global operations of Canaccord Genuity.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. These statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events including business and economic conditions and Canaccord's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend" or the negative of these terms or other comparable terminology. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to market and general economic conditions, the nature of the financial services industry and the risks and uncertainties detailed from time to time in Canaccord's interim and annual consolidated financial statements and its Annual Report and Annual Information Form filed on www.sedar.com. These forward-looking statements are made as of the date of this document, and will not be updated or revised, except as specifically required by applicable law.