



**CANACCORD FINANCIAL INC. ANNOUNCES CLOSING
OF OVER-ALLOTMENT OPTION**

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DISSEMINATION TO THE UNITED STATES*

TORONTO, July 7, 2011 – Canaccord Financial Inc. (“Canaccord”, TSX: CF, AIM: CF.) announced today that it has closed the over-allotment option granted to the underwriters in connection with Canaccord’s bought deal public offering of Cumulative 5-Year Rate Reset First Preferred Shares, Series A (the “Series A Preferred Shares”), which closed on June 23, 2011. As a result of the exercise of the over-allotment option, Canaccord sold an additional 540,000 Series A Preferred Shares at a purchase price of \$25.00 per Series A Preferred Share for additional gross proceeds of \$13,500,000. In total, Canaccord has issued 4,540,000 Series A Preferred Shares for aggregate gross proceeds of \$113,500,000. The Series A Preferred Shares trade on the Toronto Stock Exchange under the trading symbol “CF.PR.A”.

Canaccord intends to use the net proceeds from the offering for general corporate purposes and may use all or a portion of such net proceeds with a view to growing or expanding its businesses.

The Series A Preferred Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, absent registration or an applicable exemption from registration requirements. This press release does not constitute an offer to sell or a solicitation of an offer to buy any security within the United States, and shall not constitute an offer, solicitation, or sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

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 46 offices worldwide, including 32 Wealth Management offices located across Canada. Canaccord Genuity, the international capital markets division, operates in the U.S., the U.K., Canada, China 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.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements, including statements regarding Canaccord's intended use of the net proceeds from the offering of Series A Preferred Shares. 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 may be required by applicable law.