

## CANACCORD GENUITY GROUP INC. REPORTS RECORD ANNUAL REVENUE FOR 2014

*Excluding significant items, fourth quarter diluted earnings per share of \$0.25<sup>(1)</sup>  
driven by performance of US and UK operations*

*(All dollar amounts are stated in Canadian dollars unless otherwise indicated)*

**TORONTO, June 3, 2014** – During the quarter ended March 31, 2014, Canaccord Genuity Group Inc. (‘the Company’ or ‘Canaccord’, TSX: CF, LSE: CF.) generated \$253.7 million in revenue. Excluding significant items<sup>(1)</sup> (a non-IFRS measure), the Company recorded net income of \$29.1 million or net income of \$25.7 million attributable to common shareholders<sup>(2)</sup> (\$0.25 per diluted common share). Including all expense items, on an IFRS basis, the Company recorded net income of \$25.9 million or net income attributable to common shareholders<sup>(2)</sup> of \$22.8 million ( \$0.22 per diluted common share).

During the fiscal year ended March 31, 2014, Canaccord generated a record \$855.2 million of revenue and, excluding significant items<sup>(1)</sup>, recorded net income of \$68.8 million or net income attributable to common shareholders<sup>(2)</sup> of \$55.4 million (\$0.54 per diluted common share). Including all expense items, on an IFRS basis, the Company recorded net income of \$52.1 million or net income of \$39.7 million attributable to common shareholders<sup>(2)</sup> (\$0.39 per diluted common share).

“Our strong results during fiscal 2014 were driven by exceptional performance from our US and UK operations, with significant and growing contributions from the Asia-Pacific region,” said Paul Reynolds, President and CEO of Canaccord Genuity Group Inc. “In addition, we are seeing a welcome pickup in volumes and transaction activity in the Canadian market.”

Mr. Reynolds added: “In fiscal 2015 we will look to grow our global business and continue to deliver enhanced and consistent client experiences in all our geographies.”

### **FISCAL 2014 VS. FISCAL 2013**

#### **12 months ended March 31, 2014 vs. 12 months ended March 31, 2013**

- Revenue of \$855.2 million, an increase of 7% or \$58.1 million from \$797.1 million
- Excluding significant items, expenses of \$770.6 million, an increase of 1% or \$3.7 million from \$766.9 million<sup>(1)</sup>
- Expenses of \$790.7 million, down 4% or \$30.2 million from \$820.8 million
- Excluding significant items, net income of \$68.8 million compared to net income of \$25.6 million<sup>(1)</sup>
- Net income of \$52.1 million, compared to a net loss of \$18.8 million
- Excluding significant items, diluted earnings per common share (EPS) of \$0.54 compared to diluted EPS of \$0.14 in fiscal 2013<sup>(1)</sup>
- Diluted EPS of \$0.39 compared to a diluted loss per common share of \$0.31 in the prior year

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<sup>1</sup> Significant items include restructuring costs, amortization of intangible assets and acquisition-related costs. See Non-IFRS Measures on page 5.

<sup>2</sup> Net income attributable to common shareholders is calculated as net income adjusted for non-controlling interests and preferred share dividends

## **FOURTH QUARTER FISCAL 2014 VS. FOURTH QUARTER FISCAL 2013**

### **3 months ended March 31, 2014 vs. 3 months ended March 31, 2013**

- Revenue of \$253.7 million, an increase of 16% or \$35.8 million from \$218.0 million
- Excluding significant items, expenses of \$217.8 million, an increase of 9% or \$17.3 million from \$200.5 million<sup>(1)</sup>
- Expenses of \$221.7 million, an increase of 5% or \$9.8 million from \$212.0 million
- Excluding significant items, net income of \$29.1 million compared to net income of \$15.6 million<sup>(1)</sup>
- Net income of \$25.9 million compared to a net income of \$6.4 million
- Excluding significant items, diluted EPS of \$0.25 compared to \$0.12 in the fourth quarter of 2013<sup>(1)</sup>
- Diluted EPS of \$0.22 compared to a diluted EPS of \$0.04

## **FOURTH QUARTER OF FISCAL 2014 VS. THIRD QUARTER OF FISCAL 2014**

### **3 months ended March 31, 2014 vs. 3 months ended December 31, 2013**

- Revenue of \$253.7 million, an increase of 10% or \$22.7 million from \$231.0 million
- Excluding significant items, expenses of \$217.8 million, an increase of 7% or \$14.9 million from \$202.9 million<sup>(1)</sup>
- Expenses of \$221.7 million, an increase of 7% or \$15.2 million from \$206.5 million
- Excluding significant items, net income of \$29.1 million compared to net income of \$21.2 million<sup>(1)</sup>
- Net income of \$25.9 million compared to net income of \$18.3 million
- Excluding significant items, diluted EPS of \$0.25 compared to \$0.17 in the third quarter of 2014<sup>(1)</sup>
- Diluted EPS of \$0.22 compared to diluted EPS of \$0.14 in the third quarter of 2014

## **Financial condition at end of fourth quarter 2014 vs. fourth quarter 2013**

- Cash and cash equivalents balance of \$364.3 million, down \$126.7 million from \$491.0 million
- Working capital of \$469.4 million, an increase of \$75.7 million from \$393.7 million
- Total shareholders' equity of \$1,168.7 million, an increase of \$119.5 million from \$1,049.2 million
- Book value per diluted common share for the period end was \$9.05, an increase of 18% or \$1.37 from \$7.68<sup>(3)</sup>
- On June 3, 2014, the Board of Directors approved a quarterly dividend of \$0.05 per common share payable on July 2, 2014 with a record date of June 20, 2014
- On June 3, 2014, the Board of Directors also approved a cash dividend of \$0.34375 per Series A Preferred Share payable on June 30, 2014 with a record date of June 13, 2014, and approved a cash dividend of \$0.359375 per Series C Preferred Share payable on June 30, 2014 and with a record date of June 13, 2014

## **SUMMARY OF OPERATIONS FOR THE QUARTER**

### **Corporate**

- On January 15, 2014, Canaccord Genuity appointed Stuart Raftus as President of Canaccord Genuity Wealth Management in Canada
- On March 26, 2014, Canaccord Genuity appointed David Esfandi as Chief Executive of Canaccord Genuity Wealth Management in the UK

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<sup>3</sup> See Non-IFRS measures on page 5.

- On March 26, 2014, Canaccord Genuity announced that Stephen Massey assumed the position of Chairman of Canaccord Genuity Wealth Management in the UK
- During the fourth fiscal quarter, the Company purchased 675,856 of its common shares under the terms of its normal course issuer bid (NCIB) to bring the total purchases for the current fiscal year to 3,294,144 common shares as of March 31, 2014
  - 3,248,544 common shares purchased under the NCIB up to the end of fiscal 2014 were cancelled on or before March 31, 2014 and the remaining 45,600 common shares purchased during fiscal 2014 were held in treasury until subsequently cancelled on April 30, 2014

## Capital Markets

- During fiscal Q4/14 Canaccord Genuity led or co-led 33 transactions globally, raising total proceeds of C\$3.0 billion<sup>(4)</sup>
- Canaccord Genuity participated in 106 transactions globally, raising total proceeds of C\$13.6 billion<sup>(4)</sup> during fiscal Q4/14
- During fiscal Q4/14, Canaccord Genuity led or co-led the following transactions:
  - £431.0 million for Poundland Group PLC on the LSE
  - £326.3 million for Playtech PLC on the LSE
  - £240.0 million for Brit Insurance PLC on the LSE
  - C\$224.3 million for Goldcorp Inc. in a secondary offering of Primero Mining Corp. shares on the TSX
  - £211.0 million for Circassia Pharmaceuticals PLC on the LSE
  - £169.0 million for Optimal Payments PLC on AIM
  - C\$133.3 million for DHX Media Limited on the TSX
  - £109.2 million for Monitise PLC on AIM
  - AUD\$100.0 million for G8 Education Limited on the ASX
  - US\$86.3 million for Derma Sciences, Inc. on the NASDAQ
  - C\$75.0 million for Redknee Solutions Inc. on the TSX
  - AUD\$75 million for Donaco International Limited on the ASX
  - C\$74.8 million for Pure Industrial Real Estate Trust on the TSX
  - Two transactions totalling US\$69.8 million for Rubicon Technology, Inc. on the NASDAQ
  - C\$67.6 million for Concordia Healthcare Corporation on the TSX
  - £66.2 million for The Renewables Infrastructure Group Limited on the LSE
  - US\$57.5 million for Datawatch Corporation on the NASDAQ
  - US\$50.0 million for President Energy PLC on AIM
  - S\$43.5 million for Kim Heng Offshore & Marine Holdings Limited on the SGX-Catalist
  - C\$33.0 million for Sandvine Corporation on the TSX
  - C\$30.0 million for Cardiome Pharma Corp. on the TSX
  - C\$27.6 million for Enterprise Group Inc. on the TSX
  - C\$23.0 million for Merus Labs International Inc. on the TSX
  - C\$20.0 million for Luna Gold Corp. on the TSX
  - £11.4 million for Goals Soccer Centres PLC on AIM
- Canaccord Genuity generated advisory revenues of \$33.6 million during fiscal Q4/14 and \$138.9 million during fiscal 2014
- During fiscal Q4/14, Canaccord Genuity advised on the following M&A and advisory transactions:
  - Xsens Technologies on its sale to Fairchild Semiconductor
  - Marlin Financial Group Limited on its disposal to Cabot Credit Management Limited
  - Oaktree Capital Management on its co-investment in the new chemical fleet with Navig8
  - Caffè Nero on the refinancing of its debt facilities
  - Camac Energy Inc. on the acquisition of an interest in the OML 120/121 block offshore Nigeria

<sup>4</sup> Source: FP Infomart and Company Information. Transactions over C\$1.5 million.

- Investcorp on the disposal of TDX Group to Equifax Inc.
- DOCUgroup on the refinancing of its debt facilities
- Asanko Gold Inc. on its acquisition of PMI Gold Corp.
- Chequers Capital on its acquisition of ISS Espaces verts
- Spire Topco Hotels Limited on the disposal of Four Pillars Hotel Group to Starwood Capital
- Petainer on the refinancing of its debt facilities
- Succession Holdings Limited on a majority investment by Inflexion Partners
- Enterprise Group Inc. on its acquisition of Hart Oilfield Rentals Limited.
- Parature on its sale to Microsoft Corporation

### **Canaccord Genuity Wealth Management (Global)**

- On a global basis, Canaccord Genuity Wealth Management generated revenue of \$66.9 million in Q4/14
- Total assets under administration<sup>(3)</sup> in Canada, and assets under management<sup>(3)</sup> in the UK, Europe and Australia, were \$30.9 billion at the end of fiscal Q4/14

### **Canaccord Genuity Wealth Management (North America)**

- Canaccord Genuity Wealth Management generated \$32.0 million in revenue and recorded a net loss before taxes of \$3.2 million in Q4/14
- Assets under administration<sup>(3)</sup> in Canada were \$10.2 billion, an increase of 7% from \$9.5 billion at the end of Q3/14 and down 3% from \$10.4 billion at the end of Q4/13
- Assets under management<sup>(3)</sup> in Canada (discretionary) were \$1.2 billion, an increase of 13% from \$1.1 billion at the end of Q3/14 and an increase of 44% from \$835 million at the end of Q4/13
- As at March 31, 2014, Canaccord Genuity Wealth Management had 160 Advisory Teams<sup>(5)</sup>, a decrease of 18 Advisory Teams<sup>(5)</sup> from March 31, 2013 and a decrease of 3 from December 31, 2013
- Canaccord Genuity Wealth Management has 16 offices across Canada, including eight operating on the Independent Wealth Management (IWM) platform

### **Canaccord Genuity Wealth Management (UK and Europe)**

- Wealth management operations in the UK and Europe generated \$33.2 million in revenue and, excluding significant items, recorded net income of \$6.4 million before taxes<sup>(1)</sup>
- Assets under management (discretionary and non-discretionary)<sup>(3)</sup> were \$20.2 billion (£10.9 billion), an increase of 6% from \$19.0 billion (£10.8 billion) at the end of Q3/14 and an increase of 27% from \$15.9 billion (£10.2 billion) at the end of Q4/13

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<sup>5</sup> Advisory Teams are normally comprised of one or more Investment Advisors (IAs) and their assistants and associates, who together manage a shared set of client accounts. Advisory Teams that are led by, or only include, an IA who has been licensed for less than three years are not included in our Advisory Team count, as it typically takes a new IA approximately three years to build an average-sized book of business.

### ***Non-IFRS Measures***

The non-International Financial Reporting Standards (IFRS) measures presented include assets under administration, assets under management, book value per diluted common share and figures that exclude significant items. Significant items include restructuring costs, amortization of intangible assets, and acquisition-related expense items, which include costs recognized in relation to both prospective and completed acquisitions. Book value per diluted common share is calculated as total common shareholders' equity divided by the number of diluted common shares outstanding and, commencing in Q1/14, adjusted for shares purchased under the NCIB and not yet cancelled, and estimated forfeitures in respect of unvested share awards under share-based payment plans.

Management believes that these non-IFRS measures will allow for a better evaluation of the operating performance of Canaccord's business and facilitate meaningful comparison of results in the current period to those in prior periods and future periods. Figures that exclude significant items provide useful information by excluding certain items that may not be indicative of Canaccord's core operating results. A limitation of utilizing these figures that exclude significant items is that the IFRS accounting effects of these items do in fact reflect the underlying financial results of Canaccord's business; thus, these effects should not be ignored in evaluating and analyzing Canaccord's financial results. Therefore, management believes that Canaccord's IFRS measures of financial performance and the respective non-IFRS measures should be considered together.

### **Selected financial information excluding significant items**

(C\$ thousands, except per share and % amounts)	Three months ended March 31		Quarter-over-quarter change	For the years ended March 31		YTD – over – YTD change
	2014	2013		2014	2013	
Total revenue per IFRS	<b>\$253,748</b>	\$217,971	16.4%	<b>\$855,244</b>	\$797,122	7.3%
Total expenses per IFRS	<b>221,737</b>	211,984	4.6%	<b>790,656</b>	820,824	(3.7)%
<i>Significant items recorded in Canaccord Genuity</i>						
Restructuring costs	—	5,561	(100.0)%	<b>5,486</b>	15,232	(64.0)%
Amortization of intangible assets	<b>1,702</b>	3,458	(50.8)%	<b>6,742</b>	14,740	(54.3)%
Acquisition-related costs	—	—	—	—	388	(100.0)%
<i>Significant items recorded in Canaccord Genuity Wealth Management</i>						
Amortization of intangible assets	<b>2,256</b>	1,600	41.0%	<b>7,841</b>	5,855	33.9%
Restructuring costs	—	884	(100.0)%	—	15,485	(100.0)%
Acquisition-related costs	—	—	—	—	1,331	(100.0)%
<i>Significant items recorded in Corporate and Other</i>						
Restructuring costs	—	—	—	—	900	(100.0)%
Acquisition-related costs	—	—	—	—	—	—
Total significant items	<b>3,958</b>	11,503	(65.6)%	<b>20,069</b>	53,931	(62.8)%
Total expenses excluding significant items	<b>217,779</b>	200,481	8.6%	<b>770,587</b>	\$766,893	0.5%
Net income before tax – adjusted	<b>35,969</b>	17,490	105.7%	<b>84,657</b>	30,229	180.1%
Income taxes – adjusted	<b>6,894</b>	1,911	260.8%	<b>15,811</b>	4,585	244.8%
Net income – adjusted	<b>\$29,075</b>	\$15,579	86.6%	<b>\$68,846</b>	\$25,644	168.5%
EPS – basic, adjusted	<b>\$0.28</b>	\$0.14	100.0%	<b>\$0.59</b>	\$0.16	268.8%
EPS – diluted, adjusted	<b>\$0.25</b>	\$0.12	108.3%	<b>\$0.54</b>	\$0.14	285.7%

## **ACCESS TO QUARTERLY RESULTS INFORMATION**

Investors, the media and others may review this quarterly earnings release and supplementary financial information at <http://www.canaccordgenuitygroup.com/EN/IR/Pages/default.aspx>.

## **CONFERENCE CALL AND WEBCAST PRESENTATION**

Interested parties are invited to listen to Canaccord's fourth quarter and fiscal 2014 results conference call via a live webcast or a toll free number. The conference call is scheduled for Wednesday, June 4, at 5:00 a.m. (Pacific Time), 8:00 a.m. (Eastern Time), 1:00 p.m. (UK Time), 8:00 p.m. (China Standard Time), and 10:00 p.m. (Australia EST Time). At that time, senior executives will comment on the results for the fourth quarter and fiscal 2014 year and respond to questions from analysts and institutional investors.

The conference call may be accessed live and archived on a listen-only basis via the Internet at: <http://www.canaccordgenuitygroup.com/EN/NewsEvents/Pages/Events.aspx>

Analysts and institutional investors can access the call in via telephone at:

- 647-427-7450 (within Toronto)
- 1-888-231-8191 (toll free in North America)
- 0-800-051-7107 (toll free from the UK)
- 1-800-760-620 (toll free from Ireland)
- 0-800-917-449 (toll free from France)
- 0-800-183-0171 (toll free from Germany)
- 10-800-714-1191 (toll free from Northern China)
- 10-800-140-1195 (toll free from Southern China)
- 1-800-287-011 (toll free from Australia)

*Please request to participate in Canaccord Genuity Group Inc's Q4/14 earnings call.*

A replay of the conference call will be available on June 4, 2014, after 8:00 a.m. (Pacific Time), 11:00 a.m. (Eastern Time) 4:00 p.m. (UK Time), 11:00 p.m. (China Standard Time) and 1:00 a.m. (Australia EST Time) on June 5, 2014 until July 23, 2014 at 416-849-0833 or 1-855-859-2056 by entering passcode 48723041 followed by the pound (#) sign.

## **ABOUT CANACCORD GENUITY GROUP INC.**

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the "Company") is a leading independent, full-service financial services firm, with operations in two principal segments of the securities industry: wealth management and capital markets. Since its establishment in 1950, the Company 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. The Company has offices in 11 countries worldwide, including wealth management offices located in Canada, Australia, the UK and Europe. Canaccord Genuity, the international capital markets division, operates in Canada, the US, the UK, France, Germany, Ireland, Hong Kong, mainland China, Singapore, Australia and Barbados. To us there are no foreign markets.™

Canaccord Genuity Group Inc. is publicly traded under the symbol CF on the TSX and the symbol CF. on the London Stock Exchange. Canaccord Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A. Canaccord Series C Preferred Shares are listed on the TSX under the symbol CF.PR.C.

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None of the information on the Company's websites at [www.canaccordgenuity.com](http://www.canaccordgenuity.com), [www.canaccordgenuitygroup.com](http://www.canaccordgenuitygroup.com), and [www.canaccordgenuity.com/cm](http://www.canaccordgenuity.com/cm) should be considered incorporated herein by reference.