



Canaccord Financial Inc.

Supplementary Financial Information

Third Quarter Fiscal 2010

For the period ended December 31, 2009

(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 2010 Quarterly Report to Shareholders (unaudited) dated February 4, 2010, and the Annual Report dated May 20, 2009. Canaccord's fiscal year end is defined as March 31st of each year. Canaccord's third quarter fiscal 2010 ended December 31, 2009 is also referred to as Q3/10 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 items, capital employed, return on average common equity (ROE), assets under administration (AUA), assets under management (AUM), compensation expenses as % of revenue, non-compensation expenses as % of revenue, dividend yield, dividend payout ratio, total shareholder return, pre-tax profit margin, price to earnings multiple (P/E), and price to book ratio (P/B).

Currency:

Unless otherwise specified, all currencies are in Canadian dollars.

**Corporate and Other segment
Condensed statement of operations**

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

	Q3/10 vs. Q3/09		Q3/10								9 Months Ended				FY09					
	Increase (decrease)		Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09	Q4/08	Q3/08	Q3/10	Q3/09	Increase (decrease)		FY09	FY08	FY07	FY06	FY05
Revenue																				
Canada	968	22.0%	5,374	5,131	11,781	4,769	4,406	8,649	10,062	11,018	12,605	22,286	23,117	(831)	(3.6)%	27,886	50,770	34,578	24,555	14,948
	968	22.0%	5,374	5,131	11,781	4,769	4,406	8,649	10,062	11,018	12,605	22,286	23,117	(831)	(3.6)%	27,886	50,770	34,578	24,555	14,948
Expenses																				
Incentive compensation	5,682	n.m.	5,929	1,837	4,589	1,671	247	863	3,248	(1,082)	4,402	12,355	4,358	7,997	183.5%	6,029	14,703	22,647	18,301	11,028
Salaries and benefits	142	2.2%	6,489	6,247	6,152	6,298	6,347	6,799	7,439	6,729	6,111	18,888	20,585	(1,697)	(8.2)%	26,883	24,986	22,789	20,531	17,980
Trading costs	304	114.7%	569	607	298	250	265	(7)	(68)	108	68	1,474	190	1,284	n.m.	440	479	313	1,507	1,110
Premises and equipment	(425)	(26.6)%	1,170	1,057	1,047	1,476	1,595	1,151	1,285	1,273	1,165	3,274	4,031	(757)	(18.8)%	5,507	4,769	4,891	4,493	3,216
Communication and technology	(379)	(24.4)%	1,172	1,140	1,173	1,267	1,551	1,180	1,246	1,144	1,004	3,485	3,977	(492)	(12.4)%	5,244	4,616	4,787	3,805	2,966
Interest	(248)	(46.1)%	290	322	442	407	538	538	562	526	531	1,054	1,638	(584)	(35.7)%	2,045	2,196	70	1,931	3,502
General and administrative	579	18.5%	3,707	3,993	2,101	3,469	3,128	4,162	3,270	3,650	5,050	9,801	10,560	(759)	(7.2)%	14,029	16,897	15,651	14,067	13,643
Amortization	(338)	(48.1)%	364	362	361	465	702	735	721	782	718	1,087	2,158	(1,071)	(49.6)%	2,623	2,825	2,582	1,468	894
Development costs	(135)	(11.5)%	1,040	1,087	1,005	1,381	1,175	1,323	1,773	1,641	1,288	3,132	4,271	(1,139)	(26.7)%	5,652	5,681	4,450	4,256	4,444
Gains on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,633)	-
ABCP fair value adjustment	(6,700)	(100.0)%	-	-	-	-	6,700	-	-	3,189	3,125	-	6,700	(6,700)	(100.0)%	6,700	9,567	-	-	-
Restructuring costs	(1,391)	(100.0)%	-	-	-	120	1,391	-	-	2,300	-	-	1,391	(1,391)	(100.0)%	1,511	2,300	-	-	-
	(2,909)	(12.3)%	20,730	16,652	17,168	16,804	23,639	16,744	19,476	20,260	23,462	54,550	59,859	(5,309)	(8.9)%	76,663	89,019	78,180	68,726	58,783
Income (loss) before intersegment allocations and income taxes	3,877	(20.2)%	(15,356)	(11,521)	(5,387)	(12,035)	(19,233)	(8,095)	(9,414)	(9,242)	(10,857)	(32,264)	(36,742)	4,478	(12.2)%	(48,777)	(38,249)	(43,602)	(44,171)	(43,835)
Intersegment Allocations to Canaccord Adams	(2,371)	n/a	(2,371)	(2,191)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Intersegment Allocations to Canaccord Wealth Management	(9,773)	n/a	(9,773)	(8,219)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Income (loss) before income taxes	(3,212)	n/a	(3,212)	(1,111)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of employees	(5)	(1.4)%	360	359	352	356	365	393	393	380	373	360	365	(5)	(1.4)%	356	380	360	335	324

Supplementary Information Excluding Significant Items (Non-GAAP) ⁽¹⁵⁾

(in thousands of dollars)

	Q3/10 vs. Q3/09		Q3/10								9 Months Ended				FY09					
	(decrease)		Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09	Q4/08	Q3/08	Q3/10	Q3/09	Increase (decrease)		FY09	FY08	FY07	FY06	FY05
Revenue	968	22.0%	5,374	5,131	11,781	4,769	4,406	8,649	10,062	11,018	12,605	22,286	23,117	(831)	(3.6)%	27,886	50,770	34,578	24,555	14,948
Total expenses	5,182	33.3%	20,730	16,652	17,168	16,684	15,548	16,744	19,476	14,771	20,337	54,550	51,768	2,782	5.4%	68,452	77,152	78,180	68,726	58,783
Income (loss) before intersegment allocations and income taxes	(4,214)	37.8%	(15,356)	(11,521)	(5,387)	(11,915)	(11,142)	(8,095)	(9,414)	(3,753)	(7,732)	(32,264)	(28,651)	(3,613)	12.6%	(40,566)	(26,382)	(43,602)	(44,171)	(43,835)

Note: Please find notes on Page 12.

Canada
Condensed statement of operations ⁽¹⁹⁾

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

	Q3/10 vs. Q3/09		Q3/10								9 Months Ended				FY09					
	Increase (decrease)		Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09	Q4/08	Q3/08	Q3/10	Q3/09	Increase (decrease)		FY09	FY08	FY07	FY06	FY05
Revenue																				
Canaccord Adams	46,923	229.7%	67,352	34,463	36,477	31,276	20,429	29,110	42,035	39,733	52,078	138,292	91,574	46,718	51.0%	122,850	212,585	227,324	189,074	123,564
Canaccord Wealth Management	17,828	53.9%	50,900	39,596	39,676	36,739	33,072	43,016	56,801	53,686	60,447	130,172	132,889	(2,717)	(2.0)%	169,628	245,711	268,590	223,925	178,176
Corporate and Other	968	22.0%	5,374	5,131	11,781	4,769	4,406	8,649	10,062	11,018	12,605	22,286	23,117	(831)	(3.6)%	27,886	50,770	34,578	24,555	14,948
	65,719	113.5%	123,626	79,190	87,934	72,784	57,907	80,775	108,898	104,437	125,130	290,750	247,580	43,170	17.4%	320,364	509,066	530,492	437,554	316,688
Expenses																				
Incentive compensation	36,864	130.6%	65,080	38,928	43,575	29,690	28,216	35,846	52,312	42,278	58,353	147,583	116,374	31,209	26.8%	146,064	231,721	263,196	221,165	154,427
Salaries and benefits	1,831	17.9%	12,075	11,462	11,235	11,808	10,244	11,347	12,594	12,403	10,559	34,772	34,185	587	1.7%	45,993	45,217	39,359	37,196	36,920
Trading costs	688	16.9%	4,751	4,541	4,327	3,862	4,063	3,347	3,325	3,357	4,334	13,619	10,735	2,884	26.9%	14,597	16,262	16,983	17,399	15,700
Premises and equipment	17	0.4%	4,027	3,885	3,702	4,062	4,010	3,660	3,721	3,733	3,630	11,614	11,391	223	2.0%	15,453	14,500	14,529	12,701	9,706
Communication and technology	(864)	(18.8)%	3,740	3,502	3,811	4,293	4,604	4,576	4,647	4,496	4,310	11,053	13,827	(2,774)	(20.1)%	18,120	17,836	16,961	14,662	13,001
Interest	(1,234)	(74.2)%	429	277	(260)	198	1,663	2,707	3,325	4,900	6,118	446	7,695	(7,249)	(94.2)%	7,893	22,799	20,121	10,820	7,823
General and administrative	(3,476)	(26.3)%	9,716	7,759	7,413	5,941	13,192	10,569	11,595	10,702	12,891	24,888	35,356	(10,468)	(29.6)%	41,297	45,245	42,592	38,066	26,292
Amortization	(710)	(36.7)%	1,226	1,204	1,192	1,390	1,936	1,372	1,355	1,478	1,452	3,622	4,663	(1,041)	(22.3)%	6,053	5,605	5,428	3,923	2,565
Development costs	1,349	32.7%	5,476	4,114	3,772	4,637	4,127	3,304	3,855	4,230	3,260	13,362	11,286	2,076	18.4%	15,923	14,038	12,105	9,243	7,924
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,633)	-
ABCP fair value adjustment	(6,700)	(100.0)%	-	-	-	-	6,700	-	-	4,172	4,226	-	6,700	(6,700)	(100.0)%	6,700	12,797	-	-	-
Canaccord relief program	(5,347)	(100.0)%	-	-	-	-	5,347	-	-	54,200	-	-	5,347	(5,347)	(100.0)%	5,347	54,200	-	-	-
Impairment of goodwill and intangibles	(3,958)	(100.0)%	-	-	-	-	3,958	-	-	-	-	-	3,958	(3,958)	(100.0)%	3,958	-	-	-	-
Restructuring costs	(2,623)	(100.0)%	-	-	-	142	2,623	-	-	4,000	-	-	2,623	(2,623)	(100.0)%	2,765	4,000	-	-	-
	15,837	17.5%	106,520	75,672	78,767	66,023	90,683	76,728	96,729	149,949	109,133	260,959	264,140	(3,181)	(1.2)%	330,163	484,220	431,274	363,542	274,358
Income (loss) before income taxes	49,882	(152.2)%	17,106	3,518	9,167	6,761	(32,776)	4,047	12,169	(45,512)	15,997	29,791	(16,560)	46,351	(279.9)%	(9,799)	24,846	99,218	74,012	42,330
Incentive compensation as % of revenue	3.8 p.p.		52.6%	49.2%	49.6%	40.8%	48.8%	44.4%	48.0%	40.5%	46.6%	50.8%	47.0%	3.8 p.p.		45.6%	45.5%	49.7%	50.6%	48.8%
Total compensation exp. as % of revenue ⁽¹⁴⁾	(4.1) p.p.		62.4%	63.6%	62.3%	57.0%	66.5%	58.4%	59.6%	52.4%	55.1%	62.7%	60.8%	1.9 p.p.		59.9%	54.4%	57.1%	59.1%	60.4%
Non-compensation exp. as % of revenue	(66.5) p.p.		23.8%	31.9%	27.2%	33.7%	90.3%	36.6%	29.2%	91.2%	32.1%	27.0%	45.9%	(18.9) p.p.		43.1%	40.8%	24.3%	24.0%	26.2%
Total expenses as % of revenue	(70.5) p.p.		86.2%	95.6%	89.5%	90.7%	156.7%	95.0%	88.8%	143.6%	87.2%	89.7%	106.7%	(17.0) p.p.		103.1%	95.2%	81.4%	83.1%	86.6%
Pre-tax and profit margin	70.5 p.p.		13.8%	4.4%	10.4%	9.3%	(56.7)%	5.0%	11.2%	(43.6)%	12.8%	10.2%	(6.7)%	16.9 p.p.		(3.1)%	4.8%	18.6%	16.9%	13.4%
Number of employees	(30)	(2.3)%	1,271	1,257	1,244	1,265	1,301	1,385	1,404	1,395	1,399	1,271	1,301	(30)	(2.3)%	1,265	1,395	1,334	1,257	1,190

Supplementary Information Excluding Significant Items (Non-GAAP) ⁽¹⁵⁾

	Q3/10 vs. Q3/09		Q3/10								9 Months Ended				FY09					
	Increase (decrease)		Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09	Q4/08	Q3/08	Q3/10	Q3/09	Increase (decrease)		FY09	FY08	FY07	FY06	FY05
(in thousands of dollars)																				
Revenue	65,719	113.5%	123,626	79,190	87,934	72,784	57,907	80,775	108,898	104,437	125,130	290,750	247,580	43,170	17.4%	320,364	509,066	530,492	437,554	316,688
Total expenses	34,465	47.8%	106,520	75,672	78,767	65,881	72,055	76,728	96,729	87,577	104,907	260,959	245,512	15,447	6.3%	311,393	413,223	431,274	363,542	274,358
Income (loss) before intersegment allocations and income taxes	31,254	(220.9)%	17,106	3,518	9,167	6,903	(14,148)	4,047	12,169	16,860	20,223	29,791	2,068	27,723	n.m.	8,971	95,843	99,218	74,012	42,330
Non-compensation exp. as % of revenue	(34.3) p.p.		23.8%	31.9%	27.2%	33.5%	58.1%	36.6%	29.2%	31.5%	28.8%	27.0%	38.4%	(11.4) p.p.		37.3%	26.8%	24.3%	24.0%	26.2%
Total expenses as % of revenue	(38.3) p.p.		86.2%	95.6%	89.5%	90.5%	124.5%	95.0%	88.8%	83.9%	83.9%	89.7%	99.2%	(9.5) p.p.		97.2%	81.2%	81.4%	83.1%	86.6%
Pre-tax and profit margin	38.3 p.p.		13.8%	4.4%	10.4%	9.5%	(24.5)%	5.0%	11.2%	16.1%	16.1%	10.2%	0.8%	9.4 p.p.		2.8%	18.8%	18.6%	16.9%	13.4%

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⁾

	Q3/10 vs. Q3/09		Q3/10							9 Months Ended				FY09						
	Increase (decrease)		Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09	Q4/08	Q3/08	Q3/10	Q3/09	Increase (decrease)		FY09	FY08	FY07	FY06	FY05
Revenue																				
Canaccord Adams	14,006	109.9%	26,754	14,417	22,350	17,000	12,748	11,770	38,189	14,940	35,117	63,521	62,707	814	1.3%	79,707	128,269	145,749	125,900	116,090
	14,006	109.9%	26,754	14,417	22,350	17,000	12,748	11,770	38,189	14,940	35,117	63,521	62,707	814	1.3%	79,707	128,269	145,749	125,900	116,090
Expenses																				
Incentive compensation	8,513	129.9%	15,066	7,986	10,793	6,451	6,553	6,306	19,046	6,304	19,655	33,845	31,905	1,940	6.1%	38,356	65,047	73,627	65,303	62,316
National Health Insurance tax ⁽¹³⁾	34	8.1%	456	371	362	349	422	405	383	422	392	1,189	1,210	(21)	(1.7)%	1,559	1,571	3,514	3,586	3,711
Total incentive compensation	8,547	122.5%	15,522	8,357	11,155	6,800	6,975	6,711	19,429	6,726	20,047	35,034	33,115	1,919	5.8%	39,915	66,618	77,141	68,889	66,027
Salaries and benefits	331	24.5%	1,680	1,402	1,482	1,310	1,349	1,622	1,336	1,335	1,081	4,564	4,307	257	6.0%	5,617	4,594	3,139	3,210	8,795
Trading costs	72	9.8%	808	968	995	816	736	757	633	573	690	2,771	2,126	645	30.3%	2,942	2,179	1,477	1,190	1,163
Premises and equipment	(89)	(7.7)%	1,067	920	952	940	1,156	1,038	967	963	896	2,939	3,161	(222)	(7.0)%	4,101	3,278	6,400	2,139	2,143
Communication and technology	816	n.m.	754	523	476	525	(62)	791	793	798	686	1,753	1,522	231	15.2%	2,047	2,816	2,227	1,440	1,036
Interest	2	9.5%	23	15	25	21	21	63	148	(2)	-	63	232	(169)	(72.8)%	253	(2)	2	5	1
General and administrative	(2,556)	(62.2)%	1,552	1,571	1,878	2,704	4,108	5,129	3,834	4,149	2,038	5,001	13,071	(8,070)	(61.7)%	15,775	11,784	10,469	6,374	5,879
Amortization	(129)	(24.8)%	391	425	448	441	520	441	441	440	449	1,264	1,402	(138)	(9.8)%	1,843	1,825	2,016	716	620
Development costs	(20)	(5.5)%	345	343	352	349	365	360	266	373	274	1,040	991	49	4.9%	1,340	1,133	269	-	-
Restructuring costs	(1,274)	(100.0)%	-	-	-	-	1,274	-	-	-	-	-	1,274	(1,274)	(100.0)%	1,274	-	-	-	-
	5,700	34.7%	22,142	14,524	17,763	13,906	16,442	16,912	27,847	15,355	26,161	54,429	61,201	(6,772)	(11.1)%	75,107	94,225	103,140	83,963	85,664
Income (loss) before income taxes	8,306	(224.9)%	4,612	(107)	4,587	3,094	(3,694)	(5,142)	10,342	(415)	8,956	9,092	1,506	7,586	n.m.	4,600	34,044	42,609	41,937	30,426
Incentive compensation as % of revenue	3.3 p.p.		58.0%	58.0%	49.9%	40.0%	54.7%	57.0%	50.9%	45.0%	57.1%	55.2%	52.8%	2.3 p.p.		50.1%	51.9%	52.9%	54.7%	56.9%
Total compensation exp. as % of revenue ⁽¹⁴⁾	(1.0) p.p.		64.3%	67.7%	56.5%	47.7%	65.3%	70.8%	54.4%	54.0%	60.2%	62.3%	59.7%	2.7 p.p.		57.1%	55.5%	55.1%	57.3%	64.5%
Non-compensation exp. as % of revenue	(45.2) p.p.		18.5%	33.1%	22.9%	34.1%	63.7%	72.9%	18.5%	48.8%	14.3%	23.4%	35.9%	(12.4) p.p.		37.1%	17.9%	15.7%	9.4%	9.3%
Total expenses as % of revenue	(46.2) p.p.		82.8%	100.7%	79.4%	81.8%	129.0%	143.7%	72.9%	102.8%	74.5%	85.7%	97.6%	(11.9) p.p.		94.2%	73.4%	70.8%	66.7%	73.8%
Pre-tax profit margin	46.2 p.p.		17.2%	(0.7)%	20.5%	18.2%	(29.0)%	(43.7)%	27.1%	(2.8)%	25.5%	14.3%	2.4%	11.9 p.p.		5.8%	26.5%	29.2%	33.3%	26.2%
Number of employees	20	17.1%	137	125	118	114	117	127	125	125	116	137	117	20	17.1%	114	125	93	81	70

Supplementary Information Excluding Significant Items (Non-GAAP) ⁽¹⁵⁾

(in thousands of dollars)

	Q3/10 vs. Q3/09		Q3/10							9 Months Ended				FY09						
	(decrease)		Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09	Q4/08	Q3/08	Q3/10	Q3/09	Increase (decrease)		FY09	FY08	FY07	FY06	FY05
Revenue	14,006	109.9%	26,754	14,417	22,350	17,000	12,748	11,770	38,189	14,940	35,117	63,521	62,707	814	1.3%	79,707	128,269	145,749	125,900	116,090
Total expenses	6,974	46.0%	22,142	14,524	17,763	13,906	15,168	16,912	27,847	15,355	26,161	54,429	59,927	(5,498)	(9.2)%	73,833	94,225	103,140	83,963	85,664
Income (loss) before income taxes	7,032	(290.6)%	4,612	(107)	4,587	3,094	(2,420)	(5,142)	10,342	(415)	8,956	9,092	2,780	6,312	227.1%	5,874	34,044	42,609	41,937	30,426

Note: Please find notes on Page 12.

US

Condensed statement of operations ⁽²⁰⁾

(Unaudited, for the period ended)

(in thousands of dollars) ⁽¹⁾

	Q3/10 vs. Q3/09		Q3/10 Q2/10 Q1/10 Q4/09 Q3/09 Q2/09 Q1/09 Q4/08 Q3/08								9 Months Ended				FY09	FY08	FY07	FY06	FY05	
	Increase (decrease)										Q3/10 Q3/09 Increase (decrease)									
Revenue																				
Canaccord Adams	5,911	36.8%	21,984	29,595	26,670	16,696	16,073	17,456	24,569	23,292	22,388	78,249	58,098	20,151	34.7%	74,794	90,788	76,644	18,692	-
Canaccord Wealth Management	373	81.1%	833	542	509	516	460	828	1,052	777	719	1,884	2,340	(456)	(19.5)%	2,856	3,416	4,029	1,269	-
	6,284	38.0%	22,817	30,137	27,179	17,212	16,533	18,284	25,621	24,069	23,107	80,133	60,438	19,695	32.6%	77,650	94,204	80,673	19,961	-
Expenses																				
Incentive compensation	5,162	63.7%	13,270	16,681	13,733	8,513	8,108	8,420	10,986	14,475	12,378	43,684	27,514	16,170	58.8%	36,027	48,740	42,560	9,134	-
Salaries and benefits	(34)	(2.8)%	1,190	1,119	1,085	1,198	1,224	1,226	1,513	980	1,018	3,394	3,963	(569)	(14.4)%	5,161	4,483	5,110	1,613	-
Trading costs	(328)	(17.2)%	1,581	1,493	2,002	1,887	1,909	2,613	2,363	1,899	2,030	5,076	6,885	(1,809)	(26.3)%	8,772	8,649	8,992	2,026	-
Premises and equipment	(249)	(18.0)%	1,134	1,299	1,228	1,402	1,383	1,259	1,097	1,274	1,255	3,661	3,739	(78)	(2.1)%	5,141	4,967	4,244	1,003	-
Communication and technology	(391)	(22.5)%	1,344	1,220	1,202	1,431	1,735	1,172	723	771	615	3,766	3,630	136	3.7%	5,061	2,576	2,284	496	-
Interest	(705)	(79.8)%	179	200	1,080	1,120	884	584	486	474	456	1,459	1,954	(495)	(25.3)%	3,074	1,730	415	89	-
General and administrative	(186)	(7.4)%	2,341	2,368	2,597	2,329	2,527	3,913	3,848	3,196	2,461	7,306	10,288	(2,982)	(29.0)%	12,617	12,434	11,121	1,787	-
Amortization	(8)	(2.7)%	287	277	281	298	295	259	246	298	296	845	800	45	5.6%	1,098	1,106	707	178	-
Development costs	(2,347)	(72.3)%	899	1,030	1,730	2,204	3,246	2,719	3,341	5,333	3,240	3,659	9,306	(5,647)	(60.7)%	11,510	16,878	8,870	554	-
Impairment of goodwill and intangibles	(27,566)	(100.0)%	-	-	-	-	27,566	-	-	-	-	-	27,566	(27,566)	(100.0)%	27,566	-	-	-	-
Restructuring costs	(3,623)	(100.0)%	-	-	-	-	3,623	-	-	-	-	-	3,623	(3,623)	(100.0)%	3,623	-	-	-	-
	(30,275)	(57.7)%	22,225	25,687	24,938	20,382	52,500	22,165	24,603	28,700	23,749	72,850	99,268	(26,418)	(26.6)%	119,650	101,563	84,303	16,880	-
Income (loss) before income taxes	36,559	(101.6)%	592	4,450	2,241	(3,170)	(35,967)	(3,881)	1,018	(4,631)	(642)	7,283	(38,830)	46,113	(118.8)%	(42,000)	(7,359)	(3,630)	3,081	-
Incentive compensation as % of revenue	9.2 p.p.		58.2%	55.4%	50.5%	49.5%	49.0%	46.0%	42.9%	60.1%	53.5%	54.5%	45.5%	9.0 p.p.	46.4%	51.6%	52.4%	45.6%	-	
Total compensation exp. as % of revenue ^{(14) (21)}	7.0 p.p.		63.4%	59.1%	54.5%	56.4%	56.4%	52.7%	48.8%	64.1%	57.9%	58.7%	52.1%	6.6 p.p.	53.0%	56.4%	58.7%	53.6%	-	
Non-compensation exp. as % of revenue	(227.1) p.p.		34.0%	26.2%	37.2%	62.0%	261.1%	68.4%	47.2%	55.0%	44.8%	32.2%	112.2%	(80.0) p.p.	101.0%	51.2%	45.0%	30.6%	-	
Total expenses as % of revenue	(220.1) p.p.		97.4%	85.2%	91.7%	118.4%	317.5%	121.1%	96.0%	119.1%	102.7%	90.9%	164.2%	(73.3) p.p.	154.1%	107.6%	103.7%	84.2%	-	
Pre-tax profit margin	220.1 p.p.		2.6%	14.8%	8.2%	(18.4)%	(217.5)%	(21.1)%	4.0%	(19.1)%	(2.7)%	9.1%	(64.2)%	73.3 p.p.	(54.1)%	(7.6)%	(3.7)%	15.8%	-	
Number of employees	10	6.6%	162	157	152	151	152	176	169	163	161	162	152	10	6.6%	151	163	163	150	-

Supplementary Information Excluding Significant Items (Non-GAAP) ⁽¹⁵⁾

(in thousands of dollars)

	Q3/10 vs. Q3/09		Q3/10 Q2/10 Q1/10 Q4/09 Q3/09 Q2/09 Q1/09 Q4/08 Q3/08								9 Months Ended				FY09	FY08	FY07	FY06	FY05	
	(decrease)										Q3/10 Q3/09 Increase (decrease)									
Revenue	6,284	38.0%	22,817	30,137	27,179	17,212	16,533	18,284	25,621	24,069	23,107	80,133	60,438	19,695	32.6%	77,650	94,204	80,673	19,961	-
Total expenses	914	4.3%	22,225	25,687	24,938	20,382	21,311	22,165	24,603	28,700	23,749	72,850	68,079	4,771	7.0%	88,461	101,563	84,303	16,880	-
Income (loss) before income taxes	5,370	(112.4)%	592	4,450	2,241	(3,170)	(4,778)	(3,881)	1,018	(4,631)	(642)	7,283	(7,641)	14,924	(195.3)%	(10,811)	(7,359)	(3,630)	3,081	-

Note: Please find notes on Page 12.

Canaccord group of companies
Consolidated balance sheet

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

	Q3/10 vs. Q3/09		Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09	Q4/08	Q3/08	FY09	FY08	FY07	FY06	FY05
	Increase (decrease)															
Assets																
Cash and cash equivalents	98,113	14.3%	782,576	709,455	734,268	701,173	684,463	521,322	555,017	435,649	421,783	701,173	435,649	506,640	370,507	349,700
Securities owned, at market	331,599	n.m.	404,537	517,070	169,030	133,691	72,938	56,055	117,013	92,796	164,388	133,691	92,796	348,764	203,020	160,348
Accounts receivable	504,742	62.6%	1,311,144	2,085,356	1,166,610	1,061,161	806,402	1,227,426	1,525,096	1,422,917	1,260,869	1,061,161	1,422,917	1,672,035	1,539,998	1,068,757
Income taxes recoverable	(29,887)	(100.0)%	-	2,107	17,740	23,771	29,887	19,772	19,440	11,083	2,758	23,771	11,083	-	-	-
Future income taxes	(1,767)	(12.9)%	11,890	12,019	13,358	15,680	13,657	11,566	10,725	28,207	10,630	15,680	28,207	11,021	10,769	3,992
Investments	-	-	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	5,079	21.9%	28,239	34,280	34,418	35,312	23,160	29,860	29,860	29,860	34,501	35,312	29,860	-	-	-
Equipment and leasehold improvements	(3,707)	(8.4)%	40,471	41,718	44,366	46,311	44,178	39,254	39,575	40,686	39,939	46,311	40,686	37,549	25,750	13,750
Notes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,618
Goodwill and other intangibles	-	-	-	-	-	-	-	31,815	32,167	32,520	32,873	-	32,520	33,933	27,929	-
Total assets	904,172	53.8%	2,583,857	3,407,005	2,184,790	2,022,099	1,679,685	1,942,070	2,333,893	2,098,718	1,972,741	2,022,099	2,098,718	2,609,942	2,177,973	1,638,165
Liabilities and shareholders' equity																
Bank indebtedness	5,560	14.2%	44,600	85,600	105,788	75,600	39,040	6,854	-	15,038	-	75,600	15,038	-	4,684	-
Securities sold short, at market	262,726	n.m.	324,877	382,209	56,318	79,426	62,151	15,194	32,227	13,757	96,383	79,426	13,757	41,176	37,169	105,527
Accounts payable and accrued liabilities	598,590	50.1%	1,794,123	2,535,971	1,622,288	1,469,369	1,195,533	1,480,714	1,836,764	1,687,479	1,461,130	1,469,369	1,687,479	2,156,540	1,832,956	1,262,072
Income taxes payable	4,590	-	4,590	-	-	-	-	-	-	-	-	-	-	15,035	15,334	6,737
Notes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,618
Subordinated debt	(10,000)	(40.0)%	15,000	15,000	15,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	-	-
Shareholders' equity	42,706	11.9%	400,667	388,225	385,396	372,704	357,961	414,308	439,902	357,444	390,228	372,704	357,444	372,191	287,830	222,211
Total liabilities and shareholders' equity	904,172	53.8%	2,583,857	3,407,005	2,184,790	2,022,099	1,679,685	1,942,070	2,333,893	2,098,718	1,972,741	2,022,099	2,098,718	2,609,942	2,177,973	1,638,165

Note: Please find notes on Page 12.

Miscellaneous operational statistics

(Unaudited, for the period ended)

	Q3/10 vs. Q3/09		Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09	Q4/08	Q3/08	FY09	FY08	FY07	FY06	FY05
	Increase	(decrease)														
Number of employees in Canada																
Number in Canaccord Adams	(7)	(3.3)%	204	200	204	209	211	248	251	253	254	209	253	246	233	209
Number in Canaccord Wealth Management	(18)	(2.5)%	707	698	688	700	725	744	760	762	772	700	762	728	689	657
Number in Corporate and Other	(5)	(1.4)%	360	359	352	356	365	393	393	380	373	356	380	360	335	324
Total Canada	(30)	(2.3)%	1,271	1,257	1,244	1,265	1,301	1,385	1,404	1,395	1,399	1,265	1,395	1,334	1,257	1,190
Number of employees in UK																
Number in Canaccord Adams	20	17.1%	137	125	118	114	117	127	125	125	116	114	125	93	81	70
Number of employees in US																
Number in Canaccord Adams	10	6.6%	162	157	152	151	152	176	169	163	161	151	163	163	150	0
Number of employees firm wide ⁽²³⁾	0	-	1,570	1,539	1,514	1,530	1,570	1,688	1,698	1,683	1,676	1,530	1,683	1,590	1,488	1,260
Number of Advisory Teams ⁽¹⁹⁾	(20)	(5.8)%	327	334	335	338	347	341	354	354	377	338	354	368	365	343
Number of licenced professionals	(56)	(6.9)%	753	763	773	790	809	818	832	852	859	790	852	817	763	710
Number of CWM client accounts	(8,265)	(4.8)%	162,934	163,197	166,747	167,659	171,199	173,949	175,976	175,570	173,599	167,659	175,570	156,003	155,404	144,451
Assets under mgmt. (\$millions) ⁽²⁾	(31)	(6.8)%	423	453	443	393	454	609	747	730	760	393	730	807	613	380
Assets under admin. (\$millions)	3,180	35.2%	12,210	11,386	10,341	9,184	9,030	11,584	14,695	14,295	14,860	9,184	14,295	15,014	14,310	9,967
AUA per Advisory Team (\$ millions) ⁽¹⁸⁾	11	44.8%	37	34	31	27	26	34	42	40	39	27	40	41	39	29
Number of companies with Canaccord Adams Limited as Broker																
London Stock Exchange (LSE)	16	228.6%	23	9	9	9	7	5	5	5	4	9	5	1	1	6
Alternative Investment Market (AIM)	(10)	(18.2)%	45	44	49	51	55	55	58	60	60	51	60	58	53	51
Total Broker	6	9.7%	68	53	58	60	62	60	63	65	64	60	65	59	54	57
Number of companies with Canaccord Adams Limited as Nomad / Financial Adviser ⁽²²⁾																
LSE	-	-	-	-	-	-	-	-	-	1	1	0	1	0	1	4
AIM	(9)	(19.6)%	37	36	41	42	46	45	48	51	50	42	51	50	49	47
Total Nomad / Financial Adviser	(9)	(19.6)%	37	36	41	42	46	45	48	52	51	42	52	50	50	51

Note: Please find notes on Page 12.

Financial Post Data Group League Table ⁽²⁴⁾

Q3/10 vs. Q3/09:

Q3/10 (October 1, 2009 - December 31, 2009)								Q3/09 (October 1, 2008 - December 31, 2008)							
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)	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 Adams ⁽²⁵⁾	40	11.6%	1	1,108,755,430	115	1	2,058,847,132	GMP Securities L.P	11	12.9%	1	398,677	27	5	4,804,773
RBC Capital Markets	31	9.0%	2	3,985,410,000	66	6	1,454,370,000	Canaccord Adams ⁽²⁵⁾	9	10.6%	2	189,305	26	6	5,789,085
CIBC Wholesale Banking	27	7.8%	3	2,685,110,000	87	2	1,455,840,000	CIBC World Markets	8	9.4%	3	142,564	25	8	9,488,855
BMO Capital Markets	24	7.0%	4	1,481,130,000	78	4	1,153,020,000	Dundee Securities Corp.	7	8.2%	4	67,155	30	2	5,311,336
GMP Securities L.P.	22	6.4%	5	966,630,000	83	3	984,440,000	Scotia Capital Markets	6	7.1%	5	2,750,730	28	3	10,065,749
TD Securities Inc.	19	5.5%	6	1,291,710,000	58	8	1,058,740,000	Blackmont Capital Inc.	6	7.1%	6	43,451	26	7	5,135,413
Cormark Securities Inc.	15	4.4%	7	434,230,000	47	10	394,630,000	RBC Capital Markets	5	5.9%	7	3,552,275	19	9	9,475,091
Dundee Securities Corporation	14	4.1%	8	129,240,000	62	7	428,760,000	BMO Capital Markets	4	4.7%	8	1,802,400	30	1	8,890,206
National Bank Financial Inc.	12	3.5%	9	170,790,000	67	5	756,900,000	TD Securities Inc.	3	3.5%	9	1,430,380	27	4	8,718,535
Wellington West Capital Markets I	10	2.9%	10	103,060,000	58	9	271,270,000	Wellington West Capital	3	3.5%	10	21,910	17	10	4,151,344
Others	130	37.8%		4,151,210,000				Others	23	27.1%		384,457			
	344	100.0%							85	100.0%					

Fiscal 2010 vs. Fiscal 2009:

Fiscal 2010 (April 1, 2009 - December 31, 2009)								Fiscal 2009 (April 1, 2008 - December 31, 2008)							
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 ⁽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)
Canaccord Adams ⁽²⁵⁾	79	10.6%	1	2,181,752,853	246	1	5,568,630,976	Canaccord Adams ⁽²⁵⁾	82	22.0%	1	1,074,953	146	1	11,792,728
RBC Capital Markets	60	8.1%	2	7,413,280,000	153	6	3,692,650,000	GMP Securities L.P	31	8.3%	2	1,836,877	76	6	7,804,091
CIBC World Markets Inc.	59	7.9%	3	6,804,330,000	186	2	4,042,780,000	Blackmont Capital Inc.	30	8.0%	3	164,776	87	3	7,155,811
GMP Securities L.P.	55	7.4%	4	2,823,180,000	166	5	2,468,450,000	RBC Capital Markets	28	7.5%	4	7,281,822	70	7	18,162,168
BMO Capital Markets	50	6.7%	5	3,291,110,000	173	4	3,046,930,000	CIBC World Markets Inc.	27	7.2%	5	2,702,660	85	4	18,329,749
TD Securities Inc.	39	5.2%	6	3,786,610,000	132	8	2,769,690,000	Dundee Securities Corp.	19	5.1%	6	309,374	76	5	9,034,925
Cormark Securities Inc.	35	4.7%	7	1,106,150,000	96	10	1,185,900,000	BMO Capital Markets	17	4.6%	7	1,829,195	88	2	18,269,951
Scotia Capital Inc.	31	4.2%	8	4,716,040,000	177	3	3,384,350,000	Raymond James Ltd.	17	4.6%	8	441,164	70	8	6,205,831
National Bank Financial Inc.	25	3.4%	9	552,450,000	153	7	2,040,240,000	Haywood Securities inc.	15	4.0%	9	101,879	32	10	558,562
Wellington West Capital	24	3.2%	10	327,520,000	116	9	680,730,000	Wellington West Capital	14	3.8%	10	259,518	55	9	5,763,257
Others	287	38.6%		14,171,790,000				Others	93	24.9%		5,864,138			
	744	100.0%							373	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, CWM client accounts 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.
- (15) Excludes 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 Adams 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 Adams (a division of Canaccord Financial Limited, 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 Adams 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 Adams.
- (21) Total compensation in Canaccord Adams 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.