

CANACCORD Financial

Canaccord Financial Inc.

Supplementary Financial Information

Second Quarter Fiscal 2011

For the period ended September 30, 2010

(Unaudited and in Canadian dollars)

Investor Relations Department

For further information, contact:

Jamie Kokoska

Manager

416-869-7293

Table of contents

	Page
Financial highlights	1
Condensed consolidated statement of operations	2
Canaccord Genuity statement of operations	3
Canaccord Wealth Management statement of operations	4
Corporate and Other segment statement of operations	5
Canada statement of operations	6
UK and Other Foreign Location statement of operations	7
US statement of operations	8
Consolidated balance sheet	9
Miscellaneous operational statistics	10
Financial Post Data Group League Table	11
Notes	12

Advisory note:

This document is not audited and should be read in conjunction with the Second Quarter Fiscal 2011 Quarterly Report to Shareholders (unaudited) dated November 3, 2010, and the Annual Report dated May 7, 2010. Canaccord's fiscal year end is defined as March 31st of each year. Canaccord's second quarter fiscal 2011 ended September 30, 2010 is also referred to as Q2/11 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⁾

	Q2/11 vs. Q2/10		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	6 Months Ended				FY10	FY09	FY08	FY07	FY06
	Increase (decrease)											Q2/11	Q2/10	Increase (decrease)						
Financial results																				
Revenue	25,541	20.6%	149,285	151,917	143,133	173,197	123,744	137,463	106,996	87,188	110,829	301,202	261,207	39,995	15.3%	577,537	477,721	731,539	756,914	583,415
Expenses	19,463	16.8%	135,346	144,684	137,658	150,887	115,883	121,468	100,311	159,625	115,805	280,030	237,351	42,679	18.0%	525,896	524,920	680,008	618,717	464,385
Income taxes (recovery)	3,113	279.2%	4,228	2,358	(2,051)	7,197	1,115	6,883	3,019	(10,059)	422	6,586	7,998	(1,412)	(17.7)%	13,144	452	20,197	44,741	37,880
Net income (loss)	2,965	44.0%	9,711	4,875	7,526	15,113	6,746	9,112	3,666	(62,378)	(5,398)	14,586	15,858	(1,272)	(8.0)%	38,497	(47,651)	31,334	93,456	81,150
Balance sheet information																				
Total assets	1,867,239	54.8%	5,274,244	3,972,910	3,123,848	2,583,857	3,407,005	2,184,790	2,022,099	1,679,685	1,942,070	5,274,244	3,407,005	1,867,239	54.8%	3,123,848	2,022,099	2,098,718	2,609,942	2,177,973
Total liabilities	1,576,192	52.2%	4,594,972	3,303,301	2,722,103	2,183,190	3,018,780	1,799,394	1,649,395	1,321,724	1,527,762	4,594,972	3,018,780	1,576,192	52.2%	2,722,103	1,649,395	1,741,274	2,237,751	1,890,143
Total shareholders' equity	291,047	75.0%	679,272	669,609	401,745	400,667	388,225	385,396	372,704	357,961	414,308	679,272	388,225	291,047	75.0%	401,745	372,704	357,444	372,191	287,830
Client assets																				
Assets under mgmt. (\$ millions) ⁽²⁾	20	4.4%	473	431	445	423	453	443	393	454	609	473	453	20	4.4%	445	393	730	807	613
Assets under admin. (\$ millions)	2,509	22.0%	13,895	12,571	12,922	12,210	11,386	10,341	9,184	9,030	11,584	13,895	11,386	2,509	22.0%	12,922	9,184	14,295	15,014	14,310
Common share information																				
Per share (\$)																				
Basic earnings (loss)	(0.01)	(7.1)%	0.13	0.07	0.15	0.31	0.14	0.19	0.07	(1.27)	(0.11)	0.20	0.33	(0.13)	(39.4)%	0.79	(0.97)	0.70	2.03	1.82
Diluted earnings (loss)	0.00	-	0.12	0.06	0.14	0.27	0.12	0.16	0.07	(1.27)	(0.11)	0.18	0.28	(0.10)	(35.7)%	0.69	(0.97)	0.64	1.94	1.74
Book value per diluted share ^{(3) (4)}	1.25	18.5%	8.03	7.84	6.96	7.00	6.78	6.73	6.51	6.37	7.15	8.03	6.78	1.25	18.5%	6.96	6.51	7.21	7.74	5.99
Share price (\$)																				
High	0.18	1.7%	10.89	11.48	11.34	11.87	10.71	8.41	5.53	8.19	9.33	11.48	10.71	0.77	7.2%	11.87	11.75	25.92	27.50	21.25
Low	2.07	30.9%	8.77	7.95	8.27	9.50	6.70	5.30	3.50	2.87	6.68	7.95	5.30	2.65	50.0%	5.30	2.87	8.60	15.80	9.00
Close	0.17	1.7%	10.37	9.39	11.10	10.37	10.20	6.95	5.40	4.04	7.98	10.37	10.20	0.17	1.7%	11.10	5.40	9.80	22.12	20.80
Shares outstanding (thousands)																				
Issued shares excluding unvested shares ⁽⁵⁾	25,871	53.1%	74,552	74,961	48,868	48,106	48,681	49,118	49,343	49,108	48,274	74,552	48,681	25,871	53.1%	48,868	49,343	43,873	45,973	45,746
Issued and outstanding ⁽⁶⁾	27,194	49.1%	82,553	82,308	55,571	55,405	55,359	55,234	55,093	54,636	54,553	82,553	55,359	27,194	49.1%	55,571	55,093	47,835	47,832	47,827
Diluted shares ⁽⁷⁾	27,339	47.8%	84,565	85,357	57,814	57,267	57,226	57,245	57,251	56,210	57,981	84,532	57,226	27,306	47.7%	57,767	57,251	49,556	48,084	48,017
Average outstanding - basic	25,699	52.9%	74,235	67,931	48,697	48,147	48,536	48,165	49,352	49,073	49,021	70,836	48,421	22,415	46.3%	48,698	48,929	44,778	45,969	44,606
Average diluted ⁽⁸⁾	27,386	49.3%	82,976	76,217	56,052	56,274	55,590	55,331	54,748	55,219	55,139	79,578	55,445	24,133	43.5%	55,662	54,189	48,727	48,081	46,699
Market capitalization (thousands) ⁽⁴⁾	293,234	50.2%	876,939	801,503	641,735	593,859	583,705	397,853	309,155	227,088	462,688	876,597	583,705	292,892	50.2%	640,259	309,155	485,649	1,063,625	998,762
Financial measures																				
Dividends per share	-	-	0.05	0.05	0.05	0.05	0.05	-	-	-	-	0.10	0.05	0.05	100.0%	0.15	0.13	0.50	0.36	0.28
Dividend yield (closing share price) ⁽⁹⁾	(0.1) p.p.	-	1.9%	2.1%	1.8%	1.9%	2.0%	-	-	-	-	1.9%	1.0%	0.9 p.p.	-	0.3%	2.3%	5.1%	1.6%	1.3%
Dividend payout ratio ^{(4) (5)}	0.1 p.p.	-	42.5%	84.4%	38.4%	18.9%	42.4%	-	-	-	-	56.5%	18.0%	38.5 p.p.	-	22.4%	(15.1)%	78.3%	18.5%	16.2%
Total shareholder return ⁽¹⁰⁾	(36.4) p.p.	-	10.4%	(15.0)%	7.5%	1.7%	46.8%	28.7%	33.7%	(49.4)%	0.4%	(6.6)%	88.9%	(95.5) p.p.	-	108.3%	(44.2)%	(55.5)%	8.3%	103.4%
Annualized ROE	(1.2) p.p.	-	5.7%	3.7%	7.6%	15.2%	6.9%	9.7%	4.0%	(64.3)%	(5.0)%	4.7%	8.3%	(3.6) p.p.	-	9.8%	(12.4)%	7.9%	28.4%	33.6%
Price to earnings multiple ⁽¹¹⁾	28.7	258.3%	17.6	15.9	16.1	16.7	(11.1)	(6.0)	5.7	(10.9)	8.1	17.6	(11.1)	28.7	(258.3)%	16.1	5.7	15.8	11.4	12.0
Price to book ratio ⁽¹²⁾	(0.2)	(13.9)%	1.3	1.2	1.6	1.5	1.5	1.0	0.8	0.6	1.1	1.3	1.5	(0.2)	(13.9)%	1.6	0.8	1.4	2.9	3.5

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

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

	Q2/11 vs. Q2/10		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	6 Months Ended				FY10	FY09	FY08	FY07	FY06
	Increase (decrease)											Q2/11	Q2/10	Increase (decrease)						
Financial results																				
Revenue	25,541	20.6%	149,285	151,917	143,133	173,197	123,744	137,463	106,996	87,188	110,829	301,202	261,207	39,995	15.3%	577,537	477,721	731,539	756,914	583,415
Expenses	17,636	15.2%	133,519	132,255	132,658	150,887	115,883	121,468	100,169	108,534	115,805	265,774	237,351	28,423	12.0%	520,896	473,687	609,011	618,717	464,385
Income taxes (recovery)	3,113	279.2%	4,228	5,768	(597)	7,197	1,115	6,883	3,063	(5,104)	422	9,996	7,998	1,998	25.0%	14,598	5,451	43,182	44,741	37,880
Net income (loss)	4,792	71.0%	11,538	13,894	11,072	15,113	6,746	9,112	3,764	(16,242)	(5,398)	25,432	15,858	9,574	60.4%	42,043	(1,417)	79,346	93,456	81,150
Common share information																				
Per share (\$)																				
Basic earnings (loss)	0.02	14.3%	0.16	0.20	0.22	0.31	0.14	0.19	0.08	(0.33)	(0.11)	0.36	0.33	0.03	9.1%	0.86	(0.03)	1.77	2.03	1.82
Diluted earnings (loss)	0.02	16.7%	0.14	0.18	0.21	0.27	0.12	0.16	0.07	(0.33)	(0.11)	0.32	0.28	0.04	14.3%	0.76	(0.03)	1.63	1.94	1.74
Financial measures																				
Dividend payout ratio ^{(4) (9)}	(6.6) p.p.	-	35.8%	29.6%	38.4%	18.9%	42.4%	-	-	-	-	32.4%	18.0%	14.4 p.p.	-	22.4%	n.m.	30.9%	18.5%	16.2%
Price to earnings multiple ⁽¹¹⁾	27.8	463.4%	14.2	13.2	14.6	16.7	(13.6)	(6.0)	1.1	7.1	8.1	14.2	(13.6)	27.8	(204.5)%	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⁾

	Q2/11 vs. Q2/10		Q2/11						Q2/10			6 Months Ended				FY10 - FY06				
	Increase	(decrease)	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase	(decrease)	FY10	FY09	FY08	FY07	FY06
Revenue																				
Commission	6,374	11.3%	63,002	62,256	62,826	60,696	56,628	55,456	49,005	51,473	60,630	125,258	112,084	13,174	11.8%	235,606	233,104	296,047	303,672	239,460
Investment banking	18,870	58.3%	51,236	55,901	54,191	82,089	32,366	46,590	30,146	8,887	27,894	107,137	78,956	28,181	35.7%	215,237	117,916	295,787	319,240	253,124
Advisory Fees	(2,039)	(13.4)%	13,215	20,721	8,323	6,328	15,254	9,296	8,854	11,311	6,130	33,936	24,550	9,386	38.2%	39,200	51,453	41,087	31,033	13,082
Principal trading	(1,992)	(17.2)%	9,597	5,958	7,278	15,645	11,589	11,470	8,540	3,781	87	15,555	23,059	(7,504)	(32.5)%	45,982	18,319	7,443	31,638	27,388
Interest	2,315	74.2%	5,436	3,144	3,269	3,099	3,121	3,476	5,116	9,108	11,734	8,580	6,597	1,983	30.1%	12,965	38,287	63,168	57,908	36,915
Other	2,013	42.1%	6,799	3,937	7,246	5,340	4,786	11,175	5,335	2,628	4,354	10,736	15,961	(5,225)	(32.7)%	28,547	18,642	28,007	13,423	13,446
	25,541	20.6%	149,285	151,917	143,133	173,197	123,744	137,463	106,996	87,188	110,829	301,202	261,207	39,995	15.3%	577,537	477,721	731,539	756,914	583,415
Expenses																				
Incentive compensation ⁽¹³⁾	7,857	12.3%	71,823	73,091	72,783	93,872	63,966	68,463	45,003	43,299	50,977	144,914	132,429	12,485	9.4%	299,084	222,006	347,079	382,897	299,188
Salaries and benefits	2,339	16.7%	16,322	15,816	16,685	14,945	13,983	13,802	14,316	12,817	14,195	32,138	27,785	4,353	15.7%	59,415	56,771	54,294	47,608	42,019
Trading costs	239	3.4%	7,241	7,705	7,418	7,140	7,002	7,324	6,565	6,708	6,717	14,946	14,326	620	4.3%	28,884	26,311	27,090	27,452	20,615
Premises and equipment	536	8.8%	6,640	6,038	6,188	6,228	6,104	5,882	6,404	6,549	5,957	12,678	11,986	692	5.8%	24,402	24,695	22,745	25,173	15,843
Communication and technology	1,534	29.2%	6,779	6,269	5,296	5,838	5,245	5,489	6,249	6,277	6,539	13,048	10,734	2,314	21.6%	21,868	25,228	23,228	21,472	16,598
Interest	1,181	240.0%	1,673	616	613	631	492	845	1,339	2,568	3,354	2,289	1,337	952	71.2%	2,581	11,220	24,527	20,538	10,914
General and administrative	4,292	36.7%	15,990	15,791	14,958	13,609	11,698	11,888	10,974	19,827	19,611	31,781	23,586	8,195	34.7%	52,153	69,689	69,463	64,182	46,227
Amortization	1,800	94.4%	3,706	3,284	1,878	1,904	1,906	1,921	2,129	2,751	2,072	6,990	3,827	3,163	82.6%	7,609	8,994	8,536	8,151	4,817
Development costs	(315)	(5.7)%	5,172	5,084	6,839	6,720	5,487	5,854	7,190	7,738	6,383	10,256	11,341	(1,085)	(9.6)%	24,900	28,773	32,049	21,244	9,797
Gains on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,633)
ABCP fair value adjustment	-	-	-	-	-	-	-	-	-	6,700	-	-	-	-	-	-	-	-	-	-
Canaccord relief program	-	-	-	-	-	-	-	-	-	5,347	-	-	-	-	-	-	-	-	-	-
Impairment of goodwill and intangibles	-	-	-	-	-	-	-	-	-	31,524	-	-	-	-	-	-	-	-	-	-
Acquisition-related costs	-	-	-	10,990	5,000	-	-	-	-	-	-	10,990	-	10,990	100.0%	5,000	-	-	-	-
Restructuring costs	-	-	-	-	-	-	-	-	142	7,520	-	-	-	-	-	-	-	-	-	-
	19,463	16.8%	135,346	144,684	137,658	150,887	115,883	121,468	100,311	159,625	115,805	280,030	237,351	42,679	18.0%	525,896	524,920	680,008	618,717	464,385
Income (loss) before income taxes	6,078	77.3%	13,939	7,233	5,475	22,310	7,861	15,995	6,685	(72,437)	(4,976)	21,172	23,856	(2,684)	(11.3)%	51,641	(47,199)	51,531	138,197	119,030
Income taxes (recovery)	3,113	279.2%	4,228	2,358	(2,051)	7,197	1,115	6,883	3,019	(10,059)	422	6,586	7,998	(1,412)	(17.7)%	13,144	452	20,197	44,941	37,880
Net income (loss)	2,965	44.0%	9,711	4,875	7,526	15,113	6,746	9,112	3,666	(62,378)	(5,398)	14,586	15,858	(1,272)	(8.0)%	38,497	(47,651)	31,334	93,256	81,150

Incentive compensation as % of revenue	(3.6) p.p.	48.1%	48.1%	50.8%	54.2%	51.7%	49.8%	42.1%	49.7%	46.0%	48.1%	50.7%	(2.6) p.p.	51.8%	46.5%	47.4%	50.6%	51.3%		
Total compensation exp. as % of revenue ⁽¹⁴⁾	(3.9) p.p.	59.0%	58.5%	62.5%	62.8%	63.0%	59.8%	55.4%	64.4%	58.8%	58.8%	61.3%	(2.5) p.p.	62.1%	58.4%	54.9%	56.9%	58.5%		
Non-compensation exp. as % of revenue	1.0 p.p.	31.6%	36.7%	33.7%	24.3%	30.7%	28.5%	38.3%	118.7%	45.7%	34.2%	29.5%	4.7 p.p.	29.0%	51.5%	38.1%	24.8%	21.1%		
Total expenses as % of revenue	(3.1) p.p.	90.7%	95.2%	96.2%	87.1%	93.7%	88.3%	93.8%	183.1%	104.5%	93.0%	90.9%	2.1 p.p.	91.1%	109.9%	93.0%	81.7%	79.6%		
Pre-tax profit margin	3.0 p.p.	9.3%	4.8%	3.8%	12.9%	6.4%	11.6%	6.2%	(83.1)%	(4.5)%	7.0%	9.1%	(2.1) p.p.	8.9%	(9.9)%	7.0%	18.3%	20.4%		
Effective tax rate	16.1 p.p.	30.3%	32.6%	(37.5)%	32.3%	14.2%	43.0%	45.2%	13.9%	(8.5)%	31.1%	33.5%	(2.4) p.p.	25.5%	(1.0)%	39.2%	32.5%	31.8%		
Net profit margin	1.1 p.p.	6.5%	3.2%	5.3%	8.7%	5.5%	6.6%	3.4%	(71.5)%	(4.9)%	4.8%	6.1%	(1.2) p.p.	6.7%	(10.0)%	4.3%	12.3%	13.9%		
Basic earnings (loss) per share	(0.01)	(7.1)%	0.13	0.07	0.15	0.31	0.14	0.19	0.07	(1.27)	(0.11)	0.20	0.33	(0.13)	(39.4)%	0.79	(0.97)	0.70	2.03	1.82
Diluted earnings (loss) per share	-	-	0.12	0.06	0.14	0.27	0.12	0.16	0.07	(1.27)	(0.11)	0.18	0.28	(0.10)	(35.7)%	0.69	(0.97)	0.64	1.94	1.74
Book value per diluted share	1.25	18.5%	8.03	7.84	6.96	7.00	6.78	6.73	6.51	6.37	7.15	8.03	6.78	1.25	18.5%	6.96	6.51	7.21	7.74	5.99

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

	Q2/11 vs. Q2/10		Q2/11						Q2/10			6 Months Ended				FY10 - FY06				
	Increase	(decrease)	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase	(decrease)	FY10	FY09	FY08	FY07	FY06
Revenue	25,541	20.6%	149,285	151,917	143,133	173,197	123,744	137,463	106,996	87,188	110,829	301,202	261,207	39,995	15.3%	577,537	477,721	731,539	756,914	583,415
Total expenses	17,636	15.2%	133,519	132,255	132,658	150,887	115,883	121,468	100,169	108,534	115,805	265,774	237,351	28,423	12.0%	520,896	473,687	609,011	618,717	464,385
Income (loss) before income taxes	7,905	100.6%	15,766	19,662	10,475	22,310	7,861	15,995	6,827	(21,346)	(4,976)	35,428	23,856	11,572	48.5%	56,641	4,034	122,528	138,197	119,030
Net income (loss)	4,792	71.0%	11,538	13,894	11,072	15,113	6,746	9,112	3,764	(16,242)	(5,398)	25,432	15,858	9,574	60.4%	42,043	(1,417)	79,346	93,456	81,150
Non-compensation exp. as % of revenue	(0.0) p.p.	30.7%	28.5%	30.2%	24.3%	30.7%	28.5%	38.2%	60.1%	45.7%	30.5%	29.5%	1.0 p.p.	28.1%	40.8%	28.4%	24.8%	21.1%		
Total expenses as % of revenue	(4.2) p.p.	89.4%	87.1%	92.7%	87.1%	93.6%	88.3%	93.6%	124.5%	104.5%	88.2%	90.9%	(2.6) p.p.	90.2%	99.2%	83.3%	81.7%	79.6%		
Pre-tax profit margin	4.2 p.p.	12.9%	7.3%	12.9%	6.4%	11.6%	6.4%	(24.5)%	(4.5)%	11.8%	9.1%	2.6 p.p.	9.8%	0.8%	16.7%	18.3%	20.4%			
Net profit margin	2.3 p.p.	7.7%	9.1%	7.7%	8.7%	5.5%	6.6%	3.5%	(18.6)%	(4.9)%	8.4%	6.1%	2.4 p.p.	7.3%	(0.3)%	10.8%	12.3%	13.9%		
Basic earnings (loss) per share	0.02	14.3%	0.16	0.20	0.22	0.31	0.14	0.19	0.08	(0.33)	(0.11)	0.36	0.33	0.03	9.1%	0.86	(0.03)	1.77	2.03	1.82
Diluted earnings (loss) per share	0.02	16.7%	0.14	0.18	0.21	0.27	0.12	0.16	0.07	(0.33)	(0.11)	0.32	0.28	0.04	14.3%	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⁾

	Q2/11 vs. Q2/10		Q2/11						6 Months Ended			FY10									
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06	
Revenue																					
Canada																					
Capital Markets	22,595	82.7%	49,909	53,057	32,806	58,040	27,314	30,054	25,033	12,639	23,461	102,966	57,368	45,598	79.5%	148,214	95,485	176,655	187,562	150,470	
International Trading	(240)	(8.4)%	2,614	2,600	2,655	3,235	2,854	2,817	2,825	3,975	3,439	5,214	5,671	(457)	(8.1)%	11,561	14,604	19,722	24,177	20,940	
Registered Traders	(682)	(38.3)%	1,100	606	1,058	1,114	1,782	1,902	1,777	2,298	635	1,706	3,684	(1,978)	(53.7)%	5,856	6,325	7,368	7,878	9,124	
Fixed Income	2,045	81.4%	4,558	1,790	2,770	4,963	2,513	1,704	1,641	1,517	1,575	6,348	4,217	2,131	50.5%	11,950	6,436	8,840	7,707	8,540	
Total Canada	23,718	68.8%	58,181	58,053	39,289	67,352	34,463	36,477	31,276	20,429	29,110	116,234	70,940	45,294	63.8%	177,581	122,850	212,585	227,324	189,074	
UK and Other Foreign Location ⁽¹⁶⁾	4,282	29.7%	18,699	16,293	24,827	26,754	14,417	22,350	17,000	12,748	11,770	34,992	36,767	(1,775)	(4.8)%	88,348	79,707	128,269	145,749	125,900	
US	(9,512)	(32.1)%	20,083	25,806	19,380	21,984	29,595	26,670	16,696	16,073	17,456	45,889	56,265	(10,376)	(18.4)%	97,629	74,794	90,788	76,644	18,692	
	18,488	23.6%	96,963	100,152	83,496	116,090	78,475	85,497	64,972	49,250	58,336	197,115	163,972	33,143	20.2%	363,558	277,351	431,642	449,717	333,666	
Expenses																					
Incentive compensation ⁽¹³⁾	4,057	9.5%	46,818	46,591	43,645	63,567	42,761	45,231	30,210	28,857	29,998	93,409	87,992	5,417	6.2%	195,204	141,594	216,736	233,582	175,604	
Salaries and benefits	778	23.0%	4,154	4,021	4,088	4,441	3,376	3,404	3,513	3,413	3,919	8,175	6,780	1,395	20.6%	15,309	15,068	13,794	11,193	8,435	
Trading costs	853	20.0%	5,128	4,885	4,483	4,661	4,275	4,870	4,618	4,587	5,118	10,013	9,145	868	9.5%	18,289	18,863	18,029	16,982	10,095	
Premises and equipment	(25)	(0.8)%	2,947	2,602	2,882	2,984	2,972	2,884	3,106	3,322	3,104	5,549	5,856	(307)	(5.2)%	11,722	12,400	11,601	14,129	5,886	
Communication and technology	1,586	60.7%	4,197	3,871	2,772	3,006	2,611	2,780	3,352	3,136	3,803	8,068	5,391	2,677	49.7%	11,169	13,569	12,229	10,347	6,727	
Interest	1,183	n.m.	1,249	202	232	290	66	160	261	272	357	1,451	226	1,225	542.0%	748	1,372	2,407	2,717	1,789	
General and administrative	2,866	54.7%	8,110	8,987	4,283	5,794	5,244	5,901	5,237	8,873	12,243	17,097	11,145	5,952	53.4%	21,222	38,418	39,955	34,853	19,988	
Amortization	1,862	201.1%	2,788	2,348	846	903	926	958	1,009	1,586	926	5,136	1,884	3,252	172.6%	3,633	4,433	3,878	3,921	1,910	
Development costs	384	21.5%	2,171	2,281	3,105	2,464	1,787	2,944	3,212	4,251	3,682	4,452	4,731	(279)	(5.9)%	10,300	15,268	20,208	10,723	1,239	
ABCP fair value adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,230	-	-	
Impairment of goodwill and intangibles	-	-	-	-	-	-	-	-	-	31,524	-	-	-	-	-	-	31,524	-	-	-	
Acquisition-related costs	-	-	-	10,990	5,000	-	-	-	-	-	-	10,990	-	10,990	n.m.	5,000	-	-	-	-	
Restructuring costs	-	-	-	-	-	-	-	-	22	5,949	-	-	-	-	-	-	5,971	1,000	-	-	
	13,544	21.2%	77,562	86,778	71,336	88,110	64,018	69,132	54,540	95,770	63,150	164,340	133,150	31,190	23.4%	292,596	298,480	343,067	338,447	231,683	
Income (loss) before intersegment allocations and income taxes	4,944	34.2%	19,401	13,374	12,160	27,980	14,457	16,365	10,432	(46,520)	(4,814)	32,775	30,822	1,953	6.3%	70,962	(21,129)	88,575	111,270	101,983	
Intersegment Allocations	713	32.5%	2,904	2,716	2,700	2,371	2,191	2,311	n/a	n/a	n/a	5,620	4,502	1,118	24.8%	9,573	n/a	n/a	n/a	n/a	
Income (loss) before income taxes	4,231	34.5%	16,497	10,658	9,460	25,609	12,266	14,054	n/a	n/a	n/a	27,155	26,320	835	3.2%	61,389	n/a	n/a	n/a	n/a	
Incentive compensation as % of revenue	(6.2) p.p.		48.3%	46.5%	52.3%	54.8%	54.5%	52.9%	46.5%	58.6%	51.4%	47.4%	53.7%	(6.3) p.p.		53.7%	51.1%	50.2%	51.9%	52.6%	
Total compensation exp. as % of revenue ⁽¹⁴⁾⁽²¹⁾	(6.3) p.p.		52.6%	50.5%	57.2%	58.6%	58.0%	56.9%	51.9%	65.5%	58.1%	51.5%	57.8%	(6.3) p.p.		57.9%	56.5%	53.4%	54.4%	55.2%	
Non-compensation exp. as % of revenue	4.5 p.p.		27.4%	25.1%	22.3%	17.3%	22.8%	24.0%	32.0%	128.9%	50.1%	31.8%	23.4%	8.4 p.p.		22.6%	51.1%	26.1%	20.9%	14.2%	
Total expenses as % of revenue	(1.7) p.p.		80.0%	86.6%	85.4%	75.9%	81.6%	80.9%	83.9%	194.5%	108.3%	83.4%	81.2%	2.2 p.p.		80.5%	107.6%	79.5%	75.3%	69.4%	
Pre-tax and intersegment allocation profit margin	1.6 p.p.		20.0%	13.4%	14.6%	24.1%	18.4%	19.1%	16.1%	(94.5)%	(8.3)%	16.6%	18.8%	(2.2) p.p.		19.5%	(7.6)%	20.5%	24.7%	30.6%	
Pre-tax profit margin	1.4 p.p.		17.0%	10.6%	11.3%	22.1%	15.6%	n/a	n/a	n/a	n/a	13.8%	16.1%	(2.3) p.p.		n/a	n/a	n/a	n/a	n/a	
Number of employees	115	23.9%	597	580	505	503	482	474	474	480	551	597	482	115	23.9%	505	474	541	502	464	

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

	Q2/11 vs. Q2/10		Q2/11						6 Months Ended			FY10								
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Revenue	18,488	23.6%	96,963	100,152	83,496	116,090	78,475	85,497	64,972	49,250	58,336	197,115	163,972	33,143	20.2%	363,558	277,351	431,642	449,717	333,666
Total expenses	11,717	18.3%	75,735	74,349	66,336	88,110	64,018	69,132	54,518	58,297	63,150	150,084	133,150	16,934	12.7%	287,596	260,985	338,837	338,447	231,683
Income (loss) before intersegment allocations and income taxes	6,771	46.8%	21,228	25,803	17,160	27,980	14,457	16,365	10,454	(9,047)	(4,814)	47,031	30,822	16,209	52.6%	75,962	16,366	92,805	111,270	101,983
Non-compensation exp. as % of revenue	2.8 p.p.		25.5%	23.7%	22.3%	17.3%	22.8%	24.0%	32.0%	52.8%	50.1%	26.3%	23.4%	2.9 p.p.		21.2%	37.6%	25.1%	20.9%	14.2%
Total expenses as % of revenue	(3.6) p.p.		78.1%	74.2%	79.4%	75.9%	81.6%	80.9%	83.9%	118.4%	108.3%	77.8%	81.2%	(3.4) p.p.		79.1%	94.1%	78.5%	75.3%	69.4%
Pre-tax and intersegment allocation profit margin	3.6 p.p.		21.9%	25.8%	20.6%	24.1%	18.4%	19.1%	16.1%	(18.4)%	(8.3)%	16.6%	18.8%	(2.2) p.p.		20.9%	5.9%	21.5%	24.7%	30.6%

Supplementary Revenue Breakdown

	Q2/11 vs. Q2/10		Q2/11						6 Months Ended			FY10								
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Commission	3,864	14.7%	30,122	27,253	24,606	26,648	26,258	25,700	24,412	23,557	27,744	57,375	51,958	5,417	10.4%	103,212	105,295	125,363	125,810	89,236
Investment Banking	17,000	65.1%	43,112	46,456	43,383	71,705	26,112	40,636	23,936	7,212	22,784	89,568	66,748	22,820	34.2%	181,837	97,048	245,983	257,102	193,257
Advisory Fees	(2,289)	(15.0)%	12,965	20,651	8,323	6,328	15,254	9,296	8,854	11,311	6,130	33,616	24,550	9,066	36.9%	39,200	51,453	41,087	31,033	13,082
Principal Trading	(1,408)	(13.2)%	9,273	5,850	6,575	11,377	10,681	8,992	6,928	4,430	313	15,123	19,673	(4,550)	(23.1)%	37,625	17,034	7,233	26,646	31,739
Interest	1,198	n.m.	1,311	(19)	248	80	113	124	453	866	1,320	1,292	237	1,055	445.1%	565	4,152	8,036	9,202	5,342
Other	123	215.8%	180	(39)	361	(48)	57	749	389	1,874	45	141	806	(665)	(82.5)%	1,119	2,369	3,940	(76)	1,010
	18,488	23.6%	96,963	100,152	83,496	116,090	78,475	85,497	64,972	49,250	58,336	197,115	163,972	33,143	20.2%	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⁾

	Q2/11 vs. Q2/10		Q2/11						6 Months Ended			FY10								
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)	FY10	FY09	FY08	FY07	FY06	
Revenue																				
Canada	3,933	9.9%	43,529	46,307	54,086	50,900	39,596	39,676	36,739	33,072	43,016	89,836	79,272	10,564	13.3%	184,258	169,628	245,711	268,590	223,925
US	468	86.3%	1,010	900	904	833	542	509	516	460	828	1,910	1,051	859	81.7%	2,788	2,856	3,416	4,029	1,269
	4,401	11.0%	44,539	47,207	54,990	51,733	40,138	40,185	37,255	33,532	43,844	91,746	80,323	11,423	14.2%	187,046	172,484	249,127	272,619	225,194
Expenses																				
Incentive compensation	2,711	14.0%	22,079	23,484	26,203	24,376	19,368	18,643	13,122	14,195	20,116	45,563	38,011	7,552	19.9%	88,590	74,383	115,640	126,668	105,283
Salaries and benefits	457	10.5%	4,817	3,882	5,573	4,015	4,360	4,246	4,505	3,057	3,477	8,699	8,606	93	1.1%	18,194	14,820	15,514	13,626	13,053
Trading costs	(543)	(25.6)%	1,577	2,224	2,320	1,910	2,120	2,156	1,697	1,856	1,606	3,801	4,276	(475)	(11.1)%	8,506	7,008	8,582	10,157	9,013
Premises and equipment	(7)	(0.3)%	2,068	1,948	2,016	2,074	2,075	1,951	1,822	1,632	1,702	4,016	4,026	(10)	(0.2)%	8,116	6,788	6,375	6,153	5,464
Communication and technology	(165)	(11.0)%	1,329	1,325	1,426	1,660	1,494	1,536	1,630	1,590	1,556	2,654	3,030	(376)	(12.4)%	6,116	6,415	6,383	6,338	6,066
Interest	(41)	(39.4)%	63	58	44	51	104	243	671	1,758	2,459	121	347	(226)	(65.1)%	442	7,803	19,924	17,751	7,194
General and administrative	1,725	70.1%	4,186	3,730	6,030	4,108	2,461	3,886	2,268	7,826	3,206	7,916	6,347	1,569	24.7%	16,485	17,242	12,611	13,678	12,162
Amortization	(43)	(7.0)%	575	619	649	637	618	602	655	463	411	1,194	1,220	(26)	(2.1)%	2,506	1,938	1,833	1,648	1,439
Development costs	(188)	(7.2)%	2,425	2,433	2,574	3,216	2,613	1,905	2,597	2,312	1,378	4,858	4,518	340	7.5%	10,308	7,853	6,160	6,071	4,302
Canaccord relief program	-	-	-	-	-	-	-	-	-	5,347	-	-	-	-	-	-	5,347	54,200	-	-
Restructuring costs	-	-	-	-	-	-	-	-	-	180	-	-	-	-	-	-	180	700	-	-
	3,906	11.1%	39,119	39,703	46,835	42,047	35,213	35,168	28,967	40,216	35,911	78,822	70,381	8,441	12.0%	159,263	149,777	247,922	202,090	163,976
Income (loss) before intersegment allocations and income taxes	495	10.1%	5,420	7,504	8,155	9,686	4,925	5,017	8,288	(6,684)	7,933	12,924	9,942	2,982	30.0%	27,783	22,707	1,205	70,529	61,218
Intersegment Allocations	1,155	14.1%	9,374	9,404	9,225	9,773	8,219	8,565	n/a	n/a	n/a	18,778	16,784	1,994	11.9%	35,782	n/a	n/a	n/a	n/a
Income (loss) before income taxes	(660)	(20.0)%	(3,954)	(1,900)	(1,070)	(87)	(3,294)	(3,548)	n/a	n/a	n/a	(5,854)	(6,842)	988	14.4%	(7,999)	n/a	n/a	n/a	n/a
CWM fee-related revenue ⁽¹⁷⁾	0.1 p.p.		15.2%	14.0%	11.4%	11.7%	15.2%	13.8%	14.5%	18.4%	19.3%	14.6%	14.5%	0.1 p.p.		12.8%	16.9%	14.7%	11.9%	9.9%
Incentive compensation as % of revenue	1.3 p.p.		49.6%	49.7%	47.7%	47.1%	48.3%	46.4%	35.2%	42.3%	45.9%	49.7%	47.3%	2.3 p.p.		47.4%	43.1%	46.4%	46.5%	46.8%
Total compensation exp. as % of revenue ⁽¹⁴⁾	1.3 p.p.		60.4%	58.0%	57.8%	54.9%	59.1%	57.0%	47.3%	51.4%	53.8%	59.1%	58.0%	1.1 p.p.		57.1%	51.7%	52.6%	51.5%	52.5%
Non-compensation exp. as % of revenue	(1.2) p.p.		27.4%	26.1%	27.4%	26.4%	30.5%	30.4%	30.4%	68.5%	28.1%	26.8%	29.6%	(2.8) p.p.		28.1%	35.1%	46.9%	22.6%	20.3%
Total expenses as % of revenue	0.1 p.p.		87.8%	84.1%	85.2%	81.3%	87.7%	87.5%	77.8%	119.9%	81.9%	85.9%	87.6%	(1.7) p.p.		85.1%	86.8%	99.5%	74.1%	72.8%
Pre-tax and intersegment allocation profit margin	(0.1) p.p.		12.2%	15.9%	14.8%	18.7%	12.3%	12.5%	22.2%	(19.9)%	18.1%	14.1%	12.4%	1.7 p.p.		14.9%	13.2%	0.5%	25.9%	27.2%
Pre-tax profit margin	(0.7) p.p.		(8.9)%	(4.0)%	(1.9)%	(0.2)%	(8.2)%	n/a	n/a	n/a	n/a	(6.4)%	(8.5)%	2.1 p.p.		n/a	n/a	n/a	n/a	n/a
Assets under mgmt. (\$ millions) ⁽²⁾	20	4.4%	473	431	445	423	453	443	393	454	609	473	453	20	4.4%	445	393	730	807	613
Assets under admin. (\$ millions)	2,509	22.0%	13,895	12,571	12,922	12,210	11,386	10,341	9,184	9,030	11,584	13,895	11,386	2,509	22.0%	12,922	9,184	14,295	15,014	14,310
Number of employees	(33)	(4.7)%	665	689	680	707	698	688	700	725	744	665	698	(33)	(4.7)%	680	700	762	728	689
Number of Advisory Teams ⁽¹⁸⁾	(54)	(16.2)%	280	290	303	327	334	335	338	347	341	280	334	(54)	(16.2)%	303	338	354	368	365

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

	Q2/11 vs. Q2/10		Q2/11						6 Months Ended			FY10								
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)	FY10	FY09	FY08	FY07	FY06	
Revenue	4,401	11.0%	44,539	47,207	54,990	51,733	40,138	40,185	37,255	33,532	43,844	91,746	80,323	11,423	14.2%	187,046	172,484	249,127	272,619	225,194
Total expenses	3,906	11.1%	39,119	39,703	46,835	42,047	35,213	35,168	28,967	34,689	35,911	78,822	70,381	8,441	12.0%	159,263	144,250	193,022	202,090	163,976
Income (loss) before intersegment allocations and income taxes	495	10.1%	5,420	7,504	8,155	9,686	4,925	5,017	8,288	(1,157)	7,933	12,924	9,942	2,982	30.0%	27,783	28,234	56,105	70,529	61,218
Non-compensation exp. as % of revenue	(1.2) p.p.		27.4%	26.1%	27.4%	26.4%	28.6%	30.6%	30.4%	52.0%	28.1%	26.8%	29.6%	(2.8) p.p.		28.1%	31.9%	24.8%	22.6%	20.3%
Total expenses as % of revenue	0.1 p.p.		87.8%	84.1%	85.2%	81.3%	87.7%	87.5%	77.8%	103.5%	81.9%	85.9%	87.6%	(1.7) p.p.		85.1%	83.6%	77.5%	74.1%	72.8%
Pre-tax and intersegment allocation profit margin	(0.1) p.p.		12.2%	15.9%	14.8%	18.7%	12.3%	12.5%	22.2%	(3.5)%	18.1%	14.1%	12.4%	1.7 p.p.		14.9%	16.4%	22.5%	25.9%	27.2%

Supplementary Revenue Breakdown

	Q2/11 vs. Q2/10		Q2/11						6 Months Ended			FY10								
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)	FY10	FY09	FY08	FY07	FY06	
Commission	2,510	8.3%	32,880	34,953	38,197	34,040	30,370	29,756	24,593	27,916	32,886	67,833	60,126	7,707	12.8%	132,363	127,899	170,684	177,862	150,224
Investment Banking	1,870	29.9%	8,124	9,445	10,808	10,384	6,254	5,954	5,426	1,798	5,110	17,569	12,208	5,361	43.9%	33,400	20,867	49,804	62,132	49,772
Advisory Fees	250	n.m.	250	70	-	-	-	-	-	-	-	320	-	320	n.m.	-	-	-	-	-
Principal Trading	(529)	(62.2)%	321	104	408	4,280	850	1,696	198	(649)	(226)	425	2,546	(2,121)	(83.3)%	7,234	(129)	210	4,992	5,670
Interest	332	14.9%	2,556	2,302	2,191	2,171	2,224	2,325	6,358	4,549	5,644	4,858	4,549	309	6.8%	8,911	21,903	27,650	26,877	18,354
Other	(32)	(7.3)%	408	333	3,386	858	440	454	680	407	430	741	894	(153)	(17.1)%	5,138	1,944	779	756	1,174
	4,401	11.0%	44,539	47,207	54,990	51,733	40,138	40,185	37,255	33,532	43,844	91,746	80,323	11,423	14.2%	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⁾

	Q2/11 vs. Q2/10		Q2/11									6 Months Ended				FY10				
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Revenue																				
Canada	2,652	51.7%	7,783	4,558	4,647	5,374	5,131	11,781	4,769	4,406	8,649	12,341	16,912	(4,571)	(27.0)%	26,933	27,886	50,770	34,578	24,555
	2,652	51.7%	7,783	4,558	4,647	5,374	5,131	11,781	4,769	4,406	8,649	12,341	16,912	(4,571)	(27.0)%	26,933	27,886	50,770	34,578	24,555
Expenses																				
Incentive compensation	1,089	59.3%	2,926	3,016	2,935	5,929	1,837	4,589	1,671	247	863	5,942	6,426	(484)	(7.5)%	15,290	6,029	14,703	22,647	18,301
Salaries and benefits	1,104	17.7%	7,351	7,913	7,024	6,489	6,247	6,152	6,298	6,347	6,799	15,264	12,399	2,865	23.1%	25,912	26,883	24,986	22,789	20,531
Trading costs	(71)	(11.7)%	536	596	615	569	607	298	250	265	(7)	1,132	905	227	n.m.	2,089	440	479	313	1,507
Premises and equipment	568	53.7%	1,625	1,488	1,290	1,170	1,057	1,047	1,476	1,595	1,151	3,113	2,104	1,009	48.0%	4,564	5,507	4,769	4,891	4,493
Communication and technology	113	9.9%	1,253	1,073	1,098	1,172	1,140	1,173	1,267	1,551	1,180	2,326	2,313	13	0.6%	4,583	5,244	4,616	4,787	3,805
Interest	39	12.1%	361	356	337	290	322	442	407	538	538	717	764	(47)	(6.2)%	1,391	2,045	2,196	70	1,931
General and administrative	(299)	(7.5)%	3,694	3,074	4,645	3,707	3,993	2,101	3,469	3,128	4,162	6,768	6,094	674	11.1%	14,446	14,029	16,897	15,651	14,067
Amortization	(19)	(5.2)%	343	317	383	364	362	361	465	702	735	660	723	(63)	(8.7)%	1,470	2,623	2,825	2,582	1,468
Development costs	(511)	(47.0)%	576	370	1,160	1,040	1,087	1,005	1,381	1,175	1,323	946	2,092	(1,146)	(54.8)%	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	-	-
	2,013	12.1%	18,665	18,203	19,487	20,730	16,652	17,168	16,804	23,639	16,744	36,868	33,820	3,048	9.0%	74,037	76,663	89,019	78,180	68,726
Loss before intersegment allocations and income taxes	639	5.5%	(10,882)	(13,645)	(14,840)	(15,356)	(11,521)	(5,387)	(12,035)	(19,233)	(8,095)	(24,527)	(16,908)	(7,619)	45.1%	(47,104)	(48,777)	(38,249)	(43,602)	(44,171)
Intersegment Allocations to Canaccord Genuity	(713)	(32.5)%	(2,904)	(2,716)	(2,700)	(2,371)	(2,191)	(2,311)	n/a	n/a	n/a	(5,620)	(4,502)	(1,118)	24.8%	(9,573)	n/a	n/a	n/a	n/a
Intersegment Allocations to Canaccord Wealth Management	(1,155)	(14.1)%	(9,374)	(9,404)	(9,225)	(9,773)	(8,219)	(8,565)	n/a	n/a	n/a	(18,778)	(16,784)	(1,994)	11.9%	(35,782)	n/a	n/a	n/a	n/a
Income (loss) before income taxes	2,507	(225.7)%	1,396	(1,525)	(2,915)	(3,212)	(1,111)	5,489	n/a	n/a	n/a	(129)	4,378	(4,507)	(102.9)%	(1,749)	n/a	n/a	n/a	n/a
Number of employees	10	2.8%	369	371	364	360	359	352	356	365	393	369	359	10	2.8%	364	356	380	360	335

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

(in thousands of dollars)

	Q2/11 vs. Q2/10		Q2/11									6 Months Ended				FY10				
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Revenue	2,652	51.7%	7,783	4,558	4,647	5,374	5,131	11,781	4,769	4,406	8,649	12,341	16,912	(4,571)	(27.0)%	26,933	27,886	50,770	34,578	24,555
Total expenses	2,013	12.1%	18,665	18,203	19,487	20,730	16,652	17,168	16,684	15,548	16,744	36,868	33,820	3,048	9.0%	74,037	68,452	77,152	78,180	68,726
Income (loss) before intersegment allocations and income taxes	639	5.5%	(10,882)	(13,645)	(14,840)	(15,356)	(11,521)	(5,387)	(11,915)	(11,142)	(8,095)	(24,527)	(16,908)	(7,619)	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⁾

	Q2/11 vs. Q2/10		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	6 Months Ended			FY10	FY09	FY08	FY07	FY06	
	Increase (decrease)											Q2/11	Q2/10	Increase (decrease)						
Revenue																				
Canaccord Genuity	23,718	68.8%	58,181	58,053	39,289	67,352	34,463	36,477	31,276	20,429	29,110	116,234	70,940	45,294	63.8%	177,581	122,850	212,585	227,324	189,074
Canaccord Wealth Management	3,933	9.9%	43,529	46,307	54,086	50,900	39,596	39,676	36,739	33,072	43,016	89,836	79,272	10,564	13.3%	184,258	169,628	245,711	268,590	223,925
Corporate and Other	2,652	51.7%	7,783	4,558	4,647	5,374	5,131	11,781	4,769	4,406	8,649	12,341	16,912	(4,571)	(27.0)%	26,933	27,886	50,770	34,578	24,555
	30,303	38.3%	109,493	108,918	98,022	123,626	79,190	87,934	72,784	57,907	80,775	218,411	167,124	51,287	30.7%	388,772	320,364	509,066	530,492	437,554
Expenses																				
Incentive compensation	11,717	30.1%	50,645	50,695	48,182	65,080	38,928	43,575	29,690	28,216	35,846	101,340	82,503	18,837	22.8%	195,765	146,064	231,721	263,196	221,165
Salaries and benefits	2,282	19.9%	13,744	13,380	13,818	12,075	11,462	11,235	11,808	10,244	11,347	27,124	22,697	4,427	19.5%	48,590	45,993	45,217	39,359	37,196
Trading costs	834	18.4%	5,375	5,783	5,147	4,751	4,541	4,327	3,862	4,063	3,347	11,158	8,868	2,290	25.8%	18,766	14,597	16,262	16,983	17,399
Premises and equipment	770	19.8%	4,655	4,086	4,079	4,027	3,885	3,702	4,062	4,010	3,660	8,741	7,587	1,154	15.2%	15,693	15,453	14,500	14,529	12,701
Communication and technology	509	14.5%	4,011	3,664	3,374	3,740	3,502	3,811	4,293	4,604	4,576	7,675	7,313	362	5.0%	14,427	18,120	17,836	16,961	14,662
Interest	1,353	(488.4)%	1,630	540	172	429	277	(260)	198	1,663	2,707	2,170	17	2,153	n.m.	618	7,893	22,799	20,121	10,820
General and administrative	3,919	50.5%	11,678	10,345	12,296	9,716	7,759	7,413	5,941	13,192	10,569	22,023	15,172	6,851	45.2%	37,184	41,297	45,245	42,592	38,066
Amortization	1,912	158.8%	3,116	2,710	1,260	1,226	1,204	1,192	1,390	1,936	1,372	5,826	2,396	3,430	143.2%	4,882	6,053	5,605	5,428	3,923
Development costs	(770)	(18.7)%	3,344	3,658	4,449	5,476	4,114	3,772	4,637	4,127	3,304	7,002	7,886	(884)	(11.2)%	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	-	-	-	10,990	5,000	-	-	-	-	-	-	10,990	-	10,990	n.m.	5,000	-	-	-	-
Restructuring costs	-	-	-	-	-	-	-	-	142	2,623	-	-	-	-	-	-	2,765	4,000	-	-
	22,526	29.8%	98,198	105,851	97,777	106,520	75,672	78,767	66,023	90,683	76,728	204,049	154,439	49,610	32.1%	358,736	330,163	484,220	431,274	363,542
	7,777	221.1%	11,295	3,067	245	17,106	3,518	9,167	6,761	(32,776)	4,047	14,362	12,685	1,677	13.2%	30,036	(9,799)	24,846	99,218	74,012
Income (loss) before income taxes																				

Incentive compensation as % of revenue	(3.0) p.p.	46.3%	46.5%	49.2%	52.6%	49.2%	49.6%	40.8%	48.8%	44.4%	46.4%	49.4%	(3.0) p.p.	50.4%	45.6%	45.5%	49.7%	50.6%		
Total compensation exp. as % of revenue ⁽¹⁴⁾	(4.8) p.p.	58.8%	58.8%	63.3%	62.4%	63.6%	62.3%	57.0%	66.5%	58.4%	58.8%	62.9%	(4.1) p.p.	62.9%	59.9%	54.4%	57.1%	59.1%		
Non-compensation exp. as % of revenue	(0.9) p.p.	30.9%	28.3%	31.4%	23.8%	31.9%	27.2%	33.7%	90.3%	36.6%	34.6%	29.5%	5.1 p.p.	29.4%	43.1%	40.8%	24.3%	24.0%		
Total expenses as % of revenue	(5.9) p.p.	89.7%	97.2%	99.8%	86.2%	95.6%	89.5%	90.7%	156.7%	95.0%	93.3%	92.4%	0.9 p.p.	92.2%	103.1%	95.2%	81.4%	83.1%		
Pre-tax and profit margin	5.9 p.p.	10.3%	2.8%	0.2%	13.8%	4.4%	10.4%	9.3%	(56.6)%	5.0%	6.6%	7.6%	(1.0) p.p.	7.7%	(3.1)%	4.9%	18.7%	16.9%		
Number of employees	53	4.2%	1,310	1,333	1,247	1,271	1,257	1,244	1,265	1,301	1,385	1,310	1,257	53	4.2%	1,247	1,265	1,395	1,334	1,257

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

(in thousands of dollars)

	Q2/11 vs. Q2/10		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	6 Months Ended			FY10	FY09	FY08	FY07	FY06	
	Increase (decrease)											Q2/11	Q2/10	Increase (decrease)						
Revenue	30,303	38.3%	109,493	108,918	98,022	123,626	79,190	87,934	72,784	57,907	80,775	218,411	167,124	51,287	30.7%	388,772	320,364	509,066	530,492	437,554
Total expenses	20,699	27.4%	96,371	93,422	92,777	106,520	75,672	78,767	65,881	72,055	76,728	189,793	154,439	35,354	22.9%	353,736	311,393	413,223	431,274	363,542
Income (loss) before intersegment allocations and income taxes	9,604	273.0%	13,122	15,496	5,245	17,106	3,518	9,167	6,903	(14,148)	4,047	28,618	12,685	15,933	125.6%	35,036	8,971	95,843	99,218	74,012
Non-compensation exp. as % of revenue	(2.3) p.p.	29.6%	26.9%	31.4%	23.8%	31.9%	27.2%	33.5%	58.1%	36.6%	29.6%	29.5%	0.1 p.p.	28.1%	37.3%	26.8%	24.3%	24.0%		
Total expenses as % of revenue	(7.6) p.p.	88.0%	85.8%	94.6%	86.2%	95.6%	89.5%	90.5%	124.5%	95.0%	86.8%	92.4%	(5.6) p.p.	90.9%	97.2%	81.2%	81.4%	83.1%		
Pre-tax and profit margin	7.6 p.p.	12.0%	14.2%	5.4%	13.8%	4.4%	10.4%	9.5%	(24.5)%	5.0%	13.1%	7.6%	5.5 p.p.	9.0%	2.8%	18.8%	18.6%	16.9%		

Supplementary Revenue Breakdown

	Q2/11 vs. Q2/10		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	6 Months Ended			FY10	FY09	FY08	FY07	FY06	
	Increase (decrease)											Q2/11	Q2/10	Increase (decrease)						
Commission	1,002	2.3%	44,815	44,827	49,348	47,763	43,813	42,012	35,191	39,059	44,316	89,642	85,825	3,817	4.4%	182,936	173,357	234,389	245,369	203,714
Investment Banking	19,325	87.0%	41,541	41,164	34,068	56,678	22,216	25,318	21,433	6,245	17,686	82,705	47,534	35,171	74.0%	138,280	70,730	170,811	192,313	153,006
Advisory Fees	7,209	n.m.	8,420	14,574	1,297	1,601	1,211	1,444	2,473	1,215	2,659	22,994	2,655	20,339	n.m.	5,553	14,909	17,584	12,713	4,636
Principal Trading	(1,163)	(30.1)%	2,704	1,288	3,191	9,164	3,867	4,913	3,828	2,161	1,000	3,992	8,780	(4,788)	(54.5)%	21,135	9,673	3,820	14,642	22,208
Interest	2,008	59.9%	5,362	3,079	3,272	3,032	3,354	3,439	4,918	8,514	10,813	8,441	6,793	1,648	24.3%	13,097	35,471	58,127	52,152	41,532
Other	1,922	40.6%	6,651	3,986	6,846	5,388	4,729	10,808	4,941	713	4,301	10,637	15,537	(4,900)	(31.5)%	27,771	16,224	24,335	13,303	12,458
	30,303	38.3%	109,493	108,918	98,022	123,626	79,190	87,934	72,784	57,907	80,775	218,411	167,124	51,287	30.7%	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⁾

	Q2/11 vs. Q2/10		Q2/11						Q2/10			6 Months Ended				FY10				
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Revenue																				
Canaccord Genuity	4,282	29.7%	18,699	16,293	24,827	26,754	14,417	22,350	17,000	12,748	11,770	34,992	36,767	(1,775)	(4.8)%	88,348	79,707	128,269	145,749	125,900
	4,282	29.7%	18,699	16,293	24,827	26,754	14,417	22,350	17,000	12,748	11,770	34,992	36,767	(1,775)	(4.8)%	88,348	79,707	128,269	145,749	125,900
Expenses																				
Incentive compensation	1,234	15.4%	9,220	7,648	12,832	15,066	7,986	10,793	6,451	6,553	6,306	16,868	18,779	(1,911)	(10.2)%	46,677	38,356	65,047	73,627	65,303
National Health Insurance tax ⁽¹³⁾	59	16.0%	430	388	380	456	371	362	349	422	405	818	733	85	11.7%	1,569	1,559	1,571	3,514	3,586
Total incentive compensation	1,293	15.5%	9,650	8,036	13,212	15,522	8,357	11,155	6,800	6,975	6,711	17,686	19,512	(1,826)	(9.4)%	48,246	39,915	66,618	77,141	68,889
Salaries and benefits	(139)	(9.9)%	1,263	1,249	1,915	1,680	1,402	1,482	1,310	1,349	1,622	2,512	2,884	(372)	(12.9)%	6,479	5,617	4,594	3,139	3,210
Trading costs	(127)	(13.1)%	841	820	781	808	968	995	816	736	757	1,661	1,963	(302)	(15.4)%	3,552	2,942	2,179	1,477	1,190
Premises and equipment	(31)	(3.4)%	889	888	958	1,067	920	952	940	1,156	1,038	1,777	1,872	(95)	(5.1)%	3,897	4,101	3,278	6,400	2,139
Communication and technology	817	156.2%	1,340	1,180	680	754	523	476	525	(62)	791	2,520	999	1,521	152.3%	2,433	2,047	2,816	2,227	1,440
Interest	(3)	(20.0)%	12	17	12	23	15	25	21	21	63	29	40	(11)	(27.5)%	75	253	(2)	2	5
General and administrative	37	2.4%	1,608	2,487	1,076	1,552	1,571	1,878	2,704	4,108	5,129	4,095	3,449	646	18.7%	6,077	15,775	11,784	10,469	6,374
Amortization	(111)	(26.1)%	314	312	339	391	425	448	441	520	441	626	873	(247)	(28.3)%	1,603	1,843	1,825	2,016	716
Development costs	669	195.0%	1,012	1,108	1,972	345	343	352	349	365	360	2,120	695	1,425	205.0%	3,012	1,340	1,133	269	-
Restructuring costs	-	-	-	-	-	-	-	-	-	1,274	-	-	-	-	-	-	-	-	-	-
	2,405	16.6%	16,929	16,097	20,945	22,142	14,524	17,763	13,906	16,442	16,912	33,026	32,287	739	2.3%	75,374	75,107	94,225	103,140	83,963
Income (loss) before income taxes	1,877	n.m.	1,770	196	3,882	4,612	(107)	4,587	3,094	(3,694)	(5,142)	1,966	4,480	(2,514)	(56.1)%	12,974	4,600	34,044	42,609	41,937
Incentive compensation as % of revenue	(6.4) p.p.		51.6%	49.3%	53.2%	58.0%	58.0%	49.9%	40.0%	54.7%	57.0%	50.5%	53.1%	(2.5) p.p.		54.6%	50.1%	51.9%	52.9%	54.7%
Total compensation exp. as % of revenue ⁽¹⁴⁾	(9.2) p.p.		58.4%	57.0%	60.9%	64.3%	67.7%	56.5%	47.7%	65.3%	70.8%	57.7%	60.9%	(3.2) p.p.		61.9%	57.1%	55.5%	55.1%	57.3%
Non-compensation exp. as % of revenue	(0.9) p.p.		32.2%	41.8%	23.4%	18.5%	33.1%	22.9%	34.1%	63.7%	72.9%	36.7%	26.9%	9.8 p.p.		23.5%	37.1%	17.9%	15.7%	9.4%
Total expenses as % of revenue	(10.2) p.p.		90.5%	98.8%	84.4%	82.8%	100.7%	79.4%	81.8%	129.0%	143.7%	94.4%	87.8%	6.6 p.p.		85.3%	94.2%	73.4%	70.8%	66.7%
Pre-tax profit margin	10.2 p.p.		9.5%	1.2%	15.6%	17.2%	(0.7)%	20.5%	18.2%	(29.0)%	(43.7)%	5.6%	12.2%	(6.6) p.p.		14.7%	5.8%	26.5%	29.2%	33.3%
Number of employees	18	14.4%	143	138	139	137	125	118	114	117	127	143	125	18	14.4%	139	114	125	93	81

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

(in thousands of dollars)

	Q2/11 vs. Q2/10		Q2/11						Q2/10			6 Months Ended				FY10				
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Revenue	4,282	29.7%	18,699	16,293	24,827	26,754	14,417	22,350	17,000	12,748	11,770	34,992	36,767	(1,775)	(4.8)%	88,348	79,707	128,269	145,749	125,900
Total expenses	2,405	16.6%	16,929	16,097	20,945	22,142	14,524	17,763	13,906	15,168	16,912	33,026	32,287	739	2.3%	75,374	73,833	94,225	103,140	83,963
Income (loss) before income taxes	1,877	n.m.	1,770	196	3,882	4,612	(107)	4,587	3,094	(2,420)	(5,142)	1,966	4,480	(2,514)	(56.1)%	12,974	5,874	34,044	42,609	41,937

Supplementary Revenue Breakdown

	Q2/11 vs. Q2/10		Q2/11						Q2/10			6 Months Ended				FY10				
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Commission	1,578	58.2%	4,288	3,624	2,939	3,598	2,710	2,214	1,952	1,623	2,714	7,912	4,924	2,988	60.7%	11,461	10,892	14,557	11,991	14,929
Investment Banking	1,781	105.0%	3,477	4,849	15,435	13,506	1,696	9,088	6,603	2,568	7,975	8,326	10,784	(2,458)	(22.8)%	40,449	34,142	90,899	106,017	87,191
Advisory Fees	1,780	78.2%	4,055	3,085	2,093	3,202	2,275	4,187	3,240	4,580	1,157	7,140	6,462	678	10.5%	11,033	21,373	11,914	5,581	3,937
Principal Trading	(829)	(10.7)%	6,893	4,670	4,087	6,481	7,722	6,557	4,711	1,621	(913)	11,563	14,279	(2,716)	(19.0)%	24,847	8,646	3,623	18,630	16,467
Interest	35	159.1%	57	48	63	25	22	54	169	527	820	105	76	29	38.2%	164	2,474	3,949	4,006	2,491
Other	(63)	n.m.	(71)	17	210	(58)	(8)	250	325	1,829	17	(54)	242	(296)	(122.3)%	394	2,180	3,327	(476)	885
	4,282	29.7%	18,699	16,293	24,827	26,754	14,417	22,350	17,000	12,748	11,770	34,992	36,767	(1,775)	(4.8)%	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⁾

	Q2/11 vs. Q2/10		Q2/11						6 Months Ended						FY10					
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Revenue																				
Canaccord Genuity	(9,512)	(32.1)%	20,083	25,806	19,380	21,984	29,595	26,670	16,696	16,073	17,456	45,889	56,265	(10,376)	(18.4)%	97,629	74,794	90,788	76,644	18,692
Canaccord Wealth Management	468	86.3%	1,010	900	904	833	542	509	516	460	828	1,910	1,051	859	81.7%	2,788	2,856	3,416	4,029	1,269
	(9,044)	(30.0)%	21,093	26,706	20,284	22,817	30,137	27,179	17,212	16,533	18,284	47,799	57,316	(9,517)	(16.6)%	100,417	77,650	94,204	80,673	19,961
Expenses																				
Incentive compensation	(5,153)	(30.9)%	11,528	14,360	11,389	13,270	16,681	13,733	8,513	8,108	8,420	25,888	30,414	(4,526)	(14.9)%	55,073	36,027	48,740	42,560	9,134
Salaries and benefits	196	17.5%	1,315	1,187	952	1,190	1,119	1,085	1,198	1,224	1,226	2,502	2,204	298	13.5%	4,346	5,161	4,483	5,110	1,613
Trading costs	(468)	(31.3)%	1,025	1,102	1,490	1,581	1,493	2,002	1,887	1,909	2,613	2,127	3,495	(1,368)	(39.1)%	6,566	8,772	8,649	8,992	2,026
Premises and equipment	(203)	(15.6)%	1,096	1,064	1,151	1,134	1,299	1,228	1,402	1,383	1,259	2,160	2,527	(367)	(14.5)%	4,812	5,141	4,967	4,244	1,003
Communication and technology	208	17.0%	1,428	1,425	1,242	1,344	1,220	1,202	1,431	1,735	1,172	2,853	2,422	431	17.8%	5,008	5,061	2,576	2,284	496
Interest	(169)	(84.5)%	31	59	429	179	200	1,080	1,120	884	584	90	1,280	(1,190)	(93.0)%	1,888	3,074	1,730	415	89
General and administrative	336	14.2%	2,704	2,959	1,586	2,341	2,368	2,597	2,329	2,527	3,913	5,663	4,965	698	14.1%	8,892	12,617	12,434	11,121	1,787
Amortization	(1)	(0.4)%	276	262	279	287	277	281	298	295	259	538	558	(20)	(3.6)%	1,124	1,098	1,106	707	178
Development costs	(214)	(20.8)%	816	318	418	899	1,030	1,730	2,204	3,246	2,719	1,134	2,760	(1,626)	(58.9)%	4,077	11,510	16,878	8,870	554
Impairment of goodwill and intangibles	-	-	-	-	-	-	-	-	-	27,566	-	-	-	-	-	27,566	-	-	-	-
Restructuring costs	-	-	-	-	-	-	-	-	-	3,623	-	-	-	-	-	3,623	-	-	-	-
	(5,468)	(21.3)%	20,219	22,736	18,936	22,225	25,687	24,938	20,382	52,500	22,165	42,955	50,625	(7,670)	(15.2)%	91,786	119,650	101,563	84,303	16,880
Income (loss) before income taxes	(3,576)	(80.4)%	874	3,970	1,348	592	4,450	2,241	(3,170)	(35,967)	(3,881)	4,844	6,691	(1,847)	(27.6)%	8,631	(42,000)	(7,359)	(3,630)	3,081
Incentive compensation as % of revenue	(0.7) p.p.		54.7%	53.8%	56.1%	58.2%	55.4%	50.5%	49.5%	49.0%	46.0%	54.2%	53.1%	1.1 p.p.	54.8%	46.4%	51.6%	52.4%	45.6%	
Total compensation exp. as % of revenue ^{(14) (21)}	1.8 p.p.		60.9%	58.2%	60.8%	63.4%	59.1%	54.5%	56.4%	56.4%	52.7%	59.4%	56.9%	2.5 p.p.	59.2%	53.0%	56.4%	58.7%	53.6%	
Non-compensation exp. as % of revenue	8.8 p.p.		35.0%	26.9%	32.5%	34.0%	26.2%	37.2%	62.0%	261.1%	68.4%	30.5%	31.4%	(0.9) p.p.	32.2%	101.0%	51.2%	45.0%	30.6%	
Total expenses as % of revenue	10.6 p.p.		95.9%	85.1%	93.4%	97.4%	85.2%	91.7%	118.4%	317.5%	121.1%	89.9%	88.3%	1.5 p.p.	91.4%	154.1%	107.6%	103.7%	84.2%	
Pre-tax profit margin	(10.6) p.p.		4.1%	14.9%	6.6%	2.6%	14.8%	8.2%	(18.4)%	(217.5)%	(21.2)%	10.1%	11.7%	(1.5) p.p.	8.6%	(54.1)%	(7.8)%	(4.5)%	15.4%	
Number of employees	21	13.4%	178	169	163	162	157	152	151	152	176	178	157	21	13.4%	163	151	163	163	150

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

(in thousands of dollars)

	Q2/11 vs. Q2/10		Q2/11						6 Months Ended						FY10					
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Revenue	(9,044)	(30.0)%	21,093	26,706	20,284	22,817	30,137	27,179	17,212	16,533	18,284	47,799	57,316	(9,517)	(16.6)%	100,417	77,650	94,204	80,673	19,961
Total expenses	(5,468)	(21.3)%	20,219	22,736	18,936	22,225	25,687	24,938	20,382	21,311	22,165	42,955	50,625	(7,670)	(15.2)%	91,786	88,461	101,563	84,303	16,880
Income (loss) before income taxes	(3,576)	(80.4)%	874	3,970	1,348	592	4,450	2,241	(3,170)	(4,778)	(3,881)	4,844	6,691	(1,847)	n.m.	8,631	(10,811)	(7,359)	(3,630)	3,081

Supplementary Revenue Breakdown

	Q2/11 vs. Q2/10		Q2/11						6 Months Ended						FY10					
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q2/11	Q2/10	Increase (decrease)		FY10	FY09	FY08	FY07	FY06
Commission	3,302	31.2%	13,899	13,805	10,539	10,095	10,597	11,230	11,862	10,791	13,600	27,704	21,827	5,877	26.9%	42,461	48,855	47,101	46,312	20,817
Investment Banking	(2,243)	(26.5)%	6,218	9,888	4,688	11,947	8,461	12,184	2,110	74	2,333	16,106	20,645	(4,539)	(22.0)%	37,280	13,044	34,077	20,909	2,907
Advisory Fees	(11,028)	(93.7)%	740	3,062	4,933	1,525	11,768	3,665	3,141	5,516	2,314	3,802	15,433	(11,631)	(75.4)%	21,891	15,171	11,589	12,740	4,509
Principal Trading	-	-	-	-	-	-	-	-	1	(1)	-	-	-	-	-	-	-	(1,634)	(1,266)	
Interest	811	(102.1)%	17	17	(66)	(778)	(794)	(17)	29	67	101	34	(811)	845	(104.2)%	(1,655)	342	1,092	1,750	(7,109)
Other	114	108.6%	219	(66)	190	28	105	117	69	86	36	153	222	(69)	(31.1)%	440	238	345	596	103
	(9,044)	(30.0)%	21,093	26,706	20,284	22,817	30,137	27,179	17,212	16,533	18,284	47,799	57,316	(9,517)	(16.6)%	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)

	Q2/11 vs. Q2/10		Q2/11						Q3/09			FY10				
	Increase (decrease)		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	FY10	FY09	FY08	FY07	FY06
Assets																
Cash and cash equivalents	(72,547)	(10.2)%	636,908	569,953	731,852	782,576	709,455	734,268	701,173	684,463	521,322	731,852	701,173	435,649	506,640	370,507
Securities owned, at market	751,827	145.4%	1,268,897	835,261	362,755	404,537	517,070	169,030	133,691	72,938	56,055	362,755	133,691	92,796	348,764	203,020
Accounts receivable	902,059	43.3%	2,987,415	2,185,305	1,972,924	1,311,144	2,085,356	1,166,610	1,061,161	806,402	1,227,426	1,972,924	1,061,161	1,422,917	1,672,035	1,539,998
Income taxes recoverable	3,460	164.2%	5,567	5,287	-	-	2,107	17,740	23,771	29,887	19,772	-	23,771	11,083	-	-
Future income taxes	3,117	25.9%	15,136	13,418	13,190	11,890	12,019	13,358	15,680	13,657	11,566	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	(34,280)	(100.0)%	-	-	-	28,239	34,280	34,418	35,312	23,160	29,860	-	35,312	29,860	-	-
Equipment and leasehold improvements	(4,255)	(10.2)%	37,463	39,001	38,127	40,471	41,718	44,366	46,311	44,178	39,254	38,127	46,311	40,686	37,549	25,750
Goodwill and other intangibles	317,858	n.m.	317,858	319,685	-	-	-	-	-	-	31,815	-	-	32,520	33,933	27,929
Total assets	1,867,239	54.8%	5,274,244	3,972,910	3,123,848	2,583,857	3,407,005	2,184,790	2,022,099	1,679,685	1,942,070	3,123,848	2,022,099	2,098,718	2,609,942	2,177,973
Liabilities and shareholders' equity																
Bank indebtedness	(20,867)	(24.4)%	64,733	82,992	29,435	44,600	85,600	105,788	75,600	39,040	6,854	29,435	75,600	15,038	-	4,684
Securities sold short, at market	854,020	223.4%	1,236,229	702,976	364,137	324,877	382,209	56,318	79,426	62,151	15,194	364,137	79,426	13,757	41,176	37,169
Accounts payable and accrued liabilities	721,766	28.5%	3,257,737	2,483,250	2,308,146	1,794,123	2,535,971	1,622,288	1,469,369	1,195,533	1,480,714	2,308,146	1,469,369	1,687,479	2,156,540	1,832,956
Income taxes payable	-	-	-	-	5,385	4,590	-	-	-	-	-	5,385.00	-	-	15,035	15,334
Future income taxes	21,273	n.m.	21,273	19,083	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	15,000	15,000	15,000	15,000	15,000	15,000	25,000	25,000	25,000	15,000	25,000	25,000	25,000	-
Shareholders' equity	291,047	75.0%	679,272	669,609	401,745	400,667	388,225	385,396	372,704	357,961	414,308	401,745	372,704	357,444	372,191	287,830
Total liabilities and shareholders' equity	1,867,239	54.8%	5,274,244	3,972,910	3,123,848	2,583,857	3,407,005	2,184,790	2,022,099	1,679,685	1,942,070	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)

	Q2/11 vs. Q2/10		Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	FY10	FY09	FY08	FY07	FY06
	Increase	(decrease)														
Number of employees in Canada																
Number in Canaccord Genuity	76	38.0%	276	273	203	204	200	204	209	211	248	203	209	253	246	233
Number in Canaccord Wealth Management	(33)	(4.7)%	665	689	680	707	698	688	700	725	744	680	700	762	728	689
Number in Corporate and Other	10	2.8%	369	371	364	360	359	352	356	365	393	364	356	380	360	335
Total Canada	53	4.2%	1,310	1,333	1,247	1,271	1,257	1,244	1,265	1,301	1,385	1,247	1,265	1,395	1,334	1,257
Number of employees in UK																
Number in Canaccord Genuity	18	14.4%	143	138	139	137	125	118	114	117	127	139	114	125	93	81
Number of employees in US																
Number in Canaccord Genuity	21	13.4%	178	169	163	162	157	152	151	152	176	163	151	163	163	150
Number of employees firm wide ⁽²³⁾																
	92	6.0%	1,631	1,640	1,549	1,570	1,539	1,514	1,530	1,570	1,688	1,549	1,530	1,683	1,590	1,488
Number of Advisory Teams ⁽¹⁸⁾																
	(54)	(16.2)%	280	290	303	327	334	335	338	347	341	303	338	354	368	365
Number of licenced professionals																
	(51)	(6.7)%	712	684	718	753	763	773	790	809	818	718	790	852	817	763
Assets under mgmt. (\$millions) ⁽²⁾																
	20	4.4%	473	431	445	423	453	443	393	454	609	445	393	730	807	613
Assets under admin. (\$millions)																
	2,509	22.0%	13,895	12,571	12,922	12,210	11,386	10,341	9,184	9,030	11,584	12,922	9,184	14,295	15,014	14,310
AUA per Advisory Team (\$ millions) ⁽¹⁸⁾																
	16	45.6%	50	43	43	37	34	31	27	26	34	43	27	40	41	39
Number of companies with Canaccord Genuity Limited as Broker																
London Stock Exchange (LSE)	11	122.2%	20	23	23	23	9	9	9	7	5	23	9	5	1	1
Alternative Investment Market (AIM)	(7)	(15.9)%	37	39	43	45	44	49	51	55	55	43	51	60	58	53
Total Broker	4	7.5%	57	62	66	68	53	58	60	62	60	66	60	65	59	54
Number of companies with Canaccord Genuity Limited as Nomad ⁽²²⁾																
LSE	1	n.m.	1	1	1	-	-	-	-	-	-	1	-	1.00	-	1
AIM	(6)	(16.7)%	30	32	35	37	36	41	42	46	45	35	42	51	50	49
Total Nomad	(5)	(13.9)%	31	33	36	37	36	41	42	46	45	36	42	52	50	50

Note: Please find notes on Page 12.

Financial Post Data Group League Table ⁽²⁴⁾

Q2/11 vs. Q2/10:

Q2/11 (July 1 - September 30, 2010)								Q2/10 (July 1, 2009 - September 30, 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 ⁽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 Genuity Corp.	26	14.6%	1	780,396	72	1	1,339,551	CIBC World Markets Inc.	16	8.2%	1	2,534,340	46	3	1,280,300
GMP Securities L.P.	14	7.9%	2	813,950	31	7	592,390	Canaccord Adams ⁽²⁶⁾	16	8.2%	2	479,036	57	1	1,583,010
RBC Capital Markets	13	7.3%	3	699,820	37	2	504,750	RBC Capital Markets	15	7.7%	3	1,850,580	40	6	1,032,210
CIBC World Markets Inc.	11	6.2%	4	926,670	34	4	464,710	BMO Capital Markets	13	6.7%	4	619,420	46	4	974,130
Cormark Securities Inc.	11	6.2%	5	210,720	32	6	226,430	TD Securities Inc.	12	6.2%	5	1,235,620	37	7	810,150
Wellington West Capital Markets	11	6.2%	6	197,610	30	8	196,970	Scotia Capital Inc.	11	5.7%	6	1,958,200	49	2	1,172,390
BMO Capital Markets	9	5.1%	7	572,860	34	3	482,760	GMP Securities L.P.	9	4.6%	7	535,220	37	8	697,760
Scotia Capital Inc.	8	4.5%	8	508,950	32	5	409,990	Cormark Securities Inc.	8	4.1%	8	253,500	23	11	518,300
Dundee Securities Corporation	8	4.5%	9	157,790	29	9	211,950	Wellington West	8	4.1%	9	130,820	27	10	217,130
TD Securities Inc.	7	3.9%	10	562,520	28	10	400,120	National Bank Financial Inc.	7	3.6%	10	199,930	44	5	633,050
Others	60	33.7%		1,914,780				Others	79	40.7%		5,915,620			
	178	100.0%							194	100.0%					

Fiscal 2011 vs. Fiscal 2010:

Fiscal 2011 (April 1, 2010 - September 30, 2010)								Fiscal 2010 (April 1, 2009 - September 30, 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 ⁽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 Genuity Corp.	55	13.0%	1	1,941,716	169	1	4,227,265	Canaccord Adams ⁽²⁶⁾	39	9.8%	1	1,072,997	131	1	3,509,784
CIBC World Markets Inc.	34	8.0%	2	3,133,880	84	3	1,621,490	GMP Securities L.P.	33	8.3%	2	1,856,550	83	7	1,484,010
RBC Capital Markets	32	7.6%	3	2,015,590	80	7	1,395,840	CIBC World Markets Inc.	32	8.0%	3	4,119,220	99	3	2,586,940
BMO Capital Markets	25	5.9%	4	1,445,690	84	4	1,133,230	RBC Capital Markets	29	7.3%	4	3,427,870	87	5	2,238,280
GMP Securities L.P.	29	6.9%	5	2,398,980	82	6	1,418,130	BMO Capital Markets	26	6.5%	5	1,809,980	95	4	1,893,910
Cormark Securities Inc.	24	5.7%	6	477,200	64	10	484,110	Scotia Capital Inc.	22	5.5%	6	2,959,710	104	2	2,221,440
National Bank Financial Inc.	15	3.5%	7	472,420	83	5	803,850	TD Securities Inc.	20	5.0%	7	2,494,900	74	8	1,710,950
Macquarie Capital Markets Canada	15	3.5%	8	340,710	93	2	733,010	Cormark Securities Inc.	20	5.0%	8	671,920	49	10	791,270
Dundee Securities Corporation	19	4.5%	9	252,650	65	9	557,350	Wellington West Capital	14	3.5%	9	224,460	58	9	409,460
TD Securities Inc.	17	4.0%	10	1,304,060	67	8	908,890	National Bank Financial Inc.	13	3.3%	10	381,660	86	6	1,283,340
Others	158	37.4%		4,783,460				Others	152	38.0%		10,020,580			
	423	100.0%							400	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 Wealth Management (USA), Inc., and US capital markets operations, delivered through Canaccord Genuity Inc. US Other operations, also delivered through Canaccord Wealth Management (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.