



# Canaccord Capital Inc.

## Supplementary Financial Information

Third Quarter Fiscal 2008

**For the period ended December 31, 2007**

(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 2008 Quarterly Report to Shareholders (unaudited) dated February 7, 2008, and the Annual Report dated June 26, 2007. Canaccord's fiscal year end is defined as March 31st of each year. Canaccord's third quarter fiscal 2008 ended December 31, 2007 is also referred to as Q3/08 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: capital employed, return on average capital employed (ROCE), 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.

### Financial highlights

(Unaudited, for the period ended)  
(in thousands of dollars) <sup>(1)</sup>

	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q3/08 vs. Q3/07		FY03	FY04	FY05	FY06	FY07	9 Months Ended			
										Increase	(decrease)						Q3/07	Q3/08	Increase	(decrease)
<b>Financial results</b>																				
Revenue	158,670	207,074	206,127	156,031	178,313	216,443	245,870	158,869	183,354	5,041	2.8%	199,206	402,157	432,778	583,415	756,914	540,471	588,093	47,622	8.8%
Expenses	122,772	163,619	166,952	130,781	144,677	176,307	187,220	139,741	159,043	14,366	9.9%	204,744	339,600	360,022	464,385	618,717	442,410	486,004	43,594	9.9%
Income taxes	11,650	13,385	13,233	7,444	9,944	14,120	19,621	6,717	9,263	(681)	(6.8)%	(485)	22,128	24,177	37,880	44,741	30,621	35,601	4,980	16.3%
Net income (loss)	24,248	30,070	25,942	17,806	23,692	26,016	39,029	12,411	15,048	(8,644)	(36.5)%	(5,053)	40,429	48,579	81,150	93,456	67,440	66,488	(952)	(1.4)%
<b>Balance sheet information</b>																				
Total assets	1,580,422	2,177,973	1,789,397	1,665,413	1,794,143	2,609,942	2,693,627	2,525,725	1,972,741	178,598	10.0%	830,737	1,508,366	1,638,165	2,177,973	2,609,942	1,794,143	1,972,741	178,598	10.0%
Total liabilities	1,334,327	1,890,143	1,478,199	1,338,324	1,438,915	2,237,751	2,304,386	2,143,412	1,582,513	143,598	10.0%	778,034	1,409,679	1,415,954	1,890,143	2,237,751	1,438,915	1,582,513	143,598	10.0%
Total shareholders' equity	246,095	287,830	311,198	327,089	355,228	372,191	389,241	382,313	390,228	35,000	9.9%	52,703	98,687	222,211	287,830	372,191	355,228	390,228	35,000	9.9%
<b>Client assets</b>																				
Assets under mgmt. (\$ millions) <sup>(2)</sup>	528	613	712	745	814	807	815	777	760	(54)	(6.6)%	104	237	380	613	807	814	760	(54)	(6.6)%
Assets under admin. (\$ millions)	12,183	14,310	13,942	13,826	14,121	15,014	15,701	15,288	14,860	739	5.2%	5,037	8,292	9,967	14,310	15,014	14,121	14,860	739	5.2%
<b>Common share information</b>																				
Per share (\$)																				
Basic earnings (loss)	0.55	0.66	0.57	0.39	0.51	0.57	0.86	0.28	0.34	(0.17)	(33.3)%	(0.18)	1.43	1.17	1.82	2.03	1.46	1.49	0.03	2.1%
Diluted earnings (loss)	0.52	0.63	0.54	0.37	0.49	0.54	0.80	0.26	0.31	(0.18)	(36.7)%	(0.18)	1.12	1.11	1.74	1.94	1.40	1.37	(0.03)	(2.1)%
Book value per diluted share <sup>(3) (4)</sup>	5.29	5.99	6.49	6.84	7.43	7.74	7.96	7.83	7.95	0.52	7.0%	1.84	2.59	4.82	5.99	7.74	7.43	7.95	0.52	7.0%
Share price (\$)																				
High	15.80	21.25	27.50	20.60	19.78	22.64	25.92	22.49	20.58	0.80	4.0%	-	-	11.10	21.25	27.50	27.50	25.92	(1.58)	(5.7)%
Low	10.96	14.35	16.25	16.74	15.80	16.70	20.22	16.25	13.30	(2.50)	(15.8)%	-	-	7.96	9.00	15.80	15.80	13.30	(2.50)	(15.8)%
Close	14.89	20.80	17.72	17.10	18.60	22.12	20.83	18.98	15.30	(3.30)	(17.7)%	-	-	10.48	20.80	22.12	18.60	15.30	(3.30)	(17.7)%
Shares outstanding (thousands)																				
Issued shares excluding unvested shares <sup>(5)</sup>	44,432	45,746	45,906	46,200	46,321	45,973	45,184	44,548	44,191	(2,130)	(4.6)%	27,956	29,983	45,413	45,746	45,973	46,321	44,191	(2,130)	(4.6)%
Issued and outstanding <sup>(6)</sup>	46,485	47,827	47,827	47,827	47,831	47,832	47,864	47,866	47,835	4	-	28,589	38,089	46,129	47,827	47,832	47,831	47,835	4	-
Diluted shares <sup>(7)</sup>	46,485	48,017	47,951	47,962	48,046	48,084	48,872	48,830	49,096	1,050	2.2%	28,589	38,089	46,129	48,017	48,084	48,046	49,096	1,050	2.2%
Average outstanding - basic	44,385	45,716	45,906	46,153	46,274	45,971	45,171	44,972	44,442	(1,832)	(4.0)%	27,805	28,298	41,635	44,606	45,969	46,153	44,671	(1,482)	(3.2)%
Average diluted <sup>(8)</sup>	46,438	47,846	47,998	47,962	48,046	48,082	48,859	48,270	48,324	278	0.6%	27,805	37,096	44,188	46,699	48,081	47,962	48,421	459	1.0%
Market capitalization (thousands) <sup>(4)</sup>	692,156	998,762	849,684	820,150	893,651	1,063,625	1,018,011	926,793	751,169	(142,482)	(15.9)%	n.m.	n.m.	483,435	998,762	1,063,625	893,651	751,169	(142,482)	(15.9)%
<b>Financial measures</b>																				
Dividends per share	0.08	0.08	0.08	0.08	0.10	0.10	0.125	0.125	0.125	0.025	25.0%	-	-	0.26	0.28	0.36	0.26	0.38	0.12	46.2%
Special distributions per share <sup>(9)</sup>	-	-	-	-	-	-	-	-	0.000	n.m.	n.m.	-	-	0.15	-	-	-	-	n.m.	n.m.
Dividend yield (closing share price) <sup>(9)</sup>	2.1%	1.5%	1.8%	1.9%	2.2%	1.8%	2.4%	2.6%	0.033	1.1 p.p.	-	-	-	2.5%	1.3%	1.6%	1.9%	0.03	1.4 p.p.	-
Dividend payout ratio <sup>(4) (9)</sup>	15.3%	12.8%	14.8%	21.6%	20.3%	18.5%	15.7%	49.2%	0.408	20.5 p.p.	-	-	-	24.7%	16.2%	18.5%	17.5%	0.28	10.1 p.p.	-
Total shareholder return <sup>(10)</sup>	28.0%	40.3%	(14.4)%	(3.1)%	9.2%	19.5%	(5.4)%	(8.9)%	(19.4)%	(28.6) p.p.	-	-	-	5.5%	103.4%	8.3%	(17.1)%	(0.31)	(13.4) p.p.	-
Annualized ROE / ROCE	41.0%	45.7%	34.7%	22.1%	27.6%	29.0%	41.2%	12.8%	16.2%	(11.4) p.p.	(7.5)%	43.5%	23.9%	33.6%	28.4%	28.1%	28.1%	0.23	(4.8) p.p.	-
Price to earnings multiple <sup>(11)</sup>	10.1	12.0	8.7	8.3	9.2	11.4	9.5	8.9	7.8	(1.4)	(15.2)%	-	-	9.5	12.0	11.4	9.2	7.8	(1.4)	(15.2)%
Price to book ratio <sup>(12)</sup>	2.8	3.5	2.7	2.5	2.5	2.9	2.6	2.4	1.9	(0.6)	(24.0)%	-	-	2.2	3.5	2.9	2.5	1.9	(0.6)	(24.0)%

n.m.: not meaningful  
p.p.: percentage points

(1) Financial results are expressed in C\$ thousands, except for assets under management, assets under administration, common share information and financial ratios.

(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. Prior to Q1/07, AUM includes only the Independence Accounts.

(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. Therefore, book value per diluted share, market capitalization, dividend payout ratio, and price to book ratio have been re-calculated using the new definition of diluted shares as of Q4/06.

(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.

**Canaccord Group of Companies**

**Condensed consolidated statement of operations**

(Unaudited, for the period ended)  
(in thousands of dollars) <sup>(1)</sup>

	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q3/08 vs. Q3/07		FY03	FY04	FY05	FY06	FY07	9 Months Ended			
										Increase (decrease)							Q3/07	Q3/08	Increase (decrease)	
<b>Revenue</b>																				
Commission	56,701	88,846	78,054	63,556	74,380	87,682	85,775	65,728	74,959	579	0.8%	95,287	162,242	168,978	239,461	303,672	215,990	226,462	10,472	4.8%
Investment banking	84,425	87,977	102,840	70,118	78,177	99,138	128,625	73,731	84,910	6,733	8.6%	65,774	188,001	214,450	266,206	350,273	251,135	287,266	36,131	14.4%
Principal trading	6,176	13,677	7,784	5,390	9,035	9,429	6,813	(3,925)	387	(8,648)	(95.7)%	15,030	27,513	13,584	27,388	31,638	22,209	3,275	(18,934)	(85.3)%
Interest	8,886	11,424	13,638	14,259	14,355	15,656	16,310	16,273	16,011	1,656	11.5%	16,408	15,853	26,488	36,914	57,908	42,252	48,594	6,342	15.0%
Other	2,482	5,150	3,811	2,708	2,366	4,538	8,347	7,062	7,087	4,721	199.5%	6,707	8,548	9,278	13,446	13,423	8,885	22,496	13,611	153.2%
	158,670	207,074	206,127	156,031	178,313	216,443	245,870	158,869	183,354	5,041	2.8%	199,206	402,157	432,778	583,415	756,914	540,471	588,093	47,622	8.8%
<b>Expenses</b>																				
Incentive compensation <sup>(2)</sup>	82,662	108,296	104,955	74,974	89,466	113,502	121,406	71,416	90,778	1,312	1.5%	92,594	218,802	220,454	299,188	382,897	269,395	283,600	14,205	5.3%
Salaries and benefits	9,668	13,716	12,493	10,643	11,610	12,862	14,269	12,649	12,658	1,048	9.0%	35,661	37,193	45,715	42,019	47,608	34,746	39,576	4,830	13.9%
Trading costs	4,441	7,615	8,559	6,119	6,056	6,718	6,958	7,249	7,054	998	16.5%	15,343	17,310	16,863	20,615	27,452	20,734	21,261	527	2.5%
Premises and equipment	4,082	5,068	5,937	5,814	5,810	7,612	5,259	5,735	5,781	(29)	(0.5)%	12,089	13,017	11,849	15,843	25,173	17,561	16,775	(786)	(4.5)%
Communication and technology	4,023	5,087	5,063	5,387	5,352	5,670	5,739	5,813	5,611	259	4.8%	12,984	12,290	14,037	16,598	21,472	15,802	17,163	1,361	8.6%
Interest	2,441	3,577	4,982	5,402	4,926	5,228	6,168	6,413	6,574	1,648	33.5%	3,239	3,994	7,824	10,914	20,538	15,310	19,155	3,845	25.1%
General and administrative	12,422	14,726	19,107	14,287	14,413	16,375	18,271	15,755	17,390	2,977	20.7%	20,555	24,874	32,171	46,227	64,182	47,807	51,416	3,609	7.5%
Amortization	930	1,969	1,989	2,366	1,797	1,999	1,977	2,146	2,197	400	22.3%	3,898	3,565	3,185	4,817	8,151	6,152	6,320	168	2.7%
Development costs	2,103	3,565	3,867	5,789	5,247	6,341	7,173	8,166	6,774	1,527	29.1%	4,137	8,240	7,924	9,797	21,244	14,903	22,113	7,210	48.4%
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	8,505	315	-	-	-	-	-	-	-
ABCP fair value adjustment	-	-	-	-	-	-	-	4,399	4,226	4,226	n.m.	-	-	-	-	-	-	8,625	8,625	n.m.
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	(4,261)	-	-	(1,633)	-	-	-	-	-
	122,772	163,619	166,952	130,781	144,677	176,307	187,220	139,741	159,043	14,366	9.9%	204,744	339,600	360,022	464,385	618,717	442,410	486,004	43,594	9.9%
<b>Income (loss) before income taxes</b>	<b>35,898</b>	<b>43,455</b>	<b>39,175</b>	<b>25,250</b>	<b>33,636</b>	<b>40,136</b>	<b>58,650</b>	<b>19,128</b>	<b>24,311</b>	<b>(9,325)</b>	<b>(27.7)%</b>	<b>(5,538)</b>	<b>62,557</b>	<b>72,756</b>	<b>119,030</b>	<b>138,197</b>	<b>98,061</b>	<b>102,089</b>	<b>4,028</b>	<b>4.1%</b>
Income taxes	11,650	13,385	13,233	7,444	9,944	14,120	19,621	6,717	9,263	(681)	(6.8)%	(485)	22,128	24,177	37,880	44,741	30,621	35,601	4,980	16.3%
<b>Net income (loss)</b>	<b>24,248</b>	<b>30,070</b>	<b>25,942</b>	<b>17,806</b>	<b>23,692</b>	<b>26,016</b>	<b>39,029</b>	<b>12,411</b>	<b>15,048</b>	<b>(8,644)</b>	<b>(36.5)%</b>	<b>(5,053)</b>	<b>40,429</b>	<b>48,579</b>	<b>81,150</b>	<b>93,456</b>	<b>67,440</b>	<b>66,488</b>	<b>(952)</b>	<b>(1.4)%</b>

Incentive compensation as % of revenue	52.1%	52.3%	50.9%	48.1%	50.2%	52.4%	49.4%	45.0%	49.5%	(0.7) p.p.		46.5%	54.4%	50.9%	51.3%	50.6%	49.8%	48.2%	(1.6) p.p.	
Total compensation exp. as % of revenue <sup>(3)</sup>	58.2%	58.9%	57.0%	54.9%	56.7%	58.4%	55.2%	52.9%	56.4%	(0.3) p.p.		64.4%	63.6%	61.5%	58.5%	56.9%	56.3%	55.0%	(1.3) p.p.	
Non-compensation exp. as % of revenue	19.2%	20.1%	24.0%	28.9%	24.4%	23.1%	20.9%	35.1%	30.3%	5.9 p.p.		38.4%	20.8%	21.7%	21.1%	24.8%	25.6%	27.6%	2.0 p.p.	
Total expenses as % of revenue	77.4%	79.0%	81.0%	83.8%	81.1%	81.5%	76.1%	88.0%	86.7%	5.6 p.p.		102.8%	84.4%	83.2%	79.6%	81.7%	81.9%	82.6%	0.7 p.p.	
Pre-tax profit margin	22.6%	21.0%	19.0%	16.2%	18.9%	18.5%	23.9%	12.0%	13.3%	(5.6) p.p.		(2.8)%	15.6%	16.8%	20.4%	18.3%	18.1%	17.4%	(0.7) p.p.	
Effective tax rate	32.5%	30.8%	33.8%	29.5%	29.6%	35.2%	33.5%	35.1%	38.1%	8.5 p.p.		8.8%	35.4%	33.2%	31.8%	32.4%	31.2%	34.9%	3.6 p.p.	
Net profit margin	15.3%	14.5%	12.6%	11.4%	13.3%	12.0%	15.9%	7.8%	8.2%	(5.1) p.p.		(2.5)%	10.1%	11.2%	13.9%	12.3%	12.5%	11.3%	(1.2) p.p.	
Basic earnings (loss) per share	0.55	0.66	0.57	0.39	0.51	0.57	0.86	0.28	0.34	(0.17)	(33.3)%	(0.18)	1.43	1.17	1.82	2.03	1.46	1.49	0.03	2.1%
Diluted earnings (loss) per share	0.52	0.63	0.54	0.37	0.49	0.54	0.80	0.26	0.31	(0.18)	(36.7)%	(0.18)	1.12	1.11	1.74	1.94	1.40	1.37	(0.03)	(2.1)%
Book value per diluted share	5.29	5.99	6.49	6.82	7.43	7.74	7.96	7.83	7.95	0.52	7.0%	1.84	2.59	4.82	5.99	7.74	7.43	7.95	0.52	7.0%

**Supplementary segment revenue information**

(in thousands of dollars)

	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q3/08 vs. Q3/07		FY03	FY04	FY05	FY06	FY07	9 Months Ended			
										Increase (decrease)							Q3/07	Q3/08	Increase (decrease)	
<b>Revenue</b>																				
Canaccord Adams	98,918	120,243	125,106	93,033	101,427	130,151	155,023	89,071	109,583	8,156	8.0%	91,629	211,758	239,654	333,666	449,717	319,566	353,677	34,111	10.7%
Private Client Services (PCS)	54,731	78,422	72,286	55,626	68,831	75,876	76,083	57,415	61,166	(7,665)	(11.1)%	97,784	175,983	178,176	225,194	272,619	196,743	194,664	(2,079)	(1.1)%
Corporate and Other	5,021	8,409	8,735	7,372	8,055	10,416	14,764	12,383	12,605	4,550	56.5%	9,793	14,416	14,948	24,555	34,578	24,162	39,752	15,590	64.5%
	158,670	207,074	206,127	156,031	178,313	216,443	245,870	158,869	183,354	5,041	2.8%	199,206	402,157	432,778	583,415	756,914	540,471	588,093	47,622	8.8%

(1) Financial results are expressed in C\$ thousands, except for common share information and financial ratios.

(2) Incentive compensation includes National Health Insurance tax applicable to the UK and is based on a percentage of incentive compensation payout. Refer to the UK statement of operations for further details (page 7).

(3) 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.

**Canaccord Adams**  
**Condensed statement of operations**

(Unaudited, for the period ended)  
(in thousands of dollars) <sup>(1)</sup>

	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q3/08 vs. Q3/07		FY03	FY04	FY05	FY06	FY07	9 Months Ended			
										Increase (decrease)							Q3/07	Q3/08	Increase (decrease)	
<b>Revenue</b>																				
Canada																				
Capital Markets	44,650	44,938	42,750	38,533	48,897	57,382	62,549	39,210	42,952	(5,945)	(12.2)%	35,601	88,821	95,559	150,470	187,562	130,180	144,711	14,531	11.2%
International Trading	4,994	7,829	7,386	4,091	5,923	6,777	5,987	4,789	4,912	(1,011)	(17.1)%	7,491	16,800	15,452	20,940	24,177	17,400	15,688	(1,712)	(9.8)%
Registered Traders	2,517	4,075	1,624	1,281	2,366	2,607	1,730	2,210	1,715	(651)	(27.5)%	10,564	11,493	4,275	9,124	7,878	5,271	5,655	384	7.3%
Fixed Income	1,876	2,935	1,829	2,568	1,595	1,715	2,121	2,178	2,499	904	56.7%	9,509	10,155	8,278	8,540	7,707	5,992	6,798	806	13.5%
Total Canada	54,037	59,777	53,589	46,473	58,781	68,481	72,387	48,387	52,078	(6,703)	(11.4)%	63,165	127,269	123,564	189,074	227,324	158,843	172,852	14,009	8.8%
UK and Other Foreign Location <sup>(2)</sup>	44,881	41,774	48,892	28,878	24,995	42,984	57,355	20,857	35,117	10,122	40.5%	28,464	84,489	116,090	125,900	145,749	102,765	113,329	10,564	10.3%
US <sup>(3)</sup>	-	18,692	22,625	17,682	17,651	18,686	25,281	19,827	22,388	4,737	26.8%	-	-	-	18,692	76,644	57,958	67,496	9,538	16.5%
	98,918	120,243	125,106	93,033	101,427	130,151	155,023	89,071	109,583	8,156	8.0%	91,629	211,758	239,654	333,666	449,717	319,566	353,677	34,111	10.7%
<b>Expenses</b>																				
Incentive compensation <sup>(4)</sup>	52,319	63,800	65,948	45,305	51,546	70,783	76,203	42,205	57,933	6,387	12.4%	45,982	120,298	125,030	175,604	233,582	162,799	176,341	13,542	8.3%
Salaries and benefits	1,755	3,603	3,188	2,228	3,158	2,619	4,019	3,194	3,275	117	3.7%	13,486	12,517	16,577	8,435	11,193	8,574	10,488	1,914	22.3%
Trading costs <sup>(5)</sup>	2,056	4,497	5,308	3,796	3,700	4,178	4,441	4,906	4,655	955	25.8%	3,782	3,440	6,951	10,095	16,982	12,804	14,002	1,198	9.4%
Premises and equipment	1,281	2,346	3,008	2,884	3,183	5,054	2,613	2,910	3,011	(172)	(5.4)%	4,634	4,236	3,980	5,886	14,129	9,075	8,534	(541)	(6.0)%
Communication and technology	1,551	2,207	2,427	2,530	2,586	2,804	2,879	2,962	3,063	477	18.4%	4,921	4,205	5,252	6,727	10,347	7,543	8,904	1,361	18.0%
Interest	558	647	691	889	520	617	594	353	738	218	41.9%	332	35	611	1,789	2,717	2,100	1,685	(415)	(19.8)%
General and administrative	5,545	6,501	8,715	8,470	7,376	10,292	10,397	9,885	8,753	1,377	18.7%	9,057	7,632	13,448	19,998	34,853	24,561	29,035	4,474	18.2%
Amortization	365	800	950	1,291	785	895	911	985	984	199	25.4%	1,488	1,291	1,204	1,910	3,921	3,026	2,880	(146)	(4.8)%
Development costs	(45)	1,041	1,287	3,310	2,463	3,663	4,292	5,582	3,936	1,473	59.8%	(670)	836	682	1,239	10,723	7,060	13,810	6,750	95.6%
ABCP fair value adjustment	-	-	-	-	-	-	-	1,146	1,101	1,101	n.m.	-	-	-	-	-	-	2,247	2,247	n.m.
	65,385	85,442	91,522	70,703	75,317	100,905	106,349	74,128	87,449	12,132	16.1%	84,621	154,490	173,735	231,683	338,447	237,542	267,926	30,384	12.8%
<b>Income before income taxes <sup>(6)</sup></b>	33,533	34,801	33,584	22,330	26,110	29,246	48,674	14,943	22,134	(3,976)	(15.2)%	7,008	57,268	65,919	101,983	111,270	82,024	85,751	3,727	4.5%
Incentive compensation as % of revenue	52.9%	53.1%	52.7%	48.7%	50.8%	54.4%	49.2%	47.4%	52.9%	2.1 p.p.		50.2%	56.8%	52.2%	52.6%	51.9%	50.9%	49.9%	(1.0) p.p.	
Total compensation exp. as % of revenue <sup>(7)</sup>	54.7%	56.1%	55.3%	51.1%	53.9%	56.4%	51.7%	51.0%	55.9%	2.0 p.p.		64.9%	62.7%	59.1%	55.2%	54.4%	53.6%	52.8%	(0.8) p.p.	
Non-compensation exp. as % of revenue	11.4%	15.0%	17.9%	24.9%	20.4%	21.1%	16.9%	32.2%	23.9%	3.5 p.p.		27.5%	10.3%	13.4%	14.2%	20.9%	20.7%	23.0%	2.3 p.p.	
Total expenses as % of revenue	66.1%	71.1%	73.2%	76.0%	74.3%	77.5%	68.6%	83.2%	79.8%	5.5 p.p.		92.4%	73.0%	72.5%	69.4%	75.3%	74.3%	75.8%	1.5 p.p.	
Pre-tax profit margin	33.9%	28.9%	26.8%	24.0%	25.7%	22.5%	31.4%	16.8%	20.2%	(5.5) p.p.		7.6%	27.0%	27.5%	30.6%	24.7%	25.7%	24.2%	(1.5) p.p.	
Number of employees	296	464	481	494	502	502	534	535	531	29	5.8%	247	237	279	464	502	502	531	29	5.8%

(1) Financial results are expressed in C\$ thousands, except for financial ratios and number of employees.

(2) 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, which includes operations for Canaccord International Ltd.

(3) Prior to Q4/06, Canaccord Capital Corporation (USA) Inc.'s portion of capital markets revenue was included in Capital Markets Canada. In Q4/06, capital markets revenue from Canaccord Capital Corporation (USA), Inc. and Canaccord Adams Inc. were disclosed together under the US geographic segment. As of May 2, 2006, the Canaccord Adams US geographic segment has been represented by Canaccord Adams Inc. only, which includes operations from US capital markets previously conducted by Canaccord Capital Corporation (USA), Inc. Therefore, US geographic segment results are not to be interpreted as generated exclusively from the acquisition of Adams Harkness Financial Group, Inc.

(4) Incentive compensation includes National Health Insurance tax applicable to the UK and is based on a percentage of incentive compensation payout. Refer to the UK statement of operations for further details (page 7).

(5) Prior to fiscal 2005, trading costs for Private Client Services and Canaccord Adams were recorded in Corporate and Other segment. As of Q1/05, trading costs applicable to each business segment have been reflected in their respective financial statements. As a result, year-over-year comparisons may vary due to the change in methodology.

(6) Income (loss) before income taxes excludes allocated overhead expenses which are included in Corporate and Other segment expenses.

(7) 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.

**Private Client Services**

**Condensed statement of operations**

(Unaudited, for the period ended)

(in thousands of dollars) <sup>(1)</sup>

	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q3/08 vs. Q3/07 Increase (decrease)	FY03	FY04	FY05	FY06	FY07	9 Months Ended				
																Q3/07	Q3/08	Increase (decrease)		
<b>Revenue</b>																				
Canada	54,731	77,153	70,996	54,960	67,907	74,727	74,990	56,588	60,447	(7,460) (11.0)%	97,784	175,983	178,176	223,925	268,590	193,863	192,025	(1,838)	(0.9)%	
US <sup>(2)</sup>	-	1,269	1,290	666	924	1,149	1,093	827	719	(205) (22.2)%	-	-	-	1,269	4,029	2,880	2,639	(241)	(8.4)%	
<b>Total</b>	<b>54,731</b>	<b>78,422</b>	<b>72,286</b>	<b>55,626</b>	<b>68,831</b>	<b>75,876</b>	<b>76,083</b>	<b>57,415</b>	<b>61,166</b>	<b>(7,665) (11.1)%</b>	<b>97,784</b>	<b>175,983</b>	<b>178,176</b>	<b>225,194</b>	<b>272,619</b>	<b>196,743</b>	<b>194,664</b>	<b>(2,079)</b>	<b>(1.1)%</b>	
<b>Expenses</b>																				
Incentive compensation	25,297	37,372	33,368	24,885	31,848	36,567	37,680	25,351	28,443	(3,405) (10.7)%	45,179	82,758	84,396	105,283	126,668	90,101	91,474	1,373	1.5%	
Salaries and benefits	2,785	4,405	3,430	2,854	3,039	4,303	4,049	3,510	3,272	233 7.7%	9,105	10,157	11,158	13,053	13,626	9,323	10,831	1,508	16.2%	
Trading costs <sup>(3)</sup>	2,150	2,632	3,066	2,276	2,338	2,477	2,399	2,158	2,331	(7) (0.3)%	1,646	1,308	8,802	9,013	10,157	7,680	6,888	(792)	(10.3)%	
Premises and equipment	1,318	1,498	1,536	1,534	1,528	1,555	1,535	1,605	1,605	77 5.0%	4,555	4,742	4,653	5,464	6,153	4,598	4,745	147	3.2%	
Communication and technology	1,516	1,611	1,602	1,571	1,526	1,639	1,670	1,573	1,544	18 1.2%	6,636	5,491	5,819	6,066	6,338	4,699	4,787	88	1.9%	
Interest	1,782	2,863	4,246	4,434	4,412	4,659	5,060	5,435	5,305	893 20.2%	-	-	3,711	7,194	17,751	13,092	15,800	2,708	20.7%	
General and administrative	3,618	3,726	6,038	1,855	3,444	2,341	2,953	2,594	3,587	143 4.2%	5,719	9,311	5,080	12,162	13,678	11,337	9,134	(2,203)	(19.4)%	
Amortization	324	462	410	420	380	438	430	472	495	115 30.3%	1,399	1,295	1,087	1,439	1,648	1,210	1,397	187	15.5%	
Development costs	1,099	1,416	1,521	1,517	1,663	1,370	1,372	1,341	1,550	(113) (6.8)%	2,015	3,261	2,798	4,302	6,071	4,701	4,263	(438)	(9.3)%	
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	6,896	315	-	-	-	-	-	-	-	
<b>Total</b>	<b>39,889</b>	<b>55,985</b>	<b>55,217</b>	<b>41,346</b>	<b>50,178</b>	<b>55,349</b>	<b>57,148</b>	<b>44,039</b>	<b>48,132</b>	<b>(2,046) (4.1)%</b>	<b>83,150</b>	<b>118,638</b>	<b>127,504</b>	<b>163,976</b>	<b>202,090</b>	<b>146,741</b>	<b>149,319</b>	<b>2,578</b>	<b>1.8%</b>	
<b>Income before income taxes <sup>(4)</sup></b>	<b>14,842</b>	<b>22,437</b>	<b>17,069</b>	<b>14,280</b>	<b>18,653</b>	<b>20,527</b>	<b>18,935</b>	<b>13,376</b>	<b>13,034</b>	<b>(5,619) (30.1)%</b>	<b>14,634</b>	<b>57,345</b>	<b>50,672</b>	<b>61,218</b>	<b>70,529</b>	<b>50,002</b>	<b>45,345</b>	<b>(4,657)</b>	<b>(9.3)%</b>	

PCS fee-related revenue <sup>(5)</sup>	20.8%	18.3%	20.0%	26.8%	22.8%	24.1%	22.5%	28.5%	29.6%	6.8 p.p.	28.9%	20.3%	17.7%	20.2%	23.2%	22.9%	26.5%	3.6 p.p.
Incentive compensation as % of revenue	46.2%	47.7%	46.2%	44.7%	46.3%	48.2%	49.5%	44.2%	46.5%	0.2 p.p.	46.2%	47.0%	47.4%	46.8%	46.5%	45.8%	47.0%	1.2 p.p.
Total compensation exp. as % of revenue <sup>(6)</sup>	51.3%	53.3%	50.9%	49.9%	50.7%	53.9%	54.8%	50.3%	51.9%	1.2 p.p.	55.5%	52.8%	53.6%	52.5%	51.5%	50.5%	52.6%	2.1 p.p.
Non-compensation exp. as % of revenue	21.6%	18.1%	25.5%	24.4%	22.2%	19.0%	20.3%	26.4%	26.8%	4.6 p.p.	29.5%	14.6%	18.0%	20.3%	22.6%	24.1%	24.1%	-
Total expenses as % of revenue	72.9%	71.4%	76.4%	74.3%	72.9%	72.9%	75.1%	76.7%	78.7%	5.8 p.p.	85.0%	67.4%	71.6%	72.8%	74.1%	74.6%	76.7%	2.1 p.p.
Pre-tax profit margin	27.1%	28.6%	23.6%	25.7%	27.1%	27.1%	24.9%	23.3%	21.3%	(5.8) p.p.	15.0%	32.6%	28.4%	27.2%	25.9%	25.4%	23.3%	(2.1) p.p.
Assets under mgmt. (\$ millions) <sup>(7)(8)</sup>	528	613	712	745	814	807	815	777	760	(54) (6.6)%	104	237	380	613	807	814	760	(54) (6.6)%
Assets under admin. (\$ millions)	12,183	14,310	13,942	13,826	14,121	15,014	15,701	15,288	14,860	739 5.2%	5,037	8,292	9,967	14,310	15,014	14,121	14,860	739 5.2%
Number of employees	687	689	710	719	725	728	757	784	772	47 6.5%	628	623	657	689	728	725	772	47 6.5%
Number of Investment Advisors <sup>(9)</sup>	433	430	430	434	432	439	440	453	456	24 5.6%	399	391	412	430	439	432	456	24 5.6%
Number of PCS client accounts	152,105	155,404	156,828	158,866	160,793	169,749	170,054	170,879	173,599	12,806 8.0%	131,584	138,142	144,451	155,404	156,003	160,793	173,599	12,806 8.0%

**Supplementary revenue information**

(in thousands of dollars)

	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q3/08 vs. Q3/07 Increase (decrease)	FY03	FY04	FY05	FY06	FY07	9 Months Ended			
																Q3/07	Q3/08	Increase (decrease)	
PCS revenue	54,731	78,422	72,286	55,626	68,831	75,876	76,083	57,415	61,166	(7,665) (11.1)%	97,784	175,983	178,176	225,194	272,619	196,743	194,664	(2,079)	(1.1)%
Interest expense	1,782	2,863	4,246	4,434	4,412	4,659	5,060	5,435	5,305	893 20.2%	-	-	3,711	7,194	17,751	13,092	15,800	2,708	20.7%
Revenue net of interest expense	52,949	75,559	68,040	51,192	64,419	71,217	71,023	51,980	55,861	(8,558) (13.3)%	97,784	175,983	174,465	218,000	254,868	183,651	178,864	(4,787)	(2.6)%
Total expenses excluding interest expense as % of revenue net of interest expense	72.0%	70.3%	74.9%	72.1%	71.0%	71.2%	73.3%	74.3%	76.7%	5.6 p.p.	85.0%	67.4%	71.0%	71.9%	72.3%	72.8%	74.6%		
Difference <sup>(10)</sup>	0.9%	1.1%	1.5%	2.2%	1.9%	1.7%	1.8%	2.4%	2.0%	0.2 p.p.	0.0%	0.0%	0.6%	0.9%	1.8%	1.8%	2.1%		

(1) Financial results are expressed in C\$ thousands, except for financial ratios, assets under administration, assets under management, number of employees, Investment Advisors and PCS client accounts.

(2) As of Q4/06, PCS revenue from Canaccord Capital Corporation (USA) Inc. has been disclosed separately under the US geographic segment. Prior to Q4/06, US segment disclosure was not available.

(3) Prior to fiscal 2005, trading costs for Private Client Services and Canaccord Adams were recorded in Corporate and Other segment. As of Q1/05, trading costs applicable to each business segment have been reflected in their respective financial statements. As a result, year-over-year comparisons may vary due to the change in methodology.

(4) Income before income taxes excludes allocated overhead expenses which are included in Corporate and Other segment expenses.

(5) PCS fee-related revenue includes RRSP interest revenue and commissions earned from managed accounts, fee-based accounts, bonds, mutual funds, and insurance.

(6) 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.

(7) 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. Prior to Q1/07, AUM includes only the Independence Accounts.

(8) AUM has been reclassified commencing in Q1/07, to include all 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.

(9) Upon reviewing the population of Investment Advisors (IAs), it was determined that IAs on long term disability and non-registrants should be excluded from the total count, and therefore, historical statistics prior to Q3/06 have been reclassified.

(10) Difference between total expenses as % of revenue versus total expenses excluding interest expense as % of revenue net of interest expense

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

(Unaudited, for the period ended)  
(in thousands of dollars) <sup>(1)</sup>

	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q3/08 vs. Q3/07		FY03	FY04	FY05	FY06	FY07	9 Months Ended			
										Increase (decrease)							Q3/07	Q3/08	Increase (decrease)	
<b>Revenue</b>																				
Canada	5,021	8,334 <sup>(2)</sup>	8,665	6,975	8,017	10,335	14,716	12,300	12,577	4,560	56.9%	9,793	14,416	14,948	24,480	34,578	23,657	39,593	15,936	67.4%
US <sup>(3)</sup>	-	75	70	397	38	81	48	83	28	(10)	(26.3)%	-	-	-	75	586	505	159	(346)	(68.5)%
<b>Total</b>	<b>5,021</b>	<b>8,409</b>	<b>8,735</b>	<b>7,372</b>	<b>8,055</b>	<b>10,416</b>	<b>14,764</b>	<b>12,383</b>	<b>12,605</b>	<b>4,550</b>	<b>56.5%</b>	<b>9,793</b>	<b>14,416</b>	<b>14,948</b>	<b>24,555</b>	<b>34,578</b>	<b>24,162</b>	<b>39,752</b>	<b>15,590</b>	<b>64.5%</b>
<b>Expenses</b>																				
Incentive compensation	5,046	7,124	5,639	4,784	6,072	6,152	7,523	3,860	4,402	(1,670)	(27.5)%	1,433	15,746	11,028	18,301	22,647	16,495	15,785	(710)	(4.3)%
Salaries and benefits	5,128	5,708	5,875	5,561	5,413	5,940	6,201	5,945	6,111	698	12.9%	13,070	14,519	17,980	20,531	22,789	16,849	18,257	1,408	8.4%
Trading costs <sup>(4)</sup>	235	486	185	47	18	63	118	185	68	50	277.8%	9,915	12,562	1,110	1,507	313	250	371	121	48.4%
Premises and equipment	1,483	1,224	1,393	1,396	1,099	1,003	1,111	1,220	1,165	66	6.0%	2,900	4,039	3,216	4,493	4,891	3,888	3,496	(392)	(10.1)%
Communication and technology	956	1,269	1,034	1,286	1,240	1,227	1,190	1,278	1,004	(236)	(19.0)%	1,427	2,594	2,966	3,805	4,787	3,560	3,472	(88)	(2.5)%
Interest	101	67	45	79	(6)	(48)	514	625	531	537	n.m.	2,907	3,959	3,502	1,931	70	118	1,670	1,552	1315.3%
General and administrative	3,259	4,499	4,354	3,962	3,593	3,742	4,921	3,276	5,050	1,457	40.6%	5,779	7,931	13,643	14,067	15,651	11,909	13,247	1,338	11.2%
Amortization	241	707	629	655	632	666	636	689	718	86	13.6%	1,011	979	894	1,468	2,582	1,916	2,043	127	6.6%
Development costs	1,049	1,108	1,059	962	1,121	1,308	1,509	1,243	1,288	167	14.9%	2,792	4,143	4,444	4,256	4,450	3,142	4,040	898	28.6%
ABCP fair value adjustment	-	-	-	-	-	-	-	3,253	3,125	3,125	n.m.	-	-	-	-	-	-	6,378	6,378	n.m.
Gains on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	(4,261)	-	-	(1,633)	-	-	-	-	-
	17,498	22,192	20,213	18,732	19,182	20,053	23,723	21,574	23,462	4,280	22.3%	36,973	66,472	58,783	68,726	78,180	58,127	68,759	10,632	18.3%
<b>Loss before income taxes</b> <sup>(5)</sup>	<b>(12,477)</b>	<b>(13,783)</b>	<b>(11,478)</b>	<b>(11,360)</b>	<b>(11,127)</b>	<b>(9,637)</b>	<b>(8,959)</b>	<b>(9,191)</b>	<b>(10,857)</b>	<b>(270)</b>	<b>(2.4)%</b>	<b>(27,180)</b>	<b>(52,056)</b>	<b>(43,835)</b>	<b>(44,171)</b>	<b>(43,602)</b>	<b>(33,965)</b>	<b>(29,007)</b>	<b>(4,958)</b>	<b>(14.6)%</b>
Number of employees	337	335	343	349	348	360	366	370	373	25	7.2%	277	296	324	335	360	348	373	25	7.2%

(1) Financial results are expressed in C\$ thousands, except for number of employees.

(2) Canada and US Corporate and Other segment revenues have been reclassified for Q4/06.

(3) As of Q4/06, Corporate and Other revenue from Canaccord Capital Corporation (USA) Inc. has been disclosed separately under the US geographic segment. Prior to Q4/06, US segment disclosure was not available.

(4) Prior to fiscal 2005, trading costs for Private Client Services and Canaccord Adams were recorded in Corporate and Other segment. As of Q1/05, trading costs applicable to each business segment have been reflected in their respective financial statements. As a result, year-over-year comparisons may vary due to the change in methodology.

(5) Loss before income taxes includes general expenses and overhead expenses prior to allocation to Private Client Services and Canaccord Adams.

**Canada**

**Condensed statement of operations <sup>(1)</sup>**

(Unaudited, for the period ended)  
(in thousands of dollars) <sup>(2)</sup>

	Q3/06 <sup>(3)</sup>	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q3/08 vs. Q3/07		FY03	FY04	FY05	FY06	FY07	9 Months Ended				
										Increase (decrease)							Q3/07	Q3/08	Increase (decrease)		
<b>Revenue</b>																					
Canaccord Adams	54,037		53,589	46,473	58,781	68,481	72,387	48,387	52,078	(6,703)	(11.4)%	63,165	127,269	123,564	189,074	227,324	158,843	172,852	14,009	8.8%	
Private Client Services	54,731	77,153	70,996	54,960	67,907	74,727	74,990	56,588	60,447	(7,460)	(11.0)%	97,784	175,983	178,176	223,925	268,590	193,863	192,025	(1,838)	(0.9)%	
Corporate and Other	5,021	8,334	8,665	6,975	8,017	10,335	14,716	12,300	12,577	4,560	56.9%	9,793	14,416	14,948	24,480	33,992	23,657	39,593	15,936	67.4%	
	113,789	85,487	133,250	108,408	134,705	153,543	162,093	117,275	125,102	(9,603)	(7.1)%	170,742	317,668	316,688	437,479	529,906	376,363	404,470	28,107	7.5%	
<b>Expenses</b>																					
Incentive compensation	57,592	76,148	65,428	52,505	67,818	77,445	78,677	52,413	58,353	(9,465)	(14.0)%	77,997	164,826	154,427	221,165	263,196	185,751	189,443	3,692	2.0%	
Salaries and benefits	8,862	11,105	10,041	9,102	9,161	11,055	11,856	10,399	10,559	1,398	15.3%	28,762	31,335	36,920	37,196	39,359	28,304	32,814	4,510	15.9%	
Trading costs	4,113	5,277	5,904	3,830	3,153	4,096	4,262	4,309	4,334	1,181	37.5%	14,233	16,193	15,700	17,399	16,983	12,887	12,905	18	0.1%	
Premises and equipment	3,467	3,598	3,821	3,794	3,507	3,407	3,478	3,659	3,630	123	3.5%	9,115	10,444	9,706	12,701	14,529	11,122	10,767	(355)	(3.2)%	
Communication and technology	3,647	4,125	4,019	4,325	4,199	4,418	4,498	4,532	4,310	111	2.6%	11,950	11,453	13,001	14,662	16,961	12,543	13,340	797	6.4%	
Interest	2,440	3,487	4,888	5,321	4,823	5,089	5,847	5,934	6,118	1,295	26.9%	2,907	3,959	7,823	10,820	20,121	15,032	17,899	2,867	19.1%	
General and administrative	10,792	10,990	14,575	9,574	9,700	8,743	12,158	9,494	12,891	3,191	32.9%	17,969	21,411	26,292	38,066	42,592	33,849	34,543	694	2.1%	
Amortization	769	1,567	1,381	1,418	1,280	1,349	1,286	1,389	1,452	172	13.4%	2,936	2,849	2,565	3,923	5,428	4,079	4,127	48	1.2%	
Development costs	2,103	3,011	2,819	2,833	3,316	3,137	3,251	3,297	3,260	(56)	(1.7)%	4,137	8,240	7,924	9,243	12,105	8,968	9,808	840	9.4%	
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	8,259	315	-	-	-	-	-	-	-	
ABCP fair value adjustment	-	-	-	-	-	-	-	4,399	4,226	4,226	n.m.	-	-	-	-	-	-	8,625	8,625	n.m.	
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	(4,261)	-	-	(1,633)	-	-	-	-	-	
	93,785	119,308	112,876	92,702	106,957	118,739	125,313	99,825	109,133	2,176	2.0%	174,004	271,025	274,358	363,542	431,274	312,535	334,271	21,736	7.0%	
<b>Income (loss) before income taxes</b>	<b>20,004</b>	<b>(33,821)</b>	<b>20,374</b>	<b>15,706</b>	<b>27,748</b>	<b>34,804</b>	<b>36,780</b>	<b>17,450</b>	<b>15,969</b>	<b>(11,779)</b>	<b>(42.4)%</b>	<b>(3,262)</b>	<b>46,643</b>	<b>42,330</b>	<b>73,937</b>	<b>98,632</b>	<b>63,828</b>	<b>70,199</b>	<b>6,371</b>	<b>10.0%</b>	
Incentive compensation as % of revenue	50.6%	52.4%	49.1%	48.4%	50.3%	50.4%	48.5%	44.7%	46.6%	(3.7)	p.p.	45.7%	51.9%	48.8%	50.6%	49.7%	49.4%	46.8%	(2.6)	p.p.	
Total compensation exp. as % of revenue <sup>(4)</sup>	58.4%	60.1%	56.6%	56.8%	57.1%	57.6%	55.9%	53.6%	55.1%	(2.0)	p.p.	62.5%	61.8%	60.4%	59.1%	57.1%	56.9%	55.0%	(1.9)	p.p.	
Non-compensation exp. as % of revenue	24.0%	22.0%	28.1%	28.7%	22.3%	19.7%	21.4%	31.5%	32.1%	9.8	p.p.	39.4%	23.5%	26.2%	24.0%	24.3%	26.1%	27.6%	1.5	p.p.	
Total expenses as % of revenue	82.4%	82.1%	84.7%	85.5%	79.4%	77.3%	77.3%	85.1%	87.2%	7.8	p.p.	101.9%	85.3%	86.6%	83.1%	81.4%	83.0%	82.6%	(0.4)	p.p.	
Pre-tax profit margin	17.6%	17.9%	15.3%	14.5%	20.6%	22.7%	22.7%	14.9%	12.8%	(7.8)	p.p.	(1.9)%	14.7%	13.4%	16.9%	18.6%	17.0%	17.4%	0.4	p.p.	
Number of employees	1,244	1,257	1,292	1,309	1,310	1,334	1,383	1,418	1,399	89	6.8%	1,102	1,104	1,190	1,257	1,334	1,310	1,399	89	6.8%	

(1) Canaccord's Canadian operations include activities related to Canadian Private Client Services, capital markets activities in Canada delivered through Canaccord Adams (a division of Canaccord Capital Corporation, our principal Canadian operating subsidiary), and Canadian Corporate and Other operations.  
(2) Financial results are expressed in C\$ thousands, except for financial ratios and number of employees.  
(3) Prior to Q4/06, revenues from Canaccord Capital Corporation (USA), Inc. were included in the Canada geographic segment. Starting in Q1/07, these revenue amounts have been excluded and separately disclosed in the US geographic disclosure on page 8. Q4/06 Canada segment revenues have been reclassified for comparison purposes.  
(4) 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.



**UK and Other Foreign Location**  
**Condensed statement of operations <sup>(1)</sup>**

(Unaudited, for the period ended)  
(in thousands of dollars) <sup>(2)</sup>

	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q3/08 vs. Q3/07		FY03	FY04	FY05	FY06	FY07	9 Months Ended				
										Increase (decrease)							Q3/07	Q3/08	Increase (decrease)		
<b>Revenue</b>																					
Canaccord Adams	44,881	41,774	48,892	28,878	24,995	42,984	57,355	20,857	35,117	10,122	40.5%	28,464	84,489	116,090	125,900	145,749	102,765	113,329	10,564	10.3%	
	44,881	41,774	48,892	28,878	24,995	42,984	57,355	20,857	35,117	10,122	40.5%	28,464	84,489	116,090	125,900	145,749	102,765	113,329	10,564	10.3%	
<b>Expenses</b>																					
Incentive compensation	23,764	21,781	25,221	12,498	11,280	24,628	29,965	9,123	19,655	8,375	74.2%	13,877	51,311	62,316	65,303	73,627	48,999	58,743	9,744	19.9%	
National Health Insurance tax <sup>(3)</sup>	1,306	1,233	1,404	629	548	933	388	369	392	(156)	(28.5)%	720	2,665	3,711	3,586	3,514	2,581	1,149	(1,432)	(55.5)%	
Total incentive compensation	25,070	23,014	26,625	13,127	11,828	25,561	30,353	9,492	20,047	8,219	69.5%	14,597	53,976	66,027	68,889	77,141	51,580	59,892	8,312	16.1%	
Salaries and benefits	806	998	698	726	1,237	478	1,185	993	1,081	(156)	(12.6)%	6,899	5,858	8,795	3,210	3,139	2,661	3,259	598	22.5%	
Trading costs	328	312	375	332	346	424	419	497	690	344	99.4%	1,110	1,117	1,163	1,190	1,477	1,053	1,606	553	52.5%	
Premises and equipment	615	467	1,208	1,091	1,396	2,705	512	907	896	(500)	(35.8)%	2,974	2,573	2,143	2,139	6,400	3,695	2,315	(1,380)	(37.3)%	
Communication and technology	376	466	444	568	568	647	622	710	686	118	20.8%	1,034	837	1,036	1,440	2,227	1,580	2,018	438	27.7%	
Interest	1	1	-	1	1	-	-	-	-	(1)	(100.0)%	332	35	1	5	2	2	-	(2)	(100.0)%	
General and administrative	1,630	1,949	2,255	1,979	1,962	4,273	3,024	2,573	2,038	76	3.9%	2,586	3,463	5,879	6,374	10,469	6,196	7,635	1,439	23.2%	
Amortization	161	224	435	793	318	470	459	477	449	131	41.2%	962	716	620	716	2,016	1,546	1,385	(161)	(10.4)%	
Development costs	-	-	239	240	(181)	(29)	55	431	274	455	(251.4)%	-	-	-	-	269	298	760	462	155.0%	
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	246	-	-	-	-	-	-	-	-	
	28,987	27,431	32,279	18,857	17,475	34,529	36,629	16,080	26,161	8,686	49.7%	30,740	68,575	85,664	83,963	103,140	68,611	78,870	10,259	15.0%	
<b>Income (loss) before income taxes</b>	<b>15,894</b>	<b>14,343</b>	<b>16,613</b>	<b>10,021</b>	<b>7,520</b>	<b>8,455</b>	<b>20,726</b>	<b>4,777</b>	<b>8,956</b>	<b>1,436</b>	<b>19.1%</b>	<b>(2,276)</b>	<b>15,914</b>	<b>30,426</b>	<b>41,937</b>	<b>42,609</b>	<b>34,154</b>	<b>34,459</b>	<b>305</b>	<b>0.9%</b>	
Incentive compensation as % of revenue	55.9%	55.1%	54.5%	45.5%	47.3%	59.5%	52.9%	45.5%	57.1%	9.8 p.p.		51.3%	63.9%	56.9%	54.7%	52.9%	50.2%	52.8%	2.6 p.p.		
Total compensation exp. as % of revenue <sup>(4)</sup>	57.7%	57.5%	55.9%	48.0%	52.3%	60.6%	55.0%	50.3%	60.2%	7.9 p.p.		75.5%	70.8%	64.5%	57.3%	55.1%	52.8%	55.7%	2.9 p.p.		
Non-compensation exp. as % of revenue	6.9%	8.2%	10.1%	17.3%	17.6%	19.7%	8.9%	26.8%	14.3%	(3.3) p.p.		32.5%	10.4%	9.3%	9.4%	15.7%	14.0%	13.9%	(0.1) p.p.		
Total expenses as % of revenue	64.6%	65.7%	66.0%	65.3%	69.9%	80.3%	63.9%	77.1%	74.5%	4.6 p.p.		108.0%	81.2%	73.8%	66.7%	70.8%	66.8%	69.6%	2.8 p.p.		
Pre-tax profit margin	35.4%	34.3%	34.0%	34.7%	30.1%	19.7%	36.1%	22.9%	25.5%	(4.6) p.p.		(8.0)%	18.8%	26.2%	33.3%	29.2%	33.2%	30.4%	(2.8) p.p.		
Number of employees	76	81	88	89	95	93	104	109	116	21	22.1%	50	52	70	81	93	95	116	21	22.1%	

(1) 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, which includes operations for Canaccord International Ltd.

(2) Financial results are expressed in C\$ thousands, except for financial ratios and number of employees.

(3) NHI is a National Health Insurance tax applicable to the UK and is based on a percentage of incentive compensation payout.

(4) 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.



US

Condensed statement of operations

(Unaudited, for the period ended)  
(in thousands of dollars) <sup>(2)</sup>

	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q3/08 vs. Q3/07		FY03	FY04	FY05	FY06	FY07	9 Months Ended			
										Increase (decrease)							Q3/07	Q3/08	Increase (decrease)	
<b>Revenue</b>																				
Canaccord Adams	-	18,692	22,625	17,682	17,651	18,686	25,281	19,827	22,388	4,737	26.8%	-	-	-	18,692	76,644	57,958	67,496	9,538	16.5%
Private Client Services	-	1,269	1,290	666	924	1,149	1,093	827	719	(205)	(22.2)%	-	-	-	1,269	4,029	2,880	2,639	(241)	(8.4)%
Corporate and Other	-	75	70	397	38	81	48	83	28	(10)	(26.3)%	-	-	-	75	586	505	159	(346)	(68.5)%
	-	20,036	23,985	18,745	18,613	19,916	26,422	20,737	23,135	4,522	24.3%	-	-	-	20,036	81,259	61,343	70,294	8,951	14.6%
<b>Expenses</b>																				
Incentive compensation	-	9,134	12,902	9,342	9,820	10,496	12,376	9,511	12,378	2,558	26.0%	-	-	-	9,134	42,560	32,064	34,265	2,201	6.9%
Salaries and benefits	-	1,613	1,754	815	1,212	1,329	1,228	1,257	1,018	(194)	(16.0)%	-	-	-	1,613	5,110	3,781	3,503	(278)	(7.4)%
Trading costs	-	2,026	2,280	1,957	2,557	2,198	2,277	2,443	2,030	(527)	(20.6)%	-	-	-	2,026	8,992	6,794	6,750	(44)	(0.6)%
Premises and equipment	-	1,003	908	929	907	1,500	1,269	1,169	1,255	348	38.4%	-	-	-	1,003	4,244	2,744	3,693	949	34.6%
Communication and technology	-	496	600	494	585	605	619	571	615	30	5.1%	-	-	-	496	2,284	1,679	1,805	126	7.5%
Interest	-	89	94	80	102	139	321	479	456	354	347.1%	-	-	-	89	415	276	1,256	980	355.1%
General and administrative	-	1,787	2,277	2,734	2,751	3,359	3,089	3,688	2,461	(290)	(10.5)%	-	-	-	1,787	11,121	7,762	9,238	1,476	19.0%
Amortization	-	178	173	155	199	180	232	280	296	97	48.7%	-	-	-	178	707	527	808	281	53.3%
Development costs	-	554	809	2,716	2,112	3,233	3,867	4,438	3,240	1,128	53.4%	-	-	-	554	8,870	5,637	11,545	5,908	104.8%
	-	16,880	21,797	19,222	20,245	23,039	25,278	23,836	23,749	3,504	17.3%	-	-	-	16,880	84,303	61,264	72,863	11,599	18.9%
<b>Income (loss) before income taxes</b>	-	<b>3,156</b>	<b>2,188</b>	<b>(477)</b>	<b>(1,632)</b>	<b>(3,123)</b>	<b>1,144</b>	<b>(3,099)</b>	<b>(614)</b>	<b>1,018</b>	<b>62.4%</b>	-	-	-	<b>3,156</b>	<b>(3,044)</b>	<b>79</b>	<b>(2,569)</b>	<b>(2,648)</b>	<b>(3351.9)%</b>
Incentive compensation as % of revenue	-	45.6%	53.8%	49.8%	52.8%	52.7%	46.8%	45.9%	53.5%	0.7 p.p.		-	-	-	45.6%	52.4%	52.3%	48.7%	(3.6) p.p.	
Total compensation exp. as % of revenue <sup>(4) (5)</sup>	-	53.6%	61.1%	54.2%	59.3%	59.4%	51.5%	51.9%	57.9%	(1.4) p.p.		-	-	-	53.6%	58.7%	58.4%	53.7%	(4.7) p.p.	
Non-compensation exp. as % of revenue	-	30.6%	29.8%	48.3%	49.5%	56.3%	44.2%	63.0%	44.8%	(4.7) p.p.		-	-	-	30.6%	45.0%	41.5%	50.0%	8.5 p.p.	
Total expenses as % of revenue	-	84.2%	90.9%	102.5%	108.8%	115.7%	95.7%	114.9%	102.7%	(6.1) p.p.		-	-	-	84.2%	103.7%	99.9%	103.7%	3.8 p.p.	
Pre-tax profit margin	-	15.8%	9.1%	(2.5)%	(8.8)%	(15.7)%	4.3%	(14.9)%	(2.7)%	6.1 p.p.		-	-	-	15.8%	(3.7)%	0.1%	(3.7)%	(3.8) p.p.	
Number of employees	-	150	154	164	170	163	170	162	161	(9)	(5.3)%	-	-	-	150	163	170	161	(9)	(5.3)%

(1) Canaccord's US operations include activities related to US Private Client Services, delivered through Canaccord Capital Corporation (USA), Inc., and US capital markets operations, delivered through Canaccord Adams Inc. US Other operations, also delivered through Canaccord Capital Corporation (USA), Inc., include revenue and expenses not specifically allocable to US Private Client Services and US Canaccord Adams.

(2) Financial results are expressed in C\$ thousands, except for financial ratios and number of employees.

(3) Other revenue and general and administrative expense for Q4/06 have been reclassified.

(4) 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.

(5) Total compensation in Canaccord Adams Inc. also includes retention costs from the Adams Harkness acquisition.

**Canaccord group of companies**  
**Consolidated balance sheet**

(Unaudited, as at)  
(in thousands of dollars)

	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q3/08 vs. Q3/07		FY03	FY04	FY05	FY06	FY07
										Increase (decrease)						
<b>Assets</b>																
Cash and cash equivalents	241,380	370,507	376,986	315,883	371,525	506,640	329,584	379,680	421,783	50,258	13.5%	100,024	91,966	349,700	370,507	506,640
Securities owned, at market	218,459	203,020	194,061	119,809	146,030	348,764	225,734	227,368	164,388	18,358	12.6%	136,073	376,447	160,348	203,020	348,764
Accounts receivable <sup>(1)</sup>	1,091,147	1,539,998	1,154,454	1,163,218	1,204,371	1,672,035	2,052,737	1,829,712	1,260,869	56,498	4.7%	560,927	998,815	1,068,757	1,539,998	1,672,035
Income taxes recoverable	-	-	-	-	-	-	-	661	2,758	2,758	n.m.	558	-	-	-	-
Investments	-	-	-	-	-	-	5,000	5,000	5,000	5,000	n.m.	-	-	-	-	-
Investment in asset backed commercial paper	-	-	-	-	-	-	-	-	34,501	34,501	n.m.	-	-	-	-	-
Equipment and leasehold improvements	22,483	25,750	24,449	26,527	33,566	37,549	39,231	40,137	39,939	6,373	19.0%	12,027	12,373	13,750	25,750	37,549
Notes receivable	-	-	-	-	-	-	-	-	-	-	-	17,393	28,765	41,618	-	-
Future income taxes	2,750	10,769	11,872	12,754	11,782	11,021	7,761	9,940	10,630	(1,152)	(9.8)%	3,735	-	3,992	10,769	11,021
Goodwill and other intangibles	4,203	27,929	27,575	27,222	26,869	33,933	33,580	33,227	32,873	6,004	22.3%	-	-	-	27,929	33,933
<b>Total assets</b>	<b>1,580,422</b>	<b>2,177,973</b>	<b>1,789,397</b>	<b>1,665,413</b>	<b>1,794,143</b>	<b>2,609,942</b>	<b>2,693,627</b>	<b>2,525,725</b>	<b>1,972,741</b>	<b>178,598</b>	<b>10.0%</b>	<b>830,737</b>	<b>1,508,366</b>	<b>1,638,165</b>	<b>2,177,973</b>	<b>2,609,942</b>
<b>Liabilities and shareholders' equity</b>																
Call loans	345	4,684	556	-	-	-	2,265	48,130	-	-	-	-	2,541	-	4,684	-
Securities sold short, at market	132,481	37,169	109,923	25,926	54,467	41,176	85,222	48,784	96,383	41,916	77.0%	85,373	281,723	105,527	37,169	41,176
Accounts payable and accrued liabilities	1,193,863	1,832,956	1,359,198	1,311,248	1,380,767	2,156,540	2,189,371	2,021,498	1,461,130	80,363	5.8%	644,043	1,048,395	1,262,072	1,832,956	2,156,540
Income taxes payable	7,638	15,334	8,522	1,150	3,681	15,035	2,528	-	-	(3,681)	(100.0)%	-	16,905	6,737	15,334	15,035
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-	973	-	-	-
Notes payable	-	-	-	-	-	-	-	-	-	-	-	17,393	28,765	41,618	-	-
Convertible debentures	-	-	-	-	-	-	-	-	-	-	-	21,225	20,377	-	-	-
Subordinated debt	-	-	-	-	-	25,000	25,000	25,000	25,000	25,000	n.m.	10,000	10,000	-	-	25,000
Shareholders' equity	246,095	287,830	311,198	327,089	355,228	372,191	389,241	382,313	390,228	35,000	9.9%	52,703	98,687	222,211	287,830	372,191
<b>Total liabilities and shareholders' equity</b>	<b>1,580,422</b>	<b>2,177,973</b>	<b>1,789,397</b>	<b>1,665,413</b>	<b>1,794,143</b>	<b>2,609,942</b>	<b>2,693,627</b>	<b>2,525,725</b>	<b>1,972,741</b>	<b>178,598</b>	<b>10.0%</b>	<b>830,737</b>	<b>1,508,366</b>	<b>1,638,165</b>	<b>2,177,973</b>	<b>2,609,942</b>

(1) As of Q3/06, deferred charges have been combined with accounts receivable. Prior periods' accounts receivable amounts have been reclassified to reflect the change.



## Financial Post Data Group League Table <sup>(1)</sup>

Q3/08 vs. Q3/07:

Q3/08 (October 1, 2007 - December 31, 2007)								Q3/07 (October 1, 2006 - December 31, 2006)							
Manager	# of deals led <sup>(2)</sup>	Market share	Rank by mkt. share	Gross proceeds (led transactions) (\$000's)	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)	Manager	# of deals led <sup>(2)</sup>	Market share	Rank by mkt. share	Gross proceeds (led transactions) (\$000's)	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)
Canaccord Adams <sup>(3)</sup>	46	17.4%	1	2,015,661	106	1	5,755,027	Canaccord Adams <sup>(3)</sup>	38	11.4%	1	431,420	117	1	6,453,798
CIBC World Markets	27	10.2%	2	1,930,298	60	2	6,111,824	CIBC World Markets	24	7.2%	2	2,251,092	72	2	8,220,256
GMP Securities	19	7.2%	3	1,039,887	45	5	11,374,403	RBC Capital Markets	20	6.0%	3	2,516,499	50	10	7,132,904
RBC Dominion	16	6.1%	4	1,894,128	46	4	6,071,619	Sprott Securities	17	5.0%	4	380,800	51	9	2,429,889
Dundee Securities	12	4.5%	5	175,748	35	8	3,648,034	TD Securities	9	2.6%	5	1,045,692	60	5	6,480,940
Scotia Capital	10	3.8%	6	908,321	41	6	3,652,359	BMO Nesbitt	8	2.5%	6	695,700	69	3	7,051,274
National Bank	9	3.4%	7	401,944	40	7	5,603,112	Dundee Securities	7	2.0%	7	88,847	60	6	3,047,461
Cormark Securities	9	3.4%	8	282,620	24	9	1,290,694	Scotia Capital	7	2.0%	8	555,185	54	7	5,727,535
Haywood Securities	9	3.4%	9	112,496	22	10	672,789	National Bank	4	1.3%	9	304,027	62	4	6,325,308
BMO Nesbitt Burns	8	3.0%	10	1,883,565	47	3	5,617,695	Raymond James	3	0.9%	10	78,140	54	8	3,277,254
Others	99	37.6%		4,458,400				Others	196	59.1%		4,653,769			
	<b>264</b>	<b>100.0%</b>							<b>332</b>	<b>100.0%</b>					

Fiscal 2008 vs. Fiscal 2007:

Fiscal 2008 (April 1, 2007 - December 31, 2007)								Fiscal 2007 (April 1, 2006 - December 31, 2006)							
Manager	# of deals led <sup>(2)</sup>	Market share	Rank by mkt. share	Gross proceeds (led transactions) (\$000's)	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)	Manager	# of deals led <sup>(2)</sup>	Market share	Rank by mkt. share	Gross proceeds (led transactions) (\$000's)	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)
Canaccord Capital <sup>(3)</sup>	135	17.2%	1	5,823,432	266	1	20,251,199	Canaccord Adams <sup>(3)</sup>	84	9.6%	1	1,611,192	301	1	17,542,092
GMP Securities	63	8.0%	2	3,910,856	112	8	17,442,802	CIBC World Markets	52	5.9%	2	4,836,202	187	3	19,650,960
CIBC World Markets	61	7.8%	3	4,910,239	155	2	15,435,411	RBC Capital Markets	52	5.9%	3	6,530,255	138	8	17,509,892
RBC Dominion	49	6.2%	4	5,568,910	128	5	15,915,267	GMP Securities	52	5.8%	4	1,831,105	131	10	6,378,787
Cormark Securities	41	5.2%	5	2,235,592	89	9	5,929,557	Dundee Securities	38	4.3%	5	459,893	160	5	7,645,924
Haywood Securities	37	4.7%	6	348,157	68	10	3,012,012	TD Securities	32	3.6%	6	2,791,320	173	4	18,003,110
Raymond James	33	4.2%	7	801,307	123	5	8,894,642	BMO Nesbitt	28	3.2%	7	2,449,155	188	2	18,612,583
TD Securities	28	3.6%	8	3,849,478	143	3	15,069,157	Scotia Capital	26	3.0%	8	2,498,832	147	7	16,254,056
Blackmont Capital	27	3.4%	9	408,471	123	7	6,096,867	National Bank	13	1.5%	9	755,626	154	6	16,219,137
BMO Nesbitt Burns	26	3.3%	10	3,876,519	139	4	15,813,494	Raymond James	13	1.4%	10	495,078	138	9	8,990,353
Others	286	36.4%		12,936,829				Others	491	55.8%		9,269,779			
	<b>786</b>	<b>100.0%</b>							<b>881</b>	<b>100.0%</b>					

Source: Financial Post Data Group. The Financial Post Data Group is a dynamic database which is continually updated. Year-to-date figures may not necessarily agree with previously disclosed figures.

(1) 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.

(2) Number of deals led reflects both led and joint led deals.

(3) In addition to the transactions participated by its Canadian operation, Canaccord's figures also include deals transacted by its UK, and US operations.