

CANACCORD FINANCIAL INC. REPORTS FISCAL FOURTH QUARTER AND FISCAL 2013 RESULTS

Excluding significant items⁽¹⁾, net income of \$15.6 million, or \$0.12 per diluted share, during the fiscal fourth quarter

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

TORONTO, May 21, 2013 – During the fourth quarter of fiscal 2013, the quarter ended March 31, 2013, Canaccord Financial Inc. (Canaccord, TSX: CF, LSE: CF., ‘the Company’) generated \$218.0 million in revenue and, excluding significant items⁽¹⁾, recorded net income of \$15.6 million or \$0.12 per diluted common share. On an IFRS basis, the Company recorded net income of \$6.4 million, or \$0.04 per common share. Significant items⁽¹⁾ totalling \$11.5 million, or \$9.2 million after tax, were incurred during the quarter, including \$6.4 million of restructuring charges related to the Company’s UK advisory practice and the integration of Eden Financial Ltd.’s (Eden Financial) wealth management business.

During the fiscal year ended March 31, 2013, Canaccord generated \$797.1 million of revenue and, excluding significant items⁽¹⁾, recorded net income of \$25.6 million, or \$0.14 per common share. On an IFRS basis, the Company recorded a net loss of \$18.8 million, or \$0.31 per common share during the fiscal year.

Paul Reynolds, President and CEO of Canaccord Financial Inc. said: “Fiscal 2013 was a pivotal year for Canaccord Financial, as we integrated the largest acquisition in the firm’s history. In doing so, we eliminated significant costs, aligned staffing levels with market opportunities and grew our cross-border client services. Together, these activities have strengthened our business and meaningfully enhanced our operating margins since the beginning of the year.”

Mr. Reynolds added: “Our acquisition of Collins Stewart enhanced our sector coverage considerably, which has played an important role in our ability to offset suppressed resource sector activity. It also expanded the scope of our international operations. In fact, over half of our revenue is now generated from operations outside of Canada, significantly improving the diversity and consistency of our revenue streams.”

FISCAL 2013 VS. FISCAL 2012

12 months ended March 31, 2013 vs. 12 months ended March 31, 2012

- Revenue of \$797.1 million, up 32% or \$192.2 million from \$604.9 million
- Expenses of \$820.8 million, up 32% or \$199.8 million from \$621.0 million
- Net loss of \$18.8 million, compared to a net loss of \$21.3 million
- Diluted loss per common share of \$0.31 compared to a diluted loss per share of \$0.33 in the prior year

Excluding significant items⁽¹⁾

- Expenses of \$766.9 million, up 36% or \$202.7 million from \$564.2 million
- Net income of \$25.6 million compared to net income of \$25.2 million
- Diluted earnings per share (EPS) of \$0.14 compared to diluted EPS of \$0.25 in fiscal 2012

¹ See Non-IFRS Measures on page 4.

FOURTH QUARTER OF FISCAL 2013 VS. FOURTH QUARTER OF FISCAL 2012
3 months ended March 31, 2013 vs. 3 months ended March 31, 2012

- Revenue of \$218.0 million, up 23% or \$40.3 million from \$177.7 million
- Expenses of \$212.0 million, up 2% or \$4.3 million from \$207.7 million
- Net income of \$6.4 million compared to a net loss of \$31.8 million
- Diluted EPS of \$0.04 compared to a diluted loss per share of \$0.42

Excluding significant items⁽¹⁾

- Expenses of \$200.5 million, up 20% or \$34.0 million from \$166.5 million
- Net income of \$15.6 million compared to net income of \$2.1 million
- Diluted EPS of \$0.12 compared to \$0.02 in the fourth quarter of 2012

FOURTH QUARTER OF FISCAL 2013 VS. THIRD QUARTER OF FISCAL 2013
3 months ended March 31, 2013 vs. 3 months ended December 31, 2012

- Revenue of \$218.0 million, down 5% or \$12.0 million from \$230.0 million
- Expenses of \$212.0 million, down 2% or \$4.9 million from \$216.9 million
- Net income of \$6.4 million compared to net income of \$10.3 million
- Diluted EPS of \$0.04 compared to diluted EPS of \$0.08 in the third quarter of 2013

Excluding significant items⁽¹⁾

- Expenses of \$200.5 million, down 2% or \$4.5 million from \$205.0 million
- Net income of \$15.6 million compared to net income of \$20.5 million
- Diluted EPS of \$0.12 compared to \$0.17 in the third quarter of 2013

Financial condition at end of fourth quarter 2013 vs. fourth quarter 2012

- Cash and cash equivalents balance of \$491.0 million, down \$323.2 million from \$814.2 million
- Working capital of \$393.7 million, up \$62.6 million from \$331.1 million
- Total shareholders' equity of \$1,049.2 million, up \$57.1 million from \$992.1 million
- Book value per diluted common share for the period end was \$7.68, down 7% or \$0.58 from \$8.26
- On May 21, 2013, the Board of Directors approved a quarterly dividend of \$0.05 per common share payable on June 10, 2013 with a record date of May 31, 2013
- On May 21, 2013, the Board of Directors also approved a cash dividend of \$0.34375 per Series A Preferred Share payable on July 2, 2013 with a record date of June 21, 2013, and approved a cash dividend of \$0.359375 per Series C Preferred Share payable on July 2, 2013 and with a record date of June 21, 2013

SUMMARY OF OPERATIONS

Corporate

- On February 1, 2013 Canaccord completed the integration of its UK wealth management business with the business of Eden Financial Ltd.
- On March 1, 2013, Canaccord completed the integration of its UK and European advisory practice, previously known as Canaccord Genuity Hawkpoint, into its broader, global investment banking division.

- Subsequent to the quarter, on May 1, 2013, Canaccord rebranded all wealth management businesses on its platform as *Canaccord Genuity Wealth Management*. This new global wealth management brand replaces:
 - Canaccord Wealth Management (in Canada and Australia)
 - Collins Stewart Wealth Management (in the UK and Europe)
 - Eden Financial (in the UK)

Capital Markets

- Canaccord Genuity led or co-led 24 transactions globally, raising total proceeds of \$774 million⁽²⁾ during fiscal Q4/13
- Canaccord Genuity participated in 94 transactions globally, raising total proceeds of \$7.5 billion⁽²⁾ during fiscal Q4/13
- During fiscal Q4/13, Canaccord Genuity led or co-led the following transactions:
 - £695 million for esure on the LSE
 - £167.3 million for HICL Infrastructure Company Limited on the LSE
 - C\$100.1 million for American Hotel Income Properties REIT LP on the TSX
 - US\$97.8 million for Insulet Corp. on the NASDAQ
 - C\$69.7 million for Pure Industrial Real Estate Trust on the TSX
 - £60 million Retail Bond for The Paragon Group of Companies
 - US\$57.5 million for Aveo Pharmaceuticals on the NASDAQ
 - US\$47.9 million for CalAmp Corp. on the NASDAQ
 - C\$40.4 million for Santacruz Silver Mining Ltd. on the TSX – Venture
 - AUD\$35.0 million for G8 Education Ltd. on the ASX
 - C\$34.5 million for MBAC Fertilizer Corp. on the TSX
 - C\$30.0 million for Amaya Gaming Group Inc. on the TSX
 - C\$29.0 million for Labrador Iron Mines Holding Limited on the TSX
 - C\$25.9 million for Partners Real Estate Investment Trust on the TSX
 - £23.1 million for IGAS PLC on AIM
 - US\$21 million for Beacon Hill Plc on AIM
 - US\$20.1 million for IMRIS, Inc. on the NASDAQ
- Canaccord Genuity generated advisory revenues of \$56.1 million during fiscal Q4/13, an increase of 128% compared to the same quarter last year
- During fiscal Q4/13, Canaccord Genuity advised on the following M&A and advisory transactions:
 - Primaris on its hostile defence and sale to H&R REIT and KingSett Capital
 - Fawkes Holdings Limited on its sale of 42 UK Marriott hotels
 - Sportingbet plc on its acquisition by William Hill and GVC Holdings assets
 - IPH and its management on its disposal to PAI Partners SAS
 - M3 Capital Partners (UK) LLP and Extra MSA Group on the acquisition of Motorway Service Area
 - RBSM (Investments) Limited on its disposal of Malmaison/Hotel du Vin to KSL Capital Partners
 - Wecast Industries on its acquisition by Sichuan Bohon Group
 - Investcorp on its acquisition of Hydrasun Holdings Limited
 - FFastFill plc on its acquisition by Pattington Limited
 - Parkland Fuel Corporation on its acquisition of Elbow River Marketing

² Source: FP Infomart and Company Information. Transactions over C\$1.5 million.

- Iogen Corporation on its acquisition by Novosymes A/S
- Punter Southall on its recapitalization
- Geomagic, Inc. on its acquisition by 3D Systems Corp.
- Redknee Inc. on its acquisition of NSN BSS Business
- Wireless Matrix Inc. on its acquisition by CalAmp Corp.
- Rio Verde Minerals Development Corp. on its acquisition by B&A Minercao
- EndoChoice, Inc. on its merger with Peer Medical Ltd.
- JKX Oil & Gas plc on its convertible bond issue
- Omega Protein Corporation on its acquisition of Wisconsin Specialty Protein, LLC
- Soitec on a development and licensing agreement with GT Advanced Technologies

Canaccord Genuity Wealth Management (Global)

- On a global basis, Canaccord Genuity Wealth Management generated revenue of \$60.2 million in Q4/13
- Total assets under administration⁽¹⁾ in Canada, and assets under management in the UK, Europe and Australia, were \$26.8 billion at the end of fiscal Q4/13

Canaccord Genuity Wealth Management (North America and Australia)

- Canaccord Genuity Wealth Management generated \$33.5 million in revenue and recorded a net loss before tax of \$7.4 million in Q4/13
- Assets under administration⁽¹⁾ in Canada were \$10.4 billion, down 9% from \$11.4 billion at the end of Q3/13 and down 30% from \$14.8 billion at the end of Q4/12
- Assets under management⁽¹⁾ in Canada (discretionary) were \$835 million, up 6% from \$791 million at the end of Q3/13 and up 23% from \$677 million at the end of Q4/12
- As at March 31, 2013, Canaccord Genuity Wealth Management had 178 Advisory Teams⁽³⁾, a decrease of 102 Advisory Teams⁽³⁾ from March 31, 2012 and a decrease of six from December 31, 2012
- Canaccord Genuity Wealth Management has 16 offices across Canada, including eight operating on the Independent Wealth Management (IWM) platform

Canaccord Genuity Wealth Management (UK and Europe)

- Wealth management operations in the UK and Europe generated \$26.7 million in revenue and, excluding significant items, recorded net income of \$6.3 million before taxes⁽¹⁾
- Assets under management (discretionary and non-discretionary)⁽¹⁾ were \$15.9 billion (£10.2 billion), up 5% from \$15.2 billion at the end of Q3/13 and up 22% from \$13.1 billion at the end of Q4/12

Non-IFRS Measures

The non-International Financial Reporting Standards (IFRS) measures presented include assets under administration, assets under management, book value per diluted common share, return on common equity and figures that exclude significant items. Significant items include restructuring costs, amortization of intangible assets and acquisition-related expense items, which include costs recognized in relation to both prospective and completed acquisitions. Management believes that these non-IFRS measures will allow for a better evaluation of the operating performance of Canaccord's business and facilitate meaningful comparison of results in the current period to those in prior periods and future periods. Figures that exclude significant items provide useful information by excluding certain items that may not be indicative of Canaccord's core operating results. A limitation of utilizing these figures

³ Advisory Teams are normally comprised of one or more Investment Advisors (IAs) and their assistants and associates, who together manage a shared set of client accounts. Advisory Teams that are led by, or only include, an IA who has been licensed for less than three years are not included in our Advisory Team count, as it typically takes a new IA approximately three years to build an average-sized book of business.

that exclude significant items is that the IFRS accounting effects of these items do in fact reflect the underlying financial results of Canaccord's business; thus, these effects should not be ignored in evaluating and analyzing Canaccord's financial results. Therefore, management believes that Canaccord's IFRS measures of financial performance and the respective non-IFRS measures should be considered together.

Selected financial information excluding significant items

(C\$ thousands, except per share and % amounts)	Three months ended March 31		Quarter-over-quarter change	Year ended March 31		YTD-over-YTD change
	2013	2012		2013	2012	
Total revenue per IFRS	\$217,971	\$177,692	22.7%	\$797,122	\$604,864	31.8%
Total expenses per IFRS	211,984	207,731	2.0%	820,824	620,983	32.2%
<i>Significant items recorded in Canaccord Genuity</i>						
Restructuring costs	5,561	27,786	(80.0)%	15,232	29,078	(47.6)%
Acquisition-related costs	-	6,323	(100.0)%	388	10,466	(96.3)%
Amortization of intangible assets	3,458	1,865	85.4%	14,740	5,492	168.4%
<i>Significant items recorded in Canaccord Genuity Wealth Management</i>						
Restructuring costs	884	900	(1.8)%	15,485	900	n.m.
Acquisition-related costs	-	4,077	(100.0)%	1,331	4,077	(67.4)%
Amortization of intangible assets	1,600	-	n.m.	5,855	-	n.m.
<i>Significant items recorded in Corporate and Other</i>						
Restructuring costs	-	275	(100.0)%	900	5,275	(82.9)%
Acquisition-related costs	-	-	-	-	1,513	(100.0)%
Total significant items	11,503	41,226	(72.1)%	53,931	56,801	(5.1)%
Total expenses excluding significant items	200,481	166,505	20.4%	766,893	564,182	35.9%
Net income before income taxes – adjusted	\$17,490	\$11,187	56.3%	30,229	\$40,682	(25.7)%
Income taxes – adjusted	1,911	9,098	(79.0)%	4,585	15,489	(70.4)%
Net income – adjusted	\$15,579	\$2,089	n.m.	\$25,644	\$25,193	1.8%
Earnings per common share – basic, adjusted	\$0.14	\$0.02	n.m.	\$0.16	\$0.28	(42.9)%
Earnings per common share – diluted, adjusted	\$0.12	\$0.02	n.m.	\$0.14	\$0.25	(44.0)%

n.m.: not meaningful

ACCESS TO QUARTERLY RESULTS INFORMATION

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

CONFERENCE CALL AND WEBCAST PRESENTATION

Interested parties are invited to listen to Canaccord's fourth quarter and fiscal 2013 results conference call with analysts and institutional investors, via a live webcast or a toll free number. The conference call is scheduled for Tuesday, May 21, 2013, at 2:30 p.m. (Pacific Time), 5:30 p.m. (Eastern Time), 10:30 p.m. (UK Time), and at 5:30 a.m. (China Standard Time) and 7:30 a.m. (Australia EST Time) on Wednesday, May 22, 2013. At that time, senior executives will comment on the results for the fourth quarter and fiscal 2013 year and respond to questions from analysts and institutional investors.

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

Analysts and institutional investors can call in via telephone at:

- 647-427-7450 (within Toronto)
- 1-888-231-8191 (toll free outside Toronto)
- 0-800-051-7107 (toll free from the UK)
- 10-800-714-1191 (toll free from Northern China)
- 10-800-140-1195 (toll free from Southern China)
- 1-800-287-011 (toll free from Australia)

Please request to participate in Canaccord Financial's Q4/13 earnings call.

A replay of the conference call can be accessed after 5:30 p.m. (Pacific Time), 8:30 p.m. (Eastern Time) on May 21, 2013, and after 1:30 a.m. (UK Time), 8:30 a.m. (China Standard Time) and 10:30 a.m. (Australia EST Time) on May 22, 2013 until July 4, 2013 at 416-849-0833 or 1-855-859-2056 by entering passcode 64087786 followed by the pound (#) sign.

ABOUT CANACCORD FINANCIAL INC.

Through its principal subsidiaries, Canaccord Financial Inc. is a leading independent, full-service financial services firm, with operations in two principal segments of the securities industry: wealth management and global capital markets. Since its establishment in 1950, Canaccord has been driven by an unwavering commitment to building lasting client relationships. We achieve this by generating value for our individual, institutional and corporate clients through comprehensive investment solutions, brokerage services and investment banking services. Canaccord has offices in 13 countries worldwide, including wealth management offices located in Canada, Australia, the UK and Europe. Canaccord Genuity, the Company's international capital markets division, has operations in Canada, the US, the UK, France, Germany, Ireland, Italy, Hong Kong, mainland China, Singapore, Myanmar, Australia and Barbados.

Canaccord Financial Inc. is publicly listed on the Toronto Stock Exchange and the London Stock Exchange (TSX:CF, LSE:CF.).

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None of the information on Canaccord's websites at www.canaccordfinancial.com, www.canaccordgenuity.com and www.canaccord.com should be considered incorporated herein by reference.