



Canaccord Capital Inc.

Supplementary Financial Information

Fourth Quarter Fiscal 2006

For the period ended March 31, 2006

(Unaudited and in Canadian dollars)

Investor Relations Department

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Change in consolidated revenue disclosure:

To enhance our disclosure, and to facilitate comparisons with other companies in the industry, consolidated revenue has been changed from 'revenue by business segment' to 'revenue by activity'. Please refer to page 2 for details.

Advisory note:

This document is not audited and should be read in conjunction with the Fourth Quarter Fiscal 2006 Quarterly Report to Shareholders (unaudited) dated May 17, 2006, and the Annual Report dated June 27, 2005. Canaccord's fiscal year end is defined as March 31st of each year. Canaccord's fourth quarter fiscal 2006 ended March 31, 2006 is also referred to as Q4/06 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) ⁽¹⁾

	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q4/06 vs. Q4/05 Increase (decrease)		FY02	FY03	FY04	FY05	FY06	FY06 vs. FY05 Increase (decrease)		
Financial results																			
Revenue	150,687	80,565	85,601	123,683	142,929	99,017	118,654	158,670	207,074	64,145	44.9%	170,433	199,206	402,157	432,778	583,415	150,637	34.8%	
Expenses	119,477	68,094	75,332	99,094	117,502	83,587	94,407	122,772	163,619	46,117	39.2%	199,528	204,744	339,600	360,022	464,385	104,363	29.0%	
Income taxes	10,218	4,065	4,146	7,846	8,120	4,352	8,493	11,650	13,385	5,265	64.8%	(11,015)	(485)	22,128	24,177	37,880	13,703	56.7%	
Net income (loss)	20,992	8,406	6,123	16,743	17,307	11,078	15,754	24,248	30,070	12,763	73.7%	(18,080)	(5,053)	40,429	48,579	81,150	32,571	67.0%	
Balance sheet information																			
Total assets	1,508,366	1,514,140	1,529,947	1,217,620	1,638,165	1,323,153	1,550,013	1,580,422	2,177,973	539,808	33.0%	783,221	830,737	1,508,366	1,638,165	2,177,973	539,808	33.0%	
Total liabilities ⁽²⁾	1,409,679	1,316,432	1,330,455	1,003,240	1,415,954	1,096,495	1,326,395	1,334,327	1,890,143	474,189	33.5%	732,964	778,034	1,409,679	1,415,954	1,890,143	474,189	33.5%	
Total shareholders' equity ⁽²⁾	98,687	197,708	199,492	214,380	222,211	226,658	223,618	246,095	287,830	65,619	29.5%	50,257	52,703	98,687	222,211	287,830	65,619	29.5%	
Off balance sheet information																			
Assets under mgmt. (\$ millions) ⁽³⁾	237	274	301	344	380	410	475	528	613	233	61.3%	51	104	237	380	613	233	61.3%	
Assets under admin. (\$ millions)	8,292	8,244	8,678	8,998	9,967	9,954	11,495	12,183	14,310	4,343	43.6%	4,978	5,037	8,292	9,967	14,310	4,343	43.6%	
Common share information																			
Per share (\$)																			
Basic earnings (loss)	0.74	0.28	0.14	0.37	0.38	0.24	0.35	0.55	0.66	0.28	73.7%	(0.71)	(0.18)	1.43	1.17	1.82	0.65	55.6%	
Diluted earnings (loss)	0.58	0.23	0.13	0.36	0.38	0.24	0.34	0.52	0.63	0.25	65.8%	(0.71)	(0.18)	1.12	1.11	1.74	0.63	56.8%	
Book value per diluted share ⁽⁴⁾	2.59	4.29	4.32	4.65	4.82	4.91	4.82	5.29	6.02	1.20	24.9%	n.m.	1.84	2.59	4.82	6.02	1.20	24.9%	
Share price (\$)																			
High	-	11.10	10.80	9.75	10.98	10.65	12.90	15.80	21.25	10.27	93.5%	-	-	-	11.10	21.25	10.15	91.4%	
Low	-	10.66	7.96	8.43	8.75	9.00	9.10	10.96	14.35	5.60	64.0%	-	-	-	7.96	9.00	1.04	13.1%	
Close	-	10.74	8.60	9.19	10.48	9.15	11.68	14.89	20.80	10.32	98.5%	-	-	-	10.48	20.80	10.32	98.5%	
Shares outstanding (thousands)																			
Basic	29,983	45,165	45,305	45,416	45,413	45,413	44,190	44,432	45,746	333	0.7%	n.m.	27,956	29,983	45,413	45,746	333	0.7%	
Diluted and issued ⁽⁵⁾	38,089	46,129	46,129	46,129	46,129	46,116	46,407	46,485	47,827	1,698	3.7%	n.m.	28,589	38,089	46,129	47,827	1,698	3.7%	
Average basic	29,043	30,292	45,305	45,388	45,353	45,426	44,479	44,385	45,716	363	0.8%	25,389	27,805	28,298	41,635	44,606	2,971	7.1%	
Average diluted ⁽⁶⁾	37,524	38,467	46,095	46,101	46,069	46,129	46,403	46,438	47,846	1,777	3.9%	25,389	27,805	37,096	44,188	46,699	2,511	5.7%	
Market capitalization (thousands)	n.m.	495,425	396,712	423,928	483,435	421,964	542,034	692,156	994,809	511,374	105.8%	n.m.	n.m.	n.m.	483,435	994,809	511,374	105.8%	
Financial measures																			
Dividends per share	-	0.05	0.05	0.05	0.11	0.06	0.06	0.08	0.08	(0.03)	(27.3)%	-	-	-	0.26	0.28	0.02	7.7%	
Special distributions per share ⁽⁷⁾	-	-	-	0.15	-	-	-	-	-	n.m.	n.m.	-	-	-	0.15	-	(0.15)	(100.0)%	
Dividend yield (closing share price) ⁽⁷⁾	-	1.9%	2.3%	2.2%	4.2%	2.6%	2.1%	2.1%	1.5%	(2.7)%	-	-	-	-	2.5%	1.3%	(1.2)%		
Dividend payout ratio ⁽⁷⁾	-	27.4%	37.7%	13.8%	29.3%	25.0%	17.7%	15.3%	12.7%	(16.6)%	-	-	-	-	24.7%	16.1%	(8.6)%		
Total shareholder return ⁽⁸⁾	-	4.8%	(19.4)%	7.5%	16.3%	(11.7)%	28.3%	28.0%	40.3%	24.0%	-	-	-	-	5.5%	103.4%	97.9%		
Annualized ROE / ROCE ⁽⁹⁾	79.1%	19.3%	12.2%	32.1%	32.2%	19.8%	27.8%	41.0%	45.7%	13.5%	-	(28.3)%	(7.5)%	43.5%	23.9%	33.6%	9.7%		
Price to earnings multiple ⁽¹⁰⁾	-	7.8	6.8	7.1	9.5	8.2	8.8	10.1	12.0	2.5	26.0%	-	-	-	9.5	12.0	2.5	26.0%	
Price to book ratio ⁽¹¹⁾	-	2.5	2.0	2.0	2.2	1.9	2.4	2.8	3.5	1.3	59.1%	-	-	-	2.2	3.5	1.3	59.1%	

n.m.: not meaningful

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

(2) As discussed in Note 1 of the fiscal 2005 Annual Report, the Company adopted the requirements of CICA Handbook Section 1100 in which convertible debentures and subordinated debt are classified as liabilities. These consolidated financial statements have been adjusted to reflect the reclassification of these items as liabilities from the capital section of the balance sheet.

(3) AUM are assets discretionarily managed as a part of our Independence Accounts which are administered by Canaccord. Q2/06 AUM has been reclassified to exclude assets managed by external managers in the Alliance Program.

(4) Book value per diluted share is calculated as total shareholders' equity less redeemable preferred shares divided by the number of diluted shares outstanding.

(5) Excludes 49,163 common shares earned during Q4/06 associated with the retention of key employees after the acquisition of Adams Harkness Financial Group, Inc. These shares have not yet been issued and remain in treasury.

(6) Includes the weighted average balance of 11,853 common shares associated with footnote (5) above for fiscal 2006.

(7) Special distributions per share are not included in the dividend yield and dividend payout calculations.

(8) 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.

(9) Q2/05 annualized ROE has been recalculated using simple average to reflect average shareholders' equity.

(10) The price to earnings multiple is calculated based on the end of period share price and 12-months trailing diluted EPS.

(11) 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) ⁽¹⁾
Revenue ⁽²⁾

	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q4/06 vs. Q4/05		FY02	FY03	FY04	FY05	FY06	FY06 vs. FY05		
										Increase (decrease)							Increase (decrease)		
Revenue ⁽²⁾																			
Commission	50,857	38,126	33,089	43,165	54,598	40,811	53,103	56,701	88,846	34,248	62.7%	91,505	95,287	162,242	168,978	239,461	70,483	41.7%	
Investment banking	77,711	35,149	43,505	66,238	69,558	49,505	44,299	84,425	87,977	18,419	26.5%	47,510	65,774	188,001	214,450	266,206	51,756	24.1%	
Principal trading	14,589	(615)	1,457	4,947	7,795	(1,741)	9,276	6,176	13,677	5,882	75.5%	13,369	15,030	27,513	13,584	27,388	13,804	101.6%	
Interest	4,860	5,769	5,685	7,311	7,723	8,243	8,361	8,886	11,424	3,701	47.9%	13,012	16,408	15,853	26,488	36,914	10,426	39.4%	
Other	2,670	2,136	1,865	2,022	3,255	2,199	3,615	2,482	5,150	1,895	58.2%	5,037	6,707	8,548	9,278	13,446	4,168	44.9%	
	150,687	80,565	85,601	123,683	142,929	99,017	118,654	158,670	207,074	64,145	44.9%	170,433	199,206	402,157	432,778	583,415	150,637	34.8%	
Expenses																			
Incentive compensation ^{(3) (4)}	85,532	35,093	42,721	65,449	77,191	48,650	59,580	82,662	108,296	31,105	40.3%	78,428	92,594	218,802	220,454	299,188	78,734	35.7%	
Salaries and benefits	10,773	11,214	10,414	10,957	13,130	9,226	9,409	9,668	13,716	586	4.5%	32,147	35,661	37,193	45,715	42,019	(3,696)	(8.1)%	
Trading costs	5,292	4,453	3,540	4,377	4,493	4,312	4,247	4,441	7,615	3,122	69.5%	9,621	15,343	17,310	16,863	20,615	3,752	22.2%	
Premises and equipment	3,709	3,029	2,920	2,875	3,025	3,626	3,067	4,082	5,068	2,043	67.5%	12,616	12,089	13,017	11,849	15,843	3,994	33.7%	
Communication and technology	2,946	3,221	3,573	3,524	3,719	3,690	3,798	4,023	5,087	1,368	36.8%	11,650	12,984	12,290	14,037	16,598	2,561	18.2%	
Interest	1,168	2,273	1,436	1,990	2,125	2,491	2,405	2,441	3,577	1,452	68.3%	4,116	3,239	3,994	7,824	10,914	3,090	39.5%	
General and administrative ⁽⁴⁾	6,910	6,044	8,013	7,248	10,866	10,016	9,063	12,422	14,726	3,860	35.5%	18,175	20,555	24,874	32,171	46,227	14,056	43.7%	
Amortization	751	692	739	802	952	1,118	800	930	1,969	1,017	106.8%	3,982	3,898	3,565	3,185	4,817	1,632	51.2%	
Development costs	2,386	2,075	1,976	1,872	2,001	2,091	2,038	2,103	3,565	1,564	78.2%	4,443	4,137	8,240	7,924	9,797	1,873	23.6%	
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	22,753	8,505	315	-	-	-	-	
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	1,597	-	-	-	-	-	-	
Gain on disposal of invts & claims	-	-	-	-	-	(1,633)	-	-	-	-	-	-	(4,261)	-	-	(1,633)	(1,633)	n.m.	
	119,477	68,094	75,332	99,094	117,502	83,587	94,407	122,772	163,619	46,117	39.2%	199,528	204,744	339,600	360,022	464,385	104,363	29.0%	
Income (loss) before income taxes	31,210	12,471	10,269	24,589	25,427	15,430	24,247	35,898	43,455	18,028	70.9%	(29,095)	(5,538)	62,557	72,756	119,030	46,274	63.6%	
Income taxes	10,218	4,065	4,146	7,846	8,120	4,352	8,493	11,650	13,385	5,265	64.8%	(11,015)	(485)	22,128	24,177	37,880	13,703	56.7%	
Net income (loss)	20,992	8,406	6,123	16,743	17,307	11,078	15,754	24,248	30,070	12,763	73.7%	(18,080)	(5,053)	40,429	48,579	81,150	32,571	67.0%	

Incentive compensation as % of revenue	56.8%	43.6%	49.9%	52.9%	54.0%	49.1%	50.2%	52.1%	52.3%	(1.7)%		46.0%	46.5%	54.4%	50.9%	51.3%	0.4%	
Total compensation exp. as % of revenue ⁽⁵⁾	63.9%	57.5%	62.1%	61.8%	63.2%	58.5%	58.1%	58.2%	58.9%	(4.3)%		64.9%	64.4%	63.6%	61.5%	58.5%	(3.0)%	
Non-compensation exp. as % of revenue	15.4%	27.0%	25.9%	18.3%	19.0%	18.3%	21.5%	19.2%	20.1%	1.1%		52.2%	38.4%	20.8%	21.7%	21.1%	(0.6)%	
Total expenses as % of revenue	79.3%	84.5%	88.0%	80.1%	82.2%	84.4%	79.6%	77.4%	79.0%	(3.2)%		117.1%	102.8%	84.4%	83.2%	79.6%	(3.6)%	
Pre-tax profit margin	20.7%	15.5%	12.0%	19.9%	17.8%	15.6%	20.4%	22.6%	21.0%	3.2%		(17.1)%	(2.8)%	15.6%	16.8%	20.4%	3.6%	
Effective tax rate	32.7%	32.6%	40.4%	31.9%	31.9%	28.2%	35.0%	32.5%	30.8%	(1.1)%		37.9%	8.8%	35.4%	33.2%	31.8%	(1.4)%	
Net profit margin	13.9%	10.4%	7.2%	13.5%	12.1%	11.2%	13.3%	15.3%	14.5%	2.4%		(10.6)%	(2.5)%	10.1%	11.2%	13.9%	2.7%	
Basic earnings (loss) per share	0.74	0.28	0.14	0.37	0.38	0.24	0.35	0.55	0.66	0.28	73.7%	(0.71)	(0.18)	1.43	1.17	1.82	0.65	55.6%
Diluted earnings (loss) per share	0.58	0.23	0.13	0.36	0.38	0.24	0.34	0.52	0.63	0.25	65.8%	(0.71)	(0.18)	1.12	1.11	1.74	0.63	56.8%
Book value per diluted share	2.59	4.29	4.32	4.65	4.82	4.91	4.82	5.29	6.02	1.20	24.9%	n.m.	1.84	2.59	4.82	6.02	1.20	24.9%

Supplementary segment revenue information
(in thousands of dollars)
Revenue ⁽²⁾

	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q4/06 vs. Q4/05		FY02	FY03	FY04	FY05	FY06	FY06 vs. FY05	
										Increase (decrease)							Increase (decrease)	
Private Client Services (PCS)	60,667	38,322	36,499	46,964	56,391	39,630	52,411	54,731	78,422	22,031	39.1%	90,534	97,784	175,983	178,176	225,194	47,018	26.4%
Canaccord Adams	85,425	39,171	46,671	72,368	81,444	54,457	60,048	98,918	120,243	38,799	47.6%	72,264	91,629	211,758	239,654	333,666	94,012	39.2%
Other	4,595	3,072	2,431	4,351	5,094	4,930	6,195	5,021	8,409	3,315	65.1%	7,635	9,793	14,416	14,948	24,555	9,607	64.3%
	150,687	80,565	85,601	123,683	142,929	99,017	118,654	158,670	207,074	64,145	44.9%	170,433	199,206	402,157	432,778	583,415	150,637	34.8%

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

(2) As of Q4/06, to enhance our disclosure, and to facilitate comparisons with other companies in the industry, consolidated revenue has been changed from 'revenue by business segment' to 'revenue by activity'.

(3) 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).

(4) Q1/05 figures has been reclassified to reflect the reclassification of promotion and travel expenses in Canaccord Adams from incentive compensation to general and administrative.

(5) 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)⁽¹⁾

	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q4/06 vs. Q4/05		FY02	FY03	FY04	FY05	FY06	FY06 vs. FY05		
										Increase (decrease)							Increase (decrease)		
Revenue																			
Canada	60,667	38,322	36,499	46,964	56,391	39,630	52,411	54,731	77,153	20,762	36.8%	90,534	97,784	175,983	178,176	223,925	45,749	25.7%	
US ⁽²⁾	-	-	-	-	-	-	-	-	1,269	1,269	n.m.	-	-	-	-	1,269	1,269	n.m.	
Total	60,667	38,322	36,499	46,964	56,391	39,630	52,411	54,731	78,422	22,031	39.1%	90,534	97,784	175,983	178,176	225,194	47,018	26.4%	
Expenses																			
Incentive compensation	28,498	17,724	17,344	22,668	26,660	17,581	25,033	25,297	37,372	10,712	40.2%	40,915	45,179	82,758	84,396	105,283	20,887	24.7%	
Salaries and benefits	3,237	2,851	2,454	2,494	3,359	3,036	2,827	2,785	4,405	1,046	31.1%	7,703	9,105	10,157	11,158	13,053	1,895	17.0%	
Trading costs ⁽³⁾	509	2,341	1,850	2,310	2,301	2,217	2,014	2,150	2,632	331	14.4%	1,050	1,646	1,308	8,802	9,013	211	2.4%	
Premises and equipment	1,229	1,117	1,133	1,132	1,271	1,350	1,298	1,318	1,498	227	17.9%	4,739	4,555	4,742	4,653	5,464	811	17.4%	
Communication and technology	1,368	1,455	1,459	1,442	1,463	1,459	1,480	1,516	1,611	148	10.1%	6,575	6,636	5,491	5,819	6,066	247	4.2%	
Interest	-	778	668	1,028	1,237	1,282	1,267	1,782	2,863	1,626	131.4%	-	-	-	3,711	7,194	3,483	93.9%	
General and administrative	2,462	1,093	948	709	2,330	2,833	1,985	3,618	3,726	1,396	59.9%	7,057	5,719	9,311	5,080	12,162	7,082	139.4%	
Amortization	189	242	253	274	318	380	273	324	462	144	45.3%	1,321	1,399	1,295	1,087	1,439	352	32.4%	
Development costs	660	683	576	731	808	882	905	1,099	1,416	608	75.2%	1,295	2,015	3,261	2,798	4,302	1,504	53.8%	
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	10,897	6,896	315	-	-	-	-	
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	38,152	28,284	26,685	32,788	39,747	31,020	37,082	39,889	55,985	16,238	40.9%	81,552	83,150	118,638	127,504	163,976	36,472	28.6%	
Income before income taxes⁽⁴⁾	22,515	10,038	9,814	14,176	16,644	8,610	15,329	14,842	22,437	5,793	34.8%	8,982	14,634	57,345	50,672	61,218	10,546	20.8%	
PCS fee-related revenue ⁽⁵⁾	14.1%	20.3%	18.5%	15.4%	17.5%	24.2%	19.4%	20.8%	18.3%	0.8%		18.8%	28.9%	20.3%	17.7%	20.2%	2.5%		
Incentive compensation as % of revenue	47.0%	46.3%	47.5%	48.3%	47.3%	44.4%	47.8%	46.2%	47.7%	0.4%		45.2%	46.2%	47.0%	47.4%	46.8%	(0.6)%		
Total compensation exp. as % of revenue ⁽⁶⁾	52.3%	53.7%	54.2%	53.6%	53.2%	52.0%	53.2%	51.3%	53.3%	0.1%		53.7%	55.5%	52.8%	53.6%	52.5%	(1.1)%		
Non-compensation exp. as % of revenue	10.6%	20.1%	18.9%	16.2%	17.3%	26.3%	17.6%	21.6%	18.1%	0.8%		36.4%	29.5%	14.6%	18.0%	20.3%	2.3%		
Total expenses as % of revenue	62.9%	73.8%	73.1%	69.8%	70.5%	78.3%	70.8%	72.9%	71.4%	0.9%		90.1%	85.0%	67.4%	71.6%	72.8%	1.2%		
Pre-tax profit margin	37.1%	26.2%	26.9%	30.2%	29.5%	21.7%	29.2%	27.1%	28.6%	(0.9)%		9.9%	15.0%	32.6%	28.4%	27.2%	(1.2)%		
Assets under mgmt. (\$ millions) ⁽⁷⁾	237	274	301	344	380	410	475	528	613	233	61.3%	51	104	237	380	613	233	61.3%	
Assets under admin. (\$ millions)	8,292	8,244	8,678	8,998	9,967	9,954	11,495	12,183	14,310	4,343	43.6%	4,978	5,037	8,292	9,967	14,310	4,343	43.6%	
Number of employees	623	642	638	647	657	667	663	687	689	32	4.9%	623	628	623	657	689	32	4.9%	
Number of Investment Advisors ⁽⁸⁾	391	404	403	412	412	418	425	433	430	18	4.4%	398	399	391	412	430	18	4.4%	
Number of PCS clients	138,142	140,553	138,684	140,915	144,451	145,336	147,930	152,105	155,404	10,953	7.6%	149,360	131,584	138,142	144,451	155,404	10,953	7.6%	

(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 clients.

(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 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 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 as a part of the Independence Accounts administered by Canaccord. Q2/06 AUM have been reclassified to exclude assets managed by external managers in the Alliance Program.

(8) 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 have been reclassified.

Canaccord Adams
Condensed statement of operations

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

	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q4/06 vs. Q4/05		FY02	FY03	FY04	FY05	FY06	FY06 vs. FY05		
										Increase (decrease)							Increase (decrease)		
Revenue																			
Canada																			
Capital Markets	36,524	17,307	16,087	22,371	39,794	25,828	35,054	44,650	44,938	5,144	12.9%	23,464	35,601	88,821	95,559	150,470	54,911	57.5%	
International Trading	4,829	3,308	3,023	4,406	4,715	3,426	4,691	4,994	7,829	3,114	66.0%	6,270	7,491	16,800	15,452	20,940	5,488	35.5%	
Registered Traders	3,456	(82)	187	2,306	1,864	532	2,000	2,517	4,075	2,211	118.6%	7,795	10,564	11,493	4,275	9,124	4,849	113.4%	
Fixed Income	4,162	2,289	2,050	1,703	2,236	1,838	1,891	1,876	2,935	699	31.3%	9,465	9,509	10,155	8,278	8,540	262	3.2%	
Total Canada	48,971	22,822	21,347	30,786	48,609	31,624	43,636	54,037	59,777	11,168	23.0%	46,994	63,165	127,269	123,564	189,074	65,510	53.0%	
UK	36,454	16,349	25,324	41,582	32,835	22,833	16,412	44,881	41,774	8,939	27.2%	25,270	28,464	84,489	116,090	125,900	9,810	8.5%	
US ⁽²⁾	-	-	-	-	-	-	-	-	18,692	18,692	n.m.	-	-	-	-	18,692	18,692	n.m.	
	85,425	39,171	46,671	72,368	81,444	54,457	60,048	98,918	120,243	38,799	47.6%	72,264	91,629	211,758	239,654	333,666	94,012	39.2%	
Expenses																			
Incentive compensation ^{(3) (5)}	52,427	15,083	23,405	39,964	46,578	28,781	30,704	52,319	63,800	17,222	37.0%	35,649	45,982	120,298	125,030	175,604	50,574	40.4%	
Salaries and benefits	3,500	3,821	3,808	4,123	4,825	1,287	1,790	1,755	3,603	(1,222)	(25.3)%	11,939	13,486	12,517	16,577	8,435	(8,142)	(49.1)%	
Trading costs ⁽⁴⁾	1,069	1,751	1,496	1,781	1,923	1,663	1,879	2,056	4,497	2,574	133.9%	2,425	3,782	3,440	6,951	10,095	3,144	45.2%	
Premises and equipment	1,104	1,025	1,062	970	923	1,340	919	1,281	2,346	1,423	154.2%	4,144	4,634	4,236	3,980	5,886	1,906	47.9%	
Communication and technology	969	1,251	1,386	1,240	1,375	1,507	1,462	1,551	2,207	832	60.5%	4,105	4,921	4,205	5,252	6,727	1,475	28.1%	
Interest	7	49	48	202	312	388	196	558	647	335	107.4%	296	332	35	611	1,789	1,178	192.8%	
General and administrative ⁽⁵⁾	2,630	2,799	3,693	2,375	4,581	3,898	4,054	5,545	6,501	1,920	41.9%	4,810	9,057	7,632	13,448	19,998	6,550	48.7%	
Amortization	317	265	291	317	331	445	300	365	800	469	141.7%	1,644	1,488	1,291	1,204	1,910	706	58.6%	
Development costs	432	81	281	86	234	155	88	(45)	1,041	807	344.9%	375	(670)	836	682	1,239	557	81.7%	
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	10,656	1,609	-	-	-	-	-	
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	161	-	-	-	-	-	-	
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	62,455	26,125	35,470	51,058	61,082	39,464	41,392	65,385	85,442	24,360	39.9%	76,204	84,621	154,490	173,735	231,683	57,948	33.4%	
Income (loss) before income taxes ⁽⁶⁾	22,970	13,046	11,201	21,310	20,362	14,993	18,656	33,533	34,801	14,439	70.9%	(3,940)	7,008	57,268	65,919	101,983	36,064	54.7%	
Incentive compensation as % of revenue	61.4%	38.5%	50.1%	55.2%	57.2%	52.9%	51.1%	52.9%	53.1%	(4.1)%		49.3%	50.2%	56.8%	52.2%	52.6%	0.4%		
Total compensation exp. as % of revenue ⁽⁷⁾	65.5%	48.3%	58.3%	60.9%	63.1%	55.2%	54.1%	54.7%	56.1%	(7.0)%		65.9%	64.9%	62.7%	59.1%	55.2%	(3.9)%		
Non-compensation exp. as % of revenue	7.6%	18.4%	17.7%	9.7%	11.9%	17.3%	14.8%	11.4%	15.0%	3.1%		39.6%	27.5%	10.3%	13.4%	14.2%	0.8%		
Total expenses as % of revenue	73.1%	66.7%	76.0%	70.6%	75.0%	72.5%	68.9%	66.1%	71.1%	(3.9)%		105.5%	92.4%	73.0%	72.5%	69.4%	(3.1)%		
Pre-tax profit margin	26.9%	33.3%	24.0%	29.4%	25.0%	27.5%	31.1%	33.9%	28.9%	3.9%		(5.5)%	7.6%	27.0%	27.5%	30.6%	3.1%		
Number of employees	237	252	251	261	279	293	283	296	464	185	66.3%	235	247	237	279	464	185	66.3%	

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

(2) Effective Q4/06, revenues of Canaccord Capital Corporation (USA), Inc. and Canaccord Adams Inc. are disclosed together under the US geographic segment. Therefore, US geographic segment results are not to be interpreted as generated exclusively from Canaccord Adams Inc. or as a result of the acquisition of Adams Harkness Financial Group, Inc. Previously, Canaccord Capital (USA) Inc's portion of capital markets revenue was included in Capital Markets Canada.

(3) 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).

(4) Prior to fiscal 2005, trading costs for Private Client Services and Canaccord Adams were recorded in 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) Q1/05 figures have been reclassified to reflect the reclassification of promotion and travel expenses in Canaccord Adams from incentive compensation to general and administrative.

(6) Income (loss) before income taxes excludes allocated overhead expenses which are included in 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. The change in compensation payout in fiscal 2006 reflects the implementation of a new flat payout structure for Canaccord Adams.

Other segment
Condensed statement of operations

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

	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q4/06 vs. Q4/05		FY02	FY03	FY04	FY05	FY06	FY06 vs. FY05		
										Increase (decrease)							Increase (decrease)		
Revenue																			
Canada	4,595	3,072	2,431	4,351	5,094	4,930	6,195	5,021	8,264	3,170	62.2%	7,635	9,793	14,416	14,948	24,410	9,462	63.3%	
US ⁽²⁾	-	-	-	-	-	-	-	-	145	145	n.m.	-	-	-	-	145	145	n.m.	
Total	4,595	3,072	2,431	4,351	5,094	4,930	6,195	5,021	8,409	3,315	65.1%	7,635	9,793	14,416	14,948	24,555	9,607	64.3%	
Expenses																			
Incentive compensation	4,607	2,286	1,972	2,817	3,953	2,288	3,843	5,046	7,124	3,171	80.2%	1,864	1,433	15,746	11,028	18,301	7,273	66.0%	
Salaries and benefits	4,036	4,542	4,152	4,340	4,946	4,903	4,792	5,128	5,708	762	15.4%	12,505	13,070	14,519	17,980	20,531	2,551	14.2%	
Trading costs ⁽³⁾	3,714	361	194	286	269	432	354	235	486	217	80.7%	6,146	9,915	12,562	1,110	1,507	397	35.8%	
Premises and equipment	1,376	887	725	773	831	936	850	1,483	1,224	393	47.3%	3,733	2,900	4,039	3,216	4,493	1,277	39.7%	
Communication and technology	609	515	728	842	881	724	856	956	1,269	388	44.0%	970	1,427	2,594	2,966	3,805	839	28.3%	
Interest	1,161	1,445	721	760	576	821	942	101	67	(509)	(88.4)%	3,820	2,907	3,959	3,502	1,931	(1,571)	(44.9)%	
General and administrative	1,818	2,152	3,372	4,164	3,955	3,285	3,024	3,259	4,499	544	13.8%	6,308	5,779	7,931	13,643	14,067	424	3.1%	
Amortization	245	185	195	211	303	293	227	241	707	404	133.3%	1,017	1,011	979	894	1,468	574	64.2%	
Development costs	1,304	1,312	1,118	1,055	959	1,054	1,045	1,049	1,108	149	15.5%	2,773	2,792	4,143	4,444	4,256	(188)	(4.2)%	
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	1,200	-	-	-	-	-	-	
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	1,436	-	-	-	-	-	-	
Gain on disposal of invts & claims	-	-	-	-	-	(1,633)	-	-	-	-	-	-	(4,261)	-	-	(1,633)	(1,633)	n.m.	
	18,870	13,685	13,177	15,248	16,673	13,103	15,933	17,498	22,192	5,519	33.1%	41,772	36,973	66,472	58,783	68,726	9,943	16.9%	
Income (loss) before income taxes ⁽⁴⁾	(14,275)	(10,613)	(10,746)	(10,897)	(11,579)	(8,173)	(9,738)	(12,477)	(13,783)	2,204	19.0%	(34,137)	(27,180)	(52,056)	(43,835)	(44,171)	336	0.8%	
Number of employees	296	308	314	316	324	328	336	337	335	11	3.4%	259	277	296	324	335	11	3.4%	

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

(2) As of Q4/06, 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.

(3) Prior to fiscal 2005, trading costs for Private Client Services and Canaccord Adams were recorded in 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) 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 ⁽¹⁾

(Unaudited, for the period ended)
(in thousands of dollars) ⁽²⁾

	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q4/06 vs. Q4/05		FY02	FY03	FY04	FY05	FY06	FY06 vs. FY05		
										Increase (decrease)							Increase (decrease)		
Revenue																			
Private Client Services	60,667	38,322	36,499	46,964	56,391	39,630	52,411	54,731	78,422	22,031	39.1%	90,534	97,784	175,983	178,176	225,194	47,018	26.4%	
Canaccord Adams	48,971	22,822	21,347	30,786	48,609	31,624	43,636	54,037	58,363	9,754	20.1%	46,994	63,165	127,269	123,564	187,660	64,096	51.9%	
Other	4,595	3,072	2,431	4,351	5,094	4,930	6,195	5,021	8,409	3,315	65.1%	7,635	9,793	14,416	14,948	24,555	9,607	64.3%	
	114,233	64,216	60,277	82,101	110,094	76,184	102,242	113,789	145,194	35,100	31.9%	145,163	170,742	317,668	316,688	437,409	120,721	38.1%	
Expenses																			
Incentive compensation ⁽³⁾	60,586	28,574	28,050	39,688	58,115	36,379	51,046	57,592	76,148	18,033	31.0%	64,869	77,997	164,826	154,427	221,165	66,738	43.2%	
Salaries and benefits	9,086	9,357	8,360	8,690	10,513	8,668	8,561	8,862	11,105	592	5.6%	26,310	28,762	31,335	36,920	37,196	276	0.7%	
Trading costs	4,935	4,162	3,264	4,065	4,209	4,023	3,986	4,113	5,277	1,068	25.4%	8,739	14,233	16,193	15,700	17,399	1,699	10.8%	
Premises and equipment	3,036	2,456	2,362	2,339	2,549	2,941	2,695	3,467	3,598	1,049	41.2%	10,085	9,115	10,444	9,706	12,701	2,995	30.9%	
Communication and technology	2,712	2,967	3,305	3,275	3,454	3,343	3,547	3,647	4,125	671	19.4%	10,840	11,950	11,453	13,001	14,662	1,661	12.8%	
Interest	1,162	2,273	1,435	1,989	2,126	2,491	2,402	2,440	3,487	1,361	64.0%	3,821	2,907	3,959	7,823	10,820	2,997	38.3%	
General and administrative ⁽³⁾	5,540	5,125	6,552	6,010	8,605	8,437	7,847	10,792	10,326	1,721	20.0%	15,768	17,969	21,411	26,292	37,402	11,110	42.3%	
Amortization	593	566	588	628	783	941	646	769	1,567	784	100.1%	2,864	2,936	2,849	2,565	3,923	1,358	52.9%	
Development costs	2,396	2,075	1,976	1,872	2,001	2,091	2,038	2,103	3,011	1,010	50.5%	4,443	4,137	8,240	7,924	9,243	1,319	16.6%	
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	22,403	8,259	315	-	-	-	-	
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	1,436	-	-	-	-	-	-	
Gain on disposal of invts & claims	-	-	-	-	-	(1,633)	-	-	-	-	-	-	(4,261)	-	-	(1,633)	(1,633)	n.m.	
	90,046	57,555	55,892	68,556	92,355	67,681	82,768	93,785	118,644	26,289	28.5%	171,578	174,004	271,025	274,358	362,878	88,520	32.3%	
Income (loss) before income taxes and allocated costs	24,187	6,661	4,385	13,545	17,739	8,503	19,474	20,004	26,550	8,811	49.7%	(26,415)	(3,262)	46,643	42,330	74,531	32,201	76.1%	
Income taxes and allocated costs	9,233	1,978	1,706	3,890	6,546	2,543	6,806	6,596	9,144	2,598	39.7%	(10,022)	(240)	17,270	14,119	25,089	10,970		
Net income (loss)	14,954	4,683	2,679	9,655	11,193	5,960	12,668	13,408	17,406	6,213	55.5%	(16,393)	(3,022)	29,373	28,211	49,442	21,231	75.3%	
Incentive compensation as % of revenue	53.0%	44.5%	46.5%	48.3%	52.8%	47.8%	49.9%	50.6%	52.4%	(0.4)%		44.7%	45.7%	51.9%	48.8%	50.6%	1.8%		
Total compensation exp. as % of revenue ⁽⁴⁾	61.0%	59.1%	60.4%	58.9%	62.3%	59.1%	58.3%	58.4%	60.1%	(2.2)%		62.8%	62.5%	61.8%	60.4%	59.1%	(1.3)%		
Non-compensation exp. as % of revenue	17.8%	30.5%	32.3%	24.6%	21.6%	29.7%	22.7%	24.0%	21.6%	-		55.4%	39.4%	23.5%	26.2%	23.9%	(2.3)%		
Total expenses as % of revenue	78.8%	89.6%	92.7%	83.5%	83.9%	88.8%	81.0%	82.4%	81.7%	(2.2)%		118.2%	101.9%	85.3%	86.6%	83.0%	(3.6)%		
Pre-tax profit margin	21.2%	10.4%	7.3%	16.5%	16.1%	11.2%	19.0%	17.6%	18.3%	2.2%		(18.2)%	(1.9)%	14.7%	13.4%	17.0%	3.6%		
Net profit margin	13.1%	7.3%	4.4%	11.8%	10.2%	7.8%	12.4%	11.8%	12.0%	1.8%		-11.3%	-1.8%	9.2%	8.9%	11.3%	2.4%		
Number of employees	1,104	1,148	1,137	1,157	1,190	1,215	1,212	1,244	1,257	67	5.6%	1,069	1,102	1,104	1,190	1,257	67	5.6%	

(1) Canada geographic segment includes operations for Private Client Services, Canaccord Adams (a division of Canaccord Capital Corporation) and Other business segments.

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

(3) Q1/05 figures have been reclassified to reflect the reclassification of promotion and travel expenses in Canaccord Adams from incentive compensation to general and administrative.

(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

Condensed statement of operations ⁽¹⁾

(Unaudited, for the period ended)
(in thousands of dollars) ⁽²⁾

	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q4/06 vs. Q4/05		FY02	FY03	FY04	FY05	FY06	FY06 vs. FY05		
										Increase (decrease)							Increase (decrease)		
Revenue																			
Private Client Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Canaccord Adams	36,454	16,349	25,324	41,582	32,835	22,833	16,412	44,881	41,774	8,939	27.2%	25,270	28,464	84,489	116,090	125,900	9,810	8.5%	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	36,454	16,349	25,324	41,582	32,835	22,833	16,412	44,881	41,774	8,939	27.2%	25,270	28,464	84,489	116,090	125,900	9,810	8.5%	
Expenses																			
Incentive compensation	23,773	6,136	13,850	24,323	18,007	11,647	8,111	23,764	21,781	3,774	21.0%	12,929	13,877	51,311	62,316	65,303	2,987	4.8%	
National Health Insurance tax ⁽³⁾	1,173	383	821	1,438	1,069	624	423	1,306	1,233	164	15.3%	630	720	2,665	3,711	3,586	(125)	(3.4)%	
Total incentive compensation	24,946	6,519	14,671	25,761	19,076	12,271	8,534	25,070	23,014	3,938	20.6%	13,559	14,597	53,976	66,027	68,889	2,862	4.3%	
Salaries and benefits	1,687	1,857	2,054	2,267	2,617	558	848	806	998	(1,619)	(61.9)%	5,837	6,899	5,858	8,795	3,210	(5,585)	(63.5)%	
Trading costs	357	291	276	312	284	289	261	328	312	28	9.9%	882	1,110	1,117	1,163	1,190	27	2.3%	
Premises and equipment	673	573	558	536	476	685	372	615	467	(9)	(1.9)%	2,531	2,974	2,573	2,143	2,139	(4)	(0.2)%	
Communication and technology	234	254	268	249	265	347	251	376	466	201	75.8%	810	1,034	837	1,036	1,440	404	39.0%	
Interest	6	-	1	1	(1)	-	3	1	1	2	(200.0)%	295	332	35	1	5	4	400.0%	
General and administrative	1,370	919	1,461	1,238	2,261	1,579	1,216	1,630	1,949	(312)	(13.8)%	2,407	2,586	3,463	5,879	6,374	495	8.4%	
Amortization	158	126	151	174	169	177	154	161	224	55	32.5%	1,118	962	716	620	716	96	15.5%	
Development costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	350	246	-	-	-	-	-	
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	161	-	-	-	-	-	-	
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	29,431	10,539	19,440	30,538	25,147	15,906	11,639	28,987	27,431	2,284	9.1%	27,950	30,740	68,575	85,664	83,963	(1,701)	(2.0)%	
Income (loss) before income taxes and allocated costs	7,023	5,810	5,884	11,044	7,688	6,927	4,773	15,894	14,343	6,655	86.6%	(2,680)	(2,276)	15,914	30,426	41,937	11,511	37.8%	
Income taxes and allocated costs	985	2,087	2,440	3,956	1,574	1,809	1,687	5,054	3,395	1,821	115.7%	(993)	(245)	4,858	10,058	11,945	1,887	18.8%	
Net income (loss)	6,038	3,723	3,444	7,088	6,114	5,118	3,086	10,840	10,948	4,834	79.1%	(1,687)	(2,031)	11,056	20,368	29,992	9,624	47.3%	
Incentive compensation as % of revenue	68.4%	39.9%	57.9%	62.0%	58.1%	53.7%	52.0%	55.9%	55.1%	(3.0)%		53.7%	51.3%	63.9%	56.9%	54.7%	(2.2)%		
Total compensation exp. as % of revenue ⁽⁴⁾	73.1%	51.2%	66.0%	67.4%	66.1%	56.2%	57.2%	57.7%	57.5%	(8.6)%		76.8%	75.5%	70.8%	64.5%	57.3%	(7.2)%		
Non-compensation exp. as % of revenue	7.6%	13.3%	10.8%	6.0%	10.5%	13.5%	13.7%	6.9%	8.2%	(2.3)%		33.8%	32.5%	10.4%	9.3%	9.4%	0.1%		
Total expenses as % of revenue	80.7%	64.5%	76.8%	73.4%	76.6%	69.7%	70.9%	64.6%	65.7%	(10.9)%		110.6%	108.0%	81.2%	73.8%	66.7%	(7.1)%		
Pre-tax profit margin	19.3%	35.5%	23.2%	26.6%	23.4%	30.3%	29.1%	35.4%	34.3%	10.9%		(10.6)%	(8.0)%	18.8%	26.2%	33.3%	7.1%		
Net profit margin	16.6%	22.8%	13.6%	17.0%	18.6%	22.4%	18.8%	24.2%	26.2%	7.6%		(6.7)%	(7.1)%	13.1%	17.5%	23.8%	6.3%		
Number of employees	52	54	66	67	70	73	70	76	81	11	15.7%	48	50	52	70	81	11	15.7%	

(1) UK geographic segment includes operations for Canaccord Adams Limited.

(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 ⁽¹⁾

(Unaudited, for the period ended)

(in thousands of dollars) ⁽²⁾

	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q4/06 vs. Q4/05		FY02	FY03	FY04	FY05	FY06	FY06 vs. FY05		
										Increase (decrease)							Increase (decrease)		
Revenue																			
Private Client Services	-	-	-	-	-	-	-	-	1,269	1,269	n.m.	-	-	-	-	1,269	1,269	n.m.	n.m.
Canaccord Adams	-	-	-	-	-	-	-	-	18,692	18,692	n.m.	-	-	-	-	18,692	18,692	n.m.	n.m.
Other	-	-	-	-	-	-	-	-	145	145	n.m.	-	-	-	-	145	145	n.m.	n.m.
	-	-	-	-	-	-	-	-	20,106	20,106	n.m.	-	-	-	-	20,106	20,106	n.m.	n.m.
Expenses																			
Incentive compensation	-	-	-	-	-	-	-	-	9,134	9,134	n.m.	-	-	-	-	9,134	9,134	n.m.	n.m.
Salaries and benefits	-	-	-	-	-	-	-	-	1,613	1,613	n.m.	-	-	-	-	1,613	1,613	n.m.	n.m.
Trading costs	-	-	-	-	-	-	-	-	2,026	2,026	n.m.	-	-	-	-	2,026	2,026	n.m.	n.m.
Premises and equipment	-	-	-	-	-	-	-	-	1,003	1,003	n.m.	-	-	-	-	1,003	1,003	n.m.	n.m.
Communication and technology	-	-	-	-	-	-	-	-	496	496	n.m.	-	-	-	-	496	496	n.m.	n.m.
Interest	-	-	-	-	-	-	-	-	89	89	n.m.	-	-	-	-	89	89	n.m.	n.m.
General and administrative	-	-	-	-	-	-	-	-	2,451	2,451	n.m.	-	-	-	-	2,451	2,451	n.m.	n.m.
Amortization	-	-	-	-	-	-	-	-	178	178	n.m.	-	-	-	-	178	178	n.m.	n.m.
Development costs	-	-	-	-	-	-	-	-	554	554	n.m.	-	-	-	-	554	554	n.m.	n.m.
Restructuring and other costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discretionary payouts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of invts & claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	17,544	17,544	n.m.	-	-	-	-	17,544	17,544	n.m.	n.m.
Income (loss) before income taxes and allocated costs	-	-	-	-	-	-	-	-	2,562	2,562	n.m.	-	-	-	-	2,562	2,562	n.m.	n.m.
Income taxes and allocated costs	-	-	-	-	-	-	-	-	846	846	n.m.	-	-	-	-	846	846	n.m.	n.m.
Net income (loss)	-	-	-	-	-	-	-	-	1,716	1,716	n.m.	-	-	-	-	1,716	1,716	n.m.	n.m.
Incentive compensation as % of revenue	-	-	-	-	-	-	-	-	45.4%	n.m.	-	-	-	-	45.4%	n.m.	n.m.	n.m.	n.m.
Total compensation exp. as % of revenue ⁽³⁾⁽⁴⁾	-	-	-	-	-	-	-	-	53.5%	n.m.	-	-	-	-	53.5%	n.m.	n.m.	n.m.	n.m.
Non-compensation exp. as % of revenue	-	-	-	-	-	-	-	-	33.8%	n.m.	-	-	-	-	33.8%	n.m.	n.m.	n.m.	n.m.
Total expenses as % of revenue	-	-	-	-	-	-	-	-	87.3%	n.m.	-	-	-	-	87.3%	n.m.	n.m.	n.m.	n.m.
Pre-tax profit margin	-	-	-	-	-	-	-	-	12.7%	n.m.	-	-	-	-	12.7%	n.m.	n.m.	n.m.	n.m.
Net profit margin	-	-	-	-	-	-	-	-	8.5%	n.m.	-	-	-	-	8.5%	n.m.	n.m.	n.m.	n.m.
Number of employees	-	-	-	-	-	-	-	-	150	150	n.m.	-	-	-	-	150	150	n.m.	n.m.

(1) Starting on January 3, 2006, as a result of the acquisition of Adams Harkness Financial Group, Inc., US geographic segment includes operations for Canaccord Adams Inc. and Canaccord Capital Corporation (USA), Inc., which also includes operations from Private Client Services and Other business segments.

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

(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.

(4) 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)

	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q4/06 vs. Q4/05		FY02	FY03	FY04	FY05	FY06
										Increase (decrease)						
Assets																
Cash and cash equivalents	91,966	34,008	158,560	256,158	349,700	282,485	223,914	241,380	370,507	20,807	5.9%	23,697	100,024	91,966	349,700	370,507
Securities owned, at market	376,447	377,789	305,611	184,895	160,348	122,745	157,334	218,459	203,020	42,672	26.6%	89,608	136,073	376,447	160,348	203,020
Accounts receivable ⁽¹⁾	998,815	1,053,161	1,011,842	719,774	1,068,757	855,730	1,139,248	1,091,147	1,539,998	471,241	44.1%	639,243	560,927	998,815	1,068,757	1,539,998
Income taxes recoverable	-	-	701	-	-	1,222	-	-	-	-	-	8,581	558	-	-	-
Future income taxes	-	1,645	1,609	1,834	3,992	4,109	3,557	2,750	10,769	6,777	169.8%	2,327	3,735	-	3,992	10,769
Equipment and leasehold improvements	12,373	12,182	12,373	13,904	13,750	14,131	15,937	22,483	25,750	12,000	87.3%	14,151	12,027	12,373	13,750	25,750
Notes receivable	28,765	35,355	39,251	41,055	41,618	42,731	10,023	-	-	(41,618)	(100.0)%	5,614	17,393	28,765	41,618	-
Goodwill and other intangibles	-	-	-	-	-	-	-	4,203	27,929	27,929	n.m.	-	-	-	-	27,929
Total Assets	1,508,366	1,514,140	1,529,947	1,217,620	1,638,165	1,323,153	1,550,013	1,580,422	2,177,973	539,808	33.0%	783,221	830,737	1,508,366	1,638,165	2,177,973
Liabilities and shareholders' equity																
Call loans	2,541	40,745	677	6,311	-	819	-	345	4,684	4,684	n.m.	1,924	-	2,541	-	4,684
Securities sold short, at market	281,723	270,228	190,796	90,033	105,527	49,180	59,602	132,481	37,169	(68,358)	(64.8)%	31,645	85,373	281,723	105,527	37,169
Accounts payable and accrued liabilities	1,048,395	957,362	1,099,731	862,582	1,262,072	1,003,765	1,254,396	1,193,863	1,832,956	570,884	45.2%	662,724	644,043	1,048,395	1,262,072	1,832,956
Income taxes payable	16,905	2,742	-	3,259	6,737	-	2,374	7,638	15,334	8,597	127.6%	-	-	16,905	6,737	15,334
Future income taxes	973	-	-	-	-	-	-	-	-	-	-	-	-	973	-	-
Notes payable	28,765	35,355	39,251	41,055	41,618	42,731	10,023	-	-	(41,618)	(100.0)%	8,446	17,393	28,765	41,618	-
Convertible debentures ⁽²⁾	20,377	-	-	-	-	-	-	-	-	-	-	11,225	21,225	20,377	-	-
Subordinated debt ⁽²⁾	10,000	10,000	-	-	-	-	-	-	-	-	-	17,000	10,000	10,000	-	-
Shareholders' equity ⁽²⁾	98,687	197,708	199,492	214,380	222,211	226,658	223,618	246,095	287,830	65,619	29.5%	50,257	52,703	98,687	222,211	287,830
Total liabilities and shareholders' equity	1,508,366	1,514,140	1,529,947	1,217,620	1,638,165	1,323,153	1,550,013	1,580,422	2,177,973	539,808	33.0%	783,221	830,737	1,508,366	1,638,165	2,177,973

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

(2) As discussed in Note 1 of the fiscal 2005 Annual Report, the Company adopted the requirements of CICA Handbook Section 1100 in which convertible debentures and subordinated debt are classified as liabilities. These consolidated financial statements have been adjusted to reflect the reclassification of these items as liabilities from the capital section of the balance sheet.

Miscellaneous operational statistics

(Unaudited, for the period ended)

	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q4/06 vs. Q4/05 Increase (decrease)		FY02	FY03	FY04	FY05	FY06	FY06 vs. FY05 Increase (decrease)		
Number of employees in Canada ⁽¹⁾																			
Number in Private Client Services	623	642	638	647	657	667	663	687	689	32	4.9%	623	628	623	657	689	32	4.9%	
Number in Canaccord Adams	185	198	185	194	209	220	213	220	233	24	11.5%	187	197	185	209	233	24	11.5%	
Number in Other	296	308	314	316	324	328	336	337	335	11	3.4%	259	277	296	324	335	11	3.4%	
Total Canada	1,104	1,148	1,137	1,157	1,190	1,215	1,212	1,244	1,257	67	5.6%	1,069	1,102	1,104	1,190	1,257	67	5.6%	
Number of employees in UK ⁽¹⁾																			
Number in Canaccord Adams	52	54	66	67	70	73	70	76	81	11	15.7%	48	50	52	70	81	11	15.7%	
Number of employees in US																			
Number in Canaccord Adams	-	-	-	-	-	-	-	-	150	150	n.m.	-	-	-	-	150	150	n.m.	
Number of employees firm wide ⁽¹⁾	1,156	1,202	1,203	1,224	1,260	1,288	1,282	1,320	1,488	228	18.1%	1,117	1,152	1,156	1,260	1,488	228	18.1%	
Number of Investment Advisors ⁽²⁾	391	404	403	412	412	418	425	433	430	18	4.4%	398	399	391	412	430	18	4.4%	
Number of licensed professionals	675	689	692	709	710	720	727	759	763	53	7.5%	n.m.	668	675	710	763	53	7.5%	
Number of PCS clients	138,142	140,553	138,684	140,915	144,451	145,336	147,930	152,105	155,404	10,953	7.6%	149,360	131,584	138,142	144,451	155,404	10,953	7.6%	
Assets under mgmt. (\$millions) ⁽³⁾	237	274	301	344	380	410	475	528	613	233	61.3%	51	104	237	380	613	233	61.3%	
Assets under admin. (\$millions)	8,292	8,244	8,678	8,998	9,967	9,954	11,495	12,183	14,310	4,343	43.6%	4,978	5,037	8,292	9,967	14,310	4,343	43.6%	
AUA per Investment Advisor (\$ millions) ⁽²⁾	21	20	22	22	24	24	27	28	33	9	37.5%	13	13	21	24	33	9	37.5%	
Number of companies with Canaccord Adams Limited as Broker																			
London Stock Exchange (LSE)	5	6	7	6	6	5	2	2	1	(5)	(83.3)%	3	5	5	6	1	(5)	(83.3)%	
Alternative Investment Market (AIM)	31	35	37	44	51	50	51	49	53	2	3.9%	6	16	31	51	53	2	3.9%	
Total Broker	36	41	44	50	57	55	53	51	54	(3)	(5.3)%	9	21	36	57	54	(3)	(5.3)%	
Number of companies with Canaccord Adams Limited as Nomad / Financial Adviser ⁽⁴⁾																			
LSE	3	3	4	4	4	4	2	2	1	(3)	(75.0)%	1	3	3	4	1	(3)	(75.0)%	
AIM	24	28	32	40	47	46	46	45	49	2	4.3%	3	10	24	47	49	2	4.3%	
Total Nomad / Financial Adviser	27	31	36	44	51	50	48	47	50	(1)	(2.0)%	4	13	27	51	50	(1)	(2.0)%	

(1) The number of employees from Q1/04 to Q4/05 has been adjusted to exclude employees on unpaid leave of absence, long term disability, or are temporary part-time employees. Therefore, the employee count will not be comparable to prior quarters' supplementary disclosure.

(2) 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 have been reclassified.

(3) AUM are assets managed on a discretionary basis as a part of the Independence Accounts administered by Canaccord. Q2/06 AUM have been reclassified to exclude assets managed by external managers in the Alliance Program.

(4) 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.

Equity offerings of \$1.5 million and greater

Q4/06 vs. Q4/05:

Q4/06 (January 1 - March 31, 2006)								Q4/05 (January 1 - March 31, 2005) ⁽²⁾							
Manager	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)	# of deals led ⁽¹⁾	Market share	Rank by mkt. share	Gross proceeds (led transactions) (\$000's)	Manager	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)	# of deals led ⁽¹⁾	Market share	Rank by mkt. share	Gross proceeds (led transactions) (\$000's)
Canaccord Capital	86	1	6,273,082	23.8	9.5%	1	652,209	Canaccord Capital	93	1	6,319,534	27.0	12.1%	1	406,324
BMO Nesbitt Burns	63	2	6,589,830	9.8	3.9%	7	703,288	Blackmont Capital	64	2	5,445,639	5.5	2.5%	11	36,222
Dundee Securities	57	3	3,811,046	15.2	6.0%	3	270,684	CIBC World Markets	58	3	6,612,110	24.0	10.7%	2	3,010,105
TD Securities	56	4	6,047,448	6.7	2.7%	9	346,107	BMO Nesbitt Burns	55	4	6,586,735	10.9	4.9%	5	1,234,057
CIBC World Markets	55	5	5,978,943	20.9	8.3%	2	2,548,801	TD Securities	55	5	6,300,740	6.7	3.0%	10	533,336
National Bank Financial	52	6	5,235,315	5.8	2.3%	10	305,650	National Bank Financial	51	6	6,057,563	5.1	2.3%	12	504,247
Raymond James	50	7	3,833,104	5.3	2.1%	11	100,829	RBC Capital Markets	50	7	6,034,527	12.9	5.8%	4	1,344,851
Scotia Capital	46	8	5,797,210	2.6	1.0%	15	249,347	Raymond James	49	8	4,776,912	3.5	1.6%	15	112,773
RBC Capital Markets	45	9	6,223,147	12.8	5.1%	5	1,809,859	Scotia Capital	46	9	6,044,939	6.8	3.0%	8	602,386
Blackmont Capital	43	10	3,018,162	9.5	3.8%	8	188,057	Desjardin Securities	39	10	4,318,536	3.3	1.5%	16	63,214
Others				138.6	55.3%		3,584,191	Others				118.3	52.6%		2,544,632
				251	100%							224	100%		

Fiscal 2006 vs. Fiscal 2005:

FY06 (April 1, 2005 - March 31, 2006)								FY05 (April 1, 2004 - March 31, 2005) ⁽²⁾							
Manager	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)	# of deals led ⁽¹⁾	Market share	Rank by mkt. share	Gross proceeds (led transactions) (\$000's)	Manager	Participation in # of deals	Rank by # of deals	Total proceeds (\$000's)	# of deals led ⁽¹⁾	Market share	Rank by mkt. share	Gross proceeds (led transactions) (\$000's)
Canaccord Capital	343	1	23,944,640	92.1	8.9%	1	2,222,347	Canaccord Capital	372	1	25,090,121	100.3	10.0%	1	1,279,271
CIBC World Markets	251	2	26,952,672	75.2	7.2%	2	9,098,127	CIBC World Markets	265	2	34,538,040	88.3	8.8%	2	11,096,592
TD Securities	241	3	26,804,683	25.7	2.5%	12	2,283,922	BMO Nesbitt Burns	249	3	32,037,010	46.6	4.7%	6	4,616,935
BMO Nesbitt Burns	231	4	25,980,802	46.2	4.4%	7	4,766,741	National Bank Financial	239	4	32,596,801	31.5	3.2%	9	2,533,575
Blackmont Capital	210	5	14,380,316	51.8	5.0%	5	709,919	RBC Capital Markets	226	5	31,493,766	70.1	7.0%	4	8,894,948
National Bank Financial	205	6	21,665,765	26.5	2.6%	11	1,694,320	TD Securities	222	6	18,027,766	24.0	2.4%	13	2,693,178
Raymond James	194	7	15,129,909	21.7	2.1%	14	860,373	Blackmont Capital	215	7	32,374,539	35.5	3.6%	7	214,005
Scotia Capital	192	8	23,688,168	28.5	2.7%	9	3,295,219	Scotia Capital	211	8	11,713,656	31.1	3.1%	10	3,431,766
Dundee Securities	189	9	11,532,431	48.8	4.7%	6	671,280	GMP Securities	205	9	16,888,112	81.5	8.2%	3	2,325,916
RBC Capital Markets	186	10	23,711,255	54.2	5.2%	4	6,321,349	Dundee Securities	203	10	12,130,062	48.3	4.8%	5	572,800
Others				568.3	54.7%	18	11,440,130	Others				441.8	44.2%		10,131,249
				1038.9	100%							999	100%		

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) Number of deals led reflects both led and joint led deals and is participation weighted.

(2) Q4/05 and Fiscal 2005 figures have been reclassified to reflect number of deals led and joint led. Market share and gross proceeds have been recalculated based on the number of deals led and joint led.