



## **CANACCORD ANNOUNCES SIGNIFICANT COST REDUCTION AND IMPLEMENTATION OF PRIVATE CLIENT SERVICES STRATEGY**

VANCOUVER, March 31, 2009 – Today, Canaccord Capital announces a broad program of initiatives, activities and investments designed to lower its breakeven, modernize its compensation structure and ensure the efficiency of its corporate operations. This program is expected to reduce annual costs by an estimated \$15 million while ensuring that Canaccord remains both focused on client service and well positioned for future growth. These cost reductions are in addition to the cost reductions discussed in the Q3/09 earnings release on February 12, 2009, which were expected to be \$20 million on an annualized basis.

“Canaccord is a resilient and resourceful organization, with a solid plan in place for the future,” said Paul Reynolds, President and CEO of Canaccord Capital Inc. “We believe our goals of lowering our breakeven, modernizing our compensation structure and ensuring the efficiency of our operations are critical to our continued success.”

Some details of this program include: further consolidation of back office support in a number of geographies; changes to securities processing; the deferral of certain reward programs and events; controlling the costs of underutilized professional licenses; and, additional cost reductions in the global research group. Canaccord has also begun the process of reengineering its compensation structure, including adjusting its product payouts, deploying a long-term retention program in the Private Client Services division and orienting Canaccord Adams compensation toward global profitability.

In addition, Canaccord is announcing a significant strategic initiative in its Private Client Services group. The group has been reduced by approximately 75 Investment Advisors, largely through the Canaccord Advisor Transition (CAT) Program, which also provides bridge financing for the Investment Advisors acquiring the departing brokers’ client relationships.

“This difficult decision was taken in order to support our commitments to prioritizing our clients, to recruiting Investment Advisors with larger books of business and to continuing to grow our asset base,” explained John Rothwell, Head of Private Client Services. “It is by no means a permanent staff reduction, but a demonstration of our diligence, responsiveness to market opportunity and commitment to client service.”

While some of these benefits will be realized immediately, others will be realized over the next 90-120 days. Additional details will be available in conjunction with our year end results scheduled for release on Wednesday, May 20, 2009.

### **Caution regarding forward-looking statements**

This document may contain certain forward-looking statements. These statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events including business and economic conditions and Canaccord's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend" or the negative of these terms or other comparable terminology. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, the nature of the financial services industry and the risks and uncertainties detailed from time to time in Canaccord's interim and annual consolidated financial statements and its Annual Report and Annual Information Form filed on [sedar.com](http://sedar.com). These forward-looking statements are made as of the date of this document, and Canaccord assumes no obligation to update or revise them to reflect new events or circumstances.

### **ABOUT CANACCORD CAPITAL INC.:**

Through its principal subsidiaries, Canaccord Capital Inc. (TSX & AIM: CCI) is a leading independent, full-service investment dealer in Canada with capital markets operations in the United Kingdom and the United States. Canaccord is publicly traded on both the Toronto Stock Exchange and AIM, a market operated by the London Stock Exchange. Canaccord has operations in two of the principal segments of the securities industry: capital markets and private client services. Together, these operations offer a wide range of complementary investment products, brokerage services and investment banking services to Canaccord's private, institutional and corporate clients. Canaccord has 31 offices worldwide, including 24 Private Client Services offices located across Canada. Canaccord Adams, the international capital markets division, has operations in Toronto, London, Boston, Vancouver, New York, Calgary, Montreal, San Francisco, Houston, and Barbados.

**FOR FURTHER INFORMATION CONTACT:**

**North America Media:**

Scott Davidson

Managing Director, Global Head of Marketing & Communications

Phone: 416-869-3875, email: scott\_davidson@canaccord.com

**For investor relations inquiries contact:**

Katherine Young

Vice President, Investor Relations

Phone: 416-869-7292, email: katherine\_young@canaccord.com

**London Media:**

Bobby Morse or Ben Willey

Buchanan Communications (London)

Phone: +44 (0) 207 466 5000, email: bobbym@buchanan.uk.com

**Nominated Adviser and Broker:**

Marc Milmo or Dugald J. Carlean

Fox-Pitt, Kelton Limited

Phone: +44 (0) 207 663 6000, email: marc.milmo@fpk.com