

**Connor, Clark & Lunn Capital Markets Inc. announces successful closing of \$37.5 million initial public offering of CANADIAN Financials & Utilities Split Corp.**

TORONTO – February 6, 2007 (TSX: CFS.PR.A, CFS) – Connor, Clark & Lunn Capital Markets Inc. (“CC&LCM”) is pleased to announce that CANADIAN Financials & Utilities Split Corp. (the “Company”) has successfully completed its initial public offering of 1,500,000 Preferred Shares at \$10.00 and 1,500,000 Class A Shares at \$15.00 for aggregate gross proceeds of \$37,500,000.

The Preferred Shares and Class A Shares commenced trading today on the Toronto Stock Exchange under the symbols “CFS.PR.A and CFS” respectively.

The Preferred Shares have been assigned a rating of Pfd-1 by Dominion Bond Rating Service Limited. The Company’s investment objectives with respect to the Preferred Shares are to: (i) provide holders of Preferred Shares with quarterly fixed cumulative distributions equal to 4.25% of the issue price; and (ii) repay the original issue price of \$10.00 on redemption of the preferred shares on January 31, 2012. The investment objectives with respect to the Class A Shares are to provide holders with: (i) tax-efficient regular monthly distributions, expected to be primarily return of capital; (ii) the opportunity for capital appreciation and dividend growth on a leveraged basis.

The offering was co-led by RBC Dominion Securities Inc., CIBC World Markets Inc. and Scotia Capital Inc. The agents included BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc., Richardson Partners Financial Ltd., HSBC Securities (Canada) Inc., Wellington West Capital Inc., Canaccord Capital Corporation, Desjardins Securities Inc., and Raymond James Ltd.

CC&LCM will act as manager and investment manager of the Company. CC&LCM is a developer and manager of structured investments for the Canadian retail market, with greater than \$1.1 billion in assets under management and is part of the Connor, Clark & Lunn Financial Group of companies, which manage in excess of \$30 billion in financial assets.

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For more information, please contact:

Jennifer L. Stewart  
Connor, Clark & Lunn Capital Markets Inc.  
416-367-4158  
[jstewart@cclgroup.com](mailto:jstewart@cclgroup.com)  
[www.cclcapitalmarkets.com](http://www.cclcapitalmarkets.com)