

Press Release

Guardian Capital Group Limited (TSX: GCG; GCG.A) Announces 2016 Second Quarter Operating Results

Toronto, Ontario, August 11, 2016

All per share figures disclosed below are stated on a diluted basis.

For the periods ended June 30 (\$ in thousands, except per share amounts)	Three Months		Six Months	
	2016	2015	2016	2015
Net revenues	\$ 34,191	\$ 33,066	\$ 69,261	\$ 65,370
Operating earnings	10,300	11,390	21,650	21,866
Net gains	1,028	602	17,806	3,789
Net earnings available to shareholders	8,887	9,604	32,705	20,914
EBITDA ⁽¹⁾	\$ 11,607	\$ 12,654	\$ 24,085	\$ 24,214
Adjusted cash flow from operations ⁽¹⁾	9,435	10,544	19,018	18,685
Per Share:				
Net earnings available to shareholders	0.30	0.31	1.09	0.68
EBITDA ⁽¹⁾	0.39	0.41	0.80	0.79
Adjusted cash flow from operations ⁽¹⁾	0.32	0.34	0.64	0.61
As at				
(\$ in millions, except per share amounts)	June 30, 2016	March 31, 2016	December 31, 2015	June 30, 2015
Assets under management	\$ 25,654	\$ 24,817	\$ 24,278	\$ 25,007
Assets under administration	15,425	14,987	14,943	14,821
Shareholders' equity	514	498	504	474
Corporate holdings of securities	540	534	540	515
Per Share:				
Shareholders' equity	\$ 17.10	\$ 16.63	\$ 16.55	\$ 15.32
Corporate holdings of securities	17.96	17.84	17.72	16.64

The Company's assets under management as at June 30, 2016, were \$25.7 billion, an increase of 6% from \$24.3 billion at the end of 2015 and an increase of 3% from \$25.0 billion at June 30, 2015. Assets under administration were \$15.4 billion at the end of the current quarter, up 3% from \$14.9 billion at the end of 2015 and a 4% increase from \$14.8 billion at June 30, 2015.

The Company's operating earnings for the quarter ended June 30, 2016 was \$10.3 million, compared to \$11.4 million in the same period one year earlier. The decrease in operating earnings this quarter is reflective of the Company's strategic decision to reinvest in the business in the form of key hires and other expenditures. These investments are expected to continue to have a dampening effect on earnings in the short-term but lead to improved future operating earnings and long-term value.

Net gains of \$1.0 million for the current quarter are up slightly from \$0.6 million in the same period one year earlier.

Net earnings available to shareholders for the current quarter were \$8.9 million, or \$0.30 per share, compared to \$9.6 million, or \$0.31 per share, in the same period a year earlier, resulting from the decrease in operating earnings, as described above.

EBITDA⁽¹⁾ for the current quarter was \$11.6 million, or \$0.39 per share, compared to \$12.7 million, or \$0.41 per share in 2015. Adjusted cash flow from operations⁽¹⁾ for the current quarter was \$9.4 million, or \$0.32 per share, compared to \$10.5 million, or \$0.34 per share in 2015. The decreases in each of these measures reflect the decrease in operating earnings for the quarter. These two non-IFRS financial measures used by the Company are defined in its quarterly Management's Discussion and Analysis, including a reconciliation of these measures to their most comparable IFRS measures.

The Company's shareholders' equity as at June 30, 2016 was \$514 million or \$17.10 per share, compared to \$504 million, or \$16.55 per share at December 31, 2015 and \$474 million, or \$15.32 per share as at June 30, 2015. The fair value of the Company's corporate holdings of securities as at June 30, 2016 was \$540 million, or \$17.96 per share, compared to \$540 million, or \$17.72 per share, as at December 31, 2015 and \$515 million, or \$16.64 per share, as at June 30, 2015.

The Board of Directors has declared a quarterly eligible dividend of \$0.085 per share, payable on October 18, 2016, to shareholders of record on October 10, 2016.

The following table summarizes Guardian's financial results for the past eight quarters.

Quarters ended <i>(\$ in thousands, except for per share amounts)</i>	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014
Net revenues	\$ 34,191	\$ 35,070	\$ 34,353	\$ 33,188	\$ 33,066	\$ 32,304	\$ 31,490	\$ 30,806
Operating earnings	10,300	11,350	10,256	10,876	11,390	10,476	10,335	10,051
Net gains (losses)	1,028	16,778	9,658	(2,407)	602	3,187	311	(168)
Net earnings	9,169	24,072	17,362	6,278	9,786	11,551	8,438	7,877
Net earnings available to shareholders	8,887	23,818	17,138	6,053	9,604	11,310	8,223	7,715
Shareholders' equity	513,939	497,656	504,255	470,533	473,944	477,901	488,835	482,242
Per average Class A and Common Share								
Net earnings:								
- Basic	\$ 0.31	\$ 0.83	\$ 0.59	\$ 0.21	\$ 0.33	\$ 0.38	\$ 0.27	\$ 0.26
- Diluted	0.30	0.79	0.56	0.20	0.31	0.37	0.27	0.25
Shareholders' equity:								
- Basic	\$ 18.08	\$ 17.51	\$ 17.37	\$ 15.96	\$ 16.08	\$ 16.15	\$ 16.33	\$ 16.08
- Diluted	17.10	16.63	16.55	15.23	15.32	15.42	15.62	15.39

Guardian Capital Group Limited is a diversified financial services company founded in 1962. Guardian provides institutional and high net worth investment management services to clients; financial services to international investors; and services to financial advisors in its national mutual fund dealer, securities dealer, and insurance distribution network. Its Common and Class A shares are listed on The Toronto Stock Exchange.

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⁽¹⁾ The Company's management uses EBITDA and Adjusted cash flow from operations to evaluate and assess the performance of its business. These two measures do not have standardized measures under International Financial Reporting Standards ("IFRS"), and are therefore unlikely to be comparable to similar measures presented by other companies. However, management believes that most shareholders, creditors, other stakeholders and investment analysts prefer to include the use of these measures in analyzing the Company's results. The Company defines EBITDA as net earnings before interest, income taxes, amortization, stock-based compensation, net gains or losses and net gains or losses on securities held for sale, less amounts attributable to non-controlling interest. The Company defines Adjusted cash flow from operations as Net cash from operating activities, net of changes in non-cash working capital items and net of non-controlling interests. The most comparable IFRS measures are Net earnings, which was \$9,169 and \$33,241 for the three and six months ended June 30, 2016 (2015 - \$9,786 and \$21,337), and Net cash from operating activities, which was \$13,294 and \$17,744 for the three and six months ended June 30, 2016 (2015 - \$17,080 and \$15,276). More detailed descriptions of these two non-IFRS measures are provided in the Company's quarterly Management's Discussions and Analysis, including a reconciliation of these measures to their most comparable IFRS measures.