

GLUSKIN SHEFF + ASSOCIATES INC. ANNOUNCES SECOND QUARTER FISCAL 2015 RESULTS

February 5, 2015

TORONTO, ONTARIO

Gluskin Sheff + Associates Inc. (the “Company”) announced today its results for the three and six months ended December 31, 2014.

Financial Highlights:

<i>(unaudited, \$ '000s except for AUM and per share amounts)</i>	3 Months Ended Dec 31, 2014	3 Months Ended Dec 31, 2013	Six Months Ended Dec 31, 2014	Six Months Ended Dec 31, 2013
Assets Under Management (\$ in millions)	\$ 8,220	\$ 6,830	\$ 8,220	\$ 6,830
Revenue:				
Base Management Fees	\$ 26,393	\$ 21,658	\$ 52,283	\$ 41,937
Performance Fees	41,953	98,457	43,148	100,581
Investment & Other Income	904	779	2,079	1,474
Total Revenue	\$ 69,250	\$ 120,894	\$ 97,510	\$ 143,992
Net Income	\$ 27,237	\$ 60,438	\$ 34,627	\$ 68,685
Amortization of Restricted Share Units	4,903	1,578	8,636	2,452
Other amortization	1,460	720	2,877	1,436
Non-cash portion of current period's bonus	(4,653)	(15,352)	(5,542)	(16,082)
Special Restricted Share Unit award	-	-	-	(3,750)
Stock option and post-retirement obligation	155	211	340	949
Performance fees net of related expenses	(24,982)	(58,815)	(25,699)	(60,405)
Provision for income taxes	10,147	22,082	13,111	25,110
Base EBITDA	\$ 14,267	\$ 10,862	\$ 28,350	\$ 18,395
Basic Earnings per Share	\$ 0.93	\$ 2.10	\$ 1.18	\$ 2.37
Diluted Earnings per Share	\$ 0.86	\$ 2.05	\$ 1.10	\$ 2.32

On August 1, 2014, the Company acquired Blair Franklin Asset Management Holdings Inc., the parent company of Blair Franklin Asset Management Inc. (collectively “Blair Franklin”). These results incorporate Blair Franklin’s results since acquisition, including acquisition and integration costs, and amortization of acquired intangibles. During the three months ended December 31, 2014, Blair Franklin contributed net income of \$1,943 to the Company’s results, prior to amortization of \$794 related to acquired intangibles. During the six months ended December 31, 2014, Blair Franklin contributed net income of \$2,508 to the Company’s results, prior to one time integration costs of \$400 and amortization of \$1,567 related to acquired intangibles.

The Company's revenues are derived from Base Management Fees, calculated as a percentage of Assets Under Management ("AUM"), Performance Fees, which are earned when the Company exceeds pre-specified rates of return, and Other Income.

During the quarter, AUM increased by \$152 million to \$8.2 billion as at December 31, 2014, from \$8.1 billion as at September 30, 2014, due to net additions of \$116 million and positive net investment performance of \$36 million. The net additions resulted from \$84 million in net additions from high net worth clients and \$32 million in net additions from institutional clients. Year-over-year AUM increased by \$1.4 billion due to the acquisition of Blair Franklin AUM of \$636 million, positive net investment performance of \$369 million and net additions of \$385 million. \$402 million in net additions were from high net worth clients partially offset by \$17 million in net withdrawals from institutional clients.

Base Management Fees increased to \$26.4 million this quarter versus \$21.7 million in the year ago quarter as Average AUM for the quarter increased to \$8.2 billion from \$6.8 billion for the same quarter last year. The average Base Management Fee Percentage increased to 1.29% from 1.27% for the same period last year.

Performance Fees for the three months ended December 31, 2014, were \$42.0 million, compared to \$98.5 million for the three months ended December 31, 2013.

Total expenses before tax for the three months ended December 31, 2014, decreased by \$6.5 million from the year-ago quarter. The decrease is due primarily to a decrease in cash bonus expense of \$10.9 million due to lower Performance Fees and a decrease of \$1.0 million due to lower mark-to-market expenses on DSUs and lower corporate governance expenses. These decreases were offset in part by increases in RSU amortization of \$3.3 million, amortization relating to intangible assets acquired through the acquisition of \$0.8 million, \$0.6 million increase in base salaries relating to Blair Franklin and a \$0.7 million increase in other expenses.

Net income was \$27.2 million, and represented earnings per share, basic and diluted, of \$0.93 and \$0.86, respectively. Net income for the three months ended December 31, 2013, was \$60.4 million, and represented basic and diluted earnings per share of \$2.10 and \$2.05 respectively. The decrease in net income is due to the decrease in Performance Fees, net of related bonus expense, year-over-year.

Base EBITDA eliminates the effect of Performance Fees, Performance Fee related expenses, post-retirement obligations, stock option expense and amortization of RSU awards, and deducts the dollar value of the base bonus RSUs to be awarded in respect of the current period and special RSUs awarded in the period. For the three months ended December 31, 2014, Base EBITDA increased to \$14.3 million from \$10.9 million in the year ago quarter due to the increase in Base Management Fees net of bonus expense.

"While we expect the market volatility experienced last quarter to continue in the months ahead, we maintain our long-term positive view on the investment landscape," commented Jeremy Freedman,

President & Chief Executive Officer. “With the addition of the Blair Franklin team and other talented individuals over the past year, we have the strongest Investment team in our Firm’s history. As clients and shareholders ourselves, this gives management great confidence in the future.”

Gluskin Sheff + Associates Inc. is one of Canada’s pre-eminent wealth management firms. Founded in 1984 and serving high net worth private clients and institutional investors, we are dedicated to providing our clients with a world-class experience in the management of their wealth by delivering strong, risk-adjusted returns together with the highest level of personalized client service. The Company’s Common Shares are listed on the Toronto Stock Exchange under the symbol "GS". For more information about the Company, please visit our website at www.gluskinsheff.com.

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This press release may contain forward-looking statements relating to Gluskin Sheff + Associates Inc.’s business and the environment in which it operates. These statements are based on the Company’s expectations, estimates, forecasts and projections. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. These risks and uncertainties are discussed in the Company’s regulatory filings available on the Company’s website at www.gluskinsheff.com or at www.sedar.com. Actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances; except as required by applicable law.

Non-IFRS Measures

Included in this press release are certain financial terms (including Base EBITDA and AUM) that the Company utilizes to assess the financial performance of its business that are not measures recognized under International Financial Reporting Standards (IFRS). These non-IFRS measures do not have any standardized meanings prescribed by IFRS and should not be considered alternatives to net income or any other measure of performance determined in accordance with IFRS. Therefore, these non-IFRS measures are unlikely to be comparable to similar measures presented by other issuers. For additional information regarding the Company’s use of non-IFRS measures, including the calculation of these measures, please refer to the “Non-IFRS financial measures” section of the Company’s Management’s Discussion and Analysis and its financial statements available on the Company’s website and on the SEDAR website located at www.sedar.com.