Gluskin Sheff

GLUSKIN SHEFF + ASSOCIATES INC. ANNOUNCES SECOND QUARTER FISCAL 2016 RESULTS

February 3, 2016

TORONTO, ONTARIO

Gluskin Sheff + Associates Inc. (the "Company") announced today its results for the three and six months ended December 31, 2015.

Financial Highlights:

(unaudited, $ '000s except for AUM and per share amounts)		3 Months Ended Dec 31, 2015		3 Months Ended Dec 31, 2014		6 Months Ended Dec 31, 2015		6 Months Ended Dec 31, 2014
Assets Under Management ($ in millions)	$	8,307	$	8,220	$	8,307	$	8,220
Revenue:								
Base Management Fees	$	26,828	$	26,393	$	53,845	$	52,283
Performance Fees		31,198		41,953		33,004		43,148
Investment & Other Income		613		904		1,641		2,079
Total Revenue	$	58,639	$	69,250	$	88,490	$	97,510
Net Income attributable to shareholders	$	18,765	$	27,237	$	25,991	$	34,627
Amortization of Restricted Share Units (RSUs)		4,001		4,903		8,032		8,636
Other amortization		2,124		1,460		3,734		2,877
RSU portion of current period's Base bonus		(819)		(966)		(1,614)		(1,761)
Special RSUs		-		-		(863)		(750)
Stock option and post-retirement obligation		103		155		206		340
Performance fees net of related cash bonus		(21,595)		(28,669)		(22,823)		(29,480)
Provision for income taxes		8,378		10,147		11,535		13,111
Base EBITDA	$	10,957	$	14,267	$	24,198	$	27,600
Basic Earnings per Share	$	0.63	$	0.89	$	0.87	$	1.14
Diluted Earnings per Share	$	0.61	$	0.86	$	0.84	$	1.10

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 $74 million to $8.3 billion as at December 31, 2015, from $8.2 billion as at September 30, 2015, due to positive net investment performance of $149 million, partially offset by net withdrawals of $75 million. $57 million in net withdrawals were from institutional clients and $18 million in net withdrawals were from high net worth clients. Year-over-year AUM increased by $87 million due to positive net investment performance of $330 million, partially offset by net withdrawals of $243 million. $145 million in net withdrawals from institutional clients and $98 million in net withdrawals were from high net worth clients.

Gluskin Sheff + Associates Inc. | Bay Adelaide Centre, 333 Bay Street, Suite 5100 | Toronto, Ontario, Canada M5H 2R2
TELEPHONE 416.681.6000 | TOLL-FREE 1.866.681.6001 | FAX 416.681.6060 | www.gluskinsheff.com

Base Management Fees for the three months ended December 31, 2015, increased year-over-year to $26.8 million from $26.4 million as Average AUM for the quarter increased to $8.4 billion from $8.2 billion for the same quarter last year, and the average Base Management Fee Percentage decreased to 1.27% from 1.29%.

Performance Fees for the three months ended December 31, 2015, were $31.2 million, compared to $42.0 million for the three months ended December 31, 2014.

Total expenses decreased by $0.4 million from the year-ago quarter primarily due to a decline of $4.9 million in cash bonus expense on lower performance fees earned and a decline of $0.9 million in restricted share unit amortization expense. Partially offsetting these decreases was a one-time non-tax deductible amount of $3.6 million relating to a change in tax treatment of certain transactions related to two pooled funds, and increases in research costs, professional and consulting fees, systems development and license expenses, and higher amortization of intangible assets.

Net income was $18.8 million and represented earnings per share, basic and diluted, of $0.63 and $0.61, respectively for the three months ended December 31, 2015. Excluding the non-tax deductible amount described earlier, net income for this period would have been $21.8 million, and basic and diluted earnings per share would have been $0.73 and $0.71, respectively. Net income was $27.2 million and represented earnings per share, basic and diluted, of $0.89 and $0.86, respectively, for the three months ended December 31, 2014. The decrease in net income was due primarily to lower Performance Fees, partially offset by higher Base Management Fees and a decrease of $0.4 million in total expenses described above.

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. Base EBITDA was $11.0 million for the three months ended December 31, 2015, compared with $14.3 million in the year ago quarter as the increase in Base Management Fees was more than offset by a decrease in other income and by the increase in base business expenses noted above.

"In what continues to be a challenging environment, we are pleased to have preserved capital and delivered positive risk-adjusted returns for clients across a balanced asset mix throughout the calendar year," commented Jeremy Freedman, President & Chief Executive Officer. "It is during periods of extreme market volatility such as these that our focus on risk-adjusted returns – taking appropriate and prudently managed levels of risk in order to generate returns – demonstrates its value."

Gluskin Sheff + Associates Inc. is one of Canada's pre-eminent wealth management firms, managing over $8.3 billion on behalf of high net worth private clients, estates, trusts and institutional investors. Founded in 1984, the Firm is dedicated to providing clients with 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.

For more information, please contact:
David R. Morris
Chief Financial Officer and Secretary
1.416.681.6036

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.