Gluskin Sheff + Associates Inc.
Interim Balance Sheets
(Unaudited)

($ in thousands)	As at Dec 31, 2007	As at June 30, 2007
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 42,121	$ 42,319
Accounts Receivable	22,853	111,453
Securities Owned at market (note 3)	3,341	-
Securities Owned at cost	-	2,441
Prepaid Expenses and Other Assets	246	541
	68,561	**156,754**
Property and Equipment	**1,750**	**1,065**
Total Assets	**$ 70,311**	**$ 157,819**
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	$ 2,999	$ 7,977
Securities Sold Short (note 3)	1,709	1,385
Income Taxes Payable (note 6)	8,964	43,503
Management and Staff Bonuses Payable	9,255	31,589
	$ 22,927	**$ 84,454**
SHAREHOLDERS' EQUITY		
Share Capital (note 5)	2,551	2,523
Contributed Surplus (notes 5 and 8)	5,300	3,496
Retained Earnings	39,533	67,346
	47,384	**73,365**
Total Liabilities and Shareholders' Equity	**$ 70,311**	**$ 157,819**

The accompanying notes are an integral part of these financial statements.

Gluskin Sheff + Associates Inc.
Interim Statements of Income, Comprehensive Income and Retained Earnings
(Unaudited)

($ in thousands, except per share amounts)	3 months Ending Dec 31, 2007	3 months Ending Dec 31, 2006	6 months Ending Dec 31, 2007	6 months Ending Dec 31, 2006
REVENUES				
Base Management Fees	$ 21,567	$ 14,873	$ 41,848	$ 28,473
Performance Fees	12,880	12,376	13,164	12,418
Investment and Other Income	886	315	1,811	552
	$ 35,333	**$ 27,564**	**$ 56,823**	**$ 41,443**
EXPENSES				
Salaries and Benefits (notes 7 and 8)	$ 8,584	$ 11,791	$ 14,611	$ 16,944
Business Development	629	501	1,085	1,198
General and Administrative	2,971	1,659	5,087	3,305
Occupancy	418	233	767	481
Amortization of Property and Equipment	51	21	102	42
	$ 12,653	**$ 14,205**	**$ 21,652**	**$ 21,970**
Income Before Income Taxes	**$ 22,680**	**$ 13,359**	**$ 35,171**	**$ 19,473**
Income Taxes (note 6)	8,612	5,475	13,461	8,475
Net Income and Comprehensive Income for the Period	**14,068**	**7,884**	**21,710**	**10,998**
Retained Earnings - Beginning of Period	28,677	4,823	67,346	2,585
	42,745	12,707	89,056	13,583
Transitional adjustment on adoption of new accounting policy (note 3)	-	-	187	-
Dividends	(3,212)	(2,701)	(49,710)	(3,577)
Retained Earnings - End of Period	**$ 39,533**	**$ 10,006**	**$ 39,533**	**$ 10,006**
Basic Earnings Per Share	**$ 0.49**	**$ 0.27**	**$ 0.75**	**$ 0.38**
Diluted Earnings Per Share	**$ 0.48**	**$ 0.27**	**$ 0.74**	**$ 0.38**

The accompanying notes are an integral part of these financial statements.

Gluskin Sheff + Associates Inc.
Interim Statements of Cash Flows
(Unaudited)

($ in thousands)	3 months Ending Dec 31, 2007	3 months Ending Dec 31, 2006	6 months Ending Dec 31, 2007	6 months Ending Dec 31, 2006
CASH PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net Income for the Period	$ 14,068	$ 7,884	$ 21,710	$ 10,998
Adjustments for				
Amortization of Property and Equipment	51	21	102	42
Net investment gains	-	-	188	-
Stock based compensation	1,062	1,470	1,832	3,084
	15,181	9,375	23,832	14,124
Changes in Non-Cash Working Capital Items				
Accounts Receivable	(14,844)	2,689	88,600	18,126
Prepaid Expenses	148	(238)	295	(101)
Income Tax Recoverable	-	-	-	1,032
Accounts Payable and Accrued Liabilities	1,351	(705)	(4,978)	(845)
Income Tax Payable	4,612	5,475	(34,539)	7,443
Management and Staff Bonuses Payable	5,641	(16,995)	(22,334)	(19,081)
Subordinated Loan Payable	-	(10,000)	-	(10,000)
	12,089	**(10,399)**	**50,876**	**10,698**
INVESTING ACTIVITIES				
Sales of Securities Sold Short	45	-	323	-
Purchases of Securities Owned	(565)	-	(900)	-
Purchase of Property and Equipment	(523)	(14)	(787)	(30)
	(1,043)	**(14)**	**(1,364)**	**(30)**
FINANCING ACTIVITIES				
Share Capital	-	-	-	46
Dividends Paid	(49,710)	(2,701)	(49,710)	(3,577)
	(49,710)	**(2,701)**	**(49,710)**	**(3,531)**
Increase (Decrease) in Cash During the Period	**(38,664)**	**(13,114)**	**(198)**	**7,137**
Cash and Cash Equivalents - Beginning of Period	**80,785**	**38,105**	**42,319**	**17,854**
Cash and Cash Equivalents - End of Period	**42,121**	**24,991**	**42,121**	**24,991**
SUPPLEMENTARY INFORMATION				
Interest paid during the period	-	351	-	351
Income taxes paid during the period	4,000	-	48,000	-

The accompanying notes are an integral part of these financial statements.

($ in thousands)

1 Nature of business and organization

Gluskin Sheff + Associates Inc. (the "Company") provides discretionary investment management services to high net worth private clients and institutional investors. The Company was incorporated in 1984 under the Business Corporations Act (Ontario).

On May 19, 2006, the Company filed an initial public and secondary offering of subordinate voting shares. The Company's shares were listed on the Toronto Stock Exchange effective May 26, 2006 and trade under the symbol "GS".

These financial statements are for the three and six month periods ended December 31, 2007 and December 31, 2006 with the Balance Sheets being as at December 31, 2007 and June 30, 2007.

2 Basis of presentation

These interim financial statements are prepared by management in accordance with Canadian generally accepted accounting principles (GAAP) and do not include all disclosures required for annual financial statements.

These financial statements should be read in conjunction with the June 30, 2007 Audited Financial Statements of Gluskin Sheff + Associates Inc. included in the 2007 Annual Report. These financial statements reflect the same significant accounting policies as those described in the notes to the Audited Financial Statements of Gluskin Sheff + Associates Inc. for the period ending June 30, 2007, except as discussed in Note 3.

Certain comparative figures have been reclassified to conform with the current period's presentation.

3 Changes in accounting policies

On July 1, 2007, the Company adopted two new accounting standards that were issued by the Canadian Institute of Chartered Accountants ("CICA"): Handbook Section 1530, "Comprehensive Income" and Handbook Section 3855, "Financial Instruments – Recognition and Measurement".

Comprehensive Income

Comprehensive income consists of net income and changes in unrealized gains or losses on short-term investments classified as available-for-sale under the new Financial Instruments section of the CICA Handbook. The Company has no short-term investments classified as available-for-sale.

Financial Instruments – Recognition and Measurement

Section 3855 of the CICA Handbook establishes standards for recognizing and measuring financial assets, liabilities and non-financial derivatives. All financial instruments are measured at fair value upon initial recognition, with the exception of certain related party transactions. In

($ in thousands)

subsequent periods, measurement will depend on the classification of the financial instruments. Held-for-trading securities are measured at fair value at the balance sheet date, with both realized and unrealized gain and losses being reflected in net income. Financial instruments classified as held-to-maturity, loans and receivables, and other liabilities are reported at their amortized cost using the effective interest rate method. Available-for-sale financial instruments are reported at their fair value and any realized gains or losses are reported in other comprehensive income until they are realized, at which point they are included in net income.

The Company has classified its securities owned and its securities sold short as held-for-trading and, accordingly, a transitional adjustment reflecting the unrealized appreciation on securities owned at July 1, 2007 amounting to $187 is recognized in Retained Earnings. The proceeds for the securities sold short as at December 31, 2007 is $1,831.

4 Related party transactions

Included in the Company's Base Management Fee income for the three month period ending December 31, 2007 is $11,774 (2006 - $7,200) and for the six month period ending December 31, 2007 is $23,000 (2006 - $13,500) earned from the management of the Company's Pooled Fund Vehicles, where the Company generally acts as the trustee, manager, transfer agent and principal distributor. In the case of those funds that are limited partnerships, an affiliate of the Company is the general partner. Certain officers of the Company may own units, directly or indirectly, in the private pooled fund vehicles. All related party transactions are recorded at the exchange amount. Included in the Company's accounts receivable as at December 31, 2007 is $16,841 owing from the Company's Pooled Funds.

5 Share capital and Contributed Surplus

The company is authorized to issue an unlimited number of subordinate voting shares and multiple voting shares. As at December 31, 2007, there were 9,604,130 subordinate voting shares and 19,598,000 multiple voting shares (2006 – 7,559,700 subordinate voting shares and 21,600,000 multiple voting shares) and no preference shares outstanding. Multiple voting shares rank equally in all respects with the subordinate voting shares, except that each multiple voting share is entitled to 15 votes at any shareholders' meeting for all matters other than the election of Directors.

($ in thousands)

	For the three month period ended				For the six month period ended			
	Dec 31, 2007	Stated Value	Dec 31, 2006	Stated Value	Dec 31, 2007	Stated Value	Dec 31, 2006	Stated Value
Beginning of the Period								
Multiple Voting shares	20,409,900		21,600,000		20,762,000		21,600,000	
Subordinate Voting shares	8,792,230		7,559,700		8,436,200		7,559,700	
	29,202,130	$2,523	29,159,700	$47	29,198,200	$2,523	29,159,700	$1
Activity during the Period								
Convert from Multiple Voting shares	(811,900)		-		(1,164,000)		-	
Outstanding Employee Trust shares	-		-		-		-	46
Exercise of Stock Options	-	28	-		3,930	28	-	
Convert to Subordinate Voting shares	811,900		-		1,164,000		-	
	-	$28	-	-	3,930	$28	-	$46
End of the Period								
Multiple Voting shares	19,598,000		21,600,000		19,598,000		21,600,000	
Subordinate Voting shares	9,604,130		7,559,700		9,604,130		7,559,700	
	29,202,130	$2,551	29,159,700	$47	29,202,130	$2,551	29,159,700	$47

Contributed Surplus

The following summarizes the Contributed Surplus balance as of December 31

	For the three month period ended		For the six month period ended	
	Dec 31, 2007	Dec 31, 2006	Dec 31, 2007	Dec 31, 2006
Change in Contributed Surplus				
Balance at Start of the Period	**$4,266**	**$1,614**	**$3,496**	**$0**
Deferred Share Units granted	48	-	23	-
Amortization of Stock Options	509	348	798	463
Amortization of Employee Trust	505	1,122	1,011	2,621
Exercise of Stock Options	(28)	-	(28)	-
Balance at End of the Period	**$5,300**	**$3,084**	**$5,300**	**$3,084**

6 Income taxes

The Company's effective income tax rate is approximately 38.3% and is impacted primarily by the non-deductibility for tax purposes of the expenses associated with the Stock Options, Deferred Share Units and Employee Trust.

Statutory income tax rate	36.1%
Non-deductible expenses	2.2%
Effective income tax rate	38.3%

As of June 30, 2007, the Company has capital loss carry-forwards available of $42 (June 30, 2006 - $277) that have not been recognized in the financial statements.

($ in thousands)

7 Salaries and benefits

The Company has accrued for an Employee Bonus Pool payable to its employees on the basis of 20% of the Company's Base Operating Income along with a further amount of 20% of Performance Fees earned. Base Operating Income is defined as all income excluding Performance Fees less Base Operating Expenses, which is defined as Salaries and Benefits (excluding discretionary bonuses), Occupancy, General and Administrative Expenses and Business Development but excluding any non-cash expenses, including those relating to salaries, bonuses, stock options, deferred share units, share grants and other benefits and amortization.

Included in the Salaries and Benefits expense for the three month period ended December 31, 2007 is an allocation to the bonus pool of $5,994 (2006 - $8,530) and for the six month period ending December 31, 2007 is $9,155 (2006 - $10,540).

8 Stock based Compensation

Share Option Plan

In September 2007, 8,000 of the Company's stock options were exercised of which 4,070 stock options were forfeited. The exercise price of the stock options was $15.51.

In October 2007, the Company issued 270,000 options to participants at an exercise price of $28.50. The fair value of the options granted has been estimated at $10.37 per option, using the Lattice option pricing model, based upon the following assumptions: (i) risk-free rate of return of 4.27%; (ii) weighted average period until exercise of 5 years; (iii) expected share price volatility of 33.26%; (iv) expected dividend yield of 1.54%; and (v) expected forfeiture rate of 0% per year until vested.

The total compensation expense related to stock options outstanding that has been included in the salaries and benefits expense during the three month period ended December 31, 2007 amounted to $509 (2006 - $348) and for the six month period ended December 31, 2007 was $798 (2006 - $463) using the graded investing methodology in accordance with CICA Handbook Section 3870.

Employee Trust

There were no changes in the total number of shares in the Employee Trust for the three month period ending December 31, 2007. The Employee Trust expense included in the Salaries and Benefits expense for the three month period ending December 31, 2007 was $505 (2006 - $1,123) and for the six month period ending December 31, 2007 was $1,011 (2006 - $2,667)

Deferred Share Unit Plan

For the three month period ending December 31, 2007, the Company issued 2,629 awards under the DSU plan and for the six month period ending December 31, 2007, the Company issued 5,647 awards under the DSU plan. At December 31, 2007, there were 18,169 awards outstanding under the DSU plan. The DSU plan expense included in the Salaries and Benefits expense for the three

($ in thousands)

month period ended December 31, 2007 was $48 (2006 - $107) and for the six month period ended December 31, 2007 was $23 (2006 - $107).

9 Earnings Per Share

The treasury stock method is used in the calculation of per share amounts. Basic earnings per share amounts are determined by dividing Net Income by the number of shares outstanding during the period excluding shares in the Employee Trust which are not included in shares outstanding for accounting purposes.

10 Auditors

The interim financial statements have been prepared by Management and have not been reviewed or audited by the Company's independent auditors.