



Press Release

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

Toronto, Ontario, May 12, 2016

TO OUR SHAREHOLDERS:

We present below a summary of the Company's operating results for the three months ended March 31, 2016. All per share figures disclosed below are stated on a diluted basis.

For the three months ended March 31	2016	2015	
<i>(\$ in thousands, except per share amounts)</i>			
Net revenue	\$ 35,070	\$ 32,304	
Operating earnings	11,350	10,476	
Net gains	16,778	3,187	
Net earnings available to shareholders	23,818	11,310	
EBITDA ⁽¹⁾	\$ 12,478	\$ 11,560	
Adjusted cash flow from operations ⁽¹⁾	9,583	8,141	
Per Share:			
Net earnings available to shareholders	\$ 0.79	\$ 0.37	
EBITDA ⁽¹⁾	0.42	0.38	
Adjusted cash flow from operations ⁽¹⁾	0.32	0.27	

As at	2016	2015	
<i>(\$ in millions, except per share amounts)</i>			
	March 31	December 31	March 31
Assets under management	\$ 24,817	\$ 24,278	\$ 26,093
Assets under administration	14,987	14,943	14,057
Shareholders' equity	498	504	478
Fair value of corporate holdings of securities	534	540	522
Per share:			
Shareholders' equity	\$ 16.63	\$ 16.55	\$ 15.42
Fair value of corporate holdings of securities	17.84	17.72	16.86

Summary

The Company's assets under management as at March 31, 2016, were \$24.8 billion, an increase of 2% from \$24.3 billion at the end of 2015 and a decrease of 5% from \$26.1 billion at March 31, 2015. Assets under administration were \$15.0 billion at the end of the current quarter, up marginally from \$14.9 billion at the end of 2015 and a 7% increase from \$14.1 billion at March 31, 2015.

The Company's operating earnings of \$11.4 million for the quarter ended March 31, 2016 increased by 8% from \$10.5 million in the first quarter of 2015. The resilience of these operating earnings during the volatile and challenging equity market conditions in the first quarter is reflective of its diverse earnings sources.

Net gains of \$16.8 million in the current quarter increased \$13.6 million from \$3.2 million in the first quarter of 2015. The current quarter includes a gain of \$13.6 million on the sale of 342,400 of the Bank of Montreal shares.

Net earnings available to shareholders for the current quarter were \$23.8 million (\$0.79 per share), a \$12.5 million increase compared to \$11.3 million (\$0.37 per share) in the first quarter of 2015, resulting from the growth in operating earnings and the increase in net gains described above.

EBITDA ⁽¹⁾ for the current quarter was \$12.5 million, or \$0.42 per share, compared to \$11.6 million, or \$0.38 per share in 2015. Adjusted cash flow from operations ⁽¹⁾ for the current quarter was \$9.6 million, or \$0.32 per share, compared to \$8.1 million, or \$0.27 per share in 2015. The increases in each of these measures reflect the growth in operating earnings for the year and the positive effects of the share buybacks.

The Company's shareholders' equity as at March 31, 2016 was \$498 million or \$16.63 per share, compared to \$504 million, or \$16.55 per share at December 31, 2015 and \$478 million, or \$15.42 per share as at March 31, 2015. The fair value of the Company's holdings of securities as at March 31, 2016 was \$534 million, or \$17.84 per share, compared to \$540 million, or \$17.72 per share as at December 31, 2015 and \$522 million, or \$16.86 per share as at March 31, 2015.

The Board of Directors has declared a quarterly eligible dividend of \$0.085 per share, payable on July 18, 2016, to shareholders of record on July 11, 2016.

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

Quarters ended (\$ in thousands, except for per share amounts)	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014
Net revenue	\$ 35,070	\$ 34,353	\$ 33,188	\$ 33,066	\$ 32,304	\$ 31,490	\$ 30,806	\$ 29,257
Operating earnings	11,350	10,256	10,876	11,390	10,476	10,335	10,051	9,199
Net gains (losses)	16,778	9,658	(2,407)	602	3,187	311	(168)	2,959
Net earnings	24,072	17,362	6,278	9,786	11,551	8,438	7,877	10,288
Net earnings available to shareholders	23,818	17,138	6,053	9,604	11,310	8,223	7,715	10,163
Shareholders' equity	497,656	504,255	470,533	473,944	477,901	488,835	482,242	463,306
Per average Class A and Common Share								
Net earnings:								
- Basic	\$ 0.83	\$ 0.59	\$ 0.21	\$ 0.33	\$ 0.38	\$ 0.27	\$ 0.26	\$ 0.34
- Diluted	0.79	0.56	0.20	0.31	0.37	0.27	0.25	0.33
Shareholders' equity:								
- Basic	\$ 17.51	\$ 17.37	\$ 15.96	\$ 16.08	\$ 16.15	\$ 16.33	\$ 16.08	\$ 15.34
- Diluted	16.63	16.55	15.23	15.32	15.42	15.62	15.39	14.72

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 strictly 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 and net gains or losses, less amounts attributable to non-controlling interest. The Company defines Adjusted cash flow from operations as Net cash from operating activities, before net of changes in non-cash working capital items and net of non-controlling interests. The most comparable IFRS measures are Net earnings, which were \$24,072 (2015 - \$11,551) and Net cash from operating activities, which was \$4,450 (2015 - \$(1,804)). 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.