

Press Release

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

Toronto, Ontario, November 10, 2016

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

For the periods ended September 30 (\$ in thousands, except per share amounts)	Three Months		Nine Months	
	2016	2015	2016	2015
Net revenues	\$ 35,185	\$ 33,188	\$ 104,446	\$ 98,558
Operating earnings	10,646	10,876	32,296	32,742
Net gains (losses)	10,057	(2,407)	27,863	1,382
Net earnings available to shareholders	17,353	6,053	50,058	26,967
EBITDA ⁽¹⁾	\$ 12,065	\$ 12,115	\$ 36,150	\$ 36,329
Adjusted cash flow from operations ⁽¹⁾	9,293	10,385	28,311	29,070
Per share:				
Net earnings available to shareholders	\$ 0.58	\$ 0.20	\$ 1.67	\$ 0.88
EBITDA ⁽¹⁾	0.40	0.40	1.21	1.18
Adjusted cash flow from operations ⁽¹⁾	0.31	0.34	0.95	0.95

As at (\$ in millions, except per share amounts)	2016		2015	
	September 30	December 31	September 30	September 30
Assets under management	\$ 27,269	\$ 24,278	\$ 24,015	\$ 24,015
Assets under administration	16,134	14,943	14,530	14,530
Shareholders' equity	545	504	471	471
Corporate holding of securities	571	540	507	507
Per share:				
Shareholders' equity	\$ 18.07	\$ 16.55	\$ 15.23	\$ 15.23
Corporate holding of securities	18.94	17.72	16.40	16.40

The Company's assets under management as at September 30, 2016, were \$27.3 billion, an increase of 12% from \$24.3 billion at the end of 2015 and an increase of 14% from \$24.0 billion at September 30, 2015. Assets under administration were \$16.1 billion at the end of the current quarter, up 8% from \$14.9 billion at the end of 2015 and an 11% increase from \$14.5 billion at September 30, 2015.

The Company's operating earnings for the quarter ended September 30, 2016 were \$10.6 million, compared to \$10.9 million in the same period one year earlier. The Company continues to invest back into its business during the quarter. Our investments to build a UK-based fundamental global and emerging market equities investment management team, the domestic real estate investment management business and the new US distribution team hired in late Q2 2016 incurred operating losses of \$1.3 million in the current quarter, up from \$0.8 million in the same period in the prior year. 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 \$10.1 million for the current quarter are up significantly from net losses of \$2.4 million in the same period a year earlier. The net gains in the current quarter resulted largely from the sale of 101,800 Bank of Montreal shares and gains recorded in the consolidated UCITS investment fund managed by the Company's subsidiary.

Net earnings available to shareholders for the current quarter were \$17.4 million, or \$0.58 per share, compared to \$6.1 million, or \$0.20 per share, in the same period a year earlier, mainly due to increased net gains during the current quarter.

EBITDA⁽¹⁾ for the current quarter remained substantially unchanged from the same period a year ago at \$12.1 million, or \$0.40 per share. Adjusted cash flow from operations⁽¹⁾ for the current quarter was \$9.3 million, or \$0.31 per share, compared to \$10.4 million, or \$0.34 per share in 2015. 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 September 30, 2016 was \$545 million or \$18.07 per share, compared to \$504 million, or \$16.55 per share at December 31, 2015 and \$471 million, or \$15.23 per share as at September 30, 2015. The Company's corporate holdings of securities as at September 30, 2016 was \$571 million, or \$18.94 per share, compared to \$540 million, or \$17.72 per share, as at December 31, 2015 and \$507 million, or \$16.40 per share, as at September 30, 2015.

The Board of Directors has declared a quarterly eligible dividend of \$0.085 per share, payable on January 18, 2017, to shareholders of record on January 11, 2017.

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

Three months ended (\$ in thousand, except per share amounts)	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014
Net revenues	\$ 35,185	\$ 34,191	\$ 35,070	\$ 34,353	\$ 33,188	\$ 33,066	\$ 32,304	\$ 31,490
Operating earnings	10,646	10,300	11,350	10,256	10,876	11,390	10,476	10,335
Net gains (losses)	10,057	1,028	16,778	9,658	(2,407)	602	3,187	311
Net earnings	17,475	9,169	24,072	17,362	6,278	9,786	11,551	8,438
Net earnings available to shareholders	17,353	8,887	23,818	17,138	6,053	9,604	11,310	8,223
Shareholders' equity	545,339	513,939	497,656	504,255	470,533	473,944	477,901	488,835
Per Class A and Common share:								
Net earnings available to shareholders								
Basic	\$ 0.61	\$ 0.31	\$ 0.83	\$ 0.59	\$ 0.21	\$ 0.33	\$ 0.38	\$ 0.27
Diluted	0.58	0.30	0.79	0.56	0.20	0.31	0.37	0.27
Shareholders' equity								
Basic	\$ 19.11	\$ 18.08	\$ 17.51	\$ 17.37	\$ 15.96	\$ 16.08	\$ 16.15	\$ 16.33
Diluted	18.07	17.10	16.63	16.55	15.23	15.32	15.42	15.62
Dividends paid	\$ 0.085	\$ 0.085	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.065	\$ 0.065

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 \$17,475 and \$50,716 for the three and nine months ended September 30, 2016 (2015 - \$6,278 and \$27,615), and Net cash from operating activities, which was \$9,929 and \$27,673 for the three and nine months ended September 30, 2016 (2015 - \$14,751 and \$30,027). 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.