



FOR IMMEDIATE RELEASE

## **Matrix Asset Management Reports First Quarter Results**

**May 13, 2010 - Halifax, NS** – Matrix Asset Management Inc. ("Matrix") (TSX:MTA) reported today its financial and operating results for the first quarter ended March 31, 2010.

### **Q1 2010 Highlights**

Matrix became a TSX listed company as a result of the business combination of Growth Works Ltd. ("GrowthWorks") and SEAMARK Asset Management Ltd. ("SEAMARK") completed on January 15, 2010. The first quarter of 2010 marked the launch point for Matrix as its three key operating subsidiaries, SEAMARK, GrowthWorks and Mavrix Fund Management Inc. ("Mavrix"), commenced operations as a newly formed national asset management platform, serving institutional, high net worth and retail client groups.

During the quarter, Matrix generated significant cash flow from operations and maintained healthy capital resources. At the quarter-end, assets under management or "AUM" stood at approximately \$3 billion. Loss per share for the quarter was \$0.01, on revenues of \$9.0 million. Recurring EBITDA was \$2.0 million and recurring income before taxes was \$0.5 million.

David Levi, President and CEO of Matrix commented that "After successfully completing our business combination in the first quarter, we have turned our attention to realizing operating efficiencies and pursuing new growth opportunities, drawing on strengths within the Matrix platform. New initiatives include planning for an expanded mutual fund group, with Mavrix and SEAMARK mutual funds united in one national, re-branded fund family."

### **Corporate Overview**

Matrix is a diversified, asset and wealth management company with offices across Canada. Matrix manages approximately \$3 billion in "AUM" through three operating subsidiaries/divisions:

- SEAMARK, founded in 1982, offers portfolio management to institutional and high net worth private clients, including through managed portfolio advisory ("wrap") programs of leading Canadian investment dealers.
- Mavrix, founded in 2001, manages a family of mutual funds and "flow-through" investment funds, distributed through investment dealers and financial planners across Canada.
- GrowthWorks, founded in 1998, is an asset manager in the venture capital and private equity sector. With seven offices located in major and regional centres across Canada, GrowthWorks has a true national investment presence and manages venture capital funds, for individual and institutional investors.

This diversified set of operations delivers multiple sources of revenue across several asset and client groups. The company's mission is to provide a diverse array of

investment choices and the best possible investment management service to Canadian investors and institutions.

### Summary of First Quarter Financial Results – Unaudited

Results of operations for Matrix for the first quarter 2010 consolidate the results of Matrix and its subsidiaries, including GrowthWorks and Mavrix for the entire quarter and SEAMARK from January 16, 2010 to March 31, 2010. The business combination constituted a reverse takeover and, in accordance with applicable GAAP and securities law requirements, 2009 comparative results included in Matrix's quarterly financial statements and MD&A, and presented below, are those of GrowthWorks, not Matrix.

For The Three Months Ended March 31	2010	2009
<b>INCOME STATEMENT DATA</b> (in thousands except per share data)		
<b>REVENUES</b>		
Management and administration fees	\$ 8,770	\$ 6,384
Interest income	9	12
Other income	216	202
	8,995	6,598
<b>EXPENSES</b>		
Selling, general and administrative	6,965	5,477
Option vesting costs	948	-
Share-based compensation	34	81
Interest	367	35
Amortization	1,131	550
Fund merger costs and special projects	99	623
	9,544	6,766
Income (loss) before taxes	(549)	(168)
Income tax recovery (expense)	-	(18)
Net income (loss)	\$ (549)	\$ (186)
<b>NON-GAAP MEASURES</b>		
EBITDA <sup>(1)</sup>	1,931	498
Add (deduct) non-recurring items, net <sup>(2)</sup>	99	923
Recurring EBITDA <sup>(3)</sup>	2,030	1,421
Income (loss) before taxes	(549)	(168)
Add (deduct) non-recurring items, net <sup>(2)</sup>	1,047	923
Recurring income before taxes <sup>(4)</sup>	498	755
Basic earnings (loss) per share	(0.01)	(0.01)
Diluted earnings (loss) per share	(0.01)	(0.01)

<b>FINANCIAL POSITION DATA</b> (in thousands)			
	<b>2010</b>	<b>2009</b>	<b>2009</b>
<b>As at</b>	<b>March 31</b>	<b>December 31</b>	<b>March 31</b>
Total assets	\$ 45,605	\$ 37,640	\$ 17,296
Total long term financial liabilities	11,388	14,881	2,029
<b>ASSETS UNDER MANAGEMENT DATA</b> (in millions)			
Total assets under management	\$3,000	\$1,048	\$730

## Notes:

- (1) EBITDA (defined by Matrix as earnings before interest, taxes, depreciation and amortization and other non-cash items) is a measure used by many investors to compare issuers on the basis of their ability to generate cash from operations. Management believes EBITDA is a useful supplemental measure of operating performance as it provides an indication as to cash available for working capital needs, capital expenditures and distributions.
- (2) Non-recurring items are described in Matrix's Management's Discussion & Analysis (see "Non-GAAP Measures" below).
- (3) Management believes "Recurring EBITDA" is a useful supplemental measure of operating performance because it provides readers with greater insight into what the core or run-rate EBITDA generating capacity of the business may be by adjusting EBITDA for various non-recurring items. Without presentation of this measure, there can be a lack of transparency of the effect of non-recurring revenues or expenses on EBITDA.
- (4) Management believes "Recurring income before taxes" is a useful supplemental measure of operating performance because it provides readers with greater insight into what the core or run-rate income before taxes generating capacity of the business may be by adjusting income before taxes for various non-recurring items. Without presentation of this measure, there can be a lack of transparency of the effect of non-recurring revenue or expenses on income before taxes.

## Outlook

Over the past year, capital markets have rebounded significantly. Current expectations are for higher economic growth and further, but more modest, gains in most financial assets. Those expectations would present a favourable outlook for Matrix's asset management business. Growth in AUM through increased value of investment holdings is positive for net asset value based fee revenues.

Matrix will continue to seek to attract additional AUM through competing for new investment mandates and through positioning and re-positioning its investment fund offerings to meet the current needs of investors. Matrix also expects to realize additional operating efficiencies over the course of the year as it continues to integrate its newly formed diversified asset management platform. Management expects to achieve profitability during the year as these initiatives progress.

Matrix's first quarter 2010 financial statements and MD&A are available on the SEDAR website at [www.sedar.com](http://www.sedar.com), as are the financial statements of GrowthWorks Ltd. for the year ended December 31, 2009.

### About Matrix ([www.matrixasset.ca](http://www.matrixasset.ca))

Matrix (TSX:MTA) is a diversified asset and wealth management company with offices across Canada. The Company's mission is to provide a diverse array of investment choices and the best possible investment management service to Canadian investors and institutions. The company delivers its services through three main operating subsidiaries serving institutional, high net worth, and retail investors.

For more information contact:

*David Levi*

*President & CEO*

*(604) 895-7274 and (416) 934-7700*

*david.levi@matrixasset.ca*

### Forward-Looking Statements

Certain statements in this release are forward-looking statements based on beliefs, assumptions and expectations of Matrix and not on historical fact. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results and profitability, prospects, priorities, goals, strategies and estimates and outlook of Matrix for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature or depend upon or refer to future events or conditions.

Forward-looking statements are based upon beliefs and assumptions, including with respect to levels of AUM and expenses and related assumptions as to levels of portfolio returns and managed fund

sales and redemptions, beliefs and assumptions concerning economic and market conditions and the impact of such conditions and other factors on Matrix's AUM, the continuation of portfolio and fund management and advisory engagements, the extent and effectiveness of cost-saving measures, tax rates and laws and the absence of extraordinary or one-time expenses not currently known to management. While management considers these beliefs and assumptions to be reasonable based on information currently available to it, they are subject to numerous risks and uncertainties and no assurance can be given that such beliefs and assumptions will prove to be correct. Accordingly, actual results may differ significantly from those expressed or implied by forward-looking statements due to many factors including, but not limited to, risks associated with institutional, mutual fund and venture capital fund management sectors generally, market, economic, political and other risks affecting portfolio performance, interest and foreign exchange rates, managed fund sales and redemptions and in turn Matrix's AUM, changes to regulatory requirements, accounting and reporting policies (including the adoption of IFRS) and tax laws, Matrix's ability to effectively respond to competition and technological change and recruit and retain key management personnel, uninsured losses, accessing needed capital resources from internal and external sources and Matrix's ability to successfully integrate acquired operations and implement cost savings measures and growth strategies. Many of these risks are beyond the control of Matrix.

Readers are cautioned to consider these and other risks, uncertainties and potential events carefully and not place undue reliance on forward-looking statements. Other than as specifically required by law, Matrix undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or otherwise.

#### **Non-GAAP Measures**

EBITDA, recurring EBITDA and recurring income before taxes are not measures recognized under Canadian generally accepted accounting principles ("GAAP"). However, management of Matrix believes that many of its shareholders, creditors, other stakeholders and investment analysts prefer to have these measures included as reported measures of operating performance, a proxy for cash flow, and to facilitate valuation analysis. These non-GAAP measures do not have any standard meanings prescribed by GAAP and therefore may not be comparable to similar measures presented by other issuers. Readers are cautioned that these non-GAAP measures are not alternatives to measures determined in accordance with GAAP and should not, on their own, be construed as indicators of Matrix's performance, cash flow or profitability. These Non-GAAP measures should be read in conjunction with the financial statements of GrowthWorks and Matrix posted on SEDAR.com. For additional information regarding Matrix's use of non-GAAP measures, including reconciliations of these measures to the nearest GAAP measures, please refer to the "Non-GAAP Financial Measures", "Reconciliation of Recurring Income before Taxes" and "Reconciliation of EBITDA and Recurring EBITDA" sections of its MD&A available on the SEDAR website at [www.sedar.com](http://www.sedar.com).