



## DUNDEE CORPORATION REPORTS 2011 FINANCIAL RESULTS

### FOR IMMEDIATE RELEASE

**Toronto, March 26, 2012** – Dundee Corporation (TSX: DC.A, DC.PR.A, DC.PR.B) (the “Corporation”) is today reporting its financial results as at and for the year ended December 31, 2011. The Corporation’s audited annual consolidated financial statements, along with management’s discussion and analysis and annual information form have been filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) and may be viewed under the Corporation’s profile at [www.sedar.com](http://www.sedar.com) or the Corporation’s website at [www.dundeecorporation.com](http://www.dundeecorporation.com).

#### FINANCIAL HIGHLIGHTS

- **Net Earnings** attributable to equity holders in 2011 were \$1.0 billion or \$15.10 per share on a fully diluted basis. This compares with net earnings of \$201 million in 2010 or \$2.56 per share on a fully diluted basis. Net earnings in 2011 included a gain of \$870.8 million from the Corporation’s divestment of its interest in DundeeWealth, which was completed during the first quarter of 2011.
- **Net Earnings from Continuing Operations** attributable to equity holders for the year ended December 31, 2011 were \$173.2 million or \$2.17 per share on a fully diluted basis. This compares to net earnings from continuing operations attributable to equity holders of \$199.3 million or \$2.05 per share on a fully diluted basis, earned in the prior year. Current year per share amounts reflect the impact of the Corporation’s substantial issuer bid and subsequent cancellation of 10 million Class A subordinate voting shares, which was completed in the fourth quarter of 2011.
- **Gain on Sale of Breakwater Resources Ltd.** – Included in the 2011 earnings is a pre-tax gain of \$95.6 million (\$71.1 million after tax) from the Corporation’s divestment of Breakwater.
- **Market Value of Investments** – The market value of the Corporation’s portfolio of investments was \$1.5 billion at December 31, 2011, and includes shares of The Bank of Nova Scotia received by the Corporation on its divestment of DundeeWealth Inc. Amidst concerns of a global economic downturn and the impact on financial markets generally, during 2011, the Corporation’s portfolio of available-for-sale securities depreciated by \$181.7 million, including \$106.3 million relating to the Corporation’s interest in Scotiabank received in consideration for its divestment of DundeeWealth.
- **Equity Accounted Investments** – Earnings from equity accounted investments were \$61.8 million in 2011 compared with \$75.4 million in the prior year. At December 31, 2011, the market value of these equity accounted investments was \$617.0 million.
- **Fee Earning Assets under Management and Administration** increased to \$12.3 billion at December 31, 2011, compared with \$10.4 billion at December 31, 2010.
- **Corporate Debt** at December 31, 2011 was \$546.6 million and included \$269.6 million borrowed in our real estate and resource based subsidiaries.

#### STRATEGIC DEVELOPMENTS IN THE FOURTH QUARTER OF 2011

##### *Substantial Issuer Bid*

During the fourth quarter, the Corporation launched a substantial issuer bid to purchase for cancellation up to 10 million of its Class A subordinate shares for \$23.75 per share or \$237.5 million in aggregate. The Corporation took up and paid for 10 million of the Class A Subordinate Shares representing approximately 16.2% of the Class A Subordinate Shares issued and outstanding immediately prior to completion of the transaction. The Corporation funded the purchase price using working capital provided through its established credit facilities as well as the sale of certain of its portfolio investments.

### *Expansion in the Agricultural Sector*

The Corporation recently established Dundee Agricultural Corporation, a wholly owned subsidiary, to focus on sustainable agricultural investment opportunities across Canada and globally. In December 2011, Dundee Agricultural made its first anchor investment through the acquisition of an 81% interest in Blue Goose Capital Corporation, the parent company to Blue Goose Cattle Company, a leading operator in the organic and natural beef production market. Blue Goose has operations in both British Columbia and Ontario.

### *Acquisition of Dundee Capital Markets Inc.*

Subsequent to December 31, 2011, the Corporation completed the acquisition of all of Dundee Capital Markets' outstanding common shares not already held by the Corporation at a price of \$1.125 per share by way of a court approved plan of arrangement under the Business Corporations Act (Ontario). The Corporation paid \$88.0 million in respect of the transaction. The transaction was completed in February 2012 and the Corporation currently owns all of the common shares of Dundee Capital Markets.

## **2011 SEGMENTED RESULTS OF OPERATIONS**

| <i>(in millions of dollars)</i>               |      |                |      |              |
|---|------|----------------|------|--------------|
| <i>For the years ended December 31,</i>       |      |                |      |              |
|   | 2011 |                | 2010 |              |
| Net earnings (loss) before income taxes from: |      |                |      |              |
| Real estate segment                           | \$   | 98.6           | \$   | 122.1        |
| Resource segment                              |      | 123.5          |      | 50.0         |
| Agriculture segment                           |      | (0.7)          |      | -            |
| Asset management segment                      |      | (7.1)          |      | 38.8         |
| Capital markets segment                       |      | 9.9            |      | 49.8         |
|   |      | 224.2          |      | 260.7        |
| Income taxes                                  |      | (51.0)         |      | (61.4)       |
| Discontinued operations                       |      | 850.8          |      | 84.5         |
| Net earnings for the year                     | \$   | <b>1,024.0</b> | \$   | <b>283.8</b> |
| Net earnings attributable to:                 |      |                |      |              |
| Owners of the parent                          |      | 1,014.6        |      | 201.1        |
| Non-controlling interest                      |      | 9.4            |      | 82.7         |
|   | \$   | <b>1,024.0</b> | \$   | <b>283.8</b> |

The Corporation's real estate segment generated net earnings before income taxes of \$98.6 million during 2011 compared with \$122.1 million earned in the prior year. Lower earnings in 2011 were in line with expectations for the year, as Dundee Realty had expected a drop in demand and adjusted development activity accordingly. The Corporation's share of earnings from its investments in Dundee REIT and Dundee International REIT was \$25.8 million in aggregate compared with \$18.3 million in the prior year, and included the Corporation's share of net gains from changes in fair values of the portfolio of investment properties held by these entities.

During 2011, the resource segment generated net earnings of \$123.5 million compared with net earnings of \$50.0 million in the same period of the prior year. Net earnings in 2011 included a gain on the divestment of Breakwater of \$95.6 million and a full year of operations on the oil and gas assets in southern Ontario acquired by Dundee Energy in June 2010. Equity earnings from resource based investments were \$34.6 million in 2011 compared with \$56.5 million earned in the prior year.

At December 31, 2011, fee earning assets under management and administration had increased to \$12.3 billion, an 18% increase over \$10.4 billion in fee earning assets under management and administration at the end of the prior year. Despite the increase, management fee revenue decreased to \$33.0 million in 2011 compared with \$48.3 million in the prior year. Prior year management fees included \$23.1 million of performance fee revenue. Reflecting the substantial volatility in financial markets, there were no performance fees earned by the Corporation in 2011.

The Corporation's asset management segment includes the Corporation's direct investment holdings and related profitability. During 2011, the Corporation realized losses of \$23.5 million from these direct investments, including fair value impairments of \$23.3 million. This resulted in net losses for the asset management segment of \$7.1 million in 2011. This compares with realized earnings from these investments of \$29.9 million in the prior year, resulting in net earnings of \$38.8 million.

Dundee Capital Markets generated earnings before taxes of \$9.9 million in 2011, a substantial decline when compared with earnings of \$49.8 million in the prior year. The decline in net earnings reflects the challenging financial markets and business conditions that persisted globally during the latter part of 2011, and the related impact to Dundee Capital Markets, including lower returns generated on managed products and a significant decrease in profitability from principal trading activity.

## **ABOUT THE CORPORATION**

Dundee Corporation is an independent publicly traded Canadian asset management company. The Corporation's asset management activities are focused in the areas of the Corporation's core competencies and include real estate and infrastructure as well as energy, resources and agriculture. Asset management activities are carried out by Ned Goodman Investment Counsel Limited, a registered portfolio manager and exempt market dealer across Canada and an investment fund manager in the province of Ontario, and by DREAM, the asset management division of Dundee Realty Corporation, a 70% owned subsidiary of the Corporation. Asset management activities are supported by the Corporation's ownership interest in Dundee Capital Markets Inc. Dundee Capital Markets is also the asset manager of the Corporation's flow-through limited partnership business carried out through the "CMP", "CDR" and "Canada Dominion Resources" brands. Dundee Corporation also owns and manages direct investments in these core focus areas, through ownership of both publicly listed and private companies. Real estate operations are carried out through the Corporation's investment in Dundee Realty Corporation, an owner, developer and manager of residential and recreational properties in North America. Energy and resource operations include the Corporation's ownership in Dundee Energy Limited (formerly Eurogas Corporation), an oil and natural gas company with a mandate to create long-term value through the development of high impact energy projects. The Corporation also holds several other equity accounted investments in the resource sector. Agricultural activities are carried out through a newly formed entity, Dundee Agricultural Corporation. Dundee Agricultural Corporation acquired an 81% interest in Blue Goose Capital Corporation, a privately-owned Canadian company with a leading position in the organic and natural beef production markets with operations in both British Columbia and Ontario.

## **FOR FURTHER INFORMATION PLEASE CONTACT:**

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