



## DUNDEE CORPORATION REPORTS FIRST QUARTER 2012 FINANCIAL RESULTS

### FOR IMMEDIATE RELEASE

**Toronto, May 15, 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 three months ended March 31, 2012. The Corporation’s unaudited condensed interim consolidated financial statements, along with the accompanying management’s discussion and analysis, 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.dundeecorp.com](http://www.dundeecorp.com).

### FINANCIAL HIGHLIGHTS

- **Net Earnings** from continuing operations attributable to owners of the Corporation during the first quarter of 2012 were \$32.5 million or \$0.53 per share on a fully diluted basis. This compares with net earnings from continuing operations attributable to owners of the Corporation of \$14.2 million during the same period of the prior year, or \$0.17 per share on a fully diluted basis. Net earnings in the first quarter of the prior year also included \$861.2 million from discontinued operations, including a gain of \$870.8 million, from the Corporation’s divestment of its interest in DundeeWealth Inc.
- **Market Value of Investments** – The market value of the Corporation’s portfolio of investments, excluding equity accounted investments, was \$1.6 billion at March 31, 2012, and includes \$1.1 billion in shares of The Bank of Nova Scotia received by the Corporation on its divestment of DundeeWealth Inc.
- **Equity Accounted Investments** – Earnings from equity accounted investments were \$10.6 million during the first quarter of 2012 compared with \$15.3 million earned during the same period of the prior year. Earnings from equity accounted investments in the first quarter of the prior year included \$8.0 million in respect of the Corporation’s investment in Breakwater Resources Limited (“Breakwater”), which was subsequently sold in the third quarter of 2011. At March 31, 2012, the market value of equity accounted investments was \$654.3 million.
- **Fee Earning Assets under Management and Administration** increased to \$13.7 billion at March 31, 2012, compared with \$11.5 billion at March 31, 2011 and \$12.3 billion at December 31, 2011.
- **Corporate Debt** at March 31, 2012 was \$532.8 million and included \$273.0 million borrowed in our real estate and resource based subsidiaries.

### DEVELOPMENTS IN THE FIRST QUARTER OF 2012

#### *Growth in Assets under Management and Administration*

The Corporation continues to grow its asset management base, with assets under management and administration increasing to \$13.7 billion at March 31, 2012, an increase of 11% over \$12.3 billion of assets under management and administration at December 31, 2011. A significant part of this growth occurred in the real estate segment, including growth of approximately \$1.6 billion from new acquisitions.

#### *Expansion in the Agriculture Sector*

Late in 2011, the Corporation created 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 in the sector by acquiring a majority interest in Blue Goose Capital Corporation, a private company whose principal asset is The Blue Goose Cattle Company, a leading operator in the organic and natural beef production market. Under its stewardship, Blue Goose has over 700,000 acres of deeded, leased and licensed grazing land, as well as one of the largest organic cattle herds in North America.

In March 2012, the Corporation expanded its portfolio in the agriculture sector through the acquisition of a 14% interest in Agrimarine Holdings Inc. (“Agrimarine”), a Canadian publicly traded company operating in the fisheries sector. Agrimarine has developed a new farm management system, with the intent of providing solutions to issues facing the fish farming industry. Agrimarine is currently assessing the economics of its technology in fresh water at its fish rearing facility in China.

*Privatization of Dundee Capital Markets Inc. (“Dundee Capital Markets”)*

During the first quarter of 2012, 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), essentially privatizing its investment in Dundee Capital Markets. The Corporation paid \$88.0 million in respect of the transaction.

## FIRST QUARTER 2012 SEGMENTED RESULTS OF OPERATIONS

*(in thousands of dollars)*

<i>For the three months ended March 31,</i>	2012	2011
Net earnings (loss) before income taxes from:		
Real estate segment	\$ 12,885	\$ 11,723
Resource segment	781	7,258
Agriculture segment	(716)	-
Asset management segment	33,735	(1,523)
Capital markets segment	3,765	5,253
	50,450	22,711
Income taxes	(14,911)	(5,022)
Discontinued operations:		
Loss, net of taxes	-	(20,000)
Gain on sale of discontinued operations, net of taxes	-	870,828
Net earnings for the period	<b>\$ 35,539</b>	<b>\$ 868,517</b>
Net earnings attributable to:		
Owners of the parent		
Continuing operations	\$ 32,461	\$ 14,164
Discontinued operations	-	861,158
Non-controlling interest	3,078	(6,805)
	<b>\$ 35,539</b>	<b>\$ 868,517</b>

The Corporation’s real estate segment generated net earnings before income taxes of \$12.9 million during the first quarter of 2012 compared with \$11.7 million earned in the same period of the prior year. Increased equity earnings from the Corporation’s investment in real estate ventures were partially offset by lower margins incurred on land transactions, reflecting reduced transaction volumes. During the first quarter of 2012, the Corporation earned \$7.5 million from equity accounted real estate investments compared with \$4.2 million earned in the first quarter of the prior year. Equity earnings from real estate investments include the Corporation’s share of changes in fair values of investment properties. Changes in fair values of investment properties may cause significant variations in period-over-period earnings.

During the first quarter of 2012, the resource segment generated net earnings of \$0.8 million compared with net earnings of \$7.3 million in the same period of the prior year. The decrease in earnings related primarily to a decrease in equity earnings in this segment, which were \$3.2 million in the first quarter of 2012 compared with \$11.1 million earned in the same period of the prior year. As previously indicated, equity earnings from resource investments in the first quarter of the prior year included \$8.0 million from the Corporation’s investment in Breakwater.

At March 31, 2012, fee earning assets under management and administration had increased to \$13.7 billion, representing an 18% increase over \$11.5 billion in fee earning assets under management and administration at March 31, 2011, and an 11% increase over fee earning assets under management and administration at December 31, 2011. Correspondingly, management fee revenue in the asset management segment increased to \$16.3 million in the first quarter of 2012 compared with \$8.1 million in the first quarter of the prior year.

The Corporation's asset management segment includes the Corporation's direct investment holdings and related profitability. During the three months ended March 31, 2012, the Corporation realized \$21.6 million in earnings from these direct investments, compared with \$2.3 million earned in the first quarter of the prior year.

Dundee Capital Markets generated earnings before taxes of \$3.8 million in the first quarter of 2012, compared with earnings of \$5.3 million in the same quarter of the prior year. Despite improved economic conditions generally, investor confidence remains fragile amidst concern over sovereign debt issues and the downside risk of possible austerity measures globally. Capital markets activities in the resource industry in particular, a core focus for the capital markets segment, decreased significantly in the first quarter of 2012 compared with the same period of the prior year.

## **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 a 79% 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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