



## DUNDEE CORPORATION REPORTS SECOND QUARTER 2011 FINANCIAL RESULTS

### FOR IMMEDIATE RELEASE

**Toronto, August 10, 2011 – Dundee Corporation** (TSX: DC.A, DC.PR.A, DC.PR.B) (the “Company”) is today reporting its financial results for the three and six months ended June 30, 2011. The Company’s unaudited interim consolidated financial statements, along with management’s discussion and analysis have been filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) and may be viewed under the Company’s profile at [www.sedar.com](http://www.sedar.com) or the Company’s website at [www.dundeecorporation.com](http://www.dundeecorporation.com).

### HIGHLIGHTS

- **Net Earnings** from continuing operations in the second quarter of 2011 were \$24.3 million or \$0.27 per share on a fully diluted basis. This compares to net earnings from continuing operations of \$36.0 million or \$0.44 per share on a fully diluted basis earned in the second quarter of the prior year.
- **Gain on Sale of DundeeWealth** – The Company’s year to date earnings of \$903.2 million or \$12.66 per share on a fully diluted basis, include a gain of \$870.8 million from the Company’s divestment of its interest in DundeeWealth, which was completed during the first quarter of this year.
- **Market Value of Investments** – The market value of the Company’s portfolio of available-for-sale securities was \$1.8 billion at June 30, 2011, and includes the shares of Scotiabank received by the Company on its divestment of DundeeWealth. During the second quarter, the Company invested \$97.5 million in its portfolio of available-for-sale securities, predominantly in the resource sector.
- **Equity Accounted Investments** – Earnings from equity accounted investments were \$13.9 million in the second quarter of this year compared with \$12.3 million in the same period of the prior year. At June 30, 2011, the market value of these equity accounted investments was \$578.7 million.
- **Fee Earning Assets under Management and Administration** increased to \$12.0 billion at June 30, 2011, compared with \$11.1 billion at December 31, 2010.
- **Corporate Debt** at June 30, 2011 was \$401.3 million and included \$160.0 million drawn against the Company’s corporate revolving term credit facility.
- **Normal Course Issuer Bid** – During the second quarter of 2011, the Company completed the purchase and cancellation of Subordinate Voting Shares pursuant to its normal course issuer bid arrangements. Since January 1, 2011, the Company has acquired 5.8 million shares pursuant to these arrangements at an aggregate cost of \$141.6 million.

### RESULTS OF OPERATIONS

The Company’s real estate segment generated net earnings before income taxes of \$12.9 million during the second quarter of 2011 compared with \$14.1 million earned in the second quarter of the prior year during which the real estate segment had completed a significant condominium closing. Decreases in real estate contribution margins, which are often project-driven, were offset by the Company’s share of improved earnings from Dundee REIT, which increased to \$6.1 million in the current quarter compared with \$2.6 million earned in the second quarter of the prior year.

Earnings from the Company's resource segment include a full quarter of operations from oil and gas assets acquired in southern Ontario in June 2010. As these assets were acquired late in the second quarter of the prior year, there are no comparative operating amounts. In the three months ended June 30, 2011, the resource segment incurred operating losses of \$0.3 million compared with operating losses of \$4.1 million in the same period of the prior year. Improved operating earnings were offset by a decrease in equity earnings from resource-based investments, which were \$7.7 million in the current quarter, compared with \$9.7 million earned in the same period of 2010.

The Company's asset management business continues to expand. Management fees earned on asset management activities were \$6.0 million in the second quarter of 2011 compared with \$5.5 million earned in the same period of 2010. NGIC earned management fees of \$1.4 million in the second quarter of the current year (three months ended June 30, 2010 - \$0.9 million). As part of the arrangement with Scotiabank, NGIC will continue to provide sub-advisory services to certain mutual funds and other investment products managed by DundeeWealth. Asset management revenues generated by DREAM were \$3.7 million in the second quarter, consistent with revenues earned in the same period of 2010.

Dundee Capital Markets generated earnings before taxes of \$4.3 million in the second quarter of 2011 compared with \$5.4 million earned in the second quarter of the prior year. Following the market volatility of recent years, 2010 and the first half of 2011 have shown signs of renewed growth and investment activities. This is evidenced in the growth of new issues and mergers and acquisitions activity throughout diversified industry sectors across Canada. While Dundee Capital Markets has benefitted from this increased activity, emphasis has been placed on strengthening and broadening competencies within its areas of focus, in anticipation of a more specialized entrepreneurial firm, with carefully selected core strengths. These initiatives are reflected in increased selling, general and administrative costs during the current quarter compared with the same period of the prior year.

## **RECENT DEVELOPMENTS**

### *All-Cash Offer for Breakwater Resources*

Dundee Corporation has entered into a lock-up agreement pursuant to which it has agreed to tender all of its common shares in Breakwater Resources Ltd. in favour of an all-cash offer made by Nyrstar NV for all of the issued and outstanding shares of Breakwater. The Company expects to receive approximately \$155 million in cash as a result of the transaction, including \$145 million from the sale of its interest and a \$10 million special dividend. Once the transaction has been completed, the Company expects to record a pre-tax gain in respect of its divestment in Breakwater of approximately \$100 million. The transaction is expected to close in the third quarter of 2011.

### *Initial Public Offering – Dundee International Real Estate Investment Trust*

On August 3, 2011, Dundee International REIT completed its initial public offering of 27 million trust units at \$10.00 per unit and \$140 million 5.5% convertible unsecured subordinate debentures due July 31, 2018. Dundee International REIT is a newly established real estate investment trust formed to invest in real estate outside of Canada. It was originally founded by Dundee Realty, and DREAM has been retained to act as its asset manager. Dundee International REIT will initially invest in a portfolio of properties consisting of 292 office, logistics and other commercial properties, with a residential component, comprising approximately 12.3 million square feet of commercial gross leasable area located in Germany. Approximately 75% of the gross leasable area on these properties is currently leased to Deutsche Post. On completion of the acquisition of these properties, Dundee International REIT will be the single largest landlord of Deutsche Post, providing central and strategically placed locations that are difficult to replace. On a combined basis, Dundee Corporation and Dundee Realty currently own 12.8 million units of Dundee International REIT, representing a 32.2% ownership interest.

## **ABOUT THE COMPANY**

Dundee Corporation is an independent publicly traded Canadian asset management company. Asset management activities are focused in the areas of the Company's core competencies including real estate and infrastructure, resources, and energy. Asset management activities are carried out by Ned Goodman Investment Counsel Limited ("NGIC"), a registered portfolio manager and exempt market dealer across Canada and an investment fund manager in the province of Ontario, and by Dundee Real Estate Asset Management ("DREAM"), the asset management division of Dundee Realty Corporation ("Dundee Realty"), a 70% owned subsidiary of the Company. Asset management activities are supported by the Company's 48% interest in Dundee Capital Markets Inc. ("Dundee Capital Markets"). Dundee Capital Markets is also the manager of the 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 Company's investment in Dundee Realty, an owner and developer of residential and recreational properties in North America. Resource investments are managed through Dundee Resources Limited ("Dundee Resources"), a wholly owned subsidiary of the Company, and include the Company's 57% investment 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. Dundee Resources also manages several other equity accounted investments.

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

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