



DUNDEE BANCORP REPORTS SECOND QUARTER 2004 RESULTS

Toronto, Ontario – August 12, 2004: DUNDEE BANCORP INC. (TSX: DBC.A) reports its financial results for the six months and the quarter ended June 30, 2004. Net earnings for the six months ended June 30, 2004 were \$41.1 million or \$1.63 per share compared with \$36.4 million or \$1.44 per share for the same period of 2003. On a three month basis, net earnings were \$11.0 million or \$0.44 per share, compared with \$23.5 million or \$0.93 per share in the second quarter of 2003.

On December 30, 2003, our subsidiary, Dundee Wealth Management Inc. (“Dundee Wealth”), completed the acquisition of Cartier Partners Financial Group Inc. (“Cartier”), which transformed Dundee Wealth into one of the largest independent integrated wealth management companies in Canada. Dundee Wealth now has approximately \$40 billion in fee paying assets under management and administration and approximately 2,300 independent financial advisors and 600 insurance specialists located in 745 branches across Canada. Dundee Wealth’s results for the three and six month periods ended June 30, 2004 include the operating results generated by the Cartier business acquired. As expected, we have incurred higher than normal operating costs in this division as we continue to integrate the operations of Cartier’s business with Dundee Wealth.

In the second quarter, Dundee Wealth’s pre-tax earnings include a gain of \$26.8 million from the prepayment of an investment management contract with Dundee Precious Metals Inc. (“Dundee Precious”), which was voluntarily terminated following the transformation of Dundee Precious from an investment management company to a gold mining company. The gain from Dundee Precious, as well as revenues from the Cartier financial advisors contributed to higher revenue levels in the second quarter of this year compared with the same period of 2003.

On a consolidated basis, we generated operating EBITDA¹ of \$115.4 million in the first six months of 2004, an increase of 85% or \$53.0 million from the \$62.4 million earned in the same period of 2003. Operating EBITDA includes the \$26.8 million earned from Dundee Precious.

During the quarter, we increased our ownership interest in Dundee Precious to 21% and began to account for this investment on an equity basis. Other second quarter developments in our resource segment include the completion of the plan of arrangement between Eurogas Corporation (“Eurogas”) and Great Plains Exploration Inc. (“Great Plains”), whereby substantially all of the Canadian operating assets of Eurogas were transferred to Great Plains. As a result of the plan of arrangement and after the exercise of certain options, our interest in

¹ “Operating EBITDA” or “Operating Earnings before Interest, Taxes and Other Non Cash Items” and “Operating Earnings” are set out in the consolidated statements of the Company. While these measures are non-GAAP, the Company uses them as supplementary measures to net earnings of the Company.

Great Plains was reduced to 49%, and we are now obliged to report this investment using the equity method, instead of accounting for operations on a consolidated basis. We continue to consolidate our 51% interest in Eurogas.

Activity in our real estate segment includes the operating results of Dundee Real Estate Investment Trust (“Dundee REIT”), which are accounted for on an equity basis. Our share of earnings from Dundee REIT was adversely affected in the second quarter by the disposition of one of its non-core retail properties. Included in our share of earnings from equity accounted investees during the second quarter of 2004 is a loss from discontinued operations of \$5.4 million, representing our pre-tax share of the loss from the sale of this property. Notwithstanding this loss, we are reporting three and six month earnings before taxes from our real estate activities, including our land and housing business, of \$4.7 million and \$17.6 million, respectively.

During the second quarter, we increased our investment provision against our carrying value of corporate investments by \$3.3 million. Earnings for the second quarter were also negatively impacted by a \$3.7 million expense related to share appreciation rights exercised during that period.

Investment gains in the first six months of 2004 were \$53.0 million, including the \$26.8 million earned in the Dundee Precious transaction. This compares with \$23.1 million realized in the same period of 2003. In 2003, we were able to record a tax benefit from the utilization of previously unrecorded tax losses to shelter a large part of our realized investment gains, which, for the most part, accounts for the higher tax provision in 2004.

FORWARD LOOKING STATEMENTS

This release contains forward looking statements about the Company, including its business operations, strategy and expected financial performance and conditions. Forward looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or similar expressions. Such statements are based on the current expectations of management, and inherently involve numerous risks and uncertainties, known and unknown, including economic factors and the financial services industry, generally. These forward looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward looking statements made by the Company. The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward looking statements. The Company has no specific intention to update any forward looking statements whether as a result of new information, future events or otherwise.

Readers are referred to the media release of Dundee Wealth Management Inc. dated August 6, 2004 for more information on that company.

A review of the activities and performance of the Company, together with interim consolidated financial statements and a Management’s Discussion and Analysis, will be published in the Company’s Second Quarter 2004 Report to Shareholders which should be mailed to shareholders on or before August 13, 2004.

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Segmented Earnings for the six months ended June 30, 2004 and 2003

<i>(in thousands of dollars)</i>						2004
<i>For the six months ended June 30, 2004</i>	Wealth Management	Real Estate	Resources	Other Investments and Corporate Costs	Intersegment	TOTAL
REVENUES						
Management and administration fees	\$ 115,191	\$ -	\$ -	\$ -	\$ -	\$ 115,191
Redemption fees	5,437	-	-	-	-	5,437
Financial services	175,595	-	-	1,558	(1,558)	175,595
Real estate revenue	-	54,429	-	-	-	54,429
Oil and gas sales, net of royalties	-	-	4,071	-	-	4,071
Investment income	28,282	-	18,169	10,003	(802)	55,652
	324,505	54,429	22,240	11,561	(2,360)	410,375
EXPENSES						
Selling, general and administrative	100,608	3,173	789	10,915	(1,558)	113,927
Variable compensation	121,847	-	-	-	-	121,847
Trailer fees	20,500	-	-	-	-	20,500
Operating costs, real estate	-	37,562	-	-	-	37,562
Operating costs, oil and gas properties	-	-	1,135	-	-	1,135
	242,955	40,735	1,924	10,915	(1,558)	294,971
OPERATING EBITDA	81,550	13,694	20,316	646	(802)	115,404
Amortization of deferred sales commissions	17,579	-	-	-	-	17,579
Depreciation, depletion and amortization	4,467	59	997	482	-	6,005
Interest expense	1,174	1,037	10	5,727	(802)	7,146
OPERATING EARNINGS (LOSS)	58,330	12,598	19,309	(5,563)	-	84,674
Equity earnings	-	4,973	5,123	365	-	10,461
Investment provision	-	-	-	(3,339)	-	(3,339)
Non controlling interest	(16,611)	-	(479)	-	-	(17,090)
	\$ 41,719	\$ 17,571	\$ 23,953	\$ (8,537)	\$ -	74,706
Dilution loss						(1,816)
Income taxes						(31,805)
NET EARNINGS FOR THE PERIOD						\$ 41,085

<i>(in thousands of dollars)</i>						2003
<i>For the six months ended June 30, 2003</i>	Wealth Management	Real Estate	Resources	Other Investments and Corporate Costs	Intersegment	TOTAL (Restated)
REVENUES						
Management and administration fees	\$ 79,127	\$ -	\$ -	\$ -	\$ -	\$ 79,127
Redemption fees	5,647	-	-	-	-	5,647
Financial services	65,509	-	-	1,687	(1,687)	65,509
Oil and gas sales, net of royalties	-	-	7,156	-	-	7,156
Investment income (loss)	(632)	-	25,953	(1,385)	(599)	23,337
	149,651	-	33,109	302	(2,286)	180,776
EXPENSES						
Selling, general and administrative	61,348	-	964	2,604	(1,687)	63,229
Variable compensation	36,784	-	-	-	-	36,784
Trailer fees	15,029	-	-	-	-	15,029
Operating costs, oil and gas properties	-	-	3,336	-	-	3,336
	113,161	-	4,300	2,604	(1,687)	118,378
OPERATING EBITDA	36,490	-	28,809	(2,302)	(599)	62,398
Amortization of deferred sales commissions	21,197	-	-	-	-	21,197
Depreciation, depletion and amortization	2,668	-	819	408	-	3,895
Interest expense	2,044	-	7	6,312	(599)	7,764
OPERATING EARNINGS (LOSS)	10,581	-	27,983	(9,022)	-	29,542
Equity earnings	-	6,318	1,358	247	-	7,923
Non controlling interest	(2,206)	-	(169)	-	-	(2,375)
	\$ 8,375	\$ 6,318	\$ 29,172	\$ (8,775)	\$ -	35,090
Dilution loss						(1,630)
Income taxes						2,898
NET EARNINGS FOR THE PERIOD						\$ 36,358

Segmented Earnings for the three months ended June 30, 2004 and 2003

<i>(in thousands of dollars)</i>						2004
<i>For the three months ended June 30, 2004</i>	Wealth Management	Real Estate	Resources	Other Investments and Corporate Costs	Intersegment	TOTAL
REVENUES						
Management and administration fees	\$ 56,378	\$ -	\$ -	\$ -	\$ -	\$ 56,378
Redemption fees	2,614	-	-	-	-	2,614
Financial services	77,431	-	-	740	(740)	77,431
Real estate revenue	-	27,824	-	-	-	27,824
Oil and gas sales, net of royalties	-	-	2,136	-	-	2,136
Investment income	27,631	-	1,539	3,970	(713)	32,427
	164,054	27,824	3,675	4,710	(1,453)	198,810
EXPENSES						
Selling, general and administrative	48,789	1,663	439	7,650	(740)	57,801
Variable compensation	52,254	-	-	-	-	52,254
Trailer fees	10,254	-	-	-	-	10,254
Operating costs, real estate	-	20,018	-	-	-	20,018
Operating costs, oil and gas properties	-	-	581	-	-	581
	111,297	21,681	1,020	7,650	(740)	140,908
OPERATING EBITDA						
	52,757	6,143	2,655	(2,940)	(713)	57,902
Amortization of deferred sales commissions	8,104	-	-	-	-	8,104
Depreciation, depletion and amortization	2,205	24	511	242	-	2,982
Interest expense	637	873	5	2,909	(713)	3,711
OPERATING EARNINGS (LOSS)						
	41,811	5,246	2,139	(6,091)	-	43,105
Equity earnings (loss)	-	(577)	2,420	255	-	2,098
Investment provision	-	-	-	(3,339)	-	(3,339)
Non controlling interest	(12,885)	-	(300)	-	-	(13,185)
	\$ 28,926	\$ 4,669	\$ 4,259	\$ (9,175)	\$ -	28,679
Dilution loss						(837)
Income taxes						(16,809)
NET EARNINGS FOR THE PERIOD						\$ 11,033

<i>(in thousands of dollars)</i>						2003
<i>For the three months ended June 30, 2003</i>	Wealth Management	Real Estate	Resources	Other Investments and Corporate Costs	Intersegment	TOTAL (Restated)
REVENUES						
Management and administration fees	\$ 40,766	\$ -	\$ -	\$ -	\$ -	\$ 40,766
Redemption fees	2,597	-	-	-	-	2,597
Financial services	34,472	-	-	815	(815)	34,472
Oil and gas sales, net of royalties	-	-	2,277	-	-	2,277
Investment income (loss)	(41)	-	4,752	2,209	(341)	6,579
	77,794	-	7,029	3,024	(1,156)	86,691
EXPENSES						
Selling, general and administrative	29,227	-	511	865	(815)	29,788
Variable compensation	18,739	-	-	-	-	18,739
Trailer fees	7,603	-	-	-	-	7,603
Operating costs, oil and gas properties	-	-	770	-	-	770
	55,569	-	1,281	865	(815)	56,900
OPERATING EBITDA						
	22,225	-	5,748	2,159	(341)	29,791
Amortization of deferred sales commissions	10,435	-	-	-	-	10,435
Depreciation, depletion and amortization	1,316	-	420	205	-	1,941
Interest expense	986	-	3	3,483	(341)	4,131
OPERATING EARNINGS (LOSS)						
	9,488	-	5,325	(1,529)	-	13,284
Equity earnings	-	3,906	2,272	165	-	6,343
Non controlling interest	(1,907)	-	104	-	-	(1,803)
	\$ 7,581	\$ 3,906	\$ 7,701	\$ (1,364)	\$ -	17,824
Dilution loss						(10)
Income taxes						5,681
NET EARNINGS FOR THE PERIOD						\$ 23,495

**DUNDEE BANCORP INC.
CONSOLIDATED BALANCE SHEETS**

*As at June 30, 2004 and December 31, 2003
(expressed in thousands of Canadian dollars) (unaudited)*

	June 30, 2004	December 31, 2003
		(Restated)
ASSETS		
Cash and short term investments	\$ 195,147	\$ 148,658
Brokerage securities owned	24,205	24,978
Accounts receivable	138,192	170,682
Client accounts receivable	285,935	354,347
Corporate investments	358,124	324,867
Deferred sales commissions	98,625	85,309
Capital and other assets	172,773	160,625
Goodwill and other intangible assets	455,959	465,135
TOTAL ASSETS	\$ 1,728,960	\$ 1,734,601
LIABILITIES		
Bank indebtedness	\$ 4,678	\$ 21,181
Accounts payable and accrued liabilities	158,937	186,276
Brokerage securities sold short	5,071	3,966
Client deposits and related liabilities	314,517	336,126
Income taxes payable	15,058	13,827
Corporate debt	256,006	295,622
Future income tax liabilities	54,850	38,552
	809,117	895,550
NON CONTROLLING INTEREST	283,453	245,818
SHAREHOLDERS' EQUITY		
Share capital		
Common shares	290,031	288,740
Contributed surplus	1,348	987
Retained earnings	345,023	304,758
Foreign currency translation adjustment	(12)	(1,252)
	636,390	593,233
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,728,960	\$ 1,734,601

DUNDEE BANCORP INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

For the three and six months ended June 30, 2004 and 2003
(expressed in thousands of Canadian dollars, except per share amounts) (unaudited)

	Three months		Six months	
	2004	2003	2004	2003
		(Restated)		(Restated)
REVENUE				
Management and administration fees	\$ 56,378	\$ 40,766	\$ 115,191	\$ 79,127
Redemption fees	2,614	2,597	5,437	5,647
Financial services	77,431	34,472	175,595	65,509
Real estate revenue	27,824	-	54,429	-
Oil and gas sales, net of royalties	2,136	2,277	4,071	7,156
	166,383	80,112	354,723	157,439
Investment income	32,427	6,579	55,652	23,337
	198,810	86,691	410,375	180,776
EXPENSES				
Selling, general and administrative	57,801	29,788	113,927	63,229
Variable compensation	52,254	18,739	121,847	36,784
Trailer fees	10,254	7,603	20,500	15,029
Operating costs, real estate	20,018	-	37,562	-
Operating costs, oil and gas properties	581	770	1,135	3,336
	140,908	56,900	294,971	118,378
OPERATING EARNINGS BEFORE INTEREST, TAXES AND OTHER NON CASH ITEMS				
	57,902	29,791	115,404	62,398
Amortization of deferred sales commissions	8,104	10,435	17,579	21,197
Depreciation, depletion and amortization	2,982	1,941	6,005	3,895
Interest expense	3,711	4,131	7,146	7,764
	43,105	13,284	84,674	29,542
OPERATING EARNINGS	43,105	13,284	84,674	29,542
Share of earnings of equity accounted investees	2,098	6,343	10,461	7,923
Dilution loss	(837)	(10)	(1,816)	(1,630)
Investment provision	(3,339)	-	(3,339)	-
Income taxes				
Current	316	1,143	(14,030)	(80)
Future	(17,125)	4,538	(17,775)	2,978
	(16,809)	5,681	(31,805)	2,898
Non controlling interest	(13,185)	(1,803)	(17,090)	(2,375)
NET EARNINGS FOR THE PERIOD	\$ 11,033	\$ 23,495	\$ 41,085	\$ 36,358
RETAINED EARNINGS AT BEGINNING OF PERIOD				
	\$ 334,810	\$ 194,128	\$ 304,758	\$ 184,787
Change in opening retained earnings to account for				
changes in accounting policies	-	-	-	(3,452)
Net earnings	11,033	23,495	41,085	36,358
Premiums related to cancellation of share capital	(820)	(346)	(820)	(416)
RETAINED EARNINGS AT END OF PERIOD	\$ 345,023	\$ 217,277	\$ 345,023	\$ 217,277
EARNINGS PER SHARE				
Basic	\$ 0.44	\$ 0.93	\$ 1.63	\$ 1.44
Diluted	\$ 0.39	\$ 0.92	\$ 1.54	\$ 1.43

DUNDEE BANCORP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

*For the three and six months ended June 30, 2004 and 2003
(expressed in thousands of Canadian dollars) (unaudited)*

	Three months		Six months	
	2004	2003	2004	2003
		(Restated)		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net earnings for the period	\$ 11,033	\$ 23,495	\$ 41,085	\$ 36,358
Non cash items in earnings:				
Depreciation, depletion and amortization	11,086	12,376	23,584	25,092
Net investment gains	(31,534)	(6,603)	(52,982)	(23,088)
Share of unremitted equity earnings	(2,098)	(6,343)	(10,461)	(7,923)
Dilution loss	837	10	1,816	1,630
Investment provision	3,339	-	3,339	-
Future income taxes	17,125	(4,538)	17,775	(2,978)
Non controlling interest	13,185	1,803	17,090	2,375
Other	2,649	219	3,194	624
	25,622	20,419	44,440	32,090
Changes in:				
Accounts receivable	4,946	2,349	34,049	2,863
Accounts payable and accrued liabilities	(23,584)	1,135	(32,857)	(4,206)
Bank indebtedness	(85)	2,501	(16,503)	(4,873)
Income taxes payable	(4,753)	(3,536)	(708)	(5,004)
Brokerage securities owned and sold short, net	(27,272)	(3,165)	1,878	(8)
Client accounts receivable, net of client deposits and related liabilities	72,157	(2,784)	46,803	(7,218)
Development of land, housing and condominium inventory	(12,278)	-	(18,857)	-
Other real estate working capital	18,639	-	17,127	-
CASH PROVIDED FROM OPERATING ACTIVITIES	53,392	16,919	75,372	13,644
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from dispositions of portfolio investments	13,796	46,141	59,256	99,992
Acquisitions of portfolio investments	(20,114)	(12,220)	(23,399)	(15,526)
Cash acquired in business acquisitions	-	2,978	-	2,978
Acquisition of non controlling interest	-	-	(1,000)	(2,000)
Sales commissions paid on distribution of mutual funds	(11,662)	(8,238)	(30,895)	(16,507)
Acquisition of shares in subsidiary	(2,690)	(923)	(2,690)	(2,854)
Acquisition of land held for development	(3,884)	-	(10,431)	-
Other	(3,288)	(2,419)	(7,164)	(4,453)
CASH (USED IN) PROVIDED FROM INVESTING ACTIVITIES	(27,842)	25,319	(16,323)	61,630
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Decrease) increase in corporate debt	34,759	5,663	(40,742)	4,346
Decrease in real estate debt	(8,334)	-	(3,610)	-
Issuance of Class A subordinate shares, net of issue costs	473	108	1,976	210
Acquisition of Class A subordinate shares	(1,275)	(1,691)	(1,275)	(2,121)
Issuance of shares in subsidiaries to non controlling interest	905	616	36,100	1,485
Cancellation of shares in subsidiary	(4,105)	-	(4,105)	-
Dividends paid by subsidiaries to non controlling shareholders	(449)	(139)	(904)	(275)
CASH (USED IN) PROVIDED FROM FINANCING ACTIVITIES	21,974	4,557	(12,560)	3,645
NET INCREASE IN CASH DURING THE PERIOD	47,524	46,795	46,489	78,919
Cash and short term investments, beginning of period	147,623	151,591	148,658	119,467
CASH AND SHORT TERM INVESTMENTS, END OF PERIOD	\$ 195,147	\$ 198,386	\$ 195,147	\$ 198,386
Cash flows from operating activities include the following:				
Interest paid	\$ 3,711	\$ 4,131	\$ 7,146	\$ 7,764
Taxes paid	\$ 5,919	\$ 2,580	\$ 17,768	\$ 6,109