



TSX: DRM

DREAM REPORTS 2014 FIRST QUARTER RESULTS

This news release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release.

TORONTO, May 12, 2014, DREAM Unlimited Corp. (TSX: DRM and DRM.PR.A) (“DREAM”) today announced its financial results for the three months ended March 31, 2014. Basic earnings per share (EPS) for the first quarter of 2014 was \$0.12.

Although the first quarter is not typically a significant period for DREAM’s overall core business and development activities, it was a very eventful start to the year for the company. During and subsequent to the quarter we:

- completed our first ever bought-deal equity offering of \$57.8 million (gross proceeds, including over-allotment) through the issuance of 3.68 million Class A subordinate voting shares, which closed on April 29, 2014;
- entered into an agreement to acquire an interest in a development project in Ottawa’s National Capital Region consisting of 37 acres – the development of these lands represents one of the largest urban redevelopment opportunities in either Ottawa or Gatineau; and
- entered into an agreement to complete the re-organization of four funds currently managed by Return on Innovation Advisors Ltd. (“ROI”), pursuant to which approximately \$700 million of net assets will be transferred to a newly formed trust called the Dream Hard Asset Alternatives Trust (Dream Alternatives). Provided certain conditions are satisfied, upon successful completion of the reorganization, Dream Alternatives will be managed by the asset management division of DREAM. A preliminary long-form prospectus for Dream Alternatives is expected to be filed on SEDAR on or about May 15, 2014.

“In the first quarter we have demonstrated how we can leverage both our land and asset management divisions with our existing platform, capabilities and expertise,” commented Michael Cooper, Chief Executive Officer. “We have had a strong start to the year, with our first quarter earnings results also exceeding our internal expectations.”

A summary of our 2014 first quarter results is included in the table below.

<i>(in thousands of CDN dollars, except per share amounts)</i>	Three months ended March 31,	
	2014	2013
Revenue	\$ 83,924	\$ 121,907
Net margin ⁽¹⁾	\$ 23,769	\$ 31,371
Net margin % ⁽¹⁾	28.3%	25.7%
Earnings for the period before tax	\$ 20,730	\$ 30,550
Earnings for the period	\$ 13,627	\$ 22,054
Basic earnings per share	\$ 0.12	\$ 0.20

(1) “Net margin” represents revenue less direct operating costs and asset management and advisory services expenses; including selling, marketing and other operating costs.

Note: Basic EPS is computed by dividing DREAM’s earnings attributable to owners of the parent by the weighted average number of DREAM Subordinate Voting Shares and DREAM Class B shares outstanding during the year.

Other Key Highlights:

- In the three month period ended March 31, 2014, we completed 100 lot sales, 15 acre sales, 38 housing unit occupancies and 140 condominium unit occupancies (71 condominium unit occupancies at DREAM's share).
- We continue to advance approvals for approximately 2,000 acres of development land in Regina and 665 acres in Saskatoon.
- Land acquisitions in the three months ended March 31, 2014 totalled \$15.1 million, representing 235 acres of additional land in Edmonton.
- Development of the Toronto 2015 Pan/Parapan American Games Athletes' Village project that will evolve after the Games into a mixed use neighbourhood known as the Canary District, is now approximately 78% complete and is on time and on budget.

Each year, the BILD Awards (Building Industry Land Development Association) recognize the very best of the GTA's developments. We are proud to announce that the Canary District Condominiums, as part of the Toronto 2015 Pan/Parapan American Athletes' Village won for Best Community of The Year – High Rise. The award recognizes the unique mixed-use urban village being developed in the heart of downtown Toronto.

- Effective today, we are launching the new Dream brand across our divisions. As a result, the names of some of our divisions and funds will change.
 - **Land Development:** Dundee Developments is now Dream Development
 - **Housing Development:** Homes by Dundee is now Homes by Dream
 - **Asset Management and Advisory Services:** Dundee REIT is Dream Office REIT, Dundee Industrial REIT is Dream Industrial REIT and Dundee International REIT is Dream Global REIT.

Selected financial operating metrics for the three months ended March 31, 2014 are summarized below.

Traditionally, our highest sales volume quarter for our land and housing divisions has been the fourth quarter, while our lowest has been the first quarter. In the first quarter of 2013, we experienced higher lot sales than would be typical within our business, due to a significant amount of delayed lot sales recorded in that period. Therefore we note that there is limited direct comparability in the year over year results within the land development business segment.

Selected Operating Metrics

<i>(in thousands of Canadian dollars)</i>	Three months ended March 31,	
	2014	2013
<u>LAND DEVELOPMENT</u>		
Revenue*	\$ 20,550	\$ 54,402
Net Margin*	\$ 6,357	\$ 17,322
Net Margin	30.9%	31.8%
Lots Sold	100	380
Average selling price – lot units	\$ 116,300	\$ 117,400
Acres Sold	15	19
Average selling price – acre units	\$ 611,000	\$ 522,100
<u>HOUSING DEVELOPMENT</u>		
Housing units occupied	38	49
Backlog	58	126
Revenue*	\$ 15,850	\$ 20,824
Net margin*	\$ 1,231	\$ 3,168
Net margin	7.8%	15.2%
Average selling price – housing units	\$ 417,000	\$ 425,000
* Results include land revenues and net margin on internal lot sales to our housing division, as the homes have been sold to external customers by the housing division during the period. Revenues (and net margin) results of \$2.1 million (\$0.7 million) in Q1 2014 and \$3.5 million (\$1.1 million) in Q1 2013, recognized in both the land and housing divisions have been eliminated on consolidation.		
<u>CONDOMINIUM DEVELOPMENT</u>		
Attributable to DREAM, excluding equity accounted investments		
Condominium occupancies (units)	71	78
Revenue	\$ 25,974	\$ 28,577
Net margin	\$ 8,802	\$ 3,190
Net margin	33.9%	11.2%
Average selling price of condominiums occupied		
Per unit	\$ 320,600	\$ 368,300
Per square foot	\$ 483	\$ 484
Pre-sold condominiums (units)	400	459
<u>ASSET MANAGEMENT AND ADVISORY SERVICES</u>		
Fee earning assets under management – listed funds	\$ 10,743,990	\$ 9,238,912
Revenue	\$ 9,876	\$ 11,184
Net margin	\$ 5,010	\$ 7,464
Net margin	50.7%	66.7%
<u>INVESTMENT AND RECREATIONAL PROPERTIES</u>		
Revenue	\$ 13,782	\$ 10,450
Net margin	\$ 3,093	\$ 1,308
Net margin	22.4%	12.5%

Capital Structure

At April 30, 2014, DREAM had 76.3 million shares Class A subordinate voting shares outstanding. Including the non-controlling interest, the capitalization was \$1.7 billion and the enterprise value was \$2.0 billion. Our debt-to-enterprise value was approximately 18%.

We believe our capital structure remains conservative, which offers significant flexibility to grow the business over time by seeking out new opportunities where we can use our experience, expertise and relationships to achieve attractive risk adjusted returns.

Other Information

Information appearing in this news release is a select summary of results. The financial statements and management's discussion and analysis for the Company are available at www.dream.ca and on www.sedar.com.

Conference Call

Senior management will host a conference call to discuss the results tomorrow, May 13 at 9:00 a.m. (ET). To access the call, please dial 1-866-229-4144 in Canada and the United States or 416-216-4169 elsewhere and use passcode 8674 239#.

To access the conference call via webcast, please go to DREAM's website at www.dream.ca and click on the link for Investors, then click on Calendar of Events. A taped replay of the conference call and the webcast will be available for 90 days.

Annual General Meeting

Our annual general meeting will be held at our corporate offices in Toronto, at 30 Adelaide Street East, 3rd Floor on May 12, 2014 at 4:00 p.m. (ET).

About DREAM Unlimited Corp.

DREAM is one of Canada's leading real estate companies with approximately \$13.5 billion of assets under management in North America and Europe. The scope of the business includes residential land development, housing and condominium development, asset management for three TSX-listed real estate investment trusts, investments in and management of Canadian renewable energy infrastructure and commercial property ownership. DREAM has an established track record for being innovative and for its ability to source, structure and execute on compelling investment opportunities.

Forward Looking Information

This press release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond DREAM's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to general and local economic and business conditions, employment levels, regulatory risks, mortgage rates and regulations, environmental risks, consumer confidence, seasonality, adverse weather conditions, reliance on key clients and personnel and competition. All forward looking information in this press release speaks as of May 12, 2014 DREAM does not undertake to update any such forward looking information whether as a result of new information, future events or otherwise. Additional information about these assumptions and risks and uncertainties is disclosed in filings with securities regulators filed on SEDAR (www.sedar.com).

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