



## DREAM REPORTS 2014 THIRD 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, NOVEMBER 4, 2014, Dream Unlimited Corp. (TSX: DRM and DRM.PR.A) (“Dream”)** today announced its financial results for the three and nine months ended September 30, 2014. Basic earnings per share (EPS) for the three and nine months ended September 30, 2014 were \$0.07 and \$0.35, respectively.

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

<i>(in thousands of Canadian dollars, except per share amounts)</i>	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Revenue	\$ 77,704	\$ 124,357	\$ 261,246	\$ 365,979
Net margin <sup>(1)</sup>	\$ 14,411	\$ 28,347	\$ 65,606	\$ 89,846
Net margin <sup>(1)</sup>	18.5%	22.8%	25.1%	24.5%
Earnings for the period before tax	\$ 9,272	\$ 27,602	\$ 55,587	\$ 87,000
Earnings for the period <sup>(2)</sup>	\$ 7,825	\$ 20,167	\$ 39,072	\$ 87,114
Basic earnings per share <sup>(3)</sup>	\$ 0.07	\$ 0.18	\$ 0.35	\$ 0.79
Diluted earnings per share	\$ 0.07	\$ 0.18	\$ 0.35	\$ 0.77

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

(2) Note that the prior period comparative earnings for the nine months ended September 30, 2013 include a non-recurring adjustment reducing the deferred income tax liability by \$24,048 as more fully described in Note 22 of the interim condensed consolidated financial statements for the nine months ended September 30, 2014.

(3) 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.

### Key Highlights:

- In the nine months ended September 30, 2014, we completed 336 lot sales, 40 acre sales, 160 housing unit occupancies and 334 condominium unit occupancies (169 condominium unit occupancies at Dream’s share). Gooderham, the main condominium project in occupancy in 2014 was 98.2% occupied at the end of the quarter.
- During the quarter, we entered into new commitments totalling an aggregate of \$17.9 million for 560 acres of land which included 400 acres of land adjacent to existing inventory in the east sector in Saskatoon (Holmwood) and 160 acres in Crossfield, Alberta, located to the immediate north of Airdrie. Dream has a further right of first refusal on an additional 640 acres in Crossfield, which will allow for the control of a significant land position just outside Calgary city limits. We expect to commence servicing land in Crossfield within the next two years. Including these lands, we have 1,341 acres under commitment at September 30, 2014.
- Development of the Toronto 2015 Pan/Parapan American Games Athletes’ Village (“Pan Am”) project that will evolve after the Games into a mixed use neighbourhood known as the Canary District is now approximately 95% complete (or 86% including post-Game suite conversions) and is on time and on budget. Sales of the market condominium buildings continue to progress well and we are 84% sold in Block 11 and 34% sold in Block 4 as of November 2, 2014, which we commenced marketing earlier this year.

- We recently launched the first phase of Riverside Square, a master-planned community located on the east side of downtown Toronto consisting of over 900 residential units and 200,000 sf of commercial tenants. The first phase consists of approximately 250 condominium units and sales have been very well received. We anticipate commencing construction in the fall of 2015, with occupancies expected in 2018.
- Recently the Conference Board of Canada named Dream's four primary land markets - Saskatoon, Regina, Edmonton, and Calgary - as the four top markets by real GDP growth in the country for the second year in a row.

#### Update on Land Approvals:

- Regina's City Council recently provided approval for the advancement of the Coopertown neighbourhood through an initial phase of development. Dream owns approximately 1,100 acres within Coopertown. In Calgary, Dream has commenced and is leading the coordination of the Area Structure Plan approval process for approximately 650 acres of land in Providence along with 320 acres of land in Panorama, both of which are expected to be finalized by the end of 2015.
- As previously disclosed, Dream together with our partner, Windmill Development Corporation has a 37 acre waterfront property under contract on the Ottawa River, located one kilometer from Parliament Hill. The purchase is subject to achieving certain zoning amendments from both the City of Ottawa and the City of Gatineau. In October 2014, Ottawa City Council approved an Official Plan and Zoning By-law amendments to establish the lands to be developed into a unique and dynamic mixed used community. The development will provide an opportunity to increase public waterfront access to the Ottawa River and views of the Chaudière Falls, both features that are expected to make this area a destination for residents and visitors. Similar zoning amendments are currently being pursued with the City of Gatineau, with approvals expected later this year.

Michael Cooper, CEO commented: "There has been tremendous value created in our business in the first nine months of the year through the creation of Dream Hard Asset Alternatives Trust, receipt of approvals on our development site in Ottawa, new joint venture relationships and within our urban retail development division that will enhance our profitability over the next few years. It has been a slower than expected first nine months of the year in terms of volume of lot sales and housing unit occupancies in Regina and Saskatoon due to weather, delays and a short-term oversupply of housing lots. The nature of our business is such that we spend many years working on approvals and our resulting income can be lumpy from year to year. Real GDP in Saskatchewan is forecasted to approximately double to 3% next year and the unemployment rate is expected to remain under 4%. While we would have hoped to achieve a higher level of income from our land business in 2014, we have a positive outlook on our markets, land positions within each city, asset management platform and the work our teams are doing in retail and multi-family to achieve increased success and profitability in 2015 and 2016."

Selected financial operating metrics for the three and nine months ended September 30, 2014 are summarized in the table below.

## Selected Operating Metrics <sup>1</sup>

<i>(in thousands of Canadian dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
<b>LAND DEVELOPMENT</b>				
Lot revenue	\$ 18,459	\$ 54,444	\$ 38,178	\$ 125,984
Acre revenue	\$ 7,225	\$ 1,664	\$ 31,515	\$ 24,492
Revenue <sup>2</sup>	\$ 25,684	\$ 56,108	\$ 69,693	\$ 150,476
Gross margin <sup>2, 3</sup>	\$ 6,582	\$ 19,549	\$ 26,859	\$ 51,546
Gross margin	25.6%	34.8%	38.5%	34.3%
Net margin <sup>2, 3</sup>	\$ 3,854	\$ 17,500	\$ 20,055	\$ 45,261
Net margin	15.0%	31.2%	28.8%	30.1%
Lots sold	163	442	336	1,061
Average selling price – lot units	\$ 111,000	\$ 123,000	\$ 113,000	\$ 119,000
Acres sold	7	2	40	39
Average selling price – acre units	\$ 966,000	\$ 792,000	\$ 786,000	\$ 648,000
<b>HOUSING DEVELOPMENT</b>				
Housing units occupied	67	98	160	225
Revenue <sup>2</sup>	\$ 29,051	\$ 42,952	\$ 68,837	\$ 94,207
Gross margin <sup>2</sup>	\$ 5,580	\$ 8,944	\$ 14,135	\$ 21,009
Gross margin	19.2%	20.8%	20.5%	22.3%
Net margin <sup>2</sup>	\$ 2,459	\$ 6,396	\$ 5,966	\$ 14,169
Net margin	8.5%	14.9%	8.7%	15.0%
Average selling price – housing units	\$ 434,000	\$ 434,000	\$ 430,000	\$ 419,000
<b>CONDOMINIUM DEVELOPMENT</b>				
Attributable to Dream, excluding equity accounted investments				
Condominium occupancies (units)	12	41	169	181
Revenue	\$ 8,430	\$ 13,612	\$ 70,857	\$ 72,513
Gross margin	\$ 1,981	\$ 1,725	\$ 21,854	\$ 15,169
Gross margin	23.5%	12.7%	30.8%	20.9%
Net margin	\$ 1,485	\$ 720	\$ 19,779	\$ 11,272
Net margin	17.6%	5.3%	27.9%	15.5%
Average selling price of condominiums occupied				
Per unit	\$ 517,000	\$ 364,000	\$ 377,000	\$ 363,000
Per square foot	\$ 559	\$ 506	\$ 503	\$ 493
Pre-sold condominiums (units)	342	430	342	430
<b>ASSET MANAGEMENT AND ADVISORY SERVICES</b>				
Fee earning assets under management – listed funds	\$ 11,844,327	\$ 10,550,664	\$ 11,844,327	\$ 10,550,664
Revenue	\$ 11,600	\$ 9,398	\$ 28,903	\$ 32,503
Net margin	\$ 9,436	\$ 5,869	\$ 19,577	\$ 20,746
Net margin	81.3%	62.4%	67.7%	63.8%
<b>INVESTMENT AND RECREATIONAL PROPERTIES</b>				
Revenue	\$ 7,111	\$ 9,186	\$ 33,177	\$ 31,753
Net margin	\$ (1,390)	\$ 41	\$ 3,636	\$ 3,270
Net margin	-19.5%	0.4%	11.0%	10.3%

<sup>1</sup> 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 the previous period. Therefore we note that there is limited direct comparability in the year over year results within the land development business segment.

<sup>2</sup> 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. Revenue (and net margin) results of \$4.2 million (\$1.4 million) and \$10.2 million (\$3.4 million) in the three and nine months ended September 30, 2014 and \$6.9 million (\$2.2 million) and \$15.5 million (\$4.9 million) in the same period in the prior year, recognized in both the land and housing divisions, have been eliminated on consolidation. For more details please refer to pages 14 to 17 of our MD&A.

<sup>3</sup> Included in land gross and net margin for the three and nine months ended September 30, 2014 are costs relating to amounts owing to a prior land owner for their share of profits calculated in the current quarter, of which \$3.9 million relate to land sales in Saskatoon in 2013.

## **Capital Structure**

At September 30, 2014, Dream had 76.3 million Subordinate Voting Shares and 3.1 million Class B Shares outstanding. Including the non-controlling interest, the market capitalization was \$1.5 billion and the enterprise value was \$1.8 billion. Our debt-to-enterprise value was approximately 21%. We believe our capital structure is 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](http://www.dream.ca) and on [www.sedar.com](http://www.sedar.com).

## **Conference Call**

Senior management will host a conference call to discuss the results tomorrow, November 5 at 8:30 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 6281 674#. To access the conference call via webcast, please go to Dream's website at [www.dream.ca](http://www.dream.ca) and click on the link for News and Events, then click on Calendar of Events. A taped replay of the conference call and the webcast will be available for 90 days.

## **About Dream Unlimited Corp.**

Dream is one of Canada's leading real estate companies with approximately \$14.7 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 and one TSX-listed diversified, hard asset alternatives trust, 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.

For further information, please contact:

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## **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 November 4, 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](http://www.sedar.com)).*