



## DREAM REPORTS SOLID FOURTH QUARTER AND YEAR END 2014 RESULTS, WITH A YEAR-OVER-YEAR INCREASE OF 26% IN BOOK EQUITY PER SHARE

*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, FEBRUARY 12, 2015, DREAM UNLIMITED CORP. (TSX: DRM and DRM.PR.A) (“Dream”)** today announced its financial results for the three and twelve months ended December 31, 2014. Basic earnings per share (EPS) for the three and twelve months ended December 31, 2014 were \$0.34 and \$0.69, respectively.

Michael Cooper, CEO commented: “It has been a very transformational year for our company through the execution of new domestic and global joint venture relationships, the creation of Dream Alternatives Trust and the active pursuit of approvals within both our land and urban development divisions. In 2014, we increased our total assets by \$129 million, while reducing our overall liabilities. We continue to make our company financially more conservative, while growing rapidly to enhance our profitability over the next few years. I am proud of our management style, team and culture and also ending the year a better company than we started.”

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

<i>(in thousands of Canadian dollars, except per share amounts)</i>	Three months ended December 31,		For the year ended December 31,	
	2014	2013	2014	2013
Revenue	\$ 127,169	\$ 148,504	\$ 388,415	\$ 514,483
Net margin <sup>(1)</sup>	\$ 40,637	\$ 50,106	\$ 106,243	\$ 139,952
Net margin <sup>(1)</sup>	32.0%	33.7%	27.4%	27.2%
Earnings for the period before tax	\$ 53,729	\$ 44,256	\$ 109,316	\$ 131,256
Earnings for the period <sup>(2)</sup>	\$ 38,384	\$ 31,551	\$ 77,456	\$ 118,665
Basic earnings per share <sup>(3)</sup>	\$ 0.34	\$ 0.30	\$ 0.69	\$ 1.09
Diluted earnings per share	\$ 0.33	\$ 0.30	\$ 0.69	\$ 1.07
Total Assets	1,224,698	1,095,578	1,224,698	1,095,578
Total Liabilities	632,865	639,975	632,865	639,975
Total Equity	\$ 591,833	\$ 455,603	\$ 591,833	\$ 455,603

<sup>(1)</sup> Net margin (“Non-IFRS Measures”) represents revenue less direct operating costs and asset management and advisory services expenses; including selling, marketing and other operating costs.

<sup>(2)</sup> Note that the prior period comparative earnings for the year ended December 31, 2013 include a non-recurring adjustment reducing the deferred income tax liability by \$24,048 as more fully described in Note 22 of the consolidated financial statements for the year ended December 31, 2014.

<sup>(3)</sup> 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 year ended December 31, 2014, we achieved 821 lot sales, 61 acre sales, 219 housing unit occupancies and 340 condominium unit occupancies (172 condominium unit occupancies at Dream’s share). Gooderham (in Toronto), the main condominium project in occupancy during the year, was 99.4% occupied at the end of 2014.
- Our fee earning assets under management increased to \$11.7 billion at the end of 2014, up from \$10.6 billion at the end of 2013, with the net margin from the division increasing to \$28.4 million from \$24.9 million in 2013. With the addition of the Dream Alternatives management contract in July 2014, the net margin as a percentage of revenues increased to 71.2% in 2014, up materially from 59.0% in 2013.
- In 2014, Dream recognized fair value increments of \$28.3 million (at its share) on the Distillery District in downtown Toronto, reflecting updated economic conditions and market transactions, which was

supported by an external appraisal at December 31, 2014. Subsequent to year end, a successful refinancing was executed on the Distillery District for \$85.0 million (\$42.5 million at Dream's share). The financing holds a 10-year term at a fixed rate of 3.9%. The financing is expected to generate additional net proceeds to Dream of \$20.9 million, after expenses and repayment of existing mortgage financing on the property.

- At December 31, 2014, construction of the Pan/Parapan American Athletes' Village in Toronto was approximately 99% complete (or 91% complete including post-Game suite conversions). Dream's development plan in 2015 for the Pan/Parapan American Athletes' Village is to remain focused on the sales program on the market condominium buildings, together with the planning and conversion of the development from Games use to its final completed use for future owners and tenants. Sales of the market condominiums continue to progress well and in line with budgeted expectations, with an 85% sales level in Block 11 and a 43% sales level in Block 4 as of December 31, 2014, which commenced marketing earlier this year.
- On January 20, 2015, Dream and Canadian Pacific (TSX/NYSE: CP) announced an agreement to form a joint venture called DREAM Van Horne Properties (DREAM VHP). The joint venture will maximize the value of CP's surplus real estate portfolio in Canada and the United States by leveraging the experience and expertise of Dream to develop real estate assets over the next several years.

#### Update on Approvals:

- Dream continues to make progress towards the advancement of over 5,000 acres of land held for development in Alberta and Saskatchewan, which includes approximately 1,100 acres in Coopertown (Regina), 1,000 acres in Holmwood (Saskatoon), 900 acres in Harbour Landing West (Regina) and 650 acres in Providence (Calgary).
- In 2015, our urban development division has begun to seek municipal approvals for three mixed used projects in downtown Toronto: Riverside Square, a master-planned community consisting of over 900 residential units and 200,000 sf of commercial tenants; and two residential towers in the Distillery District with a combined total of approximately 500 residential units and 200,000 sf of commercial space. Our first phase of Riverside Square (316 units) was approximately 80% pre-sold as at December 31, 2014.
- 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. Subject to a successful hearing at the Ontario Municipal Board in 2015, the zoning will allow us to develop over 1.0 million square feet of density in Ontario. Similar zoning amendments were approved with the City of Gatineau in November of 2014. Once the Ontario lands are fully approved, it is expected that total density of the site will be approximately 3.0 million square feet.

Selected financial operating metrics for the three and twelve months ended December 31, 2014 are summarized in the table below.

<i>(in thousands of Canadian dollars, except average selling price and number of units)</i>	Three months ended December 31,		Year ended December 31,	
	2014	2013	2014	2013
<b>LAND DEVELOPMENT</b>				
Lot revenue	\$ 70,116	\$ 94,194	\$ 108,294	\$ 220,178
Acre revenue	\$ 13,840	\$ 3,078	\$ 45,355	\$ 27,570
Revenue	\$ 83,956	\$ 97,272	\$ 153,649	\$ 247,748
Gross margin	\$ 34,398	\$ 45,888	\$ 61,257	\$ 97,434
Gross margin (%)	41.0%	47.2%	39.9%	39.3%
Net margin	\$ 32,229	\$ 43,823	\$ 52,284	\$ 89,084
Net margin (%)	38.4%	45.1%	34.0%	36.0%
Lots sold	485	800	821	1,861
Average selling price – lot units	\$ 145,000	\$ 118,000	\$ 132,000	\$ 118,000
Acres sold	21	2	61	41
Average selling price – acre units	\$ 658,000	\$ 1,539,000	\$ 755,000	\$ 673,000
<b>HOUSING DEVELOPMENT</b>				
Housing units occupied	59	65	219	290
Revenue <sup>2</sup>	\$ 24,274	\$ 27,877	\$ 93,111	\$ 122,084
Gross margin <sup>2</sup>	\$ 4,875	\$ 5,400	\$ 19,010	\$ 26,409
Gross margin (%)	20.1%	19.4%	20.4%	21.6%
Net margin <sup>2</sup>	\$ 1,780	\$ 2,834	\$ 7,746	\$ 17,003
Net margin (%)	7.3%	10.2%	8.3%	14.2%
Average selling price – housing units	\$ 411,000	\$ 429,000	\$ 425,000	\$ 423,000
<b>CONDOMINIUM DEVELOPMENT</b>				
Attributable to Dream, excluding equity accounted investments				
Condominium occupancies (units)	3	14	172	195
Revenue	\$ 2,618	\$ 6,015	\$ 73,475	\$ 78,528
Gross margin	\$ 166	\$ 157	\$ 22,020	\$ 15,326
Gross margin (%)	6.3%	2.6%	30.0%	19.5%
Net margin	\$ (1,533)	\$ (506)	\$ 18,246	\$ 10,766
Net margin (%)	n/a	-8.4%	24.8%	13.7%
Average selling price of condominiums occupied	\$ 530,000	\$ 442,000	\$ 381,000	\$ 364,000
Per unit	\$ 573	\$ 589	\$ 505	\$ 512
Pre-sold condominiums (units)	347	450	347	450
<b>ASSET MANAGEMENT AND ADVISORY SERVICES</b>				
Fee earning assets under management – listed funds	\$ 11,710,220	\$ 10,646,986	\$ 11,710,220	\$ 10,646,986
Revenue	\$ 10,964	\$ 9,767	\$ 39,867	\$ 42,270
Net margin <sup>(4)</sup>	\$ 8,807	\$ 4,173	\$ 28,384	\$ 24,919
Net margin (%)	80.3%	42.7%	71.2%	59.0%
<b>INVESTMENT AND RECREATIONAL PROPERTIES</b>				
Revenue	\$ 9,864	\$ 11,880	\$ 43,041	\$ 43,633
Net margin <sup>(5)</sup>	\$ 903	\$ 1,191	\$ 4,539	\$ 4,461
Net margin (%)	9.2%	10.0%	10.5%	10.2%

<sup>(1)</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 year. Revenue (and net margin) results of \$4.5 million (\$1.5 million) and \$14.7 million (\$5.0 million) during the quarter and year ended December 31, 2014 and \$4.3 million (\$1.4 million) and \$19.8 million (\$6.3 million) in the same periods of the prior year, recognized in both the land and housing divisions, have been eliminated on consolidation. For more details, please refer to page 10 of our MD&A.

<sup>(2)</sup> Gross margin for condominium operations includes interest expense which is capitalized during the development period and expensed through cost of sale as units are occupied.

<sup>(3)</sup> Net margin for investment and recreational properties includes depreciation expense.

<sup>(4)</sup> Net margin in 2013 includes costs that have been reallocated to their respective operating segments in 2014, primarily relating to salaries and benefits.

<sup>(5)</sup> Net margin for investment and recreational properties includes depreciation expense.

## **Capital Structure**

At December 31, 2014, Dream had 76.2 million Subordinate Voting Shares and 3.1 million Class B Shares outstanding. Including the non-controlling interest, the market capitalization was \$1.1 billion and the enterprise value was \$1.5 billion. Our debt-to-enterprise value was approximately 27%. 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, February 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 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 \$14.6 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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## **Non-GAAP Measures**

*Dream's condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, Dream discloses and discusses certain non-IFRS financial measures, including [book equity per share, gross margin, net margin, assets under management, fee earning assets under management, enterprise value and debt-to-enterprise value] as well as other measures discussed elsewhere in this release. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Dream has presented such non-IFRS measures as Management believes they are relevant measures of our underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to [total equity, earnings for the year, net cash flows from operating activities] or comparable metrics determined in accordance with IFRS as indicators of Dream's performance, liquidity, cash flow, and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly*

*comparable measure calculated in accordance with IFRS, please refer to the “Non-IFRS Measures” in Dream’s Management’s Discussion and Analysis for the year ended December 31, 2014.*

**Forward Looking Information**

*This press release may contain forward-looking information within the meaning of applicable securities legislation including, but not limited to, statements regarding our future development plans, expectations regarding our joint ventures and future approvals for our developments. 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 February 12, 2015. Dream does not undertake to update any such forward looking information whether as a result of new information, future events or otherwise, except as required by law. 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)).*