



DUNDEE REIT ANNOUNCES RESULTS OF REDEMPTION AND TRANSFER FOLLOWING SALE OF EASTERN PORTFOLIO TO GE REAL ESTATE

FOR IMMEDIATE RELEASE

TORONTO, August 27, 2007, DUNDEE REIT (D.UN – TSX) announced the results of the redemption and transfer of units of Dundee REIT following the completion of the sale of its Eastern real estate portfolio and related assets to GE Real Estate. The total purchase price paid by GE for the Eastern Portfolio was \$2.3 billion, including cash proceeds of \$1.4 billion. Excluded from this amount was approximately \$96.8 million related to certain holdback properties, which were not conveyed on closing.

The redemption and transfer occurred at 8:00 a.m. (Toronto time) today. As a result, a total of 33,388,971 issued and outstanding REIT units were acquired, 29,915,284 of which were redeemed by Dundee REIT for cancellation and 3,473,687 of which were transferred to an affiliate of GE Real Estate. The total number of units acquired represents approximately 66% of the 50,610,238 voting units of the Trust that were issued and outstanding immediately prior to the redemption and transfer.

The total number of units elected by unitholders to be acquired pursuant to the redemption and transfer was 42,280,050, which exceeded the number of units actually acquired by 8,891,079 units. As a result, the percentage of units acquired from unitholders who made an all-cash election was approximately 76% after applying a pro-rata formula. Unitholders who elected to have their “pro rata” percentage of units acquired, or less, received cash for their elected percentage of units (i.e., 25%, 50%, 58% or pro rata (66%)). Unitholders who made no election or who elected to have none of their units acquired have retained 100% of their units of Dundee REIT. All units were acquired at \$47.50 per unit. The actual number of units acquired from each unitholder was subject to rounding in accordance with the terms of the redemption and transfer.

“By providing unitholders with greater choice through the ability to make elections, we were better able to accommodate the preferences of our unitholders. Although the elections to have units acquired were oversubscribed, we are quite pleased that those who made an all-cash election will receive \$47.50 cash per unit for 76% of their units and those who made other elections will receive cash for the full amount they elected,” said Michael Cooper, Vice Chairman and CEO.

As a result, immediately following the redemption and transfer, there were a total of 20,694,954 voting units of Dundee REIT issued and outstanding, consisting of 16,903,289 REIT Units, Series A, 476,316 REIT Units, Series B and 3,315,349 Special Trust Units. The REIT Units, Series B and the Special Trust Units are held by affiliates of Dundee Corporation and GE Real Estate and do not trade on the Toronto Stock Exchange.

To the knowledge of Dundee REIT, as a result of the redemption and transfer, affiliates of Dundee Corporation hold a total of 3,315,349 Special Trust Units and GE Real Estate holds a total of 2,997,371 REIT Units, Series A and 476,316 REIT Units, Series B. On a fully diluted basis, Dundee Corporation and GE Real Estate each hold an approximate 16% equity interest in Dundee REIT. The Trust understands that affiliates of Dundee Corporation also hold a total of 425,042 REIT Units, Series A in support of Dundee Corporation’s obligations under its exchangeable debentures.

As at the close of business on August 24, 2007, the total outstanding principal amount of the Trust’s Series 2005-1 5.7% convertible unsecured subordinated debentures due March 31, 2015 (TSX: D.DB.A) was approximately \$9.6 million, and the total outstanding principal amount of the Trust’s 6.5% convertible unsecured subordinated debentures due June 30, 2014 (TSX: D.DB) was approximately \$7.3 million. The 5.7% debentures are convertible into approximately 319,898 units, and the 6.5% debentures are convertible into 290,080 units.

The number of deferred units that remain outstanding under Dundee REIT's deferred unit incentive plan is approximately 261,859.

Dundee REIT's remaining units will commence trading today under a new CUSIP number at the opening of the Toronto Stock Exchange. There will be no change to the Trust's ticker symbol of "D.UN". It is anticipated that the delivery of cash for units acquired pursuant to the redemption and transfer and new unit certificates for the units of Dundee REIT that remain outstanding will occur on August 29, 2007.

The REIT has previously announced a cash distribution of \$0.183 per REIT Unit, Series A for the month of August which is payable on September 15, 2007 to unitholders of record as of August 31, 2007. Unitholders will not receive any cash distribution for the month of August in respect of units of the REIT acquired pursuant to the redemption and transfer. However, unitholders who have retained units following the redemption and transfer will receive the August distribution on their remaining units, provided that they are shown as the holder of record of those units on the record date of August 31, 2007.

Dundee REIT continues to own assets comprising 4.7 million square feet of office properties and 2.1 million square feet of industrial properties located throughout Western Canada, which includes 1.0 million square feet of office and industrial properties not sold to GE Real Estate as contemplated by the purchase agreement, as amended, because the applicable co-owner or tenant consent was not obtained prior to closing. The value of the properties held back (net of mortgage debt) was approximately \$96.8 million. Dundee REIT and GE Real Estate have agreed to use reasonable commercial efforts to obtain such consents prior to the end of the year. If any such consents are obtained, the relevant property will be conveyed to GE Real Estate. The Trust intends to use the proceeds received from the sale of any additional properties for general trust purposes, including for funding future acquisitions.

Dundee REIT is an unincorporated, open-ended real estate investment trust and provides high quality, affordable business premises. It is focused on owning, acquiring, leasing and managing mid-sized urban and suburban office and industrial properties in Canada. Dundee REIT's portfolio currently consists of approximately 6.8 million square feet of gross leasable area, located primarily in Western Canada. Dundee REIT's portfolio is well diversified by geographic location and tenant mix. For more information, please visit www.dundeereit.com.

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