



DUNDEE REIT POSTS 13% INCREASE IN Q2 FUNDS FROM OPERATIONS PER UNIT

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, August 9, 2007 DUNDEE REIT (D.UN-TSX) today posted strong financial results for the quarter ended June 30, 2007. Dundee REIT's management team will be holding a conference call to discuss the results today at 4:00 p.m. (ET). To access the conference call, please dial (416) 340-8010 in Toronto and overseas or 1-866-540-8136 elsewhere in Canada and the United States. A taped replay of the call will be available from August 9, 2007 at 6:00 p.m. (ET) to August 23, 2007 at 11:59 p.m. (ET). Please dial 416-695-5800 or 1-800-408-3053 and use passcode 3230047 to access the replay. The call will also be available via webcast at www.dundeereit.com.

FINANCIAL HIGHLIGHTS

- Q2 rental property revenues up 45% over Q2 2006 to \$95.9 million
- Q2 net operating income ("NOI") up 54% to \$57.5 million; comparative properties NOI up 3% to \$33.8 million
- Q2 funds from operations ("FFO") up 70% to \$37.3 million
- FFO per unit up 13% to \$0.76
- Q2 adjusted funds from operations ("AFFO") up 68% to \$29.2 million
- AFFO per unit up 11% to \$0.59
- Occupancy remains high at 96.2%
- Debt-to-gross book value at 50.9% (49.3% assuming conversion of all debentures)
- Weighted average interest rate lowered to 5.82%
- \$612.6 million in acquisitions completed year to date
- Proposed sale of the Eastern Real Estate Portfolio to GE Real Estate ("GE") for \$2.4 billion

SELECTED FINANCIAL INFORMATION (unaudited) (\$000's except unit and per unit amounts)	Three Months Ended June 30, 2007	Three Months Ended March 31, 2007	Three Months Ended June 30, 2006	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006
Rental property revenues	\$ 95,883	\$ 87,177	\$ 66,051	\$ 183,060	\$ 129,021
Net operating income ("NOI") ⁽¹⁾	57,503	49,962	37,364	107,464	71,222
Funds from operations ("FFO") ⁽²⁾	37,309	31,771	21,929	69,080	41,211
Adjusted funds from operations ("AFFO") ⁽³⁾	29,182	25,169	17,399	54,351	32,280
Book value of rental properties	2,329,352	2,083,428	1,816,811		
Debt	1,428,483	1,230,977	1,153,794		
Debt-to-gross book value	50.9%	47.7%	56.7%		
Per unit data (basic)					
FFO	0.76	0.71	0.67	1.47	1.34
AFFO	0.59	0.56	0.53	1.16	1.05
Distributions	0.55	0.55	0.55	1.10	1.10
Units (period end)					
REIT Units, Series A	41,594,536	40,778,282	27,136,213		
LP Class B Units, Series 1	7,893,688	7,948,515	8,825,453		
Total number of units	49,488,224	48,726,797	35,961,666		
Occupied and committed space	96.2%	97.0%	95.9%		

FINANCIAL HIGHLIGHTS

- **Rental properties NOI up 54% to \$57.5 million** – rental properties NOI increased by 54% over the prior year second quarter. Acquisitions were the primary driver behind this growth, contributing \$19.4 million to the NOI for the three-month period.
- **Comparative properties NOI up 3% to \$33.8 million** – 3% growth in comparative properties NOI was driven by the strong performance of the Trust's office and industrial portfolio, reflecting rising rental rates and occupancy growth. The Trust's assets in Alberta produced the greatest growth at 10% compared to the same period last year.
- **Funds from operations per unit grew by 13% to \$0.76** – on a per unit basis, FFO increased to \$0.76 from \$0.67, primarily due to additional revenue generated by acquisitions as well as growth in occupancy and rising rental rates. A further reduction in the Trust's weighted average interest rate had a positive impact as well. Total funds from operations grew by 70% to \$37.3 million.
- **Adjusted funds from operations per unit increased by 11% to \$0.59** – total AFFO increased by 68% to \$29.2 million. Improvements in AFFO reflect the impact of acquisitions and the benefits of effectively managing leasing and capital costs.

OPERATIONAL HIGHLIGHTS

- **Portfolio occupancy remains high at 96.2%** – the overall percentage of occupied and committed space was 96.2% and the average in-place net rent increased to \$10.07 per square foot.

	Occupancy			Average In-place Net Rent (per sq. ft.)		
	June 30, 2007	Dec. 31, 2006	June 30, 2006	June 30, 2007	Dec. 31, 2006	June 30, 2006
Office	96.5%	97.0%	96.1%	\$ 13.74	\$ 13.67	\$ 13.56
Industrial	95.8%	95.6%	95.7%	6.03	5.47	5.41
Total	96.2%	96.4%	95.9%	10.07	10.00	9.73

ACQUISITION HIGHLIGHTS

During the second quarter of 2007, Dundee REIT acquired \$276.9 million of rental properties, land and related intangible assets at an average cap rate of 6.8%. During the first six months of 2007, the Trust completed acquisitions totaling \$574.4 million, funded by \$478.7 in cash. Acquisitions completed during 2006 and 2007 have increased net operating income by approximately \$16.2 million for the three-month period and \$29.4 million for the year.

2007 Acquisitions	Property Type	Interest Acquired	GLA (sq.ft.)	Occupancy on Acquisition	Purchase Price (\$000's)	Date Acquired
30 and 55 St. Clair Avenue West, Toronto	Office	100%	426,000	96%	\$ 110,798	January 9, 2007
625 Agnes Street, New Westminster, British Columbia	Office	100%	83,000	88%	14,587	January 24, 2007
Aspen Portfolio, Calgary	Office	100%	543,000	99%	172,130	March 13, 2007
HCI Portfolio, Vaughan, Burlington and Mississauga, Ontario	Industrial	100%	2,100,000	98%	237,696	May 1, 2007
501 Applewood Crescent, Vaughan, Ontario	Industrial	100%	76,000	100%	6,787	May 1, 2007
154 University Avenue, Toronto	Office	100%	67,000	100%	13,784	May 10, 2007
4400 Dominion Street, Burnaby, British Columbia	Office	100%	91,000	93%	18,637	June 27, 2007
Total			3,386,000	98%	\$ 574,419	

Acquisitions subsequent to quarter-end and acquisitions under contract

Subsequent to quarter-end, the Trust acquired a 148,000 square foot office building in Calgary, Alberta, for approximately \$38.2 million.

CAPITAL INITIATIVES

- **Proposed Sale of the Eastern Real Estate Portfolio to GE** – On June 4, 2007, the Trust announced that it had entered into a definitive agreement with GE, in which the Trust's operating subsidiary will sell its portfolio of real estate assets located principally in Ontario, Québec and Newfoundland. The sale will be for a total purchase price of approximately \$2.4 billion, including the assumption of liabilities by GE Real Estate relating to this portfolio. Dundee REIT will continue to own assets located in Western Canada valued at approximately \$1.5 billion. The proceeds received on closing of the sale of the portfolio will be used to redeem approximately 32 million outstanding units of the Trust for \$47.50 per unit. In addition, GE has agreed to purchase \$165 million of outstanding units of the Trust, at a purchase price of \$47.50 per unit, which will give GE an approximate 18% equity interest in the Trust.
The transaction requires approval from the Trust's unitholders and various regulatory approvals. On August 15, 2007, the Trust will hold a special meeting of unitholders to consider and vote on this proposed sale. It is anticipated that this transaction will be completed by August 24, 2007.
In connection with this transaction, effective June 28, 2007, the DRIP was temporarily suspended. The Trust will continue to distribute \$2.20 per unit on an annualized basis and it is anticipated that the DRIP will be reinstated in January 2008.
- **Debt** – the Trust continues to benefit from lowering its weighted average interest rate, down 13 basis points during the first six months to 5.82% from 5.95% at December 31, 2006 (June 30, 2006 – 6.03%) The interest coverage ratio climbed to 2.88 times (December 31, 2006 – 2.46 times; June 30, 2006 – 2.37 times) reflecting the Trust's ability to cover interest expense requirements.
- **Convertible Unsecured Debenture Conversions** – During the year, the Trust issued 1,478,126 REIT Units, Series A upon the conversion of \$42.6 million of the principal amount of 6.5% and 5.7% debentures. Subsequent to quarter-end, we issued an additional 457,713 REIT Units, Series A upon the conversion of \$13.1 million of the principal amounts of 6.5% and 5.7% debentures.

Information appearing in this news release is a select summary of results. The financial statements and management's discussion and analysis for the Trust, as well as its Supplementary Information Package are available at www.dundeereit.com and on www.sedar.com.

Dundee REIT is an unincorporated, open-ended real estate investment trust and is Canada's leading provider of 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's portfolio consists of approximately 22.4 million square feet of gross leasable area, located primarily in its target markets of Toronto, Ottawa, Montréal, Calgary and Edmonton. Its portfolio is well diversified by geographic location and tenant mix. For more information, please visit www.dundeereit.com.

FOOTNOTES

- (1) NOI – rental property operating revenue less rental property operating expenses excluding redevelopment properties and discontinued operations.
- (2) FFO - net income, adjusted for future income tax, depreciation and amortization, gain (loss) on sale, internalization of property manager, non-controlling interest and other amortization.
- (3) AFFO – distributable income (as defined in Dundee REIT's Declaration of Trust) adjusted for the Trust's estimates of normalized leasing costs and normalized non-recoverable recurring capital expenditures.

NOI, FFO and AFFO are key measures of performance used by real estate operating companies; however, they are not defined by generally accepted accounting principles (GAAP), do not have standard meanings and may not be comparable with other industries or income trusts.

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 Dundee REIT's control, that 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; the financial condition of tenants; our ability to refinance maturing debt; leasing risks, including those associated with the ability to lease vacant space; and interest and currency rate functions. Our objectives and forward-looking statements are based on certain assumptions, including that the general economy remains stable, interest rates remain stable, conditions within the real estate market remain consistent, competition for acquisitions remains consistent with the current climate and that the capital markets continue to provide ready access to equity and/or debt. All forward-looking information in this press release speaks as of the date of this press release. Dundee REIT 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 contained in Dundee REIT's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dundee REIT's website at www.dundeereit.com.

- 30 -

For further information, please contact:

Michael J. Cooper
Vice Chairman and
Chief Executive Officer
(416) 365-5145
mcooper@dundeereit.com

J. Michael Knowlton
President and
Chief Operating Officer
(416) 365-2325
mknowlton@dundeereit.com

Mario Barrafato
Senior Vice-President and
Chief Financial Officer
(416) 365-4132
mbarrafato@dundeereit.com