

DUNDEE REAL ESTATE INVESTMENT TRUST
SUPPLEMENTARY FINANCIAL PACKAGE

FOR THE SIX MONTHS ENDED DECEMBER 31, 2003

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DUNDEE REAL ESTATE INVESTMENT TRUST

SUPPLEMENTARY FINANCIAL INFORMATION PACKAGE

FOR THE SIX MONTHS ENDED DECEMBER 31, 2003

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All statements in this document that do not directly and exclusively relate to historical facts constitute forward-looking statements. These statements represent Dundee Real Estate Investment Trust's intentions, plans, expectations, and beliefs, and are subject to risks, uncertainties, and other factors, of which many are beyond the control of the Trust. These factors could cause actual results to differ materially from such forward-looking statements. Dundee Real Estate Investment Trust disclaims any intention or obligation to update or revise any forward-looking statements, as a result of new information, future events or otherwise.

DUNDEE REAL ESTATE INVESTMENT TRUST
SUPPLEMENTARY FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2003
(all dollars in thousands except lease rates and per unit amounts)

Dundee REIT is pleased to provide the following supplementary financial information. Please note, the financial position and results of operations of Dundee REIT is based primarily on the financial statements of Dundee REIT for the six months ended December 31, 2003 and the combined financial statements of the commercial real estate division of Dundee Realty Corporation ("the Division") for the six months ended June 30, 2003 and the year ended December 31, 2002. The Division is not a legal entity and is used only as a method of presenting the historical information relating to our properties. The combined financial statements of the Division are not necessarily indicative of the results that would have been attained had the Division been operated as a separate legal entity during the periods presented and therefore are not necessarily indicative of future operating results.

TABLE 1:
OVERVIEW OF BALANCE SHEETS

	2003	%	2002	%	Increase (decrease)
Rental properties	\$ 915,050	93	\$ 822,415	96	\$ 92,635
Deferred costs	38,177	4	31,725	4	6,452
Working capital	26,557	3	451	0	26,106
	<u>\$ 979,784</u>	<u>100</u>	<u>\$ 854,591</u>	<u>100</u>	<u>\$ 125,193</u>
Debt	\$ 582,492	60	\$ 504,159	59	\$ 78,333
Distributions payable	3,600	0	-	-	3,600
Future income tax liability	7,737	1	59,838	7	(52,101)
Unitholders' equity	385,955	39	-	-	385,955
Divisional Equity	-	-	290,594	34	(290,594)
	<u>\$ 979,784</u>	<u>100</u>	<u>\$ 854,591</u>	<u>100</u>	<u>\$ 125,193</u>
Debt-to-equity ratio	1.51		1.73		

TABLE 2:
NET BOOK VALUE OF RENTAL PROPERTIES SEGMENTED

	as at December 31, 2003					as at December 31, 2002	
	Office	Industrial	Retail	Total	%	Total	%
Québec	\$ 50,402	\$ 102,629	\$ 1,711	\$ 154,742	17	\$ 155,576	19
Ontario	306,263	53,981	13,915	374,159	41	335,803	41
Western Canada	168,695	95,911	64,121	328,727	36	260,932	32
Total Canada	525,360	252,521	79,747	857,628	94	752,311	92
United States	-	-	57,422	57,422	6	70,104	8
TOTAL AT DECEMBER 31, 2003	\$ 525,360	\$ 252,521	\$ 137,169	\$ 915,050	100	\$ 822,415	100
Percentage	57%	28%	15%	100%			
TOTAL AT DECEMBER 31, 2002	\$ 417,829	\$ 254,504	\$ 150,082	\$ 822,415			
Percentage	51%	31%	18%	100%			

TABLE 3:
DEBT

	as at December 31, 2003			as at December 31, 2002		
	Fixed	Variable	Total	Fixed	Variable	Total
Mortgages payable	\$ 483,667	\$ -	\$ 483,667	\$ 417,437	\$ -	\$ 417,437
Term debt	65,886	19,294	85,180	62,357	24,365	86,722
Demand revolving credit facility	-	7,026	7,026	-	-	-
Demand non-revolving credit facility	-	6,619	6,619	-	-	-
TOTAL	\$ 549,553	\$ 32,939	\$ 582,492	\$ 479,794	\$ 24,365	\$ 504,159
Percentage	94%	6%	100%	95%	5%	100%

TABLE 4:
CHANGES IN DEBT

	Mortgages Payable	Term Debt	Demand Revolving Credit Facility	Demand non- revolving credit facility	Total
Debt as at June 30, 2003	\$ 420,468	\$ 85,124	\$ -	\$ -	\$505,592
Acquisitions	-	-	-	-	-
New debt placed	74,760	-	7,026	6,619	88,405
Scheduled repayments	(5,397)	(460)	-	-	(5,857)
Repayment on revenue property dispositions	-	-	-	-	-
Lump sum repayments	(12,439)	-	-	-	(12,439)
Accrued interest	2,807	516	-	-	3,323
Marked-to-market adjustments	4,967	-	-	-	4,967
Foreign exchange adjustment	(1,499)	-	-	-	(1,499)
DEBT AS AT DECEMBER 31, 2003	\$ 483,667	\$ 85,180	\$ 7,026	\$ 6,619	\$582,492

DUNDEE REAL ESTATE INVESTMENT TRUST
SUPPLEMENTARY FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2003
(all dollars in thousands except lease rates and per unit amounts)

TABLE 5:
FUTURE DEBT MATURITIES

	Debt Maturities		Scheduled Principal Repayments on Non-matured Debt	Total	Weighted Average Interest Rate at Time of Maturity
	Amount	%	Amount		
Year ended December 31, 2004	\$ 140,259	29	\$ 17,570	\$ 157,829	6.57
2005	8,917	2	14,217	23,134	6.72
2006	37,268	8	14,006	51,274	7.11
2007	35,835	7	12,287	48,122	7.61
2008	74,532	15	11,387	85,919	6.45
2009 and thereafter	191,523	39	24,691	216,214	7.04
TOTAL	\$ 488,334	100	\$ 94,158	\$ 582,492	

TABLE 6:
FUNDS FROM OPERATIONS

	Six months ended December 31, 2003
NET INCOME	
Add:	\$ 12,173
Depreciation and amortization	7,949
Imputed amortization of leasing costs related to the rent supplement	707
Future income tax expense	32
Loss on disposal of land	289
FUNDS FROM OPERATIONS	\$ 21,150
FUNDS FROM OPERATIONS PER UNIT	\$ 1.22

TABLE 7:
DISTRIBUTABLE INCOME

	Six months ended December 31, 2003
NET INCOME	\$ 12,173
Add:	
Depreciation of rental properties	4,854
Amortization of leasing costs	3,095
Future income tax expense	32
Imputed amortization of leasing costs related to the rent supplement	707
Amortization of fair value debt adjustments, included in interest expense	(181)
Compensation expense re: deferred unit incentive plan	113
Loss on disposal of land	289
Adjust for:	
Amortization of costs incurred prior to June 30, 2003	690
Amortization of deferred leasing costs incurred subsequent to June 30, 2003	(344)
Amortization of deferred financing costs incurred subsequent to June 30, 2003	(118)
DISTRIBUTABLE INCOME	\$ 21,310
DISTRIBUTABLE INCOME PER UNIT	\$ 1.23

DUNDEE REAL ESTATE INVESTMENT TRUST
SUPPLEMENTARY FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2003
(all dollars in thousands except lease rates and per unit amounts)

TABLE 8:
COMBINED INCOME STATEMENT
(for the twelve month period ended December 31)

	2003			2002
	Dundee REIT	Division of DRC	Combined	Division of DRC
	July 1 to December 31	January 1 to June 30		
RENTAL PROPERTIES				
Revenues	\$ 78,162	\$ 74,540	\$ 152,702	\$ 146,682
Operating expenses	37,376	38,493	75,869	73,608
NET OPERATING INCOME	40,786	36,047	76,833	73,074
OTHER EXPENSES				
Interest	18,858	18,275	37,133	35,602
Depreciation of rental properties	4,854	4,439	9,293	8,311
Amortization of deferred leasing costs	3,095	2,897	5,992	4,701
General and administrative	2,109	3,339	5,448	5,613
	28,916	28,950	57,866	54,227
OTHER INCOME				
Interest and fee income, net	674	656	1,330	1,424
Income before loss on asset disposal	12,544	7,753	20,297	20,271
Loss on asset disposal	(289)	-	(289)	-
INCOME BEFORE INCOME AND LARGE CORPORATIONS TAXES	12,255	7,753	20,008	20,271
INCOME TAXES				
Current income and large corporations taxes	50	1,965	2,015	3,312
Future income taxes	32	1,675	1,707	4,076
	82	3,640	3,722	7,388
NET INCOME	\$ 12,173	\$ 4,113	\$ 16,286	\$ 12,883

TABLE 9:
NET OPERATING INCOME BY GEOGRAPHIC LOCATION
(for the twelve months ended December 31)

	2003	2002	Growth	
			Amount	%
Québec	\$ 15,500	\$ 16,305	\$ (805)	(5)
Ontario	32,976	31,278	1,698	5
Western Canada	21,293	19,543	1,750	9
Total Canada	69,769	67,126	2,643	4
United States	4,884	5,948	(1,064)	(18)
	74,653	73,074	1,579	2
Rent supplement	2,180	-	2,180	-
NOI	\$ 76,833	\$ 73,074	\$ 3,759	5

TABLE 10:
NET OPERATING INCOME BY OPERATING SEGMENT
(for the twelve months ended December 31)

	2003	2002	Growth	
			Amount	%
Office	\$ 40,196	\$ 38,710	\$ 1,486	4
Industrial	23,298	23,229	69	0
Retail	11,159	11,135	24	0
	74,653	73,074	1,579	2
Rent supplement	2,180	-	2,180	-
NOI	\$ 76,833	\$ 73,074	\$ 3,759	5

DUNDEE REAL ESTATE INVESTMENT TRUST
SUPPLEMENTARY FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2003
(all dollars in thousands except lease rates and per unit amounts)

TABLE 11:
NET OPERATING INCOME BY GEOGRAPHIC LOCATION – COMPARATIVE PROPERTIES
(for the twelve months ended December 31)

	2003	2002	Growth	
			Amount	%
Québec	\$ 15,494	\$ 16,456	\$ (962)	(6)
Ontario	32,373	29,855	2,518	8
Western Canada	20,696	19,703	993	5
Total Canada	68,563	66,014	2,549	4
United States	4,819	5,915	(1,096)	(19)
TOTAL COMPARATIVE PROPERTIES	\$ 73,382	\$ 71,929	\$ 1,453	2
Acquisitions	859	-	859	
Under development	55	(135)	190	
Lease surrenders	327	1,762	(1,435)	
Other	30	(482)	512	
NOI before rent supplement	\$ 74,653	\$ 73,074	\$ 1,579	2

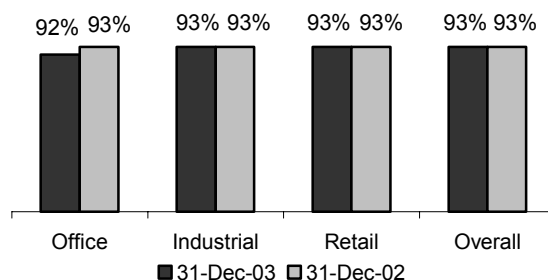
TABLE 12:
NET OPERATING INCOME BY OPERATING SEGMENT – COMPARATIVE PROPERTIES
(for the twelve months ended December 31)

	2003	2002	Growth	
			Amount	%
Office	\$ 39,083	\$ 37,199	\$ 1,884	5
Industrial	23,234	23,511	(277)	(1)
Retail	11,065	11,219	(154)	(1)
TOTAL COMPARATIVE PROPERTIES	73,382	71,929	1,453	2
Acquisitions	859	-	859	
Under development	55	(135)	190	
Lease surrenders	327	1,762	(1,435)	
Other	30	(482)	512	
NOI before rent supplement	\$ 74,653	\$ 73,074	\$ 1,579	2

TABLE 13:
OWNED GROSS LEASEABLE AREA
(at December 31, 2003)

	Proportionate Gross Leaseable Area (in square feet)						
	2003					2002	
	Office	Industrial	Retail	Total	%	Total	%
Québec	753,985	2,818,212	-	3,572,197	31	3,574,014	32
Ontario	2,444,967	1,333,109	217,209	3,995,285	34	3,761,513	34
Western Canada	1,008,447	1,925,457	377,677	3,311,581	28	2,947,761	27
Total Canada	4,207,399	6,076,778	594,886	10,879,063	93	10,283,288	93
United States	-	-	795,390	795,390	7	796,187	7
TOTAL AT DECEMBER 31, 2003	4,207,399	6,076,778	1,390,276	11,674,453	100	11,079,475	100
Percentage	36%	52%	12%	100%			
TOTAL AT DECEMBER 31, 2002	3,623,650	6,076,964	1,389,145	11,089,759			
Percentage	33%	55%	12%	100%			

TABLE 14:
OCCUPANCY (OCCUPIED AND COMMITTED - STABILIZED RENTAL PROPERTIES)



DUNDEE REAL ESTATE INVESTMENT TRUST
SUPPLEMENTARY FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2003
(all dollars in thousands except lease rates and per unit amounts)

TABLE 15:
LEASE MATURITIY PROFILE (SQUARE FEET)

	Current Vacancy	Current Monthly Tenancies	2004	2005	2006	2007	2008 and thereafter	Total
Office	321,439	98,688	426,912	505,793	455,353	349,485	2,049,729	4,207,399
Industrial	405,279	111,013	1,010,983	1,117,628	921,301	728,176	1,563,243	5,857,623
Retail	104,191	27,491	93,511	89,062	53,379	154,992	867,652	1,390,276
TOTAL	830,909	237,192	1,531,406	1,712,482	1,430,033	1,232,653	4,480,623	11,455,298
Percentage	7.3	2.1	13.4	14.9	12.5	10.8	39.1	100.0
Properties under redevelopment ⁽¹⁾								219,155
TOTAL								11,674,453

⁽¹⁾ Includes 15303-128th Avenue, Edmonton and 11 Place du Commerce, Brossard.

TABLE 16:
LEASE EXPIRATIONS

	Expiring Area (sq. ft.)	Annualized Expiring Contract Rent	Annualized Expiring Contract Rent at Expiry (psf)	% of Total Area
Office				
Month-to-month	98,688	\$ 549,309	\$ 5.57	2.3
2004	426,912	5,102,671	11.95	10.1
2005	505,793	6,211,002	12.28	12.0
2006	455,353	6,084,076	13.36	10.8
2007	349,485	4,687,087	13.41	8.3
2008+	2,049,729	32,760,943	15.98	48.7
Total Office Occupancy	3,885,960	\$ 55,395,088	\$ 14.26	92.4
Vacant	321,439			7.6
Total Office	4,207,399	\$ 55,395,088		100.0
Industrial				
Month-to-month	111,013	\$ 514,828	\$ 4.64	1.9
2004	1,010,983	4,510,856	4.46	17.3
2005	1,117,628	5,532,924	4.95	19.1
2006	921,301	4,542,715	4.93	15.7
2007	728,176	3,688,091	5.06	12.4
2008+	1,563,243	7,899,482	5.05	26.7
Total Industrial Occupancy	5,452,344	\$ 26,688,896	\$ 4.89	93.1
Vacant	405,279			6.9
Total Industrial ⁽¹⁾	5,857,623	\$ 26,688,896		100.0
Retail				
Month-to-month	27,491	\$ 251,066	\$ 9.13	2.0
2004	93,511	1,504,976	16.09	6.7
2005	89,062	1,596,338	17.92	6.4
2006	53,379	399,706	7.49	3.8
2007	154,992	1,600,344	10.33	11.1
2008+	867,652	8,315,442	9.58	62.4
Total Retail Occupancy	1,286,085	\$ 13,667,872	\$ 10.63	92.5
Vacant	104,191			7.5
Total Retail	1,390,276	13,667,872		100.0
All assets				
Month-to-month	237,192	\$ 1,315,203	\$ 5.54	2.1
2004	1,531,406	11,118,502	7.26	13.4
2005	1,712,482	13,340,264	7.79	14.9
2006	1,430,033	11,026,497	7.71	12.5
2007	1,232,652	9,975,522	8.09	10.8
2008+	4,480,623	48,975,867	10.93	39.1
Total All Assets Occupancy	10,624,389	\$ 95,751,855	\$ 9.01	92.7
Vacant	830,909			7.3
Total All Assets	11,455,298	\$ 95,751,855		100.0

⁽¹⁾ Excludes 15303-128th Avenue, Edmonton and 11 Place du Commerce, Longueuil.

DUNDEE REAL ESTATE INVESTMENT TRUST
SUPPLEMENTARY FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2003
(all dollars in thousands except lease rates and per unit amounts)

TABLE 17:
SUMMARY OF LEASING ACTIVITY (SQUARE FEET)

	Office	Industrial	Retail	Total
Vacant space available – July 1, 2003	223,560	360,482	96,938	680,980
Remeasurements	420	(133)	981	1,268
Leases expiring or terminated	345,341	503,151	76,884	925,376
Transferred to redevelopment	-	(33,835)	-	(33,835)
Available space in acquired assets	248	-	-	248
Total space available for lease	569,569	829,665	174,803	1,574,037
New tenants	84,714	140,075	18,615	243,404
Renewals	163,417	248,311	51,997	499,724
Total space leased	248,130	424,386	70,612	743,128
Total space available for lease – January 1, 2004	321,439	405,279	104,191	830,909
Net increase in vacant space	97,879	44,797	7,253	149,929

TABLE 18:
AVERAGE REMAINING LEASE TERM AND OTHER INFORMATION
(at December 31, 2003)

	Average Remaining Lease Term (years)	Average Tenant Size (sq. ft.)	Average In-Place Contract Rent (per sq. ft.)	Estimated Current Market Rent (per sq. ft.)	Premium of Estimated Current Market Rent Over Average In-Place Contract Rent
Office	5.09	7,714	\$ 13.11	\$ 13.63	4.0%
Industrial	3.05	12,875	\$ 4.71	\$ 4.83	2.5%
Retail	6.87	5,567	\$ 10.10	\$ 11.01	9.0%
Overall	4.26	9,150	\$ 8.43	\$ 8.80	4.3%

TABLE 19:
TEN LARGEST TENANTS BY % CONTRIBUTION TO GROSS RENTAL REVENUE
(annualized)

Tenant	Owned Area in Sq. Ft.	% of Owned Area	% of Gross Rental Revenue	Expiry
Telus	329,695	2.8	5.5	2016
Government of Canada	274,170	2.3	4.8	2004-2011
Government of Ontario	188,716	1.6	2.6	2004-2008
Bell Canada	183,306	1.6	2.3	2004-2009
State Street Trust Company	93,586	0.8	2.3	2012
International Financial Data Services	96,015	0.8	2.3	2013
Government of British Columbia	91,748	0.8	2.0	2006-2009
IBM Canada	112,105	1.0	1.8	2005-2011
Spirent Communications	80,550	0.7	1.6	2011
Epcor Utilities	169,614	1.5	1.4	2011
TOTAL	1,619,505	13.9	26.7	

TABLE 20:
PORTFOLIO DIVERSITY BY % CONTRIBUTION TO TOTAL CONTRACT RENT
(NAICS CODES)
(annualized based on rents received in December 2003)

Sector	
Finance and Insurance	5.2%
Transportation and Warehousing	6.3%
Public Administration	9.0%
Wholesale Trade	11.7%
Manufacturing	13.2%
Information and Cultural Industries	13.7%
Retail Trade	16.7%
Professional, Scientific and Technical Services	17.8%
Other	6.4%
TOTAL	100.0%

DUNDEE REAL ESTATE INVESTMENT TRUST
SUPPLEMENTARY FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2003
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TABLE 21:
NET INVESTMENT IN RENTAL PROPERTIES
(for the six months ended December 31, 2003)

	Office	Industrial	Retail	Total
Building improvements	\$ 1,411	\$ 740	\$ 705	\$ 2,856
Acquisitions	\$ 107,751	-	-	\$ 107,751
Debt assumed on acquisitions	(74,760)	-	-	(74,760)
NET INVESTMENT	\$ 32,991	\$ -	\$ -	\$ 32,991

TABLE 22:
CAPITAL EXPENDITURES FOR BUILDING IMPROVEMENTS AND EQUIPMENT
(for the six months ended December 31, 2003)

	2003		
	Total Investment	Non-cash Working Capital Adjustment	Net Cash Investment
Building Improvements:			
Recurring	\$ 2,346	\$ (580)	\$ 1,766
Non-recurring	837	253	1,090
TOTAL	\$ 3,183	\$ (327)	\$ 2,856

TABLE 23:
PROFORMA COMBINED OPERATING RESULTS

The following table combines the operating results of the Division for the period January 1, 2003 to June 30, 2003, subject to certain proforma adjustments, and Dundee REIT for the six month period ended December 31, 2003. The proforma income statement of the Division gives effect to the Reorganization as if it had occurred on January 1, 2003 to better reflect the impact that the operating agreements and corporate structure would have on the operating results. While the combined proforma income statement provides financial information on a similar basis, it is not indicative of the results that would have been attained had the Division been operated as a separate entity for the entire year and therefore is not indicative of future results.

	Division of DRC For the six months ended June 30, 2003 (ProForma)	Dundee REIT For the six months ended December 31, 2003 (Actual)	For the twelve months ended December 31, 2003 (Combined) (Proforma)
Rental Properties			
Revenues	76,128	78,162	154,290
Operating expenses	37,047	37,376	74,423
Net Operating Income	39,081	40,786	79,867
Interest expense	18,281	18,858	37,139
Amortization and depreciation	,397	7,949	15,346
General and administrative expense	1,880	2,109	3,989
Interest and fee income, net	881)	(674)	(1,555)
Loss on disposal	-	289	289
	26,677	8,531	55,208
Income before the following items	12,404	12,255	24,659
Current income tax	100	50	150
Future income tax	(45)	32	(13)
NET INCOME	12,349	12,173	24,522
FUNDS FROM OPERATIONS			
Net Income	12,349	12,17	24,522
Add: Amortization and depreciation	7,397	7,949	15,346
Add: Deferred income tax	(45)	32	(13)
Add: Imputed amortization of leasing costs due to rent supplement	568	707	1,275
Add: Loss on disposal	0	28	289
FUNDS FROM OPERATIONS	20,269	21,150	41,419
FUNDS FROM OPERATIONS PER UNIT	1.25	1.22	2.47
Weighted average units	16,279	17,267	16,777