DUNDEE R·E·I·T

DUNDEE REIT REPORTS STRONG 2013 YEAR-END FINANCIAL 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, FEBRUARY 27, 2014, DUNDEE REIT (D.UN-TSX) today announced its financial results for the three and twelve months ended December 31, 2013. Senior management will host a conference call to discuss the results tomorrow, February 28, 2014 at 9 a.m. (ET).

HIGHLIGHTS FOR THE YEAR

- **AFFO per unit up 8.8% over Q4 2012 and 2.5% over prior year** – AFFO per unit was $0.62 for the quarter compared to $0.57 for the same period last year; for the year ended December 31, 2013, AFFO per unit was $2.47, up from $2.41 in the prior year;
- **Portfolio occupancy remains strong at 94.3%** – occupancy rate at year end was 94.3%; approximately 1.0 million square feet of leasing during the quarter at higher rates. For 2014, 1.4 million square feet of leasing has already been completed;
- **Embedded rent growth potential remains strong** – average in-place net rents are approximately 9% below estimated market rents;
- **Strong and conservative capital structure maintained** – the Trust's leverage improved from a high of 52.1% during 2012 to 47.6% at year-end. At Q4 2013, interest coverage ratio was 2.9 times, average term to maturity of 4.6 years, with a pool of unencumbered assets of approximately $800 million;
- **Access to capital** – for the year, the Trust completed approximately $251 million of secured mortgage financings at a rate of 4.1% and an average term of 8.8 years; issued $300.0 million of unsecured debentures in the year;
- **$592 million of acquisitions** – approximately 1.7 million square feet of office space added to the portfolio in Toronto, Calgary, Vancouver, Saskatoon, Regina and Edmonton, well-leased at 98.9% occupancy with a weighted average capitalization rate of 6.1%.

SELECTED FINANCIAL INFORMATION (unaudited)	Three Months Ended			Years ended December 31,	
($000's except unit and per unit amounts)	**December 31, 2013**	September 30, 2013	December 31, 2012	**2013**	2012
Investment properties revenue (1)	**$208,418**	$ 204,320	$191,999	**$800,531**	$686,564
Net operating income ("NOI") (1)(2)	**115,899**	115,972	105,471	**451,232**	384,192
Comparative properties NOI	**69,747**	70,216	69,628	**279,023**	276,600
Funds from operations ("FFO") (3)	**78,242**	79,298	68,905	**306,247**	263,488
Adjusted funds from operations ("AFFO") (4)	**66,984**	68,298	58,060	**261,776**	221,960
Investment properties value (1)	**7,323,602**	7,302,728	6,536,722		
Debt (1)	**3,662,543**	3,595,119	3,314,594		
Level of debt (net debt-to-gross book value) (7)	**47.6%**	47.0%	47.8%		
Per unit data (basic)					
FFO	**$ 0.72**	$ 0.73	$ 0.68	**$ 2.88**	$ 2.86
AFFO	**$ 0.62**	$ 0.63	$ 0.57	**$ 2.47**	$ 2.41
Distributions	**$ 0.56**	$ 0.56	$ 0.55	**$ 2.23**	$ 2.20
Units (period end)					
REIT Units, Series A	**103,420,221**	104,979,020	97,618,625		
REIT Units, Series B	**-**	-	16,316		
LP Class B Units, Series 1	**3,538,457**	3,538,457	3,528,658		
Total number of units	**106,958,678**	108,517,477	101,163,599		
Portfolio gross leasable area (square feet) (5)	**24,561,791**	24,538,758	22,948,293		
Occupied and committed space	**94.3%**	94.6%	95.1%		

See footnotes on page 4

"We're pleased with the performance of our business in 2013, generating AFFO growth while reducing our overall debt level," said Mario Barrafato, Chief Financial Officer of Dundee REIT. "The current state of the office market is challenging but we've made great progress on our leasing to date . We'll continue to focus on tenant retention and identifying opportunities to realize value embedded in our portfolio."

PORTFOLIO INVESTMENT ACTIVITY

The Trust was very active in the commercial property investment markets throughout the year. Acquisitions completed throughout 2013 totalled approximately $592.5 million and added 1.7 million square feet of high quality office properties to its portfolio. In addition, the Trust continued to prune its portfolio, completing the sale of $21.5 million of non-strategic assets.

Acquisitions

During Q4 2013, the Trust acquired an office property in Toronto for $8.1 million, increasing total acquisitions for the year to $592.5 million at a weighted average capitalization rate of 6.1%.

For the year ended December 31, 2013	Interest acquired	Approximate GLA (sq. ft.)	Occupancy	Purchase price ($000's)*	Date acquired
Broadmoor Plaza, Edmonton	100.0%	371,561	98.5%	84,000	March 15, 2013
887 Great Northern Way, Vancouver	100.0%	164,364	100.0%	66,135	April 8, 2013
T&T Portfolio, Saskatoon & Calgary	100.0%	191,147	99.1%	61,850	April 12, 2013
20 Toronto Street and 137 Yonge Street, Toronto	100.0%	422,990	99.4%	140,775	April 30, 2013
212 King Street West, Toronto	100.0%	73,277	100.0%	37,000	May 24, 2013
100 Yonge Street, Toronto	66.7%	161,525	99.4%	54,339	June 26, 2013
IBM Corporate Park, Calgary	66.7%	238,171	98.1%	125,000	August 13, 2013
4561 Parliament Avenue, Regina	100.0%	38,975	100.0%	15,300	September 16, 2013
83 Yonge Street, Toronto	100.0%	11,521	71.2%	8,083	December 2, 2013
Total		**1,673,531**	**98.9%**	**592,482**	

* Purchase price excludes transaction costs

Dispositions

For the year ended December 31, 2013	Approximate GLA (sq. ft.)	Proceeds ($000's)*	Date disposed
625 University Park Drive, Regina	17,145	5,182	January 31, 2013
2640, 2510-2550 Quance Street, Regina	69,554	16,300	January 31, 2013
Total	**86,699**	**21,482**	

* Proceeds before transaction costs

OPERATIONAL HIGHLIGHTS

- **Portfolio occupancy remains strong at 94.3% –** the overall percentage of occupied and committed space remains strong at 94.3%, 400 basis points above the national average. On a comparative property basis, occupancy has decreased by 30 basis points over Q3 2013 to 94.3%.
- **Leasing activity** – During the quarter, leases totalling approximately 1.2 million square feet of gross leasable area expired or were terminated and leasing activity included approximately 174,000 square feet of new leases and 791,000 square feet of renewals, all at higher rental rates. In addition, approximately 387,000 square feet of gross leasable area was committed for future occupancy at quarter end. To date, the Trust has leased approximately 1.4 million square feet for tenants taking occupancy in 2014, which represents approximately 50% of the 2014 lease maturities.
- **Average in-place net rents 9% below market rents** – The Trust continues to capture rental rate gains in connection with leasing activity. At the end of Q4, the portfolio average in-place rent was $17.83 per square foot, up from $17.74 at September 30, 2013 and from $17.22 at December 31, 2012, yet remaining approximately 9% below estimated market rents. With 2014 expiries being at rates approximately 6.2% below market, the Trust is confident it will capture rent increases as leasing is completed.

FINANCIAL HIGHLIGHTS

- **0.2% quarterly and 0.9% annual growth in comparative properties net operating income ("NOI") –** comparative property NOI was up $0.1 million, or 0.2% on a quarterly basis and up $2.4 million, or 0.9% year-over-year, with increases across most regions, driven by higher rental rates achieved on new leasing done over the past year and the benefit of step rents. Total NOI for the quarter is up $10.4 million, or 9.9%, including $45.7 million generated by properties acquired in 2013. Year-over-year, total NOI is up $67.0 million, or 17.4%, including 169.5 million generated by properties acquired during the year.

- **Year-over-year AFFO and diluted FFO per unit up 2.5% and 0.7%, respectively –** On an annual basis, comparative property NOI growth, accretion from acquisitions and savings on refinancing of maturing debt, offset by the effects of continued deleveraging of the Trust's balance sheet contributed to per unit increases in AFFO and FFO of $0.06 and $0.02, respectively. Compared to Q3 2013, AFFO and FFO per unit decreased by $0.01, primarily due to one-time items recorded in Q3 2013.

CAPITAL INITIATIVES

- **Normal course issuer bid** – During the year, the Trust purchased for cancellation approximately 2.1 million REIT A Units under the normal course issuer bid at an average price of $28.42 per unit and a total cost of approximately $60.7 million.

- **Completed $251 million of secured debt** – During the year, the Trust completed approximately $251 million of new secured mortgage debt, with a rate of 4.11% and an average term of 8.8 years.

- **Strong and conservative capital structure maintained –** The Trust's leverage improved from a high of 52.1% during 2012 to 47.6% at year-end and its pool of unencumbered assets increased to approximately $800 million from approximately $50 million at December 2012.

- **$125 million unsecured debentures offering in Q4 2013 –** on October 9, 2013, the Trust issued $125 million Series B floating senior unsecured debentures ("Series B Debentures"). The Series B Debentures bear interest at a rate of 3-month CDOR plus 170 basis points with a maturity date of January 9, 2017. DBRS Limited has assigned the Series B Debentures a BBB (low) rating with a stable trend.

- **$150 million unsecured debentures offering in Q1 2014 –** On January 21, 2014, the Trust completed the issuance of $150 million aggregate principal amount of Series C senior unsecured debentures ("Series C Debentures"). The Series C Debentures bear interest at a rate of 4.074% with a maturity date of January 21, 2020. DBRS Limited has assigned the Series B Debentures a BBB (low) rating with a stable trend. The net proceeds of $148.6 million from the Series C Debentures were mainly used to pay down $87.5 million of the demand revolving credit facilities and five mortgages totalling $59.4 million. This further strengthened the Trust's debt metrics reducing our variable rate debt from 8.7% at December 31, 2013 to 6.2% of total debt, and further extended our debt maturity from 4.6 years at December 31, 2013 to 4.7 years.

Key performance metrics	**December 31, 2013**	**Pro forma**[10]	December 31, 2012
Financing activities[6]			
Weighted average face interest rate	**4.22 %**	**4.22 %**	4.50%
Level of debt (net debt-to-gross book value)[7]	**47.6 %**	**47.6 %**	47.8%
Interest coverage ratio[8]	**2.9 times**	**2.9 times**	2.7 times
Net average debt-to-EBITDFV (years) [9]	**8.0 years**	**8.0 years**	8.4 years
Debt — average term to maturity (years)	**4.6 years**	**4.7 years**	5.1 years
Variable rate debt as percentage of total debt	**8.7%**	**6.2%**	4.3%

See footnotes on page 5

ANNOUNCEMENT

The Board of Trustees is announcing that Mr. Ned Goodman, Chairman of the Trust, has resigned from the Board of Trustees in addition to a number of other boards of directors, to focus on his increased work commitments as the President and Chief Executive Officer of Dundee Corp. Mr. Goodman has been the Chairman of the Trust since its inception in 2003. Mr. Goodman will continue his involvement with the business as Honorary Chairman of the Trust. We are pleased to announce that Joanne Ferstman has been appointed Chairperson of the Trust.

CONFERENCE CALL

Senior management will host a conference call to discuss the results tomorrow, February 28, 2014 at 9 a.m. (ET). To access the call, please dial: (416) 216-4169 or toll free at 1-866-229-4144 and use passcode 9884 041#. To access the conference call via webcast, please go to Dundee REIT's website at www.dundeereit.com and click on the link for News & Events, then click on Calendar of Events. A taped replay of the conference call and the webcast will be available 90 days.

Other information

Information appearing in this news release is a select summary of results. The consolidated 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. Dundee REIT is focused on owning, acquiring, leasing and managing well-located, high-quality central business district and suburban office properties. Its portfolio currently comprises approximately 24.6 million square feet of gross leasable area in major urban centres across Canada. Dundee REIT's portfolio is well diversified by geographic location and tenant mix. For more information, please visit www.dundeereit.com.

FOOTNOTES

(1) Metrics include results and balances of equity accounted investments and exclude discontinued operations.

(2) NOI (non-GAAP measure) –is defined as net rental income, excluding net rental income from discontinued operations, properties sold and properties held for sale.

(3) FFO (non-GAAP measure) – net income, adjusted for items including fair value adjustments on investment properties and financial instruments, gains on sale, and amortization of equipment.

(4) AFFO (non-GAAP measure) – FFO adjusted for amortization of debt costs, deferred unit compensation expense, straight line rent and the Trust's estimates of normalized leasing costs and normalized non-recoverable recurring capital expenditures.

(5) Excludes development and redevelopment properties and properties held for sale, and the prior period also excludes discontinued operations – industrial properties.

(6) The key performance indicators for December 31, 2012, exclude the results of operations and the debt of discontinued operations.

(7) Level of debt (net debt-to-gross book value) (non-GAAP measure), is determined as total debt (net of cash on hand), which includes debt related to investment in joint ventures that are equity accounted and debt related to assets held for sale, divided by total assets. Total assets include assets of investment in joint ventures that are equity accounted and the reversal of accumulated depreciation of property and equipment and cash on hand). Refer to the "Non-GAAP Measures" section of the MD&A for the detailed calculation of level of debt (net debt-to-gross book value).

(8) Interest coverage ratio (non-GAAP measure), for the year ended December 31, 2013 and December 31, 2012, include results from investment in joint ventures that are equity accounted, is calculated as net rental income plus interest and fee income, less general and administrative expenses, all divided by interest expense on debt. Refer to the "Non-GAAP Measures" section of the MD&A for the detailed calculation of interest coverage.

(9) Net average debt-to-EBITDFV (years), is calculated as total average debt (net of cash on hand), which includes debt related to investment in joint ventures that are equity accounted and debt related to assets held for sale, divided by annualized EBITDFV for the current quarter. EBITDFV is calculated as income from continuing operations adjusted for: non-cash items included in investment properties revenue, fair value adjustments to investment properties and financial instruments, share of net income from Dundee Industrial, distributions received from Dundee Industrial, gain/loss on sale of investment properties, interest expense, depreciation and amortization and income taxes. Refer to the "Non-GAAP Measures" section of the MD&A for the detailed calculation of net debt-to-EBITDFV (years) – average for the year.

(10) The key performance indicators include pro forma adjustments that take into consideration the redeployment of the net proceeds received from the Series C Debentures offering on January 21, 2014.

Non-IFRS supplemental measures

NOI, FFO, AFFO, level of debt, and interest coverage ratio are key measures of performance used by real estate operating companies; however, they are not defined by International Financial Reporting Standards ("IFRS"), do not have standard meanings and may not be comparable with other industries or income trusts.

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 Dundee REIT'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; 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.

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