DUNDEE REIT REPORTS STRONG Q4 2011 RESULTS, 20% INCREASE IN FFO 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, FEBRUARY 22, 2012, DUNDEE REIT (D.UN-TSX) today posted strong financial results for the three and twelve months ended December 31, 2011, evidencing the success of the Trusts acquisition strategy and the strength of its operations.

HIGHLIGHTS

- **7% increase in per unit funds from operations ("FFO") over Q3 2011 and 20% over Q4 2010**
- **7% increase in per unit adjusted funds from operations ("AFFO") over Q3 2011 and 13% over Q4 2010**
- **49% debt-to-IFRS book value; 2.6 times interest coverage**
- **Weighted average interest rate down to 4.96% at year-end (2010 - 5.43%)**
- **Average in-place rents 10% below estimated market rents**
- **Occupancy stable at 95.6%**
- **Improved liquidity with $2.3 billion market cap**
- **$1.4 billion corporate acquisition set to close, making Dundee REIT Canada's fourth largest real estate investment trust by market cap**

SELECTED FINANCIAL INFORMATION					
(unaudited)		**Three months ended**		Years ended, December 31,	
($000's except unit and per unit amounts)	**December 31, 2011**	September 30, 2011	December 31, 2010	2011	2010
Investment properties revenue (1)	**$ 136,320**	$ 118,466	$ 78,726	$ 441,347	$ 268,218
Net operating income ("NOI") (2)	**78,116**	70,639	46,020	261,137	160,965
Funds from operations ("FFO") (3)	**48,210**	42,832	28,147	159,397	94,059
Adjusted funds from operations ("AFFO") (4)	**41,047**	36,580	25,245	137,675	83,572
Fair value of investment properties portfolio	**4,426,383**	4,201,767	2,538,741		
Debt (1)	**2,254,756**	2,273,376	1,296,851		
Per unit data (basic)					
FFO	**0.73**	0.68	0.61	2.69	2.43
AFFO	**0.62**	0.58	0.55	2.33	2.16
Distributions	**0.55**	0.55	0.55	2.20	2.20
Units (period end)					
REIT Units, Series A	**66,193,060**	61,574,976	45,896,203		
REIT Units, Series B	**16,316**	16,316	16,316		
LP Class B Units, Series 1	**3,506,107**	3,499,953	3,481,733		
TOTAL	**69,715,483**	$ 65,091,245	49,394,252		
Occupied and committed space	**95.6%**	95.8%	96.1%		

"This was a monumental year for Dundee REIT," said Michael Cooper, CEO. "We bought $1.6 billion of great assets that are accretive to our business and make Dundee REIT a more valuable investment vehicle. The fourth quarter, while relatively quiet compared with the balance of the year, demonstrated Dundee REIT's ability to generate strong and growing cash flow. Looking ahead, we have a significant corporate acquisition scheduled to close shortly that will serve to further fortify the stability of our income and provide us with many opportunities to create efficiencies and capitalize on imbedded growth."

Senior management will be hosting a conference call to discuss the results tomorrow, Thursday, February 23, 2012 at 9:00 a.m. (ET). To access the call, please dial: (416) 340-2216 or toll free at 1-866-226-1792. A taped replay of the call will be available for 30 days by dialling (905) 694-9451 or 1-800-408-3053 and using passcode 6370278. To access the conference call via webcast, please go to Dundee REIT's website at ww.dundeereit.com and click on the link for News & Events, then click on Calendar of Events. The webcast will be archived for 30 days.

FINANCIAL HIGHLIGHTS

- **Net operating income up 70% or $32.1 million** – Driven by income from acquired properties, NOI increased by 70% over the prior quarter and by 62% over the prior year. On a comparative property basis, NOI remained flat over the prior quarter, with a gain in the office portfolio being offset by a decline in the industrial portfolio. Year-over-year, NOI declined by 1%, primarily as a result of leases in Calgary rolling over from all-time high rental rates to lower current market rents.

- **Funds from operations per unit up 20%** – On a per unit basis, FFO was up 20% to $0.73 over Q4 2010 and up 7% quarter-over-quarter, reflecting the impact of accretive acquisitions completed in 2010 and 2011 as well as having capital fully deployed. Total FFO increased by $20.1 million or 71% over Q4 2010, and by nearly 13% over Q3 2011.

- **Adjusted funds from operations per unit up 13% to $0.62** – AFFO per unit increased by 13% over Q4 2010 and by 7% over prior quarter, reflecting the contribution of accretive acquisitions completed in 2010 and 2011. Total AFFO increased by $15.8 million or 63% over Q4 2010 and $4.5 million or 12% over the third quarter.

ACQUISITION HIGHLIGHTS

The acquisition strategy executed over the past two years has repositioned Dundee REITs business very effectively. The acquisitions have increased the Trusts' physical footprint and, even more importantly, they have served to diversify and strengthen the sources of its income, both geographically and by tenant base. A portfolio that was once heavily weighted in Calgary is now balanced across Canada with a notable concentration of assets located in central business districts.

Acquisitions	Property type	Approx. GLA (sq. ft.)	Purchase price ($000's) (1)	Date
Saskatoon Square, Saskatoon, SK	office	209,593	$ 50,000	January 4, 2011
400 Cumberland Street, Ottawa, ON	office	174,921	38,300	January 17, 2011
Realex Properties Corp., ON/AB/BC	office/industrial	1,837,277	373,430 (2)	February 8, 2011
55 King Street West, Kitchener, ON	office	124,100	13,000	March 31, 2011
586 Argus Road, Oakville, ON	office	74,570	16,560	May 2, 2011
Morgex Building, Edmonton, AB	office	39,750	9,900	May 19, 2011
Multivesco Portfolio, Gatineau, QC	office/industrial	148,198	15,535	June 9, 2011
700 de la Gauchetière, Montréal, QC	office	987,706	277,750	July 11, 2011
13888 Wireless Way, Richmond, BC	office	116,530	31,800	July 12, 2011
81 Wright and 170 Joseph Zatzman, Halifax, NS	industrial	109,737	7,350	July 27, 2011
Blackstone Portfolio, ON, AB	office	2,661,914	689,767	August 15, 2011
Richmond Place (8100 Granville Ave., Richmond, BC	office	94,646	23,800	November 22, 2011
Total closed in 2011		**6,578,942**	**$ 1,547,192**	
5001 Yonge Street, Toronto	office	310,600	107,775	January 19, 2012
67 Richmond Street, Toronto	office	50,100	13,500	January 30, 2012
Whiterock Portfolio	office	7,492,939		
Total closed and under contract in 2012		**7,853,639**		

(1) Purchase prices exclude transaction costs
(2) Investment property value on Realex Properties Corp. share acquisition

Acquisitions subsequent to year-end

On January 17, 2012, the Trust announced that it had entered into a transaction agreement to acquire all of the outstanding units of Whiterock REIT (Whiterock). Pursuant to the transaction agreement, Dundee REIT will offer to purchase each Whiterock unit for either $16.25 in cash (subject to a maximum cash amount) or 0.4729 Dundee REIT units. The transaction is subject to the approval of Whiterock unitholders at a special meeting scheduled for February 27, 2012, and, if approved, is anticipated to close on or about March 2, 2012. The Whiterock portfolio is an excellent strategic fit with Dundee REIT and will add 7.5 million square feet of assets to its portfolio in key markets across Canada. Benefits to Dundee REIT include synergies and cost efficiencies associated with increased scale, additional risk mitigation achieved through improved diversification and opportunities to surface additional value through accretive refinancings and below market in-place rents.

On January 19, 2012, the Trust acquired 5001 Yonge Street, a 310,600 square foot office property in Toronto, for approximately $107.8 million. In addition, on January 30, 2012, the Trust acquired 67 Richmond Street, a 50,100 square foot office property in Toronto, for approximately $13.5 million. Both properties are 100% leased.

Dispositions subsequent to year-end

On February 6, 2012, the Trust sold its 100% interest in the ARAM Building (7236 – 10th Street NE), a 36,000 square foot office property in Calgary for net proceeds of approximately $7.5 million.

OPERATIONAL HIGHLIGHTS

Portfolio occupancy strong at 95.6% – the overall percentage of occupied and committed space across the Trust's portfolio remained strong at 95.6%. The Trust's average office and industrial portfolio occupancy rates remain well above the national industry averages of 91.9% and 93.4%, respectively, as provided by CB Richard Ellis. On a comparative property basis, industrial occupancy strengthened reflecting new and committed leasing in Calgary.

In-place rents below market rents – In-place rents increased on a total portfolio basis as well as on a comparative property basis. In addition, at year-end, average in-place rents remain approximately 10% below estimated market rents, providing an opportunity to crystalize value on imbedded growth through leasing activity. Average in-place rents were $15.01 per square foot up from $14.29 at December 31, 2010 (September 30, 2011 - $14.96). The Calgary market continues to strengthen as evidenced by a 10% increase in market rental rates over Q3 2011.

	Total portfolio occupancy		Comparative properties occupancy[2]	
	December 31, 2011 (%)	September 30, 2011 (%)	**December 31, 2011 (%)**	September 30, 2011 (%)
Office				
Western Canada	**96.0**	97.0	**95.9**	97.0
Calgary	**94.8**	95.4	**94.8**	95.4
Toronto	**94.9**	95.0	**94.9**	95.0
Eastern Canada	**97.1**	96.5	**97.1**	96.5
Total office	**95.4**	95.7	**95.4**	95.7
Industrial				
Western Canada	**95.1**	95.1	**95.1**	95.1
Calgary	**96.0**	94.7	**96.0**	94.7
Toronto	**93.6**	93.6	**93.6**	93.6
Eastern Canada	**99.1**	98.8	**99.1**	98.8
Total industrial	**96.6**	96.1	**96.6**	96.1
Overall[1]	**95.6**	95.8	**95.6**	95.8

(1) Excludes redevelopment properties and discontinued properties.
(2) Comparative properties include all properties owned by the Trust as of September 30, 2011.

CAPITAL INITIATIVES

- **New equity issues** – The Trust completed one equity offering during the fourth quarter, issuing 4,393,000 units for gross proceeds of $143.9 million. In total, the Trust completed four equity offerings during the year, raising $629.5 million. The proceeds of the offerings were primarily used to finance the $1.6 billion of acquisitions completed throughout the year. The Trust ended 2011 with a $2.3 billion market cap, up 53% over the prior year reflecting a 41% increase in equity outstanding as well as an 8% increase in the trading price of the Trust's units.

- **Debt** – Financing activity throughout the year reduced the Trusts' average effective interest rate by 47 basis points to 4.96% from 5.43% and lengthened its average term to maturity to 5.2 years from 4.8 years at December 31, 2010. Activity during the year included $762 million of new financings, primarily comprising mortgages at a weighted average face rate of 4.21% with an average term to maturity of 7.7 years; a $188 million variable rate term loan facility, with respect to which it entered into two interest rate swap agreements to fix the interest payments at 3.52% for a notional value of $133 million over five years and 3.0% for a notional value of $55 million over three years; and mortgages assumed in connection with acquisitions totalling $336 million with a weighted average face rate of 5.55% and an average term to maturity of 5.3 years. At year-end, the Trust had a very conservative debt-to-book value of 49% and a 2.6 times interest coverage ratio.

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 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 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 19.3 million square feet of gross leasable area 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) All metrics include results and balances of equity accounted investments.

(2) NOI – net rental income, excluding redevelopment and income from disposed properties.

(3) FFO - net income, adjusted for fair value adjustments on investment property and financial instruments, gain on sale, and amortization of equipment.

(4) AFFO – 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.

Non-IFRS supplemental measures

NOI, FFO and AFFO 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, 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.

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