



DUNDEE REIT AND WHITEROCK REIT ENTER INTO TRANSACTION AGREEMENT

Key Transaction Highlights

- Whiterock unitholders will have the option to receive \$16.25 in cash, or remain invested in the combined entity and receive 0.4729 Dundee REIT units per Whiterock unit, subject to proration
- The transaction provides compelling value for unitholders of Whiterock and an opportunity to participate in further upside in Dundee REIT units on a tax-deferred basis
- For Dundee REIT, this accretive transaction adds a complementary portfolio, the opportunity to realize material operational and financial synergies and solidifies Dundee REIT's position as Canada's largest national office REIT
- The transaction has received unanimous approval by the Boards of Trustees of Whiterock and Dundee REIT, respectively
- All Trustees and senior management of Whiterock have entered into voting agreements pursuant to which they have agreed to vote their securities in favour of the transaction

TORONTO, JANUARY 17, 2012, DUNDEE REIT (TSX:D.UN) AND WHITEROCK REIT

(TSX:WRK.UN) are pleased to jointly announce that they have entered into a definitive agreement ("the Transaction") for the acquisition by Dundee Real Estate Investment Trust ("Dundee REIT") of all of the outstanding units of Whiterock Real Estate Investment Trust ("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.

"I am delighted to announce our agreement to acquire Whiterock," said Michael Cooper, CEO of Dundee REIT. "We have watched the evolution and growth of Whiterock with great interest for a number of years and are excited to add its attractive portfolio of assets to the Dundee portfolio. The Transaction is at a 6.5% capitalization rate, not including an additional \$4 million in property related management income."

"The Transaction offers Whiterock unitholders the opportunity to crystallize value and to participate in further appreciation of Dundee's unit price through the unit option on a tax-deferred basis," said Jason Underwood, CEO of Whiterock. "The Board of Trustees of Whiterock is excited to bring this offer to Whiterock unitholders and unanimously recommends that unitholders vote in favour of the Transaction."

Transaction Details

Under the terms of the transaction agreement, Dundee REIT proposes to acquire all of the issued and outstanding units of Whiterock for a combination of cash and Dundee REIT units. For each Whiterock unit held, Whiterock unitholders may elect to receive either: (i) \$16.25 in cash, subject to a maximum aggregate cash amount of \$360 million, representing approximately 60% of the available consideration, and pro-rata if elections exceed this amount (the "Cash Option"); or (ii) 0.4729 units of Dundee REIT, subject to a maximum aggregate of 17.4 million units (the "Unit Option"), which can be done on a tax-deferred basis. In connection with the Transaction, Dundee REIT has arranged for a financing commitment in the amount of \$375 million from TD Bank.

The cash price of \$16.25 for each Whiterock unit represents a 20% premium to the 20-day volume-weighted average price (“VWAP”) of the Whiterock units on the Toronto Stock Exchange as of January 16, 2011.

The Transaction will be subject to the approval of two-thirds of Whiterock unitholders voting at a special meeting of Whiterock unitholders to be scheduled for February 27, 2012. The transaction is also subject to customary regulatory approvals (including under the *Competition Act*), required consents and other customary closing conditions.

The Transaction agreement contains, among other things, a \$20 million break fee payable by Whiterock to Dundee REIT, in certain circumstances, including the acceptance by Whiterock of an unsolicited superior proposal from a third-party. Dundee REIT has also been granted a right-to-match any superior proposal that may arise.

Approximately a third of Whiterock’s properties are owned in various joint ventures with ROI Capital Ltd. (“ROI”). ROI has provided its consent and waived its rights in respect of the Transaction.

Dundee REIT’s offer will not be made to non-residents of Canada. Dundee REIT units issuable to Whiterock unitholders who are non-residents of Canada pursuant to the merger will be sold on their behalf, as expeditiously as is commercially reasonable, through the facilities of the Toronto Stock Exchange and the net proceeds of such sales, after brokerage sales commissions, will be paid to such non-residents of Canada, less any applicable withholding taxes.

Dundee REIT and Whiterock intend to mail Dundee REIT’s take-over bid circular describing the terms of the offer to Whiterock unitholders concurrently with Whiterock’s trustees’ circular and management information circular to beneficial holders on or about by February 1, 2012, and the Transaction is expected to be completed in the first quarter of 2012.

Prior to closing, holders of Whiterock convertible debentures will be entitled to convert their debentures in accordance with their terms and tender the Whiterock units issued to them upon conversion to Dundee REIT’s offer or receive Dundee REIT units pursuant to the Transaction. Following closing, holders of convertible debentures of Whiterock will be entitled to receive units of Dundee REIT upon conversion.

Strategic Fit

Whiterock’s portfolio is an excellent strategic fit with Dundee REIT’s existing portfolio and will solidify its position as the dominant office REIT in Canada. This Transaction provides Dundee REIT unitholders with the following benefits:

- **Increased Scale:** Dundee REIT is currently the 6th largest REIT in Canada by market capitalization. Upon the completion of this Transaction, it will be the 4th largest REIT by market capitalization and its position as the largest provider of office space in the Canadian REIT market will be further solidified. The increased scale will provide more stability in volatile markets and further improve Dundee REIT’s cost of capital.
- **Improved Portfolio Diversification:** The addition of Whiterock’s properties will enhance the geographic diversification of Dundee REIT’s portfolio, strengthening Dundee REIT’s position in existing markets and establishing a presence in new markets.
- **Immediately Realizable Synergies:** The integration of operating platforms will immediately generate cost savings from the internalization of third-party property management and create operational and leasing synergies.
- **Strengthened Tenant Base:** Dundee REIT’s tenant roster will be further strengthened with the addition of stable, high credit quality tenants with long-term leases.

- **Potential for Accretive Refinancing:** Whiterock's current average interest rate is 5.3% and its debt profile allows Dundee REIT to realize incremental accretion on debt refinancings.
- **Valuable in-place Relationships:** Dundee REIT is able to leverage the relationship with ROI Capital, a respected and creative capital provider.

The Transaction has been unanimously approved by the Board of Trustees of Dundee REIT. Dundee Real Estate Asset Management ("DREAM") and Dundee REIT jointly engaged TD Securities Inc. to act as financial advisor and Osler, Hoskin & Harcourt LLP as legal counsel on this transaction at DREAM's expense.

Whiterock Trustee's Support for the Transaction

The Trustees of Whiterock have unanimously resolved to recommend that unitholders of Whiterock vote in favour of the Transaction. Each of the trustees and senior management of Whiterock, who collectively beneficially own or control approximately 2.7% of the outstanding Whiterock units, have agreed to support the Transaction by voting their units in favour of the Transaction.

CIBC World Markets Inc. ("CIBC") has been engaged by the Special Committee of the Board of Trustees of Whiterock (the "Special Committee") as its independent financial advisor and Goodmans LLP as legal counsel. The Special Committee has received a fairness opinion from CIBC, to the effect that, as of the date of such opinion and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered to the Whiterock unitholders pursuant to the Transaction Agreement is fair, from a financial point of view, to the Whiterock unitholders.

Conference Call

Michael Cooper, CEO, Dundee REIT and Jason Underwood, CEO, Whiterock REIT will host a conference call on Tuesday, January 17, 2012, at 9:30 a.m. (EST) to discuss the agreement. An electronic copy of the presentation summarizing the highlights of the transaction will be available on Dundee REIT's website in advance of the call. To access the conference call, please dial (416) 340-2217 or toll free at (866) 696-5910 and use passcode 1222404. 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. The webcast will be archived for 30 days.

Additional information

Further information regarding the transaction will be contained in an information circular that Whiterock will prepare, file and mail during the week of January 23, 2012, to its unitholders in connection with Whiterock's special meeting to be held to consider the Transaction as well as in a trustee's circular and an offer and circular that Dundee REIT will prepare, file and mail concurrently.

Details regarding this agreement between Dundee REIT and Whiterock are set out in the definitive Transaction agreement executed by the REITs, which will be available on SEDAR at www.sedar.com.

About Dundee REIT

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. Dundee REIT's portfolio currently consists of approximately 18.9 million square feet of gross leasable area, located across Canada. Dundee REIT's portfolio is well diversified by geographic location and tenant mix. For more information, please visit www.dundeereit.com.

About Whiterock REIT

Whiterock REIT is a growth-oriented diversified commercial REIT with a wholly-owned and co-owned aggregate real estate portfolio totalling approximately 10.8 million square feet of gross leasable area across 88 properties, geographically diversified across 8 Canadian provinces and two U.S. states. For more information, please visit www.whiterockreit.ca.

Forward-Looking Statements

This press release may contain forward-looking statements with respect to Dundee REIT and Whiterock and their respective operations, strategy, financial performance and financial condition. These statements generally can be identified by the use of forward-looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intend”, “believe” or “continue” or the negative thereof or similar variations. The actual results and performance of Dundee REIT and Whiterock discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulation and the factors described under “Risk Factors” in the Annual Information Form of Dundee REIT and Whiterock, as applicable. The cautionary statements qualify all forward-looking statements attributable to Dundee REIT and Whiterock and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release. Except as required by applicable law, Dundee REIT and Whiterock specifically disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

For further information, please contact:

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