
**SELECTED FINANCIAL INFORMATION**

(unaudited) ($000’s except unit and per unit amounts)

<table>
<thead>
<tr>
<th>Three Months Ended</th>
<th>March 31, 2004</th>
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<tbody>
<tr>
<td>Rental property revenues</td>
<td>$45,084</td>
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<tr>
<td>Net operating income (“NOI”) (1)</td>
<td>23,974</td>
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<tr>
<td>Funds from operations (“FFO”) (2)</td>
<td>13,674</td>
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<tr>
<td>Net income</td>
<td>5,325</td>
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<tr>
<td>Distributable income (3)</td>
<td>12,458</td>
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<td>Book value of rental properties</td>
<td>1,061,395</td>
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<tr>
<td>Debt</td>
<td>639,196</td>
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**Per unit data**

- Net income: 0.25
- Distributable income: 0.58
- Cash distributions: 0.55

**Units**

- REIT Units, Series A outstanding: 16,677,352
- LP Class B Units, Series 1 outstanding: 7,377,531
- Total number of units outstanding: 24,054,883

- Occupancy rate: 93.6%

Michael Cooper, President and Chief Executive Officer and Jeff Barnes, Executive Vice-President and Chief Financial Officer will further discuss the results at the Trust’s Annual General Meeting, being held at 4:00 pm today at the TSX Conference Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario.

**FINANCIAL HIGHLIGHTS**

- **Rental properties NOI $24.0 million** – Net operating income for the three months ended March 31, 2004 grew by $6.1 million or 34% compared to the same quarter last year due primarily to contributions from acquisitions completed in late 2003 and in 2004. On a comparative basis, NOI to March 31, 2004 increased $0.2 million or 1% largely from leasing activity and some rental rate increases primarily in the Ontario office portfolio and the Québec industrial portfolio.

- **Distributable income (“DI”) was $12.5 million** – In the three months ended March 31, 2004, Dundee REIT generated $12.5 million of distributable income, representing $0.58 per REIT Unit, Series A. The Trust paid out $0.55 per REIT Unit, Series A.

- **Distribution Reinvestment and Unit Purchase Plan (“DRIP”) enrolment is high** – In connection with the distributions paid to all unitholders for the month of March, 39% of the total amount of units outstanding were reinvested in the DRIP.
PORTFOLIO

- Overall percentage of occupied and committed space increased to 93.6% as of March 31, 2004
  Occupancy across Dundee REIT’s office portfolio was 93.3%, the stabilized industrial portfolio was 94.1%, and retail was 92.1%. The average in-place rents in our office, industrial and retail portfolios were $14.09, $5.49 and $11.56 per square foot respectively. During the quarter approximately 789,000 square feet of leasing was completed. Total space available for lease at March 31, 2004 was approximately 839,000 square feet.

OPERATIONAL HIGHLIGHTS

Acquisition Activity

- **1.6 million square foot portfolio of office, industrial and flex space in Toronto and Calgary**
  On February 19, 2004, the Trust completed the previously disclosed purchase of the Pauls Portfolio consisting of approximately 1.6 million square feet of newly constructed office, industrial and flex space in the Calgary and Toronto markets.

- **Acquired outstanding interest in 222-230 Queen Street, Ottawa**
  – On March 1, 2004, the Trust acquired the remaining 16.4% interest in this downtown Ottawa office building, increasing its ownership interest to 100%. The purchase price for this acquisition was approximately $6.0 million.

- **Acquired a 50% interest in 720 Bay Street, Toronto**
  – On May 5, 2004, the Trust completed the acquisition of a 50% interest in 720 Bay Street, an 11 storey Class A office building, for approximately $25.4 million. The building is fully leased until 2009 and contains a total leasable area of approximately 248,000 square feet.

- **Agreement to acquire the Geo-X Building in Calgary**
  – The Trust has entered into an agreement to acquire the Geo-X building, a 36,428 square foot flex office-warehouse building located adjacent to the Calgary airport. The purchase price for this acquisition is approximately $6.5 million and is expected to close on May 12, 2004.

Disposition of Centennial Mall, Brampton

– On February 11, 2004, the Trust and its partners sold Centennial Mall, a 178,000 square foot enclosed community shopping centre located in Brampton, Ontario. The Trust received, after repayment of debt, net proceeds of $2.2 million for its 50% interest in the property and recorded a net gain of approximately $0.2 million.

CAPITAL INITIATIVES

- **New equity issue**
  – On February 19, 2004, the Trust completed a public offering of 4,537,000 REIT Units, Series A at $24.25 per Unit for gross proceeds of $110.0 million. The offering was completed through a syndicate of underwriters led by TD Securities Inc. and Scotia Capital Inc., and including BMO Nesbitt Burns Inc., Dundee Securities Corporation, National Bank Financial Inc. and CIBC World Markets. The gross proceeds include $10.0 million arising from the exercise of the over-allotment option by the underwriters.

- **Debt**
  – Dundee REIT’s weighted average interest rate was reduced during the quarter by 59 basis points to 6.34% as at March 31, 2004 (December 31, 2003 – 6.93%, September 30, 2003 – 7.14%, June 30, 2003 – 7.19%).

OUTLOOK

Although the operating environment and stock market are not optimal, we continue to see the results of our work in maintaining and increasing our occupancy level and cash flow. We hope that we will see on-going improvements in the business environment, but in the meantime we are running our business on the basis that the current environment will continue.

Dundee REIT is an unincorporated, open-ended real estate investment trust. We are a provider of high quality, affordable business premises. We focus on owning, acquiring, leasing and managing mid-sized urban and suburban office and industrial properties in Canada. Our diversified portfolio consists of approximately 13.2 million square feet of gross leasable area, located primarily in our target markets of Toronto, Ottawa, Montréal, Calgary and Edmonton. Our portfolio is well diversified by asset type, geographic location and tenant mix. For more information, please visit www.dundeereit.com.

Information appearing in this news release is a select summary of results. The financial statements for the Trust, as well as its Supplementary Information Package are available at www.dundeereit.com.
FOOTNOTES

(1) NOI - revenue less operating expenses.
(2) FFO - net income, adjusted for future income tax, depreciation and amortization, and gain (loss) on sale and provision for diminution in value of assets.
(3) Distributable income is not a measure defined by generally accepted accounting principles and therefore may not be comparable to similar measures presented by other real estate investment trusts. Distributable income is defined in our Declaration of Trust.

NOI and FFO 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 and companies.

All statements in this press release 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.

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