

Press Release - For Immediate Release

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Whiterock REIT Announces Second Quarter 2006 Results and Achievements

Thursday, August 10, 2006

TORONTO, August 10 / CNW / - Whiterock Real Estate Investment Trust ("Whiterock") today announced financial results for the three months ended June 30, 2006. The following comments and highlights should be read in conjunction with the consolidated financial statements and management's discussion and analysis for the three months ended June 30, 2006. These will be available on Whiterock's website at www.whiterockreit.ca.

HIGHLIGHTS – Second Quarter

- **Q2 Continuing Growth** – Acquired an interest in three office properties in Quebec City, Quebec and an office building in Fredericton, New Brunswick totaling 444,439 square feet for \$58.3 million, including closing costs. Acquired two industrial centres in Moncton, New Brunswick and one centre in Regina, Saskatchewan totaling 244,038 square feet for \$10.4 million including closing costs. These acquisitions brought total investment in income properties for the six months ended June 30, 2006 to \$128.6 million.
- **TSX Listing** – Listing moved to the Toronto Stock Exchange (TSX) from the TSX Venture Exchange.
- **DRIP Established** – Distribution reinvestment plan established for Unitholders.
- **Acquisition Facility** – Announced a \$23.5 million revolving debt facility to fund future acquisitions, with an affiliate of Kimco Realty Corporation
- **Additional Equity** - Completed a private placement offering on June 8, 2006 for \$33.5 million in trust units led by RBC Capital Markets. The offering was completed at a per Unit value 30% higher than the previous private placement in December of 2005.
- **Unit Price Appreciation** – Unit price closed at \$3.38, a one year increase of 72%, including dividend reinvestment, since the June 2005 initial public offering.
- **High Quality Credit Tenants on Long-Term Leases** – At June 30, 2006, 51% of revenues from government leases. 75% of revenues from government and other high quality credit tenants. Average lease term of portfolio was approximately 8 years at June 30, 2006 and was subsequently extended to 11 years.

HIGHLIGHTS – Subsequent events

- **Debenture Refinancing** – Announced a convertible debenture refinancing in which \$10 million of 7.5% Redeemable Subordinated Convertible Debentures are to be issued to fund the redemption of all of Whiterock's 9% Redeemable Subordinated Series B Convertible Debentures (the "Series B Debentures"). This accretive refinancing results in reduced interest payments, an extension of term and an increase in conversion price.
- **Unit Consolidation** – Announced a four for one Unit consolidation, to be effective August 21, 2006.

- **Continuing to Close on the Acquisition Pipeline** – Acquired a 33,857 square foot retail centre in Halifax, Nova Scotia and a 44,800 square foot industrial building in Windsor, Ontario totaling \$10.4 million before closing costs.

FINANCIAL HIGHLIGHTS

(in \$'s)	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Total revenue	7,043,423	14,022	12,228,566	14,057
Property operating income	4,421,077	2,387	7,558,030	2,387
Income (loss)	(1,297,654)	(78,786)	(1,790,626)	(103,481)
Income (loss) per unit - basic and diluted	(0.05)	(0.03)	(0.08)	(0.05)
Funds from operations (FFO)	364,754	(78,124)	1,016,175	(102,819)
FFO per unit - basic	0.02	(0.03)	0.05	(0.05)
FFO per unit - diluted	0.01	(0.03)	0.04	(0.05)
Adjusted Funds From Operations (AFFO)	500,943	(75,179)	1,000,485	(99,874)
AFFO per unit - basic and diluted	0.02	(0.03)	0.04	(0.05)

(in \$'s)	June 30, 2006	December 31, 2005
Investment in real estate	245,416,284	116,402,537
Mortgages payable	167,226,204	84,193,305
Acquisition facility	12,000,000	-
Convertible debentures (face value)	24,100,000	25,000,000
Cash	25,736,572	29,281,723
Unitholders' equity	66,328,546	38,218,035

Basic FFO per Unit increased \$0.05 per Unit to \$0.02 for the three months ended June 30, 2006 compared to the same period in 2005. Diluted FFO per Unit increased \$0.04 per Unit to \$0.01 for the three months ended June 30, 2006 compared to the same period in 2005.

For the six months ended June 30, 2006, basic FFO per Unit increased \$0.10 per Unit to \$0.05 compared to the same period in 2005. Diluted FFO per Unit increased \$0.09 per Unit to \$0.04 compared to the same period in 2005.

These increases are due to the income from accretive acquisitions completed in 2005 and 2006 exceeding interest and administrative costs. FFO in 2006 was negatively impacted by \$0.03 per Unit because of the provision recorded for the redemption of Whiterock's Series B debentures.

AFFO includes the impact of leasing costs and capital expenditures, which totaled \$265,112 and \$381,582, respectively, for the three and six months ended June 30, 2006 (2005 – nil and nil). Leasing costs included costs related to early renewals of leases.

AFFO per Unit (Basic and Diluted) increased \$0.05 per Unit to \$0.02 for the three months ended June 30, 2006 compared to the same period in 2005. AFFO per Unit (Basic and Diluted) increased \$0.09 per Unit to \$0.04 for the six months ended June 30, 2006 compared to the same period in 2005. AFFO in 2006 was negatively impacted by \$0.01 per Unit because of the provision recorded for the redemption of Whiterock's Series B debentures

Management expects FFO and AFFO to continue to increase through 2006 as the full year impact of its 2005 acquisitions and the impact of its 2006 acquisitions is reflected in Whiterock's financial results.

FFO and AFFO are supplemental non-GAAP financial measures used by the real estate industry to measure and compare the operating performance of real estate organizations. Whiterock's method of calculating FFO and AFFO may be different from methods used by other REITs or corporations. Whiterock calculates FFO in accordance with the recommendations of the Real Property Association of Canada ("RealPac"). The definition is meant to standardize the calculation of FFO across real estate entities in Canada. A description of Whiterock's calculation of AFFO and FFO is included in Whiterock's Management's Discussion and Analysis for the three months ended June 30, 2006.

OUTLOOK

To date, Whiterock has acquired 25 real estate assets totaling approximately \$260 million that not only meet, but exceed, Whiterock's stated investment criteria. This portfolio is comprised of quality assets that are very well located in their particular geographic areas. The acquired and announced portfolio has little to no deferred capital costs, is 75% leased to provincial government and other high quality credit tenants and has an average remaining lease term exceeding 11 years with most rental rates at or below market rate. In addition, its investment cost averages \$110 per square foot, which is a substantial discount to replacement cost.

Whiterock has further broadened its asset base and increased its geographic diversification, with an entrance into two new markets: Fredericton and Moncton and we continue to expect to complete acquisitions in the Ottawa and Saskatoon markets. Whiterock's commercial real estate portfolio is currently 2.4 million square feet and is diversified between office (74%), retail (13%) and industrial (13%) based on property net operating income. Whiterock has 55% of its GLA in Quebec, 25% in Saskatchewan, 9% in New Brunswick, 6% in Nova Scotia, 4% in Ontario, and 1% in Prince Edward Island. Contractual rent expiries will average 5% over the next four calendar years and no more than 11% of Whiterock's leasable area matures in any one year until after 2015. Whiterock's average term to maturity on its mortgages is approximately 10 years and 94% of Whiterock's debt is at fixed rates at an average interest rate of 5.5%. Whiterock's Mortgage Debt to Gross Book Value Ratio (excluding convertible debentures) is approximately 68%, a reduction from 72% at year end. Whiterock has 75% of its space leased to government or other high quality corporate tenants with its top ten tenants based on total revenues being as follows: Société immobilière du Québec (Quebec government agency) (36%); ING Canada (10%); Province of New Brunswick (4%); Saskatchewan Property Management Corp. (Saskatchewan government agency) (4%); Crown Investment Corp. (holding company for government of Saskatchewan utility companies) (3%); CGI (3%); Helly Hansen (3%); Staples (3%); Sobeys (2%); and Le Soleil (2%).

Whiterock's acquisition pipeline is currently in excess of \$100 million. Properties in this pipeline have similar characteristics to properties acquired to date. Management expects to be able to continue to source similar quality product at a pace consistent with its historic pace of acquisition. Whiterock intends to fund these properties with cash on hand, use of its acquisition facility and first mortgages; however, there can be no assurance that Whiterock will complete any or all of these potential acquisitions.

The assets acquired to date continue to form a solid foundation for Whiterock to be a much larger REIT built on quality assets that produce consistent, long-term cash flow. Management intends to continue this approach to building out a national platform.

About Whiterock

Whiterock is a TSX listed rapidly expanding, growth oriented real estate investment trust focused on increasing Unitholder value through the strategic acquisition, ownership and management of well-located, long-term leased office, industrial and retail properties in select markets across Canada. Since its formation as a Trust on June 28, 2005, Whiterock has acquired properties totaling approximately 2.4 million square feet with a gross book value of approximately \$260 million.

Forward Looking Statements

This news release contains “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to financial performance, sale-leaseback opportunities, proposed acquisitions and equity offerings, new markets for growth, financial position, comparable commercial REITs and proposed acquisitions. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Whiterock to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the risks related to the public financial market for Whiterock’s securities, the general risks associated with real property ownership and acquisition (including in particular but without limitation that any or all of the properties subject to conditional agreement of purchase and sale discussed will be acquired as scheduled and/or on the terms currently anticipated and/or described) including that future accretive acquisition opportunities will be identified and/or completed by Whiterock, lease maturities, risk management, liquidity, debt financing, credit risk, competition, general uninsured losses, interest rate fluctuations, environmental matters, restrictions on redemptions of outstanding Whiterock securities, lack of availability of growth opportunities, diversification, reliance on anchor or single tenant properties, potential Unitholder liability, potential conflicts of interest, the relationship with Whiterock Real Estate Capital Inc., the availability of sufficient cash flow, fluctuations in cash distributions, the market price of Whiterock’s units, the failure to obtain additional financing, dilution, reliance on key personnel, changes in legislation, failure to obtain or maintain mutual fund trust status and delays in obtaining governmental approvals or financing as well as those additional factors discussed in the section entitled “Risk Factors” in Whiterock’s Annual Information Form dated April 26, 2006, which can be obtained at www.sedar.com.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

For further information: www.whiterockreit.ca

Jason Underwood, 416-907-4861
Paul Simcox, 416-907-4862
Frank Bucys, CFO, 416-907-4864

Source: Whiterock Real Estate Investment Trust