

Whiterock REIT Announces Q3 2007 Results, Outlook and Achievements

TORONTO, November 14 / CNW / - Whiterock Real Estate Investment Trust ("Whiterock") today announced financial results for the three and nine months ended September 30, 2007. The following comments and highlights should be read in conjunction with the unaudited consolidated financial statements and management's discussion and analysis for the three and nine months ended September 30, 2007. These will be available on Whiterock's website at www.whiterockreit.ca.

HIGHLIGHTS

- **Yield** – Distribution yield of 10.6% annualized, based on per Unit distributions for the nine months ended September 30, 2007 totaling \$0.84, and the November 9, 2007 Unit closing price of \$10.55.
- **FFO Growth** – Q3 recurring FFO per Unit (basic) increased by 23% to \$0.27 per Unit compared to \$0.22 per Unit (basic) for the same period in the prior year.
- **Solid Leasing Performance** – Average rate increase of 12% on 2007 expiring leases with Saskatchewan delivering increases of 31%. Tenant inducements on renewals were minimal at \$1.34 per square foot, and for new leasing were \$4.33 per square foot.
- **Same Property Growth** – Property operating income for the nine months ended September 30, 2007 increased approximately 5.2% on a same property basis from the prior year comparative period.
- **Investment Grade Tenants on Long-Term Leases** – At September 30, 2007, 70% of revenues from government and other investment grade tenants. Average lease term of portfolio is 9 years.
- **Long-Term Fixed Rate Debt** – Average 9 year debt term at a weighted average interest rate of 5.4% with 95% at fixed rates.
- **Continued Deleveraging** – \$2.3 million of Series A convertible debentures converted to equity in the quarter ended September 30, 2007.
- **Geographically Balanced Portfolio** – 20% in Saskatchewan, 28% in Ontario, 37% in Quebec and 15% in Atlantic Canada, based on property operating income.

HIGHLIGHTS – SUBSEQUENT EVENTS

- Acquisition Pipeline** – Whiterock has resumed its acquisition program. Acquired a 395,159 square foot industrial facility in Regina, Saskatchewan for \$14.55 million, including closing costs on October 1, 2007. The stabilized cap rate of the property will be approximately 8.6% upon the finalization of lease-up. Announced agreements to acquire two additional properties totaling 41,000 square feet for approximately \$5 million, before closing costs, at a blended cap rate of approximately 8.7%. Whiterock is also in negotiations to acquire an additional 80,000 square foot property for approximately \$15 million, before closing costs.
- New Leasing Activity** – Executed 28,000 square feet of new leasing at 655 Bay Street which will add approximately \$1.1 million to net operating income on an annualized basis (\$0.11 per basic Unit outstanding).

FINANCIAL HIGHLIGHTS

(including discontinued operations, except as noted)

(in \$000's except per Unit data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Total revenue - continuing operations	12,005	7,339	35,910	18,653
Property operating income				
- continuing operations	7,257	4,684	21,574	11,712
Income (loss)	(235)	(438)	1,519	(2,229)
Income (loss) per unit - basic and diluted				
- basic	(0.02)	(0.06)	0.15	(0.35)
- diluted	(0.02)	(0.06)	0.15	(0.35)
Funds From Operations (FFO) ⁽¹⁾	2,737	1,711	8,218	3,418
FFO per Unit				
- basic	0.27	0.22	0.82	0.54
- diluted	0.27	0.21	0.81	0.53
Adjusted Funds From Operations (AFFO) ⁽¹⁾	2,234	1,605	6,540	2,861
AFFO per Unit				
- basic	0.22	0.20	0.65	0.45
- diluted	0.21	0.20	0.64	0.44

(1) FFO, FFO per unit, AFFO and AFFO per Unit exclude non-recurring items.

Balance sheet highlights for Whiterock as at September 30, 2007 and December 31, 2006 are as follows:

(in \$000's)	September 30, 2007	December 31, 2006
Investment in real estate	335,794	376,927
Mortgages payable and acquisition facility	211,696	250,886
Convertible debentures (face value)	48,367	51,000
Cash	10,162	9,298
Unitholders' equity	76,765	80,252

Selected financial ratios for Whiterock as at, and for the period ended, September 30, 2007 and 2006 are as follows:

	September 30, 2007	September 30, 2006
Weighted average mortgage rate	5.4%	5.6%
Weighted average debenture rate	7.1%	8.2%
Interest coverage ratio ⁽¹⁾	1.6	1.4
Occupancy level	98.8%	98.3%
FFO payout ratio ⁽²⁾	103%	157%

(1) Interest coverage for the quarter is calculated based on property operating income less G&A, divided by interest expense (including debentures and financing fee amortization) net of interest income.

(2) FFO payout ratio is calculated as year-to-date distributions divided by recurring FFO.

The improvement in the financial results reflects the accretive acquisitions completed and the increase in same asset property operating income exceeding interest and administrative costs.

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. A description of Whiterock's calculation of FFO and AFFO is included in Whiterock's Management's Discussion and Analysis for the three and nine months ended September 30, 2007.

OUTLOOK

Whiterock has a solid business platform of high quality assets with investment grade tenants, a committed management team and Board of Trustees (the majority of which is independent), and established relationships in select markets across Canada.

In the nine months ended September 30, 2007, Whiterock significantly improved its recurring FFO, AFFO, FFO per Unit, AFFO per Unit, property operating income, weighted average debenture interest rate, and increased its interest coverage ratio while reducing its payout ratio compared to the prior year comparative period.

Further, the requirements for future increases in FFO and AFFO per Unit at Whiterock have been, and continue to be, successfully put into place. Management expects that completed and anticipated new leasing and renewals, the reinvestment of balance sheet cash, selected property management and G&A improvements, the refinancing of floating rate debt and in-place rent increases will result in basic AFFO per Unit exceeding distributions in early 2008.

CONFERENCE CALL

Whiterock Real Estate Investment Trust (“Whiterock”) invites you to participate in its live conference call with senior management on Thursday November 15, 2007 at 11:00 a.m. E.S.T., to discuss the REIT’s results and achievements for the three and nine months ended September 30, 2007.

You may participate in the live conference call toll free at 1-800-214-0745 and enter the passcode ‘915461’ followed by the number sign when prompted by the operator. To ensure your participation, please call five minutes prior to the scheduled start of the call. The call will be archived on Whiterock’s website and available after the call.

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 or debt 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 market for Whiterock’s securities, the general risks associated with real property ownership and acquisition, 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 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 March 21, 2007 which can be obtained at www.sedar.com. In particular, but without limitation, there is no assurance that Whiterock will be able to increase its AFFO as anticipated.

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

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Source: Whiterock Real Estate Investment Trust