



DUNDEE INTERNATIONAL REIT SEPTEMBER 30, 2011 FINANCIAL RESULTS

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, NOVEMBER 11, 2011 DUNDEE INTERNATIONAL REIT (DI.UN-TSX) today reported its quarterly financial results for the period ended September 30, 2011. Dundee International REIT's management team will be holding a conference call on Monday, November 14 at 2:00 p.m. (ET) to discuss the results. To access the conference call, please dial 416-695-6617 in Toronto and overseas or 1-800-355-4959 elsewhere in Canada and the United States. A taped replay of the call will be available from November 14, 2011 at 4:00 p.m. (ET) to December 14, 2011 at 11:59 p.m. (ET). Please dial 905-694-9451 or 1-800-408-3053 and use passcode 3443283 to access the replay. The call will also be available via webcast at www.dundeeinternational.com.

HIGHLIGHTS

- **First Canadian REIT investing exclusively outside of Canada, starting with a platform of 292 properties in Germany**
- **\$410 million IPO followed by \$61 million over-allotment option**
- **\$448 million financing obtained from a syndicate of German and French banks**
- **Solid results for the period, slightly ahead of the forecast and expectations**

	For the period from August 3, 2011 to September 30, 2011	Financial Forecast (pro-rated) ⁽¹⁾
Operations		
Occupancy rate (period-end)	88%	
In-place rent per square foot	\$ 7.40	
Operating results		
Revenue	\$ 22,548	\$ 22,400
Net rental income	13,531	12,947
Funds from operations ("FFO") ⁽²⁾	7,500	6,909
Adjusted funds from operations ("AFFO") ⁽³⁾	6,725	6,467
Financing		
Coupon interest rate (period end)	4.34%	4.45%
Interest coverage ratio	2.67 times	2.49 times
Per unit amounts (basic)		
FFO ⁽²⁾	\$ 0.15	\$ 0.14
Distribution rate	0.13	0.13
AFFO ⁽³⁾	0.13	0.13
Unitholders' equity		
Units	43,854,127	
Exchangeable Notes	8,000,000	
Total	51,854,127	

"Since our launch on August 3rd, we have taken control of our new business. We are now focused on our operations and our relationship with our largest tenant and are looking at opportunities to grow our business," said Jane Gavan, Chief Executive Officer. "We are excited with what we have accomplished within the first 90 days and the opportunities we see ahead of us."

OPERATING AND FINANCIAL HIGHLIGHTS

- **Occupancy** – the overall weighted average occupancy rate across Dundee International REIT’s portfolio was 87.7% at September 30, 2011, an increase from 87.2% at the time of the investment. Overall occupied space increased to 10.8 million square feet from 10.7 million square feet out of a total gross leasable area (“GLA”) of 12.3 million square feet.
- **Rental rates** – in-place rents in each of the Trust’s segments are below market rents, allowing for rental uplifts as space gets renewed. At \$8.43 per square foot, current market rents are approximately 14% above the average in-place rents of \$7.40.
- **Leasing profile and rent indexation** – the average remaining lease term of the portfolio is 6.1 years. Deutsche Post, Europe’s largest postal company, occupies approximately 75% of the portfolio’s GLA. The majority of Deutsche Post’s lease will expire on June 30, 2018. Deutsche Post’s rent is indexed to inflation. The Trust anticipates that the hurdle rate required for an adjustment in Deutsche Post’s rent will be reached by year-end. Once reached, it will trigger a 4.4% increase in such rental income.

September 30, 2011				
Property type	Owned GLA (sq. ft.)	Weighted Average Occupancy (%)	Average remaining lease term (years)	In-place rent
Office	890,823	84.2	5.26	\$10.34
Mixed use	9,187,238	88.2	6.05	7.38
Industrial	2,243,825	87.0	6.49	6.39
Total	12,321,886	87.7	6.07	\$7.40

- **Funds from operations** – at \$7.5 million for the period from August 3 to September 30, 2011, FFO was above the pro-rated financial forecast of \$6.9 million. This increase was a result of net rental income growth due to increased occupancy.
- **Adjusted funds from operations** – AFFO for the period from August 3 to September 30, 2011 was \$6.7 million. The \$0.2 million increase compared to the forecast was due to higher net rental income.

CAPITAL INITIATIVES

- **Equity** – On August 3, 2011, the Trust completed an initial public offering of units to the public for aggregate proceeds of \$270.0 million. Concurrently, Dundee Corporation and Dundee Realty Corporation purchased an additional \$120.0 million of units on the same conditions as the public. In addition, a subsidiary of the Trust issued the euro equivalent of \$80 million of Exchangeable Notes which are exchangeable for an aggregate of 8.0 million units. On August 29, 2011, the Trust issued an additional \$40.5 million of units pursuant to the over-allotment option granted to its underwriters.
- **Convertible debentures** – as part of the Trust’s initial public offering, \$140 million of convertible, unsecured, subordinated debentures (“Debentures”) were issued to the public, followed by another \$21 million pursuant to the over-allotment option. The Debentures bear interest at 5.5%, have a conversion price of \$13.00 per unit and mature on July 31, 2018.
- **Debt** – In conjunction with the initial public offering, the Trust obtained a term loan credit facility from a syndicate of German and French banks in the aggregate amount of \$448.4 million (€328.5 million) and entered into arrangements with an arm’s length counterparty in order to hedge a substantial portion of the loan. Pursuant to these arrangements, 80% of our variable rate interest obligations were exchanged for fixed rate interest obligations for five years. In addition, for 10% of the variable rate interest, the Trust purchased an interest rate cap not to exceed 5% per annum (excluding the margin). The weighted average rate for the loan is 3.96%. Including costs, the effective interest rate is 4.01%. On November 8, 2011, the

Trust fixed the remaining 20% of the term loan credit facility effective as of December 30, 2011, at a coupon rate of 3.37%.

As at September 30, 2011, the Trust had a debt-to-book value of 55% (or 41%, if Debentures are excluded), had a weighted average effective interest rate of 4.82% for all of its interest-bearing debt and an interest coverage ratio of 2.67 times, reflecting the Trust's ability to cover its interest expense requirements.

In addition to announcing its financial results, the Trust also welcomed John Sullivan, CEO of Cadillac Fairview, as its newest addition to the board of trustees.

Information appearing in this news release is a select summary of results. The financial statements and management's discussion and analysis for the Trust are available at www.dundeeinternational.com and on SEDAR at www.sedar.com.

Dundee International REIT is an unincorporated, open-ended real estate investment trust that provides investors with the opportunity to invest in commercial real estate exclusively outside of Canada. Dundee International REIT's portfolio currently consists of approximately 12.3 million square feet of gross leasable area of office, industrial and mixed use properties across Germany. For more information, please visit www.dundeeinternational.com.

FOOTNOTES

- (1) Financial Forecast - Refers to financial forecast for the three-month period ended September 30, 2011 pro-rated to reflect our ownership commencing on August 3, 2011.
- (2) FFO - net income, adjusted for fair value adjustments on investment property and financial instruments, property acquisition costs, amortization of equipment, deferred income taxes and interest expense on Exchangeable Notes.
- (3) 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.

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.

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 International 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, global 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 Canadian and German economies remain 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 International 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 International REIT's filings with securities regulators, including its prospectus dated July 21, 2011 and its latest MD&A. These filings are also available at Dundee International REIT's website at www.dundeereit.com.

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