



DUNDEE INTERNATIONAL REIT DECEMBER 31, 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, FEBRUARY 23, 2012 DUNDEE INTERNATIONAL REIT (DI.UN-TSX) today reported its financial results for the quarter and period ended December 31, 2011. Dundee International REIT's management team will be holding a conference call on Friday, February 24 at 9:00 a.m. (ET) to discuss the results. To access the conference call, please dial 416-340-2216 in Toronto and overseas or 1-866-226-1792 elsewhere in Canada and the United States. A taped replay of the call will be available from February 24, 2012 at 11:00 a.m. (ET) to March 24, 2012 at 11:59 p.m. (ET). You may access the replay by dialling 905-694-9451 or 1-800-408-3053 and using passcode 3176622. The call will also be available via webcast at www.dundeeinternational.com.

HIGHLIGHTS

- **Solid operating results**
 - Completed 139,147 square feet of new leases and renewals since IPO
 - Q4 occupancy improved incrementally to 87.8% from 87.7% in Q3 and from 87.2% at the time of the IPO
 - In-place rents remain approximately 14% below market rents, allowing for rental rate uplifts
- **Financial results in line with expectation**
 - Q4 FFO of \$10.6 million or \$0.20/unit; excluding impact of uninvested proceeds from over-allotment, FFO is \$0.23/unit
 - Q4 AFFO of \$10.2 million or \$0.20/unit; excluding impact of uninvested proceeds from over-allotment, AFFO is \$0.22/unit
- **Poised for growth**
 - Active acquisition pipeline with first acquisition scheduled to close by the end of February
 - Expansion of European management platform with two highly experienced European real estate professionals joining the team setting the stage for excellent management and future growth

GROWTH INITIATIVES

Acquisitions - The Trust continues to see a robust acquisition pipeline and currently has under contract a 211,000 square foot office building in the city of Hannover, Germany, scheduled to close at the end of February at a capitalization rate accretive to the overall AFFO of the Trust. With approximately 40 million square feet of office inventory, Hannover is the largest office market in the state of Lower Saxony and is considered one of the most stable office markets in Germany. In addition, the Trust is currently actively pursuing several other acquisition opportunities in Germany.

Strengthening European management platform – On February 1, 2012, Klaus Kortebein joined Dundee International Advisors as Managing Director, responsible for the Trust's investments and asset management in Europe. Klaus has extensive experience in European and international commercial real estate markets and was recently a managing director of the Australian Valad Property Group where he headed up its European operations. Prior to that, Klaus was an executive director at Morgan Stanley, focused on asset management, acquisitions and financing.

In addition, Anne Braun will join the Dundee team as Executive Director on April 1, 2012 and will be responsible for asset management and operations of the European portfolio. Anne is currently a partner at Cushman & Wakefield and head of property and asset management in Germany. She has extensive experience in operations and asset management, corporate finance and capital markets transactions.

“We are very excited to have Klaus and Anne join our European team. They add invaluable on-the-ground experience and strengthen our European platform” said Jane Gavan, CEO of Dundee International REIT.

OPERATING AND FINANCIAL RESULTS

Occupancy - The overall weighted average occupancy rate across Dundee International REIT’s portfolio was 87.8% at December 31, 2011, an increase of 10 basis points compared to occupancy at the end of the third quarter and 60 basis points at the time of the investment on August 3, 2011. Overall occupancy increased by approximately 16,072 square feet in the fourth quarter. Since August 3, 2011, occupancy increased by 60,186 square feet, comprising 77,768 square feet of space that expired or was terminated, offset by 98,271 square feet of new leases and 40,876 square feet of renewals. Since the Trust’s IPO, renewals have been completed at approximately 8.5% above expiring rents.

In-place rents - In each of the Dundee International REIT’s segments in-place rents are below market rents, allowing for rental uplifts. In-place rents have remained unchanged at €5.40 per square foot at the end of the year compared to the time of the IPO. In addition, recoveries from tenants have been higher than projected in the Trust’s original pro-forma.

Average remaining lease term of the portfolio is 5.9 years. Deutsche Post, Europe’s largest postal company, occupies approximately 75% of the portfolio’s GLA. The majority of Deutsche Post’s leases will expire on June 30, 2018.

Property type	December 31, 2011				
	Owned GLA (sq. ft.)	Weighted Average Occupancy (%)	Average remaining lease term (years)	In-place rent (\$)	Market Rent (\$)
Office	890,822	84.4	5.07	\$ 9.98	\$ 10.66
Mixed use	9,186,913	88.3	5.83	7.10	8.10
Industrial	2,243,832	87.2	6.27	6.16	7.19
Total	12,321,567	87.8	5.86	\$ 7.13	\$ 8.11

Funds from operations⁽¹⁾ – FFO for the three months ended December 31, 2011 was \$10.6 million or \$0.20 per unit. Excluding the impact of over-allotment proceeds the Trust received at the end of August and will use for future acquisitions, FFO per unit would be \$0.23. For the period from August 3 to December 31, 2011, FFO was \$18.1 million or \$0.35 per unit. Excluding the impact of the over-allotment proceeds, FFO per unit would be \$0.39 per unit.

Adjusted funds from operations⁽²⁾ – AFFO for the three months ended December 31, 2011 was \$10.2 million or \$0.20 per unit. Excluding the impact of over-allotment proceeds, AFFO per unit would be \$0.22. For the period from August 3 to December 31, 2011, AFFO was \$17.0 million or \$0.33 per units. Excluding the impact of the over-allotment proceeds, AFFO per unit would be \$0.36 per unit.

CAPITAL INITIATIVES

Equity – On December 31, 2011, the Trust had 51,872,316 units outstanding. At a year-end closing price of \$10.00 per unit, the Trust’s market capitalization was \$519 million.

Financing – 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 at a coupon rate of 3.98 and an effective rate of 4.04. On November 8, the Trust fixed the remaining 20% of the term loan credit facility for one year effective as of December 30, 2011, at a coupon rate of 3.38%. In 2012, the blended fixed rate for the term loan credit facility will be 3.91%.

The Trust is currently in discussions with various banks in respect of refinancing a portion of the term loan credit facility for terms ranging in general from three to five years.

As at December 31, 2011, the Trust had a debt-to-book value of 56% (or 42%, if Debentures are excluded), had a weighted average interest rate of 4.36% 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.

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) 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.
- (2) 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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