



DUNDEE INTERNATIONAL REIT CLOSES \$100 MILLION OF ACQUISITIONS AND REPORTS STRONG Q1 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, MAY 2, 2012 DUNDEE INTERNATIONAL REIT (DI.UN-TSX) today posted strong financial results for the quarter ended March 31, 2012. Dundee International REIT's management team will discuss the Trust's business and results at its annual meeting, being held today at 4:00 p.m. (ET) at The King Edward Hotel, Sovereign Ballroom, 37 King Street East in Toronto.

In addition, senior management will be hosting a conference call tomorrow, May 3, 2012 at 9:00 a.m. (ET). Please dial 416-340-9432 or 1-888-340-9642 to access the conference call. A taped replay of the call will be available from May 3, 2012 at 12:00 p.m. (ET) to June 1, 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 9389664.

The annual meeting and the conference call will be webcast. To access the webcast, please go to Dundee International REIT's website at www.dundeeinternational.com and click on the link for Investors, then click on Calendar of Events. The webcast will be archived for 30 days.

HIGHLIGHTS

- **Q1 2012 marks third quarter of solid results since the Trust's IPO – in line with expectations and forecast**
- **Solid occupancy of 87.8% at March 31, 2012, unchanged from December 31, 2011 and up from 87.2% at the time of the trust's IPO**
- **Growth through active and accretive acquisition pipeline with two acquisitions closed in the first four months of 2012 for an aggregate amount of approximately \$100 million**

OPERATING AND FINANCIAL RESULTS

(unaudited) (\$000's, except per unit amounts)	For the three months ended March 31, 2012	Financial Forecast For the three months ended March 31, 2012
Operating results		
Net rental income	20,737	20,902
Funds from operations ("FFO") ⁽¹⁾	11,762	11,659
Adjusted Funds from Operations ("AFFO") ⁽²⁾	11,184	10,990
Per unit amounts		
Basic:		
FFO ⁽¹⁾	0.23	0.24
AFFO ⁽²⁾	0.22	0.23
Distribution rate	0.20	0.20
Basic (excluding impact of over-allotment):		
FFO ⁽¹⁾	0.25	0.24
AFFO ⁽²⁾	0.24	0.23

Occupancy - The overall weighted average occupancy rate across Dundee International REIT's portfolio was 87.8% at March 31, 2012, remaining unchanged compared to December 31, 2011, and increased by 60 basis points since the time of the Trust's IPO on August 3, 2011. Overall occupied space increased to 11.0 million square feet at the end of the first quarter, an increase of 0.2 million square feet largely due to the acquisition of Grammophon Büroпарк at the end of February 2012.

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 increased marginally to €5.44 at March 31, 2012 from €5.40 per square foot at the end of the year largely due to the acquisition of Grammophon Büroпарк.

Average remaining lease term of the portfolio is 5.6 years. Deutsche Post, Europe's largest postal company, occupies approximately 73% of the portfolio's GLA. The majority of Deutsche Post's leases will expire on June 30, 2018.

March 31, 2012						
Property type	Owned GLA (sq. ft.)	Weighted average occupancy	Average remaining lease term	(years)	In-place rent (per sq. ft.)	Market rent (per sq. ft.)
Office	1,102,870	86.5%	4.71		\$ 10.40	\$ 11.17
Mixed use	9,188,654	88.0%	5.63		7.14	8.17
Industrial	2,243,831	87.7%	6.03		6.17	7.28
Total	12,535,355	87.8%	5.62		\$ 7.25	\$ 8.27

Funds from operations – FFO for the three months ended March 31, 2012 was \$11.8 million or \$0.23 per unit. Excluding the impact of over-allotment proceeds the Trust received at the end of August and will use for acquisitions, FFO per unit would be \$0.25.

Adjusted funds from operations – AFFO for the three months ended March 31, 2012 was \$11.2 million or \$0.22 per unit. Excluding the impact of over-allotment proceeds, AFFO per unit would be \$0.24.

Both FFO and AFFO are in line with our forecast and expectations.

ACQUISITIONS

Subsequent to quarter end, the Trust completed the acquisition of Karl-Martell-Strasse 60 in Nuremberg, Germany, for approximately \$62.8 million. The property comprises approximately 269,000 square feet and is fully leased until 2026 to one of Germany's largest insurance companies. Nuremberg, located in the southern state of Bavaria, is among the ten largest office markets in Germany.

In the first four months of 2012, the Trust has completed approximately \$100 million of acquisitions comprising approximately 480,000 square feet of high quality office space in Germany's top ten office markets. The properties were acquired at an average cap rate of 7.4% and were partially financed through debt at 57% loan-to-value and an average effective interest rate of 2.7%. The AFFO return on equity is 10.4%.

CAPITAL INITIATIVES

Equity – On April 30, 2012, the Trust had 56,500,301 units outstanding. At the April 30th closing price of \$10.00 per unit, the Trust's market capitalization was \$565 million.

Bought deal financing and secondary offering – On March 27, 2012, we announced an \$80.8 million bought deal financing and secondary offering (\$92.9 million including the exercise of the over-allotment option). Pursuant to this offering, which closed on April 17, 2012, the Trust issued 4,600,000 Units and the current holder of the Exchangeable Notes exchanged the equivalent of \$46.0 million of Exchangeable Notes into 4,600,000 Units, both of which were sold to the syndicate of underwriters. The offering included an over-allotment option of 1,200,000 Units. As a result of the exchange of Exchangeable Notes to Units, indebtedness decreased by \$46.0 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. Pursuant to these arrangements, 80% of our variable rate interest obligations were exchanged for fixed rate interest obligations for five years. Effective December 30, 2011, the Trust entered into an interest rate swap to fix the remaining 20% of the interest payments under the Facility at 3.37% for a period of one year. 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.

On February 29, 2012, the Trust assumed a mortgage in connection with the acquisition of Grammophon Büroпарк in Hannover, Germany, in the amount of \$21.8 million for a mark-to-market adjusted interest rate of 2.41%.

Key performance indicators with respect to the Trust's financing activities are:

	March 31, 2012	December 31, 2011
Average coupon interest rate	4.31%	4.36%
Level of debt (debt-to-book value)	56%	56%
Interest coverage ratio	2.77 times	2.67 times
Debt-to-EBITDFV (years)	8.4	8.0
Proportion of total debt due in current year	-%	-%
Debt – average term to maturity (years)	4.8	5.1
Variable rate debt as percentage of total debt	14%	15%

As at March 31, 2012, the Trust had a debt-to-book value of 56% (or 42%, if Debentures are excluded), had a weighted average interest rate of 4.31% for all of its interest-bearing debt and an interest coverage ratio of 2.77 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 12.8 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 latest annual information form and MD&A. These filings are also available at Dundee International REIT’s website at www.dundeeinternational.com.

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