



DUNDEE INTERNATIONAL REIT ANNOUNCES \$72 MILLION BOUGHT DEAL FINANCING AND SECONDARY OFFERING

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TORONTO, AUGUST 13, 2012 DUNDEE INTERNATIONAL REIT (DI.UN – TSX) and LSF REIT Holdings S.à r.l. (the “Selling Unitholder”) have entered into an agreement to sell 6,800,000 units of Dundee International REIT (the “Units”) on a bought deal basis at a price of \$10.55 per Unit to a syndicate of underwriters led by TD Securities Inc. (the “Underwriters”). Dundee International REIT will issue 3,400,000 Units for gross proceeds to Dundee International REIT of \$35,870,000, and the Selling Unitholder will sell 3,400,000 Units for gross proceeds to the Selling Unitholder of \$35,870,000 (collectively, the “Offering”). The Underwriters will have an option to purchase up to an additional 1,020,000 Units from Dundee International REIT at a price of \$10.55 per Unit (the “Over-Allotment Option”), exercisable in whole or in part at any time for a period of up to 30 days following closing of the Offering.

Dundee International REIT intends to use the net proceeds from the sale of Units to fund future acquisitions and for general trust purposes. Dundee International REIT will not receive any proceeds from the Units sold by the Selling Unitholder.

Dundee International REIT is currently in exclusive negotiations with respect to approximately \$95 million of potential acquisitions of office properties in Germany. These properties are located in major cities and are well leased to tenants with strong covenants. Dundee International REIT expects to continue its negotiations in respect of these acquisitions and will actively pursue these and other acquisition and investment opportunities. However, there can be no assurance that any of these discussions will result in a definitive agreement or, if they do, what the terms or timing of any acquisition would be.

The Selling Unitholder currently holds exchangeable notes of a subsidiary of Dundee International REIT that are collectively exchangeable into Units representing an approximate 6.0% economic interest in Dundee International REIT. The Selling Unitholder will be exchanging all of its remaining outstanding exchangeable notes. Following the closing of the Offering, the Selling Unitholder will not have any interest in Dundee International REIT or its subsidiaries.

Closing of the Offering is expected to occur on or about September 5, 2012. The Offering is subject to certain customary conditions, including the approval of the Toronto Stock Exchange.

This press release is not an offer of securities for sale in the United States. The units being offered have not been and will not be registered under the United States Securities Act of 1933 and accordingly are not being offered for sale and may not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, except pursuant to an exemption from the registration requirements of that Act.

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 12.9 million square feet of gross leasable area of office, industrial and mixed use properties across Germany. For more information, please visit www.dundeeinternational.com.

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, except as required by law. 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.

- 30 -

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