



DUNDEE INTERNATIONAL REIT CONTINUES STRONG ACQUISITION PACE IN GERMANY AND REPORTS SOLID THIRD QUARTER 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 5, 2012 DUNDEE INTERNATIONAL REIT (DI.UN-TSX) today reported its quarterly financial results for the period ended September 30, 2012. Dundee International REIT's management team will be holding a conference call on Tuesday, November 6 at 10:00 a.m. (ET) to discuss the results. To access the conference call, please dial 416-849-5525 in Toronto and overseas or 1-866-200-6965 elsewhere in Canada and the United States, followed by the passcode 88316798#. A taped replay of the call will be available for 90 days. Please dial 1-646-216-7204 or 1-866-206-0173 and use passcode 276896# to access the replay. The call will also be available via webcast at www.dundeeinternational.com

HIGHLIGHTS

- **\$125 million of office properties under contract in Berlin and Hamburg at an average cap rate of 7.4%**
- **Attractive cap rate/interest rate spreads – acquisition of doubleU financed at 2.09%**
- **\$9 million of strategic dispositions closed or under contract**
- **Finalized terms of revolving credit facility, providing additional financing of up to €45 million**
- **58,000 square feet of net absorption in Q3**
- **Quarterly results in line with expectations – AFFO of \$0.21/unit**

ACQUISITIONS

During the third quarter, the Trust acquired doubleU, a high-quality multi-tenant office building located at Derendorfer Allee 4 in Düsseldorf for approximately \$57 million. The building was completed in early 2012, is well located and is leased for an average of over seven years to a variety of fashion and creative tenants, with MEC GmbH, one of the world's largest media companies, occupying the majority of the space. The property was acquired at a cap rate of 6.4% and the Trust obtained mortgage financing at a 58% loan-to-value with a face rate of 2.09%.



Year to date, the Trust has completed or has under contract approximately \$280 million of office properties comprising close to 1.2 million square feet of high quality office space in Germany's top ten markets at an average cap rate of 7.2%.

The Trust currently has approximately \$125 million of properties under contract at an average cap rate of 7.4%, an average occupancy of 91% and an average remaining lease term of 5.7 years.

Acquisitions under contract	Approx. GLA (sq. ft.)	Cap rate (%)	Estimated closing
Greifswalder Strasse 154-156, Berlin	250,500	7.2	Q4 2012
Am Sandtorkai 37, Hamburg	113,400	8.2	Q4 2012
Hammer Strasse 30-34, Hamburg	172,300	6.9	Q1 2013
Total under contract	536,200	7.4	

DISPOSITIONS

As part of the Trust's asset management strategy, a number of assets have been identified for disposition. During the quarter, the sale of a small asset was finalized for approximately \$1.1 million. In addition, five properties are currently under contract for sale for an aggregate amount of \$7.9 million.

OPERATING AND FINANCIAL HIGHLIGHTS

	For the three months ended September 30, 2012 ⁽¹⁾		For the nine months ended September 30, 2012 ⁽¹⁾	
Operations				
Occupancy rate (period-end)		82%		
In-place rent per square foot	\$	7.60		
Operating results				
Investment properties revenue	\$	33,765	\$	102,735
Net rental income		21,741		63,382
Funds from operations ("FFO") ⁽²⁾		12,443		35,972
Adjusted funds from operations ("AFFO") ⁽³⁾		11,862		34,277
Financing				
Weighted average interest rate (period-end)		4.12%		4.12%
Interest coverage ratio		3.08 times		2.96 times
Per unit amounts				
Basic:				
FFO ⁽²⁾	\$	0.22	\$	0.65
AFFO ⁽³⁾		0.21		0.62
Distribution rate		0.20		0.60
Basic (excluding impact of undeployed cash) :				
FFO ⁽²⁾		0.25		0.75
AFFO ⁽³⁾		0.24		0.72

In-place rents – In-place rents in our office segment have increased significantly in the third quarter largely due to the acquisition of doubleU in Düsseldorf in July 2012. In-place rents in the mixed use and industrial segments remain below market rents, allowing for rental uplifts as space gets renewed or re-leased. Overall, average market rents in our portfolio remain approximately 6.5% above in-place rents.

September 30, 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	1,516,881	80.2%	6.66	\$ 13.14	\$ 12.78
Mixed use	9,161,336	81.1%	5.28	7.09	7.64
Industrial	2,247,035	88.1%	5.55	6.11	6.92
Total	12,925,252	82.2%	5.49	\$ 7.60	\$ 8.09

Funds from operations – FFO for the three months ended September 30, 2012 was \$12.4 million or \$0.22 per unit. Excluding the impact of undeployed cash to be used for acquisitions, FFO per unit would be \$0.25 per unit.

Adjusted funds from operations – AFFO for the three months ended June, 2012 was \$11.9 million or \$0.21 per unit. Excluding the impact of undeployed cash, AFFO per unit would be \$0.24 per unit.

CAPITAL INITIATIVES

Equity – On October 31, 2012, the Trust had 61,004,768 units outstanding. At the October 31st closing price of \$11.15 per unit, the Trust's market capitalization was \$680 million.

Public offering of units – On September 5, 2012, the Trust closed a public offering of units at \$10.55 per unit pursuant to which it issued 4,420,000 Units, including the exercise of an over-allotment option of 1,020,000 Units, and the holder of the Exchangeable Notes exchanged the equivalent of \$34.0 million of their remaining Exchangeable Notes into 3,400,000 Units, both of which were sold to the syndicate of underwriters.

Financing – During the third quarter, the Trust obtained mortgage financing for doubleU in Düsseldorf in the amount of \$32.2 million (€26.0 million) at a face rate of 2.09%.

On September 27, 2012, the Trust finalized the terms for a revolving credit facility with a Canadian bank, providing additional financing capacity of €10 million of operating funds and up to €35 million as a bridge-to-mortgage financing.

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

	September 30, 2012	December 31, 2011
<i>Financing activities</i>		
Weighted average interest rate	4.12%	4.36%
Level of debt (debt-to-book value)	55%	56%
Interest coverage ratio	2.96 times	2.67 times
Debt-to-EBITDFV (years)	8.7	8.0
Debt – average term to maturity (years)	4.3	5.1
Variable rate debt as percentage of total debt	13%	15%

As at September 30, 2012, the Trust had a debt-to-book value of 55% (or 42%, if Debentures are excluded), had a weighted average interest rate of 4.12% for all of its interest-bearing debt and an interest coverage ratio of 2.96 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 12.9 million square feet of gross leasable area of office, industrial and mixed use properties across Germany. For more information, please visit www.dundeeinternational.com.

FOOTNOTES

- (1) Operating results were converted into Canadian dollars from euros using the following average exchange rates: the three- and nine-month actuals were converted at \$1.245:€1 and \$1.285:€1, respectively.
- (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 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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