



DUNDEE INTERNATIONAL REIT DECEMBER 31, 2012 FINANCIAL RESULTS POISED FOR MORE GROWTH IN 2013

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 21, 2013 DUNDEE INTERNATIONAL REIT (DI.UN-TSX) today reported its financial results for the quarter and year ended December 31, 2012. Dundee International REIT's management team will be holding a conference call on Friday, February 22 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 and use participant code 14971732#. A taped replay of the call will be available for 90 days. For access details, please go to Dundee International REIT's website www.dundeeinternational.com and click on the Investor link, then click on Calendar of Events.

HIGHLIGHTS

2012 was a transformative year for Dundee International with improvements to the quality of the portfolio through accretive acquisitions at compelling cap rate/interest rate spreads. Significant progress was made in diversifying the REIT's tenant mix and lender base while improving its long-term cashflow.

Portfolio highlights – *continuing growth and diversification*

- \$259 million of office properties acquired in Germany's largest office markets in 2012
- \$788 million of acquisitions closed or under contract year to date in 2013
- Diversification of tenant profile as the REIT's largest tenant Deutsche Post contributes 65% to the overall gross rental income ("GRI") at the end of 2012, down from 85% at the end of 2011. Once the acquisitions under contract are completed, Deutsche Post will drop to 42% of GRI.

Operating highlights – *improving cash flow from operations*

- 50,000 square feet of net absorption in Q4 2012
- 110,000 square feet of net absorption in 2012
- 15% year over year increase in average in-place rent due to the acquisition of higher quality office space
- 2012 FFO of \$48.3 million or \$0.84/unit (\$0.98/unit excluding impact of undeployed cash)
- 2012 AFFO of \$46.2 million or \$0.80/unit (\$0.94/unit excluding impact of undeployed cash)

Financial highlights – *delivering above-average returns to unitholders*

- Announced \$220 million equity offering on February 4, 2013, scheduled to close in early March 2013
- Closed three equity offerings for total gross proceeds of \$208 million in 2012
- \$152 million of mortgage financings in 2012 at an average effective interest rate of 2.7% and average term of 5.7 years, with \$64 million of new mortgage financings completed in the fourth quarter
- Delivered 17.3% total return to unitholders in 2012

GROWTH INITIATIVES

Acquisitions – During 2012, Dundee International REIT completed six office property acquisitions for approximately \$259.1 million, comprising approximately 1.1 million square feet of office space.

	Acquired GLA (sq.ft)	Occupancy at Acquisition (%)	Purchase Price (\$ millions) ⁽¹⁾	Date acquired
Acquisitions closed in 2012				
Grammophon Büropark, Hannover	212,047	95	34.7	February 29, 2012
Karl-Martell-Strasse 60, Nürnberg	268,936	100	62.8	April 26, 2012
Derendorfer Allee 4-4a (<i>doubleU</i>), Düsseldorf	141,744	100	56.0	July 19, 2012
Greifswalder Strasse 154 – 156, Berlin	250,239	88	36.9	December 7, 2012
Am Sandtorkai 37, Hamburg	112,361	90	34.8	December 31, 2012
Leopoldstrasse 252 (<i>Leo 252</i>), Munich	153,435	97	33.9	December 31, 2012
Total	1,138,762	95	259.1	

1) Excludes transaction costs

Year to date in 2013, Dundee International REIT completed two office property acquisitions for approximately \$139.6 million, comprising approximately 295,600 square feet of office space.

	Acquired GLA (sq.ft)	Occupancy at Acquisition (%)	Purchase Price (\$ millions) ⁽¹⁾	Date acquired
Acquisitions closed in 2013				
Hammer Strasse 30-34, Hamburg	172,300	100	56.3	January 31, 2013
Neue Mainzer Strasse 28 (<i>K26</i>), Frankfurt	123,300	90	83.3	February 15, 2013
Total	295,600	96	139.6	

1) Excludes transaction costs

Acquisitions under contract – On February 4, 2013 the Trust announced the acquisition of a 1.5 million square foot portfolio of office properties in Germany for approximately \$567 million (€420 million) from investment funds managed by SEB Asset Management (“SEB”), the SEB Group’s specialist real estate asset manager in Germany. The properties are located in desirable locations in some of Germany’s largest office markets, have a current occupancy rate of 94% and a weighted average lease term of over 5.4 years.

In addition, the Trust has currently two properties under contract located in Munich and Berlin for an aggregate purchase price of approximately €60 million (\$81 million), with an average occupancy of 96% and an average remaining lease term of 7.5 years.

“The last twelve months have been transformative for Dundee International REIT,” said Jane Gavan, CEO of the REIT. “With our key focus on growth and diversification, our acquisitions closed and under contract will add over \$1 billion of assets in excellent locations while improving our risk profile and the quality of our cash flow.”



K26, Frankfurt



Leo 252, Munich



Am Sandtorkai 37, Hamburg

Dispositions – The Trust completed the sale of five small properties in 2012 for an aggregate sales price of approximately €5.7 million (\$7.4 million). Subsequent to year end, two additional properties were sold for an aggregate sales price of approximately €1.6 million (\$2.2 million). In addition, the Trust is a party to agreements to sell six additional properties for an aggregate sales price of approximately €5.5 million (\$7.4 million).

OPERATING AND FINANCIAL HIGHLIGHTS

	For the three months ended December 31, 2012⁽¹⁾	For the three months ended December 31, 2011 ⁽¹⁾	For the year ended December 31, 2012⁽¹⁾	For the period from August 3, 2011 to December 31, 2011 ⁽¹⁾
Operations				
Occupancy rate (period-end)	83%	88%		
In-place rent per square foot	\$ 8.20	7.13		
Operating results (\$'000)				
Investment properties revenue	\$ 35,926	\$ 31,726	\$ 138,661	\$ 54,274
Net rental income	22,057	20,969	85,439	34,500
Funds from operations ("FFO") ⁽²⁾	12,348	10,600	48,320	18,100
Adjusted funds from operations ("AFFO") ⁽³⁾	11,887	10,240	46,164	16,965
Financing				
Weighted average interest rate (period-end)	3.98%	4.36%	3.98%	4.36%
Interest coverage ratio	3.23 times	2.57 times	3.03 times	2.67 times
Per unit amounts				
Basic:				
FFO ⁽²⁾	\$ 0.19	\$ 0.20	\$ 0.84	\$ 0.35
AFFO ⁽³⁾	0.19	0.20	0.80	0.33
Distribution rate	0.20	0.20	0.80	0.33
Basic (excluding impact of undeployed cash) :				
FFO ⁽²⁾	0.24		0.98	
AFFO ⁽³⁾	0.24		0.94	

Occupancy – Occupancy at December 31, 2012 was 83%, or 89%, if the head lease for the 2012 terminated Deutsche Post space is taken into consideration. The Trust receives payments pursuant to such head lease until June of 2014.

In-place rents – In-place rents in our office segment have increased in the fourth quarter largely due to the acquisitions of higher quality office properties. In-place rents in the mixed use and industrial segments remain below market rents, allowing for rental uplifts as space is renewed or re-leased. Overall, at \$8.78 per square foot, average market rents in our portfolio remain approximately 7% above in-place rents of \$8.20 per square foot.

Funds from operations – FFO for the three and twelve months ended December 31, 2012, was \$0.19/unit and \$0.84/unit, respectively. The Trust had undeployed cash on hand at year end in anticipation of property acquisitions that were to close at year end or shortly thereafter. Excluding the impact of undeployed cash to be used for these acquisitions, FFO for the three and twelve months would be \$0.24 and \$0.98, respectively.

Adjusted funds from operations – AFFO for the three and twelve months ended December 31, 2012, was \$0.19/unit and \$0.80/unit, respectively. Excluding the impact of undeployed cash to be used for acquisitions, AFFO for the three and twelve months would be \$0.24 and \$0.94, respectively.

CAPITAL INITIATIVES

Equity – On December 31, 2012, the Trust had 72,232,494 units outstanding. At the year-end closing price of \$10.93 per unit, the Trust's market capitalization was \$790 million, an increase of 52% year over year from \$519 million at the end of 2011. Unitholders' total return for 2012, including \$0.80 per unit in distribution payments, was 17.3%.

Public offering of units – On December 7, 2012 the Trust completed its third public offering of units, issuing 11,166,500 Units, including an over-allotment option, at a price of \$10.30 per unit. In total, \$208 million of gross proceeds were raised from equity financings in 2012.

Financing – During 2012, the Trust obtained mortgage financing in the amount of €117 million (\$152 million) at an average face rate of 2.7% and an average term to maturity of 5.7 years.

In the fourth quarter, 2012, we closed \$64 million of mortgage financings at an average interest rate of 2.3% and an average term to maturity of 7.3 years.

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

	December 31, 2012	December 31, 2011
<i>Financing activities</i>		
Weighted average interest rate	3.98%	4.36%
Level of debt (debt-to-book value)	52%	56%
Interest coverage ratio	3.03 times	2.67 times
Debt-to-EBITDFV (years)	9.3	8.0
Debt – average term to maturity (years)	4.4%	5.1
Variable rate debt as percentage of total debt	11%	15%

As at December, 2012, the Trust had a debt-to-book value of 52% (or 41%, if Debentures are excluded), had a weighted average interest rate of 3.98% for all of its interest-bearing debt and an interest coverage ratio of 3.03 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 13.6 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 twelve-month actuals were converted at \$1.2861:€1 and \$1.2850:€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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