



DUNDEE INTERNATIONAL REIT ANNOUNCES \$125 MILLION EQUITY OFFERING

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TORONTO, MAY 16, 2013 DUNDEE INTERNATIONAL REIT (DI.UN – TSX) announced today that it has entered into an agreement to sell 11,700,000 units of Dundee International REIT (the “Units”) on a bought deal basis at a price of \$10.70 per Unit to a syndicate of underwriters led by TD Securities Inc. (the “Underwriters”) for gross proceeds of \$125,190,000 (the “Offering”). In addition, Dundee International REIT has granted the Underwriters an over-allotment option, exercisable for a period of 30 days following closing, to purchase up to an additional 1,755,000 Units which, if exercised, would increase the gross offering size to \$143,968,500. Closing of the Offering is expected to occur on or about June 6, 2013. The Offering is subject to certain customary conditions, including the approval of the Toronto Stock Exchange.

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 has completed approximately \$777.2 million of acquisitions to date in 2013, including the acquisition of the 1.5 million square foot SEB portfolio in Germany which was completed in March 2013. Dundee International REIT is currently at various stages of due diligence on property acquisitions located in Munich, Stuttgart, Dusseldorf and Hamburg, Germany with a combined purchase price of €269.3 million (\$353.5 million). This includes two properties, one located in Stuttgart and the other in Munich, Germany for which Dundee International REIT is in exclusive negotiations. These two properties together comprise approximately 408,800 square feet of gross leasable area and have a weighted average occupancy of approximately 97%. The total combined purchase price for these properties is anticipated to be approximately €94.84 million (\$124.5 million). The two properties are institutional quality assets having an average age of approximately 18 years. They are leased to a total of 18 tenants with a weighted average lease term of 6.5 years. The top three tenants of the properties include a German state tenant, a municipal government tenant and the financial arm of a major German manufacturer. Dundee International REIT is seeking to acquire these two properties at an average cap rate of 6.6% which represents a spread of over 400 basis points over the five year borrowing rate.

Dundee International REIT expects to continue its due diligence and 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.

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 15.2 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.

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